

Part 2A of Form ADV: Firm Brochure

Item 1: Cover Page

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March 30, 2017

This brochure provides information about the qualifications and business practices of Intrepid Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (904) 246-3433 (phone) or invest@intrepidcapital.net (e-mail). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Intrepid Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Material changes from Intrepid Capital Management, Inc.'s last amendment filed on March 29, 2016, include:

- The liquidation of Intrepid Capital Management PLC.

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Item 4: Advisory Business

Intrepid Capital Management, Inc. (the “Advisor”, and sometimes referred to herein as “Intrepid,” “we,” “us” “our”) incorporated in Florida in 1994, is an investment management firm focused on finding value in equity and fixed income markets for institutional, corporate, and high net worth investors. The Advisor has over 20 years of investment experience and a strong focus on partnering with clients to ensure their investment goals are realized. We differentiate ourselves by managing concentrated portfolios with low turnover, seeking absolute returns, and co-investing with our clients.

We believe that our investment style allows us to pursue the best value we can find in the markets with the goal of achieving superior risk-adjusted returns. We also believe that sound strategies, executed consistently, are the keys to long-term success.

The Advisor is a wholly owned subsidiary of Intrepid Capital Corporation, incorporated in Delaware in 1998.

As of December 31, 2016 we managed approximately \$905,449,000 on a discretionary basis. We also managed approximately \$9,900,000 on a nondiscretionary basis.

We offer the following investment advisory services to our clients:

I. ASSET MANAGEMENT SERVICES

We offer a separately managed account (a “SMA”) investment option, which is administered through the client’s custodian. The program includes the following:

- a. **Investor Profile:** We consult with the client to obtain detailed financial information and other pertinent data on an investor profile worksheet to enable the client to determine the appropriate investment guidelines, risk tolerance, net worth, net income and other factors that will assist in ascertaining the suitability of a SMA.
- b. **Portfolio Management:** We manage the client’s portfolio using, but not limited to stocks, bonds, and money market instruments. We manage the client’s account on an individual basis. Further restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For these reasons, performance of portfolios within the same investment objective may differ. Therefore, clients should not expect that performance of their portfolios will be identical with our average client.
- c. **Performance Evaluation and Monitoring Services:** We will furnish performance measurement services to our clients, provided by the custodian and through internally generated reports, in the form of quarterly performance evaluation reports. The internal reports are intended to inform clients as to how

their investments have performed for the selected period of time. We are also available for periodic meetings at the request of the client.

- d. **Discretionary Authority:** We generally have discretionary authority to buy and sell securities. The client may also elect to have their accounts managed on a non-discretionary basis. The client's custodian may charge a transaction fee or commission on any transaction.
- e. **Custodian Commissions:** The custodian has the responsibility to disclose its commission charges to the client. For accounts managed on a discretionary basis, the client shall grant the Firm sole discretion to purchase, sell, exchange, convert and otherwise trade securities and other investments in the client's account. This trading authorization is continuing in nature and shall remain in effect until terminated by the client or us.

II. MUTUAL FUNDS

- a. We serve as the investment adviser to the Intrepid Capital Management Funds Trust ("ICFT"), a series of non-diversified, open-end mutual funds. The ICFT currently consists of eight no-load funds; The Intrepid Capital Fund-Investor Class, The Intrepid Capital Fund-Institutional Class, The Intrepid Endurance Fund-Investor Class, The Intrepid Endurance Fund-Institutional Class, The Intrepid Disciplined Value Fund-Investor Class, The Intrepid Income Fund-Institutional Class, the Intrepid International Fund-Investor Class and the Intrepid Select Fund-Investor Class (collectively, the "Funds"). As such, we furnish continuous investment advisory services to the Funds and are primarily responsible for the day-to-day management of the investment portfolio of the Funds.
- b. Please also reference the Funds' Prospectus and Statement of Additional Information for further information regarding the investment strategies, restrictions and risks related to the Funds.

III. FINANCIAL PLANNING SERVICES

- a. We provide financial planning on an "as needed" basis. The typical client requesting this service is likely to be a person with varying amounts of investable net worth. We generally intend to provide these services to persons with an investable net worth from \$500,000 or more. However, we may, at our discretion, prepare a financial plan for a client with a net worth less than \$500,000. The nature of the services to clients will be applicable at a point in time based on information provided by the client and documented in the Financial Planning Agreement. The Financial Planning Agreement will terminate upon delivery of the financial plan, except for the client's obligation to pay the agreed-upon fee per the agreement, the limitation on liability and the arbitration provision described in the agreement. However, some clients may contact us for a plan update, and such an update will be a new engagement with a separate fee.

- b. The written financial plan will be based on documentation provided by the client as set forth in the Financial Planning Agreement, including a Planning Questionnaire, and the client will be made aware that a failure to provide accurate and current information may adversely affect the quality of the financial plan.
- c. Our financial planners may from time-to-time determine that an investment in a product or service offered by the Advisor or by a company affiliated with the Advisor is consistent with the client's financial situation or the recommendations contained in the client financial plan. In addition, the client may decide, at the client's own independent discretion, to implement all or a portion of the client financial plan through the purchase of financial products offered by or through us or an affiliated company. In those circumstances, we will receive investment advisory fees as the adviser to the ICFT.
- d. In addition, the Advisor or our employees may recommend or take action in the performance of our duties for our other clients (including those who may have or are also receiving financial planning advice) that may differ from the recommendations or advice given to a client based on their specific financial plan. Differences may arise, but are not limited to the timing and nature of the recommendation or action taken. The Financial Planning Agreement will not be deemed to impose on us or our employees any obligation to recommend for purchase or sale any securities or other investments to the client even though we may purchase or sell or recommend for purchase or sale for our accounts or for the account of any of our other clients. We and our employees may make personal investments in securities and other financial products that we also recommend to our clients.
- e. The client should refer to the Financial Planning Agreement for a full understanding of our financial planning services and obligations.

IV. HEDGE FUND

The Intrepid Capital L.P. (the "Partnership") is an investment partnership designed to allow qualified investors to participate in a professionally managed, diversified investment program, which primarily invests in publicly traded equity securities by holding both long and short positions, and corporate debt. The Partnership will not hold any securities short that are being held long in other strategies or client accounts.

- a. The Advisor acts as the General Partner of the Partnership and has sole responsibility for the management of the Partnership's business and investments. We also have discretionary authority to select investments in trading activities on behalf of the partnership.
- b. The minimum investment in the Partnership is \$500,000 unless the General Partner allows a smaller investment; provided, however, that each investor have a minimum \$1,000,000 under management with us or more than \$2,000,000 net worth exclusive of the value of the investor's principal residence. Please refer to

the Private Offering Memorandum and Subscription Agreement for additional details and instructions.

- c. Clients who invest in the Partnership should also refer to the Private Offering Memorandum for, among other things, additional disclosure about the risks in investing in the Partnership and our relationship with the Partnership.

Item 5: Fees and Compensation

I. ASSET MANAGEMENT SERVICES

FEES-PERCENTAGE OF ASSETS UNDER MANAGEMENT

EQUITY & BALANCED ANNUAL FEE:

\$3,000,000 - \$10,000,000	1.00%
\$10,000,000 and up	Negotiable

HIGH-YIELD FIXED INCOME ANNUAL FEE:

\$10,000,000 - \$100,000,000	0.75%
\$100,000,000 and up	Negotiable

- a. The minimum balance for an Equity and Balanced managed account is \$3,000,000. The minimum balance for a High-Yield Fixed Income account is \$10,000,000. However, we may accept accounts which have a lower minimum value at our discretion. All accounts are billed 25% of the annual fee in advance on a quarterly basis. Each quarterly billing is applied to the market value of the account, including cash equivalents, on the last day of the preceding quarter. Circumstances affecting fees and quarterly billing are negotiable and will be discussed prior to initiating the program with us. All fee changes to client agreements may be made with thirty (30) days written advance notice.
- b. The client agreement may be terminated by either party upon thirty (30) days written notice and the client is entitled to a pro-rata refund of any prepaid quarterly fees. Clients who terminate the agreement within five (5) days of signing the agreement shall be provided a full refund.
- c. A brokerage firm may be charging their own fees outside of advisory fees that we collect. Prior written authorization for the withdrawal of the quarterly fee is obtained from the client and written notification of the quarterly fee is provided to the client prior to debiting the client's account. If there is inadequate cash available to pay the quarterly fee, the client's prior authorization under the client agreement will permit us to liquidate securities to pay for the fees.
- d. For all accounts, we may invest client cash balances in money market funds and may invest client property in other mutual funds. In addition to the fees we charge, each of the money market funds or mutual funds in which clients' funds may be invested also pay its own investment advisory fees and expenses. To the extent that clients invest in mutual funds, other than the Funds, such clients effectively will pay two levels of advisory fees, one for the management of their assets so invested (i.e. to us) and indirectly through the management fees assessed the mutual fund by its investment adviser. Clients will not pay an investment

advisory fee to us with respect to assets in their accounts that are invested in the Funds. However, clients as investors in the Funds will bear their individual proportional share of fees and expenses paid by the Funds including the investment advisory fees paid by the Fund to us.

II. MUTUAL FUNDS

- a. The ICFT's eight mutual funds; the Intrepid Capital Fund – Investor Class ("ICMBX"), the Intrepid Capital Fund – Institutional Class ("ICMVX"), the Intrepid Endurance Fund – Investor Class ("ICMAX"), the Intrepid Endurance Fund – Institutional Class ("ICMZX"), the Intrepid Disciplined Value Fund – Investor Class ("ICMCX"), the Intrepid Income Fund – Institutional Class ("ICMUX"), the Intrepid International Fund – Investor Class ("ICMIX") and the Intrepid Select Fund – Investor Class ("ICMTX") all pay an investment management fee to the Advisor.
- b. Each mutual fund's fee is calculated based on the amount of the individual mutual fund's average daily net assets and is paid monthly. The annual investment management fee payable to us from ICMAX, ICMZX, ICMBX, ICMVX, ICMCX, ICMIX, and ICMTX is 1.00%, while ICMUX's annual fee is 0.75%. As the investment adviser, we have contractually agreed, through January 31, 2018, to reduce our monthly fee and/or reimburse each fund to the extent necessary to ensure that the specific fund's net annual operating expenses does not exceed 1.40% for ICMIX and ICMTX, 1.30% for ICMCX, 1.15% for ICMBX, ICMVX, ICMAX and ICMZX or 0.90% for ICMUX. If we reduce our fee or reimburse expenses in a particular month, we can request reimbursement, from that particular mutual fund, for that waiver or reimbursement in the subsequent three-year fiscal period assuming that reimbursement would not cause the net operating expenses of that particular fund to exceed its contractually agreed upon annual cap. Our investment advisory agreements must be renewed every year by a majority of all of the trustees of the ICFT.

III. FINANCIAL PLANNING SERVICES

- a. We charge a fixed fee of \$1,500 for a full financial plan. However, in order to be flexible in providing financial services to clients, we can provide a plan that considers only a part of the client's total financial portfolio (i.e. client's 401(k) Plan). The client can determine how much time we should spend on their partial or full plan and a flat fee will be charged based on the type of services provided to the client.
- b. Prior to the delivery of a financial plan, either party may terminate the Financial Planning Agreement for any reason upon written notice. In the event of a termination prior to delivery, we will be entitled to compensation at the rate of \$100 per hour for the time expended on the preparation of the financial plan. We may, at our discretion, waive the right to this compensation if the client is unsatisfied with the services provided. If the Financial Planning Agreement is

terminated prior to the delivery of the financial plan by us, we will be under no obligation to provide the client with a financial plan.

- c. We will provide a written plan and the client may implement all, some, or none of the suggestions as the client sees fit. We will send a written statement of the fee after the presentation which is payable within 30 days of the date of the invoice.

IV. HEDGE FUND

- a. The Partnership pays us a quarterly management fee equal to $\frac{1}{4}$ of 1% of the net assets in the Partnership as of the beginning of the calendar quarter for bearing the overhead expenses and providing investment management services for the Partnership.
- b. As the General Partner, we will receive a performance incentive allocation of 20% of any new high balance in each limited partner's account for each allocation period. An allocation period is generally a 12-month period and a new high is any amount by which the value of the limited partner's account at the end of an allocation period exceeds the highest value at the beginning of any allocation period, disregarding capital additions and withdrawals, and taking into consideration any decrease in an account from a prior allocation period. The incentive fee will only be charged on the capital account of the investors who are "qualified clients" (i.e., having a net worth in excess of \$2 million exclusive of the value of the investor's principal residence) or having assets under management with us in excess of \$1 million.
- c. The General Partner performance incentive fee for the Partnership is billed annually on the last day of the allocation period, which is typically the calendar year end and is automatically deducted and paid out of each investor's capital account.
- d. By charging a performance-based fee upon the capital accounts of limited partners of the Partnership, we have an incentive to favor the Partnership account over the accounts of clients who are not charged an incentive fee. For example, there is the incentive to place the best trades for the Partnership over that of our other clients. We address this conflict by maintaining trading policies designed to provide reasonable assurance clients are treated fairly and by performing periodic testing to reasonably ensure one account is not favored over another. We also have an incentive to steer the assets of clients to the Partnership. We address this conflict by disclosing this conflict to clients and prospective investors in the Partnership.

V. FEES - OTHER

Clients may incur other fees or expenses in connection with their investments that are not paid to the Advisor. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

- a. For separately managed accounts, clients may incur brokerage or other transaction fees, annual account fees, or other brokerage or custodian charges as determined by where their account is held.
- b. As a shareholder in one or more of the ICFT's eight Funds, expenses associated directly with the Funds, as well as, transaction or brokerage costs may be incurred. The ICFT is responsible for paying fees associated with administering and maintaining the trust and its Funds. These fees include, but are not limited to accounting, administration, custody services, legal, and transfer services, and are charged pro-ratably across the Funds. In addition, separate transaction fees and account maintenance fees may be charged directly by brokers and custodians.
- c. In addition to the fees paid by the limited partners of the Partnership described under Item 5, IV, the limited partners also indirectly pay their pro rata share of the Partnership's expenses. These fees include, but are not limited to accounting fees, registration fees, software expense, and tax fees.

Item 6: Performance Based Fees and Side-by-Side Management

Please refer to Item 5: Fees and Compensation, for information on performance-based fees.

The side-by-side management of both the Funds and other accounts may raise potential conflicts of interest due to the interest held by the Advisor or one of its affiliates in an account (for example, cross trades between a Fund and another account and allocation of aggregated trades among the Funds and other accounts). The Advisor has developed policies and procedures reasonably designed to mitigate these conflicts. In particular, the Advisor has adopted policies limiting the ability of portfolio managers to effect cross trades and policies to ensure the fair allocation of securities purchased on an aggregated basis.

Item 7: Types of Clients

The Advisor provides advisory services for three basic types of accounts; a SMA, mutual funds in the ICFT, and the Partnership.

- I.** For SMAs, usually offered to corporate, institutional, and high-net worth investors, the general description of accounts offered and account minimums are described in Item 5: Fees & Compensation.
- II.** For the mutual funds in the ICFT, the type of investment and minimum investment varies based on the type and class of the fund. Each fund is generally described as follows; ICMAX, ICMZX and ICMTX – small cap equity value, ICMBX and ICMVX – moderate allocation balanced, ICMCX – mid-cap equity, ICMUX – income, and ICMIX – international equities. The minimum initial amount of investment is \$2,500 for investor class shares of the Funds, \$2,500 for institutional class shares of ICMUX and \$250,000 for institutional class shares of ICMAX, ICMZX, ICMTX, ICMBX, ICMVX, ICMCX and ICMIX. Subsequent investments in the investor class or institutional class shares of the Funds may be made with a minimum investment of \$100. Please also reference the Funds’ Prospectus and Statement of Additional Information for further information.
- III.** For Partnership accounts, offered only to “accredited investors” and “qualified clients,” a general description of the Partnership account minimums are described in Item 4: Advisory Business, IV - Hedge Fund. Please also reference the Partnership’s Private Offering Memorandum for further information.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss

Method of Analysis - Overview

Our research is done internally following a bottom-up value based strategy. Analysts focus on company filings, conference calls, discussions with management and other sources when generating company reports. We emphasize use of primary research over sell-side materials. Securities and Exchange Commission (“SEC”) filings are critical to understanding a business’s history and stability, as well as the primary drivers for the business. The core concept is to value a business in its entirety, as if we were buying the stock in a private market transaction. We discount free cash flows using normalized assumptions (as opposed to cash flows at the peak or trough of the business cycle). For businesses in which discounting free cash flows could be problematic (e.g., financials or commodity-related businesses), we attempt to value the business via an asset valuation. We use discount rates between 10% and 15% (depending upon a business’s cyclicity). Finally, we use realistic growth rate assumptions, which tend to be between 3% and 5%. Management contact (typically via phone) can be important to better clarify accounting questions or to understand the challenges/opportunities facing the target business in question. Once we have valued the entire business, we can determine whether the stock price is at a discount (below) or premium (above) to our intrinsic valuation.

Ideas are shared across the firm and between portfolios. The research team is comprised of portfolio managers and research analysts who search for and evaluate ideas. The investment team meets on a weekly basis to review ideas. Ultimately, the lead portfolio manager of the investment strategy has final say and responsibility for which securities are bought and sold in each strategy. However, all analysts and portfolio managers work in close proximity to one another; ideas are shared throughout the course of each business day.

Method of Analysis – Equity Securities

We start with our investable universe of securities from \$200 million to roughly \$6.5 billion in market cap for the small cap portfolio, \$50 million and above for the international portfolio, and \$200 million and above for the other equity portfolios. These include domestic and foreign securities. We generally eliminate companies which do not meet our criteria. For example, they must be profitable, generate positive free cash flows, and have reasonable financial leverage. Oftentimes when we are screening, we use firm valuation metrics (i.e. Enterprise Value) to account for use of leverage. In addition to screening based on valuation (e.g. EV/EBIT or free cash flow yield), we also screen for companies trading near their 52 week low price levels that may be out of favor or otherwise mispriced by the market. Another important source of ideas comes from the body of knowledge built by the research staff over the years. Some high quality businesses have been followed continuously but may not be owned at a particular time. When the prices of such stocks decline to a level that affords us an adequate margin of safety, we stand prepared to invest. Ideas are also sourced from our credit team as they evaluate modestly leveraged high yield companies. When we believe there is a clear path to debt reduction, we may buy these securities for our equity portfolios.

Once a portfolio candidate is found, we thoroughly review the company's business strategy, financials, competitors, and outlook. If the candidate passes our initial due diligence, we may ask questions to management or others in the industry to firm our understanding of the business. The final step in our process is to discount the candidate's future free cash flows to determine our intrinsic value. This value is then adjusted to reflect excess working capital, hidden assets, hidden liabilities and debt. If the market value is at least 20% below our calculated intrinsic value, the candidate is placed on our potential buy list. While the existence of a catalyst may be desirable, we do not require a catalyst before investing in a security. Although discounting free cash flows is our primary valuation methodology, we also calculate asset valuations when appropriate. Determining the potential takeover price for a business allows us to understand potential upside, but it is not our main technique.

We are very valuation sensitive. We will not generally acquire a company unless we can buy it at a 20% discount to its intrinsic value. Positions are generally sold when they cross our intrinsic value estimate. Our sell discipline is typically driven by the occurrence of three potential events:

- Valuation target achieved
- Degradation of fundamentals
- Misleading statements/information from management

Turnover is not a consideration in our sell discipline.

Method of Analysis – High Yield

We start with the two thousand plus issuers in the High Yield Master II Index, plus smaller issuers not included in the index, as well as investment-grade and convertible bonds. We utilize Bloomberg terminals to screen based on simple, broad criteria, specifically:

- Yield-to-Maturity
- Spread
- Maturity
- Leverage – Debt / TTM EBITDA
- Interest Coverage – TTM EBIT / interest expense

We apply similar metrics to the entire index to identify suitable candidates. Additionally, we use our equity research to expand our potential buy list. After the broad screening, we quickly scan each bond's financial statements to further narrow down the field. We do not use sophisticated screening methods specifically because we do not want to overlook potentially attractive investments.

The initial screen usually yields several hundred securities to be evaluated further. We use quantitative and qualitative methods to eliminate companies that do not meet our criteria. For example, the companies must generate free cash flows and have stable balance sheets. Oftentimes, we use firm valuation metrics (*i.e.*, Enterprise Value) when

screening to account for use of leverage. Certain potential candidates may arise from the use of screens. A second and equally important source of ideas comes from the body of knowledge built by the research staff. In other words, some businesses have been followed for years but may not be owned at a particular time. Depending upon price, these may be suitable candidates as well.

The portfolio managers carefully select securities that, after passing most or all primary criteria, have an attractive yield relative to the risk taken. Risk is measured in both a quantitative and qualitative manner. The portfolio managers tend to keep the duration short, with the average duration usually shorter than 5 years. The short duration helps reduce interest rate risk so that the focus can be on the credit research. The decision on the adequacy of the yield is also based on both quantitative and qualitative properties of the bond in consideration. The option-adjusted spread of the bond over the comparable treasury is an important quantitative measure in the yield received. Lastly, the impact the bond has on the overall portfolio is measured with different effects desired depending on the environment.

Investment Strategies

Equity: We are valuation-driven investors that focus on businesses that are selling below what we believe the underlying businesses are worth. Our valuations are calculated by discounting projected free cash flows and valuing assets. We focus on established companies that have strong balance sheets and that generate consistent free cash flows. We attempt to reduce risk through detailed fundamental analysis of a limited number of holdings and by avoiding businesses that cannot be valued with a high degree of confidence. We employ a long-term investment approach focused on absolute results rather than relative performance. By doing so, we attempt to think independently and avoid investment fads. We sell stocks when they exceed our calculated intrinsic value or when there is a decline in company fundamentals that is not yet reflected in the price of the stock. As bottom up investors, we focus on security selection, in which the decision to buy or sell a particular security is made independently of the presence or absence of investable opportunities among other securities. In certain market conditions when we are unable to find attractive discounts, we may determine that it is appropriate for our portfolios to hold a significant cash position for an extended period of time. We may maintain substantial cash positions when we determine that such cash holdings, given the risks we believe to be present in the market, are more beneficial to shareholders than investments in additional securities.

Fixed Income: We seek fixed income securities that offer attractive yields relative to U.S. Treasury securities, while limiting interest rate risk and the possibility of permanent capital impairment. We perform deep fundamental credit analysis to identify securities with high risk-adjusted potential returns. We invest in a wide range of fixed income securities, including corporate bonds, convertibles, and preferred stock, but will typically target the high-yield corporate market. We seek to limit interest rate risk when we are not being compensated to assume it. The investment team focuses on understandable businesses that generate predictable cash flows, in addition to owning tangible assets

such as land, buildings, marketable equipment, or mineral reserves. We aim to build a portfolio that will withstand credit crises and liquidity events, striving to own debt securities in businesses that would have the ability to refinance in such an environment. We have historically found the high-yield corporate debt market to be fertile ground for our search. High yield securities typically have paid high current interest, as well as offer the potential for capital appreciation when purchased at a discount to par value or when favorable company-specific events occur. We perform deep fundamental credit analysis in selecting debt securities for our portfolios, and the holdings are not limited by credit quality, sector, or geography. Investments in debt instruments will not be limited in duration, but typically will be in securities having duration of two to six years at the time of purchase. Duration is a measure of a debt security's price sensitivity, taking into account a debt security's cash flows over time. In certain market conditions, we may determine that it is appropriate for the portfolios to hold a significant cash position for an extended period of time. We may maintain substantial cash positions when we determine that such cash holdings, given the risks we believe to be present in the market, are more beneficial to shareholders than investment in additional securities.

Risk

We try to control risk by ensuring that we understand a business's operating characteristics, cash flows, and balance sheet, and then waiting to buy shares until we believe there is at least a 20% discount to our fair value estimate. We assess the internal operating and financial risk of each holding, and this is reflected in our valuations. We tend to own shares in businesses with more stable end markets than average and without highly leveraged balance sheets. These can usually be valued with a higher degree of confidence. This risk control process helps us participate in rising markets and protect capital in declining markets. Portfolio risk is often measured by outsiders using standard deviation.

There is a risk that you could lose all or a portion of your money on your investment. This risk may increase during times of significant market volatility. Our investment strategies are subject to the following risks which could affect the value of your investment:

- **American Depositary Receipt ("ADR") and Global Depositary Receipt ("GDR") Risk:** ADRs and GDRs may be subject to some of the same risks as direct investment in foreign companies, which includes international trade, currency, political, regulatory and diplomatic risks. Because unsponsored ADR arrangements are organized independently and without the cooperation of the issuer of the underlying securities, available information concerning the foreign issuer may not be as current as for sponsored ADRs and voting rights with respect to the deposited securities are not passed through. GDRs can involve currency risk, since unlike ADRs, they may not be U.S. dollar-denominated.
- **Cash Position Risk:** The ability of the Advisor to meet its objective may be limited to the extent it holds assets in cash (or cash equivalents) or is otherwise uninvested.

- **Credit Risk:** The risk of investing in bonds and debt securities whose issuers may not be able to make interest and principal payments. Even if these issuers are able to make interest or principal payments, they may suffer adverse changes in financial conditions that would lower the credit quality of the security and lead to greater volatility in the price of the security.
- **Currency Risk:** If the Advisor invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the U.S. or abroad. As a result, the Advisor's investments in foreign currency-denominated securities may reduce the returns of a portfolio. Although hedging may be used to protect the Advisor from adverse currency movements, the use of such hedges may reduce or eliminate the potentially positive effect of currency revaluations on a portfolio's total return, and there is no guarantee that the Advisor's hedging strategy will be successful.
- **Debt/Fixed Income Securities Risk:** The value of your investment may change in response to changes in interest rates. An increase in interest rates typically causes a fall in the value of the debt securities in which the Advisor invests. Interest rates in the U.S. are at, or near, historic lows, which may increase the exposure to risks associated with rising interest rates. Moreover, rising interest rates or lack of market participants may lead to decreased liquidity in the bond and loan markets, making it more difficult for the Advisor to sell its holdings at a time when the Advisor might wish to sell. The longer the duration of a debt security, the more its value typically falls in response to an increase in interest rates. The value of your investment may change in response to the credit ratings of debt securities held by the Advisor. The degree of risk for a particular security may be reflected in its credit rating. Generally, investment risk and price volatility increase as a security's credit rating declines. The financial condition of an issuer of a debt security may cause it to default or become unable to pay interest or principal due on the security. The Advisor cannot collect interest and principal payments on a debt security if the issuer defaults. Prepayment and extension risks may occur when interest rates decline and issuers of debt securities experience acceleration in prepayments. The acceleration can shorten the maturity of the debt security and force the Advisor to invest in securities with lower interest rates, reducing the portfolio's return. Issuers may decrease prepayments of principal when interest rates increase, extending the maturity of the debt security and causing the value of the security to decline. Distressed debt securities ("junk

bonds”) involve greater risk of default or downgrade and are more volatile than investment grade securities. Distressed debt securities may also be less liquid than higher quality debt securities.

- **Equity Securities Risks:** Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Advisor invests.
- **Exchange-Traded Fund (“ETF”) Risk:** ETFs are investment companies that trade like stocks. The price of an ETF is derived from and based upon the securities held by the ETF. However, like stocks, shares of ETFs are not traded at net asset value, but may trade at prices above or below the value of their underlying portfolios. The level of risk involved in the purchase or sale of an ETF is similar to the risk involved in the purchase or sale of a traditional common stock, except that the pricing mechanism for an ETF is based on a basket of securities. Thus, the risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold could result in losses on the Advisor’s investment in ETFs. ETFs are subject to management fees and other fees that may increase their costs versus the costs of owning the underlying securities directly.
- **Foreign Securities Risk:** Stocks of non-U.S. companies (whether directly or in ADRs) as an asset class may underperform stocks of U.S. companies, and such stocks may be less liquid and more volatile than stocks of U.S. companies. The costs associated with securities transactions are often higher in foreign countries than the U.S. The U.S. dollar value of foreign securities traded in foreign currencies (and any dividends and interest earned) held in the portfolios may be affected unfavorably by changes in foreign currency exchange rates. An increase in the U.S. dollar relative to these other currencies will adversely affect the portfolio, if the positions are not fully hedged. Additionally, investments in foreign securities, whether or not publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments, such as less demanding regulatory requirements, less demanding financial reporting requirements, and less stable economies.
- **High Portfolio Turnover Risk:** High portfolio turnover will produce higher transaction costs (such as brokerage commissions or markups or markdowns), and will increase realized gains (or losses) to investors, which may lower after-tax performance.
- **High Yield Risk:** Investment in high yield securities can involve a substantial risk of loss. These securities, commonly called “junk bonds,” are rated below

investment grade and considered to be speculative with respect to the issuer's ability to pay interest and principal. They are more likely to default than investment grade securities when adverse economic and business conditions are present. High yield securities are generally much less liquid than investment grade debt securities and their market values tend to be volatile. In addition, high yield securities tend to have greater credit risk than investment grade securities.

- **Interest Rate Risk:** In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations. There have been extended periods of increases in interest rates that have caused significant declines in bond prices. Interest rates currently are at, or near, historic lows, and may increase, with potentially sudden and unpredictable effects on the markets and the Advisor's choice of investments.
- **Liquidity Risk:** Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions, that the Advisor may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects based on the Advisor's valuation of the investments
- **Market Risk:** The prices of the securities in which the Advisor invests may decline for a number of reasons.
- **Small and Medium Capitalization Company Risk:** Small and medium capitalization companies often have narrower product lines and markets and more limited managerial and financial resources, and as a result may be more sensitive to changing economic conditions. Stocks of smaller companies are often more volatile and tend to have less trading volume than those of larger companies. Less trading volume may make it more difficult to sell securities of smaller companies at quoted market prices. Finally, there are periods when investing in small capitalization company stocks falls out of favor with investors and the stocks of smaller companies underperform.
- **Value Investing Risk:** The Advisor may be wrong in its assessment of a company's value or the market may not recognize improving fundamentals as quickly as the Advisor anticipated. In such cases, the stock may not reach the price that reflects the intrinsic value of the company. There are periods when the value investing style falls out of favor with investors and in such periods a Fund may not perform as well as other mutual funds investing in common stocks.

Item 9: Disciplinary Information

There have been no disciplinary actions against us or any of our principals or employees within the last ten years by:

- Any domestic, foreign or military court,
- The SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority, or
- Any self-regulatory organization (SRO).

Item 10: Other Financial Industry Activities and Affiliations

We are the investment advisor to ICFT, a series of non-diversified, open-end mutual funds. We typically offer these investment options to clients and prospects whose account objective is aligned with a fund's investment objective and whose investment activity would be better served in a mutual fund investment as opposed to a managed account. Some officers also have roles with ICFT, while other staff members of the Advisor may perform certain activities on behalf of ICFT, which could create conflicts of interest due to competing priorities. We spend more than 50% of our time offering or managing this investment option.

We are also the General Partner of the Partnership, which is offered as an investment option for qualified investors. We make all day-to-day investment decisions and will dedicate a portion of our time to the management of the Partnership's investments. We typically purchase and sell equity securities and corporate debt, though there is no material limitation on the particular securities or other investments which the Partnership may acquire, with the goal of maintaining capital preservation and generating long-term capital appreciation. We spend more than 20% of our time offering and managing this investment option.

We receive compensation from both ICFT, based upon assets under management, and from the Partnership, based upon assets under management and the performance of the investments. Because we are compensated by both ICFT and Partnership, we have a conflict of interest in recommending an investment in one over the other to our clients. However, we believe that we have mitigated this conflict of interest by ensuring that our clients' assets that are invested, upon our recommendation in ICFT or the Partnership are invested according to each of our client's needs, are suitable for their investment objectives, and not based on the fees charged by us in either investment choice.

We also offer comprehensive financial analysis and planning services to our clients, but this service makes up less than 1% of our business.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics and Professional Standards (“Code of Ethics”) designed to avoid prohibited acts and mitigate potential conflicts of interest. The Code of Ethics works in conjunction with our written Statement of Policy and Procedures (“Statement of Policy”) and is designed to detect and prevent insider trading and to govern personal securities trading. Such issues addressed by either document include, among other things, forbidding any of our employees from trading, either personally or on behalf of others (such as a hedge fund and private accounts managed by us), on material non-public information and from communicating material non-public information to others in violation of any governing law.

Intrepid employees and their spouses are prohibited from purchasing individual stocks, common or preferred, or stock options in any investment account that they have trading power over. Employees can keep the individual securities that they have as of 8/7/2013, but all future liquidation of the securities will require a Trade Preclearance Form completed and signed by the Advisor’s Chief Executive Officer (“CEO”) or the Advisor’s Chief Compliance Officer (“CCO”) before execution.

From 8/23/2016 forward, employees can invest in the following:

- 1) U.S. Direct Obligations, Bank CDs – these can be purchased/sold by any employee and/or their spouse at any time, and the trade does not require prior approval from the CEO or CCO.
- 2) ETFs – all purchases/sales can be done at any time by any employee and/or their spouse, and the trade does not require prior approval from the CEO or CCO.
- 3) Non-Intrepid Mutual Funds – non-proprietary mutual funds can be purchased/sold by any employee and/or their spouse at any time, and the trade does not require prior approval from the CEO or CCO.
- 4) Equity Securities and Intrepid Mutual Funds – all purchases/sales can be purchased/sold by any employee and/or their spouse at any time, as long as a Trade Preclearance Form has been completed and signed by the CEO or CCO before execution. In addition, a letter describing a systematic purchase can be given to the CCO for filing in lieu of a Trade Preclearance Form.

Purchases or sales of the Intrepid Mutual Funds in the Intrepid Profit Sharing/401(k) Plan are exempt from preclearance.

Records will be maintained of all securities bought or sold by us or our employees. We require all new employees disclose all of their, their spouse’s, and any beneficial ownership accounts that they have, as well as, the holdings in these accounts. All employees are required to provide monthly or quarterly holdings reports, depending on the type of account, to the CCO. These reports are reviewed for compliance purposes.

Our Statement of Policy, in conjunction with our Code of Ethics, sets forth our policy that clients' interests are always placed ahead of any corporate or personal interest. Our policies require our employees to do their purchasing and selling after transactions have been completed for all client accounts and include the procedures that require all employees to pre-clear their personal securities transactions except for those limited transactions accepted (see above) from the pre-clearance requirement. We believe that the Code of Ethics and Statement of Policy are designed to detect and prevent insider trading, to govern personal securities trading, and are appropriate to prevent or eliminate potential conflicts of interest situations between the Advisor, our employees, and our clients. However, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts.

A copy of our Code of Ethics is available to our clients upon a written request.

Item 12: Brokerage Practices

Our clients in a SMA are required to provide written discretionary authority to us to select and execute transactions on their behalf. Clients may direct us to enter orders for their account with certain broker-dealers. However, such a client is advised that their account may not receive as favorable a price on a transaction as it would if we had discretion to choose the broker-dealer to effect the transaction. For those clients' accounts where we have discretion to choose the broker-dealer to effect the transaction on the account, the broker-dealers are chosen to achieve the best overall services for the clients' accounts.

Generally, transaction fees are negotiated. Consistent with our policy to obtain best execution, transactions are placed with broker-dealers after giving consideration to the following:

- The past experience/proven ability of broker to perform;
- Difficulty of execution for stock or bond in question (liquidity, volatility, broker speed and communication feedback);
- Ability to allocate block trades for multiple accounts at average pricing;
- Availability of soft dollar or other research incentives;
- Ability to handle/provide size execution;
- Ability to service special account needs (certification/transfers etc.); and
- Purely price of commission alone.

We use block trading and aggregation of orders for our clients. When decisions are made to purchase or sell securities for a number of clients, simultaneously, the transactions are generally averaged as to price and are allocated as to amount in accordance with the daily purchase or sell orders actually executed for each client. The allocation of block trades to several accounts occurs by weighing the following factors:

- The liquidity of the issue in question and broker ability to execute without negatively effecting price and speed of response;
- The availability or need for cash in a given account;
- The relative size or position of the issue in question relative to other accounts;
- The size of orders to be executed through the same broker; and
- After considering the above factors, trades will typically be executed broker by broker to avoid the adverse effect on price of multiple interests.

All trades are allocated and transmitted to brokers by the end of the trading day. In the event of a partial fill, shares will be allocated pro-rata based on original total order quantity, unless it proves cost-prohibitive for some accounts to receive their pro-rata portion, in which case shares will be filled randomly. We use Advent's Moxy to determine order quantities and calculate pro-rata and random allocations when necessary. Exact pro-rata allocations may not be achieved due to rounding of quantities to achieve round lot positions in client accounts. In instances where accounts are required or

deemed cost-effective to trade at different brokers, accounts are likely to receive different execution prices. But, generally, all accounts traded at a specific broker-dealer will receive the same average price.

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, as amended, we have soft dollar arrangements whereby we have the discretionary authority to select broker-dealers who may charge commissions in excess of the lowest available commissions, in recognition of the value of products or services provided by the broker-dealer to us. The products or services arranged or provided by the broker-dealer may be used in servicing all of our clients, but may or may not be used in connection with accounts that have paid commissions to the broker-dealer providing the service. Research products and services may include access to proprietary research systems, access to third party providers of pricing and performance information, discounts on software applications and other business related expenditures. These arrangements will only affect the clients we have brokerage discretion over, and where we have determined in good faith that such commissions are reasonable in relation to the value of the research and execution of products/services received from the broker-dealer. One of our principals will periodically review to evaluate the research and execution products/services we receive under the arrangements. Such research includes information in the form of written and oral reports, reports accessed by computers and terminals, statistical collations, appraisals and analyses relating to markets, companies, industries and economic factors. The execution products received are designed to assist us in facilitating timely trade executions and support our ability in trying to obtain best price execution for the client trades.

When we use commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services; thus, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

Item 13: Review of Accounts

Accounts for clients with a SMA, will be reviewed monthly, quarterly, and annually as well as daily in periods of rapidly changing markets. Reviewers include technical analysts, corporate officers, and administrative and trading personnel. We will review time weighted rates of return for various periods as well as investment alternatives. Clients with a SMA will receive monthly statements from their custodian. Most custodians also offer online access to the account. Clients will also receive quarterly reports from the Advisor, and in addition, have the ability to request an ad-hoc report or retrieve reports electronically.

Investments held in the ICFT are reviewed daily. Clients with investments in the mutual funds of the ICFT will receive quarterly statements from the custodian, unless they have chosen to receive electronic communications. Online access to their accounts is also available.

Investments in the Partnership are reviewed daily and the Partnership's performance is reviewed monthly. Limited partners in the Partnership will receive a quarterly statement provided by the Advisor and a copy of the Partnership's annual financial statements with an accompanying independent auditor's report.

Item 14: Client Referrals and Other Compensation

From time to time we compensate others for referring advisory clients to us. Referral fees are based on a percentage of the annual management fees that we earn on referred accounts and represent no additional expense to such accounts. Persons who refer clients to us are required to provide the written disclosure to persons referred in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15: Custody

If a client has provided Intrepid with written authority to deduct advisory fees directly from the client account, Intrepid is deemed to have custody of those accounts. However, outside of those circumstances, Intrepid does not maintain custody of client assets.

Clients in a SMA will receive statements from us. They should carefully review and compare the statements they receive from the custodian of their account with the statements they receive from us.

Clients in the mutual funds of the ICFT will receive statements from the transfer agent where the account is being held. Clients should carefully review the statements they receive.

The Partnership is a private investment fund, and as the General Partner, the Advisor is deemed to have custody of the assets even though the assets are held by an unaffiliated, third-party custodian. Limited partners in the Partnership will receive a quarterly statement provided by the Advisor and a copy of the Partnership's annual financial statements with an accompanying independent auditor's report. Clients should carefully review their statements and the Partnership's annual financial statements.

Item 16: Investment Discretion

Clients with a SMA shall be required to provide written discretionary authority to the Firm to select and execute transactions on their behalf. SMA clients may set limits on investment discretion by specifying certain securities they do not want held in their account, or by setting other limits, subject to agreement by us. Clients may direct the Firm to enter orders for their account with certain broker-dealers. The Advisor assumes discretionary authority after the following procedures have taken place.

- The Advisor's discretionary investment advisory agreement has been completed and signed by the client.
- The custodian's account application is completed and signed by the client indicating that we have investment authority and trading discretion on the account.
- A copy of the Advisor's most recent ADV is delivered to the client.

Item 17: Voting Client Securities

The Advisor will vote proxies for client accounts under our management unless the client expressly requests that we do not do so. The Advisor votes proxies in a manner that it believes is consistent with the economic best interests of each company. In accordance with its duty of care, the Advisor monitors proxy proposals just as it monitors other corporate events affecting the companies in which we invest.

- With respect to routine matters, the Advisor will tend to vote with management, although it reserves the right to vote otherwise. Routine proposals are those that do not change the structure, bylaws or operations of the company.
- The Advisor will generally tend to vote with management with respect to social, environmental, or political proposals.
- The Advisor generally votes against poison pills, green mail, super-majority voting provisions, golden parachute arrangements, staggered board arrangements and the creation of classes of stock with superior voting rights.
- The Advisor will generally vote in favor of maintaining preemptive rights for shareholders and cumulative voting rights.
- Whether or not the Advisor votes in favor of or against a proposal to a merger, acquisition or spin-off depends on its evaluation of the impact of the transaction on the security.
- The Advisor generally votes in favor of transactions paying what it believes to be a fair price in cash or liquid securities and against transactions which it believes do not.

In circumstances that the Advisor would vote against management's recommendations, an explanation as to the reason for divergence from the recommendation would be documented and maintained by the Advisor. There may be instances where the interests of the Advisor may conflict or appear to conflict with the interests of its clients. In such situations, the Advisor will, consistent with its duty of care and duty of loyalty, vote the securities in accordance with its pre-determined voting policy, but only after disclosing any such conflict to clients and affording them the opportunity to direct the Advisor in the voting of such securities.

Upon request, clients may obtain information from the Advisor about how it voted client securities by contacting us (904) 246-3433. A copy of the Advisor's proxy voting policies and procedures is also available upon request.

Item 18: Financial Information

There are no financial conditions to disclose which would impair the Advisor's ability to meet contractual commitments to clients.