

# The Kinetics Internet Fund



3Q 2017

## Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately \$5.3 billion in assets as of 09/30/2017.
- Oversees investments in 8 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

## Portfolio Managers

### Murray Stahl

Chief Investment Officer  
39 years of management experience  
Co-Manager of Fund since 1999

### Peter Doyle

Senior Portfolio Manager  
32 years of management experience  
Co-Manager of Fund since 1999

### James Davolos

Co-Portfolio Manager  
12 years of management experience  
Co-Manager of Fund since 2010

## Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KINAX	494613862	0.25%	2.12%	2.12%
Adv. C	KINCX	494613763	1.00%	2.62%	2.62%
No Load	WWWFX	460953102	-	1.87%	1.87%

## Fund Characteristics

Total Net Assets	\$129.6 million
Total Number of Positions*	36
Turnover Ratio	0%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	\$2,500

\*Calculated such that all securities issued by one issuer are counted as one position.

## Portfolio Allocation

Common Stocks	61.8%
Cash and Cash Equivalents	38.2%
Other Investments	0.0%

## Internet Fund Overview

- ◆ A fund that invests in undervalued companies participating in the growth of the Internet.
- ◆ Focused not only on investing in traditional technology companies, but also those that provide new kinds of services or products made possible by development of the Internet, as well as existing businesses that are radically reinventing themselves through the Internet.
- ◆ Such companies typically enjoy high barriers to entry, such as proprietary content or technology that is difficult to replicate.

## Performance (No-Load Class)

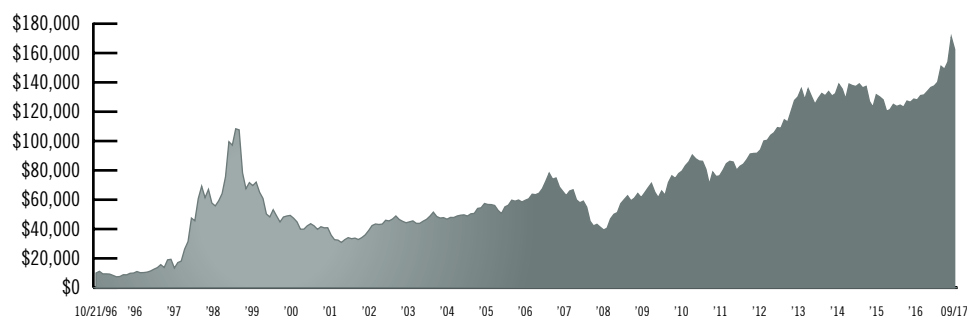
Annualized Returns as of 09/30/17

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWFX)	9.02%	23.60%	26.29%	7.51%	12.24%	8.39%	14.40%	14.24%
S&P 500 Index	4.48%	14.24%	18.61%	10.81%	14.22%	7.44%	7.00%	8.25%
NASDAQ Composite Index	5.79%	20.67%	22.29%	13.07%	15.83%	9.17%	6.98%	8.24%

The Internet Fund No Load Class inception date is 10/21/96. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at [www.kineticsfunds.com](http://www.kineticsfunds.com) for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

## Growth of \$10,000 Returns Since Inception

\$162,439



## Top 10 Holdings (%) as of 09/30/17

The Bitcoin Investment Trust	12.1%
EchoStar Corporation - Class A	5.1%
Liberty Media Corp.-Liberty SiriusXM - Class C	4.1%
CACI International, Inc. - Class A	3.1%
PayPal Holdings, Inc.	3.1%
Alphabet, Inc. - Class A	3.0%
Alphabet, Inc. - Class C	3.0%
The Madison Square Garden Company - Class A	2.7%
Liberty Broadband Corporation - Series C	2.6%
Visa, Inc. - Class A	2.2%

## Statistics as of 09/30/17

	Fund	S&P 500
Beta	1.27	1.00
Standard Deviation	30.28	15.06
Up Market Capture Ratio	1.48	-
Down Market Capture Ratio	1.26	-
Sharpe Ratio	0.38	0.40
Weighted Avg. Mkt. Cap. (\$mil)	\$87,716	\$177,839
Median Market Cap. (\$mil)	\$7,884	\$21,005
Price to Book	2.64	3.05
Price to Earnings	12.59	22.34
Return on Equity	29.70%	18.82%
Active Share	94.95%	-

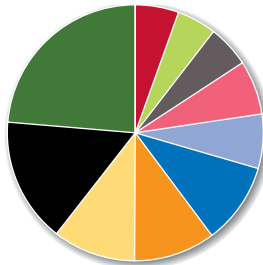


### Historical Total Return (No-Load Class) as of 09/30/17

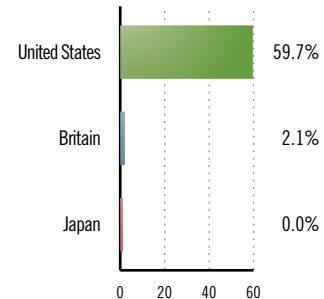
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund (WWWFX)	-51.49%	-9.62%	-23.44%	40.11%	10.06%	-1.69%	16.49%	26.81%	-42.24%	48.61%	21.18%	-1.98%	23.24%	44.28%	-0.16%	-5.42%	2.59%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%
NASDAQ Composite Index	-39.29%	-21.05%	-31.53%	50.01%	8.59%	1.37%	9.52%	9.81%	-40.54%	43.89%	16.91%	-1.80%	15.91%	38.32%	13.40%	5.73%	7.50%

### Top 10 Industries (%)

Sec., Cmndty Contracts, and Other Fin. Inv. and Rel. Act.	13.8%
Broadcasting (except Internet)	9.2%
Cable Distributor	6.1%
Satellite Telecommunications	6.0%
Other Information Services	6.0%
Defense	4.0%
Data Processor	4.0%
Administrative and Support Services	3.1%
E-Commerce	2.9%
Media	2.2%



### Top Countries (%)



### Definitions:

**Active share:** A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since 11/01/96. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since 11/01/96 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 11/01/96. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 11/01/96. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

The Gross expense ratio listed for the No-Load Class is as of 12/31/2016 as reported in the 5/1/2017 prospectus. Gross expense ratios listed for Advisor Class A and Advisor Class C are as of 12/31/2016 as reported in the 4/28/2017 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2018 and may be discontinued at any time by the Fund's adviser after May 1, 2018.

The Growth of \$10,000 chart illustrates the performance of a hypothetical \$10,000 investment made in No Load Class shares on commencement of operations (10/21/96). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Industries and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

**You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. For a free copy of the fund's prospectus, which contains this and other information, visit our website at [www.kineticsfunds.com](http://www.kineticsfunds.com) or call 1-800-930-3828. You should read the prospectus carefully before you invest.**

*As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Furthermore, Internet stocks are subject to a rate of change in technology obsolescence and competition that is generally higher than that of other industries, and have experienced extreme price and volume fluctuations. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.*

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks. They are typically used as a proxy for overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

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