

The Kinetics Small Cap Opportunities Fund



1Q 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 \$5.2 billion in assets as of 03/31/2017.
- Oversees investments in 8 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Peter Doyle
Senior Portfolio Manager
32 years of management experience
Co-Manager of Fund since inception (2000)

Murray Stahl
Chief Investment Officer
39 years of management experience
Co-Manager of Fund since inception (2000)

Matt Houk
Co-Portfolio Manager
12 years of management experience
Co-Manager of Fund since 2011

Class Information

| Class | Ticker | Cusip | 12b-1 fee | Net | Gross |
|---------|--------|-----------|-----------|-------|-------|
| Adv. A | KSOAX | 494613839 | 0.25% | 1.89% | 1.98% |
| Adv. C | KSOCX | 494613748 | 1.00% | 2.39% | 2.48% |
| Inst. | KSCYX | 494613813 | - | 1.44% | 1.68% |
| No Load | KSCOX | 494613706 | - | 1.64% | 1.73% |

Fund Characteristics

| | |
|----------------------------|-----------------|
| Total Net Assets | \$194.1 million |
| Total Number of Positions* | 44 |
| Turnover Ratio | 6% |
| Investment Style | Global Equity |
| Market Cap Focus | Small Cap |
| Minimum Purchase | \$2,500 |

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

Portfolio Allocation

| | |
|---------------------------|-------|
| Common Stocks | 92.2% |
| Cash and Cash Equivalents | 7.1% |
| Preferred Stocks | 0.5% |
| Other Investments | 0.2% |

Small Cap Opportunities Fund Overview

- ◆ U.S. focused global small-cap fund seeking to invest in fundamentally undervalued companies with market capitalizations at or below the highest market capitalization of a component security within the Russell 2000® Index.
- ◆ Investments are concentrated in companies that have a small capitalization with the potential to expand to higher valuations either through revaluation, growth or a combination thereof.
- ◆ Fund targets companies with substantial barriers to entry, long product life cycles and sound capital structures; on occasion companies may be less mature companies and in the process of developing a superior product or market niche.

Performance (No-Load Class)

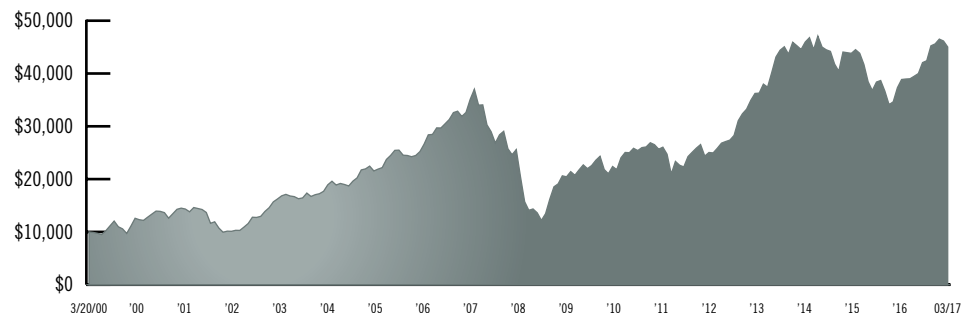
Annualized Returns as of 03/31/17

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | Since Inception |
|------------------------|---------|--------|--------|--------|--------|-------|-----------------|
| Fund (KSCOX) | -1.28% | -1.28% | 20.65% | -0.17% | 11.72% | 3.98% | 9.24% |
| S&P SmallCap 600 Index | 1.06% | 1.06% | 24.59% | 9.45% | 14.25% | 8.80% | 9.65% |
| S&P 500 Index | 6.07% | 6.07% | 17.17% | 10.37% | 13.30% | 7.51% | 4.90% |

The Small Cap Opportunities Fund, No Load Class inception date is 3/20/00. 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 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

\$45,019



Top 10 Holdings (%) as of 03/31/17

| | |
|--|-------|
| Texas Pacific Land Trust | 22.5% |
| The Howard Hughes Corporation | 9.1% |
| Icahn Enterprises LP | 8.9% |
| Dream Unlimited Corp. - Class A | 5.9% |
| The Wendy's Company | 4.8% |
| Onex Corporation | 4.3% |
| Tropicana Entertainment Inc. | 4.2% |
| Live Nation Entertainment, Inc. | 4.0% |
| Associated Capital Group, Inc. - Class A | 3.1% |
| Rubis SCA | 2.4% |

Statistics as of 03/31/17

| | Fund | S&P 600 |
|---------------------------------|---------|---------|
| Beta | 0.88 | 1.00 |
| Standard Deviation | 19.86 | 18.54 |
| Up Market Capture Ratio | 0.86 | - |
| Down Market Capture Ratio | 0.79 | - |
| Sharpe Ratio | 0.38 | 0.43 |
| Weighted Avg. Mkt. Cap. (\$mil) | \$3,332 | \$1,761 |
| Median Market Cap. (\$mil) | \$788 | \$1,086 |
| Price to Book | 1.82 | 2.20 |
| Price to Earnings | 22.13 | 23.60 |
| Return on Equity | 21.74% | 9.56% |
| Active Share | 99.50% | - |

The Kinetics Small Cap Opportunities Fund



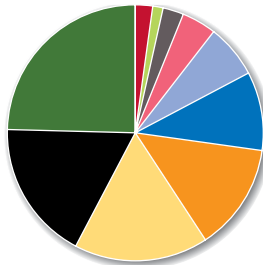
1Q 2017

Historical Total Return (No-Load Class) as of 03/31/17

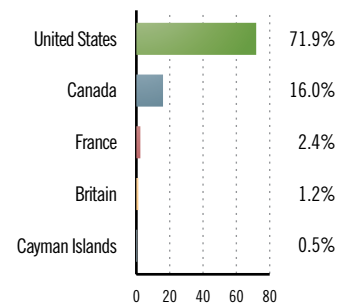
| | 2000* | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|--------|---------|---------|--------|--------|--------|--------|--------|---------|--------|--------|---------|--------|--------|--------|---------|--------|
| Fund (KSCOX) | 14.25% | 30.63% | -30.28% | 66.51% | 16.40% | 13.17% | 28.37% | 19.65% | -57.88% | 58.16% | 13.86% | -13.65% | 26.74% | 59.40% | -7.28% | -12.26% | 24.39% |
| S&P SmallCap 600 Index | 4.27% | 6.54% | -14.63% | 38.79% | 22.65% | 7.68% | 15.12% | -0.30% | -31.07% | 25.57% | 26.31% | 1.02% | 16.33% | 41.31% | 5.76% | -1.97% | 26.56% |
| S&P 500 Index | -8.57% | -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% |

Top 10 Sectors (%)

| | |
|---|-------|
| Petroleum and Gas | 22.5% |
| Finance and Insurance | 16.2% |
| Real Estate and Rental and Leasing | 15.5% |
| Manufacturing | 12.4% |
| Management of Companies and Enterprises | 9.1% |
| Accommodation and Food Services | 6.2% |
| Arts, Entertainment, and Recreation | 4.0% |
| Utilities | 2.4% |
| Retail Trade | 1.2% |
| Mining, Quarrying, and Oil and Gas Extraction | 1.0% |



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 Core S&P Small-Cap 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 04/01/00. **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 04/01/00 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 04/01/00. **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 04/01/00. **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.

Gross expense ratios for the No Load Class, Advisor Class A, Advisor Class C and the Institutional Class are reported as of 12/31/15 and referenced in the 4/30/16 respective 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 through May 1, 2017 and may be discontinued at any time by the Fund's adviser after May 1, 2017.

The Growth of \$10,000 chart illustrates the performance of a hypothetical \$10,000 investment made in No Load Class shares commencement of operations (3/20/00). 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 Sectors 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 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. 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 Portfolio Trust.

S&P SmallCap 600 Index statistics chart data is based on the iShares Core S&P Small-Cap ETF for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The S&P SmallCap 600 Index represents an unmanaged, broad-based basket of small-cap stocks in the U.S equity market. The S&P SmallCap 600 returns assume that dividends are reinvested. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

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