Kinetics Mutual Funds
Second Quarter 2016 - Conference Call with Peter Doyle
July 7, 2016

Disclosures:

Kinetics Asset Management LLC ("Kinetics") is pleased to announce that on July 7, 2016, Peter Doyle, Chief Investment Strategist for Kinetics Mutual Funds, Inc. hosted a conference call to financial advisors. The transcript set forth below is intended to provide a summary of Mr. Doyle's remarks.

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Options contain special risks, including the imperfect correlation between the value of the option and the value of the underlying asset. In addition, investing in foreign securities involves more risk than does investing in 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. Also, there are risks associated with investing in small and medium size companies. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Funds pursue their investment objectives by investing all of their investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

Index & Benchmark Definitions:
The S&P 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The iShares MSCI ACWI Index seeks to measure the performance of both the MSCI World Index and MSCI Emerging Markets Index. The iShares EAFE Index measures international equity performance across large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Barclays 1-3 U.S. Credit Bond Index is composed of investment grade U.S. credit securities with a maturity between one and three years. The Barclays U.S. Aggregate Bond Index is composed of the Barclays U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, and includes securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million. An investor cannot invest directly in an index.

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Chris Bell: Good morning, everyone. I hope everyone had a nice weekend. I'd like to start the call by referring to our website at www.kineticsfunds.com. As well, we have research on our Horizon Kinetics website at www.horizonkinetics.com. If you'd like a transcript of this call, please email Bob Uly at BUly@Horizonkinetics.com, or call him at 914-703-6950. We've had a good quarter, and I'll let Peter talk about performance. And, we've had another high active share[1] for the quarter. So, Peter, take it away.

Peter Doyle: Thank you, Chris, and good morning to everyone. The dominant themes that we've been talking about over the last several years really haven't changed. Those two themes are interest rates and flows into ETFs. What we've done in our Funds is really freed ourselves from the benchmark, and that has hurt us over the last several years as people seek exposure, either through fixed income or equities, through these various exchange-traded funds.

As we have mentioned in the past, we think that's coming to an end, for a variety of reasons. One: the valuations are exceedingly high, and unless you believe interest rates are going to go substantially lower, which is hard to imagine, you're not going to get too much help there. Two: For the bulk of those large-cap companies, they're really slow-growth businesses now, and it's hard to see how the earnings are going to accelerate, particularly since we're in a fairly weak economic environment. For the last four quarters, we have actually had negative earnings growth. It is hard to imagine that something radical is going to occur that's going to allow these companies to start accelerating.

Part of our outperformance this year has really stemmed from the fact that we have these idiosyncratic names—companies that are dominated by management that has a large equity ownership and that also have been off the beaten path in terms of what they're doing from a business standpoint. We think they own very strategic assets. And others agree with us: several of the names in our Funds have contributed to outperformance after it was announced that they will be acquired by other companies: Jarden Corp., DreamWorks Animation SKG, Inc., and, more recently, Starz, which is being acquired by Lions Gate Entertainment Corp. All of those companies had strategic assets that were being overlooked or neglected

[1] Active Share is 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 fund's primary benchmark.

because they didn't fit the profile of a stock that should go into an ETF. And we think that's starting to play to our advantage now.

We actually had a pretty good quarter, and we had a pretty good six months. The Paradigm Fund, year to date through June 30, was up 4.51%; the Small Cap Opportunities Fund was up 6.37%, and the Market Opportunities Fund was up 5.01%. This compares to 3.84% for the S&P 500 Index for the same period. And, while that seems relatively modest in terms of outperformance, I think we're likely to continue to see that trend going forward, for the various reasons that I just mentioned.

It's not only true just in equities; it's also true in fixed income. You have low to negative interest rates around the world. If you look at interest rates in the United States, the 10-year Treasury, which is typically the risk-free rate used to discount equities, is now 1.39%. In Germany, the 10-year rate is -0.17%. In the UK, it's 0.79%. In Switzerland, it is -0.68%. And in Japan, it's -0.26%. So, again, hard to envision a world where you're going to make great returns in bonds or equities as a result of interest rates moving substantially lower. We think that freeing yourself from various benchmarks, whether fixed income or equities, will allow you to start to outperform and put some distance to yourself. And that will continue to be our strategy.

One of the things that we did is to try to build into the portfolios securities or asset classes that might have return characteristics that are unrelated to equities or to fixed income. Recently, we've added, in very modest amounts, a crypto-currency, notably Bitcoin, to a variety of our equity funds. In the Paradigm Fund, we have a position of 30 basis points in Bitcoin. In the Small Cap Opportunities Fund, we have an 8 basis point position. In the Global Fund, and the Market Opportunities Fund, and the Internet Fund, slightly higher risk-profile funds, we have larger positions. In the Global Fund, it's 1.84%. In the Market Opportunity, it's just shy of 1.7%. In the Internet Fund, it's 1.65%.

If a crypto-currency such as Bitcoin becomes or is deemed an asset class, it's not like a stock where there's a market capitalization with earnings connected to it. It's a matter of whether or not someone wants to hold it for a store of value or for currency purposes. The valuation could go from roughly $11 billion today to a number that's actually quite astounding. In our opinion, it's worth having that modest risk in the portfolio for the outsize returns that you could achieve in success mode.

We're fairly confident about how we've positioned the Funds, and we think that, relative to the standard benchmarks, it's hard to envision a world where our names, on an operational basis, won't do better, as well have valuation upside potential. With that, I will turn it over to James, who will touch on a variety of subjects, including the reclassification of different asset classes within equity indices.

James Davolos: Thanks, Peter. And thanks everybody for joining. One of the things that I want to touch on before we get into anything that's specific or more granular in the Funds is the concept of an equity risk premium. The reason that this is a relevant conversation to have today is that, with the various conversations that we've been having with institutions, individual investors, financial advisors, private bankers, and others, the conversation always revolves around: "Well, what should I do with my capital? Because I generally agree with you, and I think that you have a lot of solid data backing up your stance that you probably shouldn't be buying the market wholesale, let alone just going into some sort of passive large-cap exposure."

But one of the things that's commonly cited, particularly by people who have a vested interest in capital market activity and a rising market, is the concept that equity risk premiums right now are actually pretty high. And that's absolutely a true statement. But you need to really understand how an equity risk premium is calculated in order to really understand what the implications of that statement are.

There are a few different methodologies for calculating the risk premium. Effectively, what you're looking at is the expected return on equity, which really needs to be boiled down into a valuation yield/dividend combined variable. I think the most reasonable estimate would be to use the earnings yield: invert the P/E and then add a dividend, and then come back with an expected rate of return on your equities. Then, subtract from that the real rate of return in bonds or something that's even lower-risk. The important variable here is that the equity risk premium might be high, but the absolute expected return on equities in terms of an earnings yield plus dividend are well below the double-digit rate of return that we think is required to justify an investment in an equity security.

Many people have been citing the equity market as being frothy, and even using the term "bubble." If they think that the equity market is excessively valued, then the bond market is preposterously valued. And that's what's really resulting in this optically high equity risk premium: just because the real rate of

return in the bond market is so low, it doesn't mean that investing in equity with an all-in expected real rate of return of, let's call it 6% or 5.5%, justifies the actual risk assumed in investing in an equity.

I think a really good example that highlights this juxtaposition of equity risk premium versus interest rates is preferred stocks. And preferred stocks is an asset class that we've looked at many times over the 20-plus-year history of Horizon Kinetics. In certain environments, preferreds can offer a very interesting asset allocation for investors. But the one caveat is that the vast majority of preferred stocks are issued by financial institutions. They also typically are perpetual, as in there is no fixed maturity, or at least they have a very long-dated maturity.

Right now, you can assemble a basket of preferreds—for the sake of this conversation, we'll use the Wells Fargo Preferred Stock ETF and the iShares U.S. Preferred Stock ETF, with similar allocations. And each of these has an SEC yield of slightly over 5%, which, relative to the bond market and relative to what I was just talking about in terms of the expected yield of the common equity market, is actually pretty attractive. But, again, remember that these are, by and large, very heavy in financial institutions, and also offer a small exposure in telecom and utilities.

For the sake of this conversation, let's just focus on financials, where, through Friday, July 1st, the NYSE ARCA Broker/Dealer Index, whose constituents are, largely, the banks that are represented in the Preferred ETFs, is actually down over 15% for the year, and declined over 9% alone on the Friday when the British referendum results were announced. However, the preferred baskets, both the Wells Fargo and the iShares, have total returns year-to-date of approximately 5%, and both of these ETFs were roughly flat, I mean down very marginally, on that Friday when the referendum results were announced.

When you look at the metrics that would drive the price action of a preferred, you have two forces. You have the credit quality of the institution issuing the preferred, which, based on the equity market, is actually deteriorating. But then you also have the risk-free rate, which is anchoring the yield of these, and which obviously plummeted on the referendum results, this completely offset the theoretical decline in the credit quality of the banks.

One caveat to mention is that, with these new capital controls and the new leverage ratios, the banks obviously are much higher quality. But you would certainly not expect such a vast divergence between

the preferred securities and the common shares. Obviously, the common stock was somewhat sensitive to the referendum, but it was actually under pressure—financials performed very well this year up until very recently, when I think it became a lot clearer that earlier guidance toward rate hikes was probably not achievable.

What really hurts these banks is the spread tightening. n very basic terms, they need to borrow short and lend long. But if you look at the U.S. 10-year Treasury at the beginning of this year, it yielded 2.3% when we thought that more rate hikes were coming. But then, as of this morning, it was down to 1.39%. Similarly, and very importantly for the banks, at the beginning of the year, the 2-year Treasury was yielding 1.08%. And, as of this morning, it was yielding 56 basis points.

So, at the beginning of the year, the 10-to-2-year spread was 1.22%. And that's compressed to 0.83% — that's 39 basis points of yield curve compression. In many cases (though not all), you see a flattening of the yield curve, and even an inversion of the yield curve, when you're going into an adverse economic scenario.

While we're not necessarily predicting a recession, the yield curve activity is certainly strongly in contradiction to what the equity market is doing in terms of valuation levels.

Other important variables that you need to look at in juxtaposition to the equity market are the 10-year and 30-year inflation break-evens, because inflation is absolutely critical to developed economies, not least of all because there's so much debt in the system that a certain amount of inflation is actually healthy, and it incentivizes investment, whereas, if there's low inflation or deflation, it incentivizes savings, which in turn stunts growth.

However, despite the Fed saying that we're on target for their target inflation rates of 2-3%, the 10-year inflation break-even, which you determine by looking at the TIPS (inflation-protected security), less the constant maturity, and calculating what you would need to break even, is 1.4%; the 30-year is 1.77%. Both of these market-based metrics, which are not driven by policymakers, are indicating that we're going to be in a long, long period of very low inflation. One of the ways that you can interpret this is by saying that rates are not going anywhere for a pretty long period of time. And that's consistent with something that Murray Stahl and Peter Doyle have been saying for the better part of five years now.

A really interesting development has finally started this year, and it's really been a painful trade for a lot of very intelligent people for the past five or six years, certainly after the really aggressive quantitative easing started worldwide. A lot of smart people really were convinced that all of this money printing and all of this easing was going to result in runaway inflation, and as a result of that, they invested heavily in gold and silver and other types of stores of value. We'd never really bought into that theory, but also we don't like buying into an asset class for which we don't really see a productive use for. Gold and silver have been around for a millennium and have been stores of value and have been exchangeable, but the real reason that people had owned them is that they typically do well in inflationary environments.

Now that we're in 2016, and I think it looks as if we're not going to have inflation for a painfully long period of time, after a multiyear bear market, you've actually seen gold increase over 25% and silver increase over 40% year-to-date. Some of the most risky and most leveraged miners of gold and silver are up well over 100%. But we think that the best risk-adjusted way to play this is to go through what we call the streaming companies, which are effectively royalty-streaming companies that help finance gold and silver mines. And two of the biggest names in our portfolios are Franco-Nevada and Silver Wheaton, up about 73% and 100%, year-to-date through July 1, respectively.

The interesting thing is that people are not buying into these companies or into the underlying commodities, as a result of a fear of runaway inflation, the way that people hypothesized as long ago as five and six years. Now it's a store of value—basically, people are worried that other assets have been bid up to unsustainable levels. We talked about equity risk premiums, and we've talked about the bond markets. But there's a very, very different dynamic that's driving the commodity and store of value market than what has historically been driving these markets.

As a function of that, we've actually done a lot of research on crypto-currencies and the potential for these types of investments, hence Peter's comment earlier that there is a very small weight, though a highly asymmetric risk/reward scenario in terms of that allocation. But we continue to really like the royalty stream companies and think that these companies are continue to benefit, and are probably going to finance more and more transactions as conventional financing for these mines is less and less available.

One final thing that I'd like to talk about is an opportunity rather, than the risks that we see. We talk a lot about the idiosyncratic nature of investments, but, at the end of the day, it does require some sort of a recognition by the market of that idiosyncratic value. We're not necessarily looking for hard catalysts, but we do pay attention to what could potentially act as a tailwind to valuations, or at least to get investors to pay attention to things that we've been paying attention to for years.

I think something that you've seen a decent amount of market attention to, but probably not sufficient, is that, on August 31, the global industry classification standards, GICS, which, since the early 1990s, has really been the standard for asset allocations within equity markets, is changing. Ever since its inception in the early '90s, it GICS has had 10 headline-level sectors. On August 31, they're adding the 11th headline-level sector, which is going to be real estate. Real estate is currently actually pretty well represented within the index, but it's packaged into the financial sector. After a review period and comment period, they added the real estate sector because it really does represent a very different, albeit still interest rate–sensitive exposure that's very different from traditional financials.

You've seen a decent amount of coverage of this in the REIT space—obviously, REITs have done quite well due to their distribution yields and the perception that they are able to do well in an inflationary environment. But I think that the real opportunity here is that, based on guidance from the index provider, 95% of this new headline sector is going to be REITs. But the other 5%, there's really a pretty large void there created for real estate developers and other types of nonconventional—or, non-REIT-structured investment opportunities. And we think that there are a couple of names in our portfolio—namely Howard Hughes Corporation—that, because of its structure and because of its lack of dividend and because of the longer-term nature of the investment is not getting as much attention as maybe it should. But, if you have 5% of what's going to be the 11th headline sector that's going to be allocated to this currently vastly underweighted type of company, I think that there is certainly something worth looking into. As the situation becomes more fluid, we'll see if we start seeing fund flows going there. Of course, we think that Howard Hughes can stand on its own. But, this change could result in more people looking at the potential of this company, I think that it really could be something that could act as a boon to the valuation after a bit of a volatile 6-12 months for the stock due to a lot of misperceptions about Houston and leverage and other factors. Howard Hughes is incredibly well capitalized and is a self-funded real estate developer, which is pretty much nonexistent in the real estate world. I think it's a

really interesting investment that certainly has a lot of different drivers, compared to traditional real estate structures.

Just to wrap up, it's things like that, where we really are trying to pick our spots and find companies that we think can operate and grow shareholder value without a particularly supportive economic backdrop. What that requires is a management team that's working on a process, or working on a project, that, over the fullness of time, has a very high likelihood of delivering shareholder value, but is not necessarily contingent on low interest rates or consumer spending or inflation. We think that, within the equity market, there will be opportunities as prices come in and as valuations probably mean-revert. At that time, we want to be ready with ample dry powder in cash. But in the meantime, we continue to find compelling opportunities at the margin.

Chris Bell: I was wondering if you might comment on the cash levels?

Peter Doyle: With regard to the cash, part of the dislocation that we're finding as a result of the flows of money over the last several years. That's what the case has been set aside for. To the extent that we find more opportunities, we'll deploy some of the cash. But it's not burning a hole in our pocket.

Chris Bell: I'd like to thank everyone for attending the call today. And I'll remind you to go to our website, www.kineticsfunds.com, for presentations on each individual fund, as well as research at horizonkinetics.com. And if you'd like a transcript of today's call, please email Bob Uly at BUly@Horizonkinetics.com, or call him at 914-703-6950. Thank you very much and have a nice day.

PERFORMANCE AND HOLDINGS INFORMATION

Internet Fund

As of June 30, 2016	WWWFX (Net of Fees)	S&P 500 Index	NASDAQ Index
TOTAL RETURN			
Year-to-Date	**-3.89%**	3.84%	-3.29%
One Year *(annualized)*	**-9.66%**	3.99%	-2.89%
Three Year *(annualized)*	**4.23%**	11.66%	12.48%
Five Year *(annualized)*	**7.34%**	12.10%	11.79%
Ten Year *(annualized)*	**8.18%**	7.42%	8.35%
Since Inception*(annualized)*	**13.60%**	7.65%	7.18%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for WWWFX is October 21, 1996. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.87%. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Medical Fund

As of June 30, 2016	MEDRX (Net of Fees)	S&P 500 Index	NASDAQ Index
TOTAL RETURN			
Year-to-Date	**-8.33%**	3.84%	-3.29%
One Year *(annualized)*	**-12.40%**	3.99%	-2.89%
Three Year *(annualized)*	**10.79%**	11.66%	12.48%
Five Year *(annualized)*	**10.90%**	12.10%	11.79%
Ten Year *(annualized)*	**9.71%**	7.42%	8.35%
Since Inception*(annualized)*	**9.34%**	4.97%	3.44%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for MEDRX is September 30, 1999. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.62%. Kinetics Asset Management LLC, the Investment Adviser to the Medical Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.39% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Global Fund

As of June 30, 2016	WWWEX (Net of Fees)	S&P 500 Index	MSCI ACW Index
TOTAL RETURN			
Year-to-Date	**6.97%**	3.84%	1.23%
One Year *(annualized)*	**-10.35%**	3.99%	-3.73%
Three Year *(annualized)*	**-1.52 %**	11.66%	6.03%
Five Year *(annualized)*	**2.10%**	12.10%	5.38%
Ten Year *(annualized)*	**2.50%**	7.42%	4.26%
Since Inception*(annualized)*	**-2.79%**	4.17%	2.89%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for WWWEX is December 31, 1999. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.90%. Kinetics Asset Management LLC, the Investment Adviser to the Global Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.39% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Paradigm Fund

As of June 30, 2016	WWNPX (Net of Fees)	S&P 500 Index	MSCI ACW Index
TOTAL RETURN			
Year-to-Date	**4.51%**	3.84%	1.23%
One Year *(annualized)*	**-7.19%**	3.99%	-3.73%
Three Year *(annualized)*	**4.34%**	11.66%	6.03%
Five Year *(annualized)*	**7.10%**	12.10%	5.38%
Ten Year *(annualized)*	**4.38%**	7.42%	4.26%
Since Inception*(annualized)*	**8.08%**	4.17%	2.89%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for WWNPX is December 31, 1999. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.68%. Kinetics Asset Management LLC, the Investment Adviser to the Paradigm Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.64% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Small Cap Opportunities Fund

As of June 30, 2016	KSCOX (Net of Fees)	Russell 2000 Index	S&P 500 Index
TOTAL RETURN			
Year-to-Date	**6.37%**	2.22%	3.84%
One Year *(annualized)*	**-11.02%**	-6.73%	3.99%
Three Year *(annualized)*	**2.44%**	7.09%	11.66%
Five Year *(annualized)*	**8.73%**	8.35%	12.10%
Ten Year *(annualized)*	**4.77%**	6.20%	7.42%
Since Inception*(annualized)*	**8.72%**	6.06%	4.27%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for KSCOX is March 20, 2000. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.67%. Kinetics Asset Management LLC, the Investment Adviser to the Small Cap Opportunities Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.64% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Market Opportunities Fund

As of June 30, 2016	KMKNX (Net of Fees)	S&P 500 Index	MSCI EAFE Index
TOTAL RETURN			
Year-to-Date	**5.01 %**	3.84%	-4.42%
One Year *(annualized)*	**-6.74%**	3.99%	-10.16%
Three Year *(annualized)*	**2.66%**	11.66%	2.06%
Five Year *(annualized)*	**6.83%**	12.10%	1.68%
Ten Year *(annualized)*	**5.96%**	7.42%	1.58%
Since Inception*(annualized)*	**5.54%**	7.13%	1.88%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for KMKNX is January 31, 2006. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.76%. Kinetics Asset Management LLC, the Investment Adviser to the Market Opportunities Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.64% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Alternative Income Fund (formerly The Water Infrastructure Fund)

As of June 30, 2016	KWINX (Net of Fees)	Barclays 1-3 Yr. Credit	Barclays U.S. Aggregate
TOTAL RETURN			
Year-to-Date	**1.95%**	2.13%	5.31%
One Year *(annualized)*	**2.31%**	2.16%	6.00%
Three Year *(annualized)*	**3.31%**	1.77%	4.06%
Five Year *(annualized)*	**2.71%**	1.86%	3.76%
Ten Year (annualized)	**-**	3.60%	5.13%
Since Fund Inception*(annualized)*	**0.00%**	3.36%	5.02%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for KWINX is June 29, 2007. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.20%. Kinetics Asset Management LLC, the Investment Adviser to the Alternative Income Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 0.95% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

Multi-Disciplinary Income Fund

As of June 30, 2016	KMDNX (Net of Fees)	Barclays U.S. Aggregate	Barclays U.S. High Yield
TOTAL RETURN			
Year-to-Date	**5.75%**	5.31%	9.06%
One Year *(annualized)*	**1.78%**	6.00%	1.62%
Three Year *(annualized)*	**3.18%**	4.06%	4.18%
Five Year *(annualized)*	**3.72%**	3.76%	5.84%
Ten Year (annualized)	**-**	5.13%	7.56%
Since Inception*(annualized)*	**4.62%**	4.47%	8.12%

Performance data quoted is as of June 30, 2016. All figures are annualized. Past performance does not guarantee future results. The inception date for KMDNX is February 11, 2008. As a no-load fund, there is no sales charge. The above performance is without dividends reinvested. Investment return and principal value will vary, and shares may be worth more or less at redemption than original purchase. The Fund's operating expense ratio, gross of any fee waiver or expense reimbursements is 1.60%. Kinetics Asset Management LLC, the Investment Adviser to the Multi-Disciplinary Income Fund, has voluntarily agreed to waive fees and reimburse expenses so that Total Annual Fund Operating Expenses do not exceed 1.49% for No Load Class shares. These waivers and reimbursements may be discontinued at any time. Visit www.kineticsfunds.com for the most recent month-end performance data and a copy of the most recent Prospectus.

(Holdings begin on next page)

Internet Fund **Top 10 Holdings (%) as of June 30, 2016**	
EchoStar Corporation - Class A	5.6%
Liberty SiriusXM Group - Class C	3.9%
Alphabet, Inc. – Class A	3.7%
Alphabet, Inc. – Class C	3.6%
CACI International, Inc. – Class A	2.8%
The Madison Square Garden Company – Class A	2.5%
Liberty SiriusXM Group	2.2%
Liberty Ventures – Series A	2.2%
Starz – Class A	2.1%
Liberty Interactive Corporation – Class A	2.1%

Paradigm Fund **Top 10 Holdings (%) as of June 30, 2016**	
Texas Pacific Land Trust	13.9%
The Howard Hughes Corporation	11.4%
Icahn Enterprises LP	5.5%
DreamWorks Animation SKG, Inc. – Class A	4.7%
Brookfield Asset Management, Inc. – Class A	4.2%
CBOE Holdings Inc.	3.4%
AutoNation, Inc.	2.8%
Liberty SiriusXM Group – Class C	2.8%
Franco-Nevada Corporation	2.5%
Live Nation Entertainment, Inc.	2.5%

Medical Fund **Top 10 Holdings (%) as of June 30, 2016**	
Bristol-Myers Squibb Company	10.2%
Johnson & Johnson	7.4%
Eli Lilly & Company	7.4%
Biogen Inc.	6.7%
Pfizer, Inc.	6.6%
Novartis AG – ADR	6.1%
Sanofi – ADR	4.6%
Shire plc - ADR	4.5%
Alkermes plc	4.4%
GlaxoSmithKline plc – ADR	4.4%

Market Opportunities Fund **Top 10 Holdings (%) as of June 30, 2016**	
Texas Pacific Land Trust	13.2%
Icahn Enterprises LP	7.9%
The Howard Hughes Corporation	6.9%
Onex Corporation	6.3%
Dream Unlimited Corp. - Class A	4.4%
Tropicana Entertainment Inc.	3.9%
OTC Markets Group Inc. – Class A	3.7%
Visa, Inc. – Class A	3.7%
CBOE Holdings Inc.	3.5%
Dundee Corporations – Class A	2.4%

Global Fund **Top 10 Holdings (%) as of June 30, 2016**	
Texas Pacific Land Trust	6.8%
Onex Corporation	5.9%
Fairfax Financial Holdings Limited	5.4%
Silver Wheaton Corporation	5.1%
The Howard Hughes Corporation	4.7%
Icahn Enterprises LP	4.5%
Siem Industries Inc.	4.5%
Bollore SA	4.4%
Franco-Nevada Corporation	3.8%
Dream Unlimited Corp. - Class A	3.5%

Small Cap Opportunities Fund **Top 10 Holdings (%) as of June 30, 2016**	
Texas Pacific Land Trust	16.5%
Icahn Enterprises LP	9.1%
The Howard Hughes Corporation	8.6%
DreamWorks Animation SKG, Inc. – Class A	7.1%
Dream Unlimited Corp. – Class A	6.9%
Newell Brands, Inc.	4.6%
The Wendy's Company	4.3%
Onex Corporation	4.1%
Live Nation Entertainment, Inc.	3.0%
Dundee Corporation – Class A	2.5%

Multi-Disciplinary Income Fund **Top 10 Holdings (%) as of June 30, 2016**	
Brookfield Residential Properties	7.2%
Post Holdings, Inc.	6.0%
Sotheby's.	5.1%
Royal Gold, Inc.	4.7%
IAC/InterActiveCorp	4.7%
Ashland Inc.	4.5%
Penske Automotive Group Inc.	4.3%
The Howard Hughes Corporation	4.1%
TRI Pointe Holdings, Inc.	4.0%
Dish DBS Corp.	3.6%

The information contained in these charts is updated at the discretion of Kinetics Asset Management LLC and is only representative of each Fund's portfolio on the date specified. Additionally, position size may not be indicative of actual market position due to the use of call and put options.

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