



Kinetics Mutual Funds, Inc.

MULTI-DISCIPLINARY INCOME FUND

2ND QUARTER 2025

Kinetics Multi-Disciplinary Income Fund



The Kinetics Multi-Disciplinary Income Fund (“KMDNX”, the “Fund”) seeks to generate current income and avoid significant interest rate risks inherent in more traditional fixed income investment strategies.

- We believe that CLO debt tranches represent an attractive area of investment consistent with the Fund’s approach.

The target investment portfolio will consist of 20 to 75 investments¹.

- As KMDNX is a diversified fund², the target weight of each investment is intended to be below 5.0% (of the total fund size).
- We intend to initially invest in AAA and AA rated CLO debt tranches.
 - The cash yield for recently issued AAA tranches in the primary market was ~5.65% and for AA tranches was ~6.00%³.
 - The AA higher yield comes at a minimal increase in credit risk relative to AAA debt.
 - There have been no defaults of a AAA CLO debt tranche, and only one technical default of an AA CLO debt tranche (with no loss of principal or interest due to the AA CLO debt investors), in the ~30-year CLO history.
 - AAA and AA tranches are the “Senior Notes” of a CLO and are not subject to interest diversion or interest deferment.

Access for individual investors

- CLO debt tranches are unregistered securities and can only be purchased by qualified institutional buyers (QIB) per Rule 144a.
 - Our Fund provides access for individual investors to gain exposure to the CLO market.

- 1) The target investment portfolio is subject to change at any time at Horizon Kinetics Asset Management LLC’s sole discretion (subject to the terms of the underlying prospectus). The target investment portfolio is based on the current market environment and may change in the future based on market conditions and the size of the Fund and may vary substantially from the initial target investment portfolio presented above.*
- 2) To be classified as “diversified” under the Investment Company Act of 1940, all the positions that are over 5.0% of the total assets, when aggregated together, cannot be greater than 25.0% of the fund’s total assets.*
- 3) Represents CLO transactions with 2-years of call protection and 5-year reinvestment period, as of June 30, 2025.*

What is a CLO?

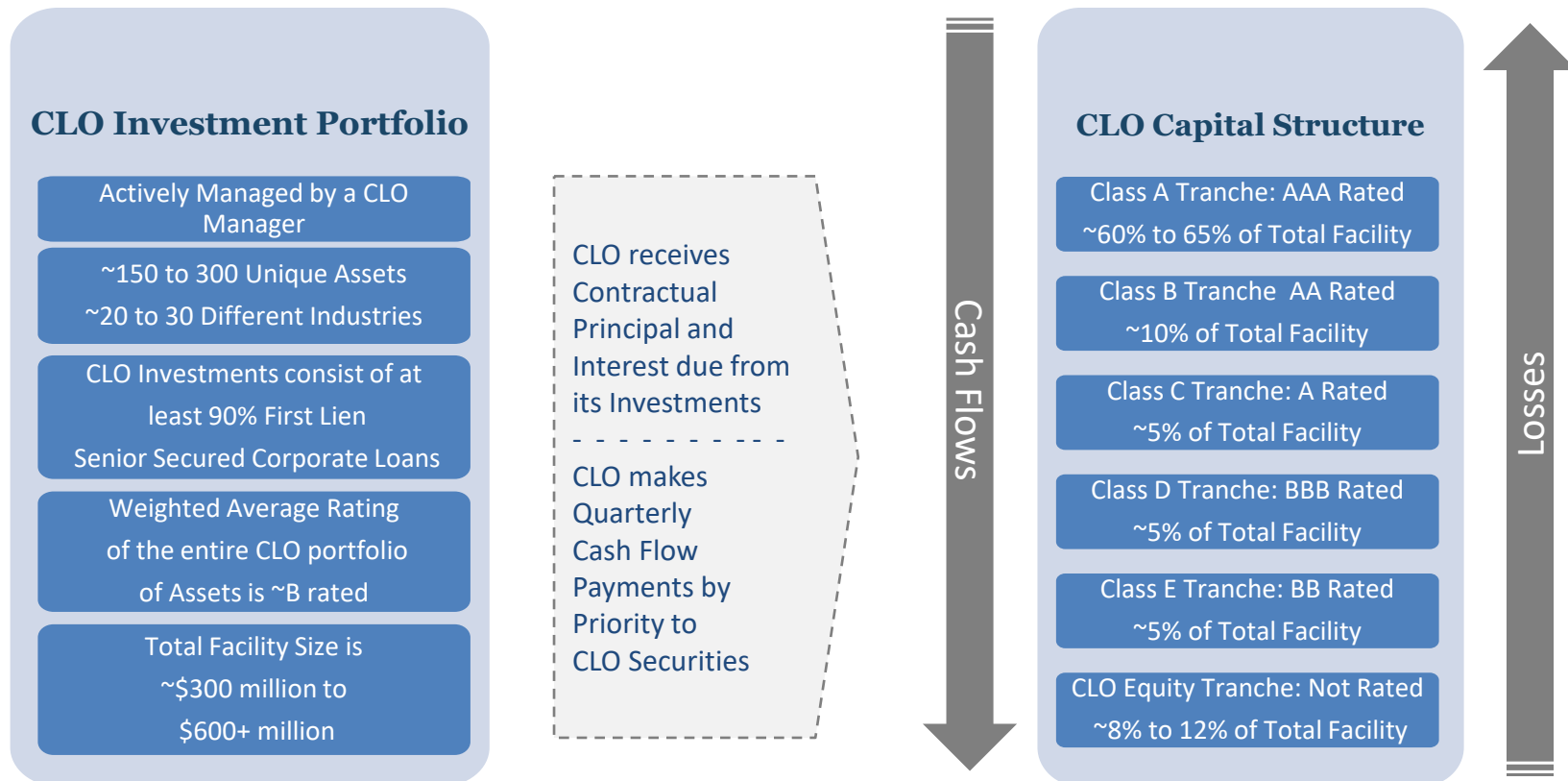


A Collateralized Loan Obligation (“CLO”) facility is structured as a securitization vehicle.

- CLOs are typically \$300 million to \$600+ million in total facility size.
- CLOs invest primarily in floating rate, first lien senior secured corporate loans (required to be at least 90% of the CLO’s assets).
- CLOs raise capital by issuing tranches of debt (which are generally rated AAA, AA, A, BBB and BB) and an equity tranche.
 - The AAA tranche is ~60% to 65% of the CLO’s capital structure and the AA tranche is ~10% of the CLO’s structure.
 - The proceeds from the debt and equity tranches are used to purchase corporate loans, which are then actively managed by a CLO manager.
 - AAA and AA debt tranches are the “Senior Notes” of a CLO and are not subject to interest diversion/deferment.
- CLO investors are paid quarterly, with the AAA debt tranche having first payment priority, followed by the AA debt tranche and so on.
 - Any CLO losses are incurred in reverse order, with the equity tranche absorbing such losses first, and if such losses exceed the equity tranche outstanding, followed by the BB debt tranche and so on.
 - This self-curing mechanism of CLOs is an important protection measure that benefits the debt tranches, especially the AAA and AA tranches (the Senior Notes) of the CLO.
 - Since the establishment of the CLO market in the 1990’s, no AAA or AA debt tranche investor has suffered a loss of principal or interest due to a credit impairment.
- CLOs normally have a maturity of 12 to 13 years, a reinvestment period of 3 to 5 years and a non-call of 1 to 2 years.

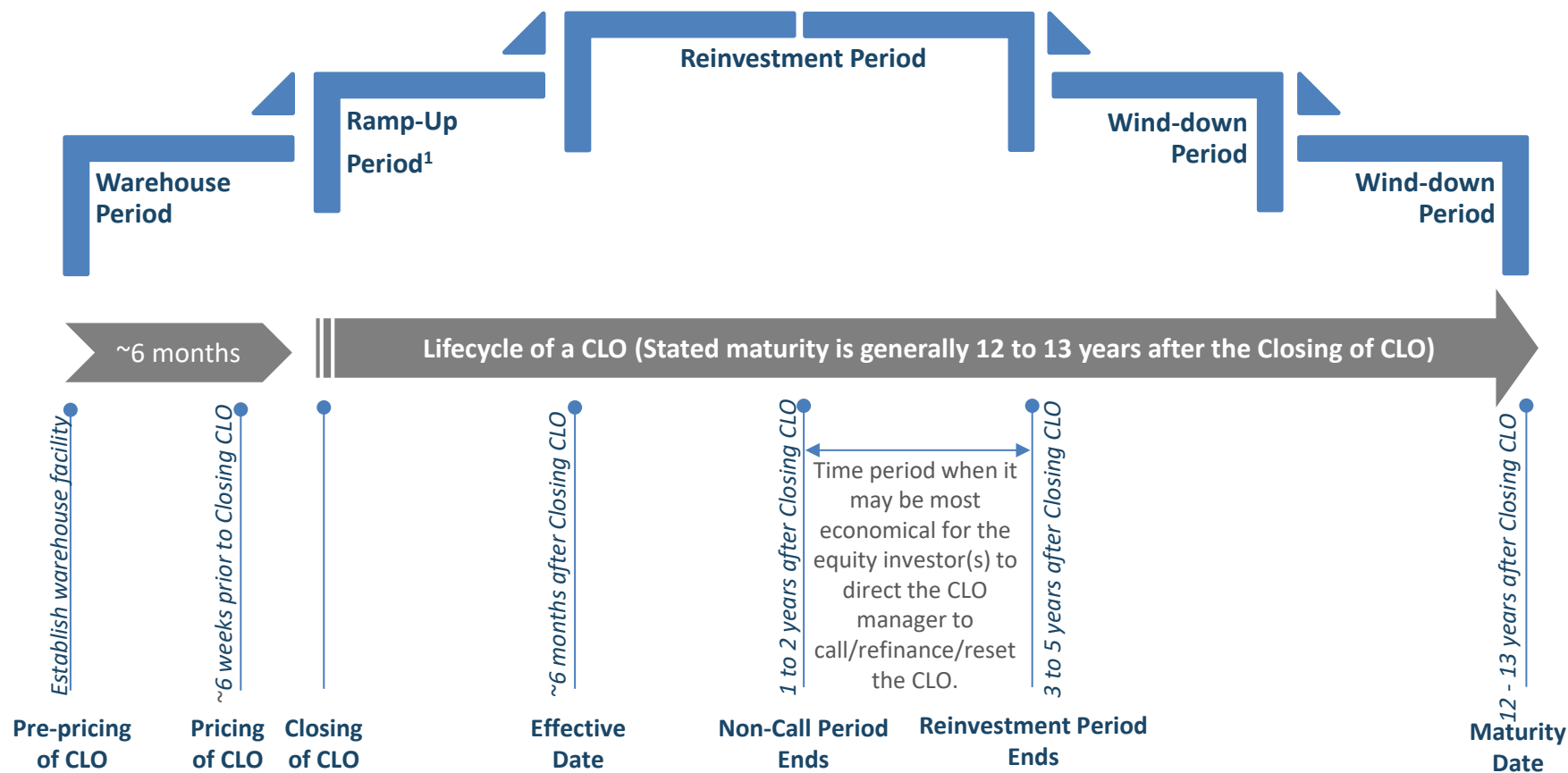
All references to CLOs in this presentation are intended to be with respect to CLOs which invest in broadly syndicated leveraged loan. CLOs which invest in middle market loans are excluded in this presentation.

CLO Investment Portfolio and Capital Structure



The CLO investment portfolio and CLO capital structure are for illustrative purposes only. An actual CLO may vary substantially from the above example.

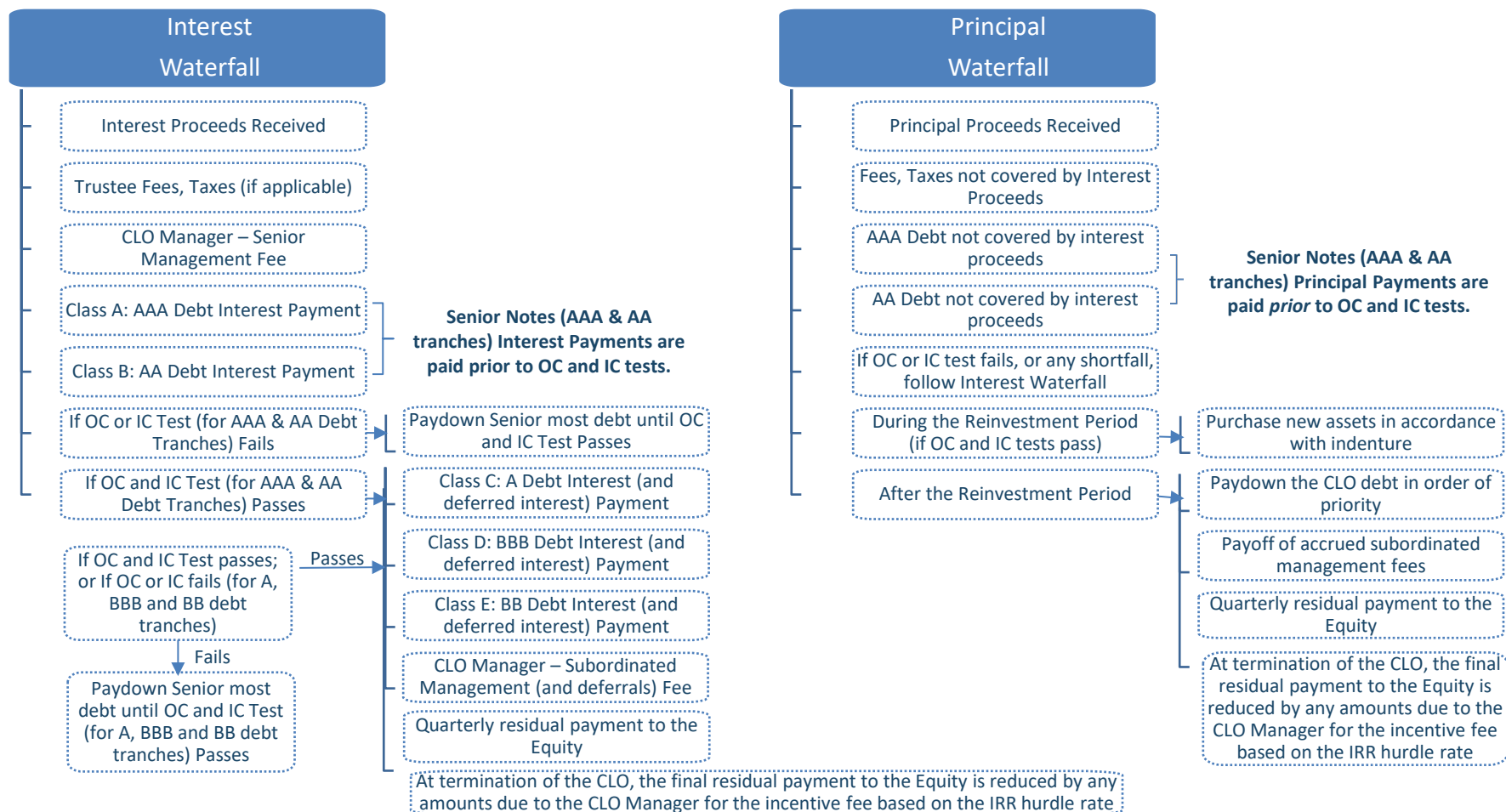
Lifecycle of a CLO



The above Lifecycle of a CLO is for illustrative purposes only. The actual Lifecycle of a CLO may vary substantially from the above illustration.

1) Prior to the Ramp-up Period, a warehouse facility may be established by the CLO manager to invest in corporate loans which will eventually be sold to the CLO on the Closing Date.

CLO Priority of Payments – Interest and Principal Waterfalls



The term "waterfall" is used to describe how the cash from an investment flows down to the different parties involved. The top-down nature of the cash flow distributions indicates the relative priority of the parties at different levels. The Interest and Principal waterfalls are for illustrative purposes only. They do not include every expense or payment in an actual CLO waterfall. They do not present every situation which can lead to diversion of payments to the CLO equity or debt tranche investors. OC is the Overcollateralization Test and IC is the Interest Coverage Test. During the reinvestment period only, if the interest diversion test (highest threshold OC test) is not in compliance, the lesser amount of up to 50% (of the available interest proceeds) or the amount needed to cure the interest diversion test is diverted and used to purchase additional collateral, rather than all available interest proceeds being used to paydown debt (per the other OC tests). The IRR hurdle rate is the internal rate of return that must be achieved before the Incentive Fee distributions can be made.

Why Invest in CLOs?



- CLO debt tranches have a floating interest rate that provide a hedge against duration/ interest rate risk.
- CLO debt tranches are denominated in U.S. dollars which eliminates foreign currency exposure.
- The default rates for CLO debt tranches are low.
 - There have been no defaults of AAA debt tranches, and only one default of a AA debt tranche (with no loss of principal or interest due to the AA CLO debt investors), in the ~30-year CLO history.
- CLOs invest primarily in senior secured first lien corporate loans (required to be at least 90% of the CLO's assets).
- CLOs are subject to less market volatility¹.
 - CLOs are structured as cash flow (not market value) structures.
 - Therefore, CLOs are generally not forced sellers of their investments during periods of market volatility.
- CLOs are actively managed and are not index vehicles.
 - CLO managers have the flexibility to buy or sell investments at any time (subject to terms and conditions in the underlying CLO documents).
- There are approximately 150 U.S. CLO managers.
 - Some CLO managers include Blackstone, Octagon Credit Investors, Carlyle, PGIM, Ares Management, Neuberger Berman, Apollo Global Management and KKR.

1) Market volatility is the frequency and magnitude of price movements, up or down.

Recent CLO Pricing



- The coupon rate¹ for CLO debt tranches is determined by adding together the 3-month term Secured Overnight Financing Rate² (“SOFR”) plus a credit spread.
 - The coupon rate is a floating interest rate that resets every 3-months based on 3-month SOFR.
 - In the primary market, CLO AAA and AA rated debt tranches are priced at 100% of par³ at closing.

Rating	Credit Spread (bps) ⁴	Price at Closing	Coupon Rate
AAA	~135	100% of par	~5.65%
AA	~170	100% of par	~6.00%

- In the secondary market, CLO debt tranches can trade at a premium or discount to par, depending on several factors, including the specific indenture terms, collateral quality, maturity and call dates and credit spread of the CLO debt.

1) The coupon rate is the interest rate on the bond.

2) 3-month term SOFR was 4.29%, as of June 30, 2025. The SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

3) The par value of a security is the original face value when it is issued.

4) The AAA and AA credit spreads represent the approximate levels for recently priced CLO deals (as of June 30, 2025) in the primary market, with 2-years of call protection and a 5-year reinvestment period. The credit spreads for future CLO deals may vary materially from today's credit spreads, based on the specific CLO terms and other factors including the CLO manager and market conditions at that time.



Default rates

- Since the establishment of the CLO market in the 1990's through year-end 2024:
 - No AAA rated CLO tranche issued in the U.S. markets has defaulted.
 - There has been one technical default of a AA rated CLO tranche in 2010 (which was issued in 2002), with no loss of principal or interest due to the AA CLO debt investors.¹

Ratings Upgrades and Downgrades from the mid-1990s through year-end 2024²:

Debt Rating	Number of CLO Ratings	Upgrades	Downgrades
AAA	6,458	N.A.	2.0%
AA	4,433	20.9%	0.8%

- Since 2012, no AAA rated CLO tranche has been downgraded.²

1) The one default of a CLO AA tranche (Landmark II CDO Ltd.) which occurred in 2010, had its ratings lowered from AA to D by S&P Global Ratings in 2010. The default occurred when the CLO's trustee escrowed the AA debt tranche's interest payments (causing a missed interest payment), after the trustee filed an interpleader action with U.S. courts. The AA debt investors did not suffer any economic loss as the ratings were subsequently upgraded from D to AA in 2011, after AA debt investors received all interest owed as well as interest on interest. The principal due on the AA debt tranche was paid off in full shortly thereafter.

2) Based on the ratings issued by a nationally recognized statistical rating organization.

CLO Prices during Market Dislocations



- The most significant market price dislocation during the past 20 years started during the Great Financial Crisis (“GFC”) in 2008 and lasted for the longest period of time (~3 ½ years).
 - By early/mid 2009, AAA CLO tranche pricing was ~65% to 70% of par and AA CLO tranche pricing was ~20% to 25% of par, respectively.
 - By early 2010, AAA and AA tranche pricing had recovered to ~90% of par and ~75% of par, respectively.
 - By the 2H 2012, both AAA and AA tranche pricing was at 99%+ of par (equivalent to pre-GFC levels).

There was no loss of principal or interest due to the AAA and AA CLO debt investors during the GFC.

- The most recent market dislocation occurred during the Covid-19 pandemic (“Covid”) in 2020.
 - The recovery time was far shorter and price impact less significant than the GFC.

Debt Rating	Date of Market Low	Market Low Price	Months to Recover / (Market Price after Recovery)
AAA	3/24/2020	92.26% of par	~5 months / (99.0%+ of par)
AA	3/24/2020	86.02% of par	~6 months / (99.0%+ of par)

There was no loss of principal or interest due to AAA and AA CLO debt investors during the Covid pandemic.



- The CLO market is expected to continue to become more liquid, have better pricing information, and grow in dollar amount and number of CLO deals.
- The U.S. CLO market had grown from ~\$600 billion six years ago to ~\$1.0 trillion as of 12/31/2024.
- The anticipated growth of the U.S. leveraged corporate loan market (~\$1.4 trillion as of 12/31/2024), should result in a corresponding increase in CLOs.
 - CLOs represent the largest investor group (~70%) in the leveraged loan market.
- Institutional and retail investor interest is expected to continue to expand given the risk adjusted returns of CLO debt and equity tranches.

Important Risk Disclosures



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.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Co-Portfolio Manager Darryl Monasebian has been added to the investment team for the Fund, but neither the Fund's investment objective nor investment strategy has changed.

Past performance does not guarantee future results. 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 less than 30 days after you purchase them. The Multi-Disciplinary Income Fund is classified as diversified; however, asset allocation/diversification does not guarantee a profit or eliminate risk of loss.

Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Multi-Disciplinary Income Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolio Trust. Annualized Volatility is the standard deviation of periodic returns multiplied by the square root of the number of periods in one year, e.g., the standard deviation of daily returns multiplied by the square root of 250 trading days per year.

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This Multi-Disciplinary Income Fund invests in CLOs and debt securities, which carry special risks further discussed in the Fund's Prospectus. Concentrated portfolios that invest a substantial portion of their assets in a particular industry carry a risk that a group of industry-related securities will decline in price due to industry specific developments. Companies in the same or similar industries may share common characteristics and are more likely to react comparably to industry specific market or economic developments.

Portfolio holdings information is subject to change at any time and is as of the date shown. For more information, including the risks associated with the Multi-Disciplinary Income Fund, you may refer to the funds' prospectus by visiting us at www.kineticsfunds.com.

The information contained herein should not be construed to be a recommendation to purchase or sell any particular security. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

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