

<b>April 30, 2024</b>	<b>Prospectus</b>	<a href="http://www.kineticsfunds.com">www.kineticsfunds.com</a>
	<p>The Kinetics <b>Spin-off and Corporate Restructuring</b> Fund  Advisor Class A (LSHAX)  Advisor Class C (LSHCX)  Institutional Class (LSHUX)  No Load Class (LSHEX)</p>	
	<p><b>A series of Kinetics Mutual Funds, Inc.</b></p>	
<p><b>The U.S. Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of the Prospectus. Any representation to the contrary is a criminal offense.</b></p>		

**Kinetics Spin-off and Corporate Restructuring Fund**  
*A series of Kinetics Mutual Funds, Inc. (the "Company")*

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**This Prospectus sets forth basic information about the Fund that you should know before investing. It should be read and retained for future reference.**

**The date of this Prospectus is April 30, 2024.**

## SUMMARY SECTION

### Investment Objectives

The Kinetics Spin-off and Corporate Restructuring Fund (the “Fund”) seeks to achieve long-term growth of capital.

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table and example below. You may qualify for sales charge discounts for Advisor Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in Advisor Class A shares of the Kinetics Funds. More information about these and other discounts is available from your financial professional and in the sections titled, “Description of Classes” beginning on page 37 of the Fund’s prospectus, in Appendix A to this Prospectus - Financial Intermediary Sales Charge Variations, and “Purchasing Shares” beginning on page 53 of the Fund’s statement of additional information.

	<u>Advisor Class A Shares</u>	<u>Advisor Class C Shares</u>	<u>Institutional Class Shares</u>	<u>No Load Class Shares</u>
<b>Shareholder Fees</b> <i>(fees paid directly from your investment)</i>				
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	5.75% <sup>(1)</sup>	None	None	None
Maximum deferred sales charge (load) (as a percentage of the lesser of the value redeemed or the amount invested)	None	1.00% <sup>(2)</sup>	None	None
Redemption Fee (as a percentage of amount redeemed on shares held for 30 days or less, if applicable)	2.00%	2.00%	2.00%	2.00%
Wire fee	\$15	\$15	\$15	\$15
Overnight check delivery fee for weekday	\$25	\$25	\$25	\$25
Retirement account fees (annual maintenance fee)	\$15	\$15	\$15	\$15
<b>Annual Fund Operating Expenses</b> <i>(expenses that you pay each year as a percentage of the value of your investment)</i>				
Management fees	1.00%	1.00%	1.00%	1.00%
Distribution and service (Rule 12b-1) fees	0.25%	0.75%	None	None
Other expenses	0.83%	0.83%	0.78%	0.83%
Shareholder service fee	0.25%	0.25%	0.20%	0.25%
Other Operating Expenses <sup>(3)</sup>	<u>0.58%</u>	<u>0.58%</u>	<u>0.58%</u>	<u>0.58%</u>
Acquired Fund Fees and Expenses	<u>0.13%</u>	<u>0.13%</u>	<u>0.13%</u>	<u>0.13%</u>
<b>Total annual fund operating expenses<sup>(4)</sup></b>	<b>2.21%</b>	<b>2.71%</b>	<b>1.91%</b>	<b>1.96%</b>
Fees waiver and/or expenses reimbursements	<u>-0.58%</u>	<u>-0.33%</u>	<u>-0.53%</u> <sup>(5)</sup>	<u>-0.38%</u>
<b>Total annual fund operating expenses after fee waiver and/or expense reimbursements<sup>(6)</sup></b>	<b><u>1.63%</u></b>	<b><u>2.38%</u></b>	<b><u>1.38%</u></b>	<b><u>1.58%</u></b>

(1) No initial sales charge is applied to purchases of \$1 million or more.

(2) A CDSC of 1.00% will be charged on Advisor Class C Share purchases that are redeemed in whole or in part within 12 months of purchase.

(3) “Other Operating Expenses” include expenses incurred by any subsidiary wholly-owned and controlled by the Fund.

- (4) Total Annual Fund Operating Expenses do not correlate to the ratio of operating expenses to average net assets before expense reimbursement found in the “Financial Highlights” section of this Prospectus, which reflects the Fund’s operating expenses and does not include acquired fund fees and expenses (“AFFE”).
- (5) The Fund’s adviser, Horizon Kinetics Asset Management, LLC (“Kinetics” or the “Investment Adviser”) has contractually agreed to reimburse the Fund the portion of Shareholder Servicing fees in excess of 0.05% of the average daily net assets of the Institutional Class until at least April 30, 2025.
- (6) In addition, the Investment Adviser has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding, as applicable, front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, AFFE (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization and extraordinary expenses such as litigation expenses) do not exceed 1.50%, 2.25%, 1.25% and 1.45% of the average daily net assets of the Advisor Class A Shares, Advisor Class C Shares, Institutional Shares and No Load Shares, respectively. This agreement is in effect until April 30, 2025, and may be terminated before that date only by the Company’s Board of Directors. The Fund’s Investment Adviser is permitted to seek reimbursement from the Fund for a period ending three full years after the date of the waiver or payment. Any reimbursement is limited to the lesser of the Expense Cap in effect at the time of the waiver and the Expense Cap in effect at the time of reimbursement.

*Example.* This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. This Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of these periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same (taking into account the expense limitation only in the first year). Although your actual costs may be higher or lower, based on these assumptions your cost would be:

	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
Advisor Class A	\$731	\$1,174	\$1,642	\$2,930
Advisor Class C	\$344	\$810	\$1,405	\$3,017
Institutional Class	\$140	\$549	\$982	\$2,190
No Load Class	\$161	\$579	\$1,022	\$2,255

You would pay the following expenses if you did not redeem your shares:

	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
Advisor Class C	\$241	\$810	\$1,405	\$3,017

*Portfolio Turnover.* The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 1% of the average value of its portfolio.

### **Principal Investment Strategy**

Under normal market conditions, the Fund will pursue its investment objective by investing at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of spin-off companies, companies subject to other forms of corporate restructuring, parents of any such companies, and publicly traded shareholder activist holding companies which, by way of their shareholder ownership in other companies, have caused such other companies to undergo spin-offs and other forms of corporate restructurings. The Fund is non-diversified. The Fund considers a spin-off company or a company subject to a corporate restructuring to be any company that has experienced one of the following events within five years of the Fund’s investment in the company: a spin-off distribution of stock of a subsidiary company by its parent company to parent company shareholders; an equity “carve-out” or

“partial initial public offering” in which a parent company sells a percentage of the equity of a subsidiary in a public offering; or the parent company of any such company after the public disclosure of the corporate restructuring. The Fund may invest in a parent company of a spin-off company or a company subject to a corporate restructuring, or a publicly traded shareholder activist holding company which has caused such other companies to undergo the spin-off or corporate restructuring, after the public disclosure of the planned spin-off or corporate restructuring, during the spin-off or corporate restructuring process, or after the actual spin-off or corporate restructuring. If the Fund invests in a parent company of a spin-off company or a company subject to a corporate restructuring prior to a spin-off or restructuring, the Fund would, upon the completion of the spin-off or restructuring, receive the shares of the spin-off company. The Fund may retain shares of both the parent and the spin-off company, the shares of only one, or the shares of neither.

The Fund will invest in both U.S. and foreign equity stocks. The Fund’s investments in foreign equity stocks may be in both developed and emerging markets. The Fund’s equity investments may include common stock, preferred stock, securities convertible into common stock, warrants, rights and other equity securities having the characteristics of common stock (such as depositary receipts). The Fund may invest in any size company, including small- and medium-sized companies, and further may invest in companies which are financially distressed.

The Fund may invest up to 20% of its assets in companies that, for a variety of reasons, the Fund’s Investment Adviser believes may have the potential to be subject to a spin-off or corporate restructuring within a reasonable period of time; for example, a similar company may have recently announced a spin-off; the company may be under investor pressure to consider strategic alternatives; or the current segments of the company may not have a synergistic fit, and as a result the company’s stock trades at a discount to that of its closest peers. The Fund may invest in potential spin-off and corporate restructuring companies that the Fund’s Investment Adviser believes may, based on its in-house research, have the most favorable risk/reward characteristics.

The Fund may invest in crypto assets, including bitcoin or BTC, indirectly through other investment vehicles. **The Fund will not invest directly in Bitcoin or other crypto assets.** Certain of these vehicles may not be registered under the 1940 Act and do not receive the protections of the 1940 Act. The Fund may contribute a portion of its indirect holdings in crypto assets to a wholly-owned and controlled subsidiary organized under the laws of the Cayman Islands (a “Subsidiary”). The amount of the Fund’s investment in crypto assets may be limited by law or by tax considerations. The Fund will not invest in private investment vehicles beyond the limits of the 1940 Act.

The Fund may invest indirectly in bitcoin through a Delaware statutory trust, Grayscale Bitcoin Trust ETF (“GBTC”) and through other pooled investment vehicles that provide exposure to crypto assets. Grayscale Bitcoin Trust ETF is one of the first spot Bitcoin ETFs in the U.S. It enables investors to gain exposure to bitcoin in the form of a security while avoiding the challenges of buying, storing, and safekeeping bitcoin, directly.

In the future, the Fund may seek to gain additional exposure to crypto asset that may not produce qualifying income for the Fund under the Internal Revenue Code of 1986, as amended (the “Code”) if held directly.

The Subsidiary invests primarily in investment vehicles that provide the Fund with exposure to crypto asset investments. The Fund will invest in its Subsidiary in a manner that is consistent with the limitations of the federal tax laws, rules and regulations that apply to the Fund as a “regulated investment company” (“RIC”) under Subchapter M of Subtitle A, Chapter 1, of the Code (“Subchapter M”). The Fund complies with Section 8 and Section 18 of the Investment Company Act of 1940, as amended (the

“1940 Act”), governing investment policies and capital structure and leverage, respectively, on an aggregate basis with the Subsidiary. The Subsidiary also complies with Section 17 of the 1940 Act, relating to affiliated transactions and custody, and the Investment Adviser complies with Section 15 of the 1940 Act, relating to investment advisory contracts with respect to the Subsidiary. Unlike the Fund, the Subsidiary does not, and will not, seek to qualify as a RIC. The Fund is the sole shareholder of the Subsidiary and does not expect shares of the Subsidiary to be offered or sold to other investors. The Subsidiary includes entities that engage in investment activities in securities or other assets that are primarily controlled by the Fund. The Fund does not intend to create or acquire primary control of any entity which primarily engages in investment activities in securities or other assets other than entities wholly-owned by the Fund.

The Investment Adviser seeks to avoid short-term investing and significant portfolio turnover. The Investment Adviser utilizes its in-house research capabilities to seek to identify businesses at inflection points in their corporate life cycles with what the Investment Adviser believes are attractive risk/reward profiles. The Investment Adviser believes that returns are often the result of the market’s inefficiency in initially valuing corporate restructurings due in part to lack of coverage by the investment community and initial indiscriminate selling pressure. For instance, companies that have been "spun-off" from their corporate parents by way of corporate restructurings may not be followed closely by financial sector analysts, which could lead to advantageous disparities between a company’s valuation and growth prospects relative to its pricing in the marketplace. The Investment Adviser uses a process that focuses primarily on the analysis of individual companies rather than on the industry in which the company may operate. This “bottom-up” approach may result in multiple investments in the same sector or industry. However, the Investment Adviser pays careful attention to the limitation of sector and industry concentrations.

The Fund may maintain during a temporary period, which could be for a short period or a longer period lasting several years or more, of abnormal conditions, a significant portion of its total assets in cash and securities, generally considered to be cash and cash equivalents, including, but not limited to: high quality, U.S. short-term debt securities and money market instruments. The Investment Adviser will invest in such short-term cash positions to the extent that the Investment Adviser is unable to find sufficient investments meeting its criteria and when the Adviser believes the purchase of additional equity securities would not further the investment objective of the Fund during such periods of time. Additionally, to respond to adverse market, economic, political or other conditions, which may persist for short or long periods of time, the Fund may invest up to 100% of its assets in the types of high quality, U.S. short-term debt securities and money market instruments described above.

If the market advances during periods when the Fund is holding a large cash position, the Fund may not participate as much as it would have if it had been more fully invested in securities. In the aforementioned temporary defensive periods, the Investment Adviser believes that an additional amount of liquidity in the Fund is desirable both to meet operating requirements and to take advantage of new investment opportunities. When the Fund holds a significant portion of assets in cash and cash equivalents, it may not meet its investment objective.

The Fund held 64.86% of its net assets in the Texas Pacific Land Corporation (the “Land Corporation”) as of March 31, 2024. The Land Corporation is a corporation organized under the laws of the state of New York. One of the largest land owners in Texas, the Land Corporation derives most of its income from oil and gas royalty revenue, land easements and water royalties and sales. The Land Corporation has historically operated with minimal operating expenses, little to no debt and utilized cash flow to return capital to unitholders through share repurchases and dividends. While the Land Corporation has held the majority of its assets since its formation in 1888, the development of energy resources subject to its

royalty interests and related land use have experienced rapid growth in recent years due to advances in energy exploration and extraction technologies.

### **Principal Investment Risks**

Risk is inherent in all investing. A summary description of certain principal risks of investing in the Fund is set forth below. Before you decide whether to invest in the Fund, carefully consider these risk factors associated with investing in the Fund, which may cause investors to lose money. There can be no assurance that the Fund will achieve its investment objective. The first four risks are prioritized by order of importance. The remaining principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with other funds. Each risk summarized below is considered a principal risk of investing in the Fund, regardless of the order in which it appears. Different risks may be more significant at different times depending on market conditions or other factors.

- ▶ *Single Stock Concentration Risk:* The Fund may hold a large concentration of its net assets in a single security or issuer. Holding a large concentration in a single security or issuer may expose the Fund to the market volatility of that specific security or issuer if the security or issuer performs worse than the market as a whole, which could adversely affect the Fund's performance.
- ▶ *Non-Diversification Risk:* The Fund is classified as "non-diversified," which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.
- ▶ *Liquidity Risks:* The Investment Adviser may not be able to sell portfolio securities at an optimal time or price. The Fund's significant investment in a single position, makes the Fund especially susceptible to the risk that during certain periods the liquidity of the single position will decrease or disappear suddenly and without warning as a result of adverse market or political events, or adverse investor perceptions.
- ▶ *Sector Concentration Risk:* Although the Fund will not concentrate its investments in any industries, the Fund may, at certain times, have concentrations in one or more sectors which may cause the Fund to be more sensitive to economic changes or events occurring in those sectors, and the Fund's investments may be more volatile. As of December 31, 2023, the Fund had 60.1% invested in the Mining, Quarrying, and Oil and Gas Extraction sector.
- ▶ *Crypto Asset Exposure Risk:* Crypto assets (also referred to as "virtual currencies" and "digital currencies") are digital assets designed to act as a medium of exchange. Although crypto assets are an emerging asset class, they are not presently widely accepted as a medium of exchange. There are thousands of crypto assets, the most well-known of which is bitcoin.

Bitcoin or BTC was the first decentralized crypto asset. Bitcoin is a type of crypto asset that is not issued by a government, bank or central organization. Bitcoin exists on an online, peer-to-peer computer network that hosts a public transaction ledger where crypto assets transfers are recorded (the "Blockchain"). Bitcoin has no physical existence beyond the record of transactions on the Blockchain. The bitcoin network allows people to exchange tokens of value, bitcoins, which are recorded on a public transaction ledger known as a blockchain. The Fund may invest indirectly in bitcoin through a Delaware statutory trust, Grayscale Bitcoin Trust ETF ("GBTC") and through other pooled investment vehicles that provide exposure to crypto assets. Grayscale Bitcoin Trust ETF is one of the first spot Bitcoin ETFs in the U.S. It enables investors to gain exposure to

bitcoin in the form of a security while avoiding the challenges of buying, storing, and safekeeping bitcoin, directly.

In addition to the general risks of investing in other investment vehicles, the value of the Fund's indirect investments in crypto assets are subject to fluctuations in the value of the crypto asset, which can be highly volatile. The value of crypto assets is determined by the supply and demand for crypto assets in the global market for the trading of crypto assets, which consists primarily of transactions on crypto asset trading platforms. The value of crypto assets has been, and may continue to be, substantially dependent on speculation, such that trading and investing in crypto assets generally may not be based on fundamental analysis. The Fund's exposure to crypto assets can result in substantial losses to the Fund.

Crypto assets facilitate decentralized, peer-to-peer financial exchange and value storage, without the oversight of a central authority or banks. The value of crypto assets are not backed by any government, corporation, or other identified body. Crypto assets are also susceptible to theft, loss and destruction.

Crypto assets trade on crypto asset trading platforms, which are largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. These crypto asset trading platforms can cease operating temporarily or even permanently, resulting in the potential loss of users' crypto assets or other market disruptions. Crypto asset trading platforms may be more exposed to the risk of market manipulation than exchanges for more traditional assets. Individuals or organizations holding a large amount of crypto assets in which the Fund may invest indirectly (also known as "whales") may have the ability to manipulate the prices of those crypto assets. Crypto asset trading platforms on which crypto assets are traded are or may become subject to enforcement actions by regulatory authorities. Crypto asset trading platforms that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers or their markets to the same extent that regulated securities exchanges or futures exchanges are required to do so. Furthermore, crypto asset trading platforms may be operating out of compliance with regulations, and many crypto asset trading platforms lack certain safeguards established by more traditional exchanges to enhance the stability of trading on the exchange, such as measures designed to prevent sudden drops in value of items traded on the exchange (*i.e.*, "flash crashes"). As a result, the prices of crypto assets on crypto asset trading platforms may be subject to larger and more frequent sudden declines than assets traded on more traditional exchanges.

- ▶ *Crypto Asset Industry Risk:* The crypto asset industry is a newer, speculative, and still-developing industry that faces many risks. The crypto asset industry may still be experiencing a bubble or may experience a bubble again in the future. For example, in the first half of 2022, each of Celsius Network, Voyager Digital Ltd., and Three Arrows Capital declared bankruptcy, resulting in a loss of confidence in participants of the digital asset ecosystem and negative publicity surrounding digital assets more broadly. In November 2022, FTX Trading Ltd. ("FTX"), one of the largest digital asset platforms by volume at the time, halted customer withdrawals amid rumors of the company's liquidity issues and likely insolvency, which were subsequently corroborated by its CEO. Shortly thereafter, FTX's CEO resigned and FTX and many of its affiliates filed for bankruptcy in the United States, while other affiliates have entered insolvency, liquidation, or similar proceedings around the globe, following which the U.S. Department of Justice brought criminal fraud and other charges, and the SEC and CFTC brought civil securities and commodities fraud charges, against certain of FTX's and its affiliates' senior executives, including its former CEO. In addition, several other entities in the crypto asset industry filed for bankruptcy following FTX's bankruptcy filing, such as BlockFi Inc. and



Genesis Global Capital, LLC. In response to these events, the prices of crypto assets have experienced extreme volatility and other entities in the crypto asset industry have been, and may continue to be, negatively affected, further undermining confidence in the crypto asset industry. These events are continuing to develop and the full facts are continuing to emerge. It is not possible to predict at this time all of the risks that they may pose to the Fund, its service providers or to the crypto asset industry as a whole.

Factors affecting the further development of crypto assets include, but are not limited to, continued worldwide growth or possible cessation or reversal in the adoption and use of crypto assets and other digital assets; government and quasi-government regulation or restrictions on or regulation of access to and operation of digital asset networks; changes in consumer demographics and public preferences; maintenance and development of open-source software protocol; availability and popularity of other forms or methods of buying and selling goods and services; the use of the networks supporting digital assets, such as those for developing smart contracts and distributed applications; general economic conditions and the regulatory environment relating to digital assets; negative consumer or public perception; and general risks tied to the use of information technologies, including cyber risks. A hack or failure of one crypto asset may lead to a loss in confidence in, and thus decreased usage and/or value of, other crypto assets.

- ▶ *Crypto Asset Regulatory Risk:* Crypto asset markets in the U.S. exist in a state of regulatory uncertainty. Regulatory changes or actions by Congress as well as U.S. federal or state agencies may adversely affect the value of the Fund's indirect investments in crypto assets. As digital assets have grown in both popularity and market size, a number of state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, the Securities and Exchange Commission, U.S. state securities regulators and several foreign governments have issued warnings and instituted legal proceedings in which they argue that certain digital assets may be classified as securities and that both those digital assets and any related initial coin offerings are subject to securities regulations. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against virtual currency businesses or enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from virtual currency activity.

Currently, there is relatively limited use of crypto assets in the retail and commercial marketplace, which contributes to price volatility. A lack of expansion by crypto assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the value of crypto assets, either of which could adversely impact the value of the Fund's investment. In addition, to the extent market participants develop a preference for one crypto asset over another, the value of the less preferred crypto assets would likely be adversely affected.

The Fund's exposure to crypto assets may change over time and, accordingly, such exposure may not be represented in the Fund's portfolio at any given time. Many significant aspects of the tax treatment of investments in crypto assets are uncertain, and a direct or indirect investment in crypto assets may produce non-qualifying income. Crypto assets are a new technological innovation with a limited history; it is a highly speculative asset and future regulatory actions or policies may limit, perhaps to a materially adverse extent, the value of the Fund's indirect investment in crypto assets and the ability to exchange a crypto asset or utilize it for payments.

- ▶ *Convertible Securities Risk:* Convertible securities are subject to market and interest rate risk and credit risk. When the market price of the equity security underlying a convertible security decreases the convertible security tends to trade on the basis of its yield and other fixed income

characteristics, and is more susceptible to credit and interest rate risks. When the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features and be more exposed to market risk. Convertible securities are typically issued by smaller capitalized companies with stock prices that may be more volatile than those of other companies.

- ▶ *Currency Risk:* The values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.
- ▶ *Distressed Securities Risk:* Financially distressed securities involve considerable risk that can result in substantial or even total loss of the Fund's investment. It is often difficult to obtain information as to the true condition of financially distressed securities. These securities are often subject to litigation among the participants in bankruptcy or reorganization proceedings.
- ▶ *Emerging Markets Risk:* Many of the risks with respect to foreign investments are more pronounced for investments in issuers in developing or emerging market countries. Emerging market countries tend to have more government exchange controls, more volatile interest and currency exchange rates, less market regulation, and less developed economic, political and legal systems than those of more developed countries. In addition, emerging market countries may experience high levels of inflation and may have less liquid securities markets and less efficient trading and settlement systems. The information available about an emerging market issuer may be less reliable than for comparable issuers in more developed capital markets. Additionally, there may be less publicly available information about certain foreign issuers. In addition, investments in certain emerging markets are subject to an elevated risk of loss resulting from market manipulation and the imposition of exchange controls (including repatriation restrictions). The legal rights and remedies available for investors in emerging markets may be more limited than the rights and remedies available in the U.S., and the ability of U.S. authorities (e.g., Securities and Exchange Commission ("SEC") and the U.S. Department of Justice) to bring actions against bad actors in emerging markets may be limited.
- ▶ *Equity Risk:* The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.
- ▶ *Event Driven Risk:* The Investment Adviser's evaluation of the outcome of a proposed spin-off or corporate restructuring may prove incorrect and the Fund's return on an investment may be negative. Even if the Investment Adviser's judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause the Fund to lose money or fail to achieve a desired rate of return. In addition, the ability of a shareholder activist holding company to effectuate a spin-off or restructuring is subject to the same risks and the Investment Adviser's evaluation of such a company's capabilities may be incorrect.
- ▶ *Foreign Investment Risk:* The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments and changes in the regulatory environments of foreign countries. In addition, changes in exchange rates and interest rates may adversely affect the values of the Fund's foreign investments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and foreign financial intermediaries may be subject to less supervision and regulation than U.S. financial firms. Additionally, there may be less information publicly available about certain issues. Foreign securities include American Depositary Receipts

(“ADRs”) and Global Depositary Receipts (“GDRs”). Unsponsored ADRs and GDRs are organized independently and without the cooperation of the foreign issuer of the underlying securities, and involve additional risks because U.S. reporting requirements do not apply and the issuing bank will recover shareholder distribution costs from changes in share prices and payment of dividends. Foreign securities in which the Fund invests may be traded in markets that close before the time that the Fund calculates its NAV. Furthermore, certain foreign securities in which the Fund invests may be listed on foreign exchanges that trade on weekends or other days when the Fund does not calculate its NAV. As a result, the value of the Fund's holdings may change on days when shareholders are not able to purchase or redeem the Fund's shares.

- ▶ *Initial Public Offerings Risk:* The Fund may purchase securities of companies in IPOs. Special risks associated with these securities may include limited numbers of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and the companies’ limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies.
- ▶ *Large-Cap Company Risk:* Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.
- ▶ *Management and Strategy Risk:* The value of your investment depends on the judgment of the Investment Adviser about the quality, relative yield, value or market trends affecting a particular security, issuer, sector or region, which may prove to be incorrect. Investment strategies employed by the Investment Adviser in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to that of other investments.
- ▶ *Market Risk:* The market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The market value of a security or instrument also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Natural disasters, public health emergencies (including epidemics and pandemics), geopolitical events, terrorism and other global unforeseeable events may lead to instability in world economies and markets, market volatility and may have adverse long-term effects.
- ▶ *Petroleum and Gas Sector Risk:* The profitability of companies in the oil and gas industry is related to worldwide energy prices, exploration costs and production spending. Companies in the oil and gas industry may be at risk for environmental damage claims and other types of litigation. Companies in the oil and gas industry may be adversely affected by: natural disasters or other catastrophes; changes in exchange rates or interest rates; prices for competitive energy services; economic conditions; tax treatment or government regulation; government intervention; negative public perception; or unfavorable events in the regions where companies operate (e.g., expropriation, nationalization, confiscation of assets and property, imposition of restrictions on foreign investments or repatriation of capital, military coups, social or political unrest, violence or labor unrest). Companies in the oil and gas industry may have significant capital investments in, or engage in transactions involving, emerging market countries, which may heighten these risks.
- ▶ *Preferred Stock Risk:* Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stock, dividends and a fixed share of the proceeds resulting from a liquidation of the company. The market value of preferred stock is subject to company-specific and market risks applicable

generally to equity securities and is also sensitive to changes in the company's creditworthiness, the ability of the company to make payments on the preferred stock, and changes in interest rates, typically declining in value if interest rates rise.

- ▶ *Regulatory Risk:* Crypto asset is generally not subject to the same degree of regulation as are registered U.S. securities. The reporting, accounting and auditing standards for crypto asset may differ from the standards for registered U.S. securities. Furthermore, countries, including the United States, may in the future curtail or outlaw the acquisition, use or redemption of crypto asset.
- ▶ *Small-cap and Mid-cap Company Risk:* The securities of small-capitalization or mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions.
- ▶ *Specific Strategy/Research Risk:* The Fund's Investment Adviser and an affiliate of the Fund's Investment Adviser author and collaborate on research reports regarding spin-off related companies for institutional subscribers. Consistent with its compliance policies and procedures, the Investment Adviser may impose for a period of time an internal restriction in the trading in certain securities related to spin-off companies, corporate restructuring companies and/or their parent companies discussed in these research reports. As a result, the Fund may be prevented from trading in such securities at their optimal value or time as might otherwise have been permitted if such restrictions were not in effect. In addition, if subscribers to the research services buy or sell securities that are described in the reports, it could potentially have an adverse effect on the price of securities bought or sold by the Fund.
- ▶ *Subsidiary Risks:* By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. Those investments held by the Subsidiary are generally similar to the investments that are permitted to be held by the Fund and are subject to the same risks that would apply to similar investments if held directly by the Fund. The Subsidiary is not registered under the 1940 Act and, unless otherwise noted in this Prospectus, is not subject to all the investor protections of the 1940 Act. In addition, changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or its Subsidiary to continue to operate and could adversely affect the Fund's performance.
- ▶ *Tax Risks:* In order to qualify as a RIC, the Fund must meet certain requirements regarding the source of its income, the diversification of its assets and the distribution of its income. Under the test regarding the source of a RIC's income, at least 90% of the gross income of the RIC each year must be qualifying income, which consists of dividends, interest, gains on investments in securities and certain other categories of investment income. It appears to be the position of the Internal Revenue Service (the "IRS") that gain realized on crypto asset investments will not be qualifying income. The Fund's investment in the Subsidiary is expected to provide the Fund with exposure to such crypto asset investments within the limitations of the Code for qualification as a RIC because, under applicable tax rules, the earnings of the Subsidiary will be qualifying income for the RIC when distributed by the Subsidiary even though the income would not be qualifying income if earned directly by the RIC. There is a risk, however, that the IRS might assert that the income derived from the Fund's investment in the Subsidiary will not be considered qualifying income. If the Fund were to fail to qualify as a RIC and became subject to federal income tax, shareholders of the Fund would be subject to diminished returns. Additionally, the Fund invests, directly and indirectly, in entities that take the position that they are not subject to entity-level tax. If any such entity is reclassified as a corporation for U.S. federal income tax purposes,

shareholders of the Fund would be subject to diminished returns. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or its Subsidiary to operate as described in this Prospectus and could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax or withholding tax on the Cayman Subsidiary. If Cayman Islands law changes such that the Cayman Subsidiary must pay Cayman Islands taxes, Fund shareholders would likely suffer decreased investment returns.

- ▶ *Valuation Risk:* The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets, such as crypto asset, or that are valued using a fair value methodology. Fair valuation of the Fund's investments involves subjective judgment. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the Investment Adviser had not fair-valued the security or had used a different valuation methodology.
- ▶ *Volatility Risk:* The Fund may have investments, including but not limited to crypto asset investments, that appreciate or depreciate significantly in value over short periods of time. This may cause the Fund's net asset value per share to experience significant increases or declines in value over short periods of time.
- ▶ *Warrants and Rights Risk:* Warrants and rights may lack a liquid secondary market for resale. The prices of warrants may fluctuate as a result of speculation or other factors. Warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move in tandem with the prices of their underlying securities and therefore are highly volatile and speculative investments. Failing to exercise subscription rights to purchase common stock would dilute the Fund's interest in the issuing company. The market for such rights is not well developed, and the Fund may not always realize full value on the sale of rights.

### **Who may want to invest?**

The Fund may be appropriate for investors who:

- ▶ wish to diversify their portfolios;
- ▶ wish to generate income and capital;
- ▶ are willing to accept the volatility associated with crypto asset investing; and
- ▶ are comfortable with the risks described herein.

### **Performance**

The performance information provided below indicates some of the risks of investing in the Fund by comparing the Fund with the performance of a broad-based market index. The Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Performance reflects fee waivers in effect. If fee waivers were not in place, the Fund's performance would be reduced.

The Horizon Spin-off and Corporate Restructuring Fund, a series of Investment Managers Series Trust (the "Predecessor Fund") reorganized into the Fund following the close of business on December 8, 2017. Before the Fund commenced operations, all of the assets and liabilities of the Predecessor Fund were transferred to the Fund in a tax-free reorganization (the "Reorganization"). As a result of the Reorganization, the Fund assumed the performance and accounting history of the Predecessor Fund prior to the date of the Reorganization. Performance results shown in the bar chart and the performance

table below for the period through December 31, 2016 reflect the performance of the Predecessor Fund. On February 11, 2014, the Predecessor Fund’s principal investment strategy changed. The performance information for periods prior to that date is attributable to the Predecessor Fund’s previous principal investment strategy.

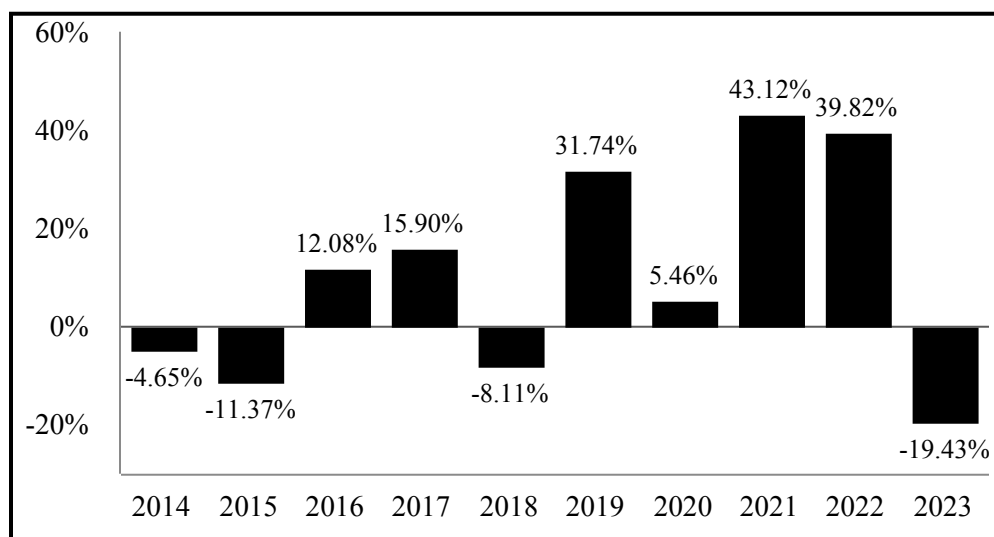
The performance information for the period prior to October 10, 2009, is that of the Liberty Street Horizon Fund, a series of the Forum Funds Trust (the “Liberty Street Fund”). The Predecessor Fund acquired the assets and liabilities of the Liberty Street Fund in a reorganization on March 16, 2007. The Liberty Street Fund’s performance and financial history were adopted by the Predecessor Fund and, for periods prior to October 10, 2009, are included in the Fund’s performance and financial history.

The performance of the Fund reflects the performance of the Predecessor Fund, which had substantially similar investment strategies. The bar chart shows performance of the Fund’s Institutional shares. Sales loads are not reflected in the bar chart, and if those charges were included, returns would be less than those shown. Advisor Class A, Advisor Class C and No Load Class shares’ performance would be lower than the Institutional Class performance because of the higher expenses paid by Advisor Class A, Advisor Class C and No Load Class shares.

Updated performance information is available on the Fund’s website at <http://www.kineticsfunds.com> or by calling the Fund toll-free at (800) 930-3828.

**Important note about performance reflecting the Fund’s prior investment strategy.** The performance shown for periods prior to February 11, 2014 reflects a previous investment strategy. Effective February 11, 2014, the Fund’s investment strategy was changed to focus exclusively on spin-offs and other forms of corporate restructuring.

**Calendar Year Total Return (before taxes) for Institutional Class Shares**



Best Quarter:	Q1 2021	57.89%
Worst Quarter:	Q1 2020	-38.80%

The after-tax returns for the Fund’s Institutional Class shares as shown in the following table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own Fund shares in a tax-deferred account, such as a 401(k) plan or an individual retirement account (“IRA”), the information on after-tax returns is not relevant to your

investment. After-tax returns are shown for Institutional Class shares only. After-tax returns for Advisor Class A, Advisor Class C and No Load Class shares will differ.

<b>Average Annual Total Returns (for the Periods Ended December 31, 2023)</b>					
	<b>1 Year</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception</b>	<b>Inception Date/ From</b>
<b>Institutional Class</b> — Return Before Taxes	-19.43%	17.50%	8.49%	5.36%	July 11, 2007
<b>Institutional Class</b> — Return After Taxes on Distributions	-21.11%	16.84%	7.92%	4.93%	July 11, 2007
<b>Institutional Class</b> — Return After Taxes on Distributions and Sale of Fund Shares	-10.28%	14.24%	6.84%	4.31%	July 11, 2007
<b>Advisor Class A Shares</b> — Return Before Taxes	-24.26%	15.80%	7.58%	5.17%	May 4, 2007
<b>Advisor Class C Shares</b> — Return Before Taxes	-20.97%	16.32%	7.40%	4.83%	May 24, 2007
<b>No Load Class Shares</b> — Return Before Taxes	-19.59%	17.28%	N/A	13.02%	December 11, 2017
<b>S&amp;P 500 Index</b> (reflects no deduction for fees, expenses or taxes)	26.29%	15.69%	12.03%	9.36%	July 11, 2007

## Management

*Investment Adviser.* Horizon Kinetics Asset Management LLC is the Fund’s investment adviser.

*Portfolio Managers.* Steven M. Bregman and Murray Stahl have served as the portfolio managers of the Fund since its inception in May 2007 and are jointly and primarily responsible for the day-to-day management of the Fund’s portfolio.

<b>Investment team member</b>	<b>Primary Title</b>	<b>Years of Service with the Fund</b>
Murray Stahl	Co-Portfolio Manager	17
Steven Bregman	Co-Portfolio Manager	17

## Purchase and Sale of Fund Shares

You may purchase, exchange or redeem Fund shares on any business day by written request via mail (Kinetics Mutual Funds – The Kinetics Spin-off and Corporate Restructuring Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701), by telephone at 1-800-930-3828, or through a financial intermediary. You may also purchase or redeem Fund shares by wire transfer. The minimum initial investment for both regular accounts and IRAs is \$2,500 (\$2,000 for Coverdell Education Savings Accounts). There is no minimum on subsequent investments for all account types. To purchase shares of the Fund, you must invest at least the minimum amount.

<b>Minimum Investments</b>	<b>To Open Your Account</b>	<b>To Add to Your Account</b>
<b>Advisor A and Advisor C Shares</b>		
Standard Accounts	\$2,500	\$0
Traditional and Roth IRA Accounts	\$2,500	\$0
Accounts with Systematic Investment Plans	\$2,500	\$0
Qualified Retirement Plans	\$2,500	\$0
<b>No-Load Shares</b>	\$2,500	\$0
<b>Institutional Shares</b>		
All Accounts	\$1,000,000	\$0

Fund shares are redeemable on any business day the New York Stock Exchange (the “NYSE”) is open for business by written request or by telephone.

**Tax Information**

Unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, the Fund’s distributions will generally be taxable to you at ordinary income or capital gains tax rates, and you will generally recognize gain or loss when you redeem shares.

**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary, the Fund and its related companies (including the Investment Adviser) may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary to recommend the Fund over another investment. Ask your financial adviser or visit your financial intermediary’s website for more information.



## **ADDITIONAL INFORMATION ABOUT THE FUND'S INVESTMENTS**

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### **Investment Objective**

The Fund's investment objective is to achieve long-term growth of capital. There is no assurance that the Fund will achieve its investment objective.

The Fund's investment objective is not fundamental and may be changed by the Board of Directors of the Company without shareholder approval, upon at least 60 days' prior written notice to shareholders. The Fund's investment strategies and policies may be changed from time to time without shareholder approval or prior written notice, unless specifically stated otherwise in this Prospectus or the Statement of Additional Information ("SAI").

### **Principal Investment Strategies**

Under normal market conditions, the Fund will pursue its investment objective by investing at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of spin-off companies, companies subject to other forms of corporate restructuring, parents of any such companies, and publicly traded shareholder activist holding companies which, by way of their shareholder ownership in other companies, have caused such other companies to undergo spin-offs and other forms of corporate restructurings. The Fund considers a spin-off company or a company subject to a corporate restructuring to be any company that has experienced one of the following events within five years of the Fund's investment in the company: a spin-off distribution of stock of a subsidiary company by its parent company to parent company shareholders; an equity "carve-out" or "partial initial public offering" in which a parent company sells a percentage of the equity of a subsidiary in a public offering; or the parent company of any such company after the public disclosure of the corporate restructuring. The Fund may invest in a parent company of a spin-off company or a company subject to a corporate restructuring, or a publicly traded shareholder activist holding company which has caused such other companies to undergo the spin-off or corporate restructuring, after the public disclosure of the planned spin-off or corporate restructuring, during the spin-off or corporate restructuring process, or after the actual spin-off or corporate restructuring. If the Fund invests in a parent company of a spin-off company or a company subject to a corporate restructuring prior to a spin-off or restructuring, the Fund would, upon the completion of the spin-off or restructuring, receive the shares of the spin-off company. The Fund may retain shares of both the parent and the spin-off company, the shares of only one, or the shares of neither.

The Fund will invest in both U.S. and foreign equity stocks. The Fund's investments in foreign equity stocks may be in both developed and emerging markets. The Fund's equity investments may include common stock, preferred stock, securities convertible into common stock, warrants, rights and other equity securities having the characteristics of common stock (such as depositary receipts). The Fund may invest in any size company, including small- and medium-sized companies, and further may invest in companies which are financially distressed. In addition, under certain market conditions, the Fund may invest in a company at the time of its IPO.

The Fund may invest up to 20% of its assets in companies that, for a variety of reasons, the Investment Adviser believes may have the potential to be subject to a future spin-off or corporate restructuring, including instances in which a similar company may have recently announced a spin-off; the company may be under investor pressure to consider strategic alternatives; or the current segments of the company may not have a synergistic fit, and as a result the company's stock trades at a discount to that of its closest peers. The Fund may invest in potential spin-off and corporate restructuring companies that the Investment Adviser believes may, based on its in-house research, have the most favorable risk/reward characteristics.

The Fund may invest in crypto assets, including bitcoin, indirectly through other investment vehicles. Crypto assets that are not issued by a government, bank or central organization. Crypto assets exist on the Blockchain. Crypto assets have no physical existence beyond the record of transactions on the Blockchain. The Fund may contribute a portion of its indirect holdings in crypto assets to a Subsidiary.

In the future, the Fund may seek to gain additional exposure to crypto assets that may not produce qualifying income for the Fund under the Code if held directly.

The Subsidiary invests primarily in investment vehicles that provide the Fund with exposure to crypto asset investments. The Fund will invest in its Subsidiary in a manner that is consistent with the limitations of the federal tax laws, rules and regulations that apply to the Fund as a RIC under Subchapter M. The Fund complies with Section 8 and Section 18 of the 1940 Act, governing investment policies and capital structure and leverage, respectively, on an aggregate basis with the Subsidiary. The Subsidiary also complies with Section 17 of the 1940 Act, relating to affiliated transactions and custody. Unlike the Fund, the Subsidiary does not, and will not, seek to qualify as a RIC. The Fund is the sole shareholder of the Subsidiary and does not expect shares of the Subsidiary to be offered or sold to other investors.

**The Investment Adviser's Process.** The Investment Adviser seeks to avoid short-term investing and significant portfolio turnover. The Investment Adviser utilizes its in-house research capabilities to seek to identify businesses at inflection points in their corporate life cycles with what the Investment Adviser believes are attractive risk/reward profiles. The Investment Adviser believes that returns are often the result of the market's inefficiency in initially valuing corporate restructurings due in part to lack of coverage by the investment community and initial indiscriminate selling pressure. For instance, companies that have been "spun-off" from their corporate parents by way of corporate restructurings may not be followed closely by financial sector analysts, which could lead to advantageous disparities between a company's valuation and growth prospects relative to its pricing in the marketplace. The Investment Adviser uses a process that focuses primarily on the analysis of individual companies rather than on the industry in which the company may operate. This "bottom-up" approach may result in multiple investments in the same sector or industry. However, the Investment Adviser pays careful attention to the limitation of sector and industry concentrations.

The Fund may invest in other securities of either a parent company spinning-off securities or of the spin-off company, such as preferred stock, warrants, tracking stocks, contingent value rights and other spin-off equity securities.

The Investment Adviser generally sells the Fund's investments if the Investment Adviser determines that the characteristics that resulted in the original purchase decision have changed materially, the investment is no longer earning a return commensurate with its risk, the Investment Adviser identifies other investments with more attractive valuations and return characteristics, or the Fund requires cash to meet redemption requests.

**Temporary and Defensive Cash and Cash Equivalent Holdings.** The Fund may maintain during a temporary period, which could be for a short period or a longer period lasting several years or more, of abnormal conditions, a significant portion of its total assets in cash and securities, generally considered to be cash and cash equivalents, including, but not limited to: high quality, U.S. short-term debt securities and money market instruments, as described above. The Investment Adviser will invest in such short-term cash positions to the extent that the Investment Adviser is unable to find sufficient investments meeting its criteria and when the Adviser believes the purchase of additional equity securities would not further the investment objective of the Fund during such periods of time. Additionally, to respond to adverse market, economic, political or other conditions, which may persist for short or long periods of time, the

Fund may invest up to 100% of its assets in the types of high quality, U.S. short-term debt securities and money market instruments described above.

If the market advances during periods when the Fund is holding a large cash position, the Fund may not participate as much as it would have if it had been more fully invested in securities. In the aforementioned temporary defensive periods, the Investment Adviser believes that an additional amount of liquidity in the Fund is desirable both to meet operating requirements and to take advantage of new investment opportunities. When the Fund holds a significant portion of assets in cash and cash equivalents, it may not meet its investment objective.

### **Principal Risks of Investing**

Risk is inherent in all investing. A summary description of certain principal risks of investing in the Fund is set forth below. Before you decide whether to invest in the Fund, carefully consider these risk factors associated with investing in the Fund, which may cause investors to lose money. There can be no assurance that the Fund will achieve its investment objective. Each risk summarized below is considered a "principal" risk of investing in the Fund, regardless of the order in which it appears. Different risks may be more significant at different times depending on market conditions or other factors.

**Convertible Securities Risk.** Convertible securities are securities that are convertible into or exchangeable for common or preferred stock. The values of convertible securities may be affected by changes in interest rates, the creditworthiness of their issuer, and the ability of the issuer to repay principal and to make interest payments. A convertible security tends to perform more like a stock when the underlying stock price is high and more like a debt security when the underlying stock price is low. A convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security and generally has less potential for gain or loss than the underlying stock.

**Crypto Asset Exposure Risk.** Crypto assets (also referred to as “virtual currencies” and “digital currencies”) are digital assets designed to act as a medium of exchange. Although crypto assets are an emerging asset class, they are not presently widely accepted as a medium of exchange. There are thousands of crypto assets, the most well-known of which is bitcoin.

Bitcoin or BTC was the first decentralized crypto asset. Bitcoin is a type of crypto asset that is not issued by a government, bank or central organization. Bitcoin exists on an online, peer-to-peer computer network that hosts a public transaction ledger where crypto assets transfers are recorded (the “Blockchain”). Bitcoin has no physical existence beyond the record of transactions on the Blockchain. The bitcoin network allows people to exchange tokens of value, bitcoins, which are recorded on a public transaction ledger known as a blockchain. The Fund may invest indirectly in bitcoin through a Delaware statutory trust, Grayscale Bitcoin Trust ETF (“GBTC”) and through other pooled investment vehicles that provide exposure to crypto assets. Grayscale Bitcoin Trust ETF is one of the first spot Bitcoin ETFs in the U.S. It enables investors to gain exposure to bitcoin in the form of a security while avoiding the challenges of buying, storing, and safekeeping bitcoin, directly.

In addition to the general risks of investing in other investment vehicles, the value of the Fund’s indirect investments in crypto assets are subject to fluctuations in the value of the crypto asset, which can be highly volatile. The value of crypto assets is determined by the supply and demand for crypto assets in the global market for the trading of crypto assets, which consists primarily of transactions on crypto asset trading platforms. The value of crypto assets has been, and may continue to be, substantially dependent on speculation, such that trading and investing in crypto assets generally may not be based on fundamental analysis. The Fund’s exposure to crypto assets can result in substantial losses to the Fund.

Crypto assets facilitate decentralized, peer-to-peer financial exchange and value storage, without the oversight of a central authority or banks. The value of crypto assets are not backed by any government, corporation, or other identified body. Crypto assets are also susceptible to theft, loss and destruction.

### *Crypto Asset Trading Platform Risk*

Crypto assets trade on crypto asset trading platforms, which are largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. These crypto asset trading platforms can cease operating temporarily or even permanently, resulting in the potential loss of users' crypto assets or other market disruptions. Crypto asset trading platforms may be more exposed to the risk of market manipulation than exchanges for more traditional assets. Individuals or organizations holding a large amount of crypto assets in which the Fund may invest indirectly (also known as "whales") may have the ability to manipulate the prices of those crypto assets. Crypto asset trading platforms on which crypto assets are traded are or may become subject to enforcement actions by regulatory authorities. Crypto asset trading platforms that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers or their markets to the same extent that regulated securities exchanges or futures exchanges are required to do so. Furthermore, crypto asset trading platforms may be operating out of compliance with regulations, and many crypto asset trading platforms lack certain safeguards established by more traditional exchanges to enhance the stability of trading on the exchange, such as measures designed to prevent sudden drops in value of items traded on the exchange (i.e., "flash crashes"). As a result, the prices of crypto assets on crypto asset trading platforms may be subject to larger and more frequent sudden declines than assets traded on more traditional exchanges.

### *Crypto Asset Industry Risk*

The crypto asset industry is a newer, speculative, and still-developing industry that faces many risks. The crypto asset industry may still be experiencing a bubble or may experience a bubble again in the future. For example, in the first half of 2022, each of Celsius Network, Voyager Digital Ltd., and Three Arrows Capital declared bankruptcy, resulting in a loss of confidence in participants of the digital asset ecosystem and negative publicity surrounding digital assets more broadly. In November 2022, FTX Trading Ltd. ("FTX"), one of the largest digital asset platforms by volume at the time, halted customer withdrawals amid rumors of the company's liquidity issues and likely insolvency, which were subsequently corroborated by its CEO. Shortly thereafter, FTX's CEO resigned and FTX and many of its affiliates filed for bankruptcy in the United States, while other affiliates have entered insolvency, liquidation, or similar proceedings around the globe, following which the U.S. Department of Justice brought criminal fraud and other charges, and the SEC and CFTC brought civil securities and commodities fraud charges, against certain of FTX's and its affiliates' senior executives, including its former CEO. In addition, several other entities in the crypto asset industry filed for bankruptcy following FTX's bankruptcy filing, such as BlockFi Inc. and Genesis Global Capital, LLC. In response to these events, the prices of crypto assets have experienced extreme volatility and other entities in the crypto asset industry have been, and may continue to be, negatively affected, further undermining confidence in the crypto asset industry. These events are continuing to develop and the full facts are continuing to emerge. It is not possible to predict at this time all of the risks that they may pose to the Fund, its service providers or to the crypto asset industry as a whole.

Factors affecting the further development of crypto assets include, but are not limited to, continued worldwide growth or possible cessation or reversal in the adoption and use of crypto assets and other digital assets; government and quasi-government regulation or restrictions on or regulation of access to and operation of digital asset networks; changes in consumer demographics and public preferences; maintenance and development of open-source software protocol; availability and popularity of other forms or methods of buying and selling goods and services; the use of the networks supporting digital assets, such as those for developing smart contracts and distributed applications; general economic conditions and the regulatory environment relating to digital assets; negative consumer or public perception; and general risks tied to the use of information technologies, including cyber risks. A hack or failure of one crypto asset may lead to a loss in confidence in, and thus decreased usage and/or value of, other crypto assets.

### *Crypto Asset Regulatory Risk*

In particular, Crypto asset markets in the U.S. exist in a state of regulatory uncertainty. Regulatory changes or actions by Congress as well as U.S. federal or state agencies may adversely affect the value of the Fund's indirect investments in crypto assets. As digital assets have grown in both popularity and market size, a number of state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, the Securities and Exchange Commission, U.S. state securities regulators and several foreign governments have issued warnings and instituted legal proceedings in which they argue that certain digital assets may be classified as securities and that both those digital assets and any related initial coin offerings are subject to securities regulations. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against virtual currency businesses or enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from virtual currency activity.

Currently, there is relatively limited use of crypto assets in the retail and commercial marketplace, which contributes to price volatility. A lack of expansion by crypto assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the value of crypto assets, either of which could adversely impact the value of the Fund's investment. In addition, to the extent market participants develop a preference for one crypto asset over another, the value of the less preferred crypto assets would likely be adversely affected.

The Fund's exposure to crypto assets may change over time and, accordingly, such exposure may not be represented in the Fund's portfolio at any given time. Many significant aspects of the tax treatment of investments in crypto assets are uncertain, and a direct or indirect investment in crypto assets may produce non-qualifying income. Crypto assets are a new technological innovation with a limited history; it is a highly speculative asset and future regulatory actions or policies may limit, perhaps to a materially adverse extent, the value of the Fund's indirect investment in crypto assets and the ability to exchange a crypto asset or utilize it for payments.

### *Bitcoin Risks*

Bitcoin is a relatively new innovation with a limited history and the market for bitcoin is volatile and subject to rapid price swings, changes and uncertainty and is a largely unregulated marketplace. Bitcoin is subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact bitcoin trading venues. Newly created bitcoin are generated through a process referred to as "mining," and such bitcoin are referred to as "newly mined bitcoin." Approximately 900 newly mined bitcoin are created each day. "Halving" events occur periodically, further decreasing the amount of newly mined bitcoin created each day. If entities engaged in bitcoin mining choose not to hold the newly mined bitcoin, and, instead, make them available for sale, there can be downward pressure on the price of bitcoin which could negatively affect an investment in the Fund. Miners may cease expanding processing power to create blocks and verify transactions if they are not adequately compensated, which may negatively impact the development of the bitcoin network and adversely affect the price of bitcoin.

As a digital asset, bitcoin is subject to the risk that malicious actors will exploit flaws in its code or structure that will allow them to, among other things, steal bitcoin held by others, control the blockchain, steal personally identifying information, or issue significant amounts of bitcoin in contravention of the bitcoin blockchain code. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of bitcoin. A malicious actor may attack in various ways, including a "50 Percent Attack" or a spam attack. If a malicious actor obtains a majority of the processing power dedicated to mining, it will be able to exert unilateral control over the addition of blocks to the blockchain. As long as the malicious actor enjoys this majority it may be able to double-spend its own bitcoin (i.e., spend the same bitcoin in two or more conflicting transactions) as well as prevent the confirmation of other bitcoin transactions. If such a scenario were to occur, it could adversely affect an investment in the Fund. A malicious actor could also attempt to flood the pool of unconfirmed transactions with tens of thousands of transactions in an effort to significantly slow the confirmation of

legitimate transactions across the bitcoin network. Such a delay, if sustained for extended periods of time, could negatively impact the secondary market price of bitcoin. These or any other form of attack on the bitcoin network could adversely affect an investment in the Fund.

There is no central registry showing which individuals or entities own bitcoin or the quantity of bitcoin that is owned by any particular person or entity. There are no regulations in place that would prevent a large holder of bitcoin or a group of holders from selling their bitcoin which could depress the price of bitcoin or otherwise attempting to manipulate the price of bitcoin or the bitcoin network. A significant portion of bitcoin is held by a small number of holders sometimes referred to as “whales.” These holders have the ability to manipulate the price of bitcoin. Events that reduce user confidence in bitcoin, the bitcoin network and the fairness of bitcoin trading venues could have a negative impact on the price of bitcoin. The realization of any of these risks could result in a decline in the acceptance of bitcoin and consequently a reduction in the value of bitcoin.

From time to time, the developers suggest changes to the bitcoin software. If a sufficient number of miners or validators elect not to adopt the changes, a new digital asset, operating on the earlier version of the software, may be created. This is often referred to as a “fork.” The creation of a “fork” or a substantial giveaway of bitcoin (sometimes referred to as an “air drop”) may result in significant and unexpected declines in the value of bitcoin. Network contributors could propose amendments to the bitcoin network’s protocols and software that, if accepted and authorized by the bitcoin network, could adversely affect an investment in the Fund.

Bitcoin blockchain’s protocol may contain flaws that can be exploited by attackers. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of bitcoin and therefore the value of an investment of the Fund.

Bitcoin was developed as an alternative payment system but has not yet achieved this objective, which may adversely affect its value. The emergence of other public blockchains that are similarly designed to serve as an alternative payment system, such as those focused on privacy through the use of zero-knowledge cryptography, may negatively impact on the demand for and value of bitcoin and an investment in the Fund. The common impediments and/or disadvantages to adopting the bitcoin blockchain as a payment network include, but are not limited to, the slowness of transaction processing and finality, variability of transaction fees, and volatility of bitcoin’s price.

The development and adoption of other blockchains, such as the Ethereum blockchain, may compete with bitcoin and result in a reduction in the use of bitcoin and the Bitcoin blockchain. The sophisticated and multi-use nature of the Ethereum blockchain and the fact that the absolute amount of ether is limited may result in greater adoption of the Ethereum blockchain by users, which may negatively affect the value of bitcoin and the Bitcoin blockchain.

Further development and use of the bitcoin blockchain for its intended purpose are, and may continue to be, substantially dependent on “Layer 2” solutions (*i.e.*, separate blockchains that extends the bitcoin blockchain and inherits the security guarantees of bitcoin in order to increase transaction throughput and reduce transaction fees), which may not be implemented correctly which may negatively impact the bitcoin blockchain and bitcoin.

The bitcoin network’s functionality relies on the internet. A significant disruption of internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the bitcoin network and adversely affect the Fund. In addition, certain features of the bitcoin network, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.

### *Blockchain Technology Risk*

Blockchain technology is a relatively new and untested technology which operates as a distributed ledger. The risks associated with blockchain technology may not fully emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology.

The adoption of blockchain and the development of competing platforms or technologies could affect its usage. There are currently a number of competing blockchain platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives to blockchain. In addition, blockchain networks may undergo technological developments or upgrades. Certain upgrade proposals to a blockchain may not be accepted by all the participants in an ecosystem. If one significant group adopts a proposed upgrade and another does not – or if groups adopt different upgrades – this can result in a “fork” of the blockchain, wherein two distinct sets of users and validators or users and miners run two different versions of a protocol. If the versions are sufficiently different such that the two versions of the protocol cannot simultaneously maintain and update a shared record of the blockchain database, it is called a “hard fork.” A hard fork can result in the creation of two competing blockchains, each with its own native crypto assets.

Lastly, technological developments may lead to technical or other flaws (including undiscovered flaws) in the underlying blockchain technology, including in the process by which transactions are recorded to a blockchain, or by which the validity of a copy of such blockchain can be proven, or the development of new or existing hardware or software tools or mechanisms that could negatively impact the functionality of the blockchain systems, all of which could negatively impact Fund shares.

**Currency Risk.** The values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the United States and foreign governments or central banks, the imposition of currency controls, and speculation. Currency risk may be particularly high to the extent that the Fund invests in foreign currencies or engages in foreign currency transactions that are economically tied to emerging market countries. These currency transactions may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign currencies or engaging in foreign currency transactions that are economically tied to developed foreign countries.

**Distressed Securities Risk.** Financially distressed securities involve considerable risk that can result in substantial or even total loss of the Fund’s investment. It is often difficult to obtain information as to the true condition of financially distressed securities. These securities are often subject to litigation among the participants in bankruptcy or reorganization proceedings. Such investments may also be adversely affected by federal and state laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and a bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. These and other factors contribute to above-average price volatility and abrupt and erratic movements of the market prices of these securities. In addition, the spread between the bid and asked prices of such securities may be greater than normally expected and it may take a number of years for the market prices of such securities to reflect their intrinsic values.

**Emerging Markets Risk.** To the extent that the Fund invests in emerging markets, an investment in the Fund may have the following additional risks: information about the companies in these countries is not

always readily available; stocks of companies traded in these countries may be less liquid and the prices of these stocks may be more volatile than the prices of the stocks in more established markets; greater political and economic uncertainties exist in emerging markets than in developed foreign markets; the securities markets and legal systems in emerging markets may not be well developed and may not provide the protections and advantages of the markets and systems available in more developed countries; and very high inflation rates may exist in emerging markets and could negatively impact a country's economy and securities markets. Additionally, the information available about an emerging market issuer may be less reliable than for comparable issuers in more developed capital markets. In addition, investments in certain emerging markets are subject to an elevated risk of loss resulting from market manipulation and the imposition of exchange controls (including repatriation restrictions). The legal rights and remedies available for investors in emerging markets may be more limited than the rights and remedies available in the U.S., and the ability of U.S. authorities (e.g., SEC and the U.S. Department of Justice) to bring actions against bad actors in emerging markets may be limited. For these and other reasons, the prices of securities in emerging markets can fluctuate more significantly than the prices of securities of companies in developed countries. The less developed the country, the greater effect these risks may have on your investment in the Fund. As a result, an investment in the Fund may exhibit a higher degree of volatility than either the general domestic securities market or the securities markets of developed foreign countries.

**Equity Risk.** The value of equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests. The price of common stock of an issuer in the Fund's portfolio may decline if the issuer fails to make anticipated dividend payments because, among other reasons, the financial condition of the issuer declines. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure in terms of priority with respect to corporate income, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

**Event-Driven Risk.** The Investment Adviser's evaluation of the outcome of a proposed spin-off or corporate restructuring may prove incorrect and the Fund's return on an investment may be negative. Even if the Investment Adviser's judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause the Fund to lose money or fail to achieve a desired rate of return. These risks may be realized for a variety of reasons, such as the inability to finance a transaction, lack of regulatory approval from state, federal or international agencies or failure of shareholders to approve a transaction. In addition, the ability of a shareholder activist holding company to effectuate a spin-off or restructuring is subject to the same risks and the Investment Adviser's evaluation of such a company's capabilities may be incorrect.

**Foreign Investment Risk.** Investments in foreign securities are affected by risk factors generally not thought to be present in the United States. The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, and changes in the regulatory environments of foreign countries. Special risks associated with investments in foreign markets include less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, and difficulty in enforcing contractual obligations. In addition, changes in exchange rates and interest rates, and imposition of foreign taxes, may adversely affect the value of the Fund's foreign investments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and



foreign financial intermediaries may be subject to less supervision and regulation than U.S. financial firms. Certain foreign markets may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, organizations, entities and/or individuals, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. International trade barriers or economic sanctions against foreign countries, organizations, entities and/or individuals may adversely affect the Fund's holdings or exposures. The Fund's investments in depository receipts (including ADRs and GDRs) are subject to these risks, even if denominated in U.S. dollars, because changes in currency and exchange rates affect the values of the issuers of depository receipts. In addition, the underlying issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries. Emerging markets tend to be more volatile than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

**Initial Public Offerings Risk.** The Fund may purchase securities of companies in IPOs. Special risks associated with these securities may include limited numbers of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and the companies' limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some IPOs may make it more difficult for the Fund to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. Some companies whose shares are sold through IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies without revenues or operating income, or the near-term prospects of achieving them.

**Large-Cap Company Risk.** Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. In addition, large-capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may be more prone to global economic risks.

**Liquidity Risk.** Due to a lack of demand in the marketplace or other factors, the Fund may not be able to sell some or all of the investments that it holds, or may only be able to sell those investments at less than desired prices. Liquidity risk arises, for example, from small average trading volumes, trading restrictions, or temporary suspensions of trading. Liquidity risk may also refer to the risk that the Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. To meet redemption requests, the Fund may be forced to sell securities at an unfavorable time and/or under unfavorable conditions. The Fund's significant investment in a single position, makes the Fund especially susceptible to the risk that during certain periods the liquidity of the single position will decrease or disappear suddenly and without warning as a result of adverse market or political events, or adverse investor perceptions.

**Management and Strategy Risk.** The value of your investment depends on the judgment of the Investment Adviser about the quality, relative yield, value or market trends affecting a particular security, issuer, sector or region, which may prove to be incorrect. Investment strategies employed by the Investment Adviser in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to that of other investments.

**Market Risk.** An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. The Fund's share price may be affected by a sudden, sometimes rapid or unpredictable, decline in the market value of an investment, or by an overall decline in the stock market. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. The outbreak of COVID-19 and its variants resulted in closing international borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general public concern and uncertainty. This outbreak negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. On May 5, 2023, the World Health Organization declared the end of the global emergency status for COVID-19. The United States subsequently ended the federal COVID-19 public health emergency declaration effective May 11, 2023. Although vaccines for COVID-19 are widely available, it is unknown how long certain circumstances related to the pandemic will persist, whether they will reoccur in the future, and what additional implications may follow from the pandemic. The impact of these events and other epidemics or pandemics in the future could adversely affect Fund performance.

In March 2023, a number of banks experienced financial difficulties and, in some cases, failures. There can be no certainty that the actions taken by regulators to limit the effect of those financial difficulties and failures on other banks or other financial institutions or on the economy generally will be successful. It is possible that more banks or other financial institutions will experience financial difficulties or fail, which may affect adversely other financial institutions and economies.

Recently, various countries have seen significant internal conflicts and in some cases, civil wars may have had an adverse impact on the securities markets of the countries concerned. In addition, the occurrence of new disturbances due to acts of war or terrorism or other political developments cannot be excluded. Nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, political, regulatory or social instability or uncertainty or diplomatic developments, including the imposition of sanctions or other similar measures, could adversely affect the Fund's investments. Recent examples of the above include conflict, loss of life and disaster connected to ongoing armed conflict between Russia and Ukraine in Europe and Hamas and Israel in the Middle East. The extent, duration and impact of these conflicts, related sanctions and retaliatory actions are difficult to ascertain, but could be significant and have severe adverse effects on the region, including significant adverse effects on the regional or global economies and the markets for certain securities and commodities. These impacts could negatively affect the Fund's investments in securities and instruments that are economically tied to the applicable region, and include (but are not limited to) declines in value and reductions in liquidity. In addition, to the extent new sanctions are imposed or previously relaxed sanctions are reimposed (including with respect to countries undergoing transformation), complying with such restrictions may prevent the Fund from pursuing certain investments, cause delays or other impediments with respect to consummating such investments or divestments, require divestment or freezing of investments on unfavorable terms, render divestment of underperforming investments impracticable, negatively impact the Fund's ability to achieve its investment objective, prevent the Fund from receiving payments otherwise due, increase diligence and other similar costs to the Fund, render valuation of affected investments challenging, or require the Fund to consummate an investment on terms that are less advantageous than would be the case absent such restrictions. Any of these outcomes could adversely affect the Fund's performance.

**Non-Diversification Risk.** The Fund is classified as "non-diversified," which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and

potential losses than if its assets were diversified among the securities of a greater number of issuers. However, the Fund will comply with certain diversification requirements imposed by the Internal Revenue Code of 1986, as amended.

**Petroleum and Gas Sector Risk.** The profitability of companies in the oil and gas industry is related to worldwide energy prices, exploration costs and production spending. Companies in the oil and gas industry may be at risk for environmental damage claims and other types of litigation. Companies in the oil and gas industry may be adversely affected by: natural disasters or other catastrophes; changes in exchange rates or interest rates; prices for competitive energy services; economic conditions; tax treatment or government regulation; government intervention; negative public perception; or unfavorable events in the regions where companies operate (e.g., expropriation, nationalization, confiscation of assets and property, imposition of restrictions on foreign investments or repatriation of capital, military coups, social or political unrest, violence or labor unrest). Companies in the oil and gas industry may have significant capital investments in, or engage in transactions involving, emerging market countries, which may heighten these risks.

**Preferred Stock Risk.** Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. The market value of preferred stock is subject to issuer-specific and market risks applicable generally to equity securities and is sensitive to changes in the issuer's creditworthiness, the ability of the issuer to make payments on the preferred stock and changes in interest rates, typically declining in value if interest rates rise. In addition, a company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. Therefore, the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

**Regulatory Risk.** Crypto assets are generally not subject to the same degree of regulation as are registered U.S. securities. The reporting, accounting and auditing standards for crypto assets may differ from the standards for registered U.S. securities. Furthermore, countries, including the U.S., may in the future curtail or outlaw the acquisition, use or redemption of crypto assets.

**Sector Concentration Risk.** Although the Fund will not concentrate its investments in any industries, the Fund may, at certain times, have concentrations in one or more sectors which may cause the Fund to be more sensitive to economic changes or events occurring in those sectors. As of December 31, 2023, the Fund had 60.1% invested in the Mining, Quarrying, and Oil and Gas Extraction sector.

**Single Stock Concentration Risk.** The Fund may hold a large concentration of its net assets in a single security or issuer. Holding a large concentration in a single security or issuer may expose the Fund to the market volatility of that specific security or issuer if the security or issuer performs worse than the market as a whole, which could adversely affect the Fund's performance. As of March 31, 2024, the Fund held a large concentration of its net assets in the Land Corporation. Because a large portion of the Land Corporation's revenue is derived from oil and gas royalties, the performance of the Fund could be adversely affected if the underlying markets for oil or gas were to decline, thereby having a more significant impact on the Fund given the concentration in this holding.

**Small-Cap and Mid-Cap Companies Risk.** Investing in small-capitalization or mid-capitalization companies generally involves greater risks than investing in large-capitalized companies. Small- or mid-cap companies may have limited product lines, markets or financial resources or may depend on the expertise of a few people, and may be subject to more abrupt or erratic market movements than securities of larger, more established companies or the markets in general. Many small capitalization companies may be in the early stages of development. Since equity securities of smaller companies may

lack sufficient market liquidity and may not be regularly traded, it may be difficult or impossible to sell securities at an advantageous time or desirable price.

**Specific Strategy/Research Risk.** The Investment Adviser and an affiliate of the Investment Adviser author and collaborate on research reports regarding spin-off related companies for institutional subscribers. Consistent with its compliance policies and procedures, the Investment Adviser may impose for a period of time an internal restriction in the trading in certain securities related to spin-off companies, corporate restructuring companies and/or their parent companies discussed in these research reports. As a result, the Fund may be prevented from trading in such securities at their optimal value or time as might otherwise have been permitted if such restrictions were not in effect. In addition, if subscribers to the research services buy or sell securities that are described in the reports, it could potentially have an adverse effect on the price of securities bought or sold by the Fund.

**Subsidiary Risk.** The Fund may make investments through a wholly-owned Subsidiary organized under the laws of the Cayman Islands. By investing in a Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The investments held by a Subsidiary are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund. These risks are described elsewhere in this Prospectus. There can be no assurance that the investment objective of a Subsidiary will be achieved.

A Subsidiary is not registered under the 1940 Act, and, unless otherwise noted in this Prospectus, is not subject to all the investor protections of the 1940 Act. However, the Fund wholly-owns and controls its Subsidiaries, making it unlikely that a Subsidiary will take action contrary to the interests of the Fund and its shareholders. The Board has oversight responsibility for the investment activities of the Fund, including its investment in a Subsidiary, and the Fund's role as sole shareholder of its Subsidiaries. The Fund and its Subsidiaries will be subject to the same investment restrictions and limitations on a consolidated basis, and to the extent applicable to the investment activities of the Subsidiary, the Subsidiary will follow the same compliance policies and procedures as the Fund.

Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or its Subsidiaries to operate as described in this Prospectus and could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax or withholding tax on the Cayman Subsidiaries. If Cayman Islands law changes such that the Cayman Subsidiaries must pay Cayman Islands taxes, Fund shareholders would likely suffer decreased investment returns.

**Tax Risk.** To qualify as a RIC, the Fund must, among other things, derive at least 90% of its gross income for each taxable year from sources treated as "qualifying income" under Subchapter M. Although qualifying income does not include income derived directly from commodities – the IRS has issued guidance that crypto assets are to be treated for federal income tax purposes as "property," which thus could be considered a commodity, and the Fund, therefore will restrict its gross income from direct investments therein to a maximum of 10% of its gross income for each taxable year — the Fund's investment in the Subsidiary is expected to provide the Fund with indirect exposure to crypto assets within the limitations of the federal tax requirements of Subchapter M.

The investment of up to 25% of a fund's assets in a foreign subsidiary such as a Cayman Subsidiary is a structure that has been used by a number of RICs as a way of indirectly making commodities-related investments that would not generate qualifying income if they were made directly by the RIC or directly by an entity classified as a partnership for federal income tax purposes in which the RIC invests. Section 851(b) of the Code provides that income earned by a controlled foreign corporation (a "CFC"), such as a Cayman Subsidiary, will be treated as qualifying income for a RIC provided that CFC distributes those

earnings out to the RIC each year. During the period 2006-2011, the IRS issued a number of private letter rulings to other funds in which the IRS ruled that income derived from a fund's investment in a CFC such as a Cayman Subsidiary will generally constitute qualifying income for the fund, even if the CFC itself engages in transactions that would not generate qualifying income if they were engaged in by the fund itself and even if the earnings of the CFC are not distributed to the fund each year. In 2011, however, the IRS suspended the issuance of such private letter rulings pending further review of the subject. The IRS has issued regulations that provide that where distributions are received from a CFC, amounts included in gross income pursuant to subpart F income rules are considered as dividends and therefore qualifying income. In addition, these regulations provide that subpart F income that is included in the Fund's gross income by virtue of its investment in the Subsidiary is qualifying income to the extent derived with respect to the Fund's business of investing stock, securities or currencies (even if not distributed currently).

If, however, the IRS were to determine that income derived from the Fund's investment in its Cayman Subsidiary does not constitute qualifying income and if such positions were upheld by a court, or if future legislation or Treasury regulations were to adversely affect the tax treatment of such investments, the Fund might cease to qualify as a RIC and could be required to reduce its exposure to such investments. In a Senate subcommittee hearing on the subject of RIC commodities-related investments in 2012, Senator Levin, the subcommittee chairman, expressed the view that a wholly-owned foreign subsidiary such as a Cayman Subsidiary, which is used by a RIC to make investments or otherwise to engage in transactions that the RIC could not accomplish directly under the applicable tax rules, should be disregarded as a separate entity for federal income tax purposes. Senator Levin's view was not endorsed by the IRS Commissioner and the Treasury Acting Assistant Secretary for Tax Policy in their hearing testimony and their post-hearing responses to supplemental questions from Senator Levin. If the IRS were ultimately to adopt such a view, however, with respect to the Cayman Subsidiary, and if that position were to be sustained by the courts, the Fund might fail to meet the 90% qualifying income test and therefore might not qualify as a RIC. In that event, the Fund's taxable income would be subject to tax at the Fund level at regular corporate tax rates (without reduction for distributions to shareholders) and to a further tax at the shareholder level when such income is distributed. In such an event, in order to re-qualify for taxation as a RIC, the Fund may be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions.

**Valuation Risk.** Many factors may influence the price at which the Fund could sell any particular portfolio investment. The sales price may well differ—higher or lower—from the Fund's last valuation, and such differences could be significant, particularly for illiquid investments and securities that trade in relatively thin markets and/or markets that experience extreme volatility, such as crypto assets. If market conditions make it difficult to value some investments, the Investment Adviser may value these investments using more subjective methods, such as fair value methodologies. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the Investment Adviser had not fair-valued the securities or had used a different valuation methodology. The value of foreign securities, certain fixed income securities, and currencies may be materially affected by events after the close of the market on which they are valued but before the Fund determines its net asset value.

**Volatility Risk.** The Fund may have investments, including but not limited to crypto asset investments, that appreciate or depreciate significantly in value over short periods of time. This may cause the Fund's net asset value per share to experience significant increases or declines in value over short periods of time.

**Warrants and Rights Risk.** A warrant gives the holder a right to purchase, at any time during a specified period, a predetermined number of shares of common stock at a fixed price. Unlike a convertible debt security or preferred stock a warrant does not pay fixed dividends. A warrant may lack

a liquid secondary market for resale. The price of a warrant may fluctuate as a result of speculation or other factors. In addition, the price of the underlying security may not reach, or have reasonable prospects of reaching, a level at which the warrant can be exercised prudently (in which case the warrant may expire without being exercised, resulting in a loss of the Fund's entire investment in the warrant). The failure to exercise subscription rights to purchase common shares would result in the dilution of the Fund's interest in the issuing company.

For further information about the risks of investing in the Fund, please see the Fund's SAI.

## **MANAGEMENT OF THE FUND**

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### **The Investment Adviser**

The Fund's investment adviser is Horizon Kinetics Asset Management LLC ("Kinetics" or the "Investment Adviser"), 470 Park Avenue South, New York, New York 10016. The Investment Adviser provides investment advisory services to a family of seven mutual funds with discretionary management authority over approximately \$6.98 billion in assets as of March 31, 2024. The Investment Adviser is a wholly-owned subsidiary of Horizon Kinetics LLC.

On April 24, 2019, Kinetics Asset Management LLC ("KAM"), the Fund's former investment adviser, reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC. Both KAM and HAM were wholly-owned subsidiaries of Horizon Kinetics LLC.

As part of the reorganization, the Fund's investment advisory agreement was transferred from KAM to the Investment Adviser, and the Investment Adviser replaced KAM as the Fund's investment adviser. The reorganization resulted in no other change to the terms of the investment advisory agreement, including the advisory fee rates. Further, the portfolio managers, all of whom are now employees of the Investment Adviser, have not changed as a result of the reorganization. KAM was advised by legal counsel that the reorganization did not result in an "assignment" of the investment advisory agreement (as such term is defined in the 1940 Act).

The Investment Adviser conducts investment research and supervision for the Fund and is responsible for the purchase and sale of securities for the Fund. The Investment Adviser is entitled to receive an annual fee from the Fund, for its services of 1.00% of the Fund's average daily net assets. The advisory fees paid to the Investment Adviser for the fiscal year ended December 31, 2023 was 1%.

Kinetics, as the Investment Adviser to the Fund, is engaged in a broad range of portfolio management, portfolio advisory and other business activities. Kinetics' services are not exclusive to the Fund and nothing prevents it, or any affiliates, from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies, or criteria are similar to those of the Fund) or from engaging in other activities.

A discussion regarding the basis of the Board's approval of the Advisory Agreement is included in the Fund's semi-annual report to shareholders dated June 30, 2023.

### **Portfolio Managers**

Steven M. Bregman and Murray Stahl are jointly and primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Bregman serves as the President and a Managing Director and Senior Portfolio Manager of Kinetics, and also is the President, a Managing Director and a member of the Board of Directors for Horizon Kinetics. Mr. Stahl serves as the Chief Investment Officer of

Kinetics and Horizon Kinetics. He is also the Chairman of the Board of Directors for Horizon Kinetics. Messrs. Bregman and Stahl have been portfolio managers of the Fund since its inception in May 2007.

The SAI provides additional information about each portfolio manager's method of compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Fund securities.

### **Fund Expenses**

The Fund is responsible for its own operating expenses (all of which will be borne directly or indirectly by the Fund's shareholders), including among others, legal fees and expenses of counsel to the Fund and the Fund's independent directors; insurance (including directors' and officers' errors and omissions insurance); auditing and accounting expenses; taxes and governmental fees; listing fees; fees and expenses of the Fund's custodians, administrators, transfer agents, registrars and other service providers; expenses for portfolio pricing services by a pricing agent, if any; expenses in connection with the issuance and offering of shares; brokerage commissions and other costs of acquiring or disposing of any portfolio holding of the Fund; and any litigation expenses.

The Investment Adviser has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that the total annual fund operating expenses (excluding any front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, acquired fund fees and expenses as determined in accordance with Form N-1A, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.50%, 2.25%, 1.25% and 1.45% of the average daily net assets of the Advisor Class A Shares, Advisor Class C Shares, Institutional Class Shares and No Load Class Shares, respectively. This agreement is in effect until April 30, 2025, and it may be terminated before that date only by the Company's Board of Directors.

Any reduction in advisory fees or payment of the Fund's expenses made by the Investment Adviser in a fiscal year may be reimbursed by the Fund for a period ending three years after the date of reduction or payment if the Investment Adviser so requests. This reimbursement may be requested from the Fund if the aggregate amount of operating expenses for a fiscal year, as accrued each month, does not exceed the lesser of (a) the limitation on Fund expenses in effect at the time of the relevant reduction in advisory fees or payment of the Fund's expenses, or (b) the limitation on Fund expenses at the time of the request. However, the reimbursement amount may not exceed the total amount of fees waived or Fund expenses paid by the Investment Adviser and will not include any amounts previously reimbursed to the Investment Adviser by the Fund. Any such reimbursement is contingent upon the Board's subsequent review of the reimbursed amounts and no reimbursement may cause the total operating expenses paid by the Fund in a fiscal year to exceed the applicable limitation on Fund expenses. The Fund must pay current ordinary operating expenses before the Investment Adviser is entitled to any reimbursement of fees and/or Fund expenses.

### **Portfolio Holdings Information**

A description of the Fund's policies and procedures with respect to the disclosure of its portfolio securities is available in the Fund's SAI. The Fund files its portfolio holdings with the SEC and the holdings are publicly available twice each fiscal year on Form N-CSR (with respect to each annual and semi-annual period) and twice each year on Form N-PORT (with respect to the first and third quarters of the Fund's fiscal year). The annual and semi-annual reports are available by contacting Kinetics Mutual Funds, Inc., c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or calling 1-800-930-3828. In addition, the Company may publish on its webpage ([www.kineticsfunds.com](http://www.kineticsfunds.com)) month-end (a) top twenty portfolio holdings of the Fund and the percentage that each holding represents of the Fund's net assets and (b) top five performing and bottom five performing portfolio holdings of the

Fund, in all cases no earlier than twenty calendar days after the end of each calendar month. This information will be available on the website until the date on which the Fund files its next quarterly portfolio holdings report on Form N-CSR or Part F of Form N-PORT with the SEC or until the next month in which portfolio holdings are posted in accordance with the above policy.

### **Valuation of Fund Shares**

Shares of each Class of the Fund are sold at net asset value (“NAV”) per share plus any applicable sales charge (see “Description of Classes”). The NAVs are determined by the Fund as of the close of regular trading (generally 4:00 p.m. Eastern Time) on each day that the New York Stock Exchange (the “Exchange”) is open for unrestricted business. The Exchange is closed on the following holidays: New Year’s Day, Martin Luther King, Jr.’s Day, Washington’s Birthday/President’s Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Purchase and redemption requests are priced based on the next NAV per share calculated after receipt and acceptance of a completed purchase or redemption request. The NAV for each Class of shares of the Fund is determined by dividing the value of the Fund’s securities, cash and other assets attributable to that Class, minus all expenses and liabilities attributable to that Class, by the number of shares outstanding of that Class. The NAV for a Class of shares of the Fund takes into account the expenses and fees of that Class, including management, administration, distribution and shareholder servicing fees, which are accrued daily.

The Fund’s equity securities are valued each day at the last quoted market sale price on the securities’ principal exchange. If there is no sales price, a security is valued at the last reported bid price. Securities listed on the NASDAQ Stock Market, Inc., however, are valued using the Nasdaq Official Closing Price (“NOCP”), and if no NOCP is available, then at the last reported bid price. If market quotations are not readily available or if events occur that may significantly affect the value of a particular security between the time trading ends on a particular security and the close of regular trading on the Exchange, securities will be valued at their fair market value as determined in good faith in accordance with procedures adopted by the Investment Adviser and approved by the Company’s Board of Directors. The Board has designated the Investment Adviser as its “valuation designee” under Rule 2a-5 of the 1940 Act, subject to its oversight. Situations involving significant events may include those where: a security’s trading has been halted or suspended; the security has been de-listed from a national exchange; or the security has not been traded for an extended period of time. In addition, the prices of foreign securities may be affected by events that occur after the close of a foreign market but before the Fund prices its shares. See “Trading in Foreign Securities.” The Fund may use independent pricing services to assist in calculating the NAV per share.

Futures, options on futures and swap contracts that are listed or traded on a national securities exchange, commodities exchange, contract market or over-the-counter markets and that are freely transferable will be valued at the composite price, using the National Best Bid and Offer quotes (“NBBO”). NBBO consists of the highest bid price and lowest ask price across any of the exchanges on which an option is quoted thus providing a view across the entire U.S. options marketplace. Composite option pricing calculates the mean of the highest bid price and lowest ask price across the exchanges where the option is traded. If a composite price is not available, then a quote is provided by one of the authorized pricing vendors. If neither a composite price nor a quote from an authorized pricing provider is available, and it is the day of expiration or post-expiration, expiring options will be priced at intrinsic value. Non-exchange traded options also will be valued at the mean between the last bid and asked quotations. Securities that have no public market and all other assets of the Fund are considered at such value as the Investment Adviser, as valuation designee, may determine in good faith, in accordance with the Fund’s valuation procedures as adopted by the Adviser and approved by the Company’s Board of Directors.



The Fund's debt obligations (including convertible securities) that are either investment grade or non-investment grade and irrespective of days to maturity are valued at evaluated mean by one of the authorized third party pricing agents which rely on various valuation methodologies such as matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. Certain instruments such as repurchase agreements, demand notes, and money market mutual funds are traded at cost and there are no market values available for those instruments from third parties. Those instruments are priced at cost. Debt securities that are not priced by an independent third party pricing agent shall be valued (a) at the last sale price if such last sale occurred within the previous five business days, and (b) if there was no sale price during the previous five business days, at the average of the bids, or the sole bid if there is only one. Debt securities and other securities, which, in the judgment of the Investment Adviser, do not properly represent the value of a security will be valued at their fair market value as determined in good faith by the Investment Adviser, as valuation designee, in accordance with procedures adopted by the Investment Adviser and approved by the Company's Board of Directors.

Fair valuation of securities introduces an element of subjectivity to the pricing of securities. As a result, the price of a security determined through fair valuation techniques may differ from the price quoted or published by other sources and may not accurately reflect the market value of the security when trading resumes. If a reliable market quotation becomes available for a security formerly valued through fair valuation techniques, the Investment Adviser compares the new market quotation to the fair value price to evaluate the effectiveness of the Fund's fair valuation procedures.

#### Trading in Foreign Securities

Trading in foreign securities may be completed at times when the Exchange is closed. In computing the NAV per share of the Fund, the value of a foreign security is determined as of the close of trading on the foreign exchange on which it is principally traded or as of the scheduled close of trading on the Exchange, whichever is earlier, at the closing sales prices provided by approved pricing services or other alternate sources. In the absence of sales, the last available closing bid will be used. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by the Investment Adviser, as valuation designee. Values of foreign securities are translated from the local currency into U.S. dollars on the basis of the foreign currency exchange rates, as provided by an independent pricing service or reporting agency, generally prior to the close of the Exchange. Occasionally, events affecting the value of foreign securities and such exchange rates occur between the time at which they are determined and the close of the Exchange, which events would not be reflected in the computation of the Fund's NAV. If events materially affecting the value of such securities or currency exchange rates occur during such time period, the securities will be valued at their fair value as determined in good faith by the Investment Adviser, as valuation designee.

### **How to Purchase Shares**

#### In General

Shares of the Fund are sold at NAV plus any applicable sales charge, and will be credited to a shareholder's account based on the NAV per share next computed after an order and payment is received. The minimum initial investment for both regular accounts and individual retirement accounts is \$2,500 (\$2,000 for Coverdell Education Savings Accounts). There is no minimum on subsequent investments for all account types. The Company reserves the right to vary or waive any minimum investment requirement. The Fund reserves the right to reject any purchase order if, in its opinion, it is in the Fund's best interest to do so. A service fee of \$25 will be deducted from a shareholder's Fund account, in addition to any loss sustained by the Fund, for any purchases that do not clear. Your order will not be accepted until a completed New Account Application is received by the Fund or its transfer agent, U.S. Bank Global Fund Services (in such capacity, the "Transfer Agent").

UBS Financial Services, Inc. (“UBS-FS”), pursuant to an agreement with the Fund, may make Institutional Class Shares available on certain brokerage platforms at UBS-FS. For such platforms, UBS-FS may charge commissions on brokerage transactions in the Fund’s Institutional Class Shares. A shareholder should contact UBS-FS for information about the commissions charged by UBS-FS for such transactions. The minimum for Institutional Class Shares is waived for transactions through such brokerage platforms at UBS-FS.

Investing by Telephone

If you have accepted the Telephone and Internet Options on the applicable New Account Application (the “Application”) and your account has been open for seven business days, you may purchase additional shares by telephoning the Fund toll free at 1-800-930-3828. This option allows investors to move money from their bank account to their Fund account upon request. Only bank accounts held at domestic institutions that are Automated Clearing House (“ACH”) members may be used for telephone transactions. Your purchase will take place at the NAV per share plus any applicable sales charge determined on the day your order is placed, provided that your order is received prior to 4:00 p.m. Eastern Time.

During periods of high market activity, you may encounter higher than usual wait times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close. Once a telephone transaction has been placed, it cannot be canceled or modified, after the close of regular trading on the Exchange (generally, 4:00 p.m., Eastern Time).

There is no minimum on telephone purchases. You may not make your initial purchase of the Fund’s shares by telephone.

Automatic Investment Plan

Once an account has been established, you may purchase shares of the Fund through an Automatic Investment Plan (“AIP”). You can have money automatically transferred from your checking, savings or bank money market account on a monthly basis. There is no minimum purchase amount in order to participate in the AIP.

To be eligible for the AIP, your bank must be a domestic institution that is an ACH member. If your bank rejects your payment, the Transfer Agent will charge a \$25 fee to your account. To begin participating in the AIP, please complete the AIP section on the Application or call the Transfer Agent at 1-800-930-3828 with any questions. The first AIP purchase will take place no earlier than seven business days after the Transfer Agent has received your request. Any request to change or terminate your AIP should be submitted to the Transfer Agent five days prior to the desired effective date of such change or termination. The Fund may modify or terminate the AIP at any time.

Purchase by Mail

To purchase the Fund’s shares by mail, simply complete and sign the Application and mail it, along with a check made payable to [NAME OF FUND], c/o Kinetics Mutual Funds, Inc., to:

**Regular Mail**

*Kinetics Mutual Funds, Inc.*  
[NAME OF FUND]  
c/o U.S. Bank Global Fund Services  
P.O. Box 701  
Milwaukee, WI 53201-0701

**Overnight or Express Mail**

*Kinetics Mutual Funds, Inc.*  
[NAME OF FUND]  
c/o U.S. Bank Global Fund Services  
615 East Michigan Street, 3rd Floor  
Milwaukee, WI 53202

The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bank Global Fund Services post office box, of purchase orders or redemption requests does not constitute receipt by the transfer agent of the Fund. Receipt of purchase orders or redemption requests is based on when the order is received at the Transfer Agent's offices.

All purchases by check must be in U.S. dollars drawn on a bank located within the United States. The Fund will not accept payment in cash or money orders. To prevent check fraud, the Fund will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. The Fund is unable to accept post-dated checks or any conditional order or payment.

#### Purchase by Wire

To open an account by wire, a completed Application is required before your wire can be accepted. You can mail or overnight deliver your Application to the Transfer Agent at the above address. Upon receipt of your completed Application, an account will be established for you. You will need to provide the assigned account number to your bank when instructing it to wire the funds. Your bank must include along with the wire the name of the Fund, the account number and your name so that monies can be correctly applied. To ensure proper application of wired funds, please call 1-800-930-3828 to notify the applicable Fund that the wire is coming. Wired funds must be received prior to 4:00 p.m. Eastern Time to be eligible for same day pricing. The Fund and U.S. Bank N.A. are not responsible for delays resulting from the banking or Federal Reserve wire system. Please use the following wiring instructions:

Wire to: U.S. Bank N.A.

- ▶ ABA Number: 075000022
- ▶ Credit: U.S. Bancorp Fund Services, LLC
- ▶ Account: 112-952-137
- ▶ Further Credit: Kinetics Mutual Funds, Inc.  
[NAME OF FUND]  
(Shareholder Name/Account Registration)  
(Shareholder Account Number)

#### Subsequent Investments

You may add to your account at any time by purchasing shares by mail, by telephone, or by wire. You may also purchase additional shares online if you have established an online account. To purchase by mail, submit your check with the Invest by Mail form attached to your most recent confirmation statement received from the Transfer Agent. If you do not have the Invest by Mail form, include the Fund name, your name, address, and account number on a separate piece of paper along with your check. To purchase by telephone, call 1-800-930-3828 prior to 4:00 p.m. Eastern Time to place your order. To ensure proper application of wired funds, please call 1-800-930-3828 to notify the Fund that the wire is coming. All purchase requests must include your shareholder account number.

#### Individual Retirement Accounts

You may invest in the Fund by establishing a tax-sheltered IRA. The Fund offers Traditional IRA, Roth IRA, SEP IRA, SIMPLE IRA, and Coverdell Education Savings Accounts. For additional information on IRA options, please call 1-800-930-3828.

#### Investing Through Brokers or Agents

You may invest in the Fund through brokers or agents who have entered into selling agreements with the Fund's distributor. The broker or agent may set their own initial and subsequent investment minimums. You may be charged a fee if you use a broker or agent to buy or redeem shares of the Fund. A financial intermediary may impose different sales charge discounts. **Sales charge discount variations specific to**

**financial intermediaries are described in Appendix A to this Prospectus - Financial Intermediary Sales Charge Variations (“Appendix A”).**

## **How to Redeem Shares**

### *In General*

You may redeem part or all of your shares of the Fund on any business day that the Fund calculates its NAV per share. To redeem shares, you must contact the Fund in which you are invested either by mail or by phone to place a redemption order. Redemption requests may also be placed online if you have established an online account. You should request your redemption prior to market close to obtain that day’s closing NAV. Redemption requests received after the close of the Exchange will be treated as though received on the next business day.

The Fund will generally send redemption proceeds the next business day and, in any event, no later than seven days after the receipt of a redemption request in “good order” (see below). The Fund typically sends the redemption proceeds on the next business day (a day when the Exchange is open for normal business) after the redemption request is received in good order and prior to market close, regardless of whether the redemption proceeds are sent via check, wire, or automated clearing house (ACH) transfer. Under unusual circumstances, the Fund may suspend redemptions, or postpone payment for up to seven days, as permitted by federal securities law. Please note, however, that when a purchase order has been made by check or electronic funds transfer through the ACH network, the Fund will not be able to send your redemption proceeds until the purchase amount has cleared. This may take up to 12 calendar days. This delay can be avoided by purchasing shares by wire.

The Fund typically expects to meet redemption requests by paying out proceeds from cash or cash equivalent portfolio holdings, or by selling portfolio holdings. In stressed market conditions, redemption methods may include redeeming in kind.

Redemption proceeds may be sent to the address of record, wired to a shareholder’s bank account of record, or sent via electronic funds transfer through the ACH network to the shareholder’s bank account of record. Wires are subject to a \$15 fee paid by the investor, but the investor does not incur any charge when proceeds are sent via the ACH system. If the redemption proceeds are requested to be sent to an address other than the address of record, or if the address of record has been changed within 15 days of the redemption request, the request must be in writing with your signature guaranteed. Signature guarantees can be obtained from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings association, as well as from participants in the New York Stock Exchange Medallion Signature Program and the Securities Transfer Agents Medallion Program (“STAMP”), *but not from a notary public*. The Fund will not be responsible for interest lost on redemption amounts due to lost or misdirected mail.

A signature guarantee, from either a Medallion program member or a non-Medallion program member, of each owner is required in the following situations:

- If you are requesting a change in account ownership;
- When redemption proceeds are payable or sent to any person, address or bank account not on record;
- Written requests to wire redemption proceeds (if not previously authorized on the account);
- When a redemption request is received by the Transfer Agent and the account address has changed within the last 15 calendar days.

Non-financial transactions, including establishing or modifying certain services on an account, may require a signature guarantee, signature verification from a Signature Validation Program member, or other acceptable form of authentication from a financial institution source. In addition to the situations described above, the Fund and/or the Transfer Agent reserve the right at their discretion to require a signature guarantee or signature validation in other circumstances. The Fund reserves the right to waive any signature guarantee requirement at its/their discretion.

#### Written Redemption

You can execute most redemptions by furnishing an unconditional written request to the Fund in which you are invested to redeem your shares at the current NAV per share. Redemption requests in writing should be sent to the Transfer Agent at:

#### **Regular Mail**

*Kinetics Mutual Funds, Inc.*  
[NAME OF FUND]  
c/o U.S. Bank Global Fund Services  
P.O. Box 701  
Milwaukee, WI 53201-0701

#### **Overnight or Express Mail**

*Kinetics Mutual Funds, Inc.*  
[NAME OF FUND]  
c/o U.S. Bank Global Fund Services  
615 East Michigan Street, 3rd Floor  
Milwaukee, WI 53202

The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bank Global Fund Services post office box, of purchase orders or redemption requests does not constitute receipt by the transfer agent of the Fund. Receipt of purchase orders or redemption requests is based on when the order is received at the Transfer Agent's offices.

Requests for redemption in "good order" must:

- indicate the name of the Fund;
- be signed exactly as the shares are registered, including the signature of each owner (including a signature guarantee when required);
- specify the number of shares or dollar amount to be redeemed; and
- indicate your account registration number.

#### Telephone Redemption

If you are authorized to perform telephone transactions (either through your Application or by subsequent arrangement in writing with the Fund) you may redeem shares in any amount by instructing the Fund in which you are invested by phone at 1-800-930-3828. A signature guarantee or signature validation may be required of all shareholders in order to add or change telephone redemption privileges on an existing account.

Note: Neither the Fund nor any of its service providers will be liable for any loss or expense in acting upon instructions that are reasonably believed to be genuine. To confirm that all telephone instructions are genuine, the Fund will use reasonable procedures, such as requesting:

- your Fund account number;
- the name in which your account is registered;
- the social security or tax identification number under which the account is registered; and
- the address of the account holder, as stated in the Application.

Note: If an account has more than one owner or authorized person, the Fund will accept telephone instructions from any one owner or authorized person.

During periods of high market activity, you may encounter higher than usual wait times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close. If you are unable to contact the Fund by telephone, you may make your redemption request in writing. Once a telephone transaction has been placed, it cannot be canceled or modified after the close of regular trading on the NYSE (generally, 4:00 p.m., Eastern time).

#### Wire Redemption

Wire transfers may be arranged to redeem shares. However, the Transfer Agent charges a \$15 fee per wire redemption against your account for this service. There is no minimum on wire redemptions.

#### Systematic Withdrawal Plan

If you own shares with a value of \$10,000 or more (\$5,000,000 for Institutional Class shares), you may participate in the Systematic Withdrawal Plan. The Systematic Withdrawal Plan allows you to make automatic withdrawals from your account at regular intervals (monthly, quarterly or annually). Proceeds can be mailed via check to the address of record, or sent via electronic funds transfer through the ACH system to your bank account if your bank is an ACH system member. If the date you select to have the withdrawal made is a weekend or holiday, the redemption will be made on the next business day. Money will be transferred from your Fund account to the account you chose at the interval you select on the Application. If you expect to purchase additional shares of the Fund, it may not be to your advantage to participate in the Systematic Withdrawal Plan because of the possible adverse tax consequences of making contemporaneous purchases and redemptions. There is no minimum on systematic withdrawals. Any request to change or terminate your Systematic Withdrawal Plan should be submitted to the Transfer Agent five days prior to the next scheduled withdrawal.

#### The Fund's Right to Redeem an Account

The Fund reserves the right to redeem the shares of any shareholder, other than a shareholder who is an active participant in the AIP, whose account balance is less than \$1,000, other than as a result of a decline in the NAV of the Fund. The Fund will provide shareholders with written notice 30 days prior to redeeming the shareholder's account.

#### IRA Redemption

If you are redeeming shares from an IRA, you must indicate on your written redemption request whether or not to withhold federal income tax. Requests that do not indicate a preference will be subject to withholding. Shares held in IRA accounts may be redeemed by telephone at 1-800-930-3828. Investors will be asked whether or not to withhold taxes from any distribution.

#### Householding

By signing the Application, you acknowledge and consent to the householding (*i.e.*, consolidation of mailings) of regulatory documents such as prospectuses, and certain other shareholder documents. In an effort to decrease costs, the Funds will reduce the number of duplicate prospectuses, supplements and certain other shareholder documents you receive by sending only one copy of each to those addresses shared by two or more accounts. Call toll-free at 1-800-930-3828 to request individual copies of documents; if your shares are held through a Financial Intermediary, please contact them directly. The Funds will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

#### Shareholder Inactivity/Lost Shareholder

It is important that the Fund maintains a correct address for each investor. An incorrect address may cause an investor's account statements and other mailings to be returned to the Fund. Based upon statutory requirements for returned mail, the Fund will attempt to locate the investor or rightful owner of the account. If the Fund is unable to locate the investor, then it will determine whether the investor's account

can legally be considered abandoned. The Fund is legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with statutory requirements. The investor's last known address of record determines which state has jurisdiction. Under certain circumstances, if no activity occurs in an account within a time period specified by state law, your shares in the Fund may be transferred to that state. Please contact the Transfer Agent toll-free at 1-800-930-3828 at least annually to ensure your account remains in active status.

If you are a resident of the state of Texas, you may designate a representative to receive notifications that, due to inactivity, your mutual fund account assets may be delivered to the Texas Comptroller. Please contact the Transfer Agent if you wish to complete a Texas Designation of Representative form.

#### Redemption Fees

The Fund is designed for long-term investors willing to accept the risks associated with a long-term investment. In accordance with policies and procedures adopted by the Board of Directors of the Company, frequent purchases and redemptions of Fund shares are not encouraged but are generally permitted by the Fund. Such purchases and redemptions may have an adverse effect on other Fund shareholders, including, without limitation, the possibility of disrupting portfolio management strategies, increasing brokerage and administrative costs, harming Fund performance and possible dilution of the value of Fund shares held by long-term shareholders. The Company may, in its sole discretion, reject purchase orders when, in the judgment of management, such rejection is in the best interest of the Fund and its shareholders. The Fund may assess a 2.00% fee on the redemption or exchange of Fund shares held for 30 days or less from the date of purchase. These fees are paid to the Fund to help offset any potential transaction costs.

The Fund will use the first-in, first-out method to determine the 30 day holding period. Under this method, the date of the redemption or exchange will be compared to the earliest purchase date of shares held in the account. If this holding period is 30 days or less, the redemption fee will be assessed.

The redemption fee will not apply to any shares purchased through reinvested distributions (dividends and capital gains), or to redemptions made under the Fund's systematic programs, as these transactions are typically de minimis. This fee will also not be assessed to the participants in employer-sponsored retirement plans that are held at the Fund in an omnibus account (such as 401(k), 403(b), 457, Keogh, Profit Sharing Plans, and Money Purchase Pension Plans) or to accounts held under trust agreements at a trust institution held at the Fund in an omnibus account. The redemption fee will also not be assessed to accounts of the Investment Adviser or its affiliates used to capitalize the Fund as such accounts will be used specifically to control the volatility of shareholder subscriptions and redemptions to avoid adverse effects to the Fund. In addition, the Fund is authorized to waive redemption fees for redemptions effected pursuant to asset allocation programs, wrap fee programs, other investment programs offered by financial institutions, and the Company reserves the right to lower or waive any redemption fee. Although frequent purchases and redemptions of Fund shares are generally permitted, the Fund only intends to waive redemption fees for redemptions the Fund reasonably believes do not raise frequent trading or market timing concerns.

The Fund reserves the right to modify or eliminate the redemption fees or waivers at any time and will give shareholders 60 days' prior written notice of any material changes, unless otherwise provided by law. The redemption fee policy may be modified or amended in the future to reflect, among other factors, regulatory requirements mandated by the SEC.

Currently, the Fund is limited in its ability to assess or collect the redemption fee on all shares redeemed by financial intermediaries on behalf of its customers. For example, where a financial intermediary is not able to determine if the redemption fee applies and/or is not able to assess or collect the fee, or does not collect the fee at the time of redemption, the Fund will not receive the redemption fee. If Fund shares are

redeemed by a financial intermediary at the direction of its customers, the Fund may not know whether a redemption fee is applicable or the identity of the customer who should be assessed the redemption fee. Due to operational differences, a financial intermediary's methods for tracking and calculating the redemption fee may differ in some respects from that of the Fund. If necessary, the Fund may prohibit additional purchases of Fund shares by a financial intermediary or by certain of the intermediaries' customers.

#### Notice of Customer Verification

In compliance with the USA PATRIOT Act of 2001, please note that the Transfer Agent will verify certain information on your Application as part of the Fund's Anti-Money Laundering Program. As requested on the Application, you must supply your full name, date of birth, social security number and permanent street address. If you are opening the account in the name of a legal entity (e.g., partnership, limited liability company, business trust, corporation, etc.), you must also supply the identity of the beneficial owners. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the Transfer Agent at 1-800-930-3828 if you need additional assistance when completing your Application.

If we do not have a reasonable belief as to the identity of a shareholder, the account will be rejected or you will not be allowed to perform a transaction on the account until such information is received. In the rare event that the Transfer Agent is unable to verify your identity, the Fund reserves the right to redeem your account at the current day's net asset value.

#### Exchange Privilege

If you have accepted the Telephone and Internet Options on the Application, you can exchange your shares in any Fund for shares of the same class of any other Fund offered by the Company, (e.g., Advisor Class A shares for Advisor Class A shares). If the exchange is requested via telephone, a \$5 per exchange transaction cost will be assessed. You should carefully read the Prospectus of the Fund before exchanging shares into that Fund. Be advised that exercising the exchange privilege consists of two transactions: a sale of shares in one Fund and the purchase of shares in another Fund. Therefore, an exchange of Fund shares held for 30 days or less may be subject to a 2.00% redemption fee. See "Redemption Fees" above. Further, exchanges may have certain tax consequences and you could realize short- or long-term capital gains or losses. Exchanges are generally made only between identically registered accounts unless you send written instructions with a signature guarantee requesting otherwise. You should request your exchange prior to market close to obtain that day's closing NAV. Exchange requests received after the close of the Exchange will be treated as though received on the next business day. In all cases, shareholders will be required to pay a sales charge only once.

Call 1-800-930-3828 to learn more about the other funds or classes offered by the Company and about exercising your exchange privilege.

### **Distributions and Taxes**

#### Distributions

Distributions (whether treated for tax purposes as ordinary income, qualified dividend income or long-term capital gains) to shareholders of the Fund are generally paid in additional shares of the same Class of the Fund in which shareholders are already invested, with no sales charge, based on the NAV per share of that Class as of the close of business on the record date for such distributions. However, you may elect on the Application to receive distributions as follows:

Option 1: To receive income dividends and capital gain distributions in additional Fund shares.

Option 2: To receive all income dividends and/or capital gain distributions in cash.

Option 3: To reinvest capital gain distributions in additional Fund shares, while receiving income distribution in cash.



Option 4: To reinvest all income dividends in additional Fund shares, while receiving capital gain distributions in cash.

You may change your dividend and capital gain distribution election in writing or by calling the Transfer Agent in advance of the next distribution.

The Fund intends to pay any dividends from investment company taxable income and distributions representing capital gain at least annually, usually in December. The Fund will advise each shareholder annually of the amounts of dividends from investment company taxable income and of net capital gain distributions reinvested or paid in cash to the shareholder during the calendar year.

If you selected any distributions to be paid in cash and the U.S. Postal Service cannot deliver your distribution checks, or if your distribution checks remain uncashed for six months, your distribution checks will be reinvested in your account at the then current NAV of the appropriate Fund and your election will be converted to the purchase of additional shares.

#### Taxes

The following is a summary of certain United States tax considerations relevant under current law, which may be subject to change in the future. Except where otherwise indicated, the summary assumes you are a U.S. citizen or resident or otherwise subject to U.S. federal income tax. You should consult your tax adviser for further information regarding federal, state, local and/or foreign tax consequences relevant to your specific situation.

#### Fund Distributions

The Fund has qualified and intends to continue to qualify for federal tax purposes as a regulated investment company and to distribute substantially all of its taxable income, including its net capital gain (the excess of net long-term capital gain over net short-term capital loss). Except as otherwise noted below, you will generally be subject to federal income tax on Fund distributions to you regardless whether they are paid in cash or reinvested in additional shares. Fund distributions attributable to short-term capital gains and net investment income will generally be taxable to you as ordinary income, except as discussed below.

Distributions attributable to the net capital gain of the Fund generally are taxable to you as long-term capital gain, regardless of how long you have held your shares. The maximum long-term capital gain rate applicable to individuals, estates and trusts is currently 23.8% (which includes a 3.8% Medicare tax).

Distributions of “qualifying dividends” will also generally be taxable to you at long-term capital gain rates, as long as certain requirements are met. In general, if 95% or more of the gross income of the Fund (other than net capital gain) consists of dividends received from domestic corporations or “qualified” foreign corporations (“qualifying dividends”), then all distributions paid by the Fund to individual shareholders will be taxed at long-term capital gain rates. But if less than 95% of the gross income of the Fund (other than net capital gain) consists of qualifying dividends, then distributions paid by the Fund to individual shareholders will be qualifying dividends only to the extent they are derived from qualifying dividends earned by the Fund. For the lower rates to apply, you must have owned your Fund shares for at least 61 days during the 121-day period beginning on the date that is 60 days before the Fund’s ex-dividend date (and the Fund will need to have met a similar holding period requirement with respect to the shares of the corporation paying the qualifying dividend). The amount of the Fund’s distributions that qualify for this favorable treatment may be reduced as a result of the Fund’s securities lending activities (if any), a high portfolio turnover rate or investments in debt securities or non-qualified foreign corporations.

Distributions from the Fund will generally be taxable to you in the taxable year in which they are paid, with one exception. Distributions declared by the Fund in October, November or December and paid in January of the following year are taxed as though they were paid on December 31. You will be notified annually of the tax status of distributions to you.

A portion of distributions attributable to investments in U.S. corporations paid by the Fund to shareholders who are corporations may also qualify for the dividends-received deduction for corporations, subject to certain holding period requirements and debt financing limitations. The amount of such dividends qualifying for this deduction may, however, be reduced as a result of the Fund's securities lending activities (if any), by a high portfolio turnover rate or by investments in debt securities.

You should note that if you purchase shares just before a distribution, the purchase price will reflect the amount of the upcoming distribution, but you will be taxed on the entire amount of the distribution received, even though, as an economic matter, the distribution simply constitutes a return of capital. This adverse tax result is known as "buying into a dividend."

#### Sales and Exchanges

You will generally recognize taxable gain or loss for federal income tax purposes on a sale, exchange or redemption of your shares in the Fund, including an exchange of shares pursuant to the Fund's exchange privilege, based on the difference between your tax basis in the shares and the amount you receive for them. Generally, you will recognize long-term capital gain or loss if you have held your Fund shares for over twelve months at the time you dispose of them.

Any loss realized on shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain dividends that were received on the shares. Additionally, any loss realized on a disposition of shares of the Fund may be disallowed under "wash sale" rules to the extent the shares disposed of are replaced with other shares of the Fund within a period of 61 days beginning 30 days before and ending 30 days after the shares are disposed of, such as pursuant to a dividend reinvestment in shares of the Fund. If disallowed, the loss will be reflected in an upward adjustment to the basis of the shares acquired.

For shares acquired on or after January 1, 2012, the Fund (or relevant broker or financial adviser) are required to compute and report to the Internal Revenue Service (the "IRS") and furnish to Fund shareholders cost basis information when such shares are sold or exchanged. The Fund has elected to use the average cost method, unless you instruct the Fund to use a different IRS-accepted cost basis method, or choose to specifically identify your shares at the time of each sale or exchange. If your account is held by your broker or other financial adviser, they may select a different cost basis method. In these cases, please contact your broker or other financial adviser to obtain information with respect to the available methods and elections for your account. You should carefully review the cost basis information provided by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on your federal and state income tax returns. Fund shareholders should consult with their tax advisers to determine the best IRS-accepted cost basis method for their tax situation and to obtain more information about how the cost basis reporting requirements apply to them.

#### IRAs and Other Tax-Qualified Plans

One major exception to the preceding tax principles is that distributions on, and sales, exchanges and redemptions of, shares held in an IRA (or other tax-qualified plan) will not be currently taxable unless such shares were acquired with borrowed funds.

#### Backup Withholding

On the Application, you will be asked to certify that your social security number or taxpayer identification number is correct and that you are not subject to backup withholding. If you (i) fail to

provide a correct taxpayer identification number in the manner required; (ii) are subject to backup withholding by the IRS for failure to properly include on your return payments of taxable interest or dividends; or (iii) fail to certify that you are not subject to backup withholding when required to do so or that you are an “exempt recipient,” the IRS may, in certain cases, require the Fund to withhold a percentage of dividends or redemption or exchange proceeds. The Fund reserves the right to reject any Application that does not include a certified social security or taxpayer identification number. The current backup withholding rate is 24%.

#### U.S. Tax Treatment of Foreign Shareholders

Generally, nonresident aliens, foreign corporations and other foreign investors are subject to 30% withholding tax on dividends paid by a U.S. corporation, although the rate may be reduced for an investor that is a qualified resident of a foreign country with an applicable tax treaty with the United States (provided that the shareholder furnishes the Fund with a properly completed Form W-8BEN or W-8BEN-E, as applicable, to establish entitlement for these treaty benefits). In the case of a regulated investment company such as the Fund, however, certain categories of dividends are exempt from the 30% withholding tax. These generally include dividends attributable to the Fund’s net capital gains (the excess of net long-term capital gains over net short-term capital loss), dividends attributable to the Fund’s interest income from U.S. obligors and dividends attributable to net short-term capital gains of the Fund.

Foreign shareholders will generally not be subject to U.S. tax on gains realized on the sale, exchange or redemption of shares in the Fund, except that a nonresident alien individual who is present in the United States for 183 days or more in a calendar year will be taxable on such gains and on capital gain dividends from the Fund.

In contrast, if a foreign investor conducts a trade or business in the United States and the investment in the Fund is effectively connected with that trade or business, then the foreign investor’s income from the Fund will generally be subject to U.S. federal income tax at graduated rates in a manner similar to the income of a U.S. citizen or resident.

The Fund will also generally be required to withhold 30% tax on certain payments to foreign entities that do not provide a Form W-8BEN-E that evidences their compliance with, or exemption from, specified information reporting requirements under the Foreign Account Tax Compliance Act.

All foreign investors should consult their own tax advisers regarding the tax consequences in their country of residence of an investment in the Fund.

#### State and Local Taxes

You may also be subject to state and local taxes on distributions, sales, exchanges and redemptions. State income taxes may not apply, however, to any portions of the Fund’s distributions, if any, that are attributable to interest on U.S. government securities or interest on securities of the particular state or localities within the state in which you live. You should consult your tax adviser regarding the tax status of distributions in your state and locality.

More tax information relating to the Fund is provided in the SAI.

### **Distribution of Shares**

#### Rule 12b-1 Plan

The Fund has adopted separate Retail Distribution Plans pursuant to Rule 12b-1 under the 1940 Act, which allows the Fund to pay distribution fees for the sale and distribution of its Advisor Class A shares and Advisor Class C shares, respectively. Under the Plan for Advisor Class A shares, the Fund may pay

as compensation up to an annual rate of 0.50% (currently limited to 0.25%) of the average daily NAV of Advisor Class A shares to the distributor or other qualified recipients under the Plan. Under the Plan for Advisor Class C shares, the Fund may pay as compensation up to an annual rate of 0.75% of the average daily NAV of Advisor Class C shares to the distributor. As these fees are paid out of the Fund's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

#### Distributor

Kinetics Funds Distributor LLC ("KFD"), an affiliate of the Investment Adviser, 470 Park Avenue South, New York, New York 10016, is the distributor for the shares of the Fund. KFD is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. Shares of the Fund are offered on a continuous basis.

#### Shareholder Servicing Agents

Pursuant to separate shareholder servicing plans, the Investment Adviser is responsible for paying various shareholder servicing agents for performing shareholder servicing functions and maintaining shareholder accounts. These agents have written shareholder servicing agreements with the Investment Adviser and perform these functions on behalf of their clients who own shares of the Fund. For this service, the Investment Adviser receives an annual shareholder servicing fee from each Class equal to 0.25% of the Fund's average daily net assets attributable to that Class. The Investment Adviser has contractually agreed to reimburse the Fund a portion of the shareholder servicing fee in excess of 0.05% of the average daily net assets of the Institutional Class until at least April 30, 2025.

#### Arrangements with Certain Financial Institutions

The Investment Adviser and/or its affiliates may make payments to selected affiliated or unaffiliated broker-dealers and other financial institutions ("Financial Institutions") from time to time in connection with the sale, distribution, retention and/or servicing of shares of the Fund and other funds managed by the Investment Adviser or its affiliates. These payments are made out of the Investment Adviser's, and/or its affiliates', own assets and are not an additional charge to the Fund. The payments are in addition to the shareholder servicing fees described in this Prospectus. The amount of such payments may be significant in amount and the prospect of receiving any such payments may provide Financial Institutions or their employees with an incentive to favor sales of shares of the Fund over other investment options. You should contact your Financial Institution for more information about the payments it may receive and potential conflicts of interest.

#### Fund Administrator

U.S. Bank Global Fund Services ("Fund Services") serves as administrator to the Fund.

#### Custodian, Transfer Agent, Dividend Disbursing Agent and Fund Accountant

U.S. Bank N.A. serves as Custodian for the Fund's cash and securities. The Custodian does not assist in, and is not responsible for, investment decisions involving assets of the Fund. Fund Services acts as the Fund's Transfer Agent, Dividend Disbursing Agent and Fund Accountant.

### **Description of Classes**

The Company has adopted a multiple class plan that allows the Fund to offer one or more classes of shares. The Fund has registered four classes of shares — Advisor Class A, Advisor Class C, Institutional and No Load. This Prospectus offers Advisor Class A, Advisor Class C, Institutional and No Load shares of the Fund. The different classes of shares represent investments in the same portfolio of securities, but the classes are subject to different expenses as discussed in this Prospectus and may have different share prices.

### More About the Advisor Classes

This Prospectus offers two Advisor Classes of shares of the Fund – Advisor Class A shares and Advisor Class C shares. The Fund’s Advisor Classes of shares are sold through broker-dealers and other financial intermediaries that provide investment services to the Fund’s shareholders. You should always discuss with your broker-dealer or financial advisor the suitability of your investment.

Set forth below is information about the manner in which the Fund offers shares. A financial intermediary may offer Fund shares subject to variations in or elimination of the Fund sales charges (“variations”), provided such variations are described in Appendix A. All variations described in Appendix A are applied by the identified financial intermediary. Sales charge variations may apply to purchases, sales, exchanges and reinvestments of Fund shares and a shareholder transacting in Fund shares through an intermediary identified on Appendix A should read the terms and conditions of Appendix A carefully. A variation that is specific to a particular financial intermediary is not applicable to shares held directly with the Fund or through another intermediary. Please consult your financial intermediary with respect to any variations listed in Appendix A.

### Advisor Class A Shares

Advisor Class A shares are retail shares that may be purchased by individuals or IRAs. With Advisor Class A shares, you will pay a sales charge when you invest unless you qualify for a reduction or waiver of the sales charge. Advisor Class A shares may impose a Rule 12b-1 fee of up to 0.50% (currently limited to 0.25%) of average daily net assets which is assessed against the Advisor Class A shares of the Fund.

If you purchase Advisor Class A shares of the Fund you will pay the NAV per share next determined after your order is received plus a sales charge (shown in percentages below) depending on the amount of your investment. The sales charge is calculated as follows:

Amount of Transaction		Sales Charge as a % of Offering Price	Sales Charge as a % of Net Asset Value	Dealers Reallowance as a % of Offering Price
At Least	But Less than			
\$0	\$50,000	5.75%	6.10%	5.25%
\$50,000	\$100,000	4.75%	4.99%	4.25%
\$100,000	\$250,000	3.75%	3.90%	3.25%
\$250,000	\$500,000	2.75%	2.83%	2.25%
\$500,000	\$1,000,000	2.25%	2.30%	1.75%
\$1,000,000	and above	0.00%	0.00%	0.00%*

\* If you purchase \$1 million or more worth of Advisor Class A shares, you will pay no initial sales charge. A sales charge does not apply to shares that you purchase through reinvestment of dividends or distributions.

The offering price includes the sales charge paid at the time of investment. Because of rounding in the calculation of the “offering price,” the actual sales charge you pay may be more or less than that calculated using the percentages shown above. The distributor will receive all sales charges and Rule 12b-1 fees for the purchase of Advisor Class A shares of the Fund without a dealer of record.

### Waivers – Advisor Class A Shares

You will not have to pay a sales charge on purchases of Advisor Class A shares if:

- You are an employee of a broker-dealer or agent that has a selling agreement with the distributor;

- You buy Advisor Class A shares under a wrap program or other all-inclusive fee program offered by your broker-dealer or agent; or
- The sales charge is waived by a broker-dealer or agent who has entered into an agreement with the Fund's distributor that allows for load-waived Advisor Class A shares purchases.

Please consult your broker-dealer or agent to determine whether you may be eligible for these waivers. For the sales charge variations applicable to shares offered through specific financial intermediaries, please see Appendix A.

#### Reducing Your Sales Charge – Advisor Class A Shares

You can reduce the sales charge on purchases of Advisor Class A shares by:

- purchasing larger quantities of shares or putting a number of purchases together to obtain the quantity discounts indicated above;
- signing a letter of intent that you intend to purchase more than \$50,000 worth of shares over the next 13 months (see “Letter of Intent – Advisor Class A Shares” below);
- using the reinvestment privilege which allows you to redeem shares and then immediately reinvest them without a sales charge within 60 days;
- combining concurrent purchases of Advisor Class A shares from different funds to obtain the quantity discounts indicated above; and
- through rights of accumulation as discussed below.

Please note that certain broker-dealers may reduce your sales charges under certain circumstances. Consult your broker-dealer.

#### Rights of Accumulation – Advisor Class A Shares

You may combine your new purchase of Advisor Class A shares with other Advisor Class A shares currently owned by you, your spouse, and/or your children under age 21 for the purpose of qualifying for the lower initial sales charge rates that apply to larger purchases. The applicable sales charge for the new purchase is based on the total of your current purchase and the current NAV of all other shares you, your spouse and/or your children under age 21 own. You may combine only the holdings at the firm at which you are making the current purchase for the right of accumulation sales charge reduction. You will need to notify the Fund or your financial intermediary at the time of purchase of any other accounts that exist.

#### Letter of Intent – Advisor Class A Shares

By signing a Letter of Intent (“LOI”) you can reduce your Advisor Class A sales charge. Your individual purchases will be made at the applicable sales charge based on the amount you intend to invest over a 13-month period. The LOI will apply to all purchases of Advisor Class A shares. Any shares purchased within 90 days of the date you sign the letter of intent may be used as credit toward completion, but the reduced sales charge will only apply to new purchases made on or after that date. Purchases resulting from the reinvestment of dividends and capital gains do not apply toward fulfillment of the LOI. Shares equal to 5.75% of the amount of the LOI will be held in escrow during the 13-month period. If, at the end of that time the total amount of purchases made is less than the amount intended, you will be required to pay the difference between the reduced sales charge and the sales charge applicable to the individual purchases had the LOI not been in effect. This amount will be obtained from redemption of the escrow shares. Any remaining escrow shares will be released to you.

If you establish an LOI with the Fund, you can aggregate your accounts as well as the accounts of your immediate family members under age 21. You will need to provide written instruction with respect to the other accounts whose purchases should be considered in fulfillment of the LOI. You will need to notify the Fund or your financial intermediary at the time of purchase of any other accounts that exist.

### Advisor Class C Shares

Advisor Class C shares are retail shares and may be purchased by individuals or IRAs. Advisor Class C shares impose a Rule 12b-1 fee of 1.00% of average daily net assets.

Effective April 2021, Advisor Class C shares will convert automatically into Advisor Class A shares on the 3rd business day of the month following the eighth anniversary of the month on which the purchase order was accepted, provided that the Fund or the financial intermediary through which a shareholder purchased Advisor Class C shares has records verifying that the Advisor Class C shares have been held for at least eight years. Group retirement plans held in an omnibus record keeping platform through a financial intermediary that does not track participant-level share lot aging may not convert Advisor Class C shares to Advisor Class A shares.

If you purchase Advisor Class C shares of the Fund, you will pay the NAV per share next determined after your order is received. There is no initial sales charge on this Class at the time you purchase your shares. The distributor may pay your broker or agent a 1.00% up-front sales commission, which includes an advance of the first year's Rule 12b-1 fees and shareholding servicing fees. The distributor will retain Rule 12b-1 fees and shareholder servicing fees in the first year to reimburse itself for paying your broker or agent the 1.00% up-front sales commission.

If you sell your Advisor Class C shares within 12 months of purchase, you will have to pay a contingent deferred sales charge of 1.00%, which is applied to the NAV of the shares on the date of original purchase or on the date of redemption, whichever is less. A financial intermediary may impose different CDSC waivers. CDSC waiver variations specific to certain financial intermediaries are described in Appendix A.

The distributor will receive all sales charges and Rule 12b-1 fees for the purchase of Advisor Class C shares of the Fund without a dealer of record.

Additional information regarding sales load breakpoints is available in the Fund's SAI. The Fund also provides information regarding the purchase of shares, sales charges and breakpoint eligibility free of charge on their website at [www.kineticsfunds.com](http://www.kineticsfunds.com).

### **Counsel and Independent Registered Public Accounting Firm**

Legal matters in connection with the issuance of shares of common stock of the Fund are passed upon by Faegre Drinker Biddle & Reath LLP, One Logan Square, Suite 2000, Philadelphia, PA 19103-6996.

Tait, Weller & Baker LLP, Two Liberty Place, 50 South 16th Street, Suite 2900, Philadelphia, Pennsylvania 19102, is the independent registered public accounting firm for the Fund.

### **Description of Index**

The S&P 500<sup>®</sup> Index is an unmanaged index created by S&P Global that is considered to represent U.S. stock market performance in general. The Index is not an investment product available for purchase and does not include any deduction for fees, expenses or taxes.

## FINANCIAL HIGHLIGHTS

The following table is intended to help you understand the Fund's financial performance. Certain information reflects financial results for a single Fund class share. The total return figures represent the percentage that an investor in the Fund would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The financial information for the years shown has been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the Fund's annual report, which is available upon request or by following the hyperlink to the [Annual Report](#) dated December 31, 2023.

### The Spin-off Fund No Load Class

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
<b>PER SHARE DATA:<sup>(1)</sup></b>					
Net Asset Value, Beginning of Year	\$26.33	\$19.20	\$13.45	\$12.83	\$9.77
Income from Investment Operations:					
Net investment income (loss) <sup>(2)</sup>	0.03	0.08	(0.11)	0.10	(0.00) <sup>(3)</sup>
Net realized and unrealized gain (loss) on investments	(5.17)	7.49	5.88	0.60	3.06
Total from Investment Operations	(5.14)	7.57	5.77	0.70	3.06
Redemption Fees	0.01	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	—	—
Less Distributions:					
From net investment income.	(0.03)	—	(0.02)	(0.08)	—
From net realized gains.	(1.71)	(0.44)	—	—	—
Total Distributions	(1.74)	(0.44)	(0.02)	(0.08)	—
Net Asset Value, End of Year	\$19.46	\$26.33	\$19.20	\$13.45	\$12.83
Total return	(19.59)%	39.43%	42.90%	5.44%	31.32%
<b>SUPPLEMENTAL DATA AND RATIOS</b>					
Net assets, end of Year (000's)	\$29	\$149	\$125	\$18	\$60
Ratio of operating expenses to average net assets:					
Before expense reimbursement.	1.83%	1.79%	1.84%	2.17%	1.96%
After expense reimbursement	1.45%	1.45%	1.45%	1.45%	1.45%
Ratio of net investment income (loss) to average net assets:	0.15%	0.36%	(0.57)%	0.92%	(0.04)%
Portfolio turnover rate	1%	4%	1%	0%	2%

^ Commencement of operations.

<sup>(1)</sup> Information presented relates to a share of capital stock outstanding for each Year.

<sup>(2)</sup> Net investment income per share represents net investment income divided by the average shares outstanding throughout the Year.

<sup>(3)</sup> Amount calculated is less than \$0.005.



## Advisor Class A

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
<b>PER SHARE DATA:<sup>(1)</sup></b>					
Net Asset Value, Beginning of Year	\$25.05	\$18.28	\$12.82	\$12.25	\$9.33
Income from Investment Operations:					
Net investment income (loss) <sup>(2)</sup>	0.02	0.06	(0.12)	0.09	(0.01)
Net realized and unrealized gain (loss) on investments	(4.91)	7.15	5.60	0.55	2.93
Total from Investment Operations	(4.89)	7.21	5.48	0.64	2.92
Redemption Fees	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	—	—
Less Distributions:					
From net investment income.	(0.03)	—	(0.02)	(0.07)	—
From net realized gains.	(1.71)	(0.44)	—	—	—
Total Distributions	(1.74)	(0.44)	(0.02)	(0.07)	—
Net Asset Value, End of Year	\$18.42	\$25.05	\$18.28	\$12.82	\$12.25
Total return	(19.63)%	39.45%	42.75%	5.21%	31.30%
<b>SUPPLEMENTAL DATA AND RATIOS</b>					
Net assets, end of Year (000's)	\$5,758	\$10,649	\$5,869	\$2,521	\$3,574
Ratio of operating expenses to average net assets:					
Before expense reimbursement.	2.08%	2.04%	2.09%	2.41%	2.21%
After expense reimbursement	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income (loss) to average net assets:	0.09%	0.30%	(0.62)%	0.87%	(0.09)%
Portfolio turnover rate	1%	4%	1%	0%	2%

<sup>(1)</sup> Information presented relates to a share of capital stock outstanding for each Year.

<sup>(2)</sup> Net investment income per share represents net investment income divided by the average shares outstanding throughout the Year.

<sup>(3)</sup> Amount calculated is less than \$0.005.

<sup>(4)</sup> The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

## Advisor Class C

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
<b>PER SHARE DATA:<sup>(1)</sup></b>					
Net Asset Value, Beginning of Year	\$23.01	\$16.95	\$11.98	\$11.47	\$8.80
Income from Investment Operations:					
Net investment income (loss) <sup>(2)</sup>	(0.13)	(0.08)	(0.23)	0.01	(0.09)
Net realized and unrealized gain (loss) on investments	(4.50)	6.58	5.23	0.50	2.76
Total from Investment Operations	(4.63)	6.50	5.00	0.51	2.67
Redemption Fees	0.00 <sup>(6)</sup>	0.00 <sup>(6)</sup>	0.00 <sup>(6)</sup>	—	—
Less Distributions:					
From net investment income.	(0.03)	—	(0.03)	(0.00) <sup>(6)</sup>	—
From net realized gains.	(1.71)	(0.44)	—	—	—
Total Distributions	(1.74)	(0.44)	(0.03)	(0.00) <sup>(6)</sup>	—
Net Asset Value, End of Year	\$16.64	\$23.01	\$16.95	\$11.98	\$11.47
Total return	(20.24)%	38.36%	41.73%	4.47%	30.34%
<b>SUPPLEMENTAL DATA AND RATIOS</b>					
Net assets, end of Year (000's)	\$301	\$842	\$940	\$2,611	\$4,064
Ratio of operating expenses to average net assets:					
Before expense reimbursement.	2.58%	2.54%	2.59%	2.91%	2.71%
After expense reimbursement	2.25%	2.25%	2.25%	2.25%	2.25%
Ratio of net investment income (loss) to average net assets:	(0.66)%	(0.43)%	(1.37)%	0.12%	(0.84)%
Portfolio turnover rate	1%	4%	1%	0%	2%

<sup>(1)</sup> Information presented relates to a share of capital stock outstanding for each Year.

<sup>(2)</sup> Net investment income per share represents net investment income divided by the average shares outstanding throughout the Year.

<sup>(3)</sup> Amount calculated is less than \$0.005.

## Institutional Class

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
<b>PER SHARE DATA:<sup>(1)</sup></b>					
Net Asset Value, Beginning of Year	\$25.25	\$18.40	\$12.87	\$12.32	\$9.36
Income from Investment Operations:					
Net investment income (loss) <sup>(2)</sup>	0.07	0.12	(0.07)	0.12	0.02
Net realized and unrealized gain (loss) on investments	(4.95)	7.21	5.62	0.55	2.95
Total from Investment Operations	(4.88)	7.33	5.55	0.67	2.97
Redemption Fees	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	0.00 <sup>(3)</sup>	—
Less Distributions:					
From net investment income	(0.10)	(0.04)	(0.02)	(0.12)	(0.01)
From net realized gains	(1.71)	(0.44)	—	—	—
Total Distributions	(1.81)	(0.48)	(0.02)	(0.12)	(0.01)
Net Asset Value, End of Year	\$18.56	\$25.25	\$18.40	\$12.87	\$12.32
Total return	(19.43)%	39.82%	43.12%	5.46%	31.74%
<b>SUPPLEMENTAL DATA AND RATIOS</b>					
Net assets, end of Year (000's)	\$16,389	\$23,458	\$17,377	\$12,387	\$13,751
Ratio of operating expenses to average net assets:					
Before expense reimbursement.	1.78%	1.74%	1.79%	2.11%	1.91%
After expense reimbursement	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of net investment income (loss) to average net assets:	0.35%	0.56%	(0.37)%	1.12%	0.16%
Portfolio turnover rate	1%	4%	1%	0%	2%

<sup>(1)</sup> Information presented relates to a share of capital stock outstanding for each Year.

<sup>(2)</sup> Net investment income per share represents net investment income divided by the average shares outstanding throughout the Year.

<sup>(3)</sup> Amount calculated is less than \$0.005.

## Appendix A

### Financial Intermediary Sales Charge Variations

The availability of certain sales charge waivers and discounts will depend on whether you purchase your shares directly from the Fund or through a financial intermediary. Specific intermediaries may have different policies and procedures regarding the availability of front-end sales charge waivers or CDSC waivers, which are discussed below. In all instances, it is the shareholder's responsibility to notify the Fund or the shareholder's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary listed below, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive Fund imposed waivers or discounts. Please see "Description of Classes" starting on page 34 of this Prospectus for information about such waivers and discounts.

#### **Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch")**

Purchases or sales of front-end (i.e. Class A) or level-load (i.e., Class C) mutual fund shares through a Merrill platform or account will be eligible only for the following sales load waivers (front-end, contingent deferred, or back-end waivers) and discounts, which differ from those disclosed elsewhere in this Fund's prospectus. Purchasers will have to buy mutual fund shares directly from the mutual fund company or through another intermediary to be eligible for waivers or discounts not listed below.

It is the client's responsibility to notify Merrill at the time of purchase or sale of any relationship or other facts that qualify the transaction for a waiver or discount. A Merrill representative may ask for reasonable documentation of such facts and Merrill may condition the granting of a waiver or discount on the timely receipt of such documentation.

Additional information on waivers and discounts is available in the Merrill Sales Load Waiver and Discounts Supplement (the "Merrill SLWD Supplement") and in the Mutual Fund Investing at Merrill pamphlet at [ml.com/funds](http://ml.com/funds). Clients are encouraged to review these documents and speak with their financial advisor to determine whether a transaction is eligible for a waiver or discount.

Front-end Load Waivers Available at Merrill
Shares of mutual funds available for purchase by employer-sponsored retirement, deferred compensation, and employee benefit plans (including health savings accounts) and trusts used to fund those plans provided the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
Shares purchased through a Merrill investment advisory program
Brokerage class shares exchanged from advisory class shares due to the holdings moving from a Merrill investment advisory program to a Merrill brokerage account
Shares purchased through the Merrill Edge Self-Directed platform
Shares purchased through the systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same mutual fund in the same account
Shares exchanged from level-load shares to front-end load shares of the same mutual fund in accordance with the description in the Merrill SLWD Supplement
Shares purchased by eligible employees of Merrill or its affiliates and their family members who purchase shares in accounts within the employee's Merrill Household (as defined in the Merrill SLWD Supplement)
Shares purchased by eligible persons associated with the fund as defined in this prospectus (e.g. the fund's officers or trustees)

Shares purchased from the proceeds of a mutual fund redemption in front-end load shares provided (1) the repurchase is in a mutual fund within the same fund family; (2) the repurchase occurs within 90 calendar days from the redemption trade date, and (3) the redemption and purchase occur in the same account (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill's account maintenance fees are not eligible for Rights of Reinstatement
<b>Contingent Deferred Sales Charge ("CDSC") Waivers on Front-end, Back-end, and Level Load Shares Available at Merrill</b>
Shares sold due to the client's death or disability (as defined by Internal Revenue Code Section 22(e)(3))
Shares sold pursuant to a systematic withdrawal program subject to Merrill's maximum systematic withdrawal limits as described in the Merrill SLWD Supplement
Shares sold due to return of excess contributions from an IRA account
Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the investor reaching the qualified age based on applicable IRS regulation
Front-end or level-load shares held in commission-based, non-taxable retirement brokerage accounts (e.g. traditional, Roth, rollover, SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans) that are transferred to fee-based accounts or platforms and exchanged for a lower cost share class of the same mutual fund
<b>Front-end Load Discounts Available at Merrill: Breakpoints, Rights of Accumulation &amp; Letters of Inten</b>
Breakpoint discounts, as described in this prospectus, where the sales load is at or below the maximum sales load that Merrill permits to be assessed to a front-end load purchase, as described in the Merrill SLWD Supplement
Rights of Accumulation (ROA), as described in the Merrill SLWD Supplement, which entitle clients to breakpoint discounts based on the aggregated holdings of mutual fund family assets held in accounts in their Merrill Household
Letters of Intent (LOI), which allow for breakpoint discounts on eligible new purchases based on anticipated future eligible purchases within a fund family at Merrill, in accounts within your Merrill Household, as further described in the Merrill SLWD Supplement

**Morgan Stanley Smith Barney LLC ("Morgan Stanley")**

Effective July 1, 2018, shareholders purchasing Fund shares through a Morgan Stanley Wealth Management transactional brokerage account will be eligible only for the following front-end sales charge waivers with respect to Class A shares, which may differ from and may be more limited than those disclosed elsewhere in this Fund's Prospectus or SAI.

**Front-end Sales Charge Waivers on Class A Shares available at Morgan Stanley Wealth Management**

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules
- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund
- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program
- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge.



**Raymond James & Associates, Inc., Raymond James Financial Services, Inc. and each entity's affiliates ("Raymond James")**

**Intermediary-Defined Sales Charge Waiver Policies**

The availability of certain initial or deferred sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares.

Intermediaries may have different policies and procedures regarding the availability of front-end sales load waivers or contingent deferred (back-end) sales load ("CDSC") waivers, which are discussed below. In all instances, it is the purchaser's responsibility to notify the fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase fund shares directly from the fund or through another intermediary to receive these waivers or discounts.

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account, or through an introducing broker-dealer or independent investment adviser for which Raymond James provides trade execution, clearance, and/or custody services, will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

**Front-end sales load waivers on Class A shares available at Raymond James**

- Shares purchased in an investment advisory program.
- Shares purchased within the same fund family through a systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Employees and registered representatives of Raymond James or its affiliates and their family members as designated by Raymond James.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of Raymond James.

**CDSC Waivers on Classes A, B and C shares available at Raymond James**

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the fund's prospectus.
- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

**Front-end load discounts available at Raymond James: breakpoints, and/or rights of accumulation, and/or letters of intent**

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.

- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Raymond James may be included in the calculation of letters of intent only if the shareholder notifies his or financial advisor about such assets.

**Janney Montgomery Scott LLC ("Janney")**

Shareholders purchasing Fund shares through a Janney Montgomery platform or account will be eligible only for the following sales charge waivers (front-end sales charge waiver and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's Prospectus or SAI.

Front-end sales charge\* waivers on Class A shares available at Janney:

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.
- Shares acquired through a right of reinstatement.
- Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

CDSC waivers on Class A and C shares available at Janney:

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and other retirement accounts due to the shareholder reaching age 72 as described in the fund's Prospectus.
- Shares sold to pay Janney fees but only if the transaction is initiated by Janney.
- Shares acquired through a right of reinstatement.
- Shares exchanged into the same share class of a different fund.

Front-end sales charge\* discounts available at Janney: breakpoints, rights of accumulation, and/or letters of intent:

- Breakpoints as described in the fund's Prospectus.
- Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

\*Also referred to as an "initial sales charge."



**Kinetics Mutual Funds, Inc.**

Investment Adviser  
and Shareholder Servicing Agent

*Horizon Kinetics Asset Management LLC  
470 Park Avenue South  
New York, NY 10016*

Legal Counsel

*Faegre Drinker Biddle & Reath LLP  
One Logan Square  
Suite 2000  
Philadelphia, PA 19103-6996*

Independent Registered Public  
Accounting Firm

*Tait, Weller & Baker LLP  
Two Liberty Place, 50 South 16th Street  
Suite 2900  
Philadelphia, PA 19102*

Distributor

*Kinetics Funds Distributor LLC  
470 Park Avenue South  
New York, NY 10016*

Transfer Agent, Fund Accountant,  
and Administrator

*U.S. Bank Global Fund Services  
615 East Michigan Street  
Milwaukee, WI 53202*

Custodian

*U.S. Bank N.A.  
1555 N. RiverCenter Drive, Suite 302  
Milwaukee, WI 53212*

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**Kinetics Spin-off and Corporate Restructuring Fund**  
**A series of Kinetics Mutual Funds, Inc.**

*You may obtain the following and other information on the Fund free of charge:*

**Statement of Additional Information (SAI) dated April 30, 2024**

The Fund's SAI provides more details about the Fund's policies and management. The Fund's SAI is incorporated by reference into this Prospectus.

**Annual and Semi-Annual Report**

The annual and semi-annual reports for the Fund provide the most recent financial reports and portfolio listings. The annual report contains a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year.

To receive any of these documents or the Fund's Prospectus, free of charge, to request additional information about the Company or to make shareholder inquiries, please contact us:

**By Telephone:**

(800) 930-3828

**By Internet:**

<http://www.kineticsfunds.com>

**By Mail:**

*Kinetics Mutual Funds, Inc.*  
*c/o U.S. Bank Global Fund Services*  
*P.O. Box 701*  
*Milwaukee, WI 53201-0701*

Additionally, the foregoing Fund documents are available on the Fund's website listed above.

**SEC:**

Reports and other information about the Fund are available on the EDGAR Database on the SEC's website at <http://www.sec.gov>. Copies of the information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).