



## Kinetics Small Cap Opportunities Fund

(KSCOX, KSOAX, KSOCX, KSCYX)

1<sup>st</sup> Quarter 2025

# Important Risk Disclosures



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

In April 2019, Kinetics Asset Management LLC ("KAM"), Kinetics Advisers, LLC ("KA") and Horizon Asset Management LLC ("HAM") all merged into Horizon Kinetics Asset Management LLC ("HKAM"), an investment adviser registered with the US Securities and Exchange Commission ("SEC"). HKAM is a wholly owned subsidiary of Horizon Kinetics LLC ("HK"). HK is a wholly owned subsidiary of Horizon Kinetics Holding Corporation ("HKHC"). HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

Past performance does not guarantee future results. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares less than 30 days after you purchase them. The Kinetics Global Fund is a diversified fund. Diversification does not ensure a profit or protect against loss in a declining market.

Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolio Trust. The Standard & Poor's 500 Index ("S&P 500") represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. S&P 500 Index returns assume that dividends are reinvested. You cannot invest directly in the S&P 500. This presentation is for informational purposes only, is not a solicitation to purchase shares, does not constitute investment or tax advice and is not a public or private offering or recommendation of any kind. This document and its content are the property of Horizon Kinetics LLC ("Horizon Kinetics") and cannot be reproduced or transmitted to any person in any form or by any means in whole or part without prior written consent from Horizon Kinetics. Mutual Funds, including Kinetics Global Fund, are subject to stock market risks and significant fluctuations in value. If the stock market declines in value, the Fund is likely to decline in value and you could lose money on your investment.

This Fund may invest in options and bonds, which carry special risks further discussed in the Fund's Prospectus. Concentrated portfolios that invest a substantial portion of their assets in a particular industry carry a risk that a group of industry-related stocks will decline in price due to industry specific developments. Companies in the same or similar industries may share common characteristics and are more likely to react comparably to industry specific market or economic developments. The Fund may invest in the equity securities of small and medium size companies. Small and medium-size companies often have narrower markets and more limited managerial and financial resources than do larger, more established companies. As a result, their performance can be more volatile and they face a greater risk of business failure, which could increase the volatility of the Fund's assets.

The Fund holds investments that provide exposure to bitcoin. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

The Fund may invest in foreign securities, which can carry higher returns but involve more risks than those associated with U.S. investments. Additional risks associated with investments in foreign securities include currency fluctuations, political and economic instability, differences in financial reporting standards and less stringent regulation of securities markets. Portfolio holdings information is subject to change at any time and is as of the date shown. For more information, you may visit [www.kineticfunds.com](http://www.kineticfunds.com).

Murray Stahl is a member of the Board of Directors of Texas Pacific Land Corporation ("TPL"), a large holding in certain client accounts and funds managed by Horizon Kinetics Asset Management LLC ("HKAM"). Officers, directors and employees may also hold substantial amounts of TPL, both directly and indirectly, in their personal accounts. HKAM seeks to address potential conflicts of interest through the adoption of various policies and procedures, which include both electronic and physical safeguards. All personal and proprietary trading is also subject to HKAM's Code of Ethics and is monitored by the firm's Legal and Compliance Department.

- I. Firm Overview
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# Firm Overview

# Firm Overview



## At a Glance

### Horizon Kinetics LLC

- Independent, majority employee owned, serving clients since 1994.
- \$10.8 billion in firm-wide assets under management<sup>1</sup>.
- 83 employees.
- Offices in New York City, White Plains, NY and Summit, NJ.

### Stable, tenured investment team

- Co-Founders investing together for over 30 years.
  - **Murray Stahl** – Chairman, CEO, and CIO
  - **Steven Bregman** – President, Senior Portfolio Manager and Director of Research
  - **Peter Doyle** – President of Kinetics Mutual Funds, Inc. and Senior Portfolio Manager
- 21 Investment Professionals with an average tenure of 20 years with the firm and 32 years in the industry.

### Dedicated Culture

- Committed exclusively to investment research and portfolio management across the capital structure.
- Independent publisher of research for institutional investment community since 1995.
- Adhering to a research-intensive, time-tested fundamental investment philosophy.
- Institutional quality client service and operations infrastructure.

### Investment Approach

- Independent Thinking
  - Process driven by data and primary sources.
  - Research analysts culturally guided to overcome confirmation biases and data availability errors.
- Opportunity
  - Seek above market returns with reduced chances of loss by capturing high discount rates associated with the “Equity Yield Curve.”
  - Earn returns of underlying fundamental business and potential narrowing of discount rate.
- Focus
  - Research team and process organized around attributes associated with long-term excess returns.
  - Seek to avoid the permanent loss of capital.
- Differentiated
  - Philosophy and process lead us to explore less-researched and less frequently trafficked investments.
  - High active share<sup>2</sup> by design.
- Discipline
  - Portfolio Managers and Research Analysts must write logical, understandable investment theses that withstand internal and external scrutiny.
- Patience
  - Capturing long-term excess returns requires commitment.

<sup>1</sup> As of March 31, 2025.

<sup>2</sup> Active share is a measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the strategy's primary benchmark.

# Firm Overview



## Guiding Principles

### Background:

Our co-founders created Horizon Asset Management LLC in 1994 and Kinetics Asset Management LLC in 1996, both are now consolidated under Horizon Kinetics Asset Management LLC, in answer to the extraordinary structural changes that were occurring in the personalized investment management industry.<sup>1</sup> The firm is dedicated to “long-horizon” investing and to providing solutions away from mass-market, asset allocation driven approaches to investing which we believe can be higher risk, higher cost, and tax-inefficient to most investors.

### Guiding Principles:

- We are committed to long-horizon, value driven investing and building long-term, continuous relationships with influencers of external permanent capital.
- We are contrarian investors and our vision is diametrically opposed to the movement of the crowd.
- Our investment approach stresses absolute returns, blending a combination of fundamental research, discipline and patience with the goal of long-term preservation and compounding of capital.
- We measure our success based on the net economic basis we can deliver to our clients, after allowance of applicable taxes, inflation and fees.
- We measure risk as an impairment of capital. Temporary price variability is not synonymous with risk. Returns can be increased by extension of the investment horizon rather than by extension of risk.
- Our strategies are driven by fundamental research and opportunity, not capacity for asset gathering.
- We invest alongside our clients and believe that a skin in the game approach is critical to aligning interests.

<sup>1</sup>In April 2019, Kinetics Asset Management LLC (“KAM”) and Kinetics Advisers, LLC (“KA”) reorganized into Horizon Asset Management LLC (“HAM”), following which HAM was renamed Horizon Kinetics Asset Management LLC (“HKAM”). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary.

# Firm Overview



## Strategy and Client Type Overview

**Firmwide Assets Under Management<sup>1</sup>** **\$10.8 B**

**Separately Managed Accounts<sup>2</sup>** **\$4.8 B**

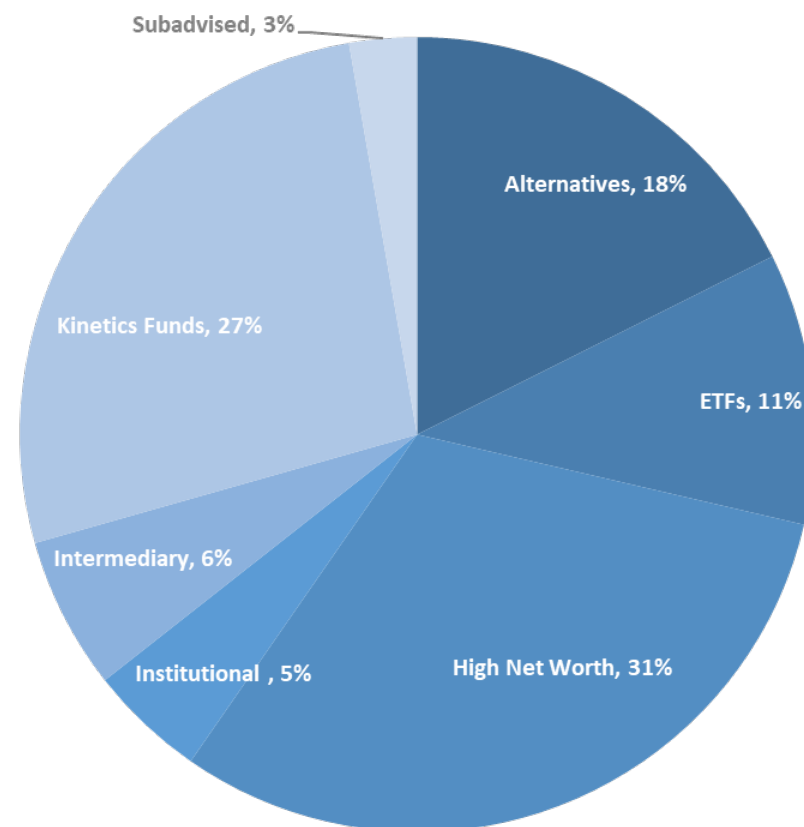
- Equities
- High-Yield
- Opportunistic Investments, i.e. Distressed Debt

**Kinetics Mutual Funds and Active ETFs<sup>3</sup>** **\$4.1 B**

- Broad Markets
- Specialty Markets
- Income-Related
- Inflation Beneficiaries

**Alternative Investments** **\$1.9 B**

**Client Assets by Type<sup>1</sup>**



<sup>1</sup>AUM and client type as of 3/31/2025

<sup>2</sup>Includes assets in customized portfolios, other strategies developed for intermediaries, and sub-advised assets.

<sup>3</sup>Kinetics Mutual Funds, Inc. ("Kinetics Funds") are distributed by Kinetics Funds Distributor LLC ("KFD"), an affiliate of Horizon Kinetics LLC. KFD is not affiliated with the Kinetics Funds. Horizon Kinetics Exchange-Traded Funds ("ETFs") are distributed by Foreside Fund Services, LLC ("Foreside"). Foreside is not affiliated with Horizon Kinetics LLC or its subsidiaries. Please consider the investment objectives, risks, charges and expenses of the funds carefully before investing. For a free copy of the mutual funds' prospectus, which contains this and other information, visit our website at [www.kineticsfunds.com](http://www.kineticsfunds.com) or call 1-800-930-3828. To obtain a prospectus containing this and other important information for the ETFs, please visit [www.horizonkinetics.com/products/etf](http://www.horizonkinetics.com/products/etf). Please read the prospectus carefully before you invest.

# Investment Philosophy & Process



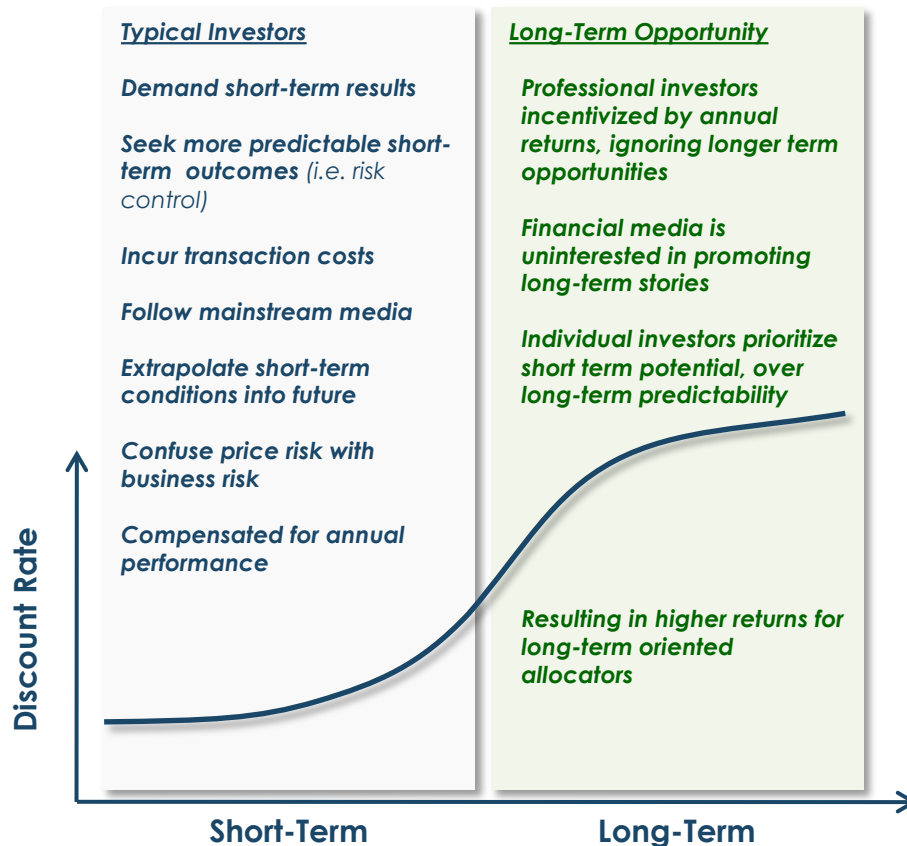
# Investment Philosophy



## The Equity Yield Curve

Investors' short-term interests can create significant mispricing of long-term investments. We believe a long-term investment horizon is essential to reducing chance of loss and earning excess return.

### Equity Yield Curve



### Return Dynamics

- Investors tend to overly discount future value creation that is likely, but for which the timing is unknown. As the timing risk decreases, so does the valuation discount.
- At a minimum, we expect to earn the underlying businesses' return on capital over time.
- Purchasing investments at substantial discounts to our assessment of future value reduces the likelihood and magnitude of capital losses
- Valuation multiple expansion often accompanies fundamental improvement or greater visibility into value recognition. Often, the market price will fully reflect future value, driving returns for existing shareholders, but muting future return potential.

### ***Why are securities mispriced?***

Information asymmetry and human emotion (fear and greed) were once the drivers for significant market pricing discrepancies. As markets have modernized, adherents have long advocated an “efficient market” due to the vast number of market participants, along with amount of market data and speed of information dissemination. However, what if the institutionalization of asset management **now is the cause of inefficiency?**

- **Traditional asset managers:** these investors are beholden to a rigid set of investment criteria (style, size, sector, geography) and a relevant benchmark. Thus, there is an impetus to always be invested in these securities despite fundamentals.
- **Index funds:** these funds invest purely based upon a prescribed formula, often based on market driven factors such as relative market values. Thus, capital flows are indiscriminant of fundamentals.
- **Endowments & Pensions:** these large pools of capital are funded and make disbursements predicated upon return and interest rate assumptions. The result is often a higher risk exposure maintained throughout market cycles.
- **Traders:** various types of market “traders” are universally motivated by short-term profits, often ignoring longer term implications on an investment.
- **Algorithmic funds:** a growing proportion of daily market volume is being driven by algorithmic trading, seeking to exploit pricing trends and mean reversions, regardless of fundamental business attributes. The funds often seek volatility targeting and or momentum trends, exaggerating market movements.

# Investment Process



## Idea Generation

*Dynamic, unconventional thinking is required in order to consistently find successful long-term investments over the course of a full business cycle.*

*Investment team avoids relying solely on conventional descriptive attributes and places greater emphasis on attributes that are verifiable but not always readily quantifiable.*

*Confirmation and availability biases refer to an investor's tendency to assign greater importance to information that is readily available, easily organized, and consistent with pre-conceived views.*

*Opportunity sets of value investments gyrate with market cycles, requiring flexibility to adjust for prevailing investment environment*

IDEA GENERATION	
Conventional Screens (Mainstream Investors)	Unconventional Attributes (Horizon Kinetics)
Style (Growth, Core, Value)	Owner-Operators
Sector / Industry	Bits and Pieces
Market Capitalization (small, mid, large)	Dormant Assets
Geography (Country, Region)	Scalability
Momentum (Price, Earnings)	Terms-of-Trade
Price Risk (Volatility)	Product Lifecycle
Valuation (P/B, P/E, P/S)	Spin-Off
	Liquidation
	ETF Divide

# Investment Process



## Portfolio Construction

<b>Time Diversification</b>	Avoid attempting to time the market, and instead average into and out of positions over time.
<b>Initial Position Sizing/ Concentration</b>	Positions are sized by portfolio managers' judgment of discount rate magnitude along with an assessment of unconventional business attributes.
<b>Multi-Security Positions</b>	Multi-security positions are used when we have a high degree of conviction regarding a group of related businesses or a theme.
<b>Rebalancing</b>	Limit rebalancing to maximize returns and reduce transaction costs.
<b>Cash Allocation</b>	Cash allocation is a function of the attractiveness of investment opportunities at any given point in time.

# Fundamental Risk Management



## Quantifiable Risk versus Actual Risk

### Conventional Risk Parameters

Diversification

- Eliminate single security risk

Standard Deviation

- Minimize return variability

Tracking Error

- Align returns with benchmark

Valuation

- Assess relative to broad market

### Result

- Generic portfolio with exposure to all companies, good and bad
- “Predictable” lower long-term returns and frequent rebalancing
- Exposure to larger index constituents regardless of fundamentals

### Horizon Kinetics Risk Parameters

Diversification

- Embrace idiosyncratic securities

Standard Deviation

- Emphasize idiosyncratic business variability

Tracking Error

- Limit correlations to broad market

Valuation

- Require absolute valuation discount

### Result

- Best ideas drive returns; not broad market
- Seeks higher compounding of capital
- Non-codependence Business specific returns

# Portfolio Positioning: The Path Ahead



Resilience = Full Cycle Portfolio

## Hard Assets

Energy/Power

Land

Materials

## Value

Price

Margin

Scale

## Strategic

Secular Trends

Structural Growth

Scarce

## Resilient Portfolio

- High profit margins
- Scalability
- Long-life, high-quality asset base
- Strong cash flow generation

# Investment Team



## Portfolio Management and Research Team

### Investment Oversight Committee

**Steven Bregman**  
President  
(40 years of Industry Experience)

**Murray Stahl**  
CEO, CIO  
(47 years of Industry Experience)

**Peter Doyle**  
President, Kinetics Mutual Funds, Inc.  
(40 years of Industry Experience)

#### Strategies

**Core Value  
Research Select**

**Large Cap  
Small Cap  
Spin-Off  
Strategic Value**

**Global  
Asia**

**Asset Light-Hard  
Asset (Inflation-  
Advantaged)**

**Mutual Funds  
Active ETFs  
Alternatives**

#### Portfolio Managers

Steven Bregman

Murray Stahl

Murray Stahl  
Aya Weissman

Murray Stahl  
Steven Bregman  
James Davolos

Murray Stahl  
Peter Doyle  
Steven Bregman  
Matt Houk  
James Davolos  
Paul Abel  
Steven Tuen  
Darryl Monasebian  
Brandon Colavita

#### Research Team

Paul Abel  
Rich Begun  
Steven Bregman  
Rob Parauda

Therese Byars  
Ryan Casey  
James Davolos

Andrea DeMichele  
Peter Doyle  
Matt Houk

Utako Kojima  
Eric Sites  
Murray Stahl  
Alan Swimmer

Fredrik Tjernstrom  
Steven Tuen  
Aya Weissman

Certain research team members may also serve as co-portfolio managers on various strategies and funds.



## Kinetics Small Cap Opportunities Fund Performance & Strategy Update



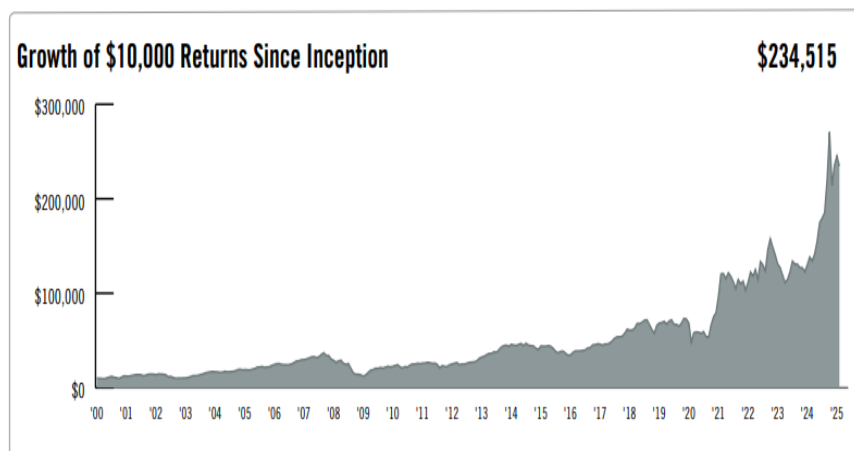
# Historical Performance Results



## The Small Cap Opportunities Fund – KSCOX

- U.S. focused global small-cap fund seeking to invest in fundamentally undervalued companies with market capitalizations at or below the highest market capitalization of a component security within the S&P SmallCap 600 Index.
- Investments are concentrated in companies that have a small capitalization with the potential to expand to higher valuations either through revaluation, growth or a combination thereof.
- Fund targets companies with substantial barriers to entry, long product life cycles and sound capital structures; on occasion companies may be less mature companies and in the process of developing a superior product or market niche.

As of 3/31/2025



As of 3/31/2025	Annualized Returns (%)					Since Inception (Net %)	
	1 Year	3 Year	5 Year	10 Year	20 Year	Return % Ann.	Volatility % Ann.
<b>Small Cap Fund</b>	69.55	24.19	37.26	18.23	13.40	13.43	23.65
S&P SmallCap 600 Index	-3.38	0.71	15.09	7.52	8.60	8.78	19.69
<i>Excess Return</i>	72.93	23.48	22.17	10.71	4.80	4.65	

### Rolling 5-Year Performance

Small Cap Opportunities Fund (Net) vs. the S&P SmallCap 600 Index

As of 3/31/2025	Inception Date	# of 5-Year Periods	Total Return > Index	Total Return >0%	Total Return >10%
<b>Small Cap Fund</b>	3/20/2000	241	54%	90%	58%

**Performance data quoted represents past performance, which does not guarantee future results. Investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. Investors may visit our website at [www.kineticsfunds.com](http://www.kineticsfunds.com) or call us at 1-800-930-3828 for performance data current to the most recent month-end and for a copy of the most recent Prospectus. You should read the prospectus carefully before you invest.**

Performance shown is that of the Kinetics Small Cap Opportunities Fund (No-Load Class). The gross expense ratios listed are as of 12/31/2023 as reported in the 4/30/2024 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025. The net assets in the Fund as December 31, 2024 were approximately \$465.5 million. The inception date is March 20, 2000. Performance includes the reinvestment of dividends. Performance does not reflect the deduction of a sales load or fee, which, if included, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them. Rolling 5-Year Performance and Volatility statistics begin with first complete month of performance. The Growth of \$10,000 chart illustrates the performance of a hypothetical \$10,000 investment made in No Load Class shares commencement of operations (3/20/00). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

# Kinetics Small Cap Opportunities Fund



## The Small Cap Opportunities Fund - Fund Information

Class	Assets* (MM)	Inception Date	Ticker	CUSIP	12b-1 fee	Expense Ratios	
						Gross	Net
Advisor A	24.4	Dec-17	KSOAX	494613839	0.50%	1.97%	1.89%
Advisor C	12.5	Feb-17	KSOCX	494613748	1.00%	2.46%	2.39%
Institutional	91.9	Aug-17	KSCYX	494613813	---	1.67%	1.44%
No Load	336.3	Mar-00	KSCOX	494613706	---	1.72%	1.64%

## Monthly Performance

Small Cap Fund (No Load)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P SmallCap 600 Index
2025	10.1	4.1	-4.4										9.6	-8.9
2024	-3.4	6.0	6.4	-3.0	5.6	9.4	12.8	2.7	3.2	18.5	23.3	-20.9	68.5	8.7
2023	-5.4	-6.9	-2.9	-6.3	-6.7	3.1	7.0	9.3	-2.4	0.0	-2.8	-0.1	-14.7	16.1
2022	-8.4	8.1	9.7	-3.6	5.9	-8.3	16.4	-2.5	-4.9	18.2	7.9	-5.6	32.0	-16.1
2021	5.8	22.0	24.3	0.3	-4.5	5.4	-3.0	-4.9	-6.5	9.0	-3.9	2.5	50.3	26.8
2020	-0.9	-6.0	-29.6	20.8	1.6	-0.6	-1.9	3.1	-8.8	-1.2	23.9	13.2	2.3	11.3
2019	14.2	3.8	0.7	1.9	-4.3	5.1	1.7	-6.8	0.0	-3.0	5.3	7.2	27.1	22.8
2018	7.6	-1.8	0.2	3.2	7.9	-0.1	2.0	3.1	0.7	-6.9	-7.9	-6.4	0.29	-20.10
2017	2.0	-0.8	-2.5	3.2	-0.7	2.8	4.9	5.9	2.3	-0.3	1.6	5.4	26.2	13.2
2016	-7.0	1.6	7.7	4.2	0.2	0.1	1.2	1.3	5.2	0.8	6.7	0.8	24.4	26.6
2015	-3.3	9.0	-0.3	-0.3	1.6	-1.5	-4.8	-7.8	-4.3	4.4	0.8	-5.2	-12.3	-2.0
2014	-3.1	5.2	-1.4	-1.6	3.2	1.8	-4.8	5.8	-4.4	-1.1	-0.7	-5.4	-7.3	5.8
2013	9.9	4.2	2.7	5.0	3.7	0.2	4.7	-1.5	7.4	7.3	3.0	1.5	59.4	41.3
2012	8.8	3.4	3.1	2.6	-8.2	2.8	-0.3	3.5	3.8	1.1	1.0	3.2	26.7	16.3
2011	-1.7	2.2	0.5	3.1	-1.4	-3.2	1.5	-5.1	-15.2	11.5	-3.1	-1.4	-13.6	1.0
2010	-3.1	2.7	4.4	3.2	-10.3	-3.6	6.5	-2.7	10.3	4.2	-0.2	3.3	13.9	26.3
2009	-5.1	-10.6	10.5	20.3	14.5	3.0	8.0	-0.9	4.8	-3.2	4.9	4.3	58.2	25.6
2008	-11.1	-4.3	-7.4	5.8	2.4	-11.3	-4.4	3.9	-20.0	-23.2	-10.4	1.9	-57.9	-31.1
2007	4.3	-0.1	2.7	2.7	4.2	0.8	-3.0	2.3	7.6	5.5	-8.1	0.2	19.7	-0.3
2006	7.0	3.2	3.9	0.2	-3.8	-0.2	-0.9	1.0	3.0	5.6	6.6	0.3	28.4	15.1
2005	-3.6	1.6	-1.0	-1.4	4.9	3.2	7.5	0.9	2.4	-4.1	1.6	1.3	13.2	7.7
2004	1.6	-1.8	-0.7	-2.4	0.9	5.6	-3.7	2.0	1.1	2.7	7.0	3.6	16.4	22.7
2003	1.9	-0.2	6.2	6.2	10.3	-0.3	1.7	7.2	5.1	7.6	3.5	3.6	66.5	38.8
2002	-1.2	-3.6	5.8	-1.2	-1.3	-3.9	-15.0	2.4	-9.9	-7.4	2.0	-0.3	-30.3	-14.6
2001	13.3	-2.1	-1.1	5.0	4.5	4.3	-0.4	-1.7	-7.6	6.6	6.3	1.5	30.6	6.5
2000				-1.6	-2.5	7.5	9.1	8.2	-9.0	-3.6	-8.2	14.3	12.1	5.7

\*Assets as of 12/31/2024. The Gross expense ratios listed are as of 12/31/2023 as reported in the 4/30/2024 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025. Performance returns include the deduction of management and other operating expenses. Monthly Performance Chart begins with the first full month of performance.

# Portfolio Top 10 Holdings



## The Small Cap Opportunities Fund – March 31, 2025

Name	% of Portfolio	Horizon Kinetics' Perspective
Texas Pacific Land Corporation	53.9	Texas Pacific Land Corp. is a landowner that generates cash flow via easement and oil royalties from owned land in Texas, and its water services business and periodic land sales. As a royalty business, TPL participates in the upside when oil prices rise, without incurring the capital investment requirements of an operator and with lower downside risk.
LandBridge Co. LLC	5.2	LandBridge, created in 2021, is a landowner in the Permian Basin with approximately 220,000 surface acres. Its IPO was on June 28, 2024. The company has a diverse set of revenue from resource sales, oil and gas royalties, surface use royalties and easements. At present, oil and gas royalties are less than a quarter of total revenues and will be crowded downward further by the expansion of Resource Sales & Royalties and Surface Sales and Royalties. LandBridge's contiguous surface land has the latent potential to capture developments from the data center itself, related roads, power lines, wind and solar, carbon capture, water cooling – combined has a potential recurring, high-margin revenue stream back to LandBridge.
Grayscale Bitcoin Trust*	3.5	The Bitcoin Investment Trust invests in bitcoin, a cryptocurrency with the potential to appreciate significantly should it become established as either a store of value or a transactional currency. If bitcoin were to capture even a small share of the electronic payments market, the value of each coin would increase dramatically due to the limited number of coins to be produced. Following the approval ETFs for several providers in early 2024, GBTC uplisted to NYSE Arca as a spot Bitcoin ETF.
CACI International, Inc. – Class A	3.3	CACI is a defense company focused on data integrity and information, command and control, cyber security, and intelligence. The bulk of its work is done for the United States government; as military spending shifts from emphasizing weaponry to focusing on technology, CACI has the potential to benefit by increasing the number and size of its contracts, while non-military contracts represent another avenue for growth.
Hawaiian Electric Industries, Inc.	2.7	HE is an electric utility company that generates, transmits, and distributes electricity across all the Hawaiian Islands. They provide both traditional and renewable energy.
Civeo Corp.	2.3	Civeo provides accommodation services for workers on natural resource projects in remote areas. The company is positioned to perform well as demand increases for its services, which is beginning to occur as projects have resumed post pandemic lockdowns and structural commodity shortages are becoming increasingly apparent.
DREAM Unlimited Corp.	1.7	DREAM is a diversified real estate investment and asset management company. As we navigate what we expect to be a period of sustained inflation, hard asset companies such as DREAM are well positioned to benefit.
Associated Capital Group, Inc	1.3	Associated Capital is the alternative assets management business helmed by Mario Gabelli, following its separation from other arms of the business. We believe that in the volatile environment currently facing investors, Associated Capital has the potential to perform well.
Inter Parfums, Inc.	1.1	Founded by owner-operators Jean Madar and Philippe Benacin in May 1985, the company manufactures and distributes a portfolio of well-recognized brands, both licensed and owned outright. The company continues to expand and extend new brands as well as acquire new brands, both of which actions are critical for long-term business growth.
Carnival Corp.	1.0	Carnival is a cruise line operator. Their business suffered significantly during the COVID-19 pandemic as onerous testing and isolation requirements devastated their business during and after the pandemic. As restrictions have loosened, and the business has shown signs of recovery, the share price has as well.

**\*Please refer to slide two for information regarding risks associated with an investment in Bitcoin.**

Holdings information is presented for illustrative purposes only, portfolio holdings are subject to change without notice and it should not be assumed that the holdings were or will prove to be profitable. Holdings are expressed as a percentage of the total net investment and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

# Portfolio Statistics



## The Small Cap Opportunities Fund – March 31, 2025

### Fund Characteristics

Total Net Assets <sup>(1)</sup>	\$465.5 MM
Total Number of Positions*	59
Investment Style	Global Equity
Market Cap Focus	Small Cap
Minimum Purchase <sup>(2)</sup>	\$2,500
Inception Date	3/20/00

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

### Strategy Statistics

	Fund	S&P SmallCap 600 Index
Beta	0.89	1.00
Standard Deviation	23.65	18.98
Up Market Capture Ratio	0.91	-
Down Market Capture Ratio	0.69	-
Sharpe Ratio	0.49	0.40
Weighted Avg. Mkt. Cap. <sup>(3)(4)</sup>	\$22,331	\$3,265
Median Market Capitalization <sup>(3)(4)</sup>	\$1,888	\$1,912
Price to Book <sup>(4)</sup>	4.66	1.68
Price to Earnings <sup>(4)</sup>	32.14	17.01
Return on Equity <sup>(4)</sup>	29.30%	10.50%

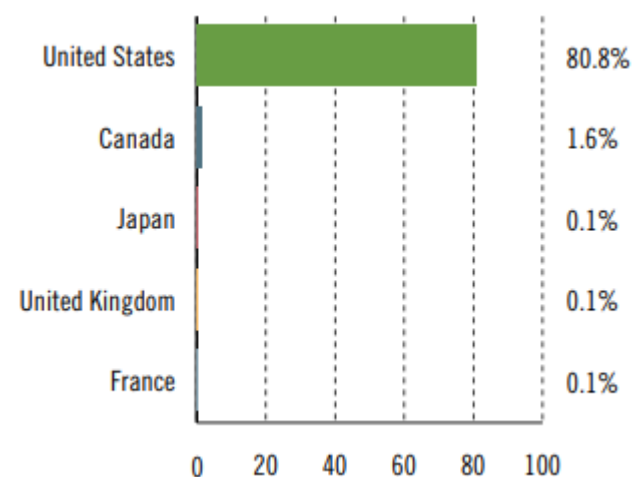
### Portfolio Allocation & Characteristics

Common Stocks	78.3%
Cash and Cash Equivalents	17.4%
Unit Investment Trust	3.9%
Warrants	0.4%
Investment Company	0.0%
Turnover Ratio	3%
Active Share <sup>(4)</sup>	98.31%

### Top 10 Sectors,<sup>5</sup> %

Mining, Quarrying, and Oil and Gas Extraction	59.7%
Finance and Insurance	5.5%
Management of Companies and Enterprises	5.3%
Professional, Scientific and Technical Services	3.8%
Accommodation and Food Services	2.3%
Real Estate	1.7%
Manufacturing	1.2%
Management, Scientific, and Technical Consulting	1.0%
Real Estate and Rental and Leasing	0.6%
Arts, Entertainment, and Recreation	0.6%

### Top Countries,<sup>5</sup> %



<sup>1</sup> As of 12/31/2024

<sup>2</sup> Relates to No-Load, A-Class and C-Class shares only. Institutional class has a \$1 MM minimum.

<sup>3</sup> In Millions

<sup>4</sup> Where stated, statistics that would generally be representative for the S&P SmallCap 600 Index are instead calculated and depicted based on the iShares Core S&P Small-Cap ETF, an investable product that seeks to track the S&P SmallCap 600 Index. Strategy Statistics begin with first complete month of performance. Source: FactSet, Fund Admin, Bloomberg

<sup>5</sup> Source: North American Industry Classification System (NAICS) Sector Classifications

# Kinetics Small Cap Opportunities Fund



## Investment Examples

### Texas Pacific Land Corporation (Ticker: TPL)<sup>1</sup>



Texas Pacific Land Corporation

- TPL was created as a land trust in 1888 as a result of the bankruptcy of the Texas and Pacific Railway Company. In January 2020, it completed a reorganization into a C Corp, which we believe is conducive to greater transparency and improved corporate governance.
- TPL currently owns approximately 880,000 surface acres and 450,000 of non-participating perpetual royalty interests in western Texas, much of which is located in the Delaware and Midland Basins within the Permian Basin.
- TPL's revenue streams are primarily generated through oil and gas royalties, land easements and related revenues, and water services. These cash flows are primarily driven by the activities and capital expenditures of 3rd parties, hence are high profit margin and minimally capital intensive.
- The alternating nature of the land grant, in sections concentrated across the Delaware Basin, virtually requires many well operators, infrastructure providers, and well service providers to utilize the property of TPL, diversifying the revenue streams further.
- Water procurement and disposal is increasingly the largest portion of a well lease operating expense. By virtue of the surface acreage, TPL has a dominant position in acquirer access, water transportation rights, and access to salt water disposal wells. TPL created a dedicated water division, Texas Pacific Water Resources, to monetize this opportunity.
- TPL's portion of the greater Permian Basin has become the focus of multinational oil companies and has become a significant driver of the marginal U.S. (and global) production.
- Despite significant appreciation in recent years, we believe that TPL shares still have substantial return potential in the years to come.

### CACI International Inc. (Ticker: CACI)



- CACI is a highly specialized information solutions and services company focused upon national security and related government initiatives. The ambiguous business description is reflective of the clandestine nature of the company's business activities, which include providing secure communication, surveillance, and data monitoring for various branches of the U.S. government.
- CACI's products are crucial to the modern modality of national security and warfare in the form of critical, secure communications and surveillance systems. We believe that cyber security and related services have significant potential for secular growth, as the global governments are in ever greater need of encryption, reconnaissance, and information, and these expenditures seem likely to grow as a share of defense budgets (in lieu of planes, bombs, and boats).
- The company's contracts are typically long-term in nature, and competition is limited due to the security clearance requirements and the necessary personnel and technical expertise.

The Fund held these securities as of March 31, 2025. Please see slide 19 for the top holdings of the Fund. Specific holdings may change at any time without notice.

## [2025 New Year Letter from Our Founders](#)

Reading Length: 9 pages/January 2025

## [Kinetics Mutual Fund 4Q2024 Conference Call Transcript](#)

*Peter Doyle, President of Kinetics Mutual Funds, Inc., and James Davolos, Senior Portfolio Manager, hosted a conference call on January 14, 2025.*

## [4th Quarter 2024 Commentary](#)

Reading Length: 27 pages/February 2025

*As the end of 2024 approached, an email from one long-tenured client and market watcher voiced the queries of many others in a marvelously succinct way: “This is totally nuts ... are we in the roaring ‘20s?” Her observation and question do excellent service for this year-end review, where we’ll name some of the greatest systemic risks, illumine the most elegant risk dodges, and reveal the most stupefying strategic opportunities. Though most investors may spend more time these days thinking about AI and data centers (and not enough about the national debt), you’ll find most of these themes boil down, surprisingly, to three Things: Natural Gas, Water, and Bitcoin. These might be keys to truly participating in, yet not suffering from, these Roaring ‘20s.*

## [3rd Quarter 2024 Commentary](#)

Reading Length: 35 pages/November 2024

*When perusing headlines in the mainstream business media lately, Horizon Kinetics clients may experience a sense of déjà vu. Because they’ve already read about those topics here, likely more than once or twice—and not just weeks or months, but years ago. It’s not as if what we write about, or variations thereof, hasn’t been around awhile: rising national debt, oncoming strategic hard commodity supply limitations, the appearance of non-debaseable currency (!!). But suddenly, it seems everyone is publishing stories about Chinese tech firms challenging Apple and Nvidia, or data centers and the massive amounts of power they require. Still, although the major business publications have the ends of a few strings, they’re missing important organizing warp threads and lack a picture of how the whole fabric comes together. Particularly around the limiting-factor hard assets and commodities required for A.I. and data center growth—like natural gas for electric power, land, and water—and how these will logically lead A.I. to the Permian Basin. And other ways of capturing the extraordinary growth of A.I. without driving head-on into the IT-sector headlights. In this Commentary, you can read all about it here first.*

## [Kinetics Mutual Fund 3Q2024 Conference Call Transcript](#)

*James Davolos, Co-Portfolio Manager and Investment Team Member and Brandon Colavita, Investment Team Member, hosted a conference call on October 15, 2024.*

## [Horizon Kinetics Corporate Update \(August 2024\)](#)

*From Our Founders: The Old New Horizon Kinetics—Going Public but Staying the Same*

# Appendix



## Murray Stahl

*Chairman, Chief Executive Officer, Chief Investment Officer*

Murray is Chief Executive Officer, Chairman of the Board of Horizon Kinetics and is a co-founder of the Firm. He has over thirty years of investing experience and is responsible for overseeing the Firm's proprietary research. Murray serves as the Firm's Chief Investment Officer, and chairs the Firm's Investment Committee, which is responsible for portfolio management decisions across the entire Firm. He is also the Co-Portfolio Manager for a number of registered investment companies, private funds, and institutional separate accounts. Additionally, Murray is the Chairman and Chief Executive Officer of FRMO Corp. He is also a member of the Board of Directors of the Minneapolis Grain Exchange, the Bermuda Stock Exchange and Texas Pacific Land Corporation. Prior to co-founding the Firm, Murray spent 16 years at Bankers Trust Company (1978-1994) as a senior portfolio manager and research analyst. As a senior fund manager, he was responsible for investing the Utility Mutual Fund, along with three of the bank's Common Trust Funds: The Special Opportunity Fund, The Utility Fund, and The Tangible Assets Fund. He was also a member of the Equity Strategy Group and the Investment Strategy Group, which established asset allocation guidelines for the Private Bank. Murray received a Bachelor of Arts in 1976, a Masters of Arts in 1980 from Brooklyn College, and an MBA from Pace University in 1985.

## Peter Doyle

*Managing Director, President of Kinetics Mutual Funds, Inc.*

Peter is a Managing Director and co-founder of the Firm. He is a senior member of the research team, and a member of the Investment Committee and the Board. Peter is a Co-Portfolio Manager for several registered investment companies, private funds, and institutional separate accounts. He is also responsible for oversight of the Firm's marketing and sales activities and is the Vice President of FRMO Corp. Previously, Peter was with Bankers Trust Company (1985-1994) as a Senior Investment Officer, where he also served on the Finance, Utility and REIT Research sub-group teams. Peter received a BS from St. John's University and an MBA from Fordham University.

## Steven Bregman

*President*

Steven is the President of Horizon Kinetics and is a co-founder of the Firm. He is a senior member of the Firm's research team, a member of the Investment Committee and Board, and supervises all research reports produced by the Firm. As one of the largest independent research firms, Horizon Kinetics focuses on structurally inefficient market sectors, including domestic spin-offs, global spin-offs (The Spin-Off Report and Global Spin-Off Report), distressed debt (Contrarian Fixed Income) and short sale candidates (Devil's Advocate), among others. Horizon Kinetics has also taken an interest in creating functionally improved indexes, such as the Spin-Off Indexes and the Wealth Indexes (which incorporate the owner-operator return variable). Steve is also the President and CFO of FRMO Corp., a publicly traded company with interests in Horizon Kinetics and is a member of the Board of Directors of Winland Electronics, Inc. He received a BA from Hunter College, and his CFA® Charter in 1989. Steve has authored a variety of papers, notably "Spin-offs Revisited: A Review of a Structural Pricing Anomaly" (1996) and "Equity Strategies and Inflation" (2012).

## Thomas Ewing

*Co-Founder*

Tom is a Managing Director and co-founder of the Firm. Tom joined the Firm in 1996 and is a member of both the Board and the Investment Committee. Tom oversees Horizon Kinetics' North Carolina office and is instrumental in the creation of new Horizon Kinetics investment strategies. Previously, Tom was a Marketing Director with Smith Barney's Capital Management Division (1989-1991) and then a Financial Consultant at Wheat First Butcher Singer (1991-1996). Tom received a BA from Washington & Lee University.



## **Alun Williams**

*Chief Operating Officer*

Alun joined Horizon Kinetics in 2009 and, after 12 years as the firm's Director of Trading and Operations, took over the role of Chief Operating Officer in 2021. As Chief Operating Officer, Alun is responsible for overseeing daily operations and administrative functions for the Company. Prior to 2009, Alun was at Goldman Sachs where he was the head of GSAM Operations Salt Lake City. He joined Goldman Sachs in 1996 and in his time there held a number of operational and control positions within the equity, private wealth and asset management divisions. He is also a member of the Board of Directors and the President of CMSC (Consensus Mining & Seigniorage Corp.) and a member of the Board of Directors of the Horizon Kinetics ICAV, a regulated UCITS fund. Alun received a BSc in Business Administration from Bath University, England.

## **Jay Kesslen**

*General Counsel, Managing Director*

Jay joined the Firm in 1999 and currently serves as General Counsel, and Managing Director. He oversees all aspects of the Firm's legal affairs, advises on all material compliance matters, and is responsible for the Firm's corporate governance. Jay is the Firm's Anti-Money Laundering Officer and also serves as a Director for several private funds managed by subsidiaries of the Firm. He is also Vice President and Assistant Secretary for Kinetics Mutual Funds, Inc., a series of U.S. mutual funds managed by Horizon Kinetics Asset Management LLC, a subsidiary of the Firm. Jay also serves as the General Counsel of FRMO Corp., a publicly traded company. Jay holds a BA in Economics from the State University of New York at Plattsburgh (cum laude) and a JD from Albany Law School.

## **Mark Herndon**

*Chief Financial Officer*

Mark joined the Firm in 2024 and currently serves as Chief Financial Officer. Mark is responsible for overseeing all financial reporting functions of Horizon Kinetics. Previously, Mark was Senior Vice President and Chief Financial Officer at Safeguard Scientifics from 2018 to 2023, a publicly listed firm that provided capital and relevant expertise to a portfolio of private entities. Prior to 2018, Mark spent 27 years at PricewaterhouseCoopers serving in a variety of client service and national office roles, including his position as Assurance Partner from 2006 through 2018. Mark earned a BBA in Accounting from Georgia Southern University and an MBA from Emory University's Goizueta Business School.

## **Russell Grimaldi**

*Chief Compliance Officer, Associate General Counsel*

Russ joined the Firm in 2005 and currently serves as the Chief Compliance Officer and Associate General Counsel. He oversees the Firm's compliance program and supports all legal and regulatory functions. Russ has substantial experience with the rules and regulations governing the investment management industry and is a member of several of the Firm's operating committees. Russ holds a BA in Legal Studies from Quinnipiac University (cum laude) and a JD from Albany Law School.

# Written Research

## At The Foundation of Our Process



### Horizon Kinetics Research Reports

#### Contrarian Research Report

*Established April 1995*

#### The Spin-Off Report

*Est. February 1996*

#### The European Spin-off and Restructuring Report\*

*Est. March 2010*

#### The Fixed Income and Cryptocurrency Report

*Est. October 2000*

#### The Devil's Advocate Report

*Est. August 2000*

#### The Stahl Report

*Est. March 2004*

#### The European Contrarian Report\*\*

*Est. April 2008*

\*Formerly known as the Global Spin-Off report

\*\*Formerly known as the Global Contrarian Report

### Horizon Kinetics White Papers

#### The Equity Yield Curve

- The Equity Yield Curve, 2012

#### Spin-Offs

- Spin-Offs Revisited: A Review of a Structural Pricing Anomaly, 1996
- The Spin-Off Report: A Study of Spin-Off Performance, 2010
- Predictive Attribute Update: Spin-Offs, 2012
- A Study of Spin-Off Performance Over a Ten-Year Time Frame, 2013
- Spin-Offs: A Global Predictive Attribute, 2014
- Tax-Free Spin-Offs - An Overview of Internal Revenue Code 355 & Tax Implications of Subsequent Transactions, 2017

#### Owner Operators

- Intangible Asset Report, 1998
- Owner-Operators, 2012

#### Opportunistic Income Investing and The Yield Famine

- Income Approach to Investing, 2016
- Equity as a Bond Substitute, 2015
- The Paradox (and Opportunity) of High Yield Indexation, 2016

#### Under the Hood Index Series

- Diversification and the Active Manager
- When is A P/E Not a P/E, or How To Turn 90 into 22 in Three Easy Steps
- The Indexation That Is, Versus The Indexation That Should Be
- The Value of Cash

#### Eclectic Musings

- Russell 2000® Index Construction: When Small Caps Became a Big Problem, 2013
- Shipping – An Insight into a Non-Correlated, Undervalued, High-Optionality Industry Group
- Royalty Companies – A More Elegant Approach to Earn Money from Gold
- Utilities – Running on Empty: Major Disruption Ahead
- Asset Light, Real Assets - Economically Resilient Business Models
- The AMAGF IT/Social Media Stocks – Some Factual Observations
- Japan Special Opportunity Strategy - An Uncorrelated, Unrepeatable Graham Classic Value Opportunity

#### Cryptocurrencies

- The Question of Bitcoin Transaction Speed and System Capacity
- Government Suppression and Consensus Money: What the Government Really Thinks
- Bitcoin and Legal Tender (and Fraud, Hacking and Government Suppression)
- If Some News Falls in the Forest, and No One Hears It, Is it Still News?
- Cryptocurrency or Fiat Currency? Volatility or Debasement? Choose Your Risk.
- The Declining Governmental and Legal Risks to Bitcoin & Cryptocurrencies
- Bitcoin & "Forks"
- The Rise of the Artificial Asset Class
- Cryptocurrencies: An Emerging Asset Class
- The Most Volatile Asset Correlated With Nothing
- Government Suppression and Consensus Money: What the Government **Really** Thinks
- The Essential Incentive and Disincentive System of an Effective Operative Cryptocurrency
- Bitcoin Co-Existing with Fiat Currency and the Banking System

# Contact Information

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[www.kineticsfunds.com](http://www.kineticsfunds.com)*

**Beta:** A statistic that measures the volatility of the fund, as compared to that of the overall market. The market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. The Beta has been calculated using data since the fund's inception.

**Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception.

**Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception.

**Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception.

**Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return.

**Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

**Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks.

**Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities).

**Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings.

**Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period.