Kinetics Mutual Funds

First Quarter 2019 - Conference Call with Peter Doyle

April 8, 2019

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on April 8, 2019, Peter Doyle, Co-Founder of HKAM and Senior Portfolio Manager for Kinetics Mutual Funds, Inc., hosted a conference call to financial advisors. The transcript set forth below is intended to provide a summary of Mr. Doyle's remarks.

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Chris Bell: Good morning, everyone. Thanks for joining our call. Today marks the tenth anniversary of when we started doing quarterly calls. Prior to that, we would just give an update periodically. Ten years ago, we were about the most bullish we've ever been, and Peter stated so on the call. Over the last ten years, our flagship Paradigm Fund has returned 15.87% annually, outperforming by a large margin the ACWI World Index ("ACWI") and the S&P 500 Index ("S&P 500"). The Fund has outperformed with very low turnover, with tax efficiency, with high concentration, and a high active share[1]. Today, Peter will discuss the markets and James will talk about some of our largest holdings. With that, I'd like to turn it over to Peter Doyle.

Peter Doyle: Thank you, Chris. And thank you to everyone out there listening. So, I'm going to be fairly brief in my remarks, and then James is going to review our current outlook. A couple of things that I have to address administratively. The first is that the SEC and our board of directors for the mutual funds see that we are sitting on a lot of cash in a number of funds; that is by design as we are currently defensive. And I think you all know the reason why we're defensive. Over the last 30-plus years, you've had central governments around the world that were very accommodative taking down interest rates, lowering taxes, etc., and that had a very positive effect on financial assets. As a result, it's very challenging to find securities that are fairly valued or undervalued and that have what we like to say is a "margin of safety." Hence, you see that we're sitting on high cash positions. In most of the funds we're very concentrated because we have high convictions on a very small number of names. I don't see that changing anytime soon. In my opinion, the world and the market has really shifted from what you learned in business school about proper diversification—you want exposure to real estate, you want exposure to fixed income, you want exposure to equity, etc. There are really only two exposures now in people's portfolios: long volatility or short volatility. Most of the world is long volatility. And as the money has shifted from active management into passive strategies, you really have a situation where if people want to reduce 10% of their portfolio, they're not selling a particular name; they're selling all of the names. And you saw that in the crisis of 2008-2009. There was no such thing as diversification. Everything came down at the same time. That's how the market is designed today, and that's why you should be very concerned and why we're fairly defensive. We don't see that changing in the short term. The second factor is that the debt

[1] Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

burden for the world is actually growing exponentially. And right now, the global debt is something like $300 trillion. In the United States, total debt outstanding is something like $72 trillion (source: St. Louis Federal Reserve). The national debt is at $22 trillion here in the United States, per the U.S. Department of the Treasury. If the national debt gets to $53 trillion, all of the revenues taken in from taxes would actually go to servicing that debt. Which means that the governments around the world are going to have to continue to print money and they're going to print money like it's going out of style. In our opinion, finding investment opportunities that hedge against the continued issuance of fiat dollars should be something investors concern themselves with. So, with that, I'm going to turn it over to James, and then we'll open it up for questions and answers.

James Davolos: Thanks, Peter. So, just to go through a quick rundown of the agenda for today, Chris mentioned at the beginning of this call that this actually marks the tenth year that we've done quarterly conference calls. And I think that definitely warrants a look back over the past ten years, but also the past 20 years. In Part 2, we'll talk about the real issues in the world and the economy today. In Part 3, we will present some really interesting information and lessons from history elucidating why we do what we do. And then we will be wrapping up with some portfolio items, and then we'll have some time for questions and answers at the end. I was recently talking to someone—a sophisticated individual who's in charge of a broad investment plan for a hospital. And I asked if he was concerned about their long-term liabilities and their obligations for different pensions, and he said, we're fine. Look at what we've done for the past ten years, and we're well-above where we're discounting our future returns and discounting our liabilities. We're great. And I tried to be polite, reminding him—asking him exactly what he was doing with their excess capital in March of 2009. We certainly saw the opportunity but, by in large, judging by the behavior of our investors, very few people were willing to allocate aggressively in March of '09. And at that time you could actually get a pretty reasonable starting yield in moderate and long-term bonds. That might make all of the consulting crowd and individuals who are forecasting high returns in data not look too crazy with their forecasts. Now, if you were to consider the fact that inflation averaged about 2.2% over that period of time and that you would have paid ordinary income taxes on most of your bond returns at 4.7%, and close to 1.5-2% of your stock returns were going to also get taxed at ordinary income or higher tax rates, what was your real 20-year return in a 60/40 portfolio?[2] Very low single digits. I mean, obviously, we can't speculate on what the aggregate tax treatment of everybody would be, but this

[2] Sources: Bloomberg, Robert Shiller – Yale University, Horizon Kinetics Research

certainly throws a lot of cold water on what people are expecting for the path ahead. And, unfortunately, a lot of expectations, both by professionals and individual investors, tend to be based on very recent history. But if you look at the longer term and consider a lot of structural factors that have driven these longer term returns, it definitely adds to Peter's comments about why we're cautious and certainly see fewer opportunities than at most points during our collective careers.

Peter Doyle: I'm just going to jump in here for one second, James, and talk about inflation. So, inflation is measured by the consumer price index (CPI). The CPI has been changed and altered over the years to kind of smooth out or lower the actual inflation rate. And we think a far better measure would be M2[3]. And if you look at M2 over the last five years, it's actually grown by 30% over the course of the five years ended April 1, 2019[4]. And that works out to be about just shy of 5.4% per annum over the last five years. Also, they have something called a hedonistic adjustment that they use to lower the inflation rate, meaning that if a product's quality is improved—I don't know who actually came up with that—whether or not it's approved by 5%, they say even though the price went up 5%, there's no inflation because the product is better. I guess a double-stuffed Oreo is better than a single-stuffed Oreo. And then they have what's known as the chain link method where you can substitute meat for poultry, etc. So, maybe you can't afford to buy the same amount of fresh milk, so you substitute some other product that's comparable. They say that's not inflation. Thus, the reality is there's a bias to keep the inflation number a lot lower. And the reality is that you really should look at more dollars chasing the same—or a very similar quantity of goods, and the best measure for that is M2, in our opinion.

James Davolos: Thanks, Peter. We're going to touch on inflation a bit more as we continue as well. But, again, let's go back to the 10-year versus 20-year comparisons. And, obviously, the hottest fad for fund flows and certainly beta has been growth. And we won't even get into the nuances of index construction and what qualifies as growth versus value. But over ten years, where over that time period we've effectively taken the overnight rate to zero and are hovering only slightly above zero today, we have seen tremendous liquidity additions to the market; we've seen a 30% relative outperformance of the Russell 3000 Growth Index relative to the Russell 3000 Value Index. But if we go back to March of '99,

[3] M2 is a calculation of the money supply that includes all elements of M1 as well as "near money." M1 includes cash and checking deposits, while near money refers to savings deposits, money market securities, mutual funds, and other time deposits.
[4] Source: Federal Reserve Bank of St. Louis

Value has outperformed over that 20-year period by about 26%. The conclusion here is that a lot of the value stocks have been really damaged by the flat yield curve. Twice, actually, through this time series. But you look at what's actually in a value index and so much of it is financial service companies that are sensitive to the yield curve. And the flattened yield curve has really impaired many companies, yet, they've still outperformed by 26% cumulatively over a 20-year period amongst one of the greatest growth rallies we've seen in history. And I think that the takeaway here, if nothing else, is that price is extremely important, and investors need to be incredibly cognizant of the price that they pay for any financial asset. If you look at the yield of the 10-year U.S. Treasury along with the stated CPI you can infer what the real borrowing cost is after inflation for 10-year debt. And for much of the last decade, it's been close to zero or even negative. Consequently, there's been a huge disincentive to save. And the only time when there was a real yield on the 10-year bond, you can see that in the 2015 period when inflation effectively went to zero. So, let's go back and try to understand how we got to where we are now. And somebody whom I admire and whose work I've read extensively and who continues to speak quite eloquently today, is Paul Volcker, who joined the Federal Reserve in 1979. In 1979, the inflation rate CPI, which—this was actually before they changed the methodology, as we had mentioned earlier today—was running at 11.3% a year. And the 10-year U.S. Treasury was yielding 8.95%. Hence, there was a strong incentive to borrow long because simply putting it into a basket of CPI goods, you could have earned a positive spread. That creates tremendous excesses in the market and very aggressive risk taking. And Mr. Volcker understood that, and by 1981, he adjusted the 10-year U.S. Treasury by virtue of adjusting the shorter- term rates up to 15% relative to what was then 10% inflation. By the time he left in 1987, inflation was "tamed" at 4.3%, and the 10-year was at 8.8%. In '87, Volcker stepped aside for Alan Greenspan, who I think ushered in the era of what I'll call an accommodative Federal Reserve in the United States, where by 2006, under the Greenspan Fed, the 10-year had declined to 4.4% relative to a 4% CPI. Now, a history lesson again. I think a lot of people remember what March of '09 was like, but also by the end of 2006, we were on the precipice of one of the largest debt bubbles, which was housing-related, in global history. And as a result of that, we've really never been able to come off of this low bound. Where today, we're at about 2% inflation in the last 10 years, depending on the day, 2.7-2.8%. So, there's still a tremendous incentive to speculate when your real borrowing cost relative to the CPI is only 80 basis points a year. Despite this, there's an inability to get inflation in the economy and to get that type of sustainable growth. But I think another nuance to inflation calculations is there's been a tremendous inflation in assets, where a financial asset now can't get a reasonable return with a fixed yield; you need to take either very long duration or very high risk. And services, which are not properly captured in the official data, are also not properly categorized. What really gives me pause is when I look at the retirement of the largest generation of Americans ever, the Baby Boomers. So, this is an average versus median net worth of Baby Boomers in the United States. You can see in the dark blue bar the average figures, which actually look pretty good. You've got $1.1 million in total net worth, $24,000 in bonds, $270,000 in stocks, $300,000 in home equity, about $100,000 in cash, around $265,000 in pension benefits, and about $120,000 elsewhere. So, maybe you're not going to have a lavish retirement, but that individual is probably in pretty good shape. The trouble comes when you look at the light blue bar and we take the median figure for Baby Boomer net worth. So, what does this tell you? This tells you that the wealth of $1.1 million is based on a concentration at the very top. Because when you take a median figure, it drops to 184,000. That's 4,000 in bonds, 45,000 in stocks, 53,000 in home equity, 18,000 in cash, 44,000 in pension, and about 20,000 in other assets. So, I think what should be really striking to everybody about both of these figures, both the average and the median—these individuals, who at the younger end of the Baby Boomer generation are mid-50s in age, are 25% in stocks, both for average and median. Also, 25% of their total net worth is in home equity. And, obviously, people are relying on the U.S. housing market, which is not exactly robust today. And then, finally, about 25% of both categories is in pension benefits, which, given the average U.S. pension today, is discounting a rate of return on their assets of about 7% long term, which is—obviously, there's a mix of equity, alts, and bonds, but if your bonds are going to give you 2.5-3%, you need a heck of a lot of heavy lifting from the rest of your portfolio. Thus, those three categories are 75% of these individuals' net worth. And you look at what retirement and healthcare costs are doing relative to the stated CPI—again, this all harkens back to Peter's opening comments about why we seek stores of value and why we maintain a risk averse posture. I think it also helps everybody to go back to what Horizon has really strived to achieve over our entire history. This is an article written by Warren Buffett in *The Commercial and Financial Chronicle* in December of 1951. And while it might be hard to read here, I've highlighted two excerpts that I think were very true in 1951 and warrant remembering today. So, the first quote is "Full employment, boomtime profits and record dividend payments do not set the stage for depressed security prices." Obviously, prices are pretty important in your long-term return. Let's adjust that for today. "Full employment..."–one of the lowest unemployment rates of all time—"...boomtime profits..."—highest profit margins in the history of the United States—"...and record—not dividend payments, but how about stock buybacks—do not set the stage for depressed security prices." Not a great environment to get bargains. I don't think anybody would disagree with that. The second quote: "The term growth company has been applied with abandon during the past few years to companies whose sales increases represented little more than inflation of prices and a general easing of business competition." Not exactly what we're seeing today but "The term growth company has been applied with abandon during the past few years to companies whose sales increases have represented little more than inflation in prices and a general displacement of their profitable competition." Think about all of the companies out there that are displacing very profitable businesses at the expense of profitability but are getting very robust valuations in both the private and public marketplace. Continuing, a few more excerpts from the same article. This one's really important—in 1951: "Of course, the investor of today does not profit from yesterday's growth." Therefore, I can't think of how many investors today extrapolate past growth and past profitability and want that to be an accreditation for future growth and profitability. And then, finally, just on price again. Warren Buffett was basically saying a decent value in 1951—"At the present price..." of the stock he was talking about, which we'll come back to in a minute. "At the present price of about eight times the earnings of 1950, a poor year for the industry." So, eight times a cyclically depressed earnings multiple appeared to be a reasonable opportunity in this stock. But it also reminds me of looking back at historical private equity returns, where Mitt Romney had an absolutely fabulous track record at Bain. And there are letters of his that are in the public domain, where in the early '90s, he focused on small-cap companies and levered them up tremendously, which in and of itself is going to generate an extremely high rate of return. But in the early '90s, he was lamenting in a shareholder letter that the opportunity set was very weak. And most of the buyouts he was looking at were at 6 times EBIT (operating income, Earnings Before Interest and Tax). Today, there are deals getting done from large cap companies at 12-15 times EBITDA, adding back all of that non-cash (depreciation and amortization). So, if you were to take that 6 times EBIT that he felt was a little bit excessive, depending on the type of business, that could've been 3 or 4 times EBITDA. Again, focus on price, going back to Warren Buffett again, I think this is a really interesting where he gave a lecture to Columbia Business School in 1984, which has become—there's some folklore now around it known as the Super-investors of Graham-and-Doddsville, where Warren put together a quick essay with this data which basically said that the average person probably can't beat the market, and you probably shouldn't hire someone to do that. But I found a variety of people that all ascribe to the same principles of price and value. And if you look at their performance over extended periods of time, it's absolutely tremendous. The original was Walter Schloss, where his LPs—limited partnerships generally, depending on which of these gentlemen's partnerships—they were paying between 20 and 25% of profits over a hurdle rate of return. So, the gross returns were actually markedly higher but for comparative sake, we're actually giving you the net returns for the Limited Partners, not the General Partners. So, 16% relative to 8% over 28 years. Tweedy Brown, 16% versus 7% over nearly 16 years. And then the Buffett Partnership, 24% versus a 7.4% return. The index that Warren Buffett used is the Dow, which is why that's asterisked relative to the other managers. But, again, we continue to firmly believe that a dedicated strategy emphasizing price and the underlying business is the way to make long-term returns in the market. But it's admittedly gotten far more difficult to achieve. And when they were doing it, there was a lot more information asymmetry. You could get tidbits of information and then write a letter, and then get an annual report sent to you through the mail. So, obviously you have to adjust to your market conditions. And to that end, the Efficient Market Hypothesis basically advocates diversifying across every security. You can't beat the market. So, basically, just take all these asset allocations. And, even a lot of platforms out there that espouse a dedication to active management, they might have 20 or 30 managers to manage your equity portfolios in style buckets of growth, and core, and value, whatever they might call them. And figure 25 managers with 50-100 stocks apiece, you're actually going to have more stocks and probably after all the fees, underperform the market. Another thing that the Efficient Market Hypothesis advocates against is concentration. But in a world with fewer and fewer opportunities and the need to actually generate returns elsewhere, you need to concentrate. And Warren Buffett's long-term partner Charlie Munger was one of the gentlemen of the super-investors that used extensive concentration to achieve tremendous results here; the partnership did about 20% per year gross; net it was 14%. And you can see on the left there, the large partnerships at the time that were available for active management and then the Dow with a return of 5%. But a great quote on Charlie's style: "His portfolio was concentrated in very few securities and therefore, his record was much more volatile, but it was based on the same discount-from-value approach. He was willing to accept great peaks and valleys of performance and he happens to be a fellow whose whole psyche goes toward concentration, with the results shown." Hence, volatility is not risk, even though modern textbooks and schools teach you that risk is quantified by volatility. It's the same logic that goes into backward-looking data being extrapolated into future returns. And, we would love to have 100 stocks that all had the same upside and downside characteristics, but it's just not available in today's market with beta and, overall, widespread asset inflation in both private and public markets. In that regard, we'll move on to our portfolios and, again, going back to 1951 and that Warren Buffett article: "Most industries have been riding this wave of prosperity during the past five years with few ripples to disturb the tide." Sound familiar? The company he was recommending is the security I like best, to wit, "The auto insurance business has not shared in the boom." He bought Geico, which, from 1951, I believe based on Benjamin Graham's partnership investment records, it would've been a 500-bagger. So, 500 times on original capital had you held it until Warren Buffett fully consolidated it into Berkshire Hathaway. So, let's compare that to our portfolio and remove auto insurance: "The X business has not shared in the current boom." Energy services. Obviously, oil prices have been incredibly volatile, and there's a lot of misinformation about the long-term supply and demand dynamics of the energy industry, in our opinion. We'll touch on that in a minute. But Civeo Corp. has a tremendous asset base. They've got a great company. They're working through maximizing their balance sheet.

Financial services have certainly not participated in the boom. Associated Capital Group, Inc. is one of the companies where there's a lot of balance sheet assets, and tight risk spreads on their riskier business, and limited opportunities in their income portfolio have really suppressed their book value growth.

The materials sector, where you've had asset inflation across the board in everything. We showed a slide last quarter where whether it's small cap, emerging markets, bonds, or houses, everything has generated tremendous 10-year returns. And commodities, as quantified by the Goldman Sachs Commodity Index, are flat. So, Franco-Nevada Corp. ("Franco") is a tremendous company that owns heavily discounted future royalty streams of gold. And you're going to make a decent return in Franco even if gold prices don't go up.

And then, finally, shipping. You know, the global economy has not been overly robust. And the capacity that was built in the past cycle with very cheap credit resulted in a tremendous oversupply of shipping capacity. There's been a lot of consolidation, and there's going to continue to be consolidation. But, again, Maersk is the largest, best capitalized, and the best fleet in the container shipping industry. Look at the logic that was applied to Geico where there was a lot of high growth and easy, fun stories to tell. Warren Buffett looked at Geico, and that would have turned out to have basically changed anybody's life had they put even a fraction of their investible capital into Geico. There are parallels to certain sectors today that have just not participated and have similar investor sentiment depressing the prices relative to normalized earnings. So, what can you do in 2019 in a world where there's perhaps secularly low yields, high valuations, and where even the most optimistic individuals believe that we're probably in a very late cycle? We can offset that to a certain extent by focusing on hard assets, companies with long-lived assets that have pricing power, moderate to manageable balance sheet leverage, and, of course, a vested long-term management team that has aligned their interest with yours. So, in wrapping up, I think, again, we do have an overweight exposure to energy prices. Based on the way that conventional people might calculate that, I would say that we have very nuanced businesses. This shows you the long-term demand profile that's forecast, where today, transportation has a tremendous amount of global oil demand. But electric vehicles—yes, it could have a nominal impact to long-term supply and demand. But the real transportation demand is jet fuel for airplanes, and diesel fuel for trucks, heavy industrial trucking, and shipping. These are very, very high energy output requirements where batteries and fuel cells are really not adequate—the technology just isn't there. Petrochemicals is nothing other than using oil and hydrocarbons to create many of the goods that we in Western countries use and enjoy in our daily life. And there are many macroeconomic investors trying to harness long-term trends as the middle class, and the impoverished in China, and India, and other parts of the developing world increase their standard of living. A large part of that is based on petrochemicals and what they can achieve with rubbers, and plastics, and innumerable everyday items. With regard to all of these mostly offshore and terrestrial-based vertical wells that are conventional, supply is plummeting and nobody's investing to replace it. But the Wolfcamp Delaware and the Wolfcamp Midland have the most oil that can be recovered, but they also have the lowest break-evens. So, there is a lot of misinformation about what is U.S. Shale. I think that people really need to differentiate West Texas from the rest of the country, onshore and offshore. And the Permian is going to basically grow from 3% of global non-OPEC production up to 7% in 2023 based on estimates. So, while, yes, you're going to go from 1.5 to over 4 million barrels a day, it's material. But relative to the global supply gap, this is not something that's going to flood the market and imbalance the market supply. With that, I felt like it was just important to state that we're obviously advocates of any type of sustainable technology that's going to improve the standard of living of our lives and those of future generations. But as it stands today, there is a tremendous global requirement for oil. And there's been a tremendous amount of foregone investment because companies don't want to make these expenditures due to shareholder predilections and long-term uncertainties. So, we think that there's a bias to the upside more so than the downside. So, with that, I'll wrap it up and turn it over to Peter and Chris for closing comments. And then if people would like, you can start queueing up with any questions.

Chris Bell: Thank you very much, James. Before we get to the questions, I just wanted to make sure that people know how to contact us and how to look for more information. You can go to our websites, which are www.kineticsfunds.com or www.horizonkinetics.com for research, updates, future calls. I do want to mention that Steven Bregman will have a call on the 17th. The call will cover a lot of views from the first quarter but also mostly core value. If you want to call us, you can reach our main number at 914-703-6950 or you can reach out to your HRC representative. Peter, did you have some comments? No? Then let's jump into the questions.

James Davolos: Before we get into the questions individually, I would say that we currently have an active proxy that's filed with the SEC and which is undergoing their review. So, we're very limited in what we can and cannot say regarding a top holding in the funds, which is Texas Pacific Land Trust. I think that the facts speak for themselves and that objectivity is probably a very important today.

Peter Doyle: The documents which we filed documents with the SEC contains a lot of relevant information. . And we direct investors to those documents to see what our thought process is and what we're thinking. The bottom line is that, we represent a fairly large group of shareholders, and we feel that we should have a representative on the board. And we feel there should be better governance. And it's hard to argue against that, in my opinion. So, that's about the only comment we'll make about TPL.

James Davolos: If you do want to get a link to the Edgar filing, you can reach out to any one of us and we would be happy to send it to you.

Chris Bell: The first one for Peter is: Are you able to raise additional cash in the funds if you choose?

Peter Doyle: Absolutely. So, we're not constrained by the level. We just have to justify it. And the Funds have a board of directors who we meet with on a quarterly basis, and they want to know why we're sitting on such large cash positions. And I know that people out there may have a problem, meaning, our job is to go out and find opportunities and to be fully invested, and I want my market exposure through you guys. But, you know, the value judgment has to rest with us. And it's pretty obvious to me that if you look at things just from just a practical standpoint, interest rates are a concern. You saw what happened in the latter part of 2018. They tried to raise interest rates, they did raise interest rates, and they tried to go to quantitative tightening. And the market said we're not going to have that, and the market corrected very aggressively very quickly.

Peter Doyle: Sorry, a question regarding the cash levels of your funds. And I would direct you to the most recent fact sheets on the funds that will have those positions. And rather than us telling you current positions, they are not publicly available. So, we'll just say that we're defensive in almost all of our funds, whether it's the volatility plays with the Multi-Disciplinary Income Fund or the equity-focused funds, it's just a very challenging environment. And I know people would like to be fully invested, as we would love to be fully invested. But when James talks about Warren Buffett buying Geico in 1950, he was buying it at an earnings yield of 12.5%, and that was on depressed earnings. So, his real yield was something—

probably 16-17% is what he was hoping for. And I don't know what the interest rate level was at that point, but you can't find opportunities like that where your earnings yield is so much greater than the fixed- income yield out there for most investments. So, we believe it's a time to be very cautious. I would not feel very encouraged if the market was willing to correct close to 20% in the fourth quarter of 2018 on the central bank's trying to normalize their positions and the interest rate level. They're not going to be able to do it without consequences. And it doesn't look like they have the willpower to do it.

James Davolos: I think an interesting interlude to that is—we've got a lot of questions directly saying didn't you see great buying opportunities in the fourth quarter of last year? And from a trader's perspective, sure, if you were able to forecast the psychology and the liquidity that went into the snapback, it certainly appeared to be a wonderful buying opportunity. But if you were to look at it more objectively, the market at one point was about 14% or 15% higher than the beginning of the year. At the beginning of the year, we felt that it was a pretty treacherous market. Then you draw down close to 20%, from that up double digits and, all set and done, there wasn't really that big of a—it wasn't the type of change in valuations and fundamentals that would warrant a long-term buying opportunity. So, an objective analysis of where you came from to get to where you were in the fourth quarter would say, okay, you're a tiny bit below the beginning of the year and, arguably, there are some things that certainly make you take a little bit more of a pause than a year ago. To wit, though, there are some questions on new ideas. Have you added to anything? Obviously, it's difficult to talk about. I mean, you know that we're actively buying. Something that we've owned for a long time and I think we've publicly talked about is CACI. It's one of a variety of high technology intelligence defense contractors. And you look at the free cash flow yield on this company, which is 8% or 10% at any given time. Secular growth, where the world needs more encryption, and surveillance, and information in terms of defense budgets, not planes, and bombs, and boats. So, secularly, these businesses are going to grow probably GDP-plus. They can make great acquisitions. You compare the valuation of this company to what is otherwise available—it's not going to be the highest growth company but you could argue it's a pretty stable, reasonably strong company, with very moderate leverage. Compare that to what everybody feels is the safety trade, owning Procter & Gamble, and Johnson & Johnson, and Unilever, and Kellogg's, and all of those companies where a 3% dividend doesn't really protect you all that much when you look at the secular decline of those businesses. So, if you compare CACI to those companies and their ability to pay out that dividend ratio when they see fit, the valuation divide is quite striking. There's another question here on Civeo. Any updates there? Very quickly I'll just note, a lot of their revenue is dependent on the Canadian oil market, which had a very bizarre pricing anomaly for their Western Canadian Select crude oil (WCS) benchmark contract last year. Some of their revenue is also sensitive to metallurgical coal in Australia. But for the purposes of this conversation, it's really focused on Canada. And, you know, when you look at that other graph where I talked about all of the large-scale projects that are depleting in the world, Canadian oil stance projects are 30, 50, 70, 100-year projects. And Civeo provides the housing and the facilities management and everything for these extremely long-term, long-cycle projects. And I think once there's greater confidence about where that's going longer term, people will assign a higher multiple to the business. But in the meantime, they can just pay down the debt and accrete value to you over the fullness of time.

Peter Doyle: So, I see that question came in-house. Maybe Bob Uly got it from one of our customers. But Murray actually had a call and he discussed Civeo in a fair amount of detail. And really, one of the things that he touched on that has implications for a lot of other names within our portfolio is the dormant asset nature of Civeo, as well as Franco-Nevada, he goes into that, and TPL. And you have this business out there that has fallen off by about 90% since 2013-2014, and it has this potential upside should the price of commodities, oil, etc., rebound. So, you have this kind of thing, this built-in dormant asset, and you have this discounting of it, which we've talked about many times in the past with the equity yield curve. And we're hoping to capture that equity, that very high discount rate in the future. And you can see that, , slowly but surely, they'll pay down and repair their balance sheet and make a return that way. But you have this kind of call option embedded in the company that you're not really paying for. And that concept runs through a great number of names within our portfolio. And it actually touches on the names that James had on that slide: Franco-Nevada, Civeo, etc., Associated Capital. And that's really kind of how we've managed to outperform over the passage of time. We're willing to wait and be patient and have a fair amount of concentration and capture that much, much larger discount than what the general investing population is doing.

Chris Bell: James, would you mind commenting on the opening of the pipelines over the next year to 18 months down in the Permian down to Corpus Christi and Midland and everything?

James Davolos: Yeah. So, there was a large discount last year at certain points. The Midland hub for delivery of oil was at some points over $15 below the Cushing, which is the benchmark for the West Texas intermediate contract. However, the Houston delivery for the U.S. Gulf actually always traded at a premium to West Texas and a massive premium to Midland. And the reason for that is the Houston market, the gulf market is a transportation borne market where the hydrocarbons go on the vessels and then those vessels enter international refineries, which, when they look at their crack spreads for their refining margins, they compare it to Brent[5]. So, there's obviously nuances to the API gravity[6] and the sulfur of the different grades of oil, but Brent for most of the year traded at $10, give or take, above West Texas. And then West Texas, around $10 above Midland. There are pipelines that are already in operation that are getting a very substantial amount of product that was trapped in West Texas down to the gulf where in some cases, producers on a differential basis have as much as a $15 swing, from a $10-plus deficit to West Texas Intermediate (WTI)[7], where you're not going to get the full margin. Because, obviously, there's a waterborne transportation cost. But maybe half of the spread to Brent. All of the pipelines that are currently under construction are progressing. I mean, some of them are actually ahead of schedule, and most forecasts see an oversupply of pipelines by the end of this year to where there's going to be actually probably a greater advantage of the West Texas producers. Here's a question on General Electric ("GE"). Obviously, GE is a very complicated company and there are a lot of moving parts and a lot of different debt obligations. You know, we sized it appropriately where we felt that the uncertainty we could mitigate by sizing the position. We're very confident that, over the fullness of time, that they're going to prosper; Larry Culp is an incredibly capable CEO. And to the extent that they're able to continue to divest of some of their legacy businesses and focus on the core industrial businesses, we're very confident that that can be done over a full cycle. And, hopefully, the broader economy gives him enough of a timeline to realize that.

Peter Doyle: Just to add a little bit on GE. There are real businesses that they own that have tremendous earnings power. And that earning power is being masked by their problems and the debt burden. They'll ultimately work through that, and if the aircraft business has $6 billion of earnings, ultimately we believe you'll put some reasonable multiple on that and you'll get a much higher valuation, but it will take time.

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[5] Brent Crude is a major trading classification of sweet light crude oil that serves as a benchmark price for purchases of oil worldwide

[6] API gravity is an inverse measure of a petroleum liquid's density relative to that of water (also known as specific gravity). It is used to compare densities of petroleum liquids. For example, if one petroleum liquid is less dense than another, it has a greater API gravity.

[7] West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. The price of WTI is often referenced in news reports on oil prices, alongside the price of Brent crude from the North Sea.

James Davolos: So, we've got about five minutes until the top of the hour, so if people want to get in any more questions, now is the time. But I see one on Associated Capital. Associated Capital is primarily a Net Asset Value (NAV) play where, you know, there's an operating business in the form of a sell side research business, which is break-even at best; as well as a risk-arbitrage business, which runs about a billion and a half dollars in a merger arbitrage strategy. That's in addition to, round numbers, about a billion dollars' worth of cash in marketable securities. So, any discount to the book value of those assets is a discount to the liquidation value. I another other thing to consider is, strategically, I think, Mario Gabelli, who has voting and ownership control of the company, realizes that he's not going to subsidize the sales and trading and research business forever. There have actually been some filings and ruminations about a management buyout of that—whether it's Mario or other individuals that want to run that. So, I think that, if that were to occur, it may create several million dollars a year of incremental margin. A second consideration is that risk-arbitrage (or "merger arb") is a spread-based business, where all of these great merger arbitragers have not been able to make reasonable returns for over a decade right now because rates are too low, and because, by definition, you're borrowing one security short and going long another. They practice merger arb the way that it really should be practiced, which is a diversified portfolio with dozens of deals. And I think that the newer manifestation of risk-arb has been to highlight one or two massive deals, where, if it doesn't work out, you get into a lot of trouble. So, margin expansion on the sales and trading side, renewed profitability for the risk-arb business, once volatility (vol) resumes. It's also a vol-based business—vol and rates are what's suppressing risk-arb returns. But then the third leg is—there's a lot of liquidity there, and Mario Gabelli is a very aggressive, opportunistic investor. And I think it warrants holding that at or below book value, with basically a free call option on what he can do when inevitably prices are going to become more attractive again.

Chris Bell: We're at an hour. So, if you have any other questions, please reach out to one of our marketing reps. I'd like to thank Peter and James for the call today. There will be a transcript up on the Kinetics Funds website within a couple of weeks, so please look for that. And if you have any other questions, please reach out to us. Thank you very much.

-END-

The Kinetics **Alternative Income** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Management Team

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since 2012

Matt Houk
Co-Portfolio Manager
14 years of management experience
Co-Manager of Fund since 2015

Class Information

Class	Ticker	Cusip	12b-1 fee
Adv. A	KWIAX	494613714	0.25%
Adv. C	KWICX	494613698	1.00%
Inst.	KWIIX	494613680	-
No Load	KWINX	494613722	-

Fund Characteristics

Total Net Assets	$19.4 million
Total Number of Positions*	4
Turnover Ratio	0%
Minimum Purchase	$2,500

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

Portfolio Allocation

Cash and Cash Equivalents	70.3%
Other Investments	29.7%

www.kineticsfunds.com

Alternative Income Fund Overview

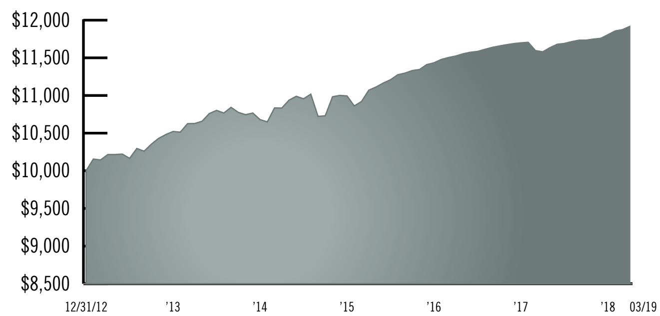
- A two-part investment strategy focused on generating income and capital gains in excess of traditional short duration, investment grade fixed income indexes.
- The strategy primarily invests in a diversified portfolio of short-term, investment grade bonds with an emphasis on liquidity, diversification, and lower interest rate or duration risk (1-3 years).
- A conservative equity option strategy supplements bond portfolio income via the collection of option premiums. Option exposures are allocated broadly across quality companies and indexes/exchange traded funds. The investment adviser seeks to mitigate incremental risks by selecting option strike prices that are below their underlying stock prices (out-of-the-money) and by limiting option notional exposures.

Historical Total Return (No-Load Class) as of 03/31/19

	2013	2014	2015	2016	2017	2018	Since 1/1/13
Fund (KWINX)	5.22%	1.50%	2.94%	4.00%	2.32%	0.92%	2.85%
Bloomberg Barclays US Agg. Bond Index	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%	2.15%
Bloomberg Barclays 1-3 Year US Credit Index	1.45%	1.12%	0.85%	2.11%	1.66%	1.64%	1.68%

Growth of $10,000 Returns

$11,917



Statistics

	Fund	Barclays Agg.
Beta	0.04	1.00
Standard Deviation	2.26	2.93
Sharpe Ratio	0.98	0.52

Equity Option Overview

Option Statistics

Notional % of Portfolio with Put Options	0
Average Life of Options (days)	N/A
Average Option % Moneyness	N/A
Average Option Delta	N/A

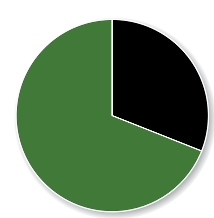
Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	0.45
Average Maturity (years)	0.47

Credit Quality (%)

Cash & Equivalents	68.5%
A	29.8%



Rating Agency: Standard and Poor's.

The Kinetics **Alternative Income** Fund

1Q 2019

Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 03/31/19 1YR	3YR	5YR	10YR	Since Inception
Alternative Income Fund (KWINX)	0.93%	0.93%	2.91%	2.49%	2.31%	4.37%	0.52%
Bloomberg Barclays US Agg. Bond Index	2.94%	2.94%	4.48%	2.03%	2.74%	3.77%	4.16%
Bloomberg Barclays 1-3 Year US Credit Index	1.68%	1.68%	3.66%	1.98%	1.72%	3.00%	2.99%

The Alternative Income Fund No Load Class inception date is 6/29/07. Performance prior to 1/1/13 reflects the Fund's prior investment objective and restrictions and may not be indicative of the Fund's prospective results. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.05%	2.55%	1.80%	1.75%
Net	1.25%	1.75%	1.00%	0.80%

Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

Definitions:

Average Put Option % Moneyness: % moneyness refers to a put option's strike price relative to the price of its underlying security in percentage terms. The average put option % moneyness is the average % moneyness for the option exposures weighted by each option's % of notional exposure. In-the-money (ITM) refers to a put option with a strike price that is above the underlying security's price. At-the-money (ATM) refers to a put option with a strike prices that is equal to the underlying security's price. Out-the-money (OTM) refers to a put option with a strike price that is below the underlying security's price. For example, a put option that is 5% OTM has a strike price that is 5% below the underlying security's price and a put option that is 5% ITM has a strike price that is 5% higher than the underlying security's price. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. Beta has been calculated starting 12/31/12. **Delta:** A statistical measure relating the changes in an option's price to price changes of the option's underlying security. **Notional % of Portfolio with Put Options:** Represents the aggregate notional value of all written put options (strike price multiplied by the number of contracts) as a percentage of the portfolio's net assets, as of the stated date. **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 starting 12/31/12 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated starting 12/31/12. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period.

This Fund is classified as diversified; however, asset allocation/diversification does not guarantee profit or eliminate risk of loss.

Factsheet statistics that rely on Fund data prior to January 1, 2013 will reflect the Fund's prior investment objective and restrictions and may not be indicative of the Fund's current positioning or prospective results.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on 12/31/2012 in commencement with the investment objective change on that date. It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

The Top Sectors displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities. For purposes of calculating the top percentage holdings of the fund, the top 10 equity and fixed income holdings are valued at their applicable market value.

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

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 30 days or less after you purchase them. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). The Bloomberg Barclays US 1-3 Year Credit Index measures the performance of investment grade corporate debt and sovereign, supranational, local authority, and non-US agency bonds that have a remaining maturity of at least one year and less than three years. Both Bloomberg indices are trademarks of Bloomberg. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Global** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since 2011

Steve Tuen, CFA
Co-Portfolio Manager
30 years of management experience
Co-Manager of Fund since 2003

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KGLAX	494613631	0.25%	1.67%	2.97%
Adv. C	KGLCX	494613623	1.00%	2.17%	3.47%
No Load	WWWEX	494613805	-	1.42%	2.72%

Fund Characteristics

Total Net Assets	$11.9 million
Total Number of Positions*	26
Turnover Ratio	27%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	50.0%
Cash and Cash Equivalents	49.8%
Preferred Stocks	0.1%
Other Investments	0.1%
Fixed Income	0.0%

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Global Fund Overview

- Global Fund focuses on classic value investment opportunities worldwide with at least 40% of net assets in companies located outside the U.S.
- Seeks to identify unique business models with pricing dislocations
- On March 11, 2008 the Fund changed its name and investment mandate from the Internet Emerging Growth Fund to the Global Fund.

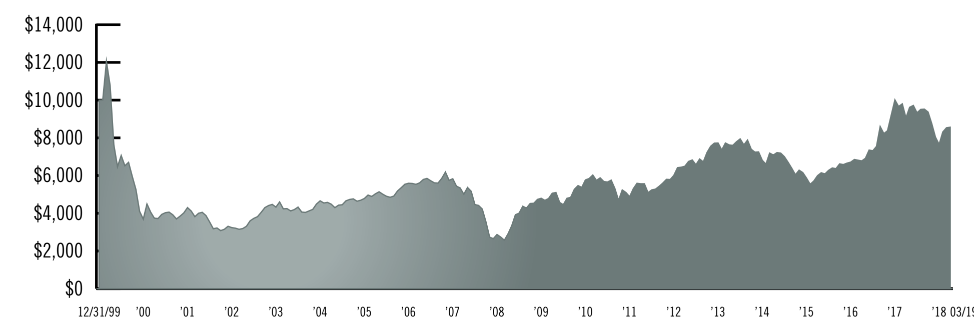
Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
			Annualized Returns as of 03/31/19				
Fund (WWWEX)	11.90%	11.90%	-5.49%	12.63%	2.35%	11.40%	-0.80%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	5.50%
MSCI ACW Index	12.18%	12.18%	2.60%	10.67%	6.45%	11.98%	4.05%

The Global Fund No Load Class inception date is 12/31/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$8,562



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	18.7%
Grayscale Bitcoin Trust	6.3%
CACI International, Inc. - Class A	5.6%
Civeo Corporation	3.5%
Clarkson plc	2.8%
Bollore SA	2.6%
Siem Industries Inc.	2.2%
Franco-Nevada Corporation	2.1%
Clarke Inc.	2.0%
Brookfield Asset Management Inc. - Class A	1.6%

Statistics

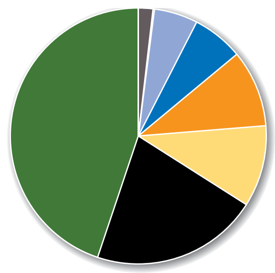
Statistics	Fund	S&P 500
Beta	0.97	1.00
Standard Deviation	21.77	14.56
Up Market Capture Ratio	0.90	-
Down Market Capture Ratio	1.16	-
Sharpe Ratio	-0.11	0.26
Weighted Avg. Mkt. Cap. ($mil)	$7,077	$230,764
Median Market Cap. ($mil)	$3,311	$21,534
Price to Book	1.76	3.15
Price to Earnings	23.25	19.91
Return on Equity	1.46%	22.60%
Active Share	99.69%	-

Historical Total Return (No-Load Class) as of 03/31/19

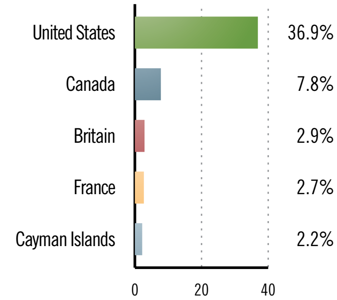
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (WWWEX)	-63.10%	16.53%	-24.65%	33.56%	7.67%	2.65%	16.90%	4.27%	-50.72%	66.86%	20.30%	-15.41%	23.16%	28.59%	-11.89%	-13.83%	14.40%	49.20%	-23.58%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
MSCI ACW Index	-14.21%	-16.21%	-19.32%	33.99%	15.23%	10.84%	20.95%	11.66%	-42.20%	34.63%	12.67%	-7.35%	16.13%	22.80%	4.16%	-2.36%	7.86%	23.97%	-9.42%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	24.4%
Finance and Insurance	11.5%
Professional, Scientific, and Technical Services	5.6%
Management of Companies and Enterprises	5.3%
Accommodation and Food Services	3.5%
Transportation and Warehousing	3.0%
Information	0.1%
Real Estate and Rental and Leasing	0.0%
Retail Trade	0.0%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception. **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.

The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (12/31/99). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Sectors and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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

The Fund is classified as diversified; however, asset allocation/diversification does not guarantee a profit or eliminate risk of loss. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

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.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assumes that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Internet** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since 1999

Peter Doyle
Senior Portfolio Manager
34 years of management experience
Co-Manager of Fund since 1999

James Davolos
Co-Portfolio Manager
14 years of management experience
Co-Manager of Fund since 2010

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KINAX	494613862	0.25%	2.09%	2.09%
Adv. C	KINCX	494613763	1.00%	2.59%	2.59%
No Load	WWWFX	460953102	-	1.84%	1.84%

Fund Characteristics

Total Net Assets	$116.0 million
Total Number of Positions*	32
Turnover Ratio	13%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	63.4%
Cash and Cash Equivalents	36.6%
Other Investments	0.0%

www.kineticsfunds.com

Internet Fund Overview

- A fund that invests in undervalued companies participating in the growth of the Internet.
- Focused not only on investing in traditional technology companies, but also those that provide new kinds of services or products made possible by development or improvement of Internet-related technologies within a variety of sectors.
- Favor companies with strong alignment of interest and high barriers to entry, such as growing information library, scalability and network/adoption.

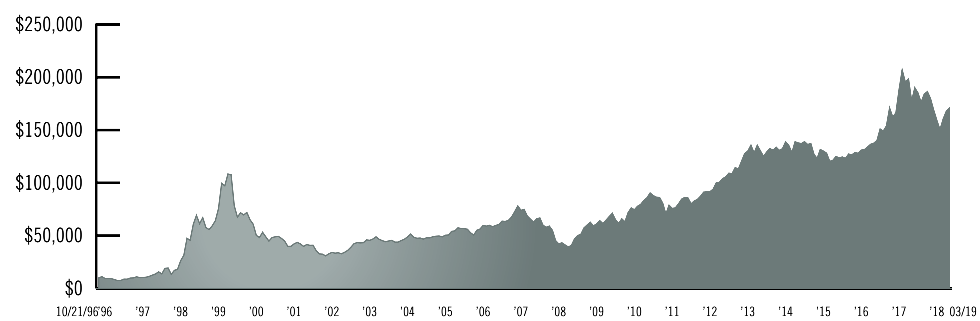
Performance (No-Load Class)

Annualized Returns as of 03/31/19

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWFX)	13.57%	13.57%	-3.75%	10.96%	5.57%	15.44%	5.31%	13.48%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	6.04%	8.39%
NASDAQ Composite Index	16.49%	16.49%	9.43%	16.65%	12.98%	17.59%	5.89%	8.51%

The Internet Fund No Load Class inception date is 10/21/96. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception **$170,782**



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	14.0%
Grayscale Bitcoin Trust	8.8%
PayPal Holdings, Inc.	5.6%
CACI International, Inc. - Class A	4.6%
The Madison Square Garden Company - Class A	4.1%
OTC Markets Group Inc. - Class A	3.4%
Alphabet, Inc. - Class A	3.2%
Alphabet, Inc. - Class C	3.2%
Visa, Inc. - Class A	2.8%
LendingTree, Inc.	2.5%

Statistics

Statistics	Fund	S&P 500
Beta	1.23	1.00
Standard Deviation	29.79	14.99
Up Market Capture Ratio	1.43	-
Down Market Capture Ratio	1.24	-
Sharpe Ratio	0.36	0.42
Weighted Avg. Mkt. Cap. ($mil)	$114,248	$230,764
Median Market Cap. ($mil)	$7,414	$21,534
Price to Book	3.25	3.15
Price to Earnings	29.91	19.91
Return on Equity	13.12%	22.60%
Active Share	94.00%	-

The Kinetics **Internet** Fund

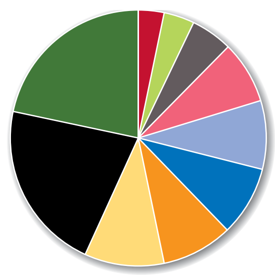
1Q 2019

Historical Total Return (No-Load Class) as of 03/31/19

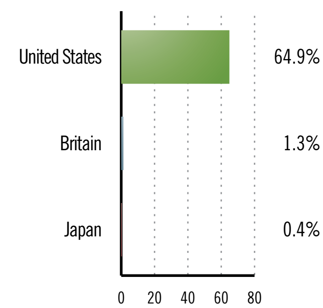
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (WWWFX)	-51.49%	-9.62%	-23.44%	40.11%	10.06%	-1.69%	16.49%	26.81%	-42.24%	48.61%	21.18%	-1.98%	23.24%	44.28%	-0.16%	-5.42%	2.59%	57.43%	-27.32%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
NASDAQ Composite Index	-39.29%	-21.05%	-31.53%	50.01%	8.59%	1.37%	9.52%	9.81%	-40.54%	43.89%	16.91%	-1.80%	15.91%	38.32%	13.40%	5.73%	7.50%	28.24%	-3.88%

Top 10 Industries (%)

Oil and Gas Extraction	14.0%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	13.9%
Other Information Services	6.5%
Broadcasting (except Internet)	5.8%
Professional, Scientific, and Technical Services	5.7%
Administrative and Support Services	5.6%
Data Processing, Hosting, and Related Services	5.1%
Other Telecommunications	3.4%
Credit Intermediation and Related Activities	2.5%
Satellite Telecommunications	1.1%



Top Countries (%)



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The Top 10 Industries and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks. They are typically used as a proxy for overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Market Opportunities** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since inception (2006)

Peter Doyle
Senior Portfolio Manager
34 years of management experience
Co-Manager of Fund since inception (2006)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KMKAX	494613771	0.25%	1.65%	2.17%
Adv. C	KMKCX	494613730	1.00%	2.15%	2.67%
Inst.	KMKYX	494613615	-	1.20%	1.87%
No Load	KMKNX	494613789	-	1.40%	1.92%

Fund Characteristics

Total Net Assets	$81.9 million
Total Number of Positions*	32
Turnover Ratio	2%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	56.1%
Cash and Cash Equivalents	43.5%
Preferred Stocks	0.2%
Other Investments	0.2%
Fixed Income	0.0%

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Market Opportunities Fund Overview

- U.S. focused global fund invests in companies engaged in capital markets related activities and services, which trade at attractive valuations.
- Investments are focused on companies that generally benefit from increasing transactional volume or facilitating financial transactions without employing financial leverage or risking their own capital.
- Such companies tend to have high operating leverage, high returns on equity and scalability.

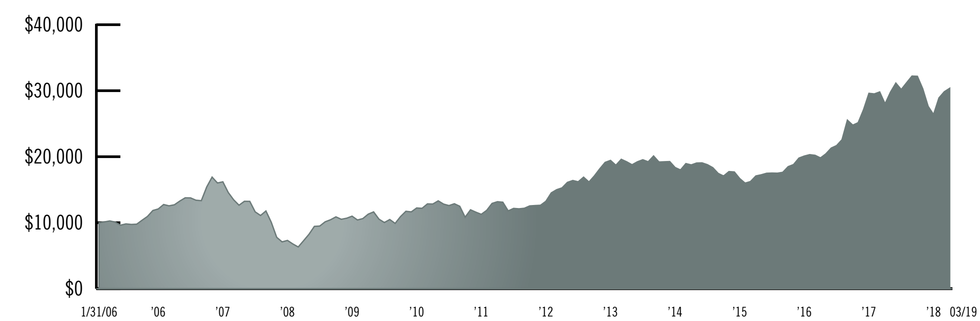
Performance (No-Load Class)

Annualized Returns as of 03/31/19

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	15.07%	15.07%	8.41%	21.13%	9.57%	15.36%	8.81%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	8.49%
MSCI EAFE Index	9.98%	9.98%	-3.71%	7.27%	2.33%	8.96%	3.24%

The Market Opportunities Fund No Load Class inception date is 1/31/06. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception **$30,366**



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	34.3%
Grayscale Bitcoin Trust	3.5%
Icahn Enterprises LP	2.6%
Dream Unlimited Corp. - Class A	1.9%
Partners Value Investments LP	1.7%
Associated Capital Group, Inc. - Class A	1.6%
Visa, Inc. - Class A	1.5%
The Howard Hughes Corporation	1.4%
CME Group, Inc.	1.2%
MasterCard, Inc. - Class A	1.2%

Statistics

Statistics	Fund	S&P 500
Beta	1.11	1.00
Standard Deviation	19.51	14.25
Up Market Capture Ratio	1.17	-
Down Market Capture Ratio	1.20	-
Sharpe Ratio	0.39	0.52
Weighted Avg. Mkt. Cap. ($mil)	$21,629	$230,764
Median Market Cap. ($mil)	$4,729	$21,534
Price to Book	4.03	3.15
Price to Earnings	20.36	19.91
Return on Equity	8.08%	22.60%
Active Share	97.36%	-

The Kinetics **Market Opportunities** Fund

1Q 2019

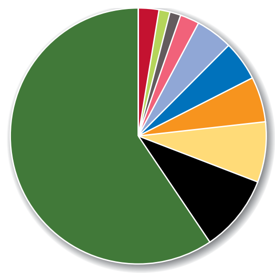
Historical Total Return (No-Load Class) as of 03/31/19

	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (KMKNX)	20.85%	34.03%	-54.83%	50.21%	11.31%	-7.85%	17.52%	46.74%	-5.55%	-9.11%	20.45%	47.28%	-10.86%
S&P 500 Index	10.80%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
MSCI EAFE Index	20.97%	11.17%	-43.38%	31.78%	7.75%	-12.14%	17.32%	22.78%	-4.90%	-0.81%	1.00%	25.03%	-13.79%

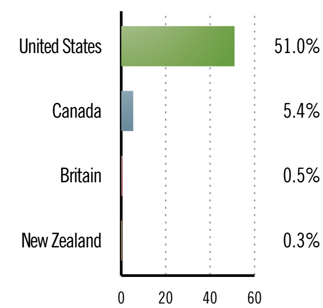
*Cumulative return from Fund's inception to year end.

Top Industries (%)

Oil and Gas Extraction	34.3%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	5.6%
Management of Companies and Enterprises	4.4%
Real Estate	3.3%
Other Investment Pools and Funds	2.9%
Data Processing, Hosting, and Related Services	2.7%
Securities and Commodity Exchanges	1.4%
Other Financial Investment Activities	0.8%
Insurance Carriers and Related Activities	0.8%
Support Activities for Water Transportation	0.5%



Top Countries (%)



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The Gross expense ratios listed are as of 1/1/2019 as reported in the 1/10/2019 supplement to the 4/30/2018 prospectus. The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (1/31/06). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Industries and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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

As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

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.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Medical** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Paul Abel
Co-Portfolio Manager
20 years of management experience
Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
34 years of management experience
Co-Manager of Fund since inception (1999)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KRXAX	494613847	0.25%	1.64%	2.40%
Adv. C	KRXCX	494613755	1.00%	2.14%	2.90%
No Load	MEDRX	494613102	-	1.39%	2.15%

Fund Characteristics

Total Net Assets	$17.5 million
Total Number of Positions*	29
Turnover Ratio	1%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	99.3%
Cash and Cash Equivalents	0.6%
Other Investments	0.1%

www.kineticsfunds.com

Medical Fund Overview

- Invests in patented first line pharmaceuticals and biologics as these products tend to have high profit margins and significant barriers to entry.
- Employs a long-term perspective seeking to capture returns of both intrinsic valuation realization and scientific discovery.
- Bio-Pharma sector is relatively insensitive to economic turmoil, while novel research and development imply sustained growth.

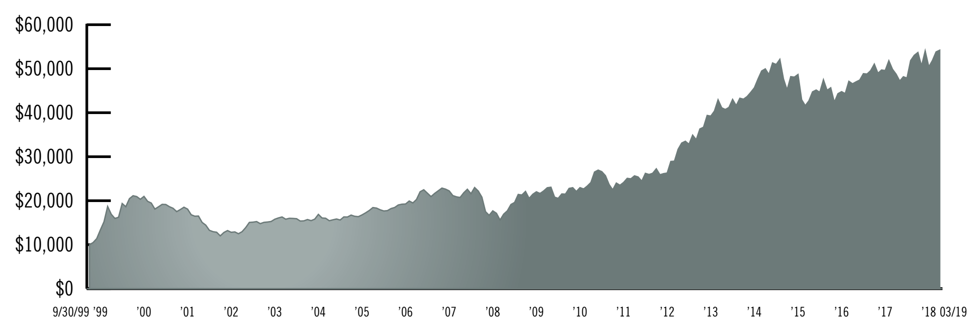
Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 03/31/19: 1YR	3YR	5YR	10YR	Since Inception
Fund (MEDRX)	7.54%	7.54%	11.18%	8.29%	5.68%	12.33%	9.05%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	6.18%
NASDAQ Composite Index	16.49%	16.49%	9.43%	16.65%	12.98%	17.59%	5.45%

The Medical Fund No Load Class inception date is 9/30/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$54,204



Top 10 Holdings (%) as of 03/31/19

Eli Lilly & Company	8.5%
Pfizer, Inc.	8.2%
Novartis AG	7.7%
Johnson & Johnson	7.2%
Merck & Co., Inc.	7.1%
Sanofi	6.3%
Bristol-Myers Squibb Company	5.6%
Ionis Pharmaceuticals, Inc.	5.6%
AstraZeneca plc	5.5%
GlaxoSmithKline plc	5.4%

Statistics

Statistics	Fund	S&P 500
Beta	0.72	1.00
Standard Deviation	16.95	14.58
Up Market Capture Ratio	0.89	-
Down Market Capture Ratio	0.65	-
Sharpe Ratio	0.43	0.31
Weighted Avg. Mkt. Cap. ($mil)	$137,201	$230,764
Median Market Cap. ($mil)	$28,905	$21,534
Price to Book	4.86	3.15
Price to Earnings	22.18	19.91
Return on Equity	22.43%	22.60%
Active Share	94.37%	-

The Kinetics **Medical** Fund

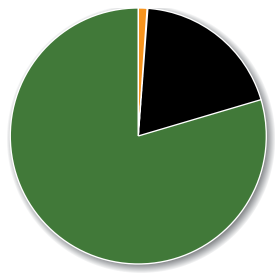
1Q 2019

Historical Total Return (No-Load Class) as of 03/31/19

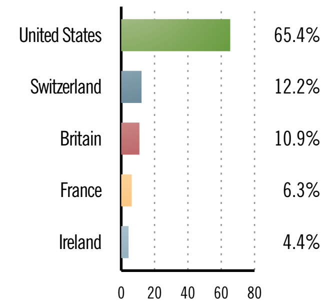
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (MEDRX)	57.04%	-13.77%	-29.14%	23.19%	6.96%	-0.72%	14.81%	15.47%	-20.42%	24.47%	4.30%	5.11%	8.86%	49.25%	16.44%	6.59%	-8.01%	10.71%	1.67%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
NASDAQ Composite Index	-39.29%	-21.05%	-31.53%	50.01%	8.59%	1.37%	9.52%	9.81%	-40.54%	43.89%	16.91%	-1.80%	15.91%	38.32%	13.40%	5.73%	7.50%	28.24%	-3.88%

Top Industries (%)

Pharmaceutical and Medicine Manufacturing	79.9%
Scientific Research and Development Services	19.3%
Professional, Scientific, and Technical Services	0.1%
Chemical Manufacturing	0.1%



Top Countries (%)



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The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (9/30/99). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks. They are typically used as a proxy for overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.

We Do *Our* Research

Kinetics **Multi-Disciplinary Income** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Multi-Disciplinary Income Fund Overview

- Multi-strategy investment approach that opportunistically invests in income oriented securities and utilizes an equity option strategy which seeks to generate income and capital gains in excess of traditional fixed income indexes while assuming less interest rate risk or duration risk.
- Fixed income investments generally comprise limited duration securities, including investment grade and high yield bonds, and emphasize the avoidance of permanent capital losses.
- A selective equity option strategy supplements fixed income investments through the monetization of equity market volatility. The investment adviser aims to moderate incremental risks by selecting option strike prices that are below their underlying stock prices and by limiting option notional exposures.

Portfolio Management Team

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since inception (2008)

Matt Houk
Co-Portfolio Manager
14 years of management experience
Co-Manager of Fund since 2015

Historical Total Return (No-Load Class) as of 03/31/19

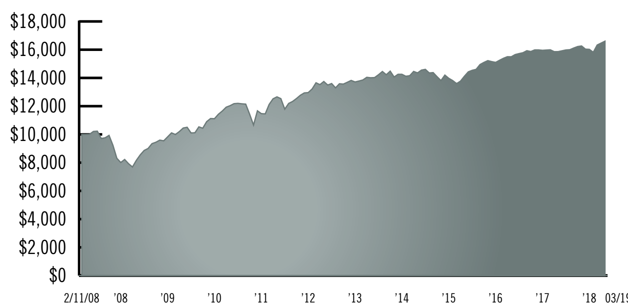
	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (KMDNX)	-17.76%	22.90%	13.04%	0.24%	15.38%	4.28%	2.46%	-2.17%	10.41%	4.75%	-1.00%
BB Barclays US Agg. Bond Index	4.08%	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%
BB Barclays US HY Corp. Bond Index	-27.02%	58.21%	15.12%	4.98%	15.81%	7.44%	2.45%	-4.47%	17.13%	7.50%	-2.08%

*Cumulative return from Fund's inception to year-end.

Class Information

Class	Ticker	Cusip	12b-1 fee
Adv. A	KMDAX	494613664	0.25%
Adv. C	KMDCX	494613656	1.00%
Inst.	KMDYX	494613649	-
No Load	KMDNX	494613672	-

Growth of $10,000 Returns Since Inception $16,602



Statistics	Fund	Barclays Agg.
Beta	0.36	1.00
Standard Deviation	4.34	2.86
Up Market Capture Ratio	0.87	-
Down Market Capture Ratio	0.45	-
Sharpe Ratio	0.61	0.68

Recent Fund Distributions**	Fund
Mar-2019	$0.12
Dec-2018	$0.11
Sep-2018	$0.11
Jun-2018	$0.11

Fund Characteristics

Total Net Assets	$38.1 million
Total Number of Positions*	33
Turnover Ratio	0%
Minimum Purchase	$2,500

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

Portfolio Allocation

Fixed Income	90.1%
Other Investments	8.4%
Cash and Cash Equivalents	1.5%

Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	2.20
Average Maturity (years)	2.66

Top 10 Fixed Income Holdings (%) as of 03/31/19

Penske Automotive Group, Inc.	9.5%
Brookfield Residential Properties	8.5%
Ashland Inc.	8.1%
Icahn Enterprises LP	8.0%
Lennar Corporation	5.3%
TRI Pointe Holdings, Inc.	5.3%
Lamb Weston Holdings, Inc.	5.1%
Stolt-Nielsen Limited	5.1%
The Howard Hughes Corporation	4.3%
Murphy Oil Corp.	3.2%

Kinetics **Multi-Disciplinary Income** Fund

1Q 2019

Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
			Annualized Returns as of 03/31/19					
Multi-Disciplinary Income Fund (KMDNX)	4.97%	4.97%	4.66%	5.55%	3.45%	7.36%	4.66%	4.34%
BB Barclays US Agg. Bond Index	2.94%	2.94%	4.48%	2.03%	2.74%	3.77%	3.70%	2.86%
BB Barclays US HY Corp. Bond Index	7.26%	7.26%	5.93%	8.56%	4.68%	11.26%	7.91%	5.10%

The Multi-Disciplinary Income Fund No Load Class inception date is 2/11/08. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent fund month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares less than 30 days after you purchase them.

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.42%	2.92%	2.17%	2.12%
Net	2.00%	2.50%	1.75%	1.55%

The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

Definitions:

Beta: A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. Beta has been calculated for the past five years. **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 for the past five years. **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 for the past five years using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated for the past five years. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated for the past five years.

**Distributions by the Fund are subject to change and may discontinue at any time without notice.

On April 30, 2015, the Fund changed its name from The Multi-Disciplinary Fund to The Multi-Disciplinary Income Fund.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (2/11/08). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top Sectors displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities. For purposes of calculating the top percentage holdings of the fund, the top 10 equity and fixed income holdings are valued at their applicable market value. Fixed Income Statistics include details on instruments held directly by the Fund and do not include securities which may be held within a portfolio owned by the Fund.

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The Fund is classified as diversified; however, asset allocation/diversification does not guarantee a profit or eliminate risk of loss. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. Both Bloomberg indices are trademarks of Bloomberg. An investor cannot invest directly in an index.

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Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Paradigm** Fund

1Q 2019

Kinetics Asset Management LLC

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Chief Investment Officer
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Senior Portfolio Manager
34 years of management experience
Co-Manager of fund since inception (1999)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KNPAX	494613854	0.25%	1.89%	1.99%
Adv. C	KNPCX	494613821	1.00%	2.39%	2.49%
Inst.	KNPYX	494613797	-	1.44%	1.69%
No Load	WWNPX	494613607	-	1.64%	1.74%

Fund Characteristics

Total Net Assets	$796.9 million
Total Number of Positions*	49
Turnover Ratio	3%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	85.8%
Cash and Cash Equivalents	14.2%
Preferred Stocks	0.0%
Other Investments	0.0%

www.kineticsfunds.com

Paradigm Fund Overview

- U.S. focused global all-cap fund comprised of investments in misunderstood or underappreciated companies whose businesses exhibit long product life cycles and have substantial barriers to entry.
- Proprietary in-house research sources original investment opportunities in companies for which investors fail to distinguish between permanent and transitory problems.
- The strategy seeks to capture long-term results commensurate with the returns of companies' underlying businesses, and has low turnover.

Performance (No-Load Class)

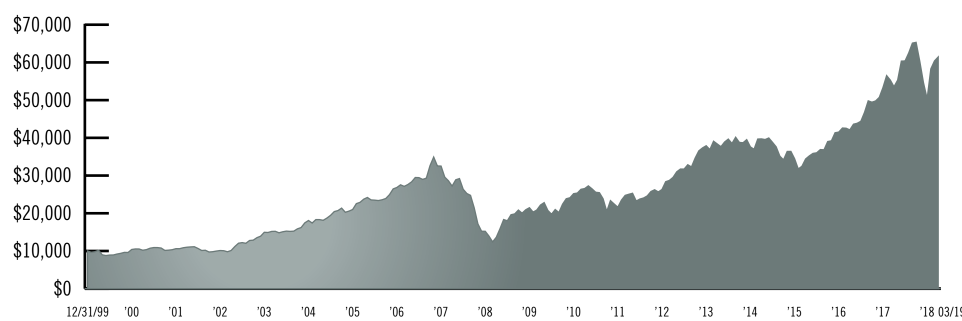
Annualized Returns as of 03/31/19

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (WWNPX)	22.00%	22.00%	14.73%	21.33%	9.87%	16.25%	9.89%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	5.50%
MSCI ACW Index	12.18%	12.18%	2.60%	10.67%	6.45%	11.98%	4.05%

The Paradigm Fund No Load Class inception date is 12/31/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of the sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$61,434



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	40.3%
The Howard Hughes Corporation	7.0%
Icahn Enterprises LP	4.6%
Brookfield Asset Management Inc. - Class A	4.1%
Live Nation Entertainment, Inc.	3.4%
Franco-Nevada Corporation	2.0%
Cboe Global Markets, Inc.	2.0%
Liberty Media Corp.-Liberty SiriusXM - Class C	2.0%
Markel Corporation	1.8%
Liberty Broadband Corporation - Series C	1.6%

Statistics

Statistics	Fund	S&P 500
Beta	0.95	1.00
Standard Deviation	17.36	14.56
Up Market Capture Ratio	1.11	-
Down Market Capture Ratio	0.88	-
Sharpe Ratio	0.47	0.26
Weighted Avg. Mkt. Cap. ($mil)	$10,225	$230,764
Median Market Cap. ($mil)	$7,864	$21,534
Price to Book	3.05	3.15
Price to Earnings	22.07	19.91
Return on Equity	5.44%	22.60%
Active Share	99.05%	-

The Kinetics **Paradigm** Fund

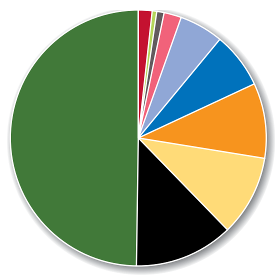
1Q 2019

Historical Total Return (No-Load Class) as of 03/31/19

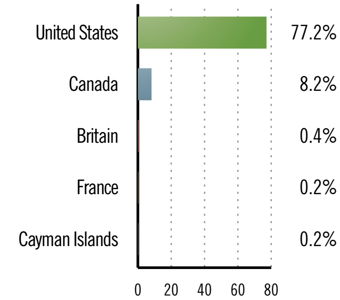
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (WWNPX)	4.00%	2.02%	-4.62%	47.77%	20.93%	16.11%	27.81%	21.14%	-53.17%	41.02%	17.37%	-14.27%	21.78%	44.07%	-0.79%	-8.33%	20.45%	28.41%	-5.55%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
MSCI ACW Index	-14.21%	-16.21%	-19.32%	33.99%	15.23%	10.84%	20.95%	11.66%	-42.20%	34.63%	12.67%	-7.35%	16.13%	22.80%	4.16%	-2.36%	7.86%	23.97%	-9.42%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	43.0%
Finance and Insurance	10.8%
Information	8.8%
Real Estate and Rental and Leasing	8.2%
Management of Companies and Enterprises	6.1%
Arts, Entertainment, and Recreation	4.8%
Accommodation and Food Services	1.9%
Professional, Scientific, and Technical Services	0.8%
Manufacturing	0.5%
Retail Trade	0.5%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception. **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.

The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares commencement of operations (12/31/99). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Sectors and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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

As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. Non-investment grade debt securities, ie., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. 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 Portfolios Trust.

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.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Small Cap Opportunities** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

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

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

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

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KSOAX	494613839	0.25%	1.91%	2.05%
Adv. C	KSOCX	494613748	1.00%	2.41%	2.55%
Inst.	KSCYX	494613813	-	1.46%	1.75%
No Load	KSCOX	494613706	-	1.66%	1.80%

Fund Characteristics

Total Net Assets	$314.8 million
Total Number of Positions*	32
Turnover Ratio	5%
Investment Style	Global Equity
Market Cap Focus	Small Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	66.8%
Cash and Cash Equivalents	32.7%
Preferred Stocks	0.3%
Other Investments	0.2%

www.kineticsfunds.com

Small Cap Opportunities Fund Overview

- U.S. focused global small-cap fund seeking to invest in fundamentally undervalued companies with market capitalizations at or below the highest market capitalization of a component security within the 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.

Performance (No-Load Class)

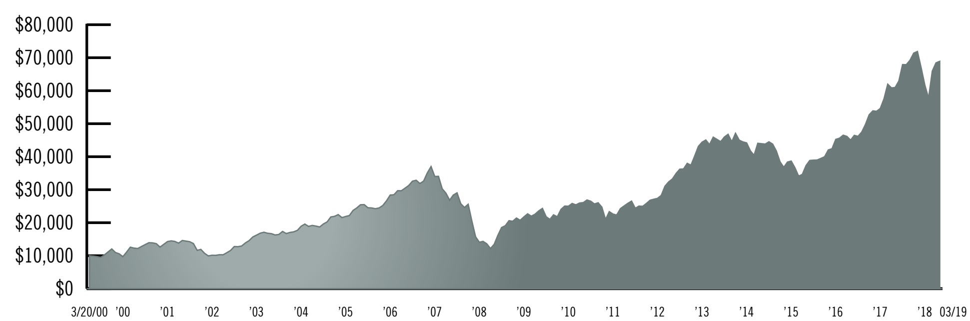
Annualized Returns as of 03/31/19

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KSCOX)	19.34%	19.34%	13.01%	22.68%	8.77%	17.75%	10.67%
S&P SmallCap 600 Index	11.61%	11.61%	1.57%	12.55%	8.45%	17.00%	9.37%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	5.60%

The Small Cap Opportunities Fund No Load Class inception date is 3/20/00. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$68,899



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	29.3%
Icahn Enterprises LP	7.2%
Dream Unlimited Corp. - Class A	4.0%
The Howard Hughes Corporation	3.4%
Live Nation Entertainment, Inc.	3.3%
CACI International, Inc. - Class A	2.6%
Associated Capital Group, Inc. - Class A	2.1%
Civeo Corporation	2.0%
The Wendy's Company	2.0%
Partners Value Investments LP	1.9%

Statistics

Statistics	Fund	S&P 600
Beta	0.85	1.00
Standard Deviation	19.56	18.42
Up Market Capture Ratio	0.86	-
Down Market Capture Ratio	0.72	-
Sharpe Ratio	0.47	0.43
Weighted Avg. Mkt. Cap. ($mil)	$5,894	$1,821
Median Market Cap. ($mil)	$2,644	$1,141
Price to Book	2.40	1.85
Price to Earnings	14.43	18.30
Return on Equity	6.24%	9.86%
Active Share	99.53%	-

The Kinetics **Small Cap Opportunities** Fund

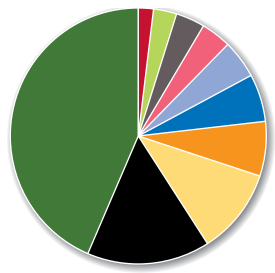
1Q 2019

Historical Total Return (No-Load Class) as of 03/31/19

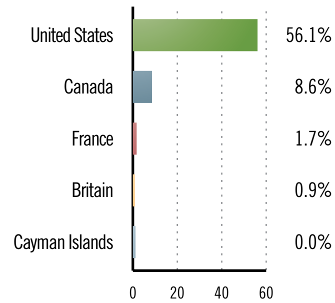
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (KSCOX)	11.00%	30.63%	-30.28%	66.51%	16.40%	13.17%	28.37%	19.65%	-57.88%	58.16%	13.86%	-13.65%	26.74%	59.40%	-7.28%	-12.26%	24.39%	26.23%	0.29%
S&P SmallCap 600 Index	4.27%	6.54%	-14.63%	38.79%	22.65%	7.68%	15.12%	-0.30%	-31.07%	25.57%	26.31%	1.02%	16.33%	41.31%	5.76%	-1.97%	26.56%	13.23%	-8.48%
S&P 500 Index	-8.57%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%

Top 10 Sectors (%)

Sector	%
Mining, Quarrying, and Oil and Gas Extraction	29.7%
Management of Companies and Enterprises	10.6%
Real Estate and Rental and Leasing	7.4%
Finance and Insurance	4.7%
Accommodation and Food Services	4.1%
Arts, Entertainment, and Recreation	3.3%
Professional, Scientific, and Technical Services	2.6%
Manufacturing	2.5%
Transportation and Warehousing	2.0%
Wholesale Trade	0.3%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares Core S&P Small-Cap ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since 04/01/00. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since 04/01/00 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 04/01/00. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio**: A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 04/01/00. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

*Cumulative return from Fund's inception to year end.

The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares commencement of operations (3/20/00). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Sectors and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

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.

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

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

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Spin-off and Corporate Restructuring** Fund

1Q 2019

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately $5.3 billion in assets as of 03/31/2019.
- Oversees investments in 9 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of Horizon Kinetics LLC.

Portfolio Managers

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-Manager of Fund since inception (2007)

Steven Bregman
President
34 years of management experience
Co-Manager of fund since inception (2007)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	LSHAX	494613557	0.25%	1.50%	2.07%
Adv. C	LSHCX	494613540	1.00%	2.25%	2.82%
Inst.	LSHUX	494613532	-	1.25%	1.83%
No Load	LSHEX	494613524	-	1.45%	1.70%

Fund Characteristics

Total Net Assets	$22.1 million
Total Number of Positions*	35
Turnover Ratio	10%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	95.9%
Cash and Cash Equivalents	4.1%

www.kineticsfunds.com

Spin-off and Corporate Restructuring Fund Overview

- U.S. focused global all-cap fund comprised of investments in:
  - Spin-off companies and parent companies of spin-offs.
  - Subsidiary companies resulting from an equity "carve out" or "partial initial public offering" where a parent company sells equity of such subsidiary.
  - Companies subject to a corporate restructuring, or public shareholder activist holding companies which cause other companies to undergo a spin-off or corporate restructuring.
- Return potential is often the result of the market's inefficiency in initially valuing these securities, due in part to the lack of coverage by the investment community, lack of a natural shareholder base immediately following the transaction, and resulting initial, indiscriminate selling pressure.

Performance (Institutional Class)*

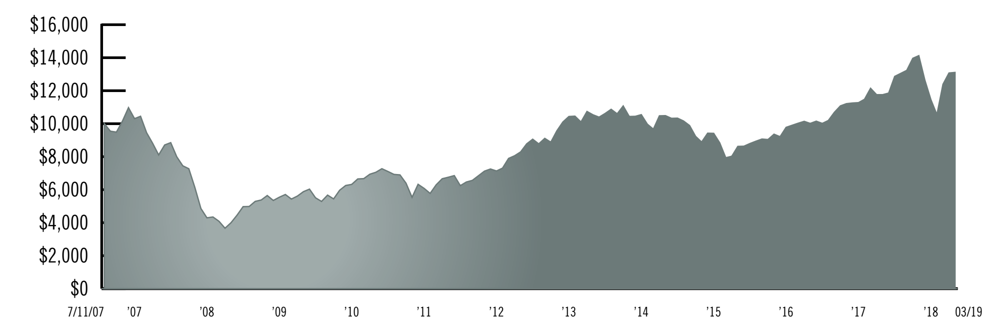
Annualized Returns as of 03/31/19

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	24.25%	24.25%	11.47%	14.97%	4.46%	12.60%	2.34%
S&P 500 Index	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%	7.74%

The Spin-off and Corporate Restructuring Fund Institutional Class inception date is 7/11/07. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of the sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$13,107



Top 10 Holdings (%) as of 03/31/19

Texas Pacific Land Trust	37.5%
Associated Capital Group, Inc. - Class A	6.0%
Dream Unlimited Corp. - Class A	5.4%
The Howard Hughes Corporation	5.3%
PayPal Holdings, Inc.	5.2%
Graham Holdings Company - Class B	4.0%
CSW Industrials, Inc.	3.9%
General Electric Company	3.4%
Cable One, Inc.	3.3%
Civeo Corporation	2.7%

Statistics

Statistics	Fund	S&P 500
Beta	1.20	1.00
Standard Deviation	20.27	14.92
Up Market Capture Ratio	1.06	-
Down Market Capture Ratio	1.37	-
Sharpe Ratio	0.10	0.50
Weighted Avg. Mkt. Cap. ($mil)	$13,950	$230,764
Median Market Cap. ($mil)	$1,694	$21,534
Price to Book	2.28	3.15
Price to Earnings	18.87	19.91
Return on Equity	4.51%	22.60%
Active Share	99.01%	-

The Kinetics **Spin-off and Corporate Restructuring** Fund

1Q 2019

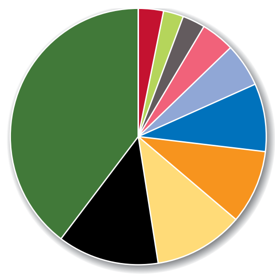
Historical Total Return (Institutional Class)* as of 03/31/19

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund (LSHUX)	4.51%	-58.40%	31.35%	16.49%	-13.17%	26.54%	43.07%	-4.65%	-11.37%	12.08%	15.90%	-8.11%
S&P 500 Index	-2.43%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%

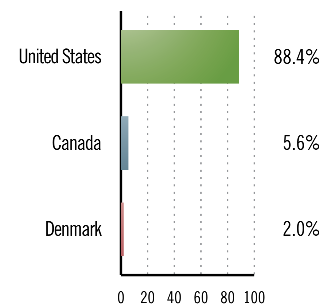
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	37.5%
Manufacturing	12.1%
Real Estate and Rental and Leasing	10.7%
Information	8.8%
Management of Companies and Enterprises	8.1%
Admin and Supprt. and Wst. Mgmt. and Remed. Srvcs.	5.2%
Educational Services	4.0%
Accommodation and Food Services	2.7%
Finance and Insurance	2.4%
Transportation and Warehousing	2.0%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:**A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:**A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return.**Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception. **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.

The Gross expense ratios listed are as of 12/31/2017 as reported in the 4/30/2018 prospectus.

The Fund's adviser, Kinetics Asset Management LLC, has 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 May 1, 2019 and may be discontinued at any time by the Fund's adviser after May 1, 2019. Where information and data is specific to one class of the Fund, it refers to the Fund's Institutional Share Class (SYMBOL: LSHUX). The Institutional Share Class does not have any sales loads or commissions.

*The Spin-Off and Corporate Restructuring Fund (the "Fund") recently underwent a proxy where shareholders voted to approve Kinetics Asset Management LLC ("Kinetics") as investment adviser to the Fund, effective December 8, 2017. Previously, Horizon Asset Management LLC, an affiliate of Kinetics, was the Fund's sub-adviser. The portfolio managers of the fund prior to the restructuring are the same portfolio managers that manage the fund post-restructuring. As such, the Fund's investment objective and investment strategy have not changed.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in the Fund's Institutional Share Class commencement of operations (7/11/2007). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Industries and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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

The Fund is classified as a non-diversified fund. Therefore, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial report standards. There may also be heightened risks investing in spin-off companies. Such companies are generally newly formed and may not have a track record upon which to evaluate management's experience or historical balance sheet information upon which to evaluate its financial strength. There are also risks associated with investing in small and medium sized companies whose share values may fluctuate more than larger companies. You should consult the Fund's prospectus for a complete list of risks associated with your investment.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

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

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

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