Kinetics Mutual Funds

Third Quarter 2020 - Conference Call with Peter Doyle

October 6, 2020

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on October 6, 2020, 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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Options contain special risks, including the imperfect correlation between the value of the option and the value of the underlying asset. In addition, investing in foreign securities involves more risk than does investing in U.S. investments, including the risk of currency fluctuations, political and economic instability, and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. Also, there are risks associated with investing in small and medium size companies. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Funds pursue their investment objectives by investing all of their investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

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Index Descriptions & Definitions:
The S&P® 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P® 600 Index measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The iShares MSCI ACWI Index seeks to measure the performance of both the MSCI World Index and MSCI Emerging Markets Index. The iShares EAFE Index measures international equity performance across large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Barclays 1-3 U.S. Credit Bond Index is composed of investment grade U.S. credit securities with a maturity between one and three years. The Barclays U.S. Aggregate Bond Index is composed of the Barclays U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, and includes securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million. An investor cannot invest directly in an index.

Chris Bell: Good morning, everyone. This is Chris Bell, national sales manager. I'd like to welcome you and thank you for your time today for this Third Quarter Kinetics Mutual Funds Webinar Update. Today we're joined by Peter Doyle, Co-founder of Horizon Kinetics and President of Kinetics Mutual Funds, and Portfolio Manager James Davolos. And they will speak about the economy, the Federal Reserve's actions, and the results of the pandemic, how it will affect investments and, specifically, who we think the winners will be, and then we'll take some questions. Please note that we are recording this, and a replay will be available. Also, the slide deck that you'll see today will be made available. Please reach out to myself, Bob, Mark, Jim, Brandon or your HRC rep, or go to www.kineticsfunds.com for factsheets and presentations on the mutual funds. Also, please go to www.horizonkinetics.com for updates. In particular, we recommend that you peruse a new research piece under the "What's New?" heading, podcasts backing up our asset light, real asset theme, and our overall strategy updates.

Performance in the last quarter was terrible, as the inflation/energy trade is still being sold down hard. We think that is short-sighted, and Peter and James will cover that on the call today. Our flagship the Kinetics Paradigm Fund, year to date, is underperforming the S&P 500 Index ("S&P 500") and the MSCI ACWI Index by substantial amounts, but I'd like to remind all the listeners that, including this year, the Paradigm Fund has outperformed the S&P 500 in 14 of the last 21 years since our inception and the All Country World Index in 16 of the last 21 years. Also, the Paradigm Fund's total returns since inception are still ahead by over 200 basis points annually. Note that the factsheets should be available on the Kinetics website in the next two weeks. And, at this time, I'd like to turn the call over to Peter Doyle.

Peter Doyle: Thank you, Chris, and good morning to everyone.

Peter Doyle: Chris pointed out that we have underperformed, and I respect him for being so direct in letting people know, and I guess they probably already knew that themselves. Sometimes I feel like we're a broken record, repeating ourselves. But what we do and what we've done throughout our careers, which has put us in good stead, is that we base our investments on fundamentals and, hopefully, logic, and we let the mathematics ultimately work out for us or not work out for us. And what we're seeing now is an investment world that has become completely uncoupled from the reality of the underlying economic situation.

One of the things that truly concerns us is the level of debt globally. Right now, the world debt stands at roughly $275 trillion, and that's just a staggering, staggering number on a global GDP that's probably somewhere in the neighborhood of $80 trillion. Here in the United States, our national debt is $27 trillion, and it started the year off at slightly over 100% of GDP: now it's about 138% of GDP. Just to put that in perspective, there have been roughly 51 times in the recorded history of economics where the GDP of a nation got to a very high level and where they didn't either do some type of debasement of the currency or there was a collapse of the currency. So, really, you're watching the Federal Reserve control the yield curve, and they're controlling the yield curve primarily because they recognize, I think rightly so, that they need to inflate their way out of the situation if they don't want to devalue the currency. You're looking at the 10-year Treasury at 78 basis points. The 30-year Treasury is somewhere around 125, maybe slightly higher than that. I haven't looked today. And you know that they're targeting at least a 2% inflation rate. So, they're telling you that they want real negative yields for investors.

So, why would investors do that? Historically, you bought treasuries because you had a fairly decent coupon: 5-6%. There might have been 3% inflation. You were basically making a real return of 3%. Why are people willing to buy bonds today? They're willing to buy bonds today because they say, well, you know what? The Federal Reserve seems to be ready to possibly bring rates down lower into a negative rate, and if that happens, I could potentially make a total return in my bond portfolio. Clearly, people are not investing in fixed income right now for the income. They're investing, hopefully, for a total return, or they're just willing to basically have their money be inflated away. So, it makes no sense.

So, one of the first slides that we have depicts federal spending – and, obviously, as an economy, the United States was moving along at 60-miles an hour, then COVID hit: we basically hit a brick wall, and receipts started falling off a cliff, but the need for spending went up, to ensure that we don't go into a severe depression.

Same Old Stimulus?

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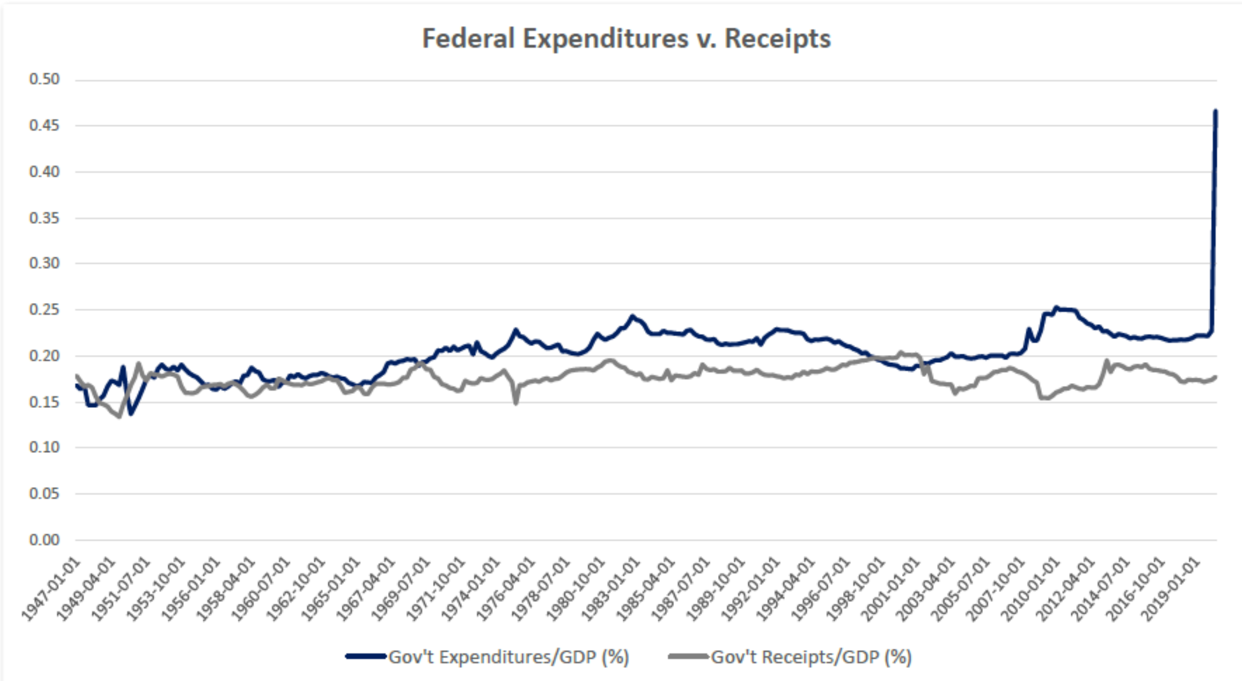

Source: St Louis Fed

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So, the spending has ramped up very dramatically. And you can see that it's just astounding that we basically now have a federal deficit of roughly $4 trillion in the year 2020. The Fed's balance sheet is now at $7 trillion.

Government Finances

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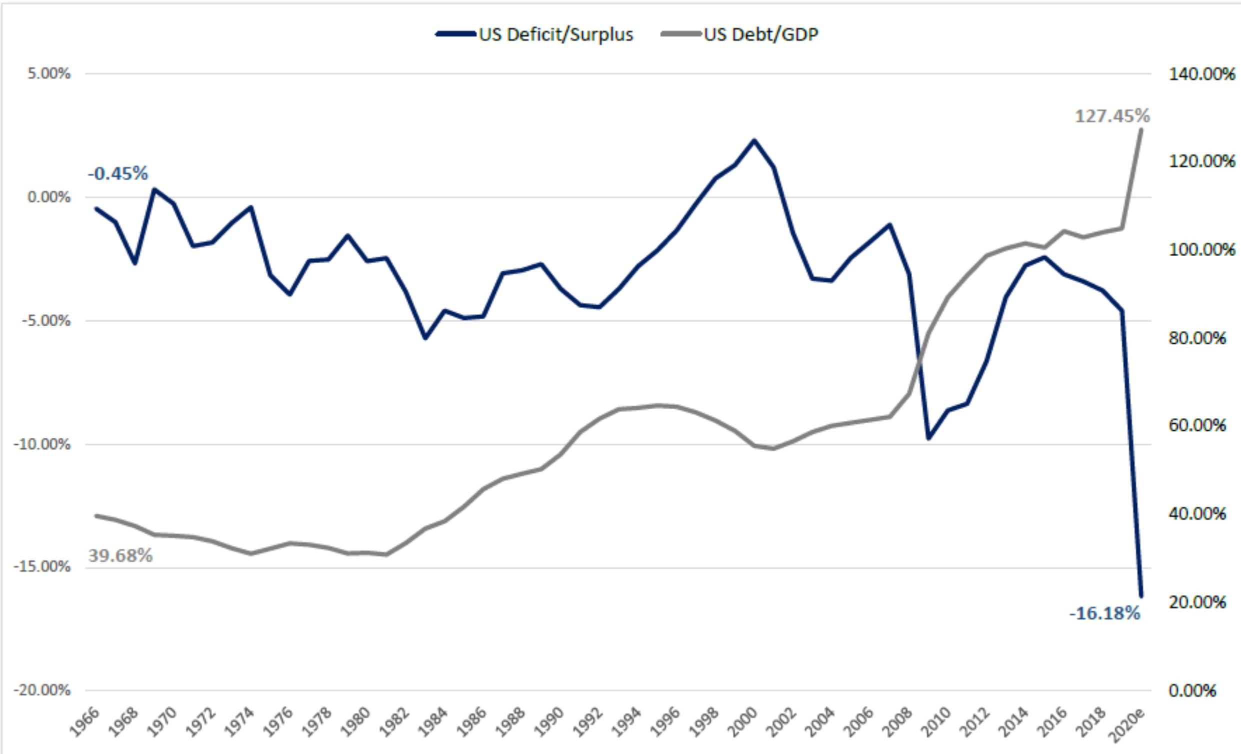

Source: St Louis Fed

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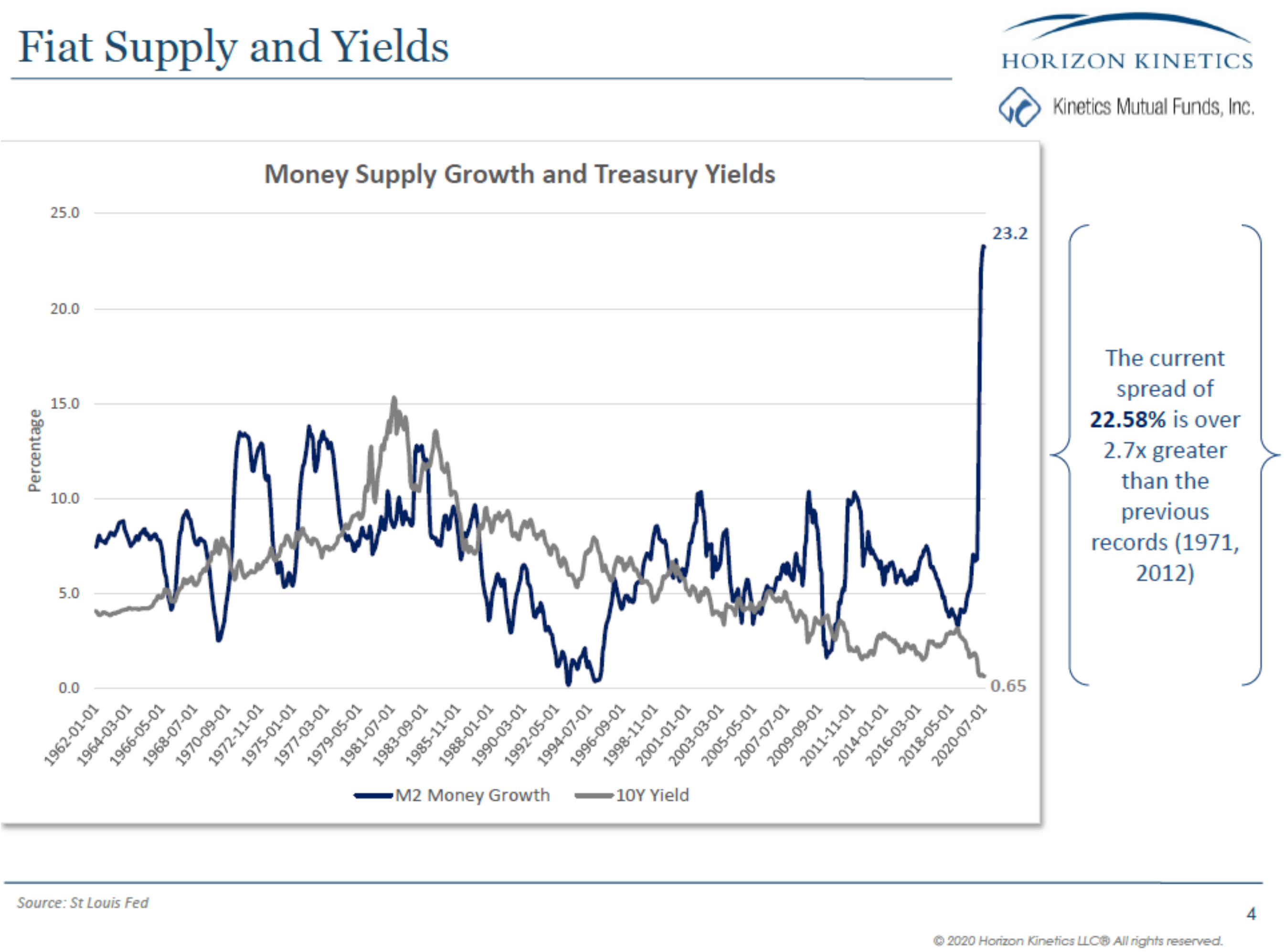
Just to put that in perspective, it was roughly $900 billion back in 2008. It was $2.2 trillion in 2013, and it was a little over 4 trillion back in 2019. And, as you might recall, as the balance sheet of the Fed grew and deficits were concerning, they tried to do some tightening, so as to head back to some normal level of rates at the end of 2018. They did this for several weeks, and the stock market rolled over and declined by 20%. So, we've been saying for a number of years that there's really no good way out of this situation for the U.S. government and for the Federal Reserve, other than to inflate their way out of this predicament.



So, now, why have we not seen inflation? People have been saying that coming out of the great financial crisis of 2008-2009, the money velocity is very low and the Fed spending has been going to the banks' balance sheets: they repaired the balance sheets for the banks but the banks are not lending out the money, so we're not seeing inflation. That's one side of the equation. The other side of the equation is the supply of goods and services. And with the advent of COVID, you see that many industries got shut down very dramatically. And normally, in a recession and in the type of economy that we have had over the last six-seven months, you would see that commodities would fall off in a very dramatic fashion. And you would say, okay, it makes sense that nobody's out buying things, and you're starting to see that.

So, I have a list. You see crude oil, which is the basis for a lot of products – something like 6,500 different products are made up of crude oil. Crude oil is down 25%. That's a great boon for disinflation. But now you go down to the next one, natural gas: natural gas in 2020 is up almost 17%. Why is natural gas up? And the answer to that is that as drilling and the supply of energy came down fairly dramatically, the demand for natural gas didn't fall off in the same way. So, the demand for natural gas is actually a byproduct of drilling for oil. The supply of natural gas has actually come down fairly dramatically but the demand has not, so the price has gone up.

Commodity Complex : Year-to-Date Returns

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Crude Oil (WTI):	-25.0%	Gold:	28.3%	Soybeans:	11.2%
Natural Gas (HH):	16.9%	Silver:	40.01%	Wheat:	18.9%
Gasoline:	-23.2%	Copper:	15.3%	Lumber:	61.9%
Uranium:	18.45%	Iron Ore:	31.7%	Corn:	-2.1%
		Steel:	-1.2%	Coffee:	10.7%
		Coal:	-11.6%	Beef:	53.0%
				Rubber:	48.7%

U.S. 12-month CPI (August): +1.3%

Source: FactSet, U.S. Bureau of Labor Statistics

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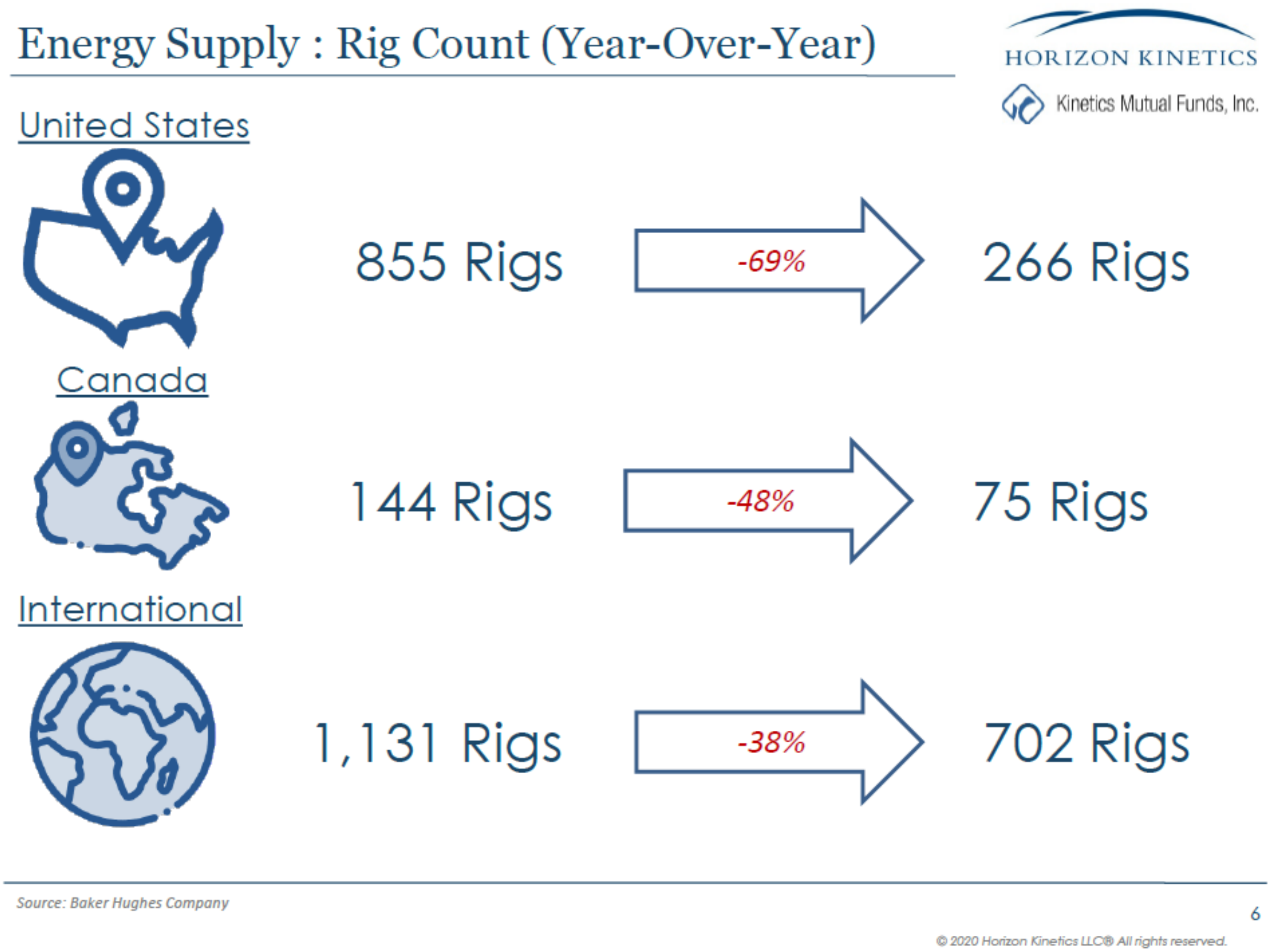
Gasoline, as you might imagine, with people doing less driving, is going to come down in price. It's very pleasant to pull into a gas station and fill up at $2 a gallon here in New York. I was down in New Orleans recently, where I paid about $1.79 a gallon: very pleasant. What's happening is that the supply is really, in the case of oil, not filling the demand for and the use of oil and its related products. And that's true globally. The rig count here in the United States is down roughly 70% year over year.



And why does that matter? It matters because the supply and storage has filled up, and nobody's able to drill, and we're still consuming energy. And once that supply gets shut off, it's not like you can come back in two weeks' time and turn it back on. So, while the global overhang of energy is roughly 400 million barrels, the ability to work that off, if the demand comes back, will happen within a matter of months. And for commodities like oil, when you need it, you pay whatever you need to pay in order to get it. So, it's similar to if you were at a stadium and it's a hot day and you know that a bottle of water costs $1 outside of the stadium, but inside the stadium it costs $6, but since you're thirsty, you're going to pay the $6.

The same thing is likely to happen with oil in the not too distant future. People are not appreciating that the supply of oil particularly is falling off a cliff, and the demand, while down temporarily, is coming back and is certainly coming back globally and it's coming back here even in the United States. And once you get that supply-demand imbalance, the price of energy could skyrocket. So, we last saw this back in 2016, when the overhang globally was 450 million barrels, and everyone thought it was going to be 7-8 years before that overhang would correct itself. The price of oil was back at $40 in 2016. Within two years' time, that overhang was eliminated, and the price of oil was close to $90 a barrel.

So, we've had some crazy situations this year, where the price of oil in West Texas Intermediate went to a negative number, roughly negative $37: it's now back up around positive $39. And they're not going to start drilling: there are a number of reasons why. One is the lack of profitability. Two is that there's no place to really store it since storage facilities are filled up. And, three, there's an environmental component to it where everyone wants to shift to so-called renewable sources of energy. And I know my colleague Murray Stahl would yell at me for using that term, saying it's not accurate, and there are a lot of reasons why it is not accurate.

So, major oil companies have really stopped investing in new projects, while the demand is not going away. Again, if you think about your own life, how many products do you use that require the refining of oil: asphalt; if you're a golfer, golf balls; clothing; rubber; plastics - anything that you buy at the supermarket that's packaged in plastic. So, that demand is not going away. And it doesn't matter if people choose not to drive in their cars; the demand for oil is still going to continue to grow. It's the same way that they've been saying they're trying to get rid of coal for the last 40-plus years, and today, we're using a very comparable amount of coal to what we were using in the 1970s. So, that dynamic is what's really of interest to us. And it's a reason for maintaining a position in our portfolio. If you look at what's going on in the energy sector as a weighting of the S&P 500, you will see that the S&P 500 weighting, which is essentially Chevron and Exxon Mobil, now is roughly 2.7%.

When I entered the business back in the mid-1980s, energy as a percentage of the S&P 500 was 30%. And those companies today basically won't provide you with the protection that you need, even if you own the S&P 500, if inflation comes back and oil starts to spike, because it's such a low weighting. So, now, where did the money go? And you have the large amount of stimulus that's gone on. It's gone into the more speculative themes. And I'm not saying that they're not good companies; I'm just saying that they are very speculative in price. And anything that has showed any type of growth or perception of growth is trading at a very high multiple - price to earnings, price to revenue, however you want to look at the valuation.

I'll just go through the top five names in the S&P 500. Apple is number one. It's a 7.3% weighting. It has a market capitalization of $2.1 trillion. It trades at a P/E multiple of 35x earnings. Actually, its a little less than that, 34.4x earnings. So, what does that exactly mean? When you look at a P/E multiple, you're talking about if it continued to earn that amount of money for the next 35 years, I would get paid back my entire principal. Now, obviously the growth rate could improve and it could grow its earnings by 20% – you could get paid back a lot faster. But a lot has to go right in order for that to happen. And in a particular industry like that, where the technology is constantly changing – there's no guarantee that Apple will be the dominant provider of smartphones in the future, – and you're paying a very high multiple for the stock.

So, let's go down to the next one. Amazon is 5% of the S&P 500. Its market capitalization is $1.4 trillion. Again, let me emphasize – when I'm saying $2 trillion for Apple, $1.4 trillion for Amazon, those are staggering numbers. So, how do you grow a $2 trillion company? How do you grow a $1.4 trillion company at 20%? You have to grow an enormous company on an annual basis. So, it's just very unlikely that they're going to be able to keep up that type of growth rate once they get to that large size. Amazon is trading at P/E multiple of 120x. Let me again put that in perspective. If Amazon continued to earn what they earned over the last 12 months, it would take you 120 years to get paid back your principal investment by buying a share of Amazon today.

Microsoft is trading at 36x earnings and at $1.7 trillion in market capitalizations. Google, or Alphabet, is trading at 32x earnings, a $980 billion market cap. Facebook is trading at 32x earnings. These are just staggering numbers. So, all combined, those top five names represent 24% of the S&P 500. Energy, as I mentioned, represents 2.7%. And at some point, it just makes no sense. The underlying need for energy, the importance of energy for the overall economy, has to be reflected in the S&P 500. So, if we went from basically producing 100 million barrels of oil a day globally to producing zero tomorrow, we would live in a world that no one would want to live in. The industry itself has to be weighted in the index such that it represents what it means to the overall global economy, and that is substantially more than 2.7%. Now, maybe it shouldn't have been 30% when I first got into the business and it was overvalued then, but 2.7% just discounts in a very, very aggressive way the importance of the energy sector, and, in our opinion, it's a real investment opportunity. And it's also a potential inflation hedge. If you believe what we're saying, that the printing of money, the supply, is likely to be disrupted, where are the things that you're going to need in your portfolio to protect yourself?

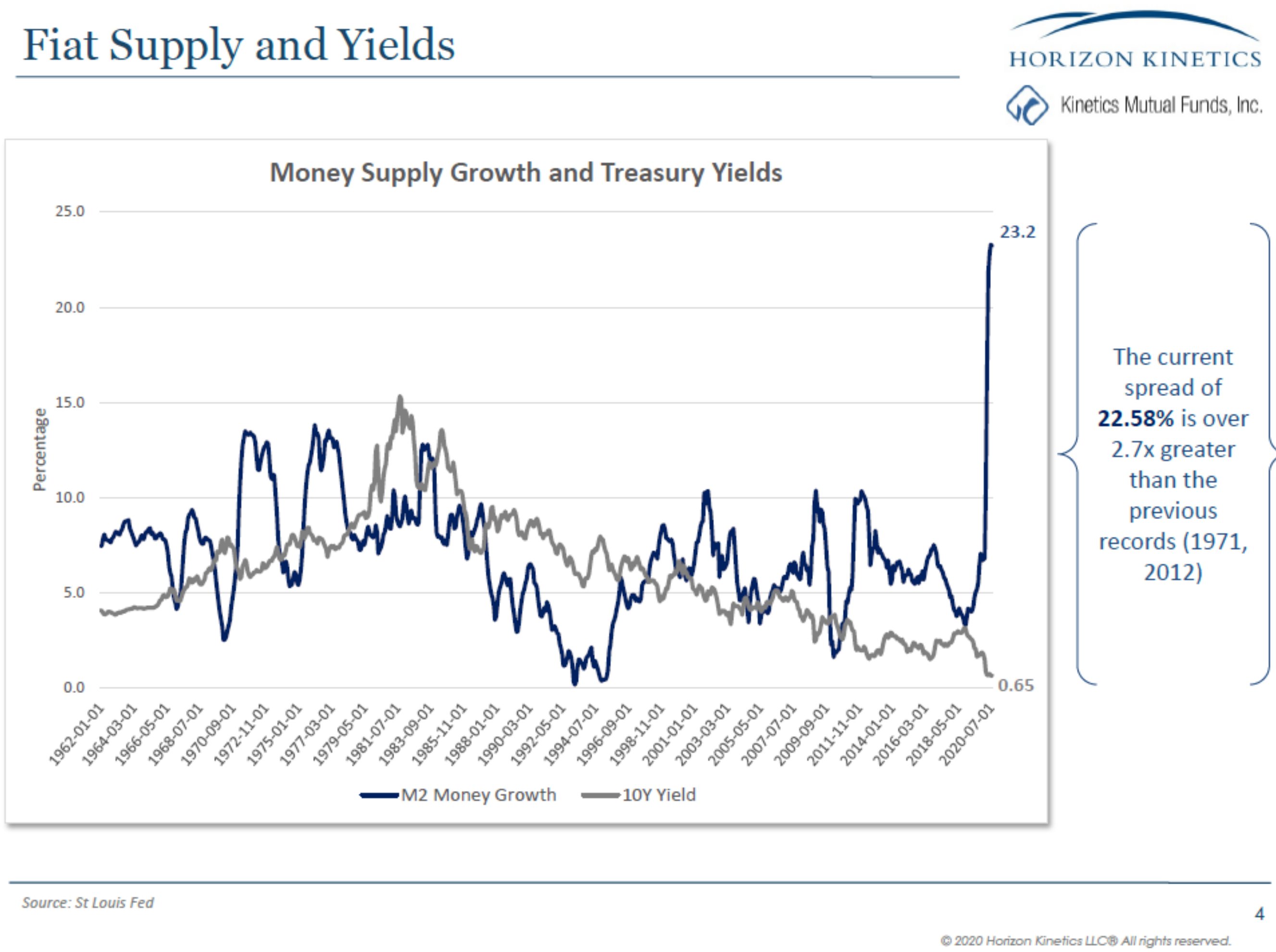
So, my guess, and I've seen it many times in the past in my career, is that there's a severe dislocation in the markets. And the severe dislocation is being discounted in such a way that you're likely to get an extraordinary rate of return. And that's where I think our funds are positioned today. So, unfortunately, I can't give you a timeframe. I wish I could tell you it's going to happen within two weeks' time, but I believe that it is coming. And each day the balloon gets inflated on the technology names, and energy gets further discarded, and pension plans, endowments, etc., corporations move away from it because they don't want to be seen as basically enablers of climate change, and they discount it at a rate that's just not reflective of the reality of its importance.

So, that really covers what I wanted to say overall. We have exposure to the things that I'm talking about in very unique companies, companies like Texas Pacific Land Trust. If you look at that just on a high level basis, Texas Pacific Land Trust was a $100 stock in the year 2014, when the price of oil was $110. Today, the price of oil is roughly $39 a barrel, and the price of Texas Pacific Land Trust is $450. So, how did that happen? Their primary source of revenue is royalties from oil, and the stock has gone up fourfold even though the price of oil is down very substantially. The dynamics of the business, the operating leverage of the business, the cost structure of the business is so compelling. It virtually has no expenses and any of the revenue that it is able to generate after it pays taxes is s free cash flow, and they can use that free cash flow to pay dividends or to buy back their shares and boost their stock price that way.

So, when we look down the list of our companies, Texas Pacific Land Trust ("TPL") is a company that we think everybody should own, and particularly now with the price of energy so out of whack with the reality of its importance. And we own it in a way that cannot be replicated anywhere else in the world. And if you want exposure to what I think might be about the best company in the world, we're the place to be. And I can go through and James can elaborate on that further, but essentially the same is true of Franco-Nevada and Wheaton Precious Metals. These are companies that just have tremendous operating ability.

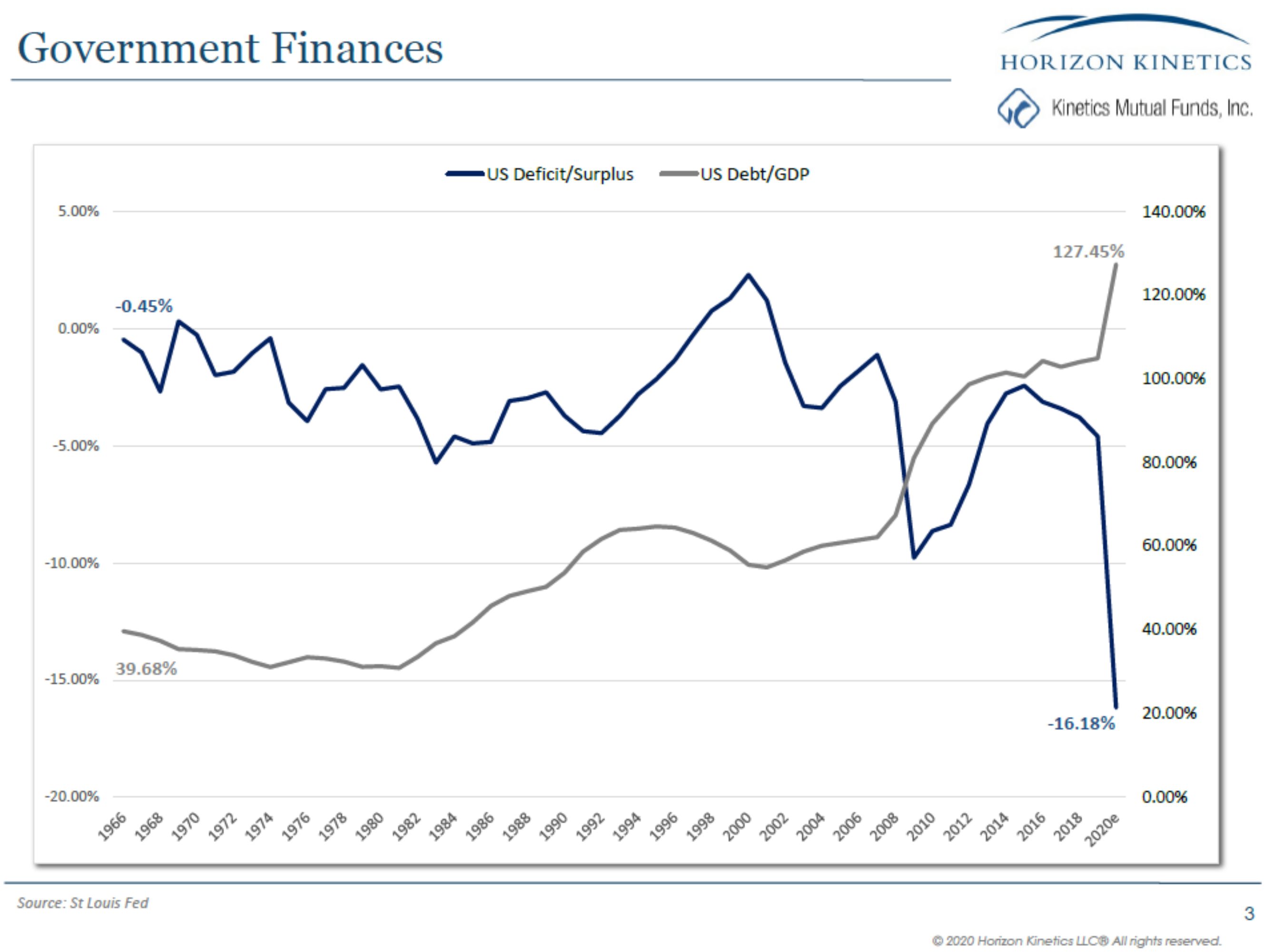
So, we have not lost faith in TPL, despite the, underperformance year to date. It seems like we're out of step with the world. The reality is that we're making investments and we're holding positions that are based on sound fundamentals, good economics, in businesses that, in many cases, have the ability to grow even during this trying time for commodity prices. And if we're right about where the price of energy is likely to go in the not too distant future, we believe you'll likely see some very explosive upside in the performance of our portfolios. So, with that, I will stop and turn it over to James.

James Davolos: Thanks Peter. If we could go back to slide 4 – this elaborates a little bit further on some of the points that Peter was talking about, about the fact that there's been, in no uncertain terms, debasement of the U.S. dollar. And you can see that the blue line there shows you the annual growth in broad money supply M2, and the gray line shows the yield on the 10-year Treasury.



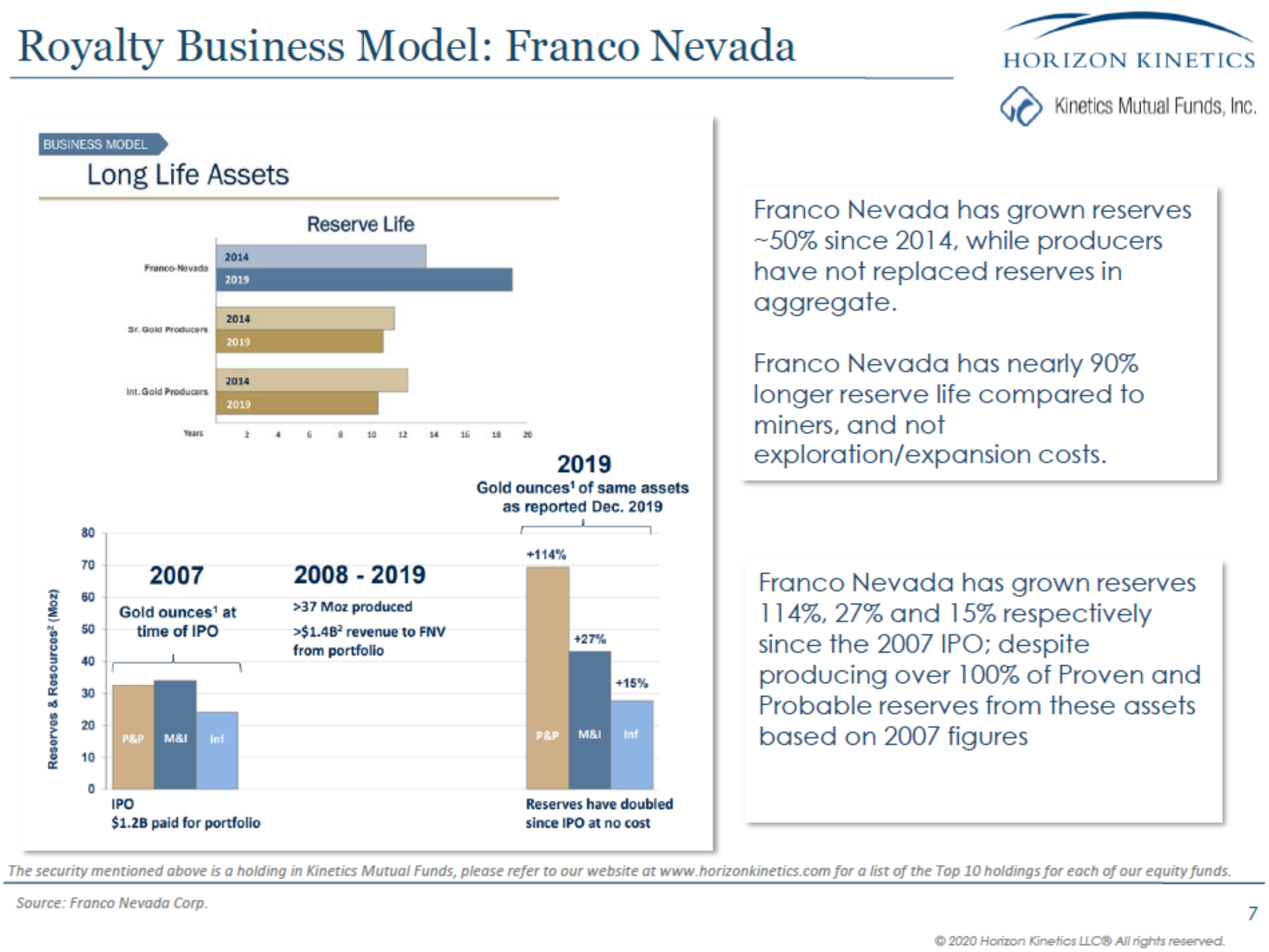
So, there have been divergences in the past where you have seen the money supply spike in response to crises but, typically, it levels out and then either the yield curve steepens or the money supply growth retracts. But the point I'm trying to make here is you're getting paid absolutely nothing for, "safe money" at 65 basis points here while money supply is growing 23%.

And, moving on to the next slide; there are very few indications that this is going to get any better. Currently, the estimates for the end of the year are that the U.S. debt to GDP is going to be 130%; whereas, the deficit is going to be negative 16%, which is really unprecedented, both the magnitude of the deficit and the debt to GDP. But, more importantly, given the additional stimulus, which is required and currently is being held up in Congress and the House, we're not going to grow out of this anytime soon.



And so comparisons to war efforts are really not well thought out, in my opinion, because there's absolutely no ability to grow your way out of this. So some degree of debasement of the dollar is all but certainly the only tool left at the disposal of the Federal Reserve. You're going to see closer and closer alignment of the Federal Reserve and the U.S. Treasury; you can argue that it is semantics, but other people believe that it's a real tipping point. These dynamics are really important because we believe that it plays into not only the performance of risk assets over the past few years, but also our positioning today.

So, now jumping forward to slide 7, the nuanced approach that Peter was talking about with these companies is really – I think exemplified by Franco Nevada Corporation, which is a gold and silver royalty company, where you can see on the top there that Franco Nevada has actually grown its reserves since 2014.

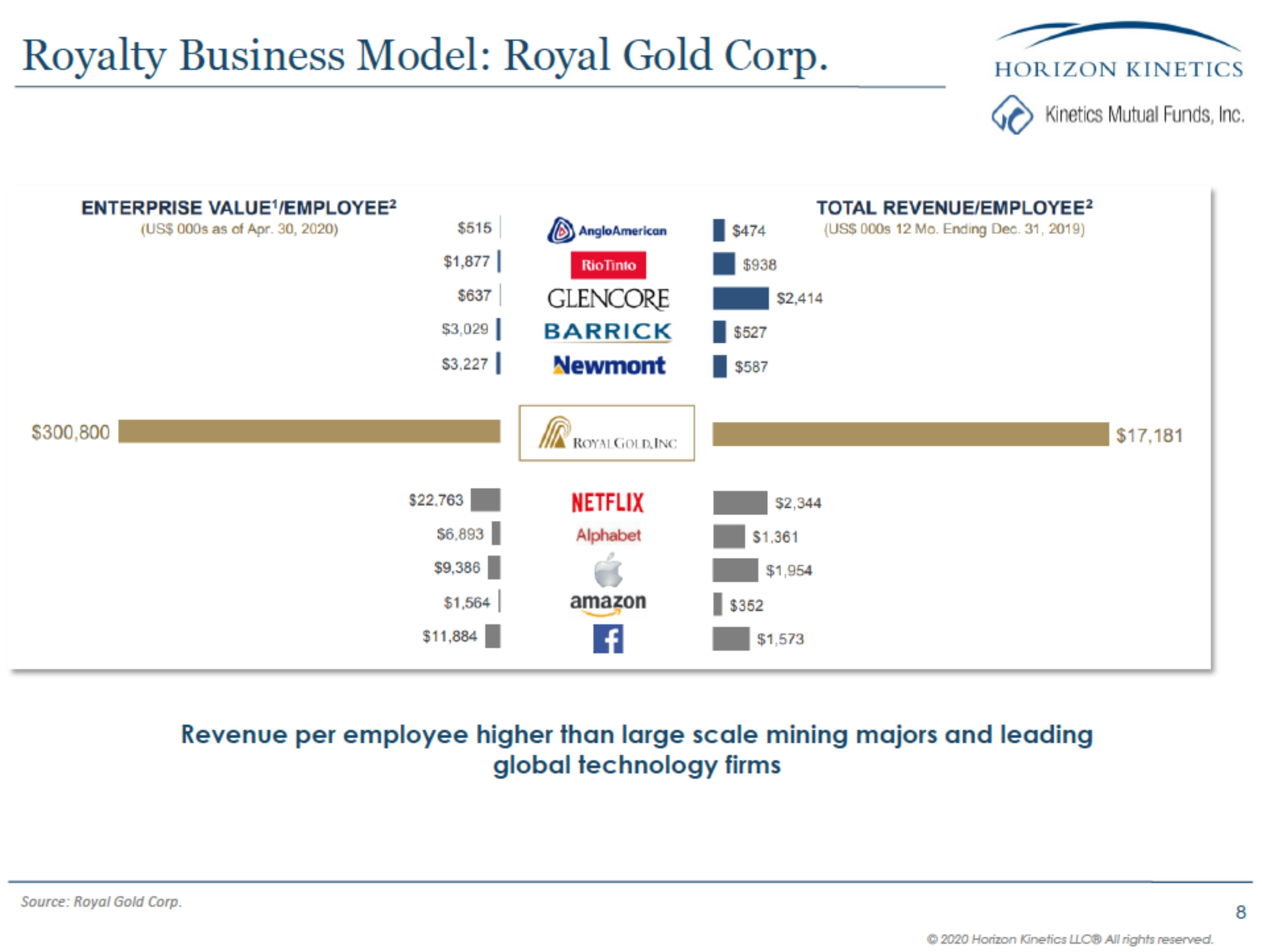


And, remember, in 2014 there was a much stronger market for both precious metals and energy. But for the large senior gold producers in North America, as well as international, I've actually seen reserve length decline because they weren't able to fund capital expenditures (CapEx), and they expanded using overly aggressive assumptions. So, Franco not only has vastly more reserves compared to the miners, about 90%, but they've actually grown through an adverse cycle.

So, that's the number one advantage of these royalty businesses. But I think the lower slide is what's incredibly compelling, which is when Newmont Mining had acquired Franco Nevada and then spun it off, you can see there in 2007, the original portfolio had about 30 million of proved and probable reserves and resources, another 30 million not measured, indicated, and then call it 25 million of inferred. So, between 2008 and 2019, from this asset base alone – this excludes any assets that were acquired or divested over this time – Franco produced 37 million ounces, which is more than the entirety of their proved and probable. However, as of today, these assets have close to 70 million proven and probable, over 40 million measured and indicated, and about 30 million inferred. So, you've doubled your reserves at no cost while producing the entirety of your proved and probable. And that's a dynamic that I think is missed by a lot of observers in the royalty space where they don't really understand how to properly value these companies. Because you have double the reserve life of miners, zero CapEx to grow your reserves – but Pierre Lassonde, who's the founder of Franco Nevada, has a great quote. And he says, where do you find gold in the modern era? You find it where you found it in the first place – you just dig deeper or you dig down the street a little bit. Or down the mountain range, I should say.

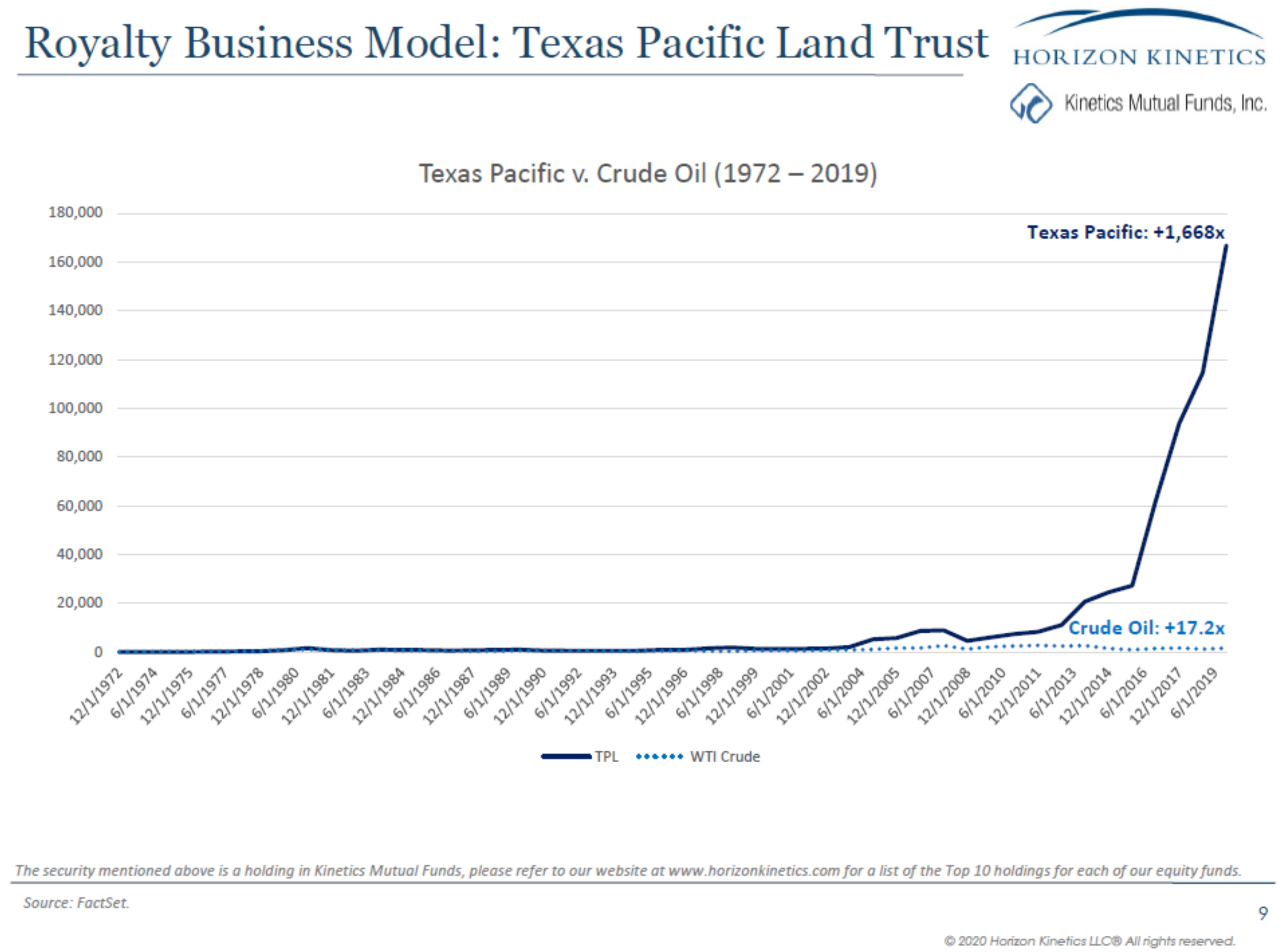
And so these royalty agreements, in many cases, are for the entire mine plan. So, if Newmont Mining, or Goldcorp, or Barrick decides to explore further down the range, which inevitably is where there are deposits of metallurgical resources, that accrues to Franco and other gold royalty companies.

Moving on to the next slide: Royal Gold. And this was a favorite of Steven Bregman and should be familiar to followers of his webinars. He actually created this slide, to my knowledge, before the company did. But this shows you the incredible scale of these businesses, where Royal Gold has over $17 million of revenue per employee, which dwarfs every other company in the mining space even Glencore, which is more of a trader and only does about $2.4 million per employee per year. And then you can look at Apple, Facebook, Netflix – none of them are even close. And the same thing on the enterprise value per employee. So, it really shows the scale of these companies. And the play is not only the profitability but the ability to adapt and weather through a full cycle.



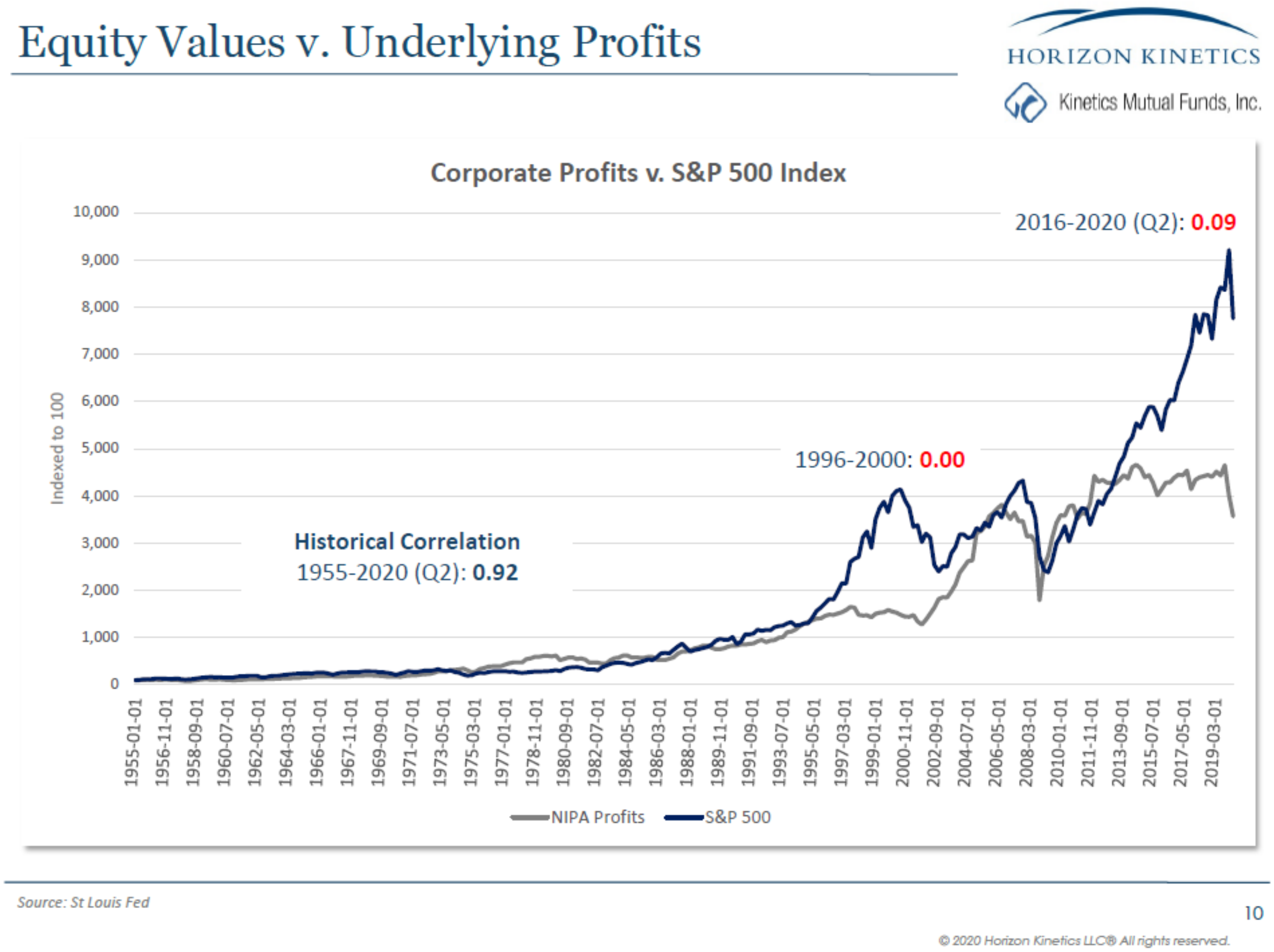
So, if you are somewhat skeptical about the printing of money, and the global standing of the dollar, and the standing of the U.S. budget deficit and federal debt, and you think that gold is an interesting resource for the long term, there is far more utility in owning these royalty companies that can compound and survive and thrive through a whole cycle than owning gold futures or even upstream gold miners. And that's why these are fairly well-represented in our portfolios.

So, moving on to the next slide, I know that Peter indicated a more recent history but I think that this is really interesting. And we'll come back to this a little bit later in the presentation. But if you go back to 1972, if you recall, in 1972 there were a lot of similarities to today, one of which is the bifurcation of the market, where there were the Nifty Fifty, as they called the leaders of the market at the time and the "depressed rest." A lot like growth today, trading at double, triple, quadruple the broader market multiple, but there was also somewhat low inflation and neutral or negative real rates.



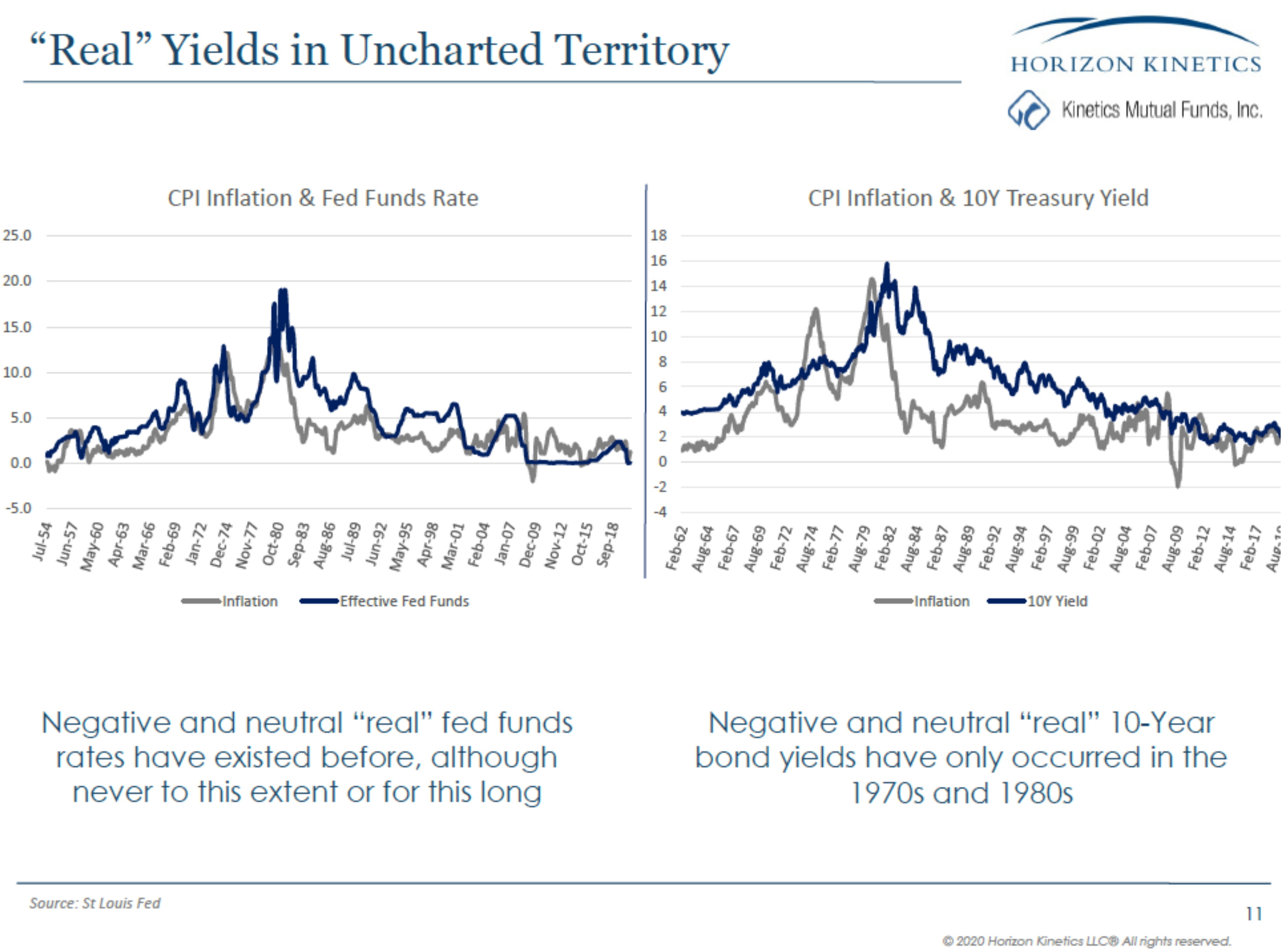
So, a lot of parallels today to that environment, and we'll get into this later in the presentation. But since that time, crude oil has gone up about 17x in price, which is not insignificant in and of itself. As to Texas Pacific, had you invested in 1972, you would have earned over 1,600x your money through the end of last year. So that's a factor of about 100, between investing in TPL and investing in oil. It really also just illustrates the ability to compound and the ability to monetize various revenue streams through the royalty base.

So, with that we're going to move on a little bit more into some of the macro backdrop on the next slide and kind of the broader market valuations today. I think this is a really interesting slide where it shows the NIPA profits, which is a U.S. government measure of corporate profits, which is reconciled against tax receipts. And you can see going back to 1955, there is an incredibly close correlation, and then all of a sudden you have this huge divergence in the mid-1990s as the "technology bubble" – maybe call it technology bubble one – started to inflate.

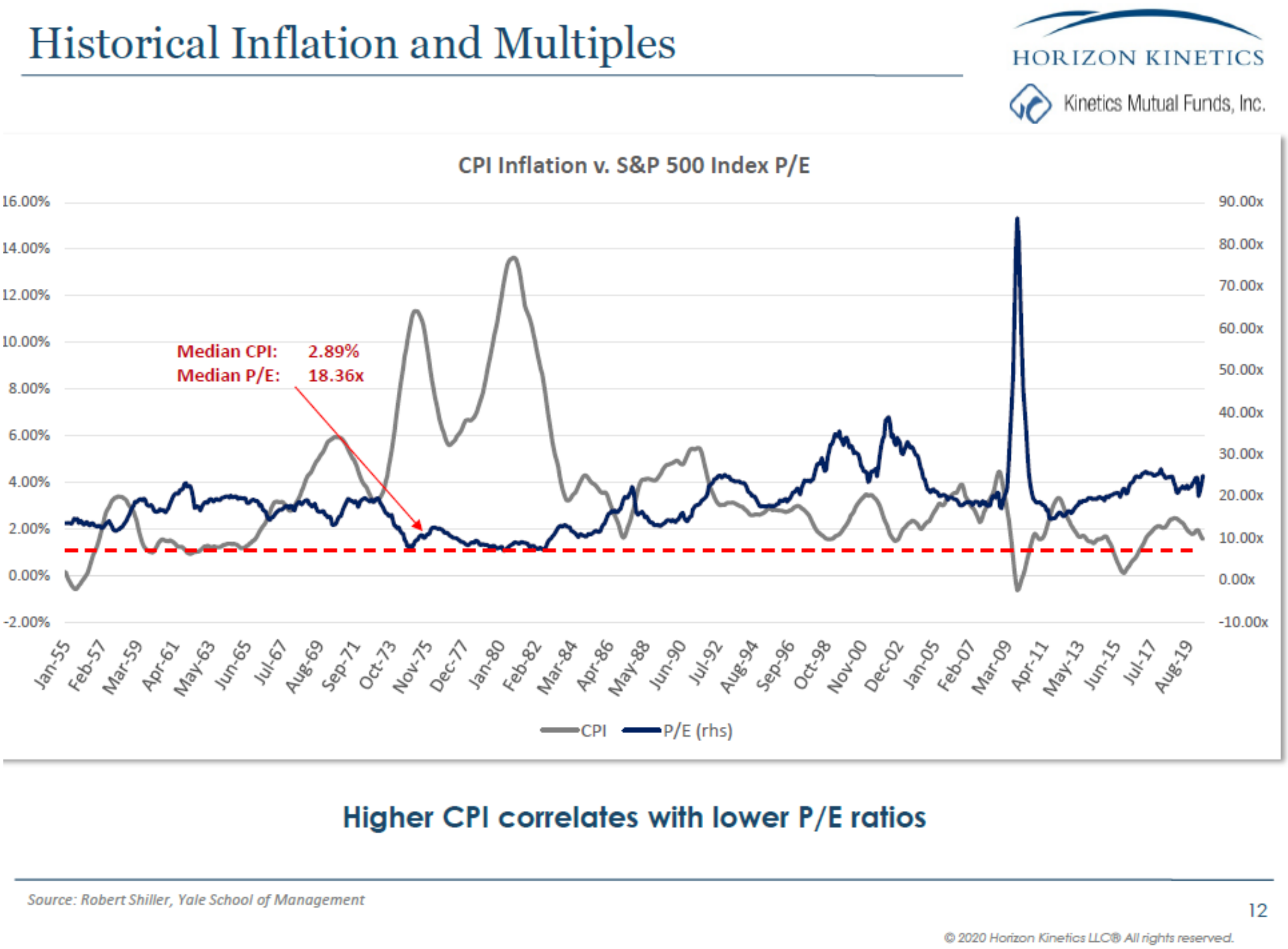


Ultimately, profits did grow, but it was ultimately after a washout of an unprofitable investment within the tech space. You saw profitability and the S&P re-correlate going into the global financial crisis, and things kind of went back to a more normal environment and correlations, until you see 2011-2012 is when things broke down again. Recall, that was when the sovereign crisis in peripheral Europe was peaking, and I think the whole world realized that we were never getting out of quantitative easing and monetary responses to the global financial crisis. And then all of a sudden, just this massive divergence between the S&P 500 and NIPA profits through the end of last year. It continues to this day and is even more extreme, had we updated this through the first half of 2020. So, obviously, there's a huge valuation component and a divergence today.

On to the next slide: this explains at least part of it. Markets are behavioral and markets are emotional, so that's the psychology of investors where they feel like they can't lose because the market has their back. But the chart on the left shows the history of inflation and the effective federal funds rate. So, it's not unprecedented or even uncommon for a short-term Fed funds rate to be neutral: about the same as CPI. In a strongly functioning economy, I don't think that it necessarily should be neutral – or there should be some real cost of overnight money. But, again, we're not well out of the realm of having neutral or negative rates.

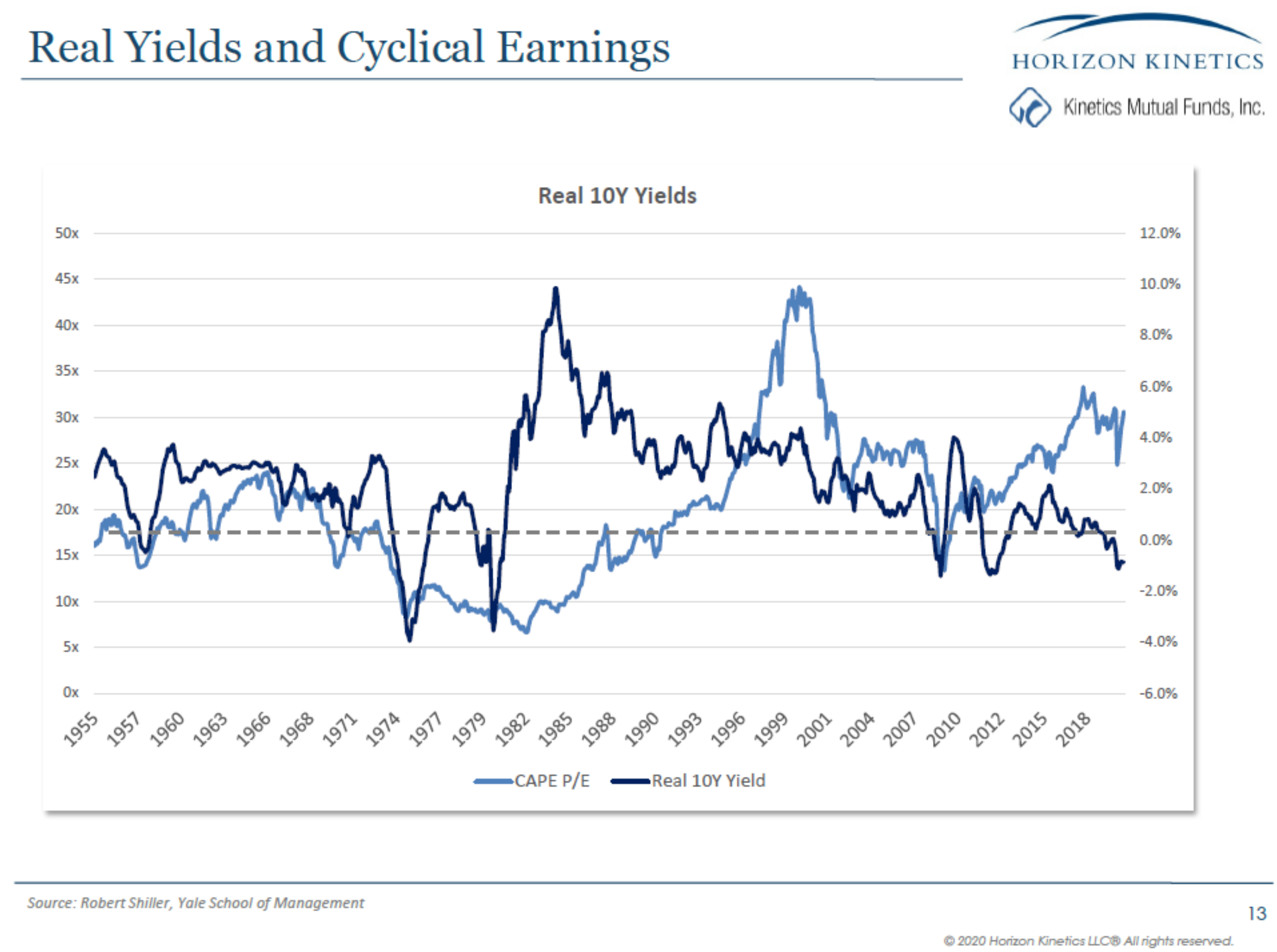


But where it gets really, I think, pronounced is the chart on the right where it's been extremely uncommon to have negative real yields on the 10-year. You know, you had it briefly when inflation spiked in the early '70s and again in the early '80s, and then on the precipice and workouts of major crises. But to the extent that the 10-year inflation breakeven right now based on TIPS is about 180, and the ten-year is slightly under 80 basis points, you're pricing in 10-year money at a negative 100 basis point yield. And you're seeing strategists at big bulge bracket banks and people that are more sanguine about the growth complex justifying theoretical infinite multiples. If you're going to discount a stock's earnings at a negative rate, it's worth infinity but this has really run its course. And I think you can really see the fact that the 10-year has come down from 16 to effectively zero today. I think that also you can see that there's a finite limit to this.

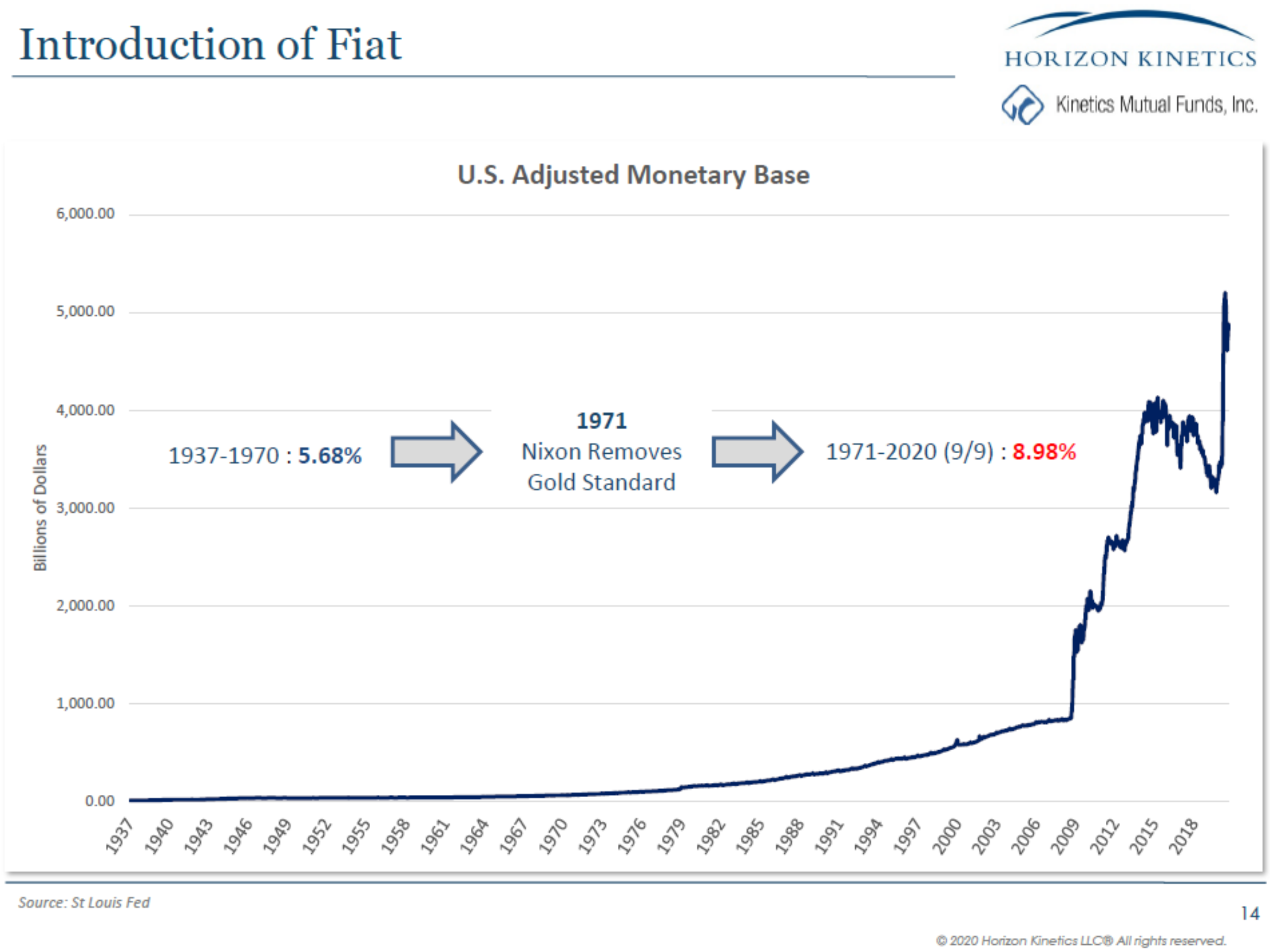


So, on to the next slide: this actually shows historical correlations between CPI and the S&P 500 P/E. You can see that the median going back to 1955 was about 3%. So, not crazily above the Fed's current objective of 2% – although they've said that they would not be opposed to it running far hotter. The median P/E is about 18.3x. But I think the biggest thing to take away here, where you see big moves in inflation, you see the P/E drop substantially below the median. So, obviously, you see it there in the '70s and then again in the late '80s, early '90s. Again, we've had ultra-low CPI and that has also contributed to inflating equity returns. Obviously, we've been in a 30-year raging bull market for bonds. So, the sensitivity of people's portfolios to very minor changes in interest rates at CPI, especially a 60/40 portfolio or anybody with any duration in a fixed income portfolio, I don't think the market properly appreciates the risks of inflation today.

So, let's move on to the next slide. This, again, is a cyclically adjusted P/E ratio that Robert Shiller created at the Yale School of Management, comparing that to the real 10-year yield. And, again, you can see that the CAPE Ratio has actually risen with falling rates, which – you saw it happen in the '90s but, historically, a falling 10-year yield in real terms is actually a negative to cyclically adjusted multiples because it typically means a fairly negative economic backdrop. So, this is just one of another dataset that shows extreme divergences between what would be historically and reasonably expected.



So, moving on to the next slide: I think this kind of ties in together some interesting – so, a lot of the things that we've kind of laid the groundwork for. But the monetary base, which, M2, is very similar to what was historically the monetary base in the U.S. And you can see going back to 1937, it grew about 6%. The gold standard was removed in 1971, and then all of a sudden you step-function here to a 9% growth rate, in no small part thanks to 2008 and the response to the global financial crisis, and again today.

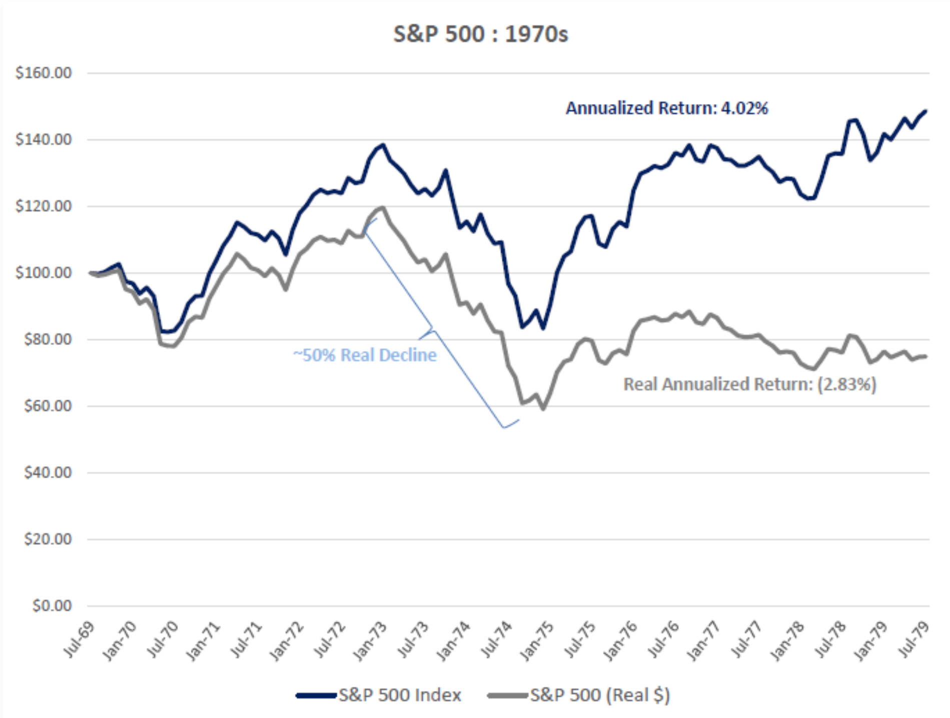


But let's go back to 1971 and the parallels between that bifurcated market and the market of today. Slide 15 actually goes into the Nifty Fifty. So, the chart on the left is the Nifty Fifty. And I wasn't actually aware of this, but the Nifty Fifty actually wasn't a broadly accepted index or list. There were actually two lists that were broadly referred to. One was a Morgan Guarantee list, another was Kidder Peabody. But these are the constituents that were widely acknowledged to be the leading growth, ultra-high quality companies of the time. And this is actually from a Pomona College study which revisits the companies and their returns in 2001. And this was in response to a paper by Jeremy Grantham that suggests that if you had bought these ultra-expensive companies, you would've outperformed through 2000 or 2001.

"Nifty Fifty" Revisited

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

	1972 P/E	Annualized Return	
Polaroid	90.7	-14.68	
McDonald's	85.7	10.50	
MGIC Investment	83.3	-6.84	(1.41)
Walt Disney	81.6	8.97	
Baxter Travenol	78.5	10.10	
Intl Flavors & Fragrances	75.8	5.66	
Avon Products	65.4	6.04	
Emery Air Freight	62.1	-1.37	(-0.16)
Johnson & Johnson	61.9	13.35	
Digital Equipment	60.0	0.93	(7.14)
Kreage (now Kmart)	54.3	-1.07	
Simplicity Pattern	53.1	-1.47	(-1.32)
AMP	51.8	11.17	(11.92)
Black & Decker	50.5	2.45	
Schering	50.4	13.19	
American Hospital Supply	50.0	12.36	(5.16)
Schlumberger	49.5	10.37	
Burroughs	48.8	-1.64	
Xerox	48.8	0.89	
Eastman Kodak	48.2	1.72	
Coca-Cola	47.6	13.15	
Texas Instruments	46.3	11.27	
Eli Lilly	46.0	13.14	
Merck	45.9	14.27	
Upjohn	41.1	9.95	(10.98)
Chesebrough Ponds	41.0	10.96	(6.55)
Minnesota Mining (3M)	40.8	9.78	
American Express	39.0	10.30	
American Home Products	38.9	13.13	
Schlitz Brewing	38.7	6.68	(-0.67)
Halliburton	38.3	3.19	
IBM	37.4	9.68	
Lubrizol	36.9	7.62	
J.C. Penny	34.1	4.83	
Squibb	33.9	14.21	(10.26)
Procter & Gamble	32.0	11.94	
Anheuser-Busch	31.9	13.55	
Sears Roebuck	30.8	6.94	
Heublein	30.1	14.66	(4.20)
PepsiCo	29.3	15.55	
Pfizer	29.0	16.99	
Bristol-Myers	27.6	15.35	
General Electric	26.1	15.57	
Revlon	26.1	12.40	(6.05)
Phillip Morris	25.9	17.68	
Gillette	25.9	14.12	
Louisiana Land & Exploration	25.6	4.91	(8.54)
Dow Chemical	25.5	10.80	
First National City	22.4	13.36	(12.11)
ITT	16.3	9.99	
S&P 500	19.2	12.01	



Source: Fesenmaier and Smith, Pomona College. Horizon Kinetics Calculations

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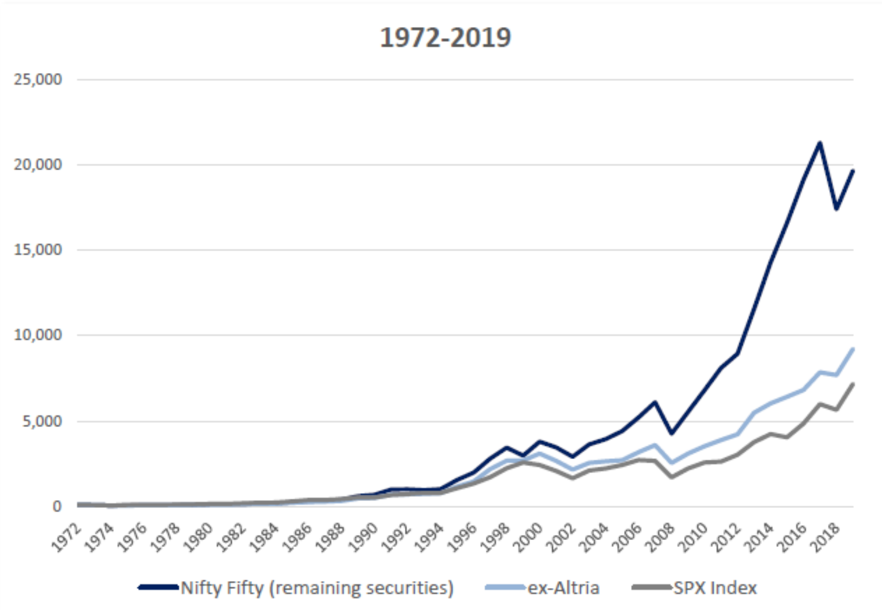
But going down that list, you can see that there are about 22 or 23 of those companies where we have inception to date performance. And for simplicity's sake, we're only using those companies and we're doing an equal weight with no rebalancing. There are many different ways to calculate this and manipulate the numbers, but I think that this is giving a fairly good representation of what the data would look like and exactly what an investor would've experienced investing in this basket of very high P/E, thought to be untouchable, companies of the time.

So, the blue line shows you had a rocky, volatile return series but ultimately nothing all that bad. If you were to hold this through the 10-year period, which inevitably very few people did, especially if you were on margin, you compounded at 4% a year. But if we look at this in real terms, the real rate of return over that 10-year period was a negative 3%, which would've been utterly devastating to people today, especially if you were relying on equities and you were later in your income generation or savings for retirement. But I think more stark was that you had a 50% decline in the real value of this portfolio from about 1973 to 1975 due to not only the decline of the portfolio but also as inflation kicked in and really deflated the returns on your portfolio and the value of your portfolio in real terms even further.

"Nifty Fifty" Revisited

HORIZON KINETICS
Kinetics Mutual Funds, Inc.



	Returns (1972-2019)	
Company	Mutliple	CAGR
MCDONALD'S CORP	217.5x	12.13%
DISNEY (WALT) CO	106.2x	10.43%
INTL FLAVORS & FRAGRANCES	29.7x	7.48%
AVON PRODUCTS	1.7x	1.07%
JOHNSON & JOHNSON	146.4x	11.19%
STANLEY BLACK & DECKER INC	117.2x	10.67%
SCHLUMBERGER LTD	35.1x	7.87%
XEROX HOLDINGS CORP	2.3x	1.76%
COCA-COLA CO	124.8x	10.82%
3M CO	64.6x	9.28%
LILLY (ELI) & CO	102.6x	10.36%
MERCK & CO	140.5x	11.10%
AMERICAN EXPRESS CO	82.6x	9.85%
HALLIBURTON CO	11.8x	5.39%
INTL BUSINESS MACHINES CORP	21.4x	6.74%
PENNEY (J C) CO	0.2x	-3.50%
PROCTER & GAMBLE CO	127.6x	10.87%
PEPSICO INC	267.6x	12.63%
PFIZER INC	162.8x	11.44%
BRISTOL-MYERS SQUIBB CO	142.1x	11.12%
GENERAL ELECTRIC CO	29.6x	7.48%
ALTRIA GROUP INC	2387.7x	18.00%
S&P 500 Index	71.7x	9.52%

Source: FactSet. Horizon Kinetics Calculations

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So, moving on to slide 16: this actually takes the returns of the Nifty Fifty – again, this basket on the right are companies that are all still in existence today. If you went back to the old list, there's actually been a lot of consolidation within the list itself, especially within pharma. A couple of companies are obviously no longer around: Pondarosa Grill, clearly Polaroid. While some others have come pretty close to no longer being around, J.P. Penney, for one. But, by and large, this index was very, very sensitive to, a) survivorship bias, so, I think it outstates the returns. But, also, b) it shows you the sensitivity to one company: Altria Group.

So, Altria, back then Philip Morris, contributed an absolutely astounding return where it compounded over this entire period at 18%. So, it might not sound all that pronounced relative to another one of the top performers, which was McDonald's, which compounded at 12%, but that 6% spread over this period amounted to Altria Group compounding a multiple of original capital at about 2,400x versus about 200x for McDonald's. So, going up and down this list, you can see that some outperform, some underperform, but by and large, if you let your portfolio undiversify into the biggest companies, you would've outperformed the S&P quite substantially, but a lot of that was thanks to radical outperformance by Altria Group.

Another thing that Peter brought up earlier in the presentation when citing the statistics on the leading tech complex today is that these are multi-trillion dollar companies and if you were to look at a percentage of – let's say Apple, for example, as a percentage US GDP. It's higher than this entire list of 20-odd companies in 1972. So, not only did these companies ultimately end up having a 40-year period of declining interest rates from the early '80s through present day, we've had globalization, we've had a technological revolution, we've had supply chains compressed, we've had international expansion – but these companies were all tiny in today's terms. They were very small relative to their TAM or Total Addressable Markets, relative to companies today that are, in some senses, larger than OECD countries' entire GDPs. So, to buy a Netflix or an Amazon or even Apple at today's multiples is vastly different than buying the Nifty Fifty companies in the 1970s at those multiples.

Slide 17 gives another very interesting example going back to the 1970s, where obviously we were on the cusp of very aggressive inflation. For that first 10-year period, Schlumberger and Halliburton were massive outperformers through the oil and the OPEC oil embargo and that big move. But then ultimately these companies traded at very, very high multiples – darling multiples but ultimately weren't anything close to trading at the multiple of the S&P.

"Nifty Fifty" Revisited

HORIZON KINETICS
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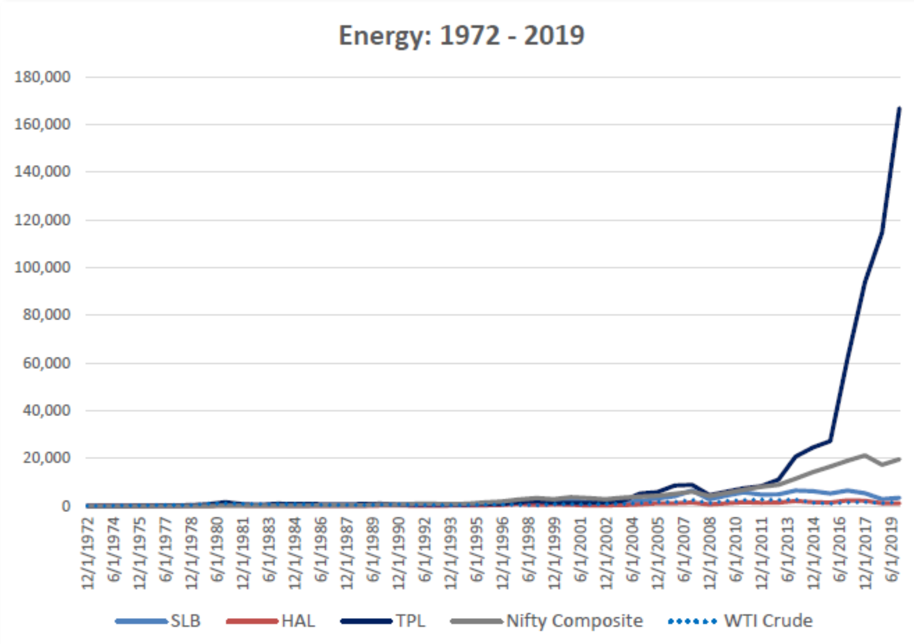

	Returns (1972-2019)	
Company	Mutliple	CAGR
SCHLUMBERGER LTD	35.1x	7.87%
HALLIBURTON CO	11.8x	5.39%
TEXAS PACIFIC LAND TRUST	1668.3x	17.10%
CRUDE OIL (WTI)	17.2x	6.24%
S&P 500 Index	71.7x	9.52%
"Nifty" Composite	196.5x	11.89%
"Nifty" Composite ex-Altria	92.11	10.10%

Source: Factset. Horizon Kinetics Calculations

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This chart shows TPL again, Texas Pacific, in 1972 compounding at 17% or 1,668x your original invested capital. So, you can compare this to the Nifty composite ex-Altria at 92x: the Nifty composite if you put everything in there at 196x, the S&P at 71x, crude oil at 17x. And then the two expensive darlings of the day – Schlumberger did 35x; Halliburton 11x, both considerably below the S&P and an absolute fraction of Texas Pacific Land Trust.

So, one of the things that I also believe is really interesting is, maybe in 1972 it wasn't as much of a pariah stock, but tobacco and Altria Group have actually been some of the best performing stocks of the last 20 years as well, when it was not a secret, in any uncertain terms, that the entire world was moving against cigarettes and tobacco. But basically by having copious cash flow generation, retiring stock and paying dividends, you know, if you took the 20-year period from the late '90s through just a couple of years ago, before Altria got involved in all this vaping stuff, you just did radically better in Altria Group despite the negative connotation. And that's a product that's discretionary. People choose to smoke. People don't choose to use some of these raw materials that are in our portfolio at these ultra-cyclically depressed multiples.

So, anyway, wrapping everything up here and just on to the next slide... The conclusion and this is really how the portfolios have been positioned and will continue to be positioned, is intelligent hard asset investing where it's really designed to compound your capital and endure through a down cycle. So, you can call us a complement to a broader market exposure as we have such low correlation, and we own things that are just not in the indices whatsoever. I don't like the term hedge, because this is a positive carry through a full cycle. You're not making an expensive bet on CPI or inflation swaps or any other type of thing. These companies are generating very, very attractive cash-on-cash yields, and these are designed to compound and really benefit as the regime of dollar supremacy, declining rates, low inflation, globalization, declining labor force are run through the system. And we believe that allows you to preserve asset value, pass it along through the entire economic backdrop.

Conclusion

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

- Intelligent hard asset investing designed to compound capital and endure down cycles
- Ability to preserve asset value and pass along costs as the economic backdrop shifts
- We believe that these assets are varying degrees of inexpensive, unlike the richly valued broad market and very expensive growth stocks
- Minimal index representation despite large addressable market
  - ✓ Energy royalties
  - ✓ Precious metal royalties
  - ✓ Real estate managers
  - ✓ Financial exchanges
  - ✓ Data providers
  - ✓ Shipping Brokerage
  - ✓ Base Metal/Agriculture processors

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So, I think we've made it very clear that we think that these stocks are varying degrees of inexpensive to wildly inexpensive and stand in stark juxtaposition to the broader market, certainly in the growth complex. And, finally, these companies are just not in the indices or not enough to comprise any meaningful exposure, but there is a large addressable market. And feel free to reach out to anyone at the firm or your sales rep and we can talk through some of these in more detail. But energy royalties, precious metal royalties, real estate managers are to be differentiated from investing in capital intensive real estate at crazy high cap rates. Financial exchanges are incredibly interesting. Countercyclical elements of these businesses evolve. Data providers and shipping brokerage are examples. There are also some other types of brokerage in insurance, for example, as well as in base metal and agricultural processing companies.

We really think that all of these companies are trading at cyclically depressed multiples, certainly relative to the broader market and other asset classes, and are positioned to really thrive – and it might sound benign but if inflation – let's say the Fed is successful and we have inflation move from 2% to 4%, and then there's the inkling of rates moving, it's wildly destructive to a growth tech-heavy beta exposure, and then your bonds. It would likely be utter destruction in real terms. And we think this portfolio would thrive.

So, in closing, we think that this is really a compelling opportunity today. One last thing that I'd like to mention is that we believe that these types of assets have already moved. Peter had a good slide earlier on agriculture, and base metals, and lumber, and rubber, and obviously energy is a different story, but these things are moving. And then there are other nonfinancial assets that are moving dramatically. Look at art auctions, whiskey auctions, fine wines, trophy vacation homes, antique cars, things like that where they're not based on a financial metric, because everything with a yield and everything that's been valued in dollar-based yields has already been inflated.

The point I'm making is that I think that these things are going to move far faster and far more aggressively and earlier than the CPI. So, CPI is probably going to move after everything else. It's going to be a lagging indicator. You're going to realize it in your day-to-day life. It's going to be painfully obvious. So, maybe CPI and LIBOR-based solutions that people are thinking about as a conventional complement are going to be late to the game or might not even not participate in this.

So, with that, I think we've left some time for questions and answers, and I'll see if Chris or Peter have any concluding comments as well.

Chris Bell: Thank you very much, James. Attendees, if you could look under your chat button, under the chat heading in your connection box, you can type in a question there and we will try and get it answered. There are a few questions that I have from the field. One question, James or Peter, if you could answer: I've been hearing a lot from people that we're currently in a deflationary phase in what is going to cause the inflationary phase. Do you think the deflation and inflation can both affect the portfolio in similar ways?

Peter Doyle: So, my answer to that, Chris, is that you're already seeing, in certain areas, deflation. So, the price of oil is down very substantially, and oil is involved in the manufacture of a lot of different goods and services. So, that's been a big boon. Other things are coming down in price as a result of the lack of demand and overabundance of supply.

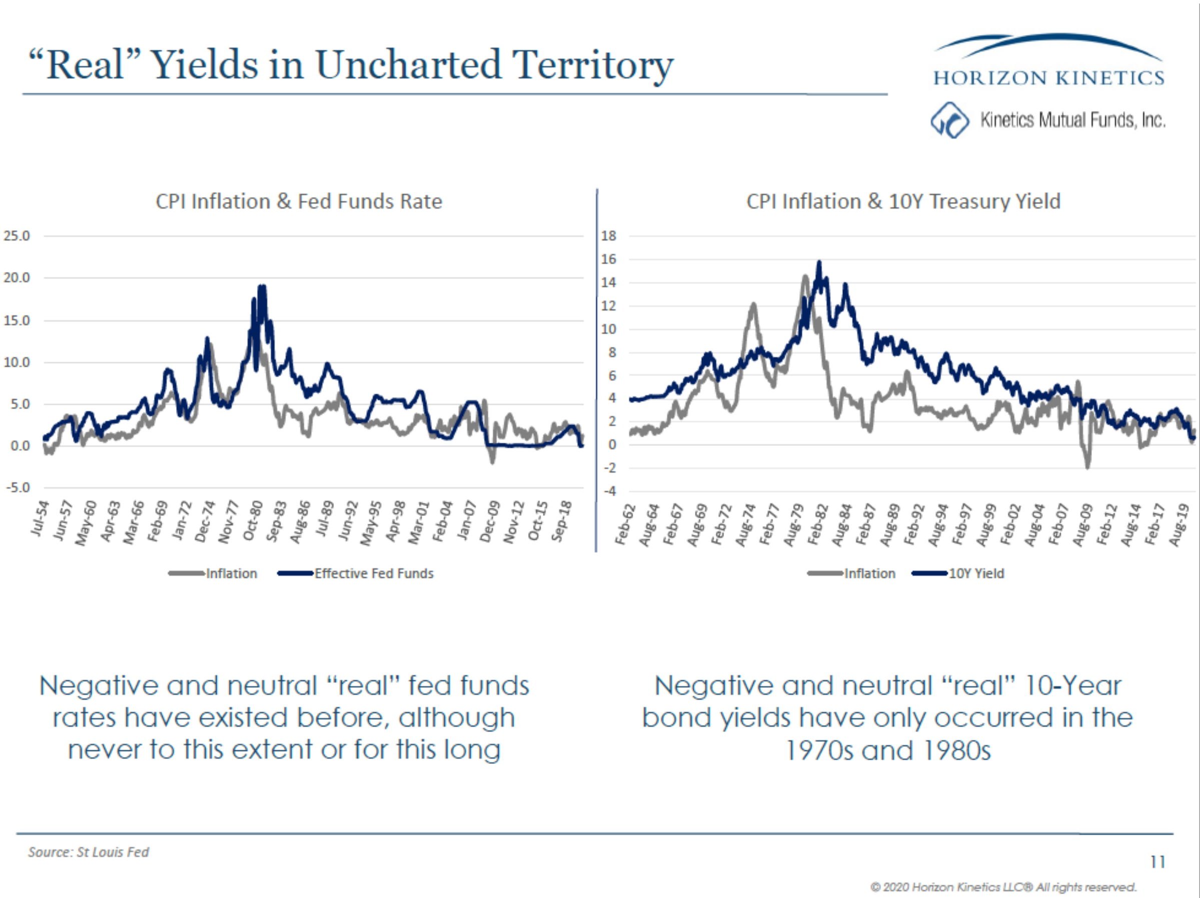
What we're talking about, is the supply disruption for a lot of the things that we're exposed to is not being appreciated. And we have positioned the portfolios accordingly. So, people are talking about deflation and they said, this monetary velocity that I mentioned earlier hasn't grown. And even though there's more liquidity in the system, it doesn't really matter that the Federal Reserve prints up money. To date, that's been accurate – largely accurate. I think CPI is a useless piece of information because anything that you're really concerned about, whether it's about the insurance that you buy on your home, the healthcare that you pay, the education for your children, etc., if you wanted to buy a second home – all of those things seem to be inflating at a very high rate. It's well in excess of 2%. It's probably 6, 7, or 8% on an annualized basis. So, I don't know, the CPI doesn't seem to capture that. So, you're seeing a case where there's deflation in the economy and inflation in the economy.

What's going to be the real jolt to the market is that people are not appreciating that the supply of – and I'm talking particularly about oil – the supply is being disrupted and it's coming offline, and oil companies are not replacing their reserves, and that's going to ultimately show up in much, much higher prices, and that's going to ripple through the economy and you're going to start seeing that. And the Federal Reserve can't allow rates to go higher. So, you're going to see negative real rates for a longer period of time, and you're going to see inflation affecting people's portfolios. And anybody that borrowed money is going to pay back in cheaper dollars, and that's how it's occurred.

And one of the things, and kind of the takeaway is that for me over the last several years, really coming out of the 1980s with Alan Greenspan and the Greenspan put, capitalism has really always been considered to be worst of the economic systems, except for all the rest. And there was an intolerance, and there was always a shortcoming of how capitalism allocated its resources and people – basically, there was a concentration of wealth. And that's true of other systems. And you hoped that the people that made a lot of money would give back to society.

But as a result of the Greenspan put and then the Federal Reserve actions coming out of the financial crisis and more recently with COVID, you're seeing that the wealth disparity is growing at a very large rate. And there's backlash to that now in ways that you never would've seen in our lifetime. There's going to be effects from that and it's going to get worse if what we're saying is right – there's going to be a supply shock to the system for certain commodities. And the people that basically don't have the assets and protection are going to get hit even worse. So, there are some things to be concerned about, real things to be concerned about. So, I don't know if you wanted to add anything to that, James.

James Davolos: We can go back to slide 11: I think this is a really interesting chart. Because if you look at this chart on the left, look at the parallels from the early and mid-'60s to today where at that time, there were deflationary concerns and Fed funds was pretty close to neutral. And it's a slow burn as the seeds are sown for inflation. Because, to take Milton Friedman's quote, inflation is a monetary phenomenon. . But there's a second aspect to it: it's a psychological phenomenon.



So, in the '60s, we not only had Vietnam War spending, we then had Medicare and Medicaid introduced, and then it culminated in 1971, when the United States left the gold standard. So, it was basically ten years in the making before the monetary phenomenon. And now today, the monetary phenomenon has already happened, and it's not going away for a long time. We're throwing the fiscal component on top of it all. And I think psychologically, what's going to happen over the next couple of years regardless of administrations, and it's going to happen worldwide, is labor is going to have to be empowered. You're seeing the lines of that being drawn in every developed country. You get the money into the hands of people with a higher propensity to consume, then you're going to start seeing what the Fed meant or what the Bureau of Labor Statistics calls CPI – which, I agree with Peter, it's utterly meaningless. But the call to action now is the things that are going to front-run that move and are going to move far more dramatically at a far lower supply.

History definitely doesn't repeat itself but it rhymes. There were deflationary pressures, there was slack in the economy. Lo and behold, it was a very slow burn, and then we had a very, very big move. But you saw that these other things moved first. And I think that we're going to see – we're starting to see the beginning of a very similar playbook today.

Chris Bell: And I think, James, that period is different from the simple point of view that the U.S. was in a much better debt to GDP situation than they are now. So, they actually – the Federal Reserve actually had a few weapons that they're not going to have this time around. Would you agree with that?

James Davolos: Absolutely and far earlier in terms of maturing the economy, better demographics, you name it. I think that the endgame here is fairly obvious.

Agustin Krisnawahjuesa: The first question is "How would your thinking change if the Democrats sweep?"

James Davolos: I'll take that one first and then go to Peter. I'd say it would probably not make that much of a difference. But I do think that it will be far more inflationary, given the labor dynamic, which I think is the one biggest hurdle to seeing the numbers being expressed today. Obviously, there would be a far higher propensity to get money into the hands and wallets of people that are in the lower income brackets.

But it would also, given certain policies, which there's no indication to suggest that any of these are imminent – but if there were policies that were targeted at industries, particularly in energy and mining, it's only going to exacerbate the upcoming supply crunch. And without leaving the scope of this conversation, it's something that we are extremely conscious of. And when we look at where the assets of the companies in this portfolio are located, we believe that should some of the more draconian language targeted at these industries came to fruition, it would actually be to the distinct benefit, based on the jurisdiction and location and operation of these assets. So, I think in a sweep, it would actually accelerate and accentuate these pressures. And, Peter, I'm not sure if you had any follow-ons.

Peter Doyle: No, I think that was an excellent response. I would say that perhaps the questioner was getting at the position of Texas Pacific Land. And I echo what James just said. It's likely to accelerate the supply shock and benefit. And even if they wanted to move away from hydrocarbons to fuel cars, etc., they can't do it. They can't do it in any short-term plan that they have. So, if you're developing solar panels, if you're developing wind turbines, etc., that all takes a lot of energy to produce those things.

And in the case of wind turbines, they're 100% nonrenewable in the sense that you basically scrap those after a fairly short period of time and they go into a landfill. So, they consume a lot of energy. And whatever source of energy that you hope to convert or transform, you're going to require some other form of energy to make that come about. We're just not getting off the system. So, there's not enough political will to adjust and move over to nuclear, but that's probably the best answer, but that's not happening either.

So, my guess is that it's exactly what James said. If the Democrats, they'll talk a good game but there's nothing they really can do. There are just too many products that are based on oil. And it's just not going away. And as I mentioned earlier, they've been trying to get rid of coal for, you know, 40-plus years, and we're consuming as much as we did in 1971 and we have other alternatives.

Agustin Krisnawahjuesa: The next two questions are related to the Delaware Basin. The first one: "Do you know approximately how many rigs are currently operating in the Delaware Basin?" And the second question: "Do you perceive Chevron's long-term production plans changing in the Delaware Basin?"

James Davolos: I'll take the second question first. Chevron did update their guidance for the Permian Basin, where basically they're saying we're not going to aggressively produce oil in the $40s, and I agree with them. There's no need to. Chevron can cover their dividend for a while. And I think that when the environment is accommodative again – and accommodative is $60, it's not $100 – you know, I think that we can be higher. Chevron and Mike Worth, the CEO, have been very, very direct in explaining that they are an energy company. That is their job: to provide low-cost efficient energy to the world and to generate shareholder returns. They're actually making leaps and bounds in "green initiatives" for oil and gas extraction. It's probably moving at an equal or greater rate than the people who get accolades for theoretical hydrogen and battery technology that might be 50 years away, if ever.

In terms of the rig count, I don't have the exact number today. It's a fluid number. But the U.S. onshore rig count remains very, very heavily skewed towards the Permian Basin, specifically the Delaware Basin.

Peter Doyle: James, I pulled up the Baker Hughes apps, so there's an app that you can download for free: Baker Hughes Rig Count. So, in the United States, there are 266 rigs operating. And then they have it broken out where the Permian, there's 129 rigs drilling for oil, zero for gas. And I think within Texas, of that 129, I think its 113 rigs that are within Texas itself.

James Davolos: Yeah, so I'd say the Delaware is somewhere in the 60s or 70s.

Agustin Krisnawahjuesa: Okay, there are two questions related to your comments on agriculture processing companies. "Can you provide an example of an agriculture processing company?"

James Davolos: Sure, I think that the largest and most recognized is Archer Daniels Midland, which has a long history. They basically have a lot of supply contracts where they supply different types of agricultural products from all around the country and all around the world. In many cases, they process, upgrade and transport those for a margin. And if you were to look at ADM's history over the past 15-20 years, margins are depressed, and it's because the volumes are there but margins are depressed due to different factors. And when you're trading at a – if you were to add back non-cash D&A, you're probably trading at a 10% cash flow yield or earnings yield on very cyclically depressed earnings. And I think that that is a far more interesting way to play this cycle than people that talk about farmland and going further upstream.

There are some other very interesting, what I call the broader processing and trading companies, where they may not be as involved in the upgrading and processing. For example, turning wheat into flours and different types of seeds into seed oils. But there are the Japanese trading companies: there are about five prominent ones. And some of them have heavier energy exposure, but a lot of them have a lot of soft commodities exposure as well. It made headlines earlier this quarter when Warren Buffett initiated, I think it was a $5 billion investment in these companies. So, I consider him to be a pretty smart guy and it seems like he's thinking along the same lines as Peter and Murray.

Agustin Krisnawahjuesa: "You mentioned that coal is still being used; yet, the entire coal industry has been wiped out as far as equities go. Is natural gas vulnerable like this? And do you have any opinion on MLPs?"

Peter Doyle: So, part of the issue is that nobody – they can't get access to capital. And it's not completely wiped out. There are obviously companies operating. And you can see – I presume the MLP question was coming from *Barron's* this weekend and potentially the pipeline situation. That business is not going away. So, if you were to buy a broad-based basket of one of the ETFs that they recommend, that's actually a sensible investment, in my opinion. They're down something like 80% year to date. The demand for natural gas, particularly as we enter the winter months here, is going to continue to grow. They're going to have to ship the gas through the pipelines, and those companies are going to service their cash flow. Some of them will – they maybe took on too much debt: they'll run into problems. But if you had a broad enough diversified portfolio of them, I believe ultimately some of them are going to be big winners. And that business is going to continue to do fine.

So, I totally agreed with the *Barron's* article. It made sense to me. In fact, personally, I bought some shares of an MLP natural gas pipeline company earlier this year.

James Davolos: And I'll just add to that, that natural gas is, for all intents and purposes, the transition fuel. It's extremely efficient. And, equally important, is it's far cheaper to transport. So, the abundance, and the low cost, and the transportation advantage of gas have been largely to the detriment of coal. So, thermal coal, which is used in power plants, has obviously been an extremely disrupted industry. I think that gas and oil – obviously the hydrocarbon complex is going to be with us for generations in some way, shape or form – there's varying degrees of where, even under a Paris Accord, you're still going to see 50% of global energy consumption being fossil fuel based in 2050.

We're seeing more of the U.S. switch to gas and Europe is moving more and more towards gas. I think that the next step is getting India, and China, and other less developed economies off heavy heating oils and fuel oils and coal-based energy sources. And I think that's the dynamic that's at play. But I think gas is going to be a tremendous growth market once the world opens back up and a global economy is pulling it in again.

Agustin Krisnawahjuesa: Okay, next question: "How do you think all the debt in the oil sector affects our thesis in this industry?"

James Davolos: It accelerates it. The weak hands are going to be forced out, and they should be forced out: the bad assets are going to become defunct. And when you own a royalty, you don't take on the balance sheet directly, but indirectly you add exposure to your producers. And in the case of most of our companies, we feel very comfortable with the credit of the producers. But I think that one of the problems was that when shale – it's funny, not that long ago, shale had the allure and the thoughts of infinite forever growth that you're seeing with battery companies, and social media companies, and anything else that's trading at 50x revenue today.

But the companies that were in bad locations, had bad economics, had too much debt, they should go away. Maybe those assets will end up in somebody else's hands and being operated. You know, people talk about peak demand at some point. Well, I think we're a lot closer to peak supply.

Peter Doyle: Yeah, I would just echo what James said. We already saw that. Exxon Mobil only guaranteed its dividend for the balance of 2020 and said it's on the table for potentially being cut for 2021 if the price of oil doesn't rebound. And that's a function of even a company like Exxon Mobil; they've hit the saturation point on how much debt they can take on for going around and trying to replace reserves. So, it hasn't come from operations and they haven't been able to do it for the last decade-plus. Other companies have been more aggressive. They're completely eliminating their dividends because the debt burden is already so high.

So, that's all playing into that they can't get access to capital – not just for investment reasons; there's sociological reasons that people don't want to be seen giving money to fossil fuel companies, etc., so they don't have access in the way they formerly did. And that's really part of why we think there's going to be a supply shortage.

Agustin Krisnawahjuesa: And the next question is related to precious metals. "Is there a concern of mine confiscation either in direct form or in tech form, especially in emerging market royalty companies: Turkey and Sandstorm, for example?"

James Davolos: I mean, I think that's why Sandstorm's shareholders give Turkey zero value. You know, I'm not an expert on the geopolitics over there but obviously it's extremely complicated. And there was a political channel that enabled Sandstorm to get that mine permitted. And Sandstorm still technically has an operating interest in that as well as a royalty. And if you look at the portfolios of the predominance of Royal Gold, Wheaton Precious Metals, Franco Nevada, and then some of the newer emerging ones, they really focus on North America.

I mean, there are some examples of some assets that might be in South America, or there's one that's in the Dominican Republic for Royal Gold. But it's basically not worth the risk, and you're never going to get the premium in the marketplace if you're going to go into these jurisdictions. And the major companies understand that, and that's how they built their portfolios. There are a couple of other companies where you're getting zero value for it. It's tough. Without having a very strong opinion or knowledge of the politics of the situation, I wouldn't necessarily disagree. But if a call option is priced at zero, I'll take as many as I can get.

Agustin Krisnawahjuesa: The next question is related to Icahn. "Do you have any updates on Icahn Enterprise?"

James Davolos: Carl Icahn put a lot of liquidity into his portfolio over the last two years. In hindsight, I think he got some very good prices for some of the cyclical assets. And you have the investment portfolio, which is what's really driving returns today. And he's technically stepping down from day to day, and he's brought his son back on, who – his son's actually done a very good job and I think is a little bit more forward-thinking in this portfolio management. The dividend is still in place and the company's very well capitalized. And I think that if we enter an environment where correlations between stocks and bonds don't just go up in a straight line every day, there's more interest rate uncertainty, there's more inflation uncertainty, you're going to walk right into a Carl Icahn type of market where he can put up big numbers when the rest of the world is standing still or going down.

Chris Bell: Thank you very much, Agustin, for moderating; Peter and James, for your thoughts and ideas today. Thank you all who are listening. And, again, there will be a recording of this and the slides will be available. So, just reach out to your representative and we'll be glad to help you. And I'd like to wish you all a very nice day.

[END]

The Kinetics Alternative Income Fund

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%
Adv. C	KWICX	494613698	1.00%
Inst.	KWIIX	494613680	-
No Load	KWINX	494613722	-

Fund Characteristics

Total Net Assets	$13.1 million
Total Number of Positions*	4
Turnover Ratio	0.00%
Minimum Purchase	$2,500

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

Portfolio Allocation

Cash and Cash Equivalents	54.4%
Other Investments	45.6%

www.kineticsfunds.com

Alternative Income Fund Overview

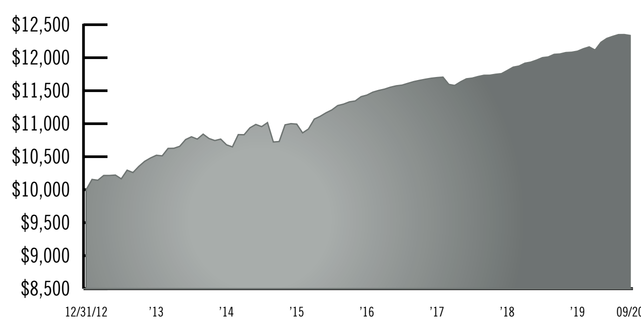
- A two-part investment strategy focused on generating income and capital gains in excess of traditional short duration, investment grade fixed income indexes.
- The strategy primarily invests in a diversified portfolio of short-term, investment grade bonds with an emphasis on liquidity, diversification, 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 09/30/20

	2013	2014	2015	2016	2017	2018	2019	YTD'20	Since 1/1/13
Fund (KWINX)	5.22%	1.50%	2.94%	4.00%	2.32%	0.92%	2.47%	1.96%	2.75%
Bloomberg Barclays US Agg. Bond Index	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%	8.72%	6.79%	3.32%
Bloomberg Barclays 1-3 Year US Credit Index	1.45%	1.12%	0.85%	2.11%	1.66%	1.64%	5.01%	3.10%	2.18%

Growth of $10,000 Returns

$12,337



Statistics

	Fund	Barclays Agg.
Beta	0.07	1.00
Standard Deviation	2.07	3.11
Sharpe Ratio	0.96	0.82

Equity Option Overview

Option Statistics

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

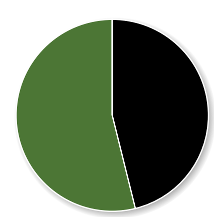
Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	0.69
Average Maturity (years)	0.72

Credit Quality (%)

Cash	54.4%
A	45.6%



The Kinetics Alternative Income Fund

3Q 2020

Performance (No-Load Class)	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
			Annualized Returns as of 09/30/20				
Alternative Income Fund (KWINX)	0.11%	1.96%	2.32%	1.91%	2.83%	2.91%	0.72%
Bloomberg Barclays US Agg. Bond Index	0.62%	6.79%	6.98%	5.24%	4.18%	3.64%	4.63%
Bloomberg Barclays 1-3 Year US Credit Index	0.52%	3.10%	3.91%	3.22%	2.65%	2.24%	3.14%

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	2.31%	2.81%	2.06%	2.01%
Net	1.25%	1.75%	1.00%	0.80%

The Gross expense ratios listed are as of 12/31/2019 as reported in the 4/29/2020 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2021 and may be discontinued at any time by the Fund's adviser after May 1, 2021.

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.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%	1.84%	2.98%
Adv. C	KGLCX	494613623	1.00%	2.34%	3.48%
No Load	WWWEX	494613805	-	1.59%	2.73%

Fund Characteristics

Total Net Assets	$15.0 million
Total Number of Positions*	38
Turnover Ratio	7.00%
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

Cash and Cash Equivalents	53.2%
Common Stocks	35.3%
Unit Investment Trust	11.4%
Preferred Stocks	0.1%

www.kineticsfunds.com

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)

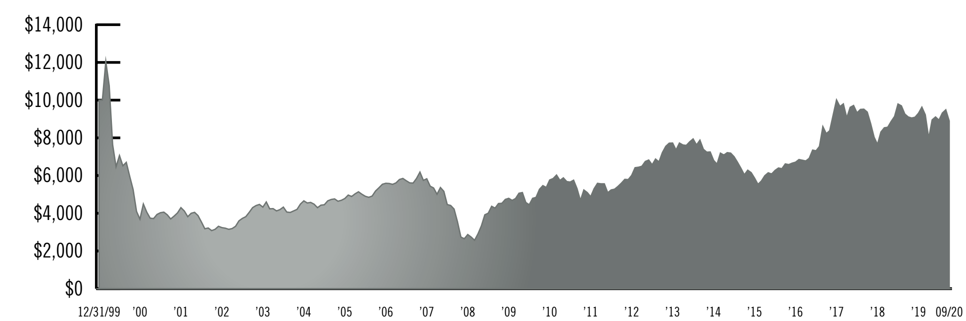
Annualized Returns as of 09/30/20

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWEX)	-0.47%	-4.37%	-2.31%	2.66%	8.05%	5.38%	2.02%	-0.56%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.42%	6.11%
MSCI ACW Index	8.13%	1.37%	10.44%	7.12%	10.30%	8.55%	5.04%	4.42%

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

$8,898



Top 10 Holdings (%) as of 09/30/20

Grayscale Bitcoin Trust	11.4%
Texas Pacific Land Trust	8.7%
CACI International, Inc. - Class A	5.3%
Franco-Nevada Corporation	3.3%
Wheaton Precious Metals Corporation	3.3%
Clarkson plc	2.1%
The Boeing Company	1.8%
Brookfield Asset Management, Inc. - Class A	1.3%
Civeo Corporation	1.0%
CME Group, Inc.	0.9%

Statistics

Statistics	Fund	S&P 500
Beta	0.94	1.00
Standard Deviation	21.57	15.07
Up Market Capture Ratio	0.86	-
Down Market Capture Ratio	1.11	-
Sharpe Ratio	-0.10	0.30
Weighted Avg. Mkt. Cap. ($mil)	$13,453	$452,974
Median Market Cap. ($mil)	$2,337	$23,145
Price to Book	1.79	3.57
Price to Earnings	22.83	26.36
Return on Equity	31.74%	25.88%
Active Share	99.26%	-

The Kinetics **Global** Fund

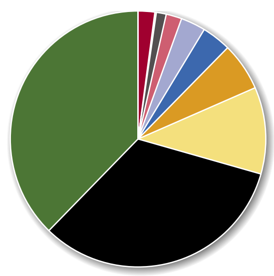
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

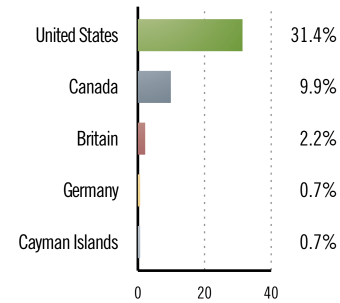
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (WWWEX)	-63.10%	16.53%	-24.65%	33.56%	7.67%	2.65%	16.90%	4.27%	-50.72%	66.86%	20.30%	-15.41%	23.16%	28.59%	-11.89%	-13.83%	14.40%	49.20%	-23.58%	21.61%	-4.37%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	31.49%	5.57%
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%	26.60%	1.37%

Top 10 Sectors (%)

Finance and Insurance	18.1%
Mining, Quarrying, and Oil and Gas Extraction	15.7%
Professional, Scientific, and Technical Services	5.3%
Transportation and Warehousing	2.9%
Manufacturing	1.8%
Management of Companies and Enterprises	1.5%
Accommodation and Food Services	1.0%
Machinery Manufacturing	0.6%
Real Estate and Rental and Leasing	0.1%
Real Estate	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 12/31/2019 as reported in the 4/29/2020 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2021 and may be discontinued at any time by the Fund's adviser after May 1, 2021.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%	2.34%	2.34%
Adv. C	KINCX	494613763	1.00%	2.84%	2.84%
No Load	WWWFX	460953102	-	2.09%	2.09%

Fund Characteristics

Total Net Assets	$110.4 million
Total Number of Positions*	30
Turnover Ratio	0.00%
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	52.8%
Cash and Cash Equivalents	25.9%
Unit Investment Trust	21.3%

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.

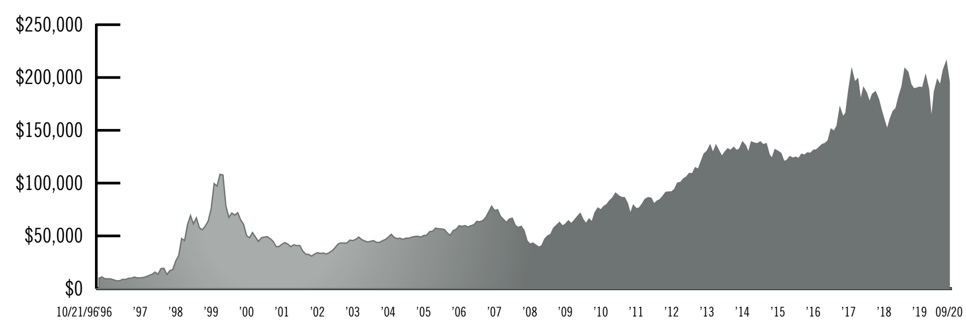
Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
			Annualized Returns as of 09/30/20					
Fund (WWWFX)	1.87%	3.04%	3.58%	6.45%	9.74%	10.57%	5.66%	13.23%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.42%	8.75%
NASDAQ Composite Index	11.02%	24.46%	39.61%	19.79%	19.31%	16.77%	5.72%	9.63%

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

$195,922



Top 10 Holdings (%) as of 09/30/20

Grayscale Bitcoin Trust	21.3%
PayPal Holdings, Inc.	10.7%
Texas Pacific Land Trust	8.6%
CACI International, Inc. - Class A	5.6%
Visa, Inc. - Class A	3.8%
OTC Markets Group, Inc. - Class A	3.2%
Alphabet, Inc. - Class C	2.4%
Alphabet, Inc. - Class A	2.4%
LendingTree, Inc.	2.3%
MarketAxess Holdings, Inc.	2.2%

Statistics	Fund	S&P 500
Beta	1.21	1.00
Standard Deviation	29.57	15.39
Up Market Capture Ratio	1.38	-
Down Market Capture Ratio	1.20	-
Sharpe Ratio	0.36	0.43
Weighted Avg. Mkt. Cap. ($mil)	$135,760	$452,974
Median Market Cap. ($mil)	$5,349	$23,145
Price to Book	2.63	3.57
Price to Earnings	29.24	26.36
Return on Equity	36.71%	25.88%
Active Share	93.27%	-

The Kinetics **Internet** Fund

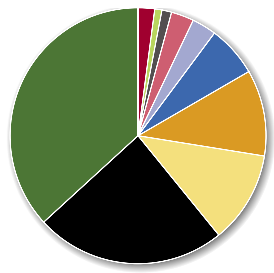
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

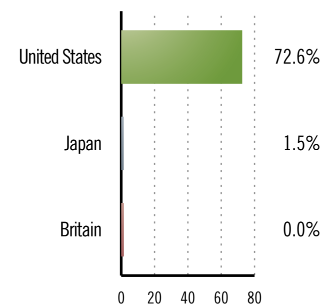
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (WWWFX)	-51.49%	-9.62%	-23.44%	40.11%	10.06%	-1.69%	16.49%	26.81%	-42.24%	48.61%	21.18%	-1.98%	23.24%	44.28%	-0.16%	-5.42%	2.59%	57.43%	-27.32%	26.45%	3.04%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	31.49%	5.57%
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%	35.23%	24.46%

Top 10 Industries (%)

Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	27.3%
Data Processing, Hosting, and Related Services	17.8%
Oil and Gas Extraction	8.6%
Professional, Scientific, and Technical Services	8.1%
Other Information Services	4.8%
Credit Intermediation and Related Activities	2.3%
Other Telecommunications	2.1%
Spectator Sports	0.9%
Other Professional, Scientific, and Technical Services	0.7%
Promoters of Performing Arts, Sports, and Similar Events	0.6%



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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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. Furthermore, Internet stocks are subject to a rate of change in technology obsolescence and competition that is generally higher than that of other industries, and have experienced extreme price and volume fluctuations. 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 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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%	1.76%	2.20%
Adv. C	KMKCX	494613730	1.00%	2.26%	2.70%
Inst.	KMKYX	494613615	-	1.31%	1.90%
No Load	KMKNX	494613789	-	1.51%	1.95%

Fund Characteristics

Total Net Assets	$68.6 million
Total Number of Positions*	44
Turnover Ratio	5.00%
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	48.8%
Cash and Cash Equivalents	41.0%
Unit Investment Trust	9.6%
Preferred Stocks	0.4%
Other Investments	0.2%

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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.

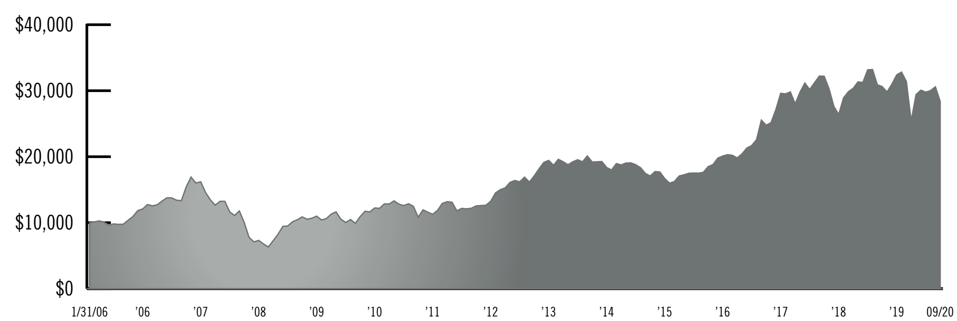
Performance (No-Load Class)

	Annualized Returns as of 09/30/20						
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	-4.72%	-12.39%	-7.31%	4.63%	10.70%	10.01%	7.37%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	9.07%
MSCI EAFE Index	4.80%	-7.09%	0.49%	0.62%	5.26%	4.62%	3.11%

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

$28,381



Top 10 Holdings (%) as of 09/30/20

Texas Pacific Land Trust	23.9%
Grayscale Bitcoin Trust	9.6%
DREAM Unlimited Corp.	2.9%
Visa, Inc. - Class A	2.3%
Partners Value Investments LP	2.1%
Associated Capital Group, Inc. - Class A	2.1%
MasterCard, Inc. - Class A	2.0%
IntercontinentalExchange Group, Inc.	1.9%
Wheaton Precious Metals Corporation	1.6%
CME Group, Inc.	1.4%

Statistics

Statistics	Fund	S&P 500
Beta	1.09	1.00
Standard Deviation	20.00	15.00
Up Market Capture Ratio	1.09	-
Down Market Capture Ratio	1.19	-
Sharpe Ratio	0.31	0.53
Weighted Avg. Mkt. Cap. ($mil)	$36,398	$452,974
Median Market Cap. ($mil)	$3,502	$23,145
Price to Book	1.93	3.57
Price to Earnings	11.27	26.36
Return on Equity	50.81%	25.88%
Active Share	97.10%	-

The Kinetics **Market Opportunities** Fund

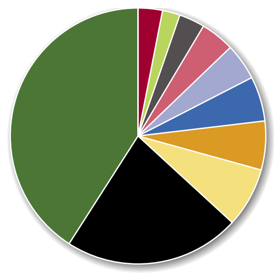
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

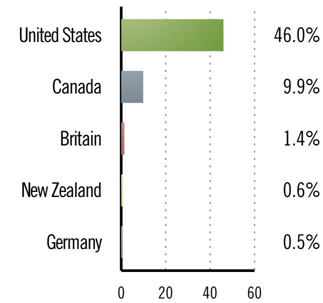
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (KMKNX)	20.85%	34.03%	-54.83%	50.21%	11.31%	-7.85%	17.52%	46.74%	-5.55%	-9.11%	20.45%	47.28%	-10.86%	22.76%	-12.39%
S&P 500 Index	10.80%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	5.57%
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%	22.01%	-7.09%

Top Industries (%)

Oil and Gas Extraction	23.9%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	13.0%
Data Processing, Hosting, and Related Services	4.4%
Other Investment Pools and Funds	3.6%
Real Estate	3.3%
Mining (except Oil and Gas)	2.7%
Management of Companies and Enterprises	2.5%
Securities and Commodity Exchanges	1.9%
Support Activities for Water Transportation	1.3%
Diversified Financials	0.8%



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.

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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.

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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.

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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%	1.64%	2.59%
Adv. C	KRXCX	494613755	1.00%	2.14%	3.09%
No Load	MEDRX	494613102	-	1.39%	2.34%

Fund Characteristics

Total Net Assets	$16.7 million
Total Number of Positions*	29
Turnover Ratio	7.00%
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	99.1%
Cash and Cash Equivalents	0.8%
Other Investments	0.1%

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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.

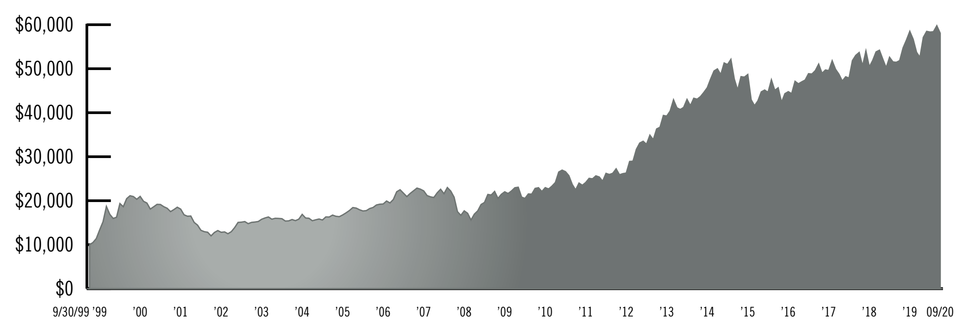
Performance (No-Load Class)

			Annualized Returns as of 09/30/20					
	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (MEDRX)	-0.45%	-0.72%	12.01%	4.40%	5.17%	9.80%	5.18%	8.74%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.42%	6.74%
NASDAQ Composite Index	11.02%	24.46%	39.61%	19.79%	19.31%	16.77%	5.72%	6.91%

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

$58,068



Top 10 Holdings (%) as of 09/30/20

Bristol-Myers Squibb Company	8.5%
Novartis AG	7.3%
Merck & Co., Inc.	7.0%
Eli Lilly and Co.	6.7%
Pfizer, Inc.	6.6%
AstraZeneca plc	6.6%
Biogen, Inc.	6.4%
Johnson & Johnson	6.2%
AMGEN, Inc.	6.1%
AbbVie, Inc.	5.2%

Statistics

Statistics	Fund	S&P 500
Beta	0.68	1.00
Standard Deviation	16.69	15.08
Up Market Capture Ratio	0.84	-
Down Market Capture Ratio	0.64	-
Sharpe Ratio	0.42	0.33
Weighted Avg. Mkt. Cap. ($mil)	$134,161	$452,974
Median Market Cap. ($mil)	$16,838	$23,145
Price to Book	4.62	3.57
Price to Earnings	19.12	26.36
Return on Equity	23.31%	25.88%
Active Share	94.66%	-

The Kinetics **Medical** Fund

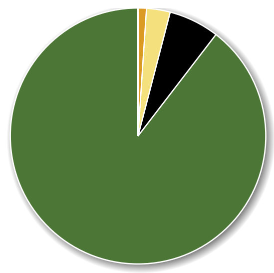
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

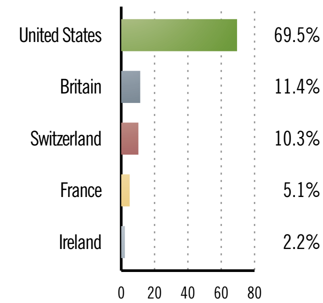
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (MEDRX)	57.04%	-13.77%	-29.14%	23.19%	6.96%	-0.72%	14.81%	15.47%	-20.42%	24.47%	4.30%	5.11%	8.86%	49.25%	16.44%	6.59%	-8.01%	10.71%	1.67%	16.04%	-0.72%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	31.49%	5.57%
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%	35.23%	24.46%

Top Industries (%)

Pharmaceutical and Medicine Manufacturing	89.7%
Chemical Manufacturing	6.4%
Professional, Scientific, and Technical Services	3.0%
Scientific Research and Development Services	0.1%



Top Countries (%)



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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.

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Kinetics Mutual Funds, Inc

We Do *Our* Research

Kinetics Multi-Disciplinary Income Fund

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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

Class Information

Class	Ticker	Cusip	12b-1 fee
Adv. A	KMDAX	494613664	0.50%
Adv. C	KMDCX	494613656	1.00%
Inst.	KMDYX	494613649	-
No Load	KMDNX	494613672	-

Fund Characteristics

Total Net Assets	$28.2 million
Total Number of Positions*	19
Turnover Ratio	0.03%
Minimum Purchase	$2,500

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

Portfolio Allocation

Fixed Income	70.4%
Cash and Cash Equivalents	20.3%
Other Investments	9.3%

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Multi-Disciplinary Income Fund Overview

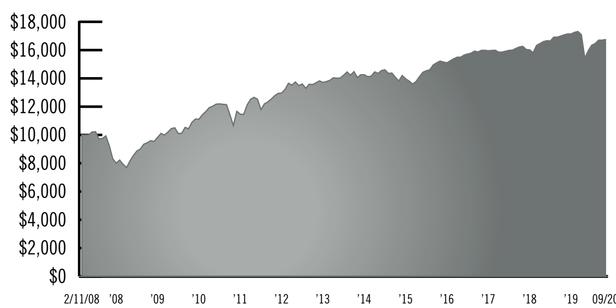
- Multi-strategy investment approach that opportunistically invests in income oriented securities and utilizes an equity option strategy which seeks to generate income and capital gains in excess of traditional fixed income indexes while assuming less interest rate risk or duration risk.
- Fixed income 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.

Performance (No-Load Class)

	Annualized Returns as of 09/30/20							
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
Multi-Disciplinary Income Fund (KMDNX)	1.71%	-2.96%	-1.98%	1.55%	3.92%	4.38%	4.16%	5.89%
BB Barclays US Agg. Bond Index	0.62%	6.79%	6.98%	5.24%	4.18%	3.64%	4.24%	3.15%
BB Barclays US HY Corp. Bond Index	4.60%	0.62%	3.25%	4.21%	6.79%	6.47%	7.53%	7.90%

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.

Growth of $10,000 Returns Since Inception $16,742



Statistics

	Fund	Barclays Agg.
Beta	0.45	1.00
Standard Deviation	5.89	3.15
Up Market Capture Ratio	0.93	-
Down Market Capture Ratio	0.86	-
Sharpe Ratio	0.47	0.96

Recent Fund Distributions**

	Fund
Sep-2020	$0.07
Jun-2020	$0.08
Mar-2020	$0.12
Dec-2019	$0.10

Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	1.73
Average Maturity (years)	2.33

Top 10 Fixed Income Holdings (%)

as of 09/30/20

Penske Automotive Group, Inc.	12.6%
Ashland, Inc.	11.2%
Stolt-Nielsen Limited	7.3%
Lennar Corporation	7.2%
Lamb Weston Holdings, Inc.	7.1%
The Howard Hughes Corporation	6.0%
Murphy Oil Corp.	4.2%
Brookfield Residential Properties	2.3%
Hughes Satellite Systems Corp.	1.8%
CenturyLink, Inc.	1.8%

Kinetics **Multi-Disciplinary Income** Fund

3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (KMDNX)	-17.76%	22.90%	13.04%	0.24%	15.38%	4.28%	2.46%	-2.17%	10.41%	4.75%	-1.00%	9.08%	-2.96%
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%	8.72%	6.79%
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%	14.32%	0.62%

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

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.57%	3.07%	2.32%	2.27%
Net	2.02%	2.52%	1.77%	1.57%

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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.

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 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.

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

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

The Kinetics **Paradigm** Fund

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
41 years of management experience
Co-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	KNPAX	494613854	0.50%	1.89%	1.97%
Adv. C	KNPCX	494613821	1.00%	2.39%	2.47%
Inst.	KNPYX	494613797	-	1.44%	1.67%
No Load	WWNPX	494613607	-	1.64%	1.72%

Fund Characteristics

Total Net Assets	$513.9 million
Total Number of Positions*	46
Turnover Ratio	0.43%
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	76.0%
Cash and Cash Equivalents	19.8%
Unit Investment Trust	4.2%

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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.

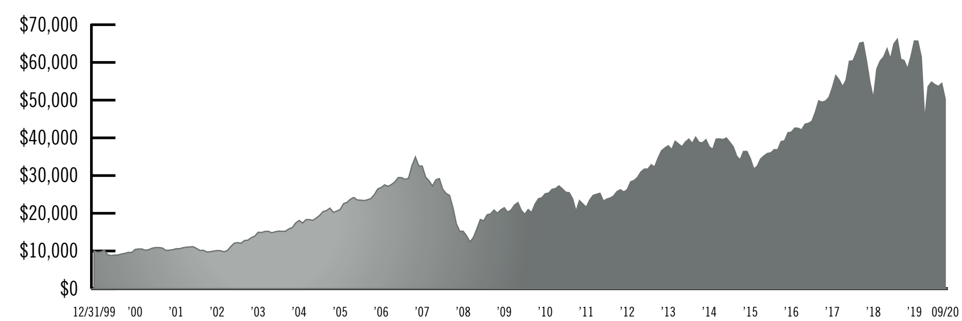
Performance (No-Load Class)

Annualized Returns as of 09/30/20

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWNPX)	-7.07%	-23.47%	-16.85%	0.56%	8.05%	8.42%	8.76%	8.09%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.42%	6.11%
MSCI ACW Index	8.13%	1.37%	10.44%	7.12%	10.30%	8.55%	5.04%	4.42%

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 **$50,281**



Top 10 Holdings (%) as of 09/30/20

Texas Pacific Land Trust	31.1%
Brookfield Asset Management, Inc. - Class A	5.8%
Franco-Nevada Corporation	4.9%
The Howard Hughes Corporation	4.3%
Grayscale Bitcoin Trust	4.2%
Live Nation Entertainment, Inc.	3.3%
Icahn Enterprises LP	3.0%
Liberty Broadband Corporation - Series C	2.5%
The Wendy's Company	2.1%
CACI International, Inc. - Class A	1.9%

Statistics

Statistics	Fund	S&P 500
Beta	0.99	1.00
Standard Deviation	18.82	15.07
Up Market Capture Ratio	1.07	-
Down Market Capture Ratio	0.95	-
Sharpe Ratio	0.34	0.30
Weighted Avg. Mkt. Cap. ($mil)	$11,188	$452,974
Median Market Cap. ($mil)	$8,405	$23,145
Price to Book	2.30	3.57
Price to Earnings	19.94	26.36
Return on Equity	39.93%	25.88%
Active Share	99.53%	-

The Kinetics **Paradigm** Fund

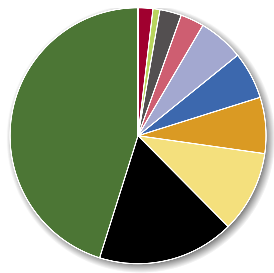
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

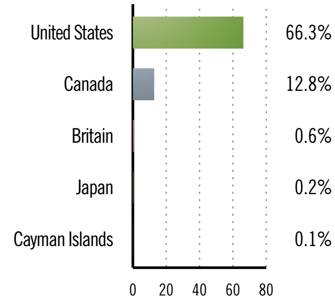
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (WWNPX)	4.00%	2.02%	-4.62%	47.77%	20.93%	16.11%	27.81%	21.14%	-53.17%	41.02%	17.37%	-14.27%	21.78%	44.07%	-0.79%	-8.33%	20.45%	28.41%	-5.55%	30.48%	-23.47%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	31.49%	5.57%
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%	26.60%	1.37%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	36.3%
Finance and Insurance	13.9%
Information	8.3%
Real Estate and Rental and Leasing	5.7%
Management of Companies and Enterprises	4.8%
Arts, Entertainment, and Recreation	4.6%
Accommodation and Food Services	2.4%
Professional, Scientific, and Technical Services	2.2%
Transportation and Warehousing	0.7%
Real Estate	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 12/31/2019 as reported in the 4/29/2020 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2021 and may be discontinued at any time by the Fund's adviser after May 1, 2021.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

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.

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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. 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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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	0.50%	1.90%	2.01%
Adv. C	KSOCX	494613748	1.00%	2.40%	2.51%
Inst.	KSCYX	494613813	-	1.45%	1.71%
No Load	KSCOX	494613706	-	1.65%	1.76%

Fund Characteristics

Total Net Assets	$140.3 million
Total Number of Positions*	38
Turnover Ratio	0.43%
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	95.0%
Unit Investment Trust	2.4%
Cash and Cash Equivalents	2.2%
Other Investments	0.4%

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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)

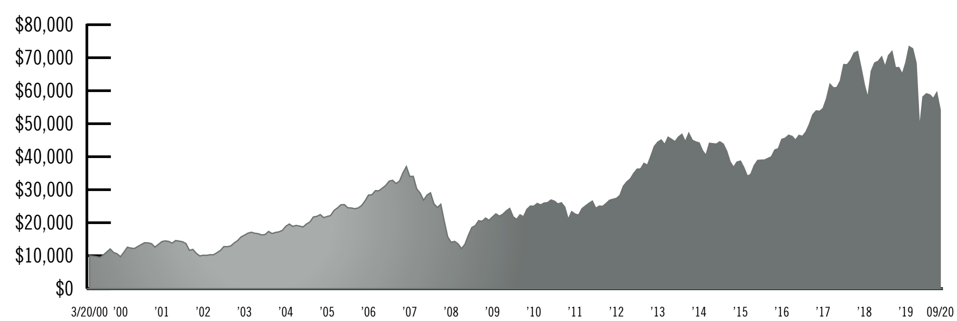
Annualized Returns as of 09/30/20

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (KSCOX)	-7.78%	-26.18%	-19.18%	0.16%	8.05%	8.46%	8.31%	8.58%
S&P SmallCap 600 Index	3.17%	-15.25%	-8.29%	-0.33%	7.20%	10.57%	8.35%	8.28%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.42%	6.21%

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

$54,151



Top 10 Holdings (%) as of 09/30/20

Texas Pacific Land Trust	36.3%
DREAM Unlimited Corp.	10.6%
CACI International, Inc. - Class A	8.5%
Icahn Enterprises LP	7.7%
The Wendy's Company	5.0%
Associated Capital Group, Inc. - Class A	4.3%
Live Nation Entertainment, Inc.	3.7%
The Howard Hughes Corporation	3.1%
Grayscale Bitcoin Trust	2.4%
Rubis SCA	2.1%

Statistics

	Fund	S&P 600
Beta	0.89	1.00
Standard Deviation	20.89	19.15
Up Market Capture Ratio	0.86	-
Down Market Capture Ratio	0.76	-
Sharpe Ratio	0.34	0.35
Weighted Avg. Mkt. Cap. ($mil)	$3,976	$1,836
Median Market Cap. ($mil)	$2,337	$968
Price to Book	1.32	1.55
Price to Earnings	7.08	18.71
Return on Equity	38.74%	8.63%
Active Share	99.50%	-

The Kinetics **Small Cap Opportunities** Fund

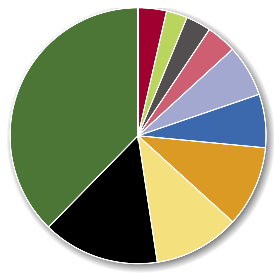
3Q 2020

Historical Total Return (No-Load Class) as of 09/30/20

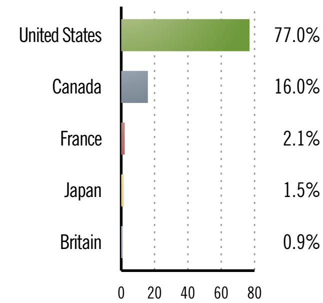
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
Fund (KSCOX)	11.00%	30.63%	-30.28%	66.51%	16.40%	13.17%	28.37%	19.65%	-57.88%	58.16%	13.86%	-13.65%	26.74%	59.40%	-7.28%	-12.26%	24.39%	26.23%	0.29%	27.06%	-26.18%
S&P SmallCap 600 Index	4.27%	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%	22.78%	-15.25%
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%	31.49%	5.57%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	36.8%
Management of Companies and Enterprises	14.4%
Real Estate	10.6%
Professional, Scientific, and Technical Services	10.0%
Accommodation and Food Services	6.6%
Finance and Insurance	6.4%
Arts, Entertainment, and Recreation	3.7%
Real Estate and Rental and Leasing	3.1%
Transportation and Warehousing	2.6%
Manufacturing	2.5%



Top Countries (%)



Definitions:

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

The Gross expense ratios listed are as of 12/31/2019 as reported in the 4/29/2020 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2021 and may be discontinued at any time by the Fund's adviser after May 1, 2021.

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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.

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Kinetics Mutual Funds, Inc
We Do *Our* Research

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

3Q 2020

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $3.9 billion in assets as of 09/30/2020.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

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%	1.61%	2.17%
Adv. C	LSHCX	494613540	0.75%	2.36%	2.67%
Inst.	LSHUX	494613532	-	1.36%	1.87%
No Load	LSHEX	494613524	-	1.56%	1.92%

Fund Characteristics

Total Net Assets	$13.5 million
Total Number of Positions*	31
Turnover Ratio	0.13%
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	97.5%
Cash and Cash Equivalents	2.5%

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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)*

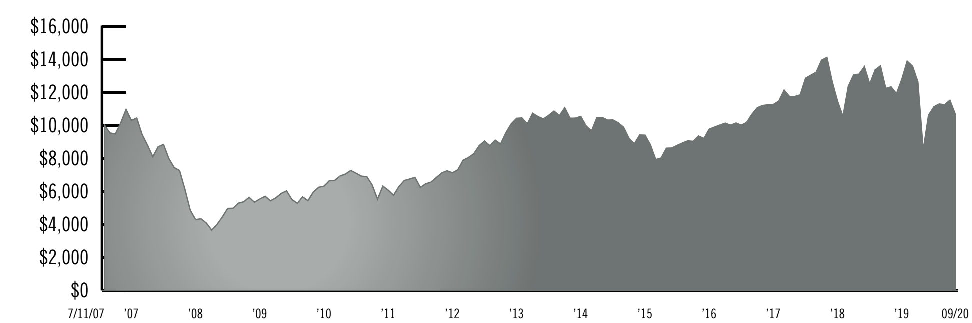
Annualized Returns as of 09/30/20

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	-5.49%	-23.13%	-13.44%	-1.61%	3.75%	5.99%	0.50%
S&P 500 Index	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	8.46%

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

$10,682



Top 10 Holdings (%) as of 09/30/20

Texas Pacific Land Trust	35.6%
PayPal Holdings, Inc.	14.6%
DREAM Unlimited Corp.	10.7%
Associated Capital Group, Inc. - Class A	8.7%
CSW Industrials, Inc.	7.4%
Liberty Broadband Corporation - Series A	3.2%
Graham Holdings Company - Class B	3.0%
The Howard Hughes Corporation	3.0%
Capital Southwest Corporation	1.8%
Masco Corporation	1.2%

Statistics

	Fund	S&P 500
Beta	1.29	1.00
Standard Deviation	23.08	15.65
Up Market Capture Ratio	1.06	-
Down Market Capture Ratio	1.48	-
Sharpe Ratio	0.01	0.52
Weighted Avg. Mkt. Cap. ($mil)	$37,543	$452,974
Median Market Cap. ($mil)	$902	$23,145
Price to Book	1.36	3.57
Price to Earnings	8.34	26.36
Return on Equity	38.28%	25.88%
Active Share	99.11%	-

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

3Q 2020

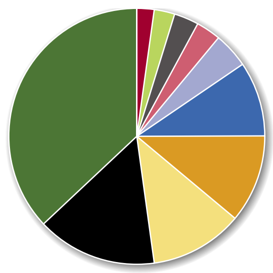
Historical Total Return (Institutional Class)* as of 09/30/20

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20
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%	31.74%	-23.13%
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%	31.49%	5.57%

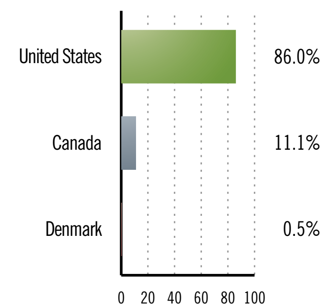
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	35.6%
Admin. and Spprt. and Wst. Mgmt. and Rem. Srvcs.	14.6%
Manufacturing	11.3%
Real Estate	10.7%
Management of Companies and Enterprises	9.1%
Information	4.3%
Real Estate and Rental and Leasing	3.0%
Educational Services	3.0%
Finance and Insurance	2.5%
Arts, Entertainment, and Recreation	1.1%



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 12/31/2019 as reported in the 4/29/2020 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2021 and may be discontinued at any time by the Fund's adviser after May 1, 2021.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have 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.

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