Kinetics Mutual Funds

Second Quarter 2021 - Conference Call with Peter Doyle

July 14, 2021

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on July 14, 2021, 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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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. Welcome and thank you for your time today for the 2021 2nd Quarter Kinetics Mutual Fund Update Webinar. Today we are joined by Peter Doyle, Co-founder of Horizon Kinetics and President of Kinetics Mutual Funds, and Portfolio Manager James Davolos. They will speak about the economy, markets, inflation, and then we'll take questions. Please note that we are recording this call and a replay will be available soon. Also, the slide deck will be available. Please reach out to me or one of the Horizon Kinetics wholesaling team or your HRC representative, or you can also go to www.kineticsfunds.com for factsheets and presentations. You can also go to www.horizonkinetics.com for research and podcasts for more information about our Asset Light Real Assets Inflation Beneficiary theme, as well as our other strategies and themes.

Performance last quarter was a little weak compared to the Standard & Poor's 500, as one of our top positions sold off slightly and the market continued higher. However, the flagship Kinetics Paradigm Fund is still up 52.4% (no-load) year-to-date as of the end of June, outpacing the Standard & Poor's 500 by 37 percentage points over the same period. Note that fact sheets will be available on the website in the next two to three weeks. And, at this time I'd like to turn it over to Peter.

Peter Doyle: Thank you, Chris, and good morning to everyone. As Chris pointed out, thank you for sharing your time with us. So, during our last call, I noted that investors were grappling with the implications of three main issues. First, a global debt issue. Two, a money printing problem, which is really a deficit problem. And, three, a valuation problem. All three of those challenges are still very much front and center today. Global debt relative to GDP, the world's GDP, is at the highest level since World War II, and climbing. And, typically, when global debt or debt relative to GDP for an individual country gets to about 130%, it almost goes without saying that there's going to be a need for debasement in order to get out of that situation.

The fallout from the global pandemic has increased global debt by over $25 trillion, and at a minimum, at least another $10 trillion will be added before all is said and done. Perhaps significantly more. In fiscal year 2021, the United States will see another $3 trillion budget deficit. This gap will be funded by borrowing, and when you borrow, you increase your debt and you increase the amount of interest that you have to pay, and you add more deficits. The money stock of the United States has grown very substantially over the last decade. In the year 2011, the M2[1] supply was 8.8 trillion; today it's over 20 trillion; and in 2019, it was 15.4 trillion. So, basically the M2 supply of money is up a third in the last 17 months.

As most of you are well aware, Congress is now proposing a $600 billion infrastructure bill – more spending – and a $3.5 trillion reconciliation bill that bolsters Medicare, childcare, and immigration reform. All of that has to be paid for either through higher taxes or through borrowing. And you can see that once you have an issue like this, it's hard to get out of it. And as a percentage of spending and as a representation of GDP, federal, state, and local spending now represents 47% of the country's GDP. And once you have that scale of spending, it's hard to wean off of it – in the sense that if you cut spending on a federal or local level or state level, that's going to impact private spending because the people that you're paying are generally companies – whether it's defense contractors or Medicare suppliers, etc. So, if you cut government spending, you're effectively cutting private spending. So, all of these programs are here to stay, and they look like they're going to be expanding at a very quick pace.

The third issue: a valuation problem. And we can go into a whole host of examples, but I'll just highlight some. For the NASDAQ 100 Index, the price to sales ratio has climbed back to its highest level since 2000, and that was just before the tech crisis and the internet bubble that popped. FANGMAN, which stands for Facebook, Amazon, Netflix, Alphabet, commonly known as Google, Microsoft, Apple, and NVIDIA, represent $10 trillion in market capitalization, an all-time high. The top five names in the S&P 500 count for almost 22% of the index, and the top five names are among the seven names that I just read to you. They trade at an average P/E multiple of 41x, and the historical average has been 22x.

[1] M2 is a measure of the U.S. money stock that includes M1 (currency and coins held by the non-bank public, checkable deposits, and travelers' checks) plus savings deposits (including money market deposit accounts), small time deposits under $100,000, and shares in retail money market mutual funds.

So, I can go on and on about the valuations and, you know, obviously, a lot of the valuation has been driven by the lower interest rates and the effect the Fed has had in pushing down interest rates, but it's hard to see that the underlying businesses themselves are going to grow in order to justify those valuations.

Home affordability is at its lowest point since 2008. Homebuyers must pay above the affordability threshold in 43% of the counties in the United States[2]. For example, in Kings County, commonly known as Brooklyn, a homebuyer needs to spend more than 100% of his average annual income just to maintain a home, i.e., paying the interest rates on your mortgage, property taxes, maintenance, etc. So, for a big chunk of the country, home affordability has basically slipped away. And due to the actions of the federal government, if you actually had owned financial assets during the last 17 months, you did incredibly well, and if you didn't, your wealth inequality has grown very substantially. And it's mostly an untenable position and it's not good for the entire health of the country.

So, by artificially suppressing interest rates with roughly $120 billion in Fed purchases of treasuries and mortgage-backed securities, the Fed has elevated prices across a whole host of financial assets, including stocks and bonds as well as the home affordability that I just mentioned to you.

So, where does this leave us? This leaves us looking at our portfolios. And recently my colleague Murray Stahl gave a lecture on one of the products that he's managing. And one of the primary positions in that fund is Texas Pacific Land Corp, which should come as no surprise. This position, when I look at our own funds, really represents what we're doing. Some of our mutual funds have turned into really concentrated investments. And if you examine the Paradigm Fund –, as of the end of the second quarter, TPL represents a 56% weighting; in The Small Cap Opportunities Fund, it represents 53%; in the Spin-Off and Corporate Restructuring Fund it represents 59%, in the Market Opportunities Fund 42%. Really, the only vehicles that it's not in are the Medical Fund and our fixed income substitute products.

So, now, why are we so enthusiastic about that? Well, James has a whole host of slides that talk about the macro environment, but that's really not how we make our bread and butter. What we've been good at historically – and I think very good at historically – is that we have identified companies that have unique

[2] https://www.cbsnews.com/news/housing-real-estate-home-buying-affordability/

business characteristics, and in some cases, monopolistic characteristics. And Texas Pacific Land Corp is one of those businesses.

So, if you were fortunate enough to find Texas Pacific Land Corp back in the mid-1980s, when Murray did find it, and you purchased it, you would be incredibly thankful for that. The company today, in our opinion, probably has brighter prospects going forward than when we initially found it, and I'm talking about a stock where, from the low point in 2009 through today, you've made approximately 83x your money[3].

Over the last five years, the stock is up about 779% versus the doubling in the S&P 500 and the oil industry, which is down 21%. So, stock selection really does make a difference. And what makes this unique? Murray likes to deem Texas Pacific Land Corp a hard asset, and he identifies a hard asset as a company that owns property, but which doesn't typically have any associated expenses with that property.

So, in the case of the – over the life of the bulk of Texas Pacific Land Corp history, they merely collected checks. And there really was maybe slightly more than a handful of employees, and they would go around and they would try to verify the amount of drilling that was happening on their properties and make sure they got the right checks: royalty interest checks from those drillers. And they would collect checks from the grazing of cattle, etc. With the advent of and the increase in technology over the last ten years, those checks have been growing to an ever-larger amount. And Texas Pacific Land Corp historically could win in two ways: One, when people wanted to drill on their property; and, two, when the price of oil went higher. And from a business standpoint, it's hard to find a company that has a better business model. You derive a tremendous amount of revenues and you have really very limited associated costs with that. And all of the cash flow that comes into the business, all the revenue that comes into the business, with the exception of what you might owe in taxes, is available to return to shareholders. And that return to shareholders can take place in one of two ways: It can take place through dividends, increased dividends, which is what TPL has done over the passage of time; or, more aggressively, through the buyback of shares with the passage of time, which they have also done. And we believe as a shareholder, you tend to get very pleasing results if you sit there and hold that investment.

[3] Source: Bloomberg

Now, the concentration of Texas Pacific Land Corp didn't start out that way. It became a very large position because we typically have a buy and hold strategy, and the reason for that is that we're hoping to capture the business returns of the companies that we own, and we're going to have some businesses with wonderful characteristics – Texas Pacific Land Corp being an example – and that business characteristic is going to ultimately be reflected in the stock price, and if the stock price goes up a lot, it becomes a more dominant weighting. So, when I look at how real wealth is created, really the bulk of real wealth in the world has been created through concentration and in owning companies that just have incredible business operations. And that's really what we've done, and that's why the position has grown to the size that it has.

So, let me tell you some of the things that have been going on over the last six months that leave us feeling fairly confident about the outlook for Texas Pacific Land Corp. First and foremost, there's been a restriction in drilling on federal lands. One of the first things the Biden Administration did was limit that to appease the more liberal side of the Democratic Party and people who are climate activists, etc. Drilling on federal land accounts for about 12% of oil production here in this country. And if you're not going to allow it or you're going to give out permits with an eyedropper, it's going to cause production to go down and it will be made up somewhere else.

The second thing that's happened, there's been a restriction in the permits for offshore drilling. And, again, if you basically limit the number of permits that you're willing to give, once the wells that are being currently drilled are depleted, they move on. They can't get another permit. It allows the supply to go down.

Then you have the advancements made by Environmental, Social, and Governance ("ESG") advocates, and in the case of which some of you are aware, there's been a number of board members that were recently elected to the Exxon Mobil board of directors, and they were put there by institutional investors, which Murray rightly points out, and the mandate is effectively to limit the exploration and drilling for hydrocarbons by Exxon Mobil. It's even more egregious with Royal Dutch Shell, where in The Netherlands, there is a court order mandating that Royal Dutch Shell has to limit its exploration for hydrocarbons by 35% over the next decade.

So, if you're going to cut the supply, you'd better make sure that the demand is going to be contracting as well. Now, demand did contract during the pandemic. Obviously, people were not traveling, they were not flying, and that's still true to a large extent in airline flights today. But if you're trying to control the supply or restrict the supply and the demand continues to grow, you're going to have a real problem and you're going to see the price of oil rebound very dramatically, and that's what has happened. The price of oil in 2021 is up over 50%. And from its low point in April of 2000, when it went negative \$37, it's obviously up a very large amount.

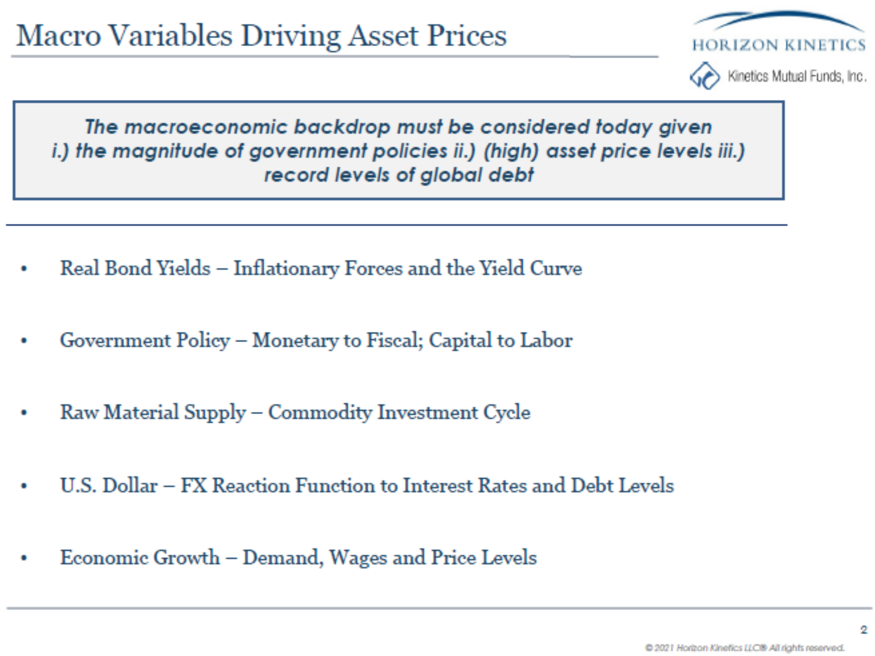
So, the demand for energy, whether you like it or not, is continuing to grow on a global basis. And the advancements in the standard of living have been closely linked with the development and the exploration for hydrocarbons. And there's not a single day in your life that you can get away from using a product that contains hydrocarbons. And there are something like 6,500 products on the market that rely on petroleum-based inputs to make such products.

So, as you're listening to this call, you might be listening on a cell phone, or an iPad, etc. That cell phone has over 30 different metals in it. So, on your person, as you walk around on a daily basis, you're using aluminum, copper, terbium, you name it, cobalt, lithium, etc. All of those things have to be explored for and mined, and in many cases, they have to be smelted, which requires a fair amount of energy. So, in today's modern society, we're just not going to wean ourselves off of these metals, and whether you want to go to 100% renewables, and I think that's a bad term for it, in solar and wind, it's just not feasible because it's intermittent, and it's disrupted, and you need the backup of the hydrocarbons to allow that to stand, and nobody's allowing for the development of nuclear energy here in this country. Actually, that's not entirely accurate. They're trying to build such a power plant down in Georgia.

So, developing countries are using more oil, developed countries are using more oil: the demand for oil and the use of oil over the July 4th weekend, the use of gasoline actually hit an all-time high. And the supply is being constricted, and that leads to a much higher price. So, it would not be shocking to me if you saw the oil price go substantially higher. Now, we don't want to make that bet, and Texas Pacific Land Corp. has ways to succeed even if the price of oil doesn't go substantially higher, but it looks to us like the supply is shrinking at a very rapid rate, and the demand continues to grow. And when you have a very valuable resource or commodity that's in demand, the correcting mechanism is the price.

So, when you're buying us as a product or you own us as a product, and I thank you for that, please understand that there are risks. The risks to us are – there's mark to market risk. I can tell you how wonderful I think Texas Pacific Land Corp is today and how I think the future is quite bright, but I really don't control how it's going to trade over the next six months, next year. And it wouldn't shock me to see it 20% lower in the next week. Conversely, it wouldn't shock me to see it 20% higher in the next week. That's not what we're trying to capture. We're trying to capture the incredible business dynamics of the company. And from that standpoint, I believe that it will provide a good return for us. So, with that, I will turn it over to James and allow him to run through the slides that he's prepared for you.

James Davolos: Thanks, Peter. And so, moving on to the first slide here.



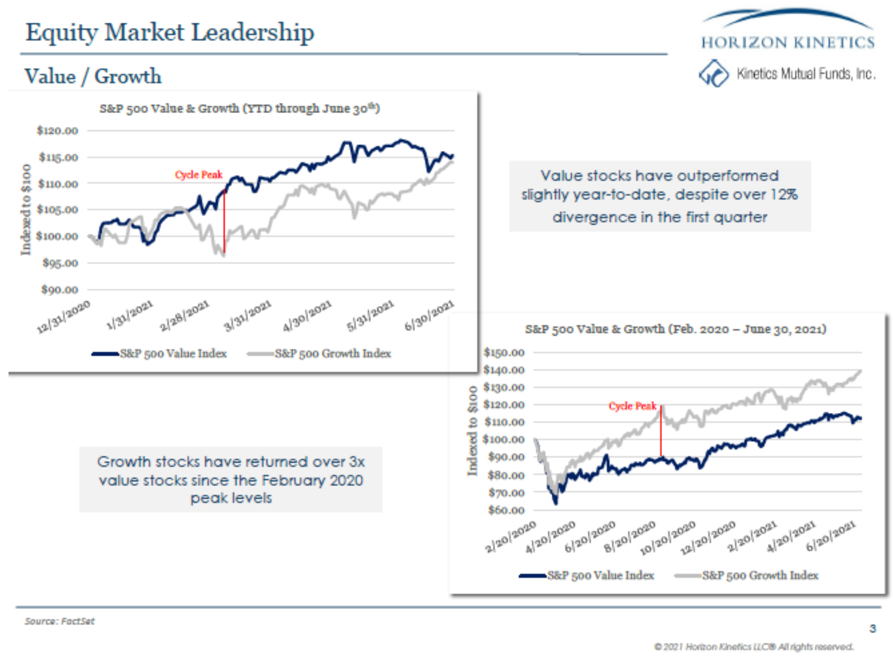
I remember when I first started in this business working for Peter, Murray, and Steve back in 2005, I learned at a very early age that it was not very beneficial and not a great use of my time or our time to focus too heavily on macroeconomic variables. But, unfortunately, we don't really have a choice anymore because the magnitude of government policy today, the politicization of the G7 central banks, the inordinately high asset levels in conjunction with the record levels of global debt, that basically means you have to pay attention to the macro situation. Because if government policy is going to dictate asset prices, certainly at least in the short and intermediate term, you'd be foolish not to pay attention to what's going on in the background.

And thus, we have basically formed a debasement and inflationary view, and it's what is going to potentially be an inflection point of 30 years of disinflation. And what I mean by that is, going all the way back – even longer than 30 years, going back to the removal of the gold standard back in the early 1970s, so upwards of 50 years, you basically had nothing but monetary aims from government policy, where every bout of economic malaise or economic hardship in more and more heavy-handed degrees has been combated with interest rate policy.

Interest rate policy is at its end. Theoretically, the U.S. could go into negative rates. Europe has certain issues that are negative real rates. But given the political winds and the necessity to stimulate the economy after the pandemic, and given where demographics and debt and everything is, we're shifting from monetary to fiscal stimulus. And de facto, you have gone from an environment where we prioritized capital to one in which we are now prioritizing labor. And that's going to be a really, really big theme over the next ten years, 20 years, 30 years. And so, we might be having a reversal – the beginning of a reversal of a 30-50 year disinflationary trend worldwide, and it's going to be a bumpy, and violent, and volatile inflection point.

And so, with that, I'm just going to go over what I think we need to look at over the next couple of years. And to summarize what I'm going to go through: don't miss the forest for the trees. It seems fairly obvious, the end-game is asset inflation, a weakening currency, and we are going into a lot of the themes that we were, unfortunately, very early in, but now we're starting to see the very beginnings of this inflection point. So, I'm going to provide some context for both what's moving things short term, but then also more broadly where we think things are going to be seven to ten years from now.

But just to go down this list, things to pay attention to for a short and intermediate term context are real bond yields. That's the bond yield relative to inflation expectations. How inflation interplays with the yield curve. I just mentioned monetary and fiscal policy. Supply of raw materials. That's going to be a lot more important than demand. We have a decent idea where demand is going to be for a lot of these products. Supply is a lot more uncertain. Everybody's been taught to focus on demand because there's a theoretically far more elastic supply component. That has been flipped on its head. And I think a lot of people are using 1980s, 1990s, 2000s thinking to look at something that's been inverted today. The dollar is always going to be incredibly important. Short-term moves of the dollar impact everything. And then also economic growth. So, what is real growth going to be? How is that going to impact aggregate demand, wages, and price levels?

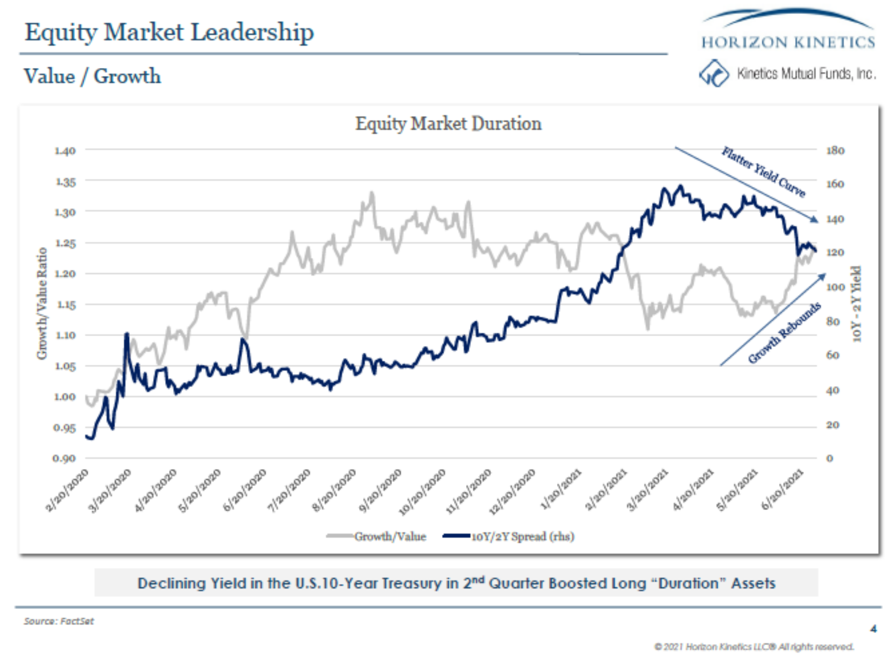


So, with that I'll just move on to some quick market observations, and a lot of these variables are playing into this. You heard a lot of talk as we began the year about, hey, value is finally outperforming. There was a whopping 1,200 basis points of value outperformance over growth, where it reached its peak in, I believe, early March. And that's really not much. I mean, 1,200 basis points within the context of basically being bludgeoned as a value investor going back to 2007 is not much at all. But if you look the right- hand side, you've actually given up virtually all of that year to date. And if you ran that series through the end of the quarter, value and growth are almost on equal terms. So, all that value, quote, "outperformance" short term has been – has retraced.

So, people that talk about, oh, the value trade, you missed it, you missed the cyclical reflation – well, you're right back where you started on level terms with growth year to date. However, the bottom chart – if you go back to – this is graphed from early – or actually, the middle of February, which was the pre-cyclical peak in the market before the technical bear market going in with the pandemic response. You actually have had the growth index return over triple the value index.

So, it's all about the timeframe. And value and these reflationary and hard asset names have really done little to nothing on a year to date basis and are still woefully underrepresented and underappreciated in terms of performance going back to what I'll define loosely as the beginning of this new market cycle, so the previous market peak.

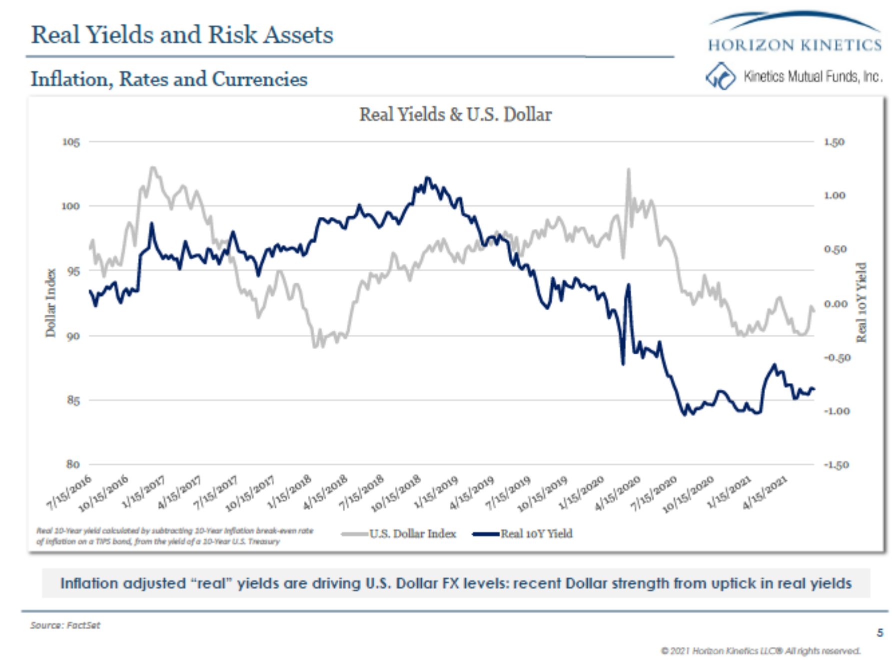
But the next slide explores, hey, what might be driving this? And, again, there are so many short-term variables that I think can misconstrue where we're going long- term. The gray line here shows growth divided by value. So, as the line is going up, growth is outperforming; as the line is going down, growth is underperforming, value is outperforming. And you can see here we had this nice little trend going into the beginning of the year where the two lines cross. Excuse me – the dark blue line is the spread between the 10-year treasury and the 2-year treasury. So, a wider, a steepening yield curve would imply growth, a healthy economy and basically all of these inflationary elements.



And you can see the lines kind of cross there in January, and you had this nice kind of decline in the outperformance of growth, with a steepening of the yield curve. That, more recently – and there's a number of short-term reasons – has backtracked. I mean, a lot of it is interventionism. But by virtue of that 10-2 yield curve flattening, you've seen growth come right back into play and actually recapture all of that.

I don't see anything fundamentally that would tell me that this should be flattening. I don't know where the bid is coming from for the 10-year treasury. Obviously, the 2-year is fairly pegged. But this is what's driving short-term asset prices, and it has virtually nothing to do with where we're going long term. But just something to keep in context if you're frustrated or a client is like, hey, what's been going on these past 60 or 90 days?

So, going on to the next slide – here's another thing that I think is really important to pay attention to. So, the gray line is the dollar index. So, you go back to 2016, we're at about 97. And I mentioned this in the last call. Comparing the dollar and other fiats isn't really that useful. To compare the dollar against the yen, and euros, and pounds is somewhat futile because those currencies all have the same issues that the dollar has as a fiat. But it does ultimately impact your pricing on a day to day basis, certainly of risk assets.



But, again, here, you can see as the dollar has kind of drifted lower more recently, it's also been a function of a decline in the real 10-year yield. Again, the real yield on the 10-year is taking the yield of the 10-year treasury, which, as I sit here today, is a whopping 1.36%, relative to a 5.4% annualized inflation – but I'll get into that later in the presentation.

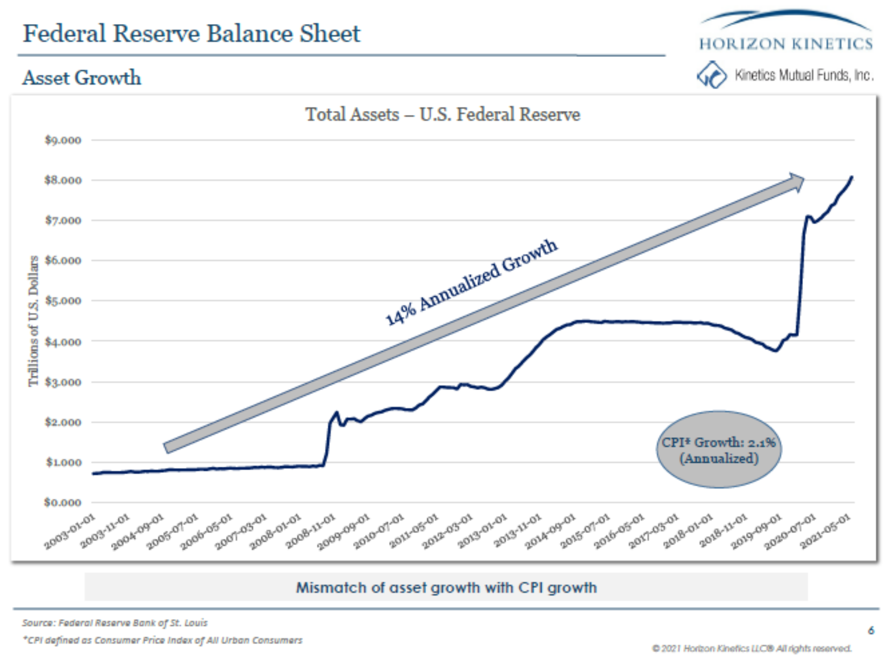
We're actually defining inflation as the breakeven for the 10-year TIPS[4] relative to the flat 10-year treasury. And this is what gives you a, quote, "real yield." So, the real yield based on inflation expectations over ten years is negative 1%. It got down to as low as about 1.2%. But that rising real yield and that declining real yield, that also has a very important impact on FX. And then also it impacts the dollar, and the dollar is going to have a lot of short-term noise as it relates to precious metals, base metals, things like that.

So, again, something to pay attention to but not necessarily all that important. But I think that there is a finite level to how long and to what degree this real yield is going to stay this deeply negative. Again, looking at the full time series, you can see we only crossed into negative territory in the beginning of 2020. And we've kind of been hovering in the 50 basis point to 1% range for a while. But it's historically

[4] Treasury Inflation-Protected Securities

unprecedented to be negative in real terms. So, something's going to give here, and I think that it's probably going to be as it relates to a yield move as people realize that there is sustained inflation.

Just going on to the next slide. We talked a lot, probably ad nauseam, about money supply growth, and we agree with Milton Friedman and a lot of other economists out there that ultimately money supply growth and inflation is a monetary phenomenon. But this is something else to keep an eye on, which is the total assets of the Federal Reserve. And the Federal Reserve going back – you know, I'm being generous here because I'm going back to 2003, but if you really took it from '08, the numbers are much more extreme. But going back to 2003, the balance sheet of assets at the Federal Reserve, which originally was just treasuries with their quantitative easing, now you've got risk assets, mortgage assets, equities, all kinds of great stuff – it's grown 14% annualized. Meanwhile, core CPI for urban consumers has grown 2%. So, if you have the central bank basically buying assets to this degree and growing their balance sheet to this degree, something's got to give. And what has given? Equities and risk assets. So, you had financial asset inflation, and that's actually really close to that 14% number, which is very different from that 2% number, but again this is why the shift from this monetary orientation to fiscal is going to be more and more important. Obviously, a huge mismatch here, which is more extreme actually than M2 if you widen the time series.



Next slide. This is actually – so, Peter mentioned government deficits and kind of how absurd or maybe unrealistic some of these projections are. But this is the U.S. baseline budget from the Congressional Budget Office. The CBO is a nonpartisan organization that basically takes what they believe to be a fairly objective analysis of where budgets are, where economic growth is, and where different variables are to understand where the economy, and debt, and the budget is headed.

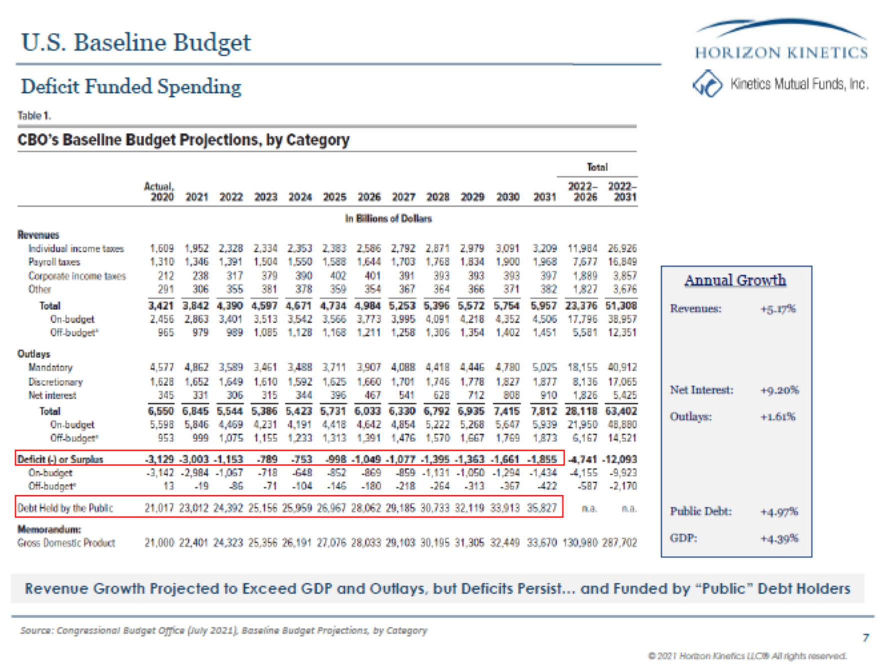


Table 1.

CBO's Baseline Budget Projections, by Category

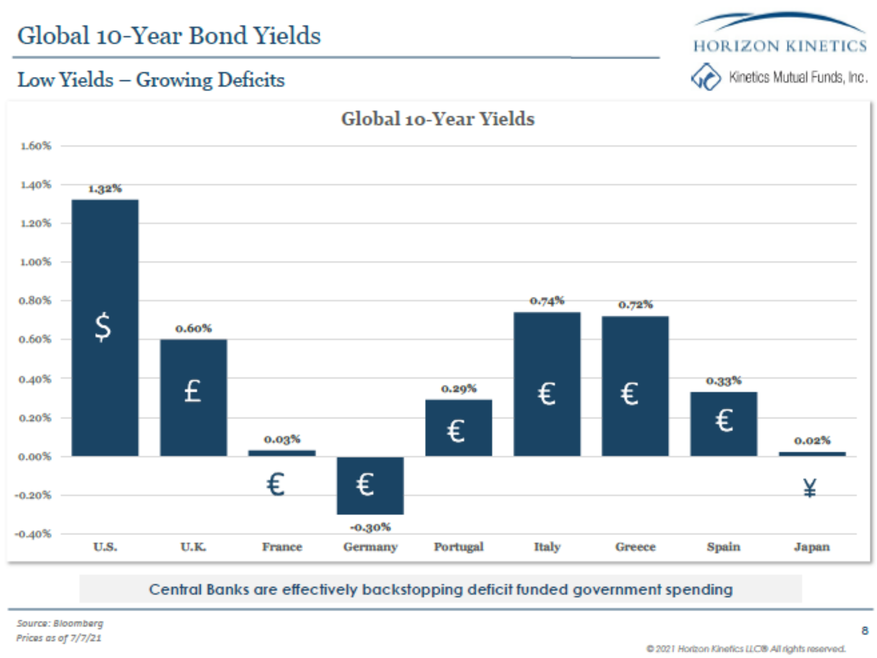
	Actual, 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 2022–2026	Total 2022–2031
	In Billions of Dollars													
Revenues														
Individual income taxes	1,609	1,952	2,328	2,334	2,353	2,383	2,586	2,792	2,871	2,979	3,091	3,209	11,984	26,926
Payroll taxes	1,310	1,346	1,391	1,504	1,550	1,588	1,644	1,703	1,768	1,834	1,900	1,968	7,677	16,849
Corporate income taxes	212	238	317	379	390	402	401	391	393	393	393	397	1,889	3,857
Other	291	306	355	381	378	359	354	367	364	366	371	382	1,827	3,676
Total	**3,421**	**3,842**	**4,390**	**4,597**	**4,671**	**4,734**	**4,984**	**5,253**	**5,396**	**5,572**	**5,754**	**5,957**	**23,376**	**51,308**
On-budget	2,456	2,863	3,401	3,513	3,542	3,566	3,773	3,995	4,091	4,218	4,352	4,506	17,796	38,957
Off-budget[a]	965	979	989	1,085	1,128	1,168	1,211	1,258	1,306	1,354	1,402	1,451	5,581	12,351
Outlays														
Mandatory	4,577	4,862	3,589	3,461	3,488	3,711	3,907	4,088	4,418	4,446	4,780	5,025	18,155	40,912
Discretionary	1,628	1,652	1,649	1,610	1,592	1,625	1,660	1,701	1,746	1,778	1,827	1,877	8,136	17,065
Net interest	345	331	306	315	344	396	467	541	628	712	808	910	1,826	5,425
Total	**6,550**	**6,845**	**5,544**	**5,386**	**5,423**	**5,731**	**6,033**	**6,330**	**6,792**	**6,935**	**7,415**	**7,812**	**28,118**	**63,402**
On-budget	5,598	5,846	4,469	4,231	4,191	4,418	4,642	4,854	5,222	5,268	5,647	5,939	21,950	48,880
Off-budget[a]	953	999	1,075	1,155	1,233	1,313	1,391	1,476	1,570	1,667	1,769	1,873	6,167	14,521
Deficit (-) or Surplus	**-3,129**	**-3,003**	**-1,153**	**-789**	**-753**	**-998**	**-1,049**	**-1,077**	**-1,395**	**-1,363**	**-1,661**	**-1,855**	**-4,741**	**-12,093**
On-budget	-3,142	-2,984	-1,067	-718	-648	-852	-869	-859	-1,131	-1,050	-1,294	-1,434	-4,155	-9,923
Off-budget[a]	13	-19	-86	-71	-104	-146	-180	-218	-264	-313	-367	-422	-587	-2,170
Debt Held by the Public	21,017	23,012	24,392	25,156	25,959	26,967	28,062	29,185	30,733	32,119	33,913	35,827	n.a.	n.a.
Memorandum:														
Gross Domestic Product	21,000	22,401	24,323	25,356	26,191	27,076	28,033	29,103	30,195	31,305	32,449	33,670	130,980	287,702

But just to do a really quick litmus test here – actually, we'll start at the bottom. Nominal GDP, which is not real GDP – so this is gross of inflation – is projected to be about 4.4% through 2031. Revenues are expected to grow moderately higher at about 5.2%. And a lot of that is going to be coming – you can see that third line there – a lot of that is going to be coming from increased corporate income taxes. A slightly higher growth also in other types of taxes.

But I think the most interesting variable is that you're still going to remain in that first red box. Despite the revenue growth, which is expected to exceed outlay growth, you're still going to be in a trillion- dollar deficit for many of the next 11 years, including $3 trillion in 2021, $1.1 trillion in 2022. How is this going to happen? Go to the bottom – go to the lower red box. They are betting on you and everybody else in the world to increase consumption of U.S. debt by 5% per annum. So, this is not including Fed debt. So, this is debt held by the public, not Federal Reserve balance sheet debt – asset – yes, balance sheet debt. So, that's going to take this publicly held debt from $23 trillion at the end of 2020 to $36 trillion by 2031.

So, basically, everybody in the world is going to fund our deficit. Something else that's really interesting. So, again, you've got revenues growing at 5%, outlays growing at 1.6%, remaining in multiple trillion-dollar deficits. It's going to be funded by public debt. And then, here's where I think everything falls apart – net interest is actually going to grow by 10% a year, and this is still using incredibly low interest rates. But by virtue of this increase in debt from 21% to 35% and then rolling over different debt and maturities, you have net interest, which is basically paid by the U.S. government, rising to basically a trillion dollars by 2031. And so, these mathematics – and this is always overly optimistic – this is what they're telling you is going to happen. And I think this is, again, wildly optimistic. Invest accordingly.

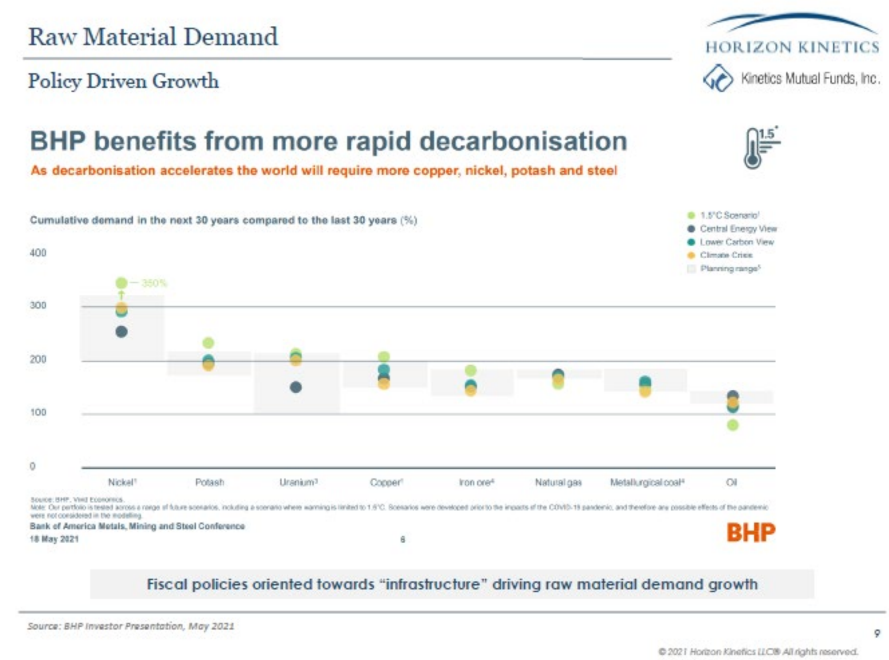
So, moving on to the next slide. You're not getting paid for it. So, if you were getting paid for the deficits to continue in the trillion dollar range, if you were getting paid for the money printing, the balance sheet, all these variables, that would make you say, look, this has gotten a lot riskier. But – and this was as of a couple days ago – the U.S. ten-year is at 1.32%. There's nowhere else to hide. You've got anywhere from negative 30bps in Germany. If you're willing to go to Greece or Italy, you can do 70bps. Japan is at zero. France is at zero. The U.K. is at 60bps.



So, the central banks are backstopping the deficit through government spending, but you're not getting compensated. So, I just don't see how there's going to be a buyer to grow our publicly held debt by 5% a year on these terms.

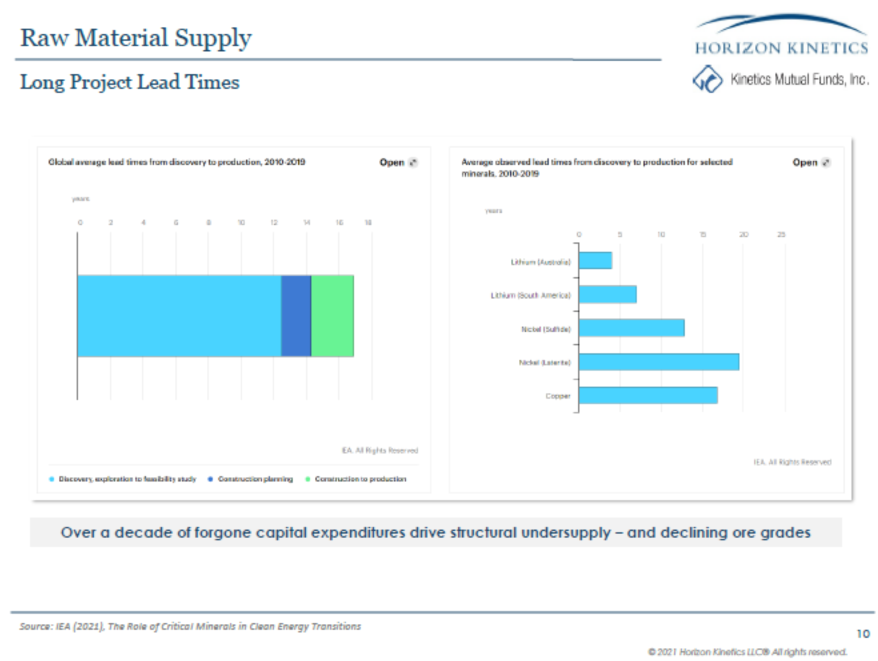
Transitioning on the next slide here – I talked about supply, and I think supply is – again, whether you look at its copper, nickel, iron, oil, gas, gold, silver – every one of these businesses and industries has been in some degree of a disinflationary shock for the better part of 10 or 12 years. So, everybody expanded supply very, very aggressively going into the BRICS growth. If people remember Brazil, Russia, India, China. That all collapsed in '06-'07. There was kind of a second start there in 2011 when you started seeing some inflationary pressures. Everybody kind of reloaded again, and it's been blowing up ever since.

And the problem with this, which I'll address in the next slide, is how difficult supply is going to be. But let's just assume that all of this fiscal orientation – and this is from BHP, one of the largest commodity producers in the world, in conjunction with Vivid Economics – let's just assume that we pursue any of these different types of fiscal orientation, which, a big part of the fiscal is going into these more carbon-sensitive types of allocations – your demand for nickel, potash, which is a



fertilizer, uranium – because here they recognize you're not getting anything close to the Paris Climate Accord without increasing nuclear. Copper. The electric vehicle's intense use of copper relative to that of internal combustion engines is, depending on the vehicle, anywhere from 3-7x. Iron ore. Iron is basically in everything infrastructure-wise. And if you're going to have to rebuild every building, you're going to need a lot of steel. Natural gas, metallurgical coal – you're not going to make steel without met coal. And then ultimately oil.

Baselines are still higher for the next 30 years than for the previous years, even for natural gas and oil, but then wildly higher for different types of fertilizers and base metals. And you can say this is fine, the world's got plenty of it, we're just going to have to throw capital at it – but if you move on to the next slide, this is actually from the IEA, the International Energy Association, which is a nonpartisan international group, whose goal is to basically secure energy supply worldwide. They put out a report earlier this year called The Role of Critical Minerals in Clean Energy Transitions. And as a subsection, it's a massive report, this says – well, okay, we basically needed to start investing 20 years ago to have any chance of having the raw materials to achieve all of these goals. Because the left bar here tells you that the average project for a major mining project will take a little bit over 12 years for discovery, exploration, and feasibility. Another 2-3 years for construction and for planning. And then out to 16 years for construction to production. So, that's a 16-year lead time for something that we're already 15 years behind on.



And on the right- hand side, you can see different types of projects. People get all excited about lithium, but lithium is actually one of the shortest cycle projects that you can do. But Google what a lithium mine looks like and tell me how ESG that is. Nickel runs out to 10 or 12 years. Depending on your method of mining your nickel, you can go out to 20 years. And then the global average for copper, which, very concerning are the declining grades of copper worldwide. So, if you were to think of the importance of these metals for conductivity and electricity, and that's why you need it in electric vehicles, you need it in power grids, you need it in any number of these more efficient initiatives. Declining grade means you need more of it to refine it into an equal amount of the conductivity of electricity. So, you've got 16-17 years of discovery to first production in declining ore grades. So, the point here is that, hey, you're going to be frontloading a lot of your carbon emissions digging this stuff up, but if we do continue to push this aggressively for it, the supply side is just not there and something's got to give.

Slide 11 actually moves on to the energy side, which I think has been even more extreme. You know, people talk about where we're at with supply and demand and where we were all of last year. If you remember, in 2020, we were going to fill up Cushing oil storage, and people were going to have nothing to do with their oil and futures sunk to actually negative levels. But the number one thing to look at if you really want to understand how to balance supply and demand on a day-to-day basis is inventories. And it's not just the U.S. It's OECD inventories, which is all developed nations, and it includes commercial, which is the top section, the strategic petroleum reserve, which is basically governments that are saying, look, I'm going to keep this for a rainy day, and then there's a lot of publicity about oil on water where it's basically in floating storage.

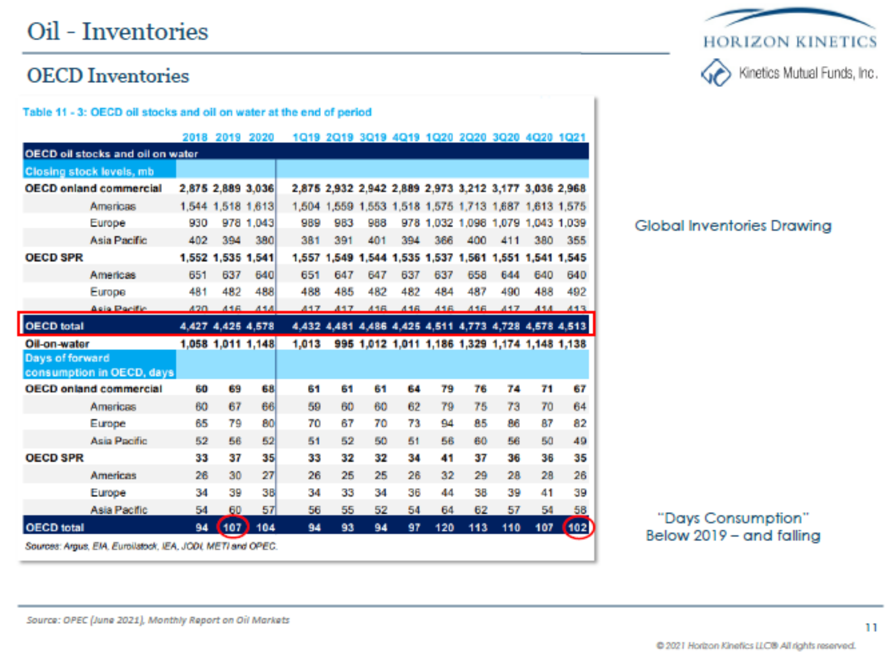


Table 11 - 3: OECD oil stocks and oil on water at the end of period

	2018	2019	2020	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
OECD oil stocks and oil on water												
Closing stock levels, mb												
OECD onland commercial	2,875	2,889	3,036	2,875	2,932	2,942	2,889	2,973	3,212	3,177	3,036	2,968
Americas	1,544	1,518	1,613	1,504	1,559	1,553	1,518	1,575	1,713	1,687	1,613	1,575
Europe	930	978	1,043	989	983	988	978	1,032	1,098	1,079	1,043	1,039
Asia Pacific	402	394	380	381	391	401	394	366	400	411	380	355
OECD SPR	1,552	1,535	1,541	1,557	1,549	1,544	1,535	1,537	1,561	1,551	1,541	1,545
Americas	651	637	640	651	647	647	637	637	658	644	640	640
Europe	481	482	488	488	485	482	482	484	487	490	488	492
Asia Pacific	420	416	414	417	417	416	416	416	416	417	414	413
OECD total	4,427	4,425	4,578	4,432	4,481	4,486	4,425	4,511	4,773	4,728	4,578	4,513
Oil-on-water	1,058	1,011	1,148	1,013	995	1,012	1,011	1,186	1,329	1,174	1,148	1,138
Days of forward consumption in OECD, days												
OECD onland commercial	60	69	68	61	61	61	64	79	76	74	71	67
Americas	60	67	66	59	60	60	62	79	75	73	70	64
Europe	65	79	80	70	67	70	73	94	85	86	87	82
Asia Pacific	52	56	52	51	52	50	51	56	60	56	50	49
OECD SPR	33	37	35	33	32	32	34	41	37	36	36	35
Americas	26	30	27	26	25	25	26	32	29	28	28	26
Europe	34	39	38	34	33	34	36	44	38	39	41	39
Asia Pacific	54	60	57	56	55	52	54	64	62	57	54	58
OECD total	94	107	104	94	93	94	97	120	113	110	107	102

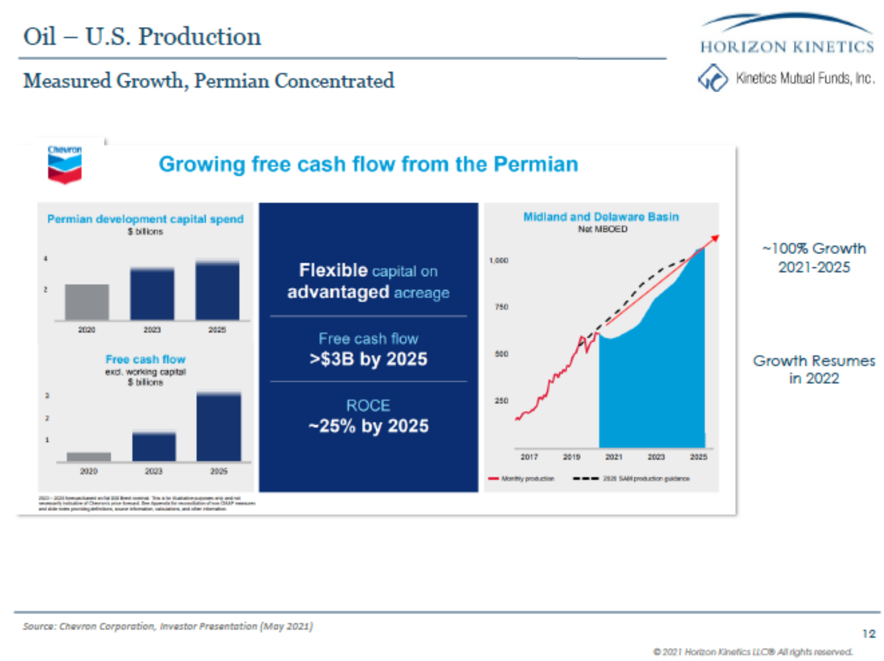
Sources: Argus, EIA, Euroilstock, IEA, JODI, METI and OPEC.

You can see here if you go to 2020 – we finish the year with OECD inventories of 4.578, and then you've got oil on water 1.148. Moving into the first quarter of '21, you've got 4.5, so actually slightly less than you finished last year. Only moderately higher than 2019. And then the same thing with oil on water. Only moderately higher than the end of 2019 and slightly less than the end of 2020. So, things – you can see inventories are drawing, and they're drawing pretty rapidly, and we haven't even gotten into a full global reopening. And I think this is why OPEC is saying, look, let's balance these inventories back to a level we're comfortable with. Then we can talk about rebalancing the market and then producing in full.

But the bottom here is, I think, most important. At the end of 2019, you had 107 days of forward consumption in the OECD in these storage facilities. At the end of the first quarter, you are at 102. If the current trajectory of consumption and inventory draws holds, you're probably already into the 90s today. I'd actually be surprised if you're not approaching that 2018 level.

So, again, you're looking at these longer- term inventories. They're drawing. And the rigs are not coming back. European multinationals are divesting, and OPEC is saying, look, let's balance the market and then see where the marginal barrel is.

And as we move on to slide 12, we know where the marginal barrel is. The marginal barrel is in the Permian Basin. And Chevron is one of the largest landowners in the Permian. And just to remind people, Chevron is also one of the largest operators on Texas Pacific land. Actually, they bought a lot of Texas Pacific land by virtue of purchasing Texaco, which owned TXL Oil, which they bought back in the 1950s, which was operating on TPL's land. But Chevron basically sat on the sidelines for a lot of the shale boom while everybody basically wasted billions and billions of dollars learning how to drill.

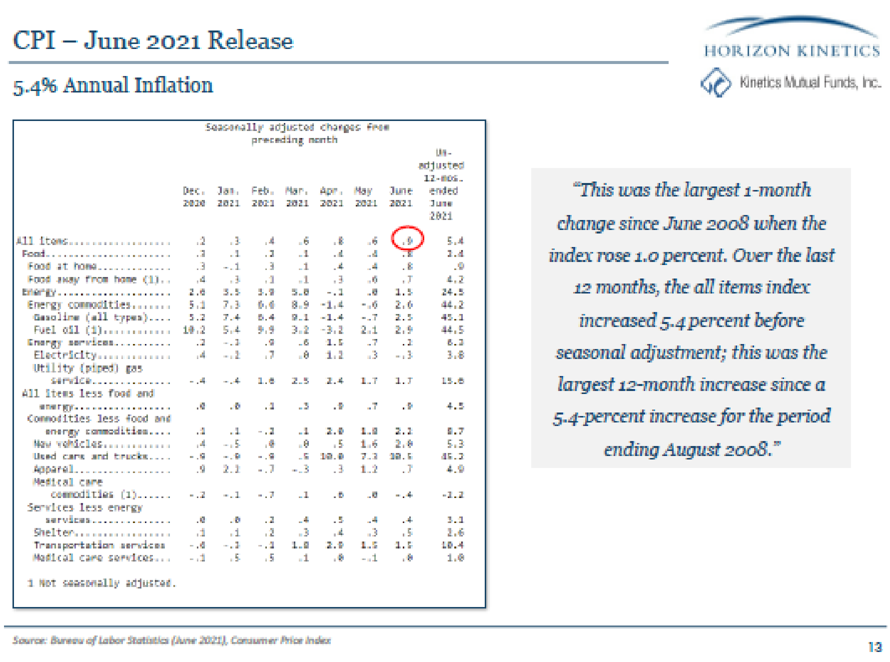


They were earning revenue from areas of mutual interest with Anadarko, which is now Occidental, and a variety of other operators in the Delaware. But they sat by and let other people figure it out, and now they're actually starting to hit their own wells hard. You can see since 2017, we've gone from about 200 million barrels of average – 250,000 barrels of average daily production in the Permian for Chevron up to about 550,000 at the end of 2020.

Now, this is important. They're being very cautious here. That big dip in the red line, that was curtailments and that was basically outages related to the beginning of the pandemic. They've gone back to basically the end of 2019 production levels. But you don't just turn a switch. The rigs aren't there, the crews aren't there, the water's not there, the infrastructure's not there, and the money's not there. So, that blue line is kind of where they could see production going. And then you go back to kind of the dotted black line. That's what they told you pre-pandemic their production was going to be. So, that's that nice, smooth 20-25% annualized growth off of the end of the 2019 base. They're saying, look, we're getting all of our stuff together, we're going to reset in '21 and get back to where we were. And then starting in '22, you're basically doubling production from about 550,000 barrels upwards of 1.1 maybe 1.2 million barrels by the end of '25. So, this is just enormous growth that is basically the only growth in Chevron's entire portfolio. Everything else is declining and it's being offset by this.

So, when you look at the results of all Permian positions, in particular Texas Pacific, understand 2021 is a reset year but we're lining up all the chips to have this enormous growth basin-wide starting in 2022. And I think that that's going to be – you know, people who are worried about the market being in wild deficit. I think that the big-scale shale producers will be there. It's the marginalized shale producers, it's people in peripheral basins: = that's where the shortfall is going to be, and that's where you get into big trouble come '22-'23.

Now, just wrapping up on slide 13, I'd be remiss if I didn't touch on this. Yesterday was our initial CPI release for June 2021. 5.4% up 12-month inflation. So, again, obviously there are some transitory components but there's a lot of things in here that are a lot stickier. You know, I would not be a buyer of a 10-year treasury at 135bpwith a 5.4 print. But the .9% reading was really pretty startling. Most economies were at 0.5%. This was the largest one-month change since June of 2008, which, if people remember – that was actually – there was actually an energy shock as we had the global financial crisis and that drove a big 1% month over month change.



Seasonally adjusted changes from preceding month

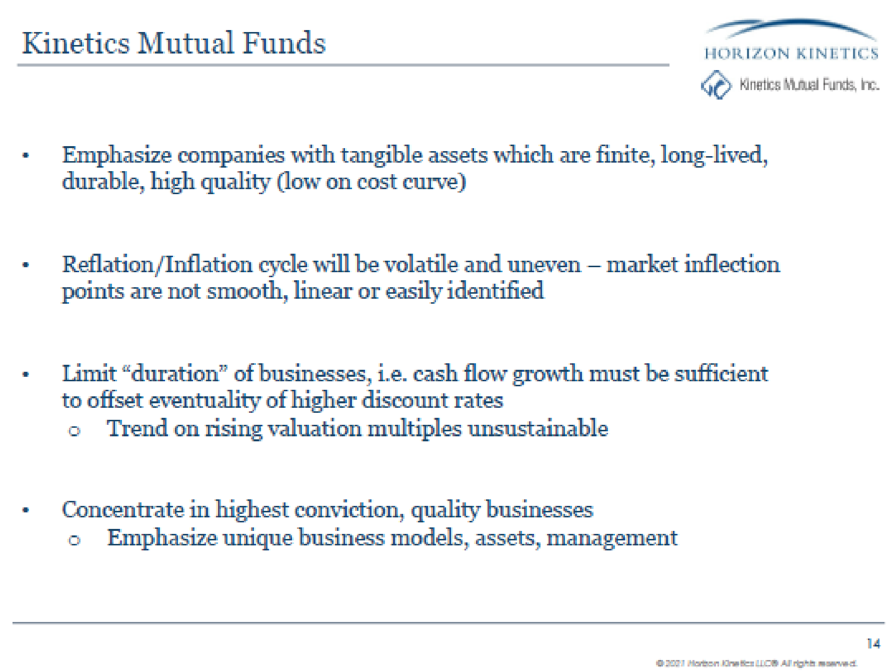
	Dec. 2020	Jan. 2021	Feb. 2021	Mar. 2021	Apr. 2021	May 2021	June 2021	Un-adjusted 12-mos. ended June 2021
All items	.2	.3	.4	.6	.8	.6	.9	5.4
Food	.3	.1	.2	.1	.4	.4	.8	2.4
Food at home	.3	-.1	.3	.1	.4	.4	.8	.9
Food away from home (1)	.4	.3	.1	.1	.3	.6	.7	4.2
Energy	2.6	3.5	3.9	5.0	-.1	.0	1.5	24.5
Energy commodities	5.1	7.3	6.6	8.9	-1.4	-.6	2.6	44.2
Gasoline (all types)	5.2	7.4	6.4	9.1	-1.4	-.7	2.5	45.1
Fuel oil (1)	10.2	5.4	9.9	3.2	-3.2	2.1	2.9	44.5
Energy services	.2	-.3	.9	.6	1.5	.7	.2	6.2
Electricity	.4	-.2	.7	.0	1.2	.3	-.3	3.8
Utility (piped) gas service	-.4	-.4	1.6	2.5	2.4	1.7	1.7	15.6
All items less food and energy	.0	.0	.1	.3	.9	.7	.9	4.5
Commodities less food and energy commodities	.1	.1	-.2	.1	2.0	1.8	2.1	8.7
New vehicles	.4	-.5	.0	.0	.5	1.6	2.0	5.3
Used cars and trucks	-.9	-.9	-.9	.5	10.0	7.3	10.5	45.2
Apparel	.9	2.1	-.7	-.3	.3	1.2	.7	4.9
Medical care commodities (1)	-.2	-.1	-.7	.1	.6	.0	-.4	-2.2
Services less energy services	.0	.0	.2	.4	.5	.4	.4	3.1
Shelter	.1	.1	.2	.3	.4	.3	.5	2.6
Transportation services	-.6	-.3	-.1	1.8	2.9	1.5	1.5	10.4
Medical care services	-.1	.5	.5	.1	.0	-.1	.0	1.0

1 Not seasonally adjusted.

Over the last 12 months, the all-items index increased 5.4% before the seasonal adjustment. This was the largest 12-month increase since 5.4% in August of '08. Again, we're using kind of a very dramatic, going into the recession type of base here. But these are big, big, big numbers. More and more people are saying, hey, this is going to be really tough. Especially wages. It's really tough to increase wages and then say, hey, just kidding, you're going back to ten bucks again.

So, to be honest, I think we're going to be arguing about this in three years, in five years, in seven years, in ten years. But that's the opportunity. If you keep your eye on the ball and, again, invest – see the forest for the trees, it's pretty easy to see where everything's going, and what we're doing makes a lot of sense.

So, just concluding exactly what we're doing in the Kinetics Mutual Funds on the final slide – Peter articulated a lot of our core holdings, but as you drill down and work through all of the individual holdings, we're emphasizing companies with tangible assets which are finite, long-lived, durable, high-quality, which means low on the cost curve. Again, you want these assets to really appreciate and benefit through this full lumpy cycle.



The reflation/inflation cycle is going to be volatile underneath these big inflection points, which are shifting tectonic plates; it is not going to be smooth, linear, or easily identified. But if you just keep your focus on what's going on long term, we think we see what's happening.

This is really important. You want to limit the duration of your business – of your investments. And what I mean by this is can cash flow grow sufficiently to offset the eventuality of a higher discount rate? So, everybody says that all these tech companies can increase revenues. Sure, I'm sure they can. But can that counteract going from a P/E of 60 to a P/E of 40? The short answer is no, unless you're going to double your prices as CPI is going up 3% or 4% a year. So, again, the valuation component is just so tricky and so dangerous, especially if inflation impacts the long end of the curve.

And then, finally, there's not a lot of opportunity out there so we believe you've got to concentrate in high conviction, quality businesses, emphasize these unique business models, the unique assets, unite management teams and let that compound. This is not the time to be doing the paint by numbers index data approach. I think a lot of the easy money's been made, and so you find the great businesses and you stick with them.

So, with that, I will conclude. I know we're going to open it up for Q&A. Sorry, we kind of ran a bit late here. Maybe we'll stick around a little bit longer if people have a good amount of questions.

Chris Bell: Thank you, James. Great presentation. I appreciate it. I think I'm going to get a lot of demand for a lot of your slides, and we look forward to sharing those with any advisors.

In your webcam box you have the ability to ask a question in the question box, so please do. We're waiting for them and we're happy to answer them. In the meantime, as people do post questions, James, if markets tend to look six months ahead, and I've heard you say a number of times publicly, and you said it again today that 2022 was going to be Chevron's year – so, do you think 2022 is going to be TPL's year? And do you think the market will start to realize it soon? And to what extent do you think that will sort of cause earnings, and dividends, and distributions, and everything to rise for TPL?

James Davolos: I think that you might see some non-royalty related revenues increasing in the back half of 2021 as infrastructure is put in place, as partners start signing up for different types of longer term agreements so they can really set up for what's going to happen next year. But even comping at flat production year over year, you know, if we hold in the $70s a barrel for oil and $3.5+/gallon for gas, I mean, you're talking a very, very large comp on royalty revenue, and you had really depressed infrastructure because nobody's going to commit capital to a long-term asset like infrastructure. And then water is a byproduct of well starts and completions.

So, I think that you can see an uptick in all of those lines, and it's going to be a lot more than just kind of an awful low base with a normalized energy price. But, again, next year is I think going to see a lot more of an uptick there. And I think that the market, as people realize that hydrocarbons are going to be around for a very long time, I think an appreciation just for the power of a royalty in a land business you're going to see multiples continue to move.

Chris Bell: Thanks, James. Along that same question, I get this question all the time from our advisors. With Murray thinking that we're going to have a tight oil market and that oil prices could really have a shot, what do you think happens to the price of TPL if oil goes to $100 a barrel? I know we've said in the past that it's not necessarily fully correlated to oil prices but that's more on the downside than the upside, right? So, what do you think happens? I get this question all the time and somebody has it again this time.

James Davolos: Look, it's not a one for one relationship. So, $75 to $100 a barrel is a 33% increase in oil price, and I think that there's a lot more gearing in the business model than a 33% increase in TPL's price. I think that the current share price today doesn't reflect a lot of the benefits of the business model or the "optionality" or free call options embedded in the business itself. So, suffice it to say, if oil prices increase 33% to $100 or $100+ a barrel, we believe that the impact on TPL shares could potentially be even greater.

But on the heels of that, I see another question that we've gotten a lot, which is Chevron is shopping some acreage in the Western Permian Basin. And the thing about the Delaware Basin is as you go south, it becomes gassier and you get obviously less oil and your water costs go up. And there are producers out there that want to have access to gas that has infrastructure, but it's not really in the core of Chevron, which is up in Northern Loving, that kind of – that meeting place around the state line of New Mexico, Culberson, Loving, and Reeves, is the core of the core of the core. As you get down into Southwestern Reeves County, which is where I think this acreage is, it's non-core to them. It might be Tier 3, maybe Tier 2. Certainly not Tier 1. And I think that they're hydrating. And it's not to say that they don't believe in gas - they believe in capital efficiency and they're saying, look, if we're going to drill this, we're going to drill this in 35-40 years. Maybe somebody else will give us all that net present value today. And indications were upwards of $30,000 an acre, which is wild. It's back to premium pricing again.

So, I view this as a positive, especially if there's overlap with TPL land, which I can't really comment on. But if you're the royalty-holder on that land, you're thrilled, because it means that you can get that drilled sooner rather than waiting for gas and NGLs to become economic and Chevron to get around to putting a new structure down there.

<u>Chris Bell:</u> Sure. Yeah. James, we also have a question on Civeo. I know you follow that. Do you mind giving an update on Civeo?

<u>James Davolos:</u> Sure. I mean, Civeo is benefiting from the Canadian energy industry's evolving. You know, they were once – 15 years ago when I started in this business, I covered all the oil sands companies – there was a lot of heavy oil. They weren't doing any of the things they're doing today. There's a lot more business up there that is doing cleaner and more "conventional extraction." But I think the long-term play here is LNG (liquified natural gas), where Canada has an abundance of gas and you can't really ship it anywhere because the only place to take it is to the U.S., and we've got a ton of gas. But building up the infrastructure to get gas to the West Coast, now you can get NGLs (natural gas liquids) and LNG into the JKM (Japan Korea Marker) market, which is the main hub for LNG delivery in Southeast Asia.

And I think that there are some huge secular plays that are going on here for Civeo and Canada. But then also down in Australia, that business is booming. I mentioned before, we're going to need a lot more iron. The only way to turn iron into steel is coal. You're going to need a lot more metallurgical coal. I mean, there are electric arc furnaces. But there's a big upswing in Australia as well. So, I think misperception and misunderstanding of exactly where met coal in Australia stands in the global supply and cost curve as well as where Canadian energy sits, particularly Canadian gas, you're buying Civeo at well below 5 times normalized free cash flow. And they've been paying down debt.

So, if you think that people like having heat and electricity in their house, you're probably going to believe in the Australian story. And if you believe in gas being an efficient transition fuel and the Canadian economy needing those jobs and that revenue, you probably believe in the Canadian story and you add those up, and if you're buying below 5 times free cash flow, it's something you could probably get behind.

<u>Chris Bell:</u> And they're paying off a ton of debt, right? I mean, that's been the real story, right, is the Modigliani-Miller enterprise value theorem that attracts us to that investment in the first place, right?

James Davolos: If you don't have to worry about bankruptcy, then the equity's worth a heck of a lot more. So, you go from EBIT to EBITDA looking from an enterprise value to a free cash flow yield. A free cash flow yield is wildly cheap. So, if you're confident that you can get that cash back to yourself as an equity holder, you capitalize it at a much higher rate. So, it's really that simple. And I think that that story has evolved and has basically taken that card off the table, but they haven't gotten the multiple yet.

Chris Bell: Peter, I have a question for you. Someone says, that as shareholders, they're very happy with the TPL position but they're wondering what kind of ideas you have for new money. I know Murray's been talking about a few things, and did you have any ideas what we're doing with new money?

Peter Doyle: So, we've been looking at a lot of things that are likely beneficiaries of inflation and we've been adding to those with the passage of time – whether it be some of the timber companies, the shipping companies, etc., that we think were mispriced relative to the business operations and what the pricing was likely to be. So, you're seeing shipping rates that have gone through the roof as a result of a lot of imbalance in where containers are around the world, etc., and we've benefited from that.

So, a lot of the more recent things have been really one-off situations. There's some special thing going on at the company level that we find interesting and we've made a position in those. So, without going into the specific names...

Chris Bell: Yeah, sure. And our Form 13F will be filed soon, so people, if they really want to know exactly what we're doing, they can get an idea by looking at the 13F filings.

Finally, we are past an hour so we don't want to go much further unless we get a lot more questions, but the final question that I have here, James, probably for you is current thoughts on the Howard Hughes position. I know they just had earnings, so what did you see there?

James Davolos: Howard Hughes is a similar thing. The market is viewing it as an operating portfolio of commercial real estate, which is probably two-thirds of the asset value if you were to look at it in kind of backward-looking terms. But the Houston office space is fully leased, getting peak rents again. And then obviously the Vegas market is booming, the commercial real estate in Hawaii is booming.

And then the only property you could maybe be a little bit concerned is the South Street Seaport in New York, which is the only thing that anyone focuses on.

But for those of you that are not New York centric, I have friends that were COVID evacuees, similar to myself, and are looking to go back, and they are now getting quoted rental rates that are above what they were paying in 2019. And everybody wants to be in lower Manhattan. There's a huge wave of youth, a lot of things for kids. And I think the seaport is going to be just fine, but I don't think it defines Howard Hughes.

I think the more important thing is they have millions of acres and lots in almost a dominant market position in suburban Las Vegas, which is absolutely on fire. It's actually a lovely place. It's not just the strip anymore. You've got a football team, you've got professional hockey, and you have a thriving community, a great hospital system and a lot of new jobs out in Summerlin. They dominate the Houston market, which again is thriving again, despite everybody thinks every time oil goes down a buck, that Houston's going away.

And with Peter's comments on the scarcity value of ultra- luxury, oceanfront Hawaii is booming again. So, they're getting no credit and no multiple for these gem assets that you have in the markets that... And, by the way, for all of the tax dodgers, Texas and Nevada are wonderful places to go if you don't want to pay New York or California taxes anymore.

So, there's a lot of tailwinds going into their residential business. They transitioned the old CFO to the CEO last year, who I love, and I have known David O'Reilly for many years, and I think he does things the right way and for the right reasons. And he's going to extract a lot of value here, and it's just going to be kind of a show-me story that the hospitality-oriented, multipurpose commercial real estate is going to get fully leased again and they're going to get the rent that they were once claiming. And then I think there's easily 50 bucks to 75 bucks on top of the current share price in NAV.

Chris Bell: Right. Okay, James, thank you very much for your presentation; Peter, thank you, too. Would you like to make any final comments, Peter? Or any final comments, James?

Peter Doyle: I'll just point out that – I meant to mention this earlier – that real yields on junk bonds actually are negative for the first time in their history that I'm aware of, as far as I can remember. And then I would say that the other thing is that the type of inflation that could be shaping up right now, it's a supply-demand imbalance that we've been talking about, is not something that can be addressed by monetary policy.

So, you could see some real interesting things coming in the future, where if we're right, and if I were an evil oil executive, I would probably enlist the climate activists to have my production curtailed, have the administration shut down permits for drilling on onshore federal land and offshore, and I would basically have the price be increased as a result of that. And I'd have less capital expenditures but I'm selling my product at a much higher price. And the Federal Reserve cannot handle any of those ty pes of things. You can try to raise interest rates, but when you're the biggest debt holder and you're running massive deficits, that's not really an option for you.

So, I would say that the things people should be most concerned about are things that were really not even thinkable probably two years ago, where there's a social construct around money and that can change radically. For the bulk of history, money has been in the hands of private individuals and its really kind of a new invention that governments have controlled money. And you can see money being moved back into the control of private individuals again. And I think that's a fascinating thing to be paying attention to.

Chris Bell: James?

James Davolos: I think we've kind of summarized everything very well, and if anyone has additional questions just feel free to reach out.

Chris Bell: Yeah. Thank you very much and, again, remember that today is being recorded. If you'd like to get more information or the slide deck, just reach out to one of your Horizon Kinetics wholesalers. And with that, we'll sign off. Thank you very much for your attention.

The Kinetics Alternative Income Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since 2012

Matt Houk
Co-Portfolio Manager
15 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	$12.0 million
Total Number of Positions*	5
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 or Equivalent	50.4%
Investment Company	49.6%

www.kineticsfunds.com

Alternative Income Fund Overview

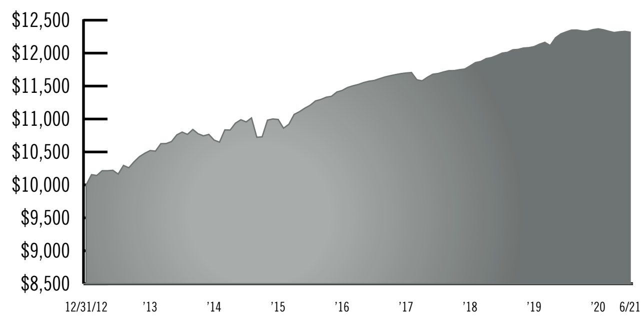
- A two-part investment strategy focused on generating income and capital gains in excess of traditional short duration, investment grade fixed income indexes.
- The strategy primarily invests in a diversified portfolio of short-term, investment grade bonds with an emphasis on liquidity, diversification, 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 06/30/21

	2013	2014	2015	2016	2017	2018	2019	2020	Since 1/1/13
Fund (KWINX)	5.22%	1.50%	2.94%	4.00%	2.32%	0.92%	2.47%	2.23%	2.49%
Bloomberg Barclays US Agg. Bond Index	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%	8.72%	7.51%	2.91%
Bloomberg Barclays 1-3 Year US Credit Index	1.45%	1.12%	0.85%	2.11%	1.66%	1.64%	5.01%	3.69%	2.08%

Growth of $10,000 Returns

$12,318



Statistics

	Fund	Barclays Agg.
Beta	0.08	1.00
Standard Deviation	1.99	3.12
Sharpe Ratio	0.90	0.71

Equity Option Overview

Option Statistics

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

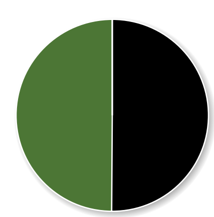
Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	0.75
Average Maturity (years)	0.78

Credit Quality (%)

Cash	50.4%
A	49.6%



The Kinetics Alternative Income Fund

2Q 2021

Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
			Annualized Returns as of 06/30/21				
Alternative Income Fund (KWINX)	0.04%	-0.41%	-0.04%	1.76%	1.91%	2.31%	0.67%
Bloomberg Barclays US Agg. Bond Index	1.83%	-1.60%	-0.33%	5.34%	3.03%	3.39%	4.31%
Bloomberg Barclays 1-3 Year US Credit Index	0.23%	0.21%	1.31%	3.47%	2.42%	2.14%	3.03%

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	2.47%	2.97%	2.22%	2.17%
Net	1.26%	1.76%	1.01%	0.81%

The Gross expense ratios listed are as of 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

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.

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

The Kinetics **Global** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since 2011

Steve Tuen, CFA
Co-Portfolio Manager
31 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%	1.81%	2.87%
Adv. C	KGLCX	494613623	1.00%	2.31%	3.37%
No Load	WWWEX	494613805	-	1.56%	2.62%

Fund Characteristics

Total Net Assets	$28.4 million
Total Number of Positions*	43
Turnover Ratio	10.00%
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	41.2%
Cash and Cash Equivalents	42.4%
Unit Investment Trust	16.4%
Preferred Stocks	0.0%
Fixed Income	0.0%

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Global Fund Overview

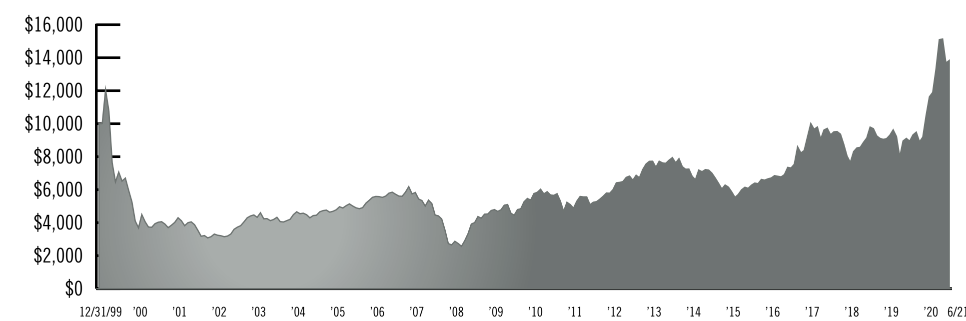
- Global Fund focuses on classic value investment opportunities worldwide with at least 40% of net assets in companies located outside the U.S.
- Seeks to identify unique business models with pricing dislocations
- On March 11, 2008 the Fund changed its name and investment mandate from the Internet Emerging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

Performance (No-Load Class)

			Annualized Returns as of 06/30/21					
	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWEX)	-8.36%	18.92%	54.70%	14.04%	17.13%	9.35%	6.36%	1.52%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.61%	7.16%
MSCI ACW Index	7.39%	12.30%	39.27%	14.57%	14.61%	9.90%	7.31%	5.50%

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 **$13,831**



Top 10 Holdings (%) as of 06/30/21

Grayscale Bitcoin Trust	16.4%
Texas Pacific Land Corp.	16.2%
CACI International, Inc. - Class A	4.8%
Galaxy Digital Holdings Ltd.	2.9%
Franco-Nevada Corporation	1.8%
Clarkson plc	1.7%
Wheaton Precious Metals Corporation	1.6%
The Boeing Company	1.3%
Civeo Corp.	1.3%
Mesabi Trust	1.1%

Statistics

Statistics	Fund	S&P 500
Beta	0.95	1.00
Standard Deviation	21.98	15.08
Up Market Capture Ratio	0.89	-
Down Market Capture Ratio	1.08	-
Sharpe Ratio	0.00	0.37
Weighted Avg. Mkt. Cap. ($mil)	$17,206	$542,589
Median Market Cap. ($mil)	$3,240	$30,216
Price to Book	1.36	4.46
Price to Earnings	22.90	26.29
Return on Equity	22.16%	23.48%
Active Share	99.23%	-

The Kinetics **Global** Fund

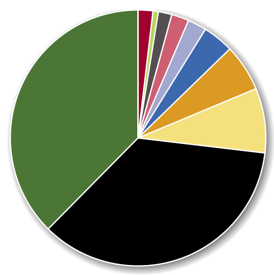
2Q 2021

Historical Total Return (No-Load Class) as of 06/30/21

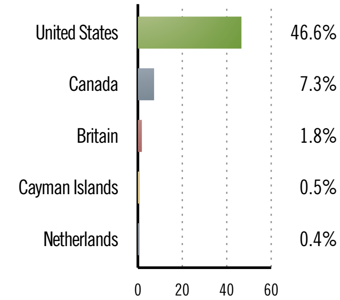
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (WWWEX)	-63.10%	16.53%	-24.65%	33.56%	7.67%	2.65%	16.90%	4.27%	-50.72%	66.86%	20.30%	-15.41%	23.16%	28.59%	-11.89%	-13.83%	14.40%	49.20%	-23.58%	21.61%	25.00%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	18.40%
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%	16.25%

Top 10 Sectors (%)

Finance and Insurance	22.1%
Mining, Quarrying, and Oil and Gas Extraction	20.9%
Professional, Scientific, and Technical Services	4.8%
Management of Companies and Enterprises	3.5%
Transportation and Warehousing	2.3%
Manufacturing	1.4%
Accommodation and Food Services	1.3%
Real Estate and Rental and Leasing	1.0%
Machinery Manufacturing	0.4%
Other Services (except Public Administration)	0.1%



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 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

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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 (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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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.

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

The Kinetics **Internet** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since 1999

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

James Davolos
Co-Portfolio Manager
15 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%	2.32%	2.32%
Adv. C	KINCX	494613763	1.00%	2.82%	2.82%
No Load	WWWFX	460953102	-	2.07%	2.07%

Fund Characteristics

Total Net Assets	$223.8 million
Total Number of Positions*	38
Turnover Ratio	6.00%
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	49.8%
Unit Investment Trust	28.6%
Cash and Cash Equivalents	21.6%

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Internet Fund Overview

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

Performance (No-Load Class)

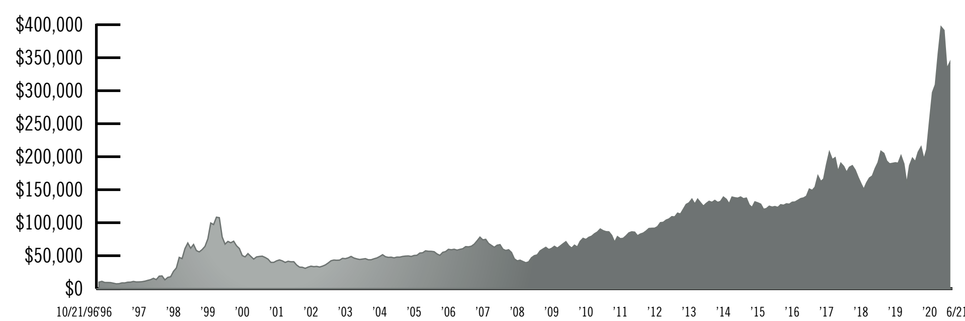
Annualized Returns as of 06/30/21

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWFX)	-13.67%	15.13%	78.03%	24.79%	22.70%	14.76%	10.18%	15.39%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.61%	9.60%
NASDAQ Composite Index	9.49%	12.54%	44.19%	24.53%	24.53%	17.99%	9.99%	10.49%

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

$342,414



Top 10 Holdings (%) as of 06/30/21

Grayscale Bitcoin Trust	28.6%
Texas Pacific Land Corp.	15.0%
PayPal Holdings, Inc.	7.8%
CACI International, Inc. - Class A	4.9%
OTC Markets Group, Inc. - Class A	2.8%
eBay, Inc.	2.4%
Visa, Inc. - Class A	2.2%
Alphabet, Inc. - Class C	1.8%
Alphabet, Inc. - Class A	1.7%
MasterCard, Inc. - Class A	1.1%

Statistics	Fund	S&P 500
Beta	1.22	1.00
Standard Deviation	29.95	15.37
Up Market Capture Ratio	1.39	-
Down Market Capture Ratio	1.16	-
Sharpe Ratio	0.43	0.49
Weighted Avg. Mkt. Cap. ($mil)	$143,758	$542,589
Median Market Cap. ($mil)	$13,046	$30,216
Price to Book	1.29	4.46
Price to Earnings	32.22	26.29
Return on Equity	31.41%	23.48%
Active Share	92.93%	-

The Kinetics **Internet** Fund

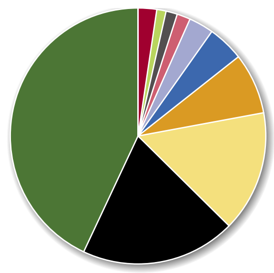
2Q 2021

Historical Total Return (No-Load Class) as of 06/30/21

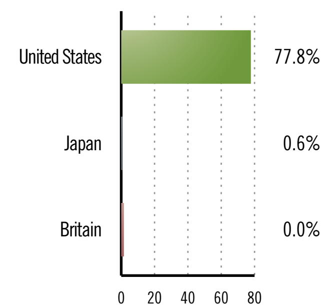
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (WWWFX)	-51.49%	-9.62%	-23.44%	40.11%	10.06%	-1.69%	16.49%	26.81%	-42.24%	48.61%	21.18%	-1.98%	23.24%	44.28%	-0.16%	-5.42%	2.59%	57.43%	-27.32%	26.45%	56.42%
S&P 500 Index	-9.10%	-11.89%	-22.10%	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%	18.40%
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%	43.64%

Top 10 Industries (%)

Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	32.9%
Oil and Gas Extraction	15.0%
Data Processing, Hosting, and Related Services	11.7%
Aerospace and Defense	5.9%
Other Information Services	3.5%
E-Commerce	2.4%
Other Telecommunications	1.3%
Management of Companies and Enterprises	1.1%
Office of Other Holding Companies	0.9%
Credit Intermediation and Related Activities	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 11/01/96. **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 11/01/96 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 11/01/96. **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 11/01/96. **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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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.

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Kinetics Mutual Funds, Inc
We Do *Our* Research

The Kinetics **Market Opportunities** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since inception (2006)

Peter Doyle
Senior Portfolio Manager
35 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%	1.77%	2.22%
Adv. C	KMKCX	494613730	1.00%	2.27%	2.72%
Inst.	KMKYX	494613615	-	1.32%	1.92%
No Load	KMKNX	494613789	-	1.52%	1.97%

Fund Characteristics

Total Net Assets	$137.9 million
Total Number of Positions*	52
Turnover Ratio	2.00%
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	61.5%
Cash and Cash Equivalents	25.1%
Unit Investment Trust	13.0%
Preferred Stocks	0.2%
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.

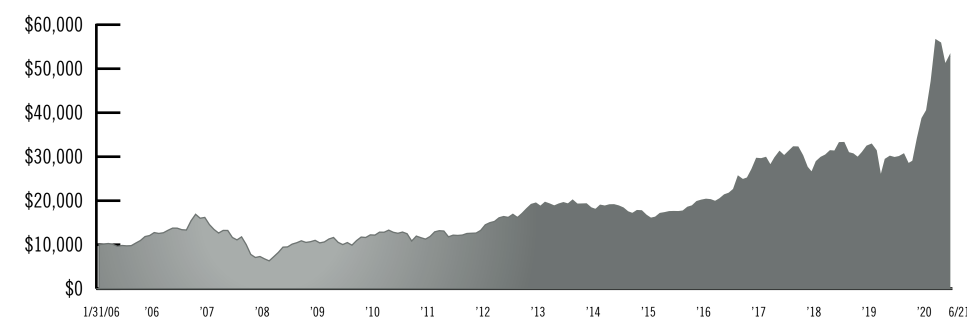
Performance (No-Load Class)

Annualized Returns as of 06/30/21

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	-6.39%	36.61%	77.61%	20.58%	24.73%	15.43%	11.42%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	10.43%
MSCI EAFE Index	5.17%	8.83%	32.35%	8.27%	10.28%	5.89%	4.53%

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 **$52,906**



Top 10 Holdings (%) as of 06/30/21

Texas Pacific Land Corp.	42.1%
Grayscale Bitcoin Trust	13.0%
DREAM Unlimited Corp.	2.1%
Partners Value Investments LP	1.8%
Galaxy Digital Holdings Ltd.	1.5%
Visa, Inc. - Class A	1.4%
Associated Capital Group, Inc. - Class A	1.3%
IntercontinentalExchange Group, Inc.	1.1%
MasterCard, Inc. - Class A	1.1%
Clarkson plc	1.0%

Statistics

Statistics	Fund	S&P 500
Beta	1.12	1.00
Standard Deviation	21.36	14.99
Up Market Capture Ratio	1.16	-
Down Market Capture Ratio	1.14	-
Sharpe Ratio	0.48	0.62
Weighted Avg. Mkt. Cap. ($mil)	$28,551	$542,589
Median Market Cap. ($mil)	$3,516	$30,216
Price to Book	2.14	4.46
Price to Earnings	32.96	26.29
Return on Equity	30.25%	23.48%
Active Share	97.33%	-

The Kinetics **Market Opportunities** Fund

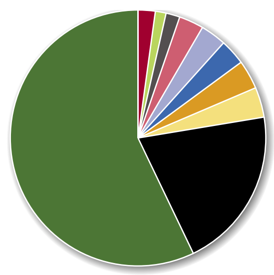
2Q 2021

Historical Total Return (No-Load Class) as of 06/30/21

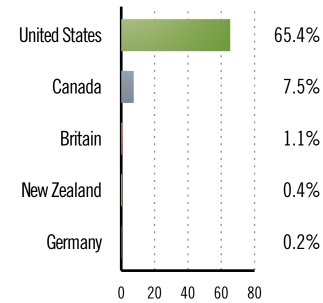
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (KMKNX)	20.85%	34.03%	-54.83%	50.21%	11.31%	-7.85%	17.52%	46.74%	-5.55%	-9.11%	20.45%	47.28%	-10.86%	22.76%	19.55%
S&P 500 Index	10.80%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	18.40%
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%	7.82%

Top Industries (%)

Oil and Gas Extraction	42.1%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	15.1%
Management of Companies and Enterprises	2.8%
Other Investment Pools and Funds	2.7%
Data Processing, Hosting, and Related Services	2.4%
Real Estate	2.4%
Mining (except Oil and Gas)	2.3%
Securities and Commodity Exchanges	1.3%
Support Activities for Water Transportation	1.0%
Diversified Financials	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.

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.

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Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Medical** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
21 years of management experience
Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
35 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%	2.51%
Adv. C	KRXCX	494613755	1.00%	2.14%	3.01%
No Load	MEDRX	494613102	-	1.39%	2.26%

Fund Characteristics

Total Net Assets	$19.8 million
Total Number of Positions*	29
Turnover Ratio	1.00%
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	99.2%
Cash and Cash Equivalents	0.7%
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.

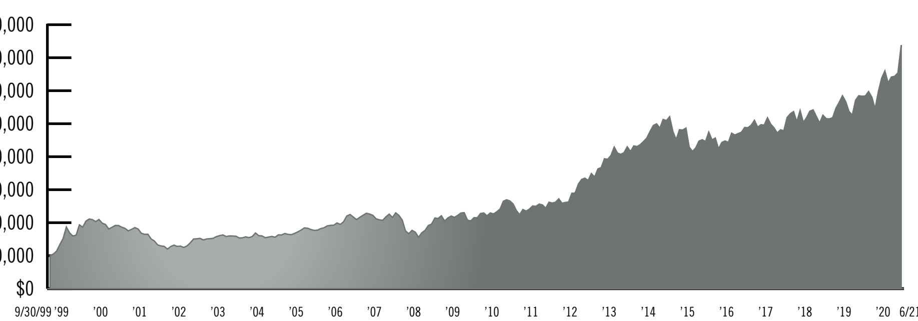
Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 06/30/21: 1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (MEDRX)	15.05%	15.75%	26.55%	15.53%	10.59%	10.75%	6.98%	9.63%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.61%	7.76%
NASDAQ Composite Index	9.49%	12.54%	44.19%	24.53%	24.53%	17.99%	9.99%	7.95%

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

$73,818



Top 10 Holdings (%) as of 06/30/21

Intellia Therapeutics, Inc.	8.2%
Bristol-Myers Squibb Company	7.9%
Eli Lilly & Co.	7.5%
Biogen, Inc.	6.5%
Novartis AG - ADR	6.4%
Pfizer, Inc.	5.9%
Johnson & Johnson	5.8%
AbbVie, Inc.	5.7%
Merck & Co., Inc.	5.5%
AMGEN, Inc.	4.9%

Statistics

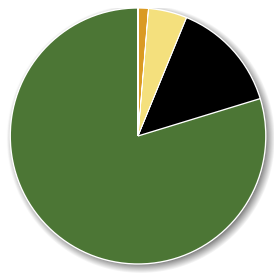
Statistics	Fund	S&P 500
Beta	0.69	1.00
Standard Deviation	16.89	15.08
Up Market Capture Ratio	0.85	-
Down Market Capture Ratio	0.64	-
Sharpe Ratio	0.47	0.41
Weighted Avg. Mkt. Cap. ($mil)	$134,903	$542,589
Median Market Cap. ($mil)	$19,888	$30,216
Price to Book	5.61	4.46
Price to Earnings	23.14	26.29
Return on Equity	4.24%	23.48%
Active Share	95.36%	-

Historical Total Return (No-Load Class) as of 06/30/21

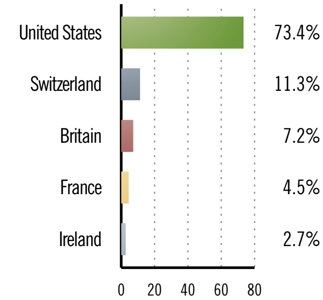
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (MEDRX)	57.04%	-13.77%	-29.14%	23.19%	6.96%	-0.72%	14.81%	15.47%	-20.42%	24.47%	4.30%	5.11%	8.86%	49.25%	16.44%	6.59%	-8.01%	10.71%	1.67%	16.04%	9.04%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	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%	18.40%
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%	43.64%

Top Industries (%)

Pharmaceutical and Medicine Manufacturing	79.8%
Chemical Manufacturing	14.1%
Professional, Scientific, and Technical Services	4.9%
Ambulatory Health Care Services	0.3%
Scientific Research and Development Services	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 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

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 (9/30/99). 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 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 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. 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.

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.

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Kinetics Mutual Funds, Inc

We Do *Our* Research

Kinetics Multi-Disciplinary Income Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since inception (2008)

Matt Houk
Co-Portfolio Manager
15 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	$27.7 million
Total Number of Positions*	15
Turnover Ratio	0.05%
Minimum Purchase	$2,500

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

Portfolio Allocation

Cash and Cash Equivalents	48.2%
Fixed Income	41.0%
Other Investments	10.5%
Common Stocks	0.3%

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Multi-Disciplinary Income Fund Overview

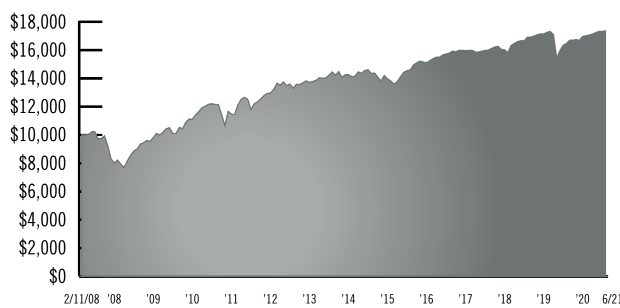
- Multi-strategy investment approach that opportunistically invests in income oriented securities and utilizes an equity option strategy which seeks to generate income and capital gains in excess of traditional fixed income indexes while assuming less interest rate risk or duration risk.
- Fixed income 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 06/30/21						
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
Multi-Disciplinary Income Fund (KMDNX)	0.72%	2.04%	5.46%	2.76%	3.51%	3.62%	4.21%	5.49%
BB Barclays US Agg. Bond Index	1.83%	-1.60%	-0.33%	5.34%	3.03%	3.39%	3.93%	3.25%
BB Barclays US HY Corp. Bond Index	2.74%	3.62%	15.37%	7.45%	7.48%	6.66%	7.88%	7.38%

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 — $17,361



Statistics

Statistics	Fund	Barclays Agg.
Beta	0.42	1.00
Standard Deviation	5.49	3.25
Up Market Capture Ratio	0.81	-
Down Market Capture Ratio	0.41	-
Sharpe Ratio	0.43	0.58

Recent Fund Distributions**	Fund
Jun-2021	$0.05
Mar-2021	$0.08
Dec-2020	$0.06
Sep-2020	$0.07

Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	0.90
Average Maturity (years)	1.25

Top 10 Fixed Income Holdings (%) as of 06/30/21

Ashland, Inc.	11.2%
Stolt-Nielsen Limited	7.5%
Lennar Corporation	7.4%
Lamb Weston Holdings, Inc.	7.2%
Cheniere Energy, Inc.	2.5%
Lumen Technologies, Inc.	1.9%
Ball Corporation	0.9%
Chemours Co	0.8%
Cablevision System Corp	0.8%
BRANSON MO REGL ARPT	0.7%

Historical Total Return (No-Load Class) as of 06/30/21

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%	-1.38%
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%	7.51%
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%	7.11%

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

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.61%	3.11%	2.36%	2.31%
Net	1.97%	2.47%	1.72%	1.52%

The Gross expense ratios listed are as of 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

Definitions:

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

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

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 (2/11/08). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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

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

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

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

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

The Kinetics **Paradigm** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
35 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	$1.0 billion
Total Number of Positions*	51
Turnover Ratio	1.00%
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	84.6%
Cash and Cash Equivalents	9.6%
Unit Investment Trust	5.8%
Preferred Stocks	0.0%
Other Investments	0.0%

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)

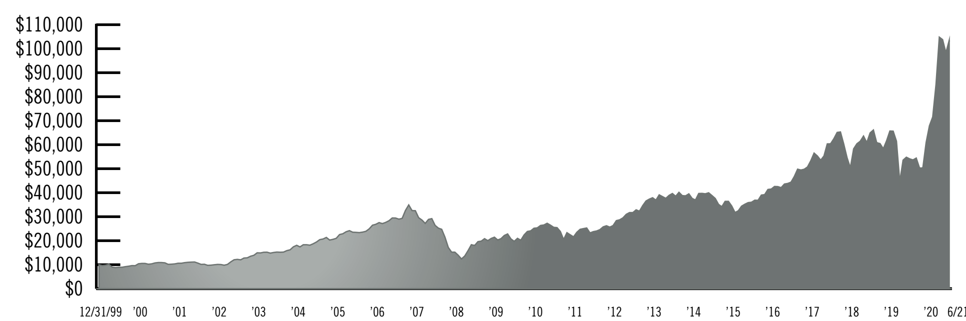
Annualized Returns as of 06/30/21

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWNPX)	-1.30%	52.40%	91.20%	19.66%	23.49%	15.00%	11.90%	11.48%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.61%	7.16%
MSCI ACW Index	7.39%	12.30%	39.27%	14.57%	14.61%	9.90%	7.31%	5.50%

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

$103,454



Top 10 Holdings (%) as of 06/30/21

Texas Pacific Land Corp.	55.8%
Grayscale Bitcoin Trust	5.8%
Brookfield Asset Management, Inc. - Class A	4.3%
The Howard Hughes Corporation	3.3%
Live Nation Entertainment, Inc.	2.6%
Franco-Nevada Corporation	2.6%
Liberty Broadband Corporation - Series C	2.1%
Icahn Enterprises LP	1.4%
CACI International, Inc. - Class A	1.3%
The Wendy's Company	1.0%

Statistics

	Fund	S&P 500
Beta	1.03	1.00
Standard Deviation	20.20	15.08
Up Market Capture Ratio	1.15	-
Down Market Capture Ratio	0.93	-
Sharpe Ratio	0.49	0.37
Weighted Avg. Mkt. Cap. ($mil)	$16,921	$542,589
Median Market Cap. ($mil)	$13,086	$30,216
Price to Book	3.35	4.46
Price to Earnings	49.23	26.29
Return on Equity	24.58%	23.48%
Active Share	99.40%	-

The Kinetics **Paradigm** Fund

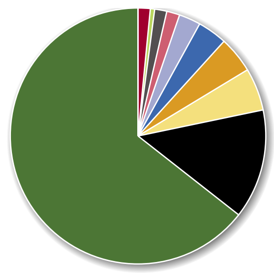
2Q 2021

Historical Total Return (No-Load Class) as of 06/30/21

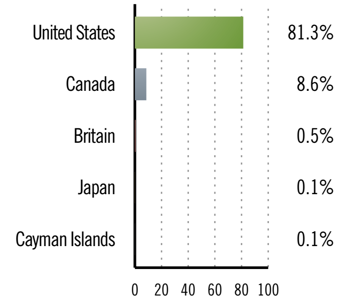
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (WWNPX)	4.00%	2.02%	-4.62%	47.77%	20.93%	16.11%	27.81%	21.14%	-53.17%	41.02%	17.37%	-14.27%	21.78%	44.07%	-0.79%	-8.33%	20.45%	28.41%	-5.55%	30.48%	3.32%
S&P 500 Index	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	18.40%
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%	16.25%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	58.7%
Finance and Insurance	12.6%
Information	4.9%
Real Estate and Rental and Leasing	4.2%
Arts, Entertainment, and Recreation	3.4%
Management of Companies and Enterprises	2.5%
Accommodation and Food Services	1.5%
Professional, Scientific, and Technical Services	1.4%
Transportation and Warehousing	0.5%
Real Estate	0.4%



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 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

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.

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

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

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

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

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

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Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Small Cap Opportunities** Fund

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since inception (2000)

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

Matt Houk
Co-Portfolio Manager
15 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%	1.89%	2.03%
Adv. C	KSOCX	494613748	1.00%	2.39%	2.53%
Inst.	KSCYX	494613813	-	1.44%	1.73%
No Load	KSCOX	494613706	-	1.64%	1.78%

Fund Characteristics

Total Net Assets	$313.7 million
Total Number of Positions*	44
Turnover Ratio	4.00%
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	88.0%
Cash and Cash Equivalents	8.8%
Unit Investment Trust	2.9%
Other Investments	0.3%
Fixed Income	0.0%

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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)

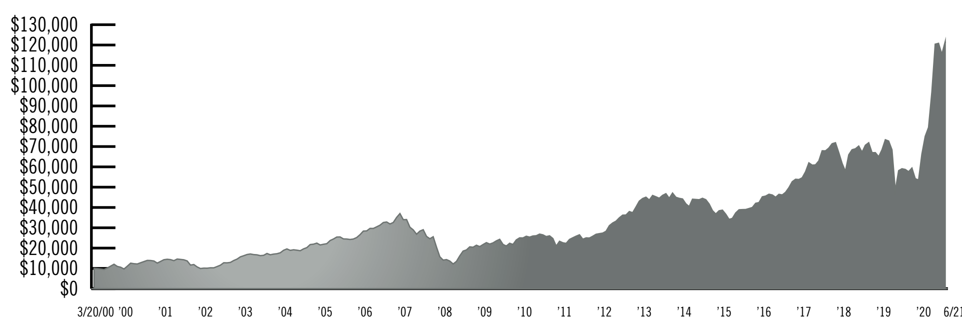
Annualized Returns as of 06/30/21

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (KSCOX)	0.99%	62.06%	107.10%	21.46%	25.54%	16.83%	11.44%	12.46%
S&P SmallCap 600 Index	4.51%	23.56%	67.40%	12.20%	15.82%	13.49%	10.60%	10.47%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.61%	7.27%

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

$121,612



Top 10 Holdings (%) as of 06/30/21

Texas Pacific Land Corp.	53.3%
DREAM Unlimited Corp.	6.2%
CACI International, Inc. - Class A	4.6%
Icahn Enterprises LP	3.1%
Grayscale Bitcoin Trust	2.9%
Associated Capital Group, Inc. - Class A	2.6%
Live Nation Entertainment, Inc.	2.3%
Galaxy Digital Holdings Ltd.	2.2%
The Wendy's Company	2.2%
The Howard Hughes Corporation	2.1%

Statistics

Statistics	Fund	S&P 600
Beta	0.93	1.00
Standard Deviation	22.42	19.35
Up Market Capture Ratio	0.92	-
Down Market Capture Ratio	0.76	-
Sharpe Ratio	0.49	0.47
Weighted Avg. Mkt. Cap. ($mil)	$9,966	$2,766
Median Market Cap. ($mil)	$2,496	$1,616
Price to Book	2.99	2.22
Price to Earnings	27.24	18.29
Return on Equity	24.37%	3.33%
Active Share	99.50%	-

The Kinetics **Small Cap Opportunities** Fund

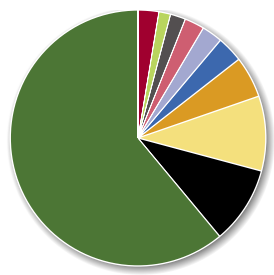
2Q 2021

Historical Total Return (No-Load Class) as of 06/30/21

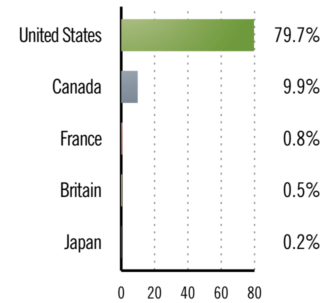
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund (KSCOX)	11.00%	30.63%	-30.28%	66.51%	16.40%	13.17%	28.37%	19.65%	-57.88%	58.16%	13.86%	-13.65%	26.74%	59.40%	-7.28%	-12.26%	24.39%	26.23%	0.29%	27.06%	2.30%
S&P SmallCap 600 Index	4.27%	6.54%	-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%	11.29%
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%	18.40%

Top 10 Sectors (%)

Oil and Gas Extraction	53.6%
Management of Companies and Enterprises	8.6%
Real Estate	8.3%
Aerospace and Defense	4.6%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	2.9%
Performing Arts, Spectator Sports, and Related Industries	2.3%
Food Services and Drinking Places	2.2%
Accommodation	1.7%
Mining (except Oil and Gas)	1.3%
Chemical Manufacturing	1.3%



Top Countries (%)



Definitions:

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

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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.

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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

2Q 2021

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $7.0 billion in assets as of 06/30/2021.
- 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
42 years of management experience
Co-Manager of Fund since inception (2007)

Steven Bregman
President
35 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%	1.70%	2.61%
Adv. C	LSHCX	494613540	0.75%	2.45%	3.11%
Inst.	LSHUX	494613532	-	1.45%	2.31%
No Load	LSHEX	494613524	-	1.65%	2.36%

Fund Characteristics

Total Net Assets	$28.8 million
Total Number of Positions*	31
Turnover Ratio	1.00%
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	98.4%
Cash and Cash Equivalents	1.5%
Fixed Income	0.1%

www.kineticsfunds.com

Spin-off and Corporate Restructuring Fund Overview

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

Performance (Institutional Class)*

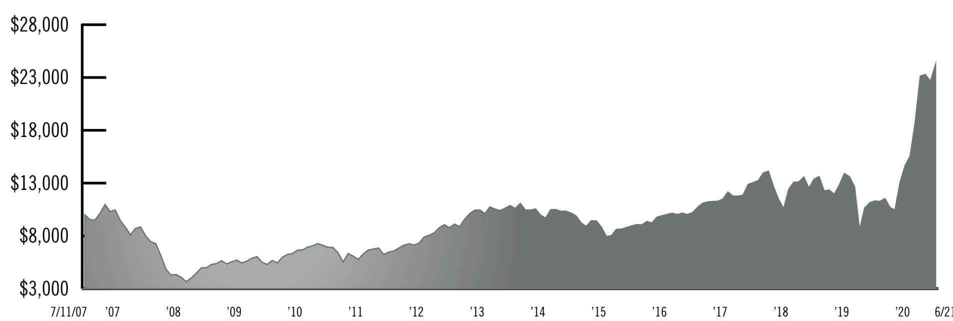
Annualized Returns as of 06/30/21

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	4.58%	65.11%	114.10%	22.86%	22.04%	13.32%	6.53%
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	9.99%

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

$24,200



Top 10 Holdings (%) as of 06/30/21

Texas Pacific Land Corp.	58.7%
PayPal Holdings, Inc.	9.3%
DREAM Unlimited Corp.	5.8%
CSW Industrials, Inc.	4.5%
Associated Capital Group, Inc. - Class A	4.4%
Graham Holdings Company - Class B	2.2%
The Howard Hughes Corporation	2.1%
Liberty Broadband Corporation - Series A	1.6%
Capital Southwest Corporation	1.4%
Welbilt, Inc.	1.4%

Statistics

Statistics	Fund	S&P 500
Beta	1.35	1.00
Standard Deviation	25.10	15.61
Up Market Capture Ratio	1.21	-
Down Market Capture Ratio	1.43	-
Sharpe Ratio	0.25	0.62
Weighted Avg. Mkt. Cap. ($mil)	$41,317	$542,589
Median Market Cap. ($mil)	$1,766	$30,216
Price to Book	3.87	4.46
Price to Earnings	37.21	26.29
Return on Equity	25.63%	23.48%
Active Share	98.98%	-

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

2Q 2021

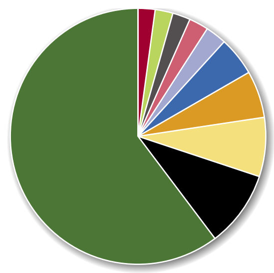
Historical Total Return (Institutional Class)* as of 06/30/21

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%	5.46%
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%	18.40%

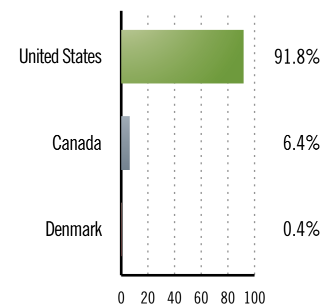
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying and Oil and Gas Extraction	58.9%
Admin. and Spprt. and Wst. Mgmt. and Rem. Srvcs.	9.4%
Manufacturing	7.3%
Real Estate	5.8%
Management of Companies and Enterprises	4.8%
Real Estate and Rental and Leasing	2.6%
Information	2.4%
Finance and Insurance	2.2%
Educational Services	2.2%
Accommodation and Food Services	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 12/31/2020 as reported in the 4/30/2021 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, 2022 and may be discontinued at any time by the Fund's adviser after May 1, 2022.

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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