Kinetics Mutual Funds

Second Quarter 2022 - Conference Call with Peter Doyle

July 12, 2022

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on July 12, 2022, Peter Doyle, Co-Founder of HKAM and Senior Portfolio Manager for Kinetics Mutual Funds, Inc., hosted a conference call to financial advisors. The transcript set forth below is intended to provide a summary of Mr. Doyle's remarks.

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

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

Chris Bell: Good morning, everyone. Welcome and thank you for your time today for this 2022 Second Quarter Kinetics Mutual Funds Update Webinar. Today, as usual, we are joined by Peter Doyle, co-founder of Horizon Kinetics and President of Kinetics Mutual Funds, and James Davolos, a Portfolio Manager with the Firm.

Peter will speak broadly about the economy, energy markets, and inflation. And James will drill down into specific areas that are reinforcing our investment thesis, and then we will take questions.

Please note that we are recording this call, and the replay will be available, as well as a transcript. Also, the slide deck will be available.

Please reach out to me or one of your Horizon Kinetics sales team members, or your HRC representative, or go to www.kineticsfunds.com, for fact sheets, presentations and the transcript. Also, please go to www.horizonkinetics.com for what's new, research, products and recent podcasts, discussing our inflation beneficiaries, business models and our strategy updates.

Turning to performance, in the second quarter, our Paradigm Fund outperformed the S&P 500 Index ("S&P 500"), albeit, returns were negative during an extremely challenging period. The Fund returned -5.17% for the quarter, while still beating the S&P 500 by over 1,000 basis points, or 10%.

The year-to-date, as of June 30, 2022, Fund return is -2.51%, while the S&P 500 is just under -20%.

Our largest sector weighting, which is energy, and holdings we classify as "inflation beneficiaries," performed well during the quarter. More on that from both Peter and James.

It's important to note that since the inception of the Paradigm Fund, it has outperformed the S&P 500 on an annualized basis by over 400 basis points, with extremely low turnover and high tax efficiency.

Note that fact sheets should be available on the website in two to three weeks. At this time, I'd like to turn the call over to Peter.

Peter Doyle: Thank you, Chris, and good morning to everyone, and thank you for joining us on this call. I'm going to keep my remarks fairly brief.

On the last several calls, we've spoken about really three things. First, we said that there was a global crisis in confidence, be it financial institutions, be it political institutions, etc. And you can see, if you're paying attention to what's going on around the world, there are many, many protests, and in some cases violent protests going on. So, I'll just run through a very brief list and tell you what, in our opinion, is driving the unrest in multiple locales around the globe.

The protests in Sri Lanka are caused, in part, by ESG (environmental, social, and governance) policies and inflation. Similarly, in the Netherlands, there is unrest due to ESG policies. They're basically looking to limit the amount of nitrogen that farmers can use. In Italy and Germany farmers are joining in on that theme. In Lebanon, there are issues resulting from economic policies and inflation. In Egypt, economics, basically inflation and energy scarcity are driving concern. In Albania, it’s inflation. Kenya is the same, inflation. In Laos, it’s free speech. In Pakistan it has to do with religion. In Macedonia, Belgrade, it’s entry into the EU and related fighting over that issue. In Argentina, it’s inflation. In Ghana, it’s inflation. In China, it’s a banking crisis. In Panama, it’s inflation. In Sudan, its issues related to democracy. And, in Ecuador, it’s inflation.

Now, there's always been conflict throughout the world, but it seems to be accelerating, and it seems to be accelerating primarily because of either, 1) energy scarcity or 2) ESG policies that are creating energy scarcity or food scarcity.

When I refer to ESG policies, that is to say, multiple actors, including governments, asset managers, pension funds and other investors in general, are adopting policies, which, while intended to promote environmental, social and corporate governance, are in actuality misaligning capital allocations to the detriment of the very society they’re trying to help. For example, the abrupt and misguided desire to fully eliminate fossil fuel production and consumption is likely to acutely impact those at the lowest end of the socioeconomic spectrum in terms of rising energy (transportation and heating) and food costs. Concurrently, the adoption of various battery, solar and wind technologies, which are very dense in raw materials and require large quantities of energy to extract and refine, will actually front-load carbon emissions. In this sense, they are harming society whilst having a negative or neutral net environmental impact. Yet, due to the way ESG rules are written, the policies appear to be beneficial for the environment and society, hence this is where capital is being allocated. So, we expect more of that to occur, unfortunately. And if you're paying attention to what's going on in Texas in the most recent days, you see that Texas is basically telling its critical infrastructure and industries, as well as its first responders, to be prepared for a lack of energy and power over the next several days. And that's primarily because only 8% of the installed capacity of wind turbines is actually operating.

So, again, if you're going to transition to a world of renewables, and as we've mentioned in the past, there's no such thing as truly renewable energy, you need to have a backup in place, and many of these places are not doing that. So, you can't cut off the supply without cutting off the demand, and that's what a lot of these countries are doing.

2) Then the second crisis that we talked about is valuation. The NASDAQ 100 year-to-date[1] is down around -27%, and the S&P 500 is down around -18%. There's still a long way to go. Obviously, some of that has been driven by higher interest rates and the depression in valuations.

But now you're likely to see margin compressions, either caused by the rising dollar that you're seeing, and overseas revenues being lower as a result of that; or the fact that many of these companies have margins that are not sustainable. So, if you look at the largest tech companies, margins have gone up to 35%, 40%. Most of those businesses don't have moats or barriers to entry. And we think the normalized operating margins for those companies, or net margins, are likely to be in the single digits. And if that holds true, you can expect lower valuations for those companies, despite an already pretty aggressive sell-off.

3) And then, lastly, the debt burden that we talked about. That's a global debt crisis that's been going on for some time. Here in the United States, we anticipate that there's going to be a budget deficit somewhere

[1] As of July 12, 2022.

between $1.7 and $1.8 trillion this year. And that money just gets printed out of thin air. As a result of that, you can see that there have been inflationary pressures over the years.

And just to show how much the deficit here in the United States has gone up in the last three years; it's currently standing at about $30.5 trillion; it was at $22 trillion just three years ago. So, when you print that amount of money, it's going to have an impact on prices.

So, looking at that first sheet—we're going through a transition period of time, and there's actually a quote by Vladimir Lenin that says, *"There are decades that nothing happens, and there are weeks when decades happen."* And while that's not entirely true, because there's always these underlying pressures and movements that are going to have this inflection point, and it takes, in some cases, years for that to develop, it seems like it's going to happen in weeks.

What we're seeing, and what we think is going to happen, is that there's a world that's going to shift from financial assets, which we've been on from, say, the early 1980s, into hard assets—commodities, land, etc., which is how the world used to measure wealth prior to the 1980s. And we think that's where you need to be, and if you're not in those assets, you're likely to get hurt pretty badly.

So, the majority view right now is that the federal reserve is going to do what it has done in the last 20 years: it's going to adjust the interest rates, it's going to choke off inflation. That they're going to have, more than likely, a soft landing. We're going to get back to the way things were. Valuations will continue to rise, and all will be well.

That's not a situation that's likely to unfold, in our opinion. For one thing, there are now direct payments from the government. And those direct payments are in the form of social programs, whether it be food stamps, Medicare, Medicaid, lunch programs for students. And even if you try to choke off the inflation there, and slow down the demand for various products and commodities, those products are still going to be demanded and supplied, and you're not going to correct the deficit like that. So, —then you have money printing.

So, the monetary policy is not going to fix that. Secondarily, monetary policy cannot fix the commodity supply. Irrespective of what level of interest rates you have, you can't just produce more oil, more copper, more aluminum, etc. And we're entering a world where there's likely to be a chronic supply shortage.

Most of the time, over the last four decades, we've been talking about demand for commodities; now we're talking about supply. If you look at what has gone on around the world, but here in the United States in particular, in the last year, we have drawn down the Strategic Petroleum Reserve (SPR) to 495 million barrels. A year ago, it was 621 million barrels, and they're releasing about a million barrels a day. And that's helping with the supply, currently.

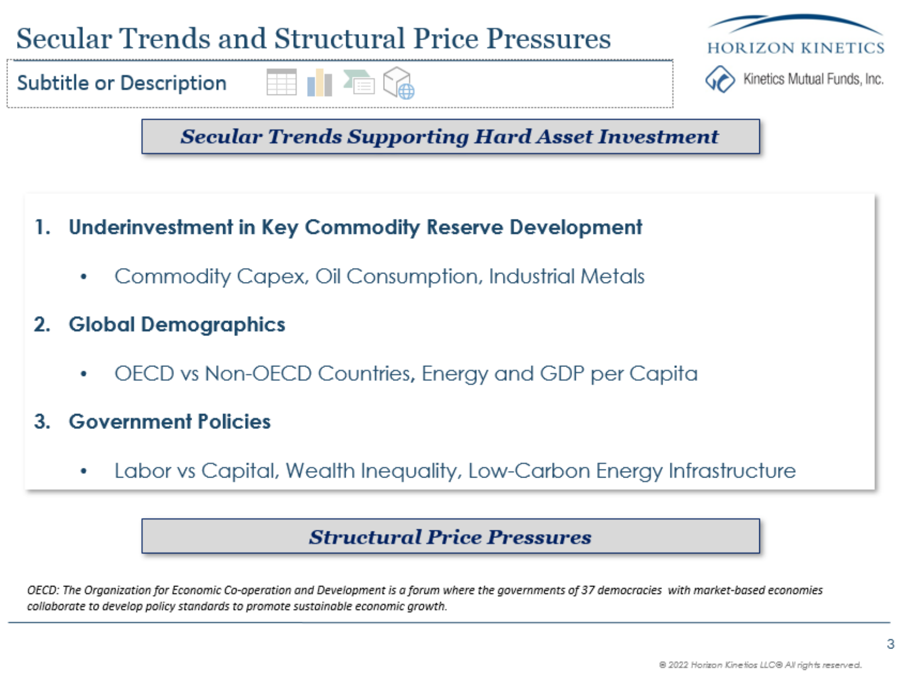
While they're doing this, you would think if you're going to release supplies from the SPR, the commercial stocks would actually be growing. But that's not the case. The commercial stocks of crude oil are actually down about 25 million barrels over the last year; not a big sign, but since commodities are typically priced at the margin, when the SPR releases stop sometime in late October, November, you're going to see that there's a tremendous deficit. And while oil can bounce around, the supply is not likely to be there to meet the demand. When that occurs, the correcting mechanism is the price. So, you're likely to see a much higher price, not only for oil, but for a lot of commodities.

In addition to that, as a result of all of the ESG policies that that we've had, and a movement by institutions away from investing in oil and gas companies, there's been under-investment in that industry. And James will get into that in greater detail, with some of the later slides. We estimate that, in order to keep the current production, you would have to spend, roughly, $850 billion on an annual basis. Currently, we are spending about $250 billion on an annual basis.

So, in all likelihood, we're entering a world of chronic supply shortages for a whole host of commodities, and it's going to have implications for people's portfolios and how well you do in protecting yourself against inflation. It goes into why higher interest rates are not necessarily going to correct the deficit problem, as I mentioned, regarding those social programs, as well as the inflation.

So, long way of saying that we think we're on the right path here. We think that hard assets, commodities, are likely to be the way to go. And it's just in simple terms and easy to understand, if I have a base asset, such as oil, and you give me these green pieces of paper, and every time you give me these green pieces of paper, I'm able to buy less and less with them, because of inflationary pressures, and that you're able to print them out of thin air, you're going to demand a higher price for that. So, while we can't tell you exactly where the prices of a lot of the commodities are going to go, we can tell you from a supply-demand imbalance, that commodity prices are likely to be much higher a year from now than they are today.

With that, I'll turn it over to James.



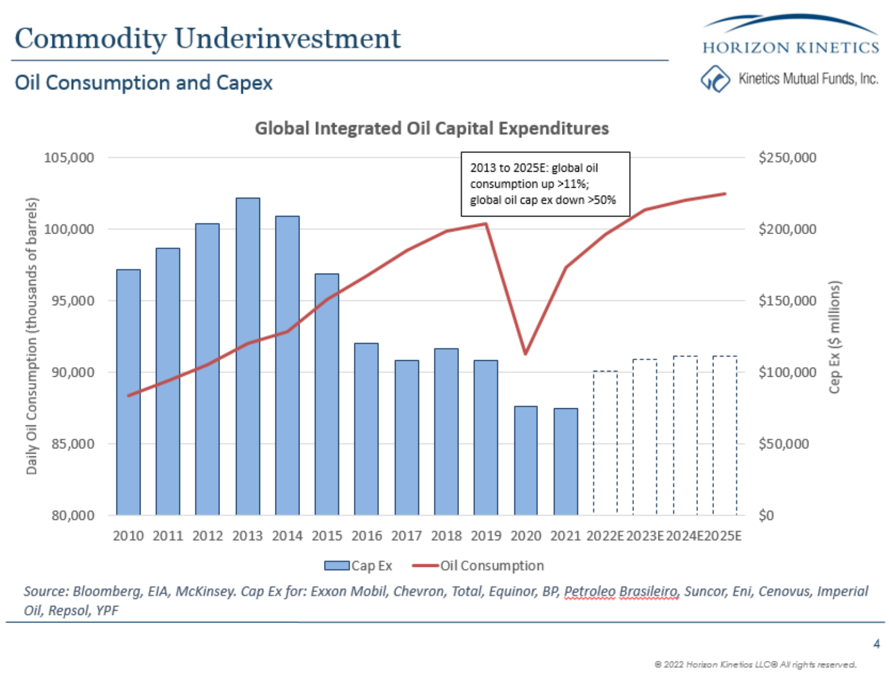
James Davolos: Thanks, Peter. So, just looking through the agenda here, on the first slide, a lot of it really echoes things that Peter's already said, but what I really want to communicate here is that I think that the next three, six, nine, even 12, perhaps as long as 18 months, might not be that easy, I think, for risk assets, for the economy, for headlines.

But ultimately, the secular trends are almost undeniable in that you're going to want to own hard assets for the next 10, 20, 30 years, in all likelihood. And this stands in stark contrast to the past 40 years, where a variety of long-term trends were supporting intangibles. And so, what I'm talking about here is the technology companies, a lot of companies with intellectual property, things like that. There are some trends, which I think we've talked about a lot. There have been declining interest rates, the 10-year coming down from 16% in the early '80s, all the way down to 50 basis points (bps) at the low last year; now we're hovering in the range of 3%. But also, globalization. So, for the last 25, 30 years, but arguably for 40 years, we've had margin tailwinds in the western world from cheap materials and cheap labor in non-OECD countries. That's being flipped upside down. And I think that that's going to create a lot of structural price pressures longer term, as well as affecting productivity. So, a lot of the initiatives that have favored capital over labor for the past 20, 30, 40 years have resulted in very high productivity levels, very high profit margins.

So, in other words, I think that one of the biggest takeaways here is that what's worked over the past 10, 20, 30 years is probably not going to look great going forward, and everybody's capitulated now and saying that the 60-40 portfolio is not going to get it done. And I still bang my head against a wall when people are shocked by correlated stocks and bonds going down, when they were correlated, almost perfectly, going up for the past seven years. So, no surprise there.

But there are opportunities and I think that we'll walk through them, going through the next few slides.

But moving onto slide four, I think that one of the things that is most pertinent is what's going on with energy. Energy, whether you look at what's happening in Texas, whether you look at what's happening in The Netherlands, in Europe, what happened last winter in Japan—it's not easy to just turn off fossil fuels. I think that there are sustainable ways to use fossil fuels. And I think, personally, we're going to be using fossil fuels for generations.



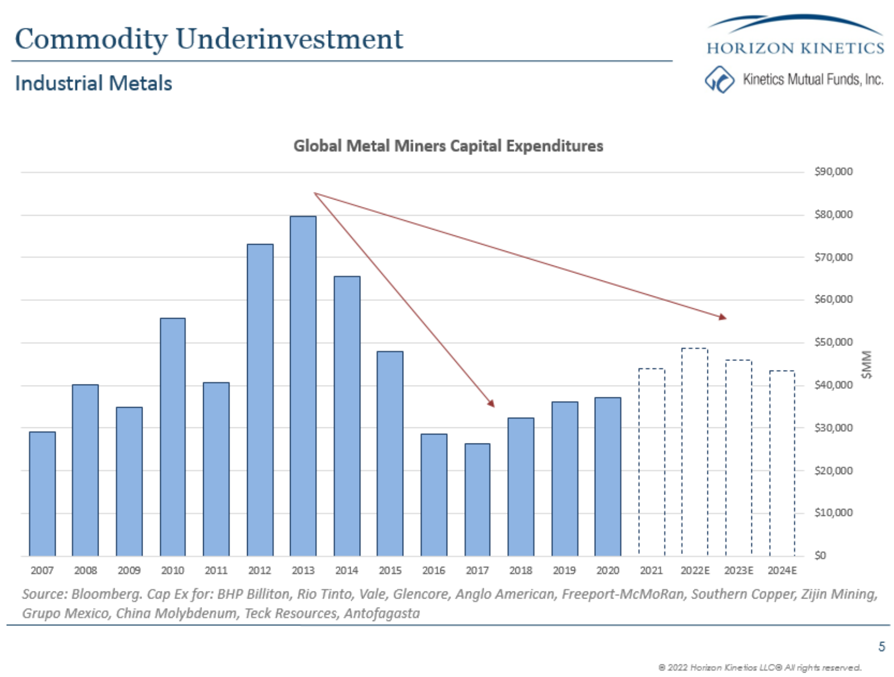
So, this chart pulls in many of the largest global integrated oil and gas companies with reliable data. The blue bars show their capital expenditures, going back to 2010. The white bars show their expected capital expenditures over the next four to five years.

However, the red line shows you what oil consumption has looked like. So, you can see a steady up trend in oil consumption. But Capex actually peaked in 2013. Even at these new, theoretically higher levels, you're still going to be down more than 50% from peak levels. And that's not a good sign for the supply situation, because if you were to inflation adjust those Capex dollars, it's even worse. And a lot of the easy, cheap reserves have already been pumped. And I think that's the problem you're seeing with OPEC getting their production up.

So, if you adjust this for reserve quality, for oilfield services, for consumption, these statistics look a lot worse. And most people in the world continue to think that fossil fuels are in secular decline. Look no further than thermal coal. So, thermal coal is what powers thermal power plants as opposed to coking coal for steel. The world is consuming the most thermal coal it has ever consumed this year, with shortages in a lot of markets because they need power, they need heat, they need all of the necessary things for which you need combustible material.

So, we're not, basically, pulling the wool over our own eyes and thinking that we do need to do this more cleanly. Natural gas, in my opinion, is the sustainable fuel.

It's not in this chart, but something that's actually concerning, looking at what the gas situation is, where there's an abundance of natural gas in the world—there's plenty of methane. However, due to an inability to get pipelines in the US, as well as a lack of infrastructure in Europe, right now, if you were to look at the futures curve for the title transfer facility in The Netherlands—this is basically a digital marker for the theoretical delivery of gas into Europe—the curve is up to $200 per megawatt hour for next winter. And that's about 60 to 70 percent above where it was in March. And that just shows you that the market's already pricing in dramatic shortages in natural gas in Europe this winter. I'll spare the geopolitics, but that doesn't improve things one bit.

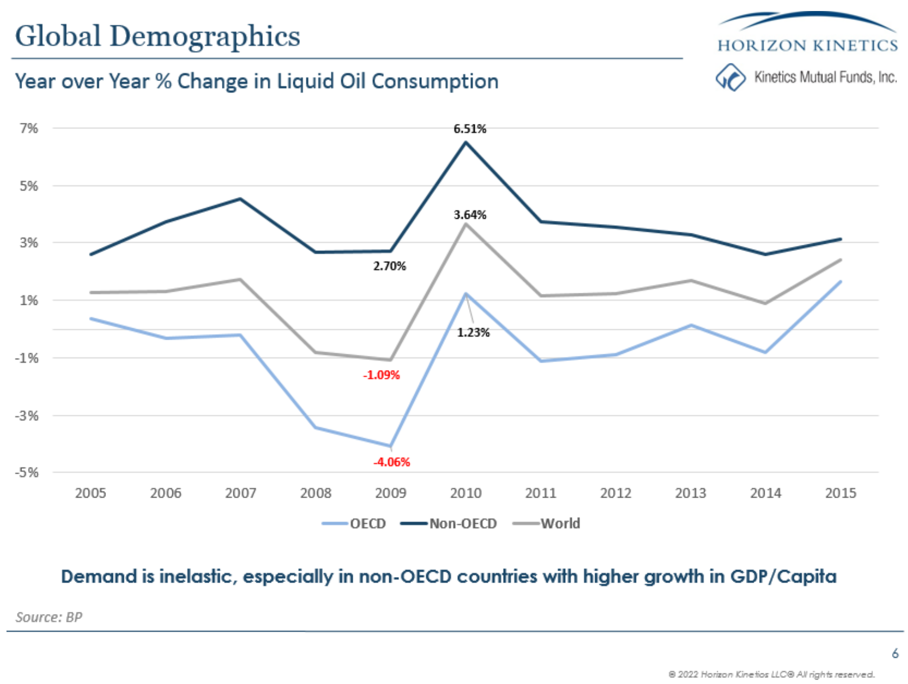


The next slide actually does a pretty similar analysis using industrial metals. So, if you look down at the bottom, we have VHP, Rio Tinto, Vale, Glencore, Anglo, Freeport. The majority of these companies' revenues are in copper and iron ore. Similarly, you can see a peak in Capex in the tall blue bar in 2013. And then you can see dramatic declines, including the 2017 low; you were down by well over 50 percent. But even through the next four to five years, you're still down, in some cases 50 percent; in some cases, more like 40 percent.

But the fundamentals in industrial metals are just so compelling——forget for a moment that the entire world is racing to electrify and improve power grids, which require iron, which produces steel for the infrastructure. But more importantly, copper; it's just wildly intensive in copper. But ignoring the intensity of all these essential materials in electric vehicles and in power generation and in power transmission, the real demand—which we're going to go into in a lot more detail—is we have seven billion people worldwide that are growing in terms of GDP per capita, meaning non-OECD countries. And you need to electrify these markets, where the amount of people that are undersupplied or under consuming power—again, that's a huge draw on copper.

When I look at the supply and demand profile long term, looking past whatever noise there is with Fed policy, people speculating about recessions; looking at the forest through the trees, the fundamentals for these metals are just so wildly supportive over the long term. Over the short term, as Peter mentioned, you look at the marginal production, which is what sets the price right now. But longer term, copper should appreciate, in my opinion.

I'm going to pause before I go onto the next slide, because I want people to actually take a guess. And I've asked a lot of people this question, and the answers have been really startling. If you were to guess what the global decline in liquid oil consumption was in 2008 and 2009—so, this is basically natural gas liquids as well as petroleum—bear in mind this was by many measures, or certainly objective measures, the worst recession since the 1920s. The entire global financial system was on the brink of collapse; industrial production came to a standstill. So, just take a wild guess, think, hey, what do I think the peak from 2007 through the trough in 2009 was? And then, how long did it take to recover back to 2007 trends?



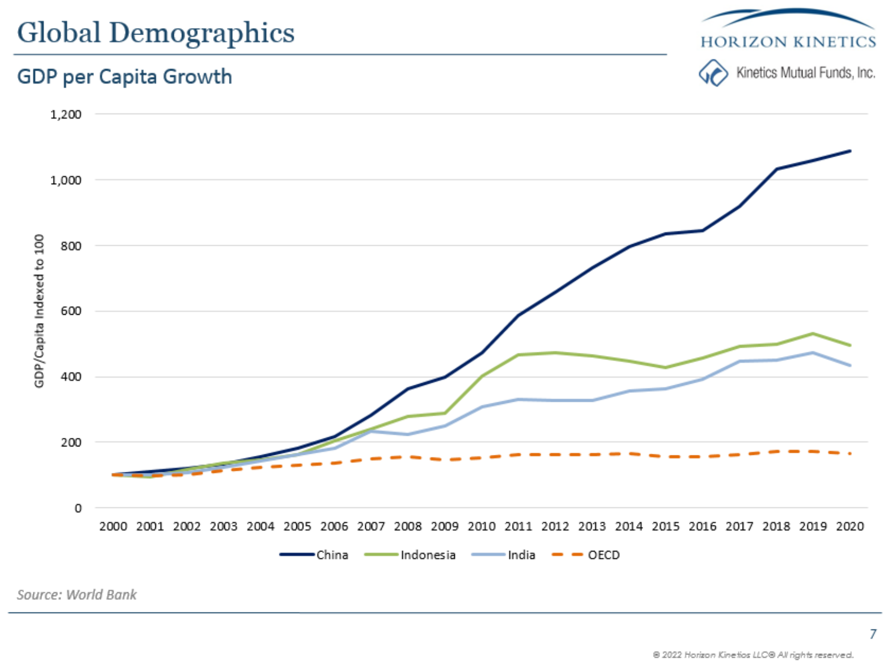
So, on slide six, I will show you the answer, which is that the gray bar shows you that the cumulative decline in oil liquids consumption over that two-year period was 1 percent. The light blue line at the bottom shows you that the OECD world, the developed world, the Western world, was down 4. However, the non-OECD world was up 2.7%. The dramatic recovery in 2010, which certainly didn't feel like a dramatic recovery in my lifetime, actually drove worldwide oil consumption up 3.46% percent, to the point where you were then above 2007 consumption levels.

So, the point of this graph is to show you how inelastic oil demand actually is. And you hear all of these commentators and experts even, talking about demand destruction. I was actually joking with Murray the other day, where else do you hear about something being destroyed, as if it's a permanent decline in people's need for an essential fuel source? And it's obvious here, the inelasticity here of demand, for the most towering recession in modern history, was cumulatively 1%, and then you were back above the 2007 level in 2010.

I will say that there were some structural things. It's supported that there was some very strong growth in the non-OECD world, namely China, India. There was some stimulus going on there. But let's just assume that that's not going to be quite as dramatic this time around.

One thing that has changed is that there's about a billion more people in the world, compared to 2009. And that's going to drive a lot more demand. And so, that's what we're going to get into in the next few slides, where slide 7 actually goes through GDP per capita growth.

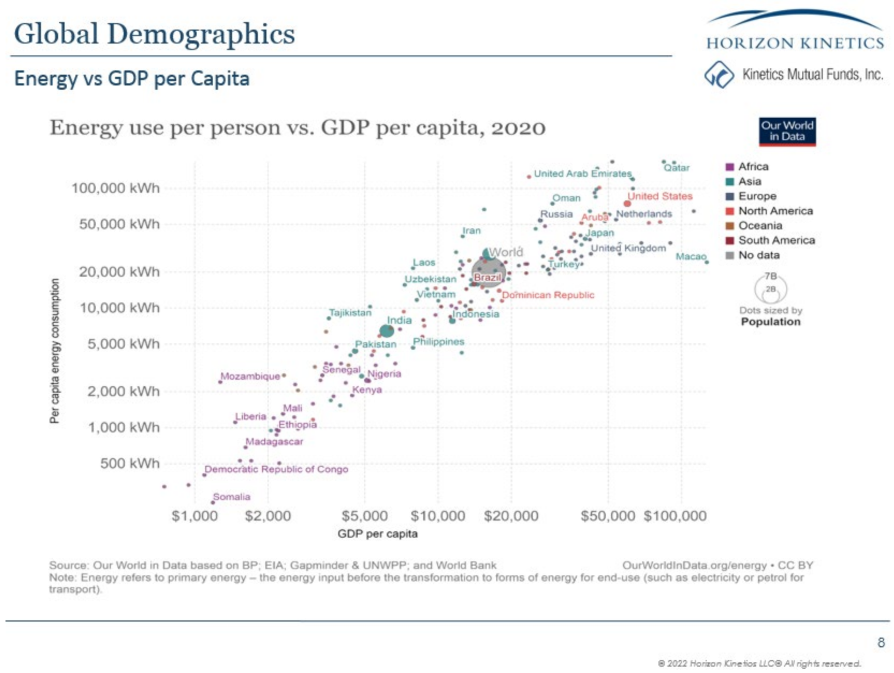
So, I've mentioned before, and the next slide will hit on this, but if we can just stay here for a moment. One of the biggest demand drivers of energy and caloric/protein consumption is GDP growth per capita. So, you can see the blue bar is China—everything here is indexed to 100. So, basically, in the OECD world, we haven't seen much growth in GDP per capita since 2000. And I think that's why there are a lot of social issues in many of these developed nations. But China has skyrocketed; Indonesia is up dramatically; India is up dramatically. And this just also happens to be where you have billions of people that are rising out of poverty and desperate poverty into some semblance of a standard of living.



So, the propensity to spend, as you move up from these extremely low levels, is really dramatic. But just to give you an idea, in the OECD world, the GDP per capita in 2020 was $40,000 per person. China, which is at the high end of these developing nations, is at $10,000. Indonesia is at $4,000, and India is at $2,000. So, we're not talking about a linear relationship here. We're actually talking about a logarithmic function here as these countries grow, and as their populations grow out of poverty. There was actually, the source actually came out just before we went to broadcast, so I couldn't put it in, but if you look up India's year-over-year oil and fuel consumption numbers, they're staggering. It's on the order of 20 percent.

So, yes, you can base that off of lockdowns last year, but go back to 2019, and it will show you double-digit consumption growth. And so, moving onto slide 8, this is what really supports this.

So, this is an upward sloping relationship between GDP per capita on your X axis, and then energy consumption per capita on your Y axis.



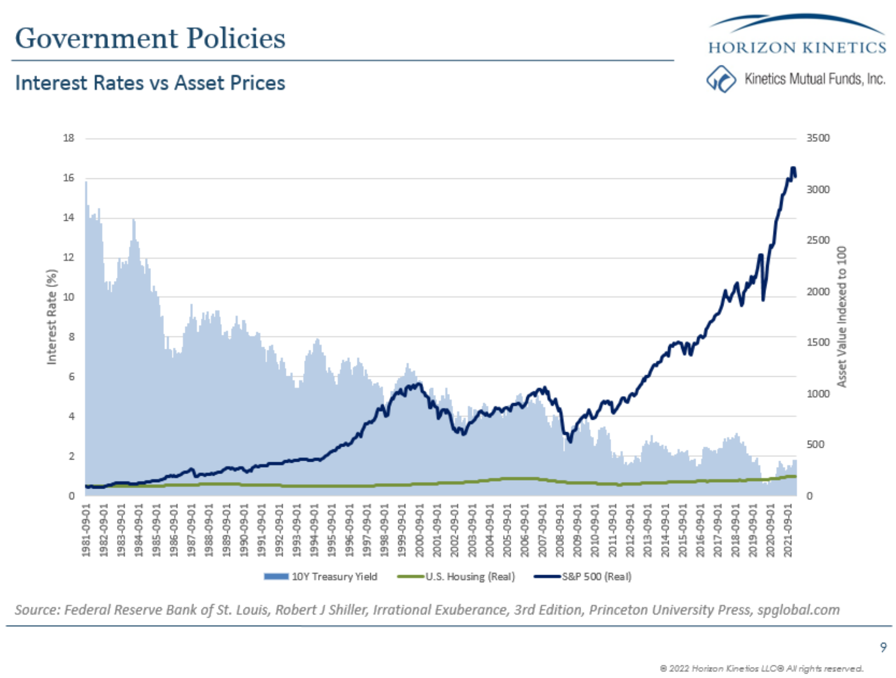
So, you can see on the bottom left, low GDP per capita, very low energy consumption. Most of those purple nations are African. As you get to the top right, you can see the United States, Netherlands, some of the Arab nations, so on and so forth.

But there's a very clear and strong relationship upward sloping between GDP per capita growth and energy consumption. And there's very similar data to support this also in terms of agricultural—meaning caloric consumption, which then goes hand in hand with more complex calories, which means protein. So, that goes into an agricultural demand profile as well.

The reason I'm giving all of this data is to say, look, yes, the world is not perfect, there are a lot of issues, the US is tightening, people are talking about recessions, there are riots. But this is an overwhelming trend of fairly inelastic growing demand, to the tune of 80% of the world's population, which is OECD non-developed nations, which are going to have structural growth in energy and calories. You can argue what the composition of that is going to be, but I think that the past year has proven that it's going to be dramatically towards legacy fuel sources.

Shifting away from the commodity complex, on slide 9, we can get a little bit more into government policy. So, I mentioned earlier, where we had the prior peak in the 10-year Treasury, which are those blue bars; on the left axis, we are almost at 16% in 1981. We got all the way down to 50 bps at the low in 2020. Today, you know, we're just shy of 3%.

One of the more interesting things to me is that, heuristically, everybody just believes that the housing market has just gone ballistic throughout this period, because you've got lower rates, you had inflation, you had all of these demographic trends favoring housing. That green line is actually real house price growth from—and this is from Robert Shiller who creates the Case-Shiller Housing Index.



Obviously, housing net economic returns have been off the charts because in many cases, you're levered—call it loan to value of 80%, you're paying down principal and then you have that asset go up. So, in theory, you could put a 4x on that, and I think that's why there's been so much wealth accumulation in housing. But who's had the real benefit? It's been the S&P 500.

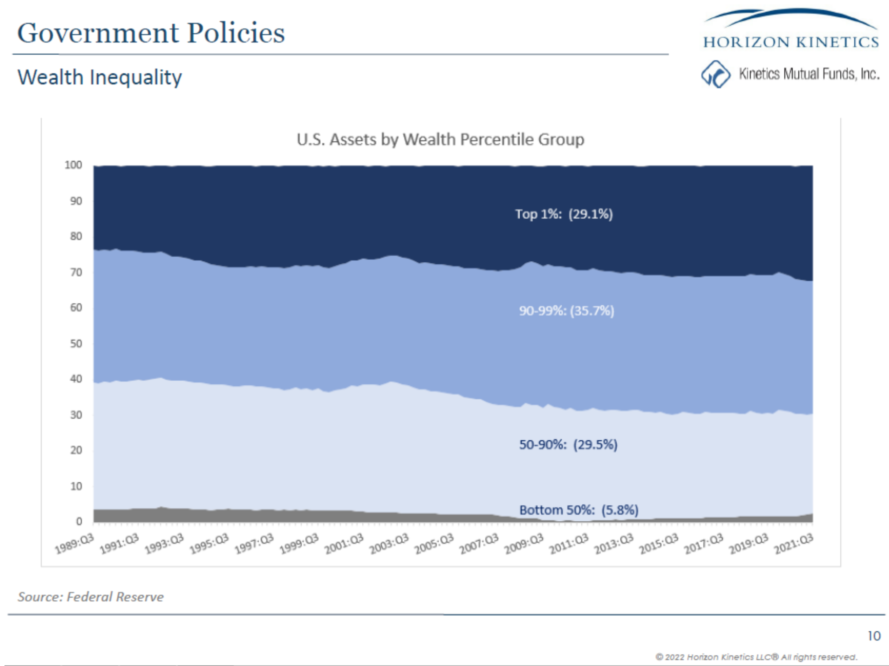
So, the blue line actually shows you the asset value of the S&P 500 in real terms, total return including dividends, indexed to inflation. And so, that number has just blown everything else away.

And so, for people to be running their asset allocation models based on this unrepeatable downward slope of those light blue bars is just preposterous to us. But I think it shows you're going to be a lot more selective in this trend towards beta, and indexation is probably going to unwind if people are expecting the continuation of these types of returns, with a completely unrepeatable fundamental backdrop.

The next slide goes into a, probably, let's call it an unintentional, to be generous, side effect of this type of policy, which is that the accumulation of assets in the top income and wealth stratums in the United States has gotten pretty staggering, where the top 1% now control about 29% of wealth in the country, and this is assets.

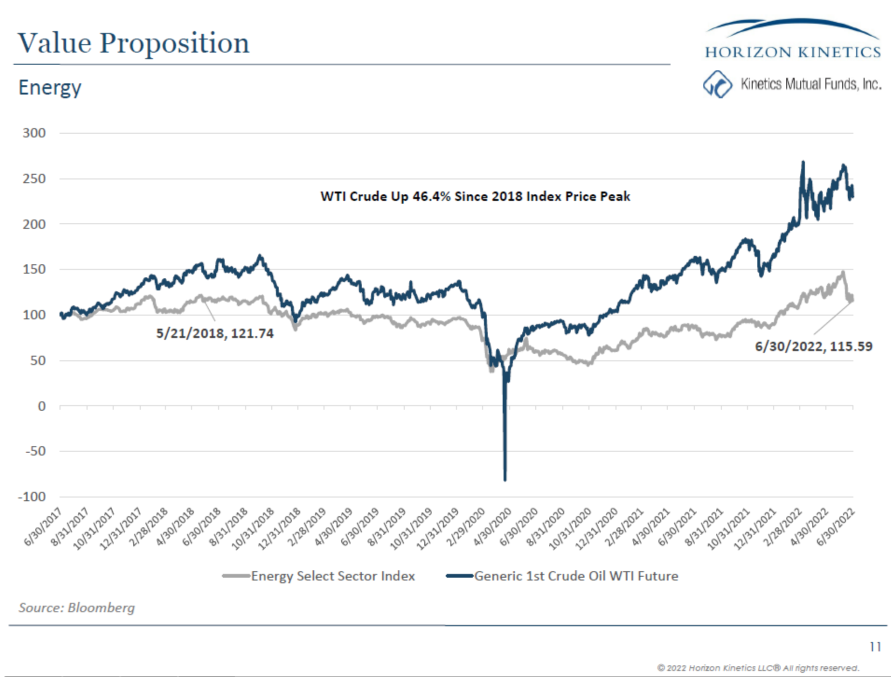
If you make that the top 10%, now you're talking over 65% of wealth. And the bottom half of the country controls just 6% percent of the assets. And so, the reason this matters is that I think politically, you can no longer ignore what's basically 80-90% percent of the country which has just a profoundly low proportion of the overall assets.

But speaking earlier, the policies that have favored capitalism, meaning lower interest rates, globalization, free trade, low taxes, all of these things that have resulted in the upper income strata accumulating all the wealth, that has to reverse to some extent. And I think that the pandemic and supply chains and geopolitics are strengthening that. But what's that going to do? It's going to get more wage growth into the lower income households; it's going to get more wealth—and it's going to basically get more jobs on-shored. All of that is going to lead to structurally higher expenses.



I could argue it's to the benefit of the country, but it's probably not to the benefit of the technology companies and the blue-chip companies that are earning all-time peak operating profits.

Along that end, let's have something that is a bit cheerier, onto slide 11—even if it's not cheery, at least it's something optimistic. There are things to do.



So, I mentioned earlier, the fundamentals of energy are just so compelling long term, I could go on for hours about what I think is going on in energy futures right now, whether it's algorithms, hedge funds that were basically crowding into futures. But the price action over the last few weeks is absurd. So far, a lot of

Russian product is still getting on the market. It seems that it's not a question of are we going to blockade it? Are we not going to consume it? The real stress point is going to come when these wells are in deep trouble, because all of the western oil field service providers have left.

And I don't really have faith in the legacy people maintaining production of wells that need really high technological expertise to, basically, maintain pressure and maintain all of the different things that are vital to Russian energy production.

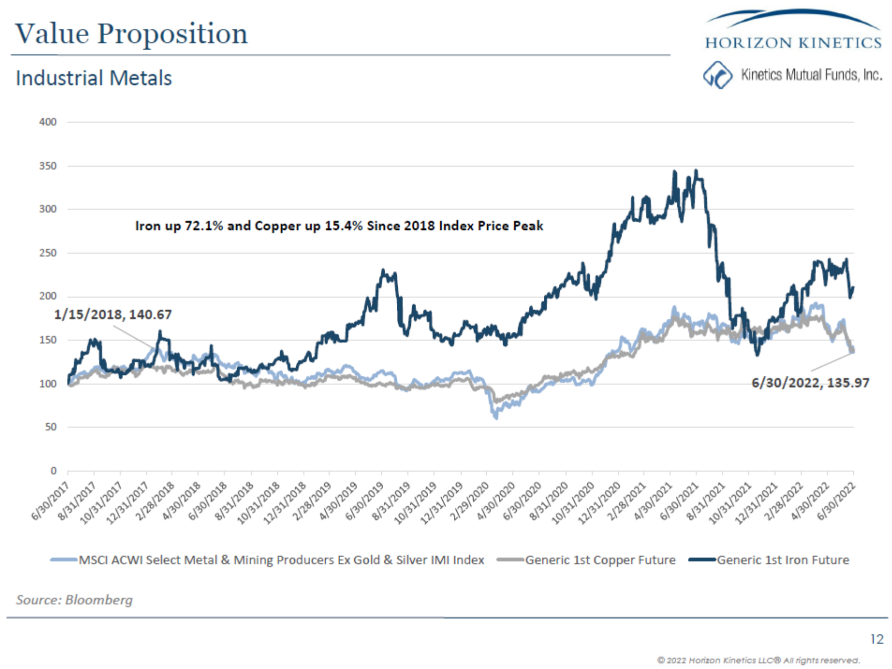
However, if you look at the blue line, that is the front-month crude, so call that spot crude price, going back to 2017. You can see where it, basically, you had that huge decline in 2020, which was largely a paper event. But if you go back to the prior cycle peak, which we'll define as May of 2018, you know, crude was up about almost 50% when this presentation was completed, through quarter end. It's come back a tiny bit now. But the XLE, the energy sector index, is down, nominally, 4% or 5%.

And so, I think that just tells you that the spread between energy stocks and energy fundamentals is just ludicrous. What is the market pricing in? And that's the most important thing with cyclicals, to the extent that energy is ultimately going to be somewhat cyclical; is if you're buying energy stocks where the world is pricing in $100 oil and $6 gas forever, that's not the greatest risk reward opportunity.

But there was an analysis done by Morgan Stanley the other day, which basically said, in their universe of energy stocks, using a 10% present value discount rate, most of their companies were pricing in somewhere between $50 and $60 oil, and in the vicinity of $3 gas. I don't put a very high probability on that happening. So, again, you have a lot of room to make money, even if there is some sort of mean reversion in terms of price.

The next slide actually does a similar analysis for industrial metals. We had an earlier slide which showed the malinvestment in industrial metals. But iron futures are up about 70% since the prior cycle peak. Copper is up about 15 percent; it's kind of given a lot back lately, which I don't think is necessarily fundamental. But the MSCI, ACWI Metals and Mining Producers Index, which excludes precious metals, is down over this period.

So, again, radically improved fundamental backdrop for these companies. You can look up going forward and I think that there's a lot more supportive demand, especially compared to 2018 when the world assumed that the world was awash in iron and copper, as well as oil and gas, and there was never going to be a demand imbalance like this.



So, again, if you're pricing in a huge mean reversion, and we only mean revert halfway, you've got a lot of money you can still make even from this slightly elevated base.

Moving onto the next slide, this is actually a representative financial exchange. A lot of people over the years have said, hey, how are financial exchanges going to benefit in a period of inflation? Aren't they technology companies, don't they have rate sensitivity? I'll say yes. This is one of the largest derivatives exchanges in the world. So, we go back to January of 2020. Basically, this company's stock price is down about 6%; if you include dividends, it's down 3%.

Value Proposition

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

Representative Financial Exchange

Financial Exchange	1/31/2020	6/30/2022	Change
Price	99.74	94.04	-5.71%
Total Return Value	99.74	96.9805	-2.77%

Financial Exchange	12/31/2019	12/31/2021	Change
EPS ($TTM)	3.51	4.51	28.73%
Free Cash Flow ($MM)	2,354	2,671	13.47%
ADV (thousands of contracts)	5,557	5,966	7.36%

Source: Bloomberg, Annual Reports

13

But focus on the bottom. Average daily volume (ADV), that's how many contracts they're trading. So, that's the number one driver into their revenue. So, their revenue is a function of volume, which is ADV and rate per contract. The real level here is ADV, not rate. They can push a little bit of rate on nonmembers, but the real material driver is ADV.

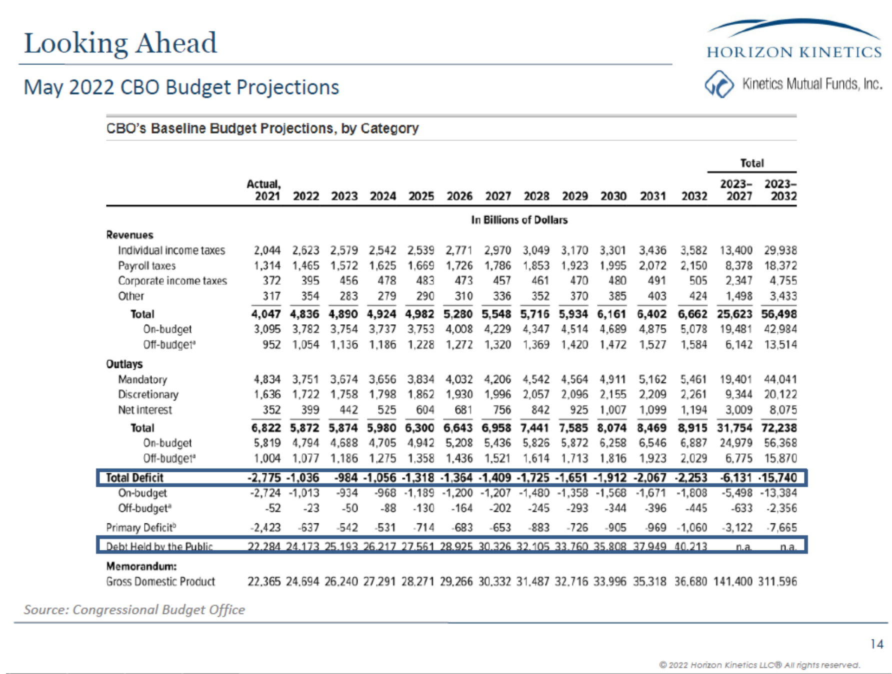
Look at how that leveraged into free cash flow and earnings per share. So, that 7% growth in ADV translated into almost 14% free cash flow generation, which included a big technology upgrade, and 30% growth in earnings per share.

This is what we really want to capture with hard asset, capital-light companies: that operating leverage, where, as the business scales, your variable costs approach zero. So, with an exchange, for you to do another trillion dollars in notional value for this derivatives exchange, the cost to that is *de minimis*. It's almost zero, because at the end of the day, what is the exchange? It's a financial supercomputer.

So, very few companies have the ability to scale margins during this period—Google can't do it, Microsoft can't do it, Amazon can't do it. You name all of these lovely tech companies, they have margin pressures; exchanges have margin <u>tailwinds</u>. And these things trade at a fraction of the multiple of these tech companies, which are thought to be non-cyclical, perpetual growth entities.

So, shifting, again, gears one more time to the fiscal situation, then we'll leave a nice amount of time for Q&A.

On slide 14, we have the Congressional Budget Office's baseline budget projections. This was completed a few months ago. This is a nonpartisan agency which, basically, on a best-efforts basis, projects revenues, outlays, deficits and then the debt profile of the Federal government. I don't think it would be surprising to most of you to learn that this is perpetually overly optimistic.



CBO's Baseline Budget Projections, by Category

In Billions of Dollars

	Actual, 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023–2027	Total 2023–2032
Revenues														
Individual income taxes	2,044	2,623	2,579	2,542	2,539	2,771	2,970	3,049	3,170	3,301	3,436	3,582	13,400	29,938
Payroll taxes	1,314	1,465	1,572	1,625	1,669	1,726	1,786	1,853	1,923	1,995	2,072	2,150	8,378	18,372
Corporate income taxes	372	395	456	478	483	473	457	461	470	480	491	505	2,347	4,755
Other	317	354	283	279	290	310	336	352	370	385	403	424	1,498	3,433
Total	**4,047**	**4,836**	**4,890**	**4,924**	**4,982**	**5,280**	**5,548**	**5,716**	**5,934**	**6,161**	**6,402**	**6,662**	**25,623**	**56,498**
On-budget	3,095	3,782	3,754	3,737	3,753	4,008	4,229	4,347	4,514	4,689	4,875	5,078	19,481	42,984
Off-budget[a]	952	1,054	1,136	1,186	1,228	1,272	1,320	1,369	1,420	1,472	1,527	1,584	6,142	13,514
Outlays														
Mandatory	4,834	3,751	3,674	3,656	3,834	4,032	4,206	4,542	4,564	4,911	5,162	5,461	19,401	44,041
Discretionary	1,636	1,722	1,758	1,798	1,862	1,930	1,996	2,057	2,096	2,155	2,209	2,261	9,344	20,122
Net interest	352	399	442	525	604	681	756	842	925	1,007	1,099	1,194	3,009	8,075
Total	**6,822**	**5,872**	**5,874**	**5,980**	**6,300**	**6,643**	**6,958**	**7,441**	**7,585**	**8,074**	**8,469**	**8,915**	**31,754**	**72,238**
On-budget	5,819	4,794	4,688	4,705	4,942	5,208	5,436	5,826	5,872	6,258	6,546	6,887	24,979	56,368
Off-budget[a]	1,004	1,077	1,186	1,275	1,358	1,436	1,521	1,614	1,713	1,816	1,923	2,029	6,775	15,870
Total Deficit	**-2,775**	**-1,036**	**-984**	**-1,056**	**-1,318**	**-1,364**	**-1,409**	**-1,725**	**-1,651**	**-1,912**	**-2,067**	**-2,253**	**-6,131**	**-15,740**
On-budget	-2,724	-1,013	-934	-968	-1,189	-1,200	-1,207	-1,480	-1,358	-1,568	-1,671	-1,808	-5,498	-13,384
Off-budget[a]	-52	-23	-50	-88	-130	-164	-202	-245	-293	-344	-396	-445	-633	-2,356
Primary Deficit[b]	-2,423	-637	-542	-531	-714	-683	-653	-883	-726	-905	-969	-1,060	-3,122	-7,665
Debt Held by the Public	22,284	24,173	25,193	26,217	27,561	28,925	30,326	32,105	33,760	35,808	37,949	40,213	n.a.	n.a.
Memorandum:														
Gross Domestic Product	22,365	24,694	26,240	27,291	28,271	29,266	30,332	31,487	32,716	33,996	35,318	36,680	141,400	311,596

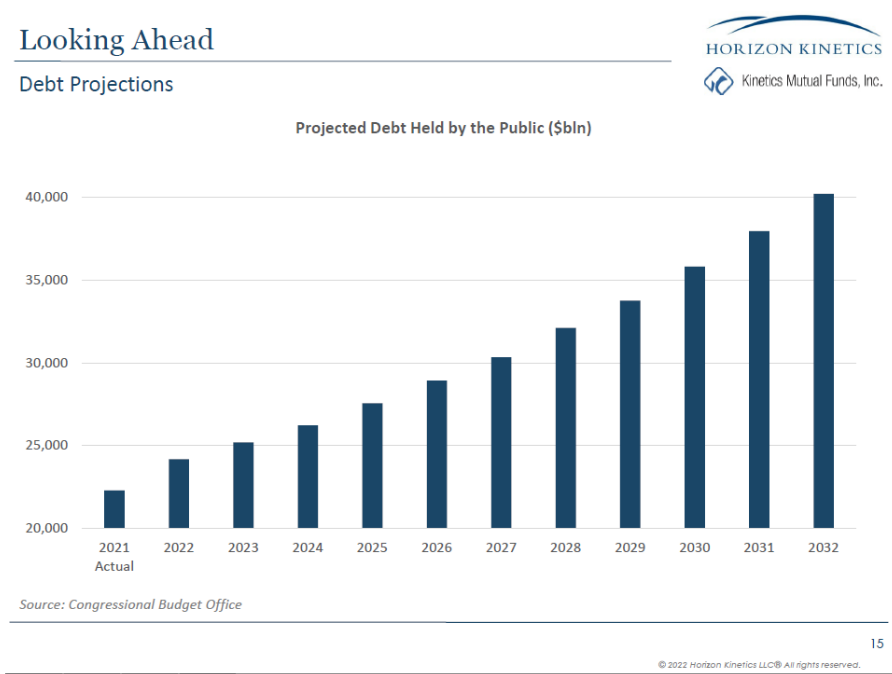
Source: Congressional Budget Office

14

But if you look at the top blue bar, under the total deficit, the best-case scenario over the next 10 years is going to be about a $1 trillion deficit in 2023, which by the way, if you were to look at their GDP on the very bottom, their nominal GDP is growing throughout this whole time series. So, they're not modeling any recession. You actually have 24.7 trillion nominal GDP going up to 26.2 trillion. Whether that's going to be negative in real terms or not is another conversation that we can maybe talk about in the Q&A. But best case, you have a trillion-dollar deficit.

Then it goes back up to over $2 trillion again by 2031-2032. So, over that entire ten-year period, you're adding $15.7 trillion of deficit. And then if you look at the bottom blue bar, how are we going to do that?

Well, it's going to be you and me and all of our friends and family that are supposedly going to fund this through debt held by the public. So, as of 2021, we had $22 trillion in debt held by the public, which means not held by the Fed. They have that growing by over $40 billion by 2032. That's going to be a very tough dynamic. And the next slide actually shows you a graph function, on slide 15, how this grows from that $20 trillion all the way up to $40 trillion. It's just staggering that you're basically calling on the public to fund this, given what's going on in the world. And I think that it's going to be that much harder, because we've relied so heavily on foreign countries, friendly foreign countries, to fund our deficits over the years.



But with the US dollar index at 108, which we'll get to at end of this, that's going to be that much harder. But before we talk about the dollar and its implications, on slide 16, let's just see what higher rates do to the US debt profile.

So, you can see on the far left there, the total debt, which was run just before this, about $20 trillion, the under one year is $7 trillion; one to five years is another $7 trillion; five to 10 years is $3 trillion. And then there's actually very little in the 10 to 20 year range, which I was surprised to see. But then also a fairly low amount out past 20 years.

Looking Ahead

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

Interest Burden at Higher Rates/Debt Levels

Interest Burden from Higher Rates ($bln)

	Total ($bln)	<=1 Year	1-5 Years	5-10 Years	10-20 Years	20+ Years	Avg Length (months)
Total Debt	19,899	7,367	7,038	3,019	435	2,040	62
+1% Interest Cost	199	74	70	30	4	20	
+2% Interest Cost	398	147	141	60	9	41	
+3% Interest Cost	597	221	211	91	13	61	

72% of Treasury Debt matures within 5 years. 47% matures within 1 year.

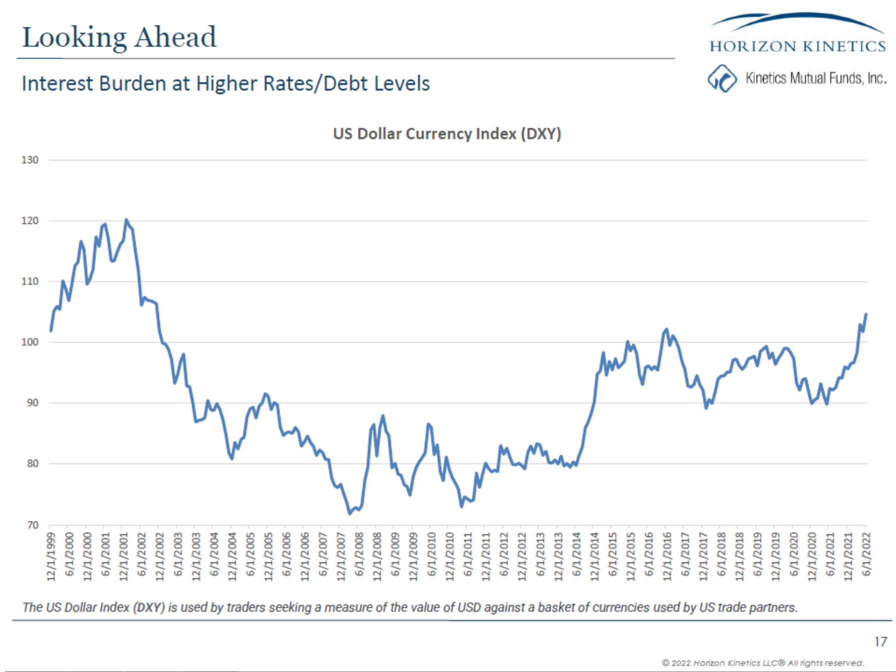
Source: Nasdaq

16

So, 72% of Treasury debt matures within five years, and 47% matures within one year.

You can see, in the left-hand side, as that rolls over—let's say, as of right now, all else equal, that would be about a 200-basis point spread. That's $400 billion of added interest costs. And I don't think that's in those deficit numbers where in two years we're going to be down to under $1 trillion deficit. If we go up by 3%, that's $600 billion. But then, even if you look at the shorter maturity, you see how much sensitivity we have in terms of higher rates there. And so, it's so much more complicated. And I think that—I don't try to forecast what the Fed is going to do. I don't try to forecast what they say versus what they mean. But the Fed cannot let the Treasury go. The Treasury is a lot more important than inflation, than jobs. And I think that this dynamic is going to come into play. And they're ultimately going to have to accept some degree of higher inflation. Is that going to be three%, four%, five%? I don't know. But this is a huge limiting factor that doesn't get nearly enough attention, because who's going to find this? Especially when we're basically asking other countries that have to buy our paper in our currency, which is that much more expensive.

And so, slide 17, which is the last slide before Q&A, shows you the dollar index. And so, the dollar index is almost comical to me because you're comparing the dollar against a basket of fiats, namely the euro, the yen, and the pound. The yen, obviously has some huge issues right now, and it is falling off a cliff. The euro, you know, we talked about their energy issues, the demographic issues, their growth issues. So, yes, the dollar is on a tear. We're tightening. The European Central Bank is still negative; Bank of Japan, is still negative, not a surprise, so, people say, why in the world would you own the dollar? Well, you wouldn't—the dollar is just going up against worse fiats. So, when you think about Peter's comment earlier, I'm going to give you a green piece of paper for something that's essential to life, whether it's copper or oil or gas or wheat or anything else, that's a big dynamic.



But this is going to start to "break" things. If you think about the strains on the non-OECD countries, which are buying in dollars, a lot of emerging markets, their debt is dollar-based because nobody's going to take the Indian rupee, a currency risk. This is going to start to be a huge factor. And students of history would actually probably be aware of this, but I have a ton of admiration for Paul Volcker, and I think that he did hard things and make hard choices, but it wasn't as simple as Volcker just saying, "I have to crush inflation." If you read back through interviews and transcripts during that period of time, a lot of Europe, a lot of Asian allies called him and spoke to him and said you have to get this under control, because I'm funding your deficits, I'm funding your country, and the dollar is spiraling down and is out of control. So, basically, get your house in order to support the dollar. I think you're going to have the inverse going on right now.

And so, the point of these last three slides in terms of the Treasury, the rate sensitivity, the dollar, the deficits, is that we don't operate in a vacuum. It would be lovely if we did, but there are a lot of bigger and more profound implications than simply looking at the US in a vacuum, saying we're going to break the back of inflation, we're going to hike, we're going to do this, we're going to do that, there's going to be a recession.

Believe me, there are some very big unknown side effects that are lurking out there. I think that they're going to be much more influential, rather than rhetoric and midterm elections.

So, with that, again, I think there is a very compelling case for hard assets long term. There's been a big pullback. I think it's non-fundamental. I think there's huge structural supports for a lot of these companies looking out as short as six, nine, 12, 18, 24 months, when the market starts to realize how to discount that there may be a lot of returns concentrated into the reversion, and then a nice stream after that. But if people say, well, why don't you go into cash? Why don't you get defensive? Why don't you do that? Well, if you miss that big breakout at the beginning of this reversion or inflection point, you miss a lot of that return.

So, we think we're going to do just fine waiting for this to come to fruition. So, with that, those are our comments for today. And we can open it up to some questions and answers.

Chris Bell: Thank you very much James. Thank you, Peter. We do have a couple of questions from the field already, as well as a couple of questions that have been sent to us through the webinar.

First of all, James or Peter, this is for you all, the Environmental Protection Agency (EPA) is designating regions in the Permian basin as non-attainment areas, which means they're not complying with the 2015 ozone standards. What are the implications for our Permian basin assets, and specifically Texas Pacific Land Corp (TPL), if you can address that, please?

James Davolos: There are a lot of unknowns in terms of what the EPA can enforce—I mean the EPA just got struck down by the Supreme Court in terms of what the scope of their regulations is. They're arguing that the Clean Air Act is not within the "de-fanging" of them to prevent them from regulating carbon. I don't know the facts. No one really seems to have any idea about what the facts are. But if you want to have a real and wild crisis, then sure, take off what is basically the swing producer in global oil and gas. I don't know if it's politics. I don't know if it's a kneejerk reaction to what happened with the EPA losing some of its jurisdiction. But practically speaking, it's beyond absurd.

And I'm speaking to people that operate down there. They kind of just laugh and say, "good luck". And if you look at the market implications of that, the market hasn't budged. So, the market speaks loudest.

There's a similar old regulation which, in theory, some of the trains, the nation's largest liquid natural gas (LNG) export facility, would have to be shut down because they technically are not considered to be up to the environmental standard. And it would have to be happening imminently and this would take, you know, billions if not trillions of cubic feet of export of gas off the market while, theoretically, we're trying to wean Europe off of Russian gas. So, very divergent views between reality and what these different agencies are trying and saying they want to do. But the market is saying that isn't likely that could happen, especially when a competitor just had a huge outage, which I doubt will actually be back online by the end of the year.

Chris Bell: Another question from the field is, if we see a major divergence of active managers versus passive broad indexed managers, given the weight of energy in the S&P 500, what is the likelihood of active managers purchasing energy companies due to their extreme under-valuations, and will this cause a greater divergence between active and passive managers?

James Davolos: Probably for people that are willing to go outside of closet indexing—most active managers are very benchmark and tracking error driven. But I'll just tell you and, you know, this is anecdotal and may not be substantive. But we spoke with a very, very large institution in a foreign country about some of our assets. And, basically, one of their big pushbacks was, how do you value these companies that are in imminent and structural decline? As if we were going to stop using natural gas or oil, the implication was, within this decade.

And so, I think that that's more of the consensus view. And so, for that to be washed through and people to understand that that's not reality, there's a big step function revision there.

Chris Bell: Got it. Got a question from the field. If a recession happens, how will current energy and commodity prices be impacted? It seems like the market is worried about this right now.

James Davolos: Look, I think short term anything can happen. Right now, it's happening in oil, or at least before I came into this room it was—I think that was algorithm, leverage, unwind, margin requirement driven. But that slide where I showed the inelasticity of oil in 2008, 2009. Do you think that we're going to have an '08, '09 event again? And then, if we do, do you think that there is a supply response that is possible, which included the shale revolution in 2015?

If you don't believe in that, or you believe that there's going to be a long plateau in consumption, then the clearing price for the marginal barrel is certainly not two digits, I'll tell you that.

Other things I think are a bit more cyclical and, you know, it also relates to what is storage, you know, what are inventories. But copper is very bullish long term, aluminum, cobalt, zinc, nickel. But I think some of the run up—and people are confusing the huge run up in the first half of this year, and then the pullback—we had recession fears. I think a big part of it is that people thought that Russian product would be unavailable—nickel especially—and then some of these more idiosyncratic markets like phosphate and nitrogen, certainly oil and gas. As far as I can tell, a lot of Russian product is still making it on to the market. And so, I think that there may have been some thinking that there is this huge blow-up valve, but I think you're going to see a lot of that disrupted. I don't know when or to what magnitude. But I think that this is an unwinding related to that dynamic, more so than fears of a recession. And the people that I know who look at the fundamentals are saying, look, if you look at the forest through the trees, copper at $3.5 or $3 is just absurdly low, as is oil under $100, given the current economic backdrop.

Peter Doyle: I'll add to that a little bit, Chris. In the sense that, you know, drilling and fracking are very different. Where in the past, I think people's mindset was that you're going to continue to drill because your up-front costs were so large and, you know, marginal cost of producing another barrel of oil is very low, and if the price drops to $20, you still drill because you're basically still making money and there's no additional cost to doing that.

Fracking requires a lot of ongoing expense. So, the supply would adjust very quickly. And since energy is a big component of other commodities, i.e., the mining aspect of it requires a lot of energy, I don't see how that's not going to be. And I think the oil will correct it. And as James pointed out in that slide, even during that recession that we had in '08, '09, the demand really didn't fall off that much and when it did fall off, it came back very quickly.

Chris Bell: Thanks, Peter. We have a very interesting question. In a roundtable discussion, Murray Stahl mentioned a lot of US-based commercial oil stock is tied up in the pipelines. If the total stock is roughly 400 million barrels, how much of it has to be in the pipe to keep them running and, therefore, should not really be considered usable reserves—50%? Eighty? Thanks. That's the question.

I don't know, I have no clue on that one.

Peter Doyle: Murray likened the pipeline system, which is tens of thousands of miles, to your plumbing in your house, that you need some water in the system to get water pressure. I don't know what the number is, and I don't think James knows that either. But it's not zero so, you know, let's say it's 20%, 30%. The more interesting thing is that the current stock continues to dwindle, and the front month is more expensive than the latter months, and suggests growing production. And that's, we're just not seeing that. And that dynamic is going to really drive what happens to the price.

Chris Bell: Got it. One final question I have. Do you think Nutrien Ltd. will be affected by the nitrogen policies? James, I'm sure that's you.

James Davolos: Nutrien is one of the largest fertilizer producers. It's a combination of Agrian and Potash Corp of Canada. A lot of phosphate and potash are fertilizer driven. And so, the marginal consumption in Holland I don't think is going to really affect them. Also, a lot of their production is domestically consumed. So, again, I think it's noise. I think it's at the margin. It may or may not be, but there's—fertilizer is similar to natural gas. There's plenty of potash and phosphate and nitrogen in the world. It's just a function, there's no way to get it out, there's no way to transport it, there's no way to refine it. So, that puts the incumbents in a really, really strong position, particularly North American incumbents, because if you have to pay five, seven, eight, 10X the natural gas costs to refine fertilizers in the EU or Asia, then it makes the North American producers—your Mosaic, your Nutrien, your CF Industries of the world that much more competitive.

So, again, I think the more and more I follow the situation going on in Holland, the more and more I think that the government is going to have to make some sort of a compromise here.

Chris Bell: Okay, thanks. I have one final question, it was talking about slide 11, that the difference between the two lines of the producers, or the XLE versus the actual price of crude, could it be taxes? And I know that, you know, obviously taxes are one expense, but leverage and all kinds of other things might make it do the reverse. So, you guys want to answer that?

James Davolos: Yeah, I don't think the market—if you look at the relationship where—it basically traded, you know, off of a normalized base at the lows of 2020, you see crude normalized; XLE kept going down as people unwound it through the end of 2020. And then it kind of moved up almost in a linear function. So, there's no point at where there's a spread that broke out when the administration started talking about a windfall profit tax. That was all the way on the far-right side of the chart. And so, the spread was already very substantial. So, based on that, I don't think that there's much of a belief that there's going to be a windfall profit tax.

And again, you're cutting off your nose to spite your face if you do that because you're begging these people to invest in supply, but then you're telling them you're going to tax them for being evil. Best statistic I saw is the average oil company's profit from a gallon of gas at the tank is 7 cents. So, when we were talking $5 gas, the oil industry made 7 cents, the US government made $1.27. So, if you want to affect that, there's a lot better ways than going after the energy companies. I mean there's the refiner complex, there's taxes, there's distribution. But you know, obviously, I think there's politics in policy that doesn't necessarily align with reality.

Chris Bell: Sure. Thanks, James. So, we're at an hour. Peter, do you want to have some closing remarks?

Peter Doyle: The only thing that I'll say is what I've said almost at every closing of our calls, is that, you know, we're not here making binary bets. The positions in a lot of our products are such that we believe we're likely to do well even if the commodities themselves don't do well, just the sheer operating dynamics of those businesses are likely to do just fine. We believe our equity funds will perform very well if commodities go higher.

And I can tell you that what I see on a day-to-day basis is a reaction to headline news and it has nothing to do with the fundamentals. And if you keep your eyes on the fundamentals, it's hard not to see that we are going through a chronic supply shortage globally, in virtually every hard asset. And as a result of that, prices are likely to rise.

So, you know, again, and I mentioned this earlier, we're at an inflection point, and if you're on the wrong side of this, I think you're not going to do well as an investor; you're not going to keep up. Your purchasing power is not going to be able to keep up.

So, I think we offer a great alternative in that regard, and I think we're playing it in a very intelligent way, through the royalty businesses, through the exchanges, etc., where we're not making some binary bet. In our view, the fundamentals support much higher prices in many of the names we own.

Chris Bell: Thank you very much Peter. I'd like to thank everyone for joining us today. Goodbye.

The Kinetics Alternative Income Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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.

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 06/30/22

	2013	2014	2015	2016	2017	2018	2019	2020	2021	Since 1/1/13
Fund (KWINX)	5.2%	1.5%	2.9%	4.0%	2.3%	0.9%	2.5%	2.2%	-1.3%	1.7%

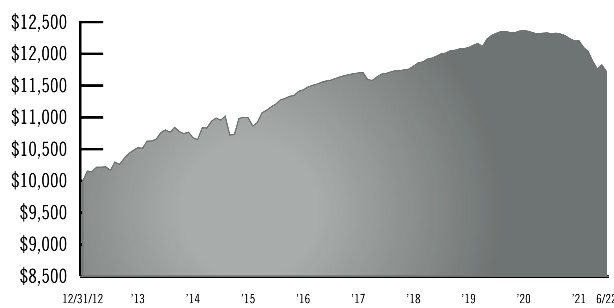
Portfolio Management Team

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

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

Growth of $10,000 Returns

$11,720



Statistics

	Fund
Beta	0.18
Standard Deviation	2.08
Sharpe Ratio	0.49

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	-

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

Fund Characteristics

Total Net Assets	$7.5 million
Total Number of Positions*	4
Turnover Ratio	0.00%
Minimum Purchase	$2,500

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

Portfolio Allocation

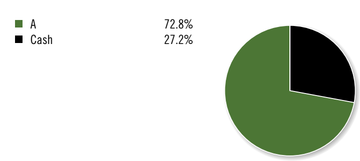
Investment Company	72.8%
Cash and Cash Equivalents	27.2%

Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	1.80
Average Maturity (years)	2.04

Credit Quality (%)



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The Kinetics Alternative Income Fund

2Q 2022

Performance (No-Load Class)	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
			Annualized Returns as of 06/30/22				
Alternative Income Fund (KWINX)	-1.39%	-3.98%	-4.86%	-0.79%	0.23%	1.98%	0.30%

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	2.65%	3.15%	2.40%	2.35%
Net	1.25%	1.75%	1.00%	0.80%

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 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, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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.

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

Kinetics Mutual Funds, Inc
We Do *Our* Research

The Kinetics **Global** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since 2011

Steve Tuen, CFA
Co-Portfolio Manager
33 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%	1.64%	2.33%
Adv. C	KGLCX	494613623	1.00%	2.14%	2.83%
No Load	WWWEX	494613805	-	1.39%	2.08%

Fund Characteristics

Total Net Assets	$26.0 million
Total Number of Positions*	48
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

Cash and Cash Equivalents	49.6%
Common Stocks	43.2%
Unit Investment Trust	7.1%
Other Investments	0.1%

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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.

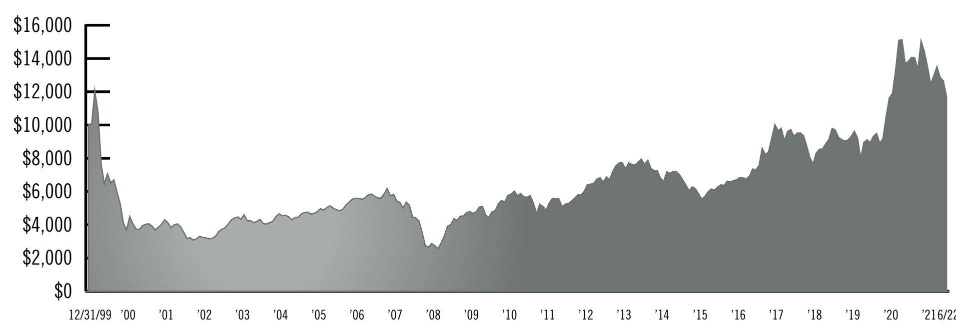
Performance (No-Load Class)

Annualized Returns as of 06/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWEX)	-13.32%	-13.50%	-15.39%	6.11%	9.86%	8.37%	6.16%	0.70%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.08%	6.30%
MSCI ACW Index	-15.66%	-20.18%	-15.75%	6.21%	7.00%	8.76%	7.23%	4.45%

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 **$11,702**



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	16.4%
Grayscale Bitcoin Trust	7.1%
CACI International, Inc. - Class A	5.2%
Civeo Corp.	2.0%
Mesabi Trust	1.9%
Franco-Nevada Corporation	1.8%
Permian Basin Royalty Trust	1.6%
Clarkson plc	1.6%
Wheaton Precious Metals Corporation	1.4%
Associated Capital Group, Inc. - Class A	1.3%

Statistics	Fund	S&P 500
Beta	0.94	1.00
Standard Deviation	21.93	15.21
Up Market Capture Ratio	0.87	-
Down Market Capture Ratio	1.06	-
Sharpe Ratio	-0.04	0.31
Weighted Avg. Mkt. Cap. ($mil)	$10,649	$483,503
Median Market Cap. ($mil)	$1,691	$27,160
Price to Book	1.28	3.52
Price to Earnings	19.49	18.50
Return on Equity	32.14%	27.38%
Active Share	99.44%	-

The Kinetics **Global** Fund

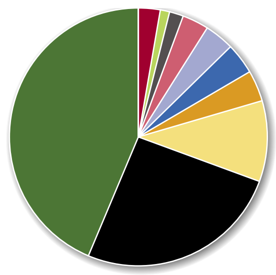
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

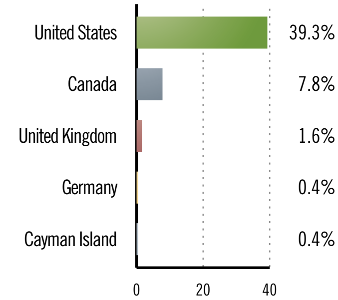
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWWEX)	-63.1%	16.5%	-24.7%	33.6%	7.7%	2.7%	16.9%	4.3%	-50.7%	66.9%	20.3%	-15.4%	23.2%	28.6%	-11.9%	-13.8%	14.4%	49.2%	-23.6%	21.6%	25.0%	16.3%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI ACW Index	-14.2%	-16.2%	-19.3%	34.0%	15.2%	10.8%	21.0%	11.7%	-42.2%	34.6%	12.7%	-7.4%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	22.4%
Finance and Insurance	13.2%
Professional, Scientific, and Technical Services	5.2%
Accommodation and Food Services	2.0%
Transportation and Warehousing	2.0%
Management of Companies and Enterprises	1.9%
Real Estate and Rental and Leasing	1.7%
Manufacturing	0.9%
Machinery Manufacturing	0.6%
Live Sports (Spectator Sports)	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 12/31/2021 as reported in the 4/30/2022 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, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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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.

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

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

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

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

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

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

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

The Kinetics **Internet** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since 1999

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

James Davolos
Co-Portfolio Manager
17 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%	1.96%	1.96%
Adv. C	KINCX	494613763	1.00%	2.46%	2.46%
No Load	WWWFX	460953102	-	1.71%	1.71%

Fund Characteristics

Total Net Assets	$145.5 million
Total Number of Positions*	36
Turnover Ratio	15.00%
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	53.2%
Cash and Cash Equivalents	29.0%
Unit Investment Trust	17.8%

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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.

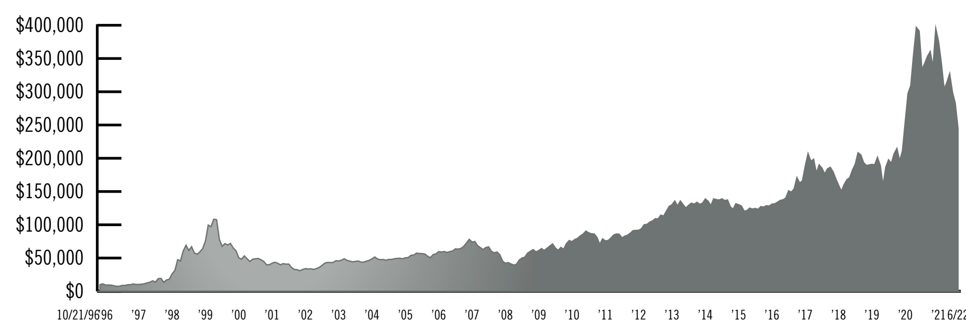
Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
			Annualized Returns as of 06/30/22					
Fund (WWWFX)	-25.13%	-28.64%	-28.50%	5.54%	10.44%	11.45%	10.08%	13.26%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.08%	8.74%
NASDAQ Composite Index	-22.44%	-29.51%	-23.96%	11.27%	12.43%	14.15%	10.63%	8.89%

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

$244,810



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	21.5%
Grayscale Bitcoin Trust	17.7%
CACI International, Inc. - Class A	7.7%
OTC Markets Group, Inc. - Class A	4.7%
Visa, Inc. - Class A	2.8%
Alphabet, Inc. - Class A	2.4%
eBay, Inc.	2.2%
ManTech International Corporation - Class A	1.6%
Miami International Holdings, Inc.	1.3%
MasterCard, Inc. - Class A	1.3%

Statistics

Statistics	Fund	S&P 500
Beta	1.23	1.00
Standard Deviation	30.02	15.49
Up Market Capture Ratio	1.37	-
Down Market Capture Ratio	1.18	-
Sharpe Ratio	0.36	0.44
Weighted Avg. Mkt. Cap. ($mil)	$99,051	$483,503
Median Market Cap. ($mil)	$3,658	$27,160
Price to Book	0.95	3.52
Price to Earnings	25.37	18.50
Return on Equity	34.93%	27.38%
Active Share	94.73%	-

The Kinetics **Internet** Fund

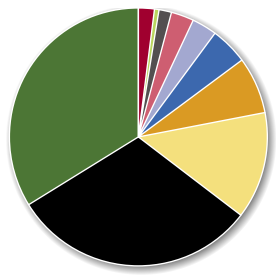
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

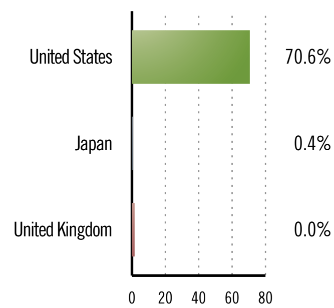
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWWFX)	-51.5%	-9.6%	-23.4%	40.1%	10.1%	-1.7%	16.5%	26.8%	-42.2%	48.6%	21.2%	-2.0%	23.2%	44.3%	-0.2%	-5.4%	2.6%	57.4%	-27.3%	26.5%	56.4%	15.4%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
NASDAQ Composite Index	-39.3%	-21.1%	-31.5%	50.0%	8.6%	1.4%	9.5%	9.8%	-40.5%	43.9%	16.9%	-1.8%	15.9%	38.3%	13.4%	5.7%	7.5%	28.2%	-3.9%	35.2%	43.6%	21.4%

Top 10 Industries (%)

Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	23.7%
Oil and Gas Extraction	21.6%
Aerospace and Defense	9.4%
Data Processing, Hosting, and Related Services	5.0%
Other Information Services	3.3%
E-Commerce	2.2%
Securities and Commodities Exchanges	2.0%
Spectator Sports	1.1%
Promoters of Performing Arts, Sports, and Similar Events	0.4%
Personal and Laundry Services	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 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.

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 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, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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 (10/21/96). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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

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

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

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

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

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

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

Kinetics Mutual Funds, Inc
We Do *Our* Research

The Kinetics **Market Opportunities** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since inception (2006)

Peter Doyle
Senior Portfolio Manager
37 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%	1.65%	2.00%
Adv. C	KMKCX	494613730	1.00%	2.15%	2.50%
Inst.	KMKYX	494613615	-	1.20%	1.70%
No Load	KMKNX	494613789	-	1.40%	1.75%

Fund Characteristics

Total Net Assets	$117.1 million
Total Number of Positions*	59
Turnover Ratio	7.00%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	65.7%
Cash and Cash Equivalents	27.7%
Unit Investment Trust	6.2%
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)

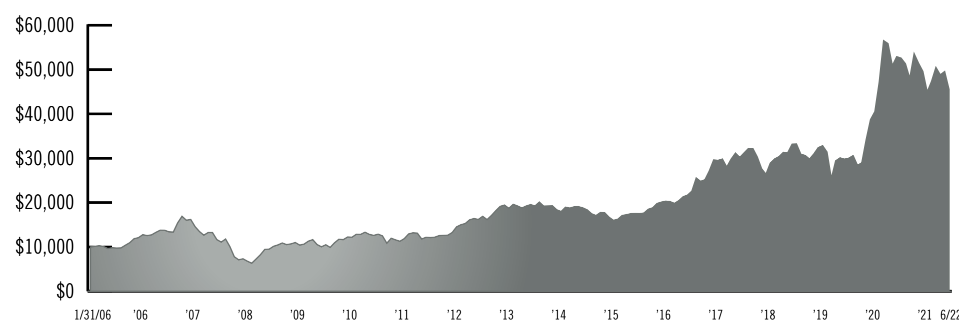
Annualized Returns as of 06/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	-9.81%	-8.19%	-13.95%	11.13%	15.99%	14.10%	9.68%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.02%
MSCI EAFE Index	-14.51%	-19.57%	-17.77%	1.07%	2.20%	5.40%	3.01%

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

$45,527



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	46.2%
Grayscale Bitcoin Trust	6.2%
DREAM Unlimited Corp.	2.5%
Associated Capital Group, Inc. - Class A	2.0%
Partners Value Investments LP	2.0%
IntercontinentalExchange Group, Inc.	1.0%
Franco-Nevada Corporation	1.0%
CME Group, Inc.	1.0%
Clarkson plc	1.0%
Wheaton Precious Metals Corporation	0.9%

Statistics

Statistics	Fund	S&P 500
Beta	1.10	1.00
Standard Deviation	21.41	15.20
Up Market Capture Ratio	1.13	-
Down Market Capture Ratio	1.10	-
Sharpe Ratio	0.40	0.52
Weighted Avg. Mkt. Cap. ($mil)	$16,952	$483,503
Median Market Cap. ($mil)	$1,190	$27,160
Price to Book	1.95	3.52
Price to Earnings	22.75	18.50
Return on Equity	39.97%	27.38%
Active Share	98.40%	-

The Kinetics **Market Opportunities** Fund

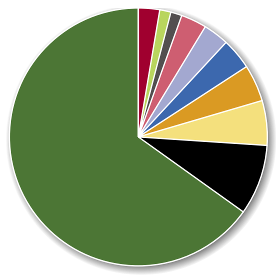
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

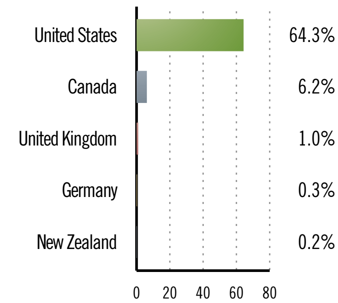
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KMKNX)	20.9%	34.0%	-54.8%	50.2%	11.3%	-7.9%	17.5%	46.7%	-5.6%	-9.1%	20.5%	47.3%	-10.9%	22.8%	19.6%	28.0%
S&P 500 Index	10.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI EAFE Index	20.9%	11.2%	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%

Top Industries (%)

Oil and Gas Extraction	46.5%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	6.3%
Securities and Commodities Exchanges	4.0%
Other Investment Pools and Funds	3.3%
Real Estate	2.8%
Management of Companies and Enterprises	2.3%
Mining (except Oil and Gas)	2.3%
Global Exchanges	1.0%
Support Activities for Water Transportation	1.0%
Data Processing, Hosting, and Related Services	0.9%



Top Countries (%)



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

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

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

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

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

Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Medical** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
23 years of management experience
Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
37 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%	2.43%
Adv. C	KRXCX	494613755	1.00%	2.14%	2.92%
No Load	MEDRX	494613102	-	1.39%	2.18%

Fund Characteristics

Total Net Assets	$18.1 million
Total Number of Positions*	31
Turnover Ratio	3.00%
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	98.9%
Cash and Cash Equivalents	1.0%
Other Investments	0.1%

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Medical Fund Overview

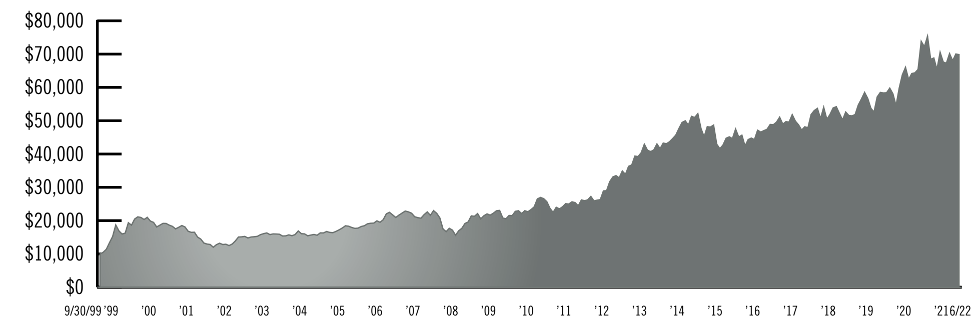
- Invests in patented first line pharmaceuticals and biologics as these products tend to have high profit margins and significant barriers to entry.
- Employs a long-term perspective seeking to capture returns of both intrinsic valuation realization and scientific discovery.
- Bio-Pharma sector is relatively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

Performance (No-Load Class)

			Annualized Returns as of 06/30/22					
	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (MEDRX)	-0.42%	-0.97%	-5.39%	9.92%	7.40%	10.29%	8.66%	8.92%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.08%	6.88%
NASDAQ Composite Index	-22.44%	-29.51%	-23.96%	11.27%	12.43%	14.15%	10.63%	6.30%

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 **$69,841**



Top 10 Holdings (%) as of 06/30/22

Bristol-Myers Squibb Company	10.0%
Eli Lilly & Co.	9.8%
Pfizer, Inc.	8.7%
AbbVie, Inc.	8.4%
Merck & Co., Inc.	7.0%
Johnson & Johnson	6.8%
Novartis AG - ADR	6.5%
AMGEN, Inc.	5.4%
AstraZeneca plc - ADR	5.1%
Biogen, Inc.	4.2%

Statistics

Statistics	Fund	S&P 500
Beta	0.68	1.00
Standard Deviation	16.86	15.22
Up Market Capture Ratio	0.85	-
Down Market Capture Ratio	0.65	-
Sharpe Ratio	0.44	0.35
Weighted Avg. Mkt. Cap. ($mil)	$188,916	$483,503
Median Market Cap. ($mil)	$17,608	$27,160
Price to Book	4.75	3.52
Price to Earnings	17.48	18.50
Return on Equity	34.34%	27.38%
Active Share	93.75%	-

The Kinetics **Medical** Fund

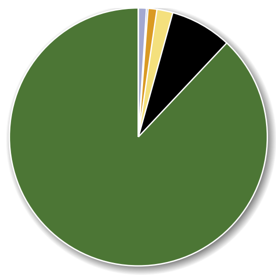
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

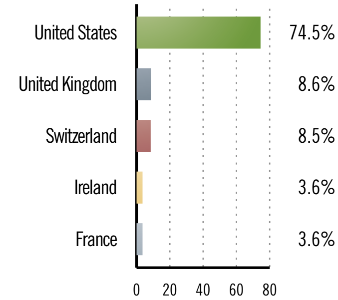
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (MEDRX)	57.0%	-13.8%	-29.1%	23.2%	7.0%	-0.7%	14.8%	15.5%	-20.4%	24.5%	4.3%	5.1%	8.9%	49.3%	16.4%	6.6%	-8.0%	10.7%	1.7%	16.0%	9.0%	10.6%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
NASDAQ Composite Index	-39.3%	-21.1%	-31.5%	50.0%	8.6%	1.4%	9.5%	9.8%	-40.5%	43.9%	16.9%	-1.8%	15.9%	38.3%	13.4%	5.7%	7.5%	28.2%	-3.9%	35.2%	43.6%	21.4%

Top Industries (%)

Pharmaceutical and Medicine Manufacturing	87.9%
Chemical Manufacturing	7.7%
Professional, Scientific, and Technical Services	2.0%
Machinery Manufacturing	1.1%
Ambulatory Health Care Services	0.2%
Biotechnology	0.0%
Scientific Research and Development Services	0.0%



Top Countries (%)



Definitions:

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

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

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

Kinetics Mutual Funds, Inc

We Do *Our* Research

Kinetics Multi-Disciplinary Income Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since inception (2008)

Matt Houk
Co-Portfolio Manager
17 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	$17.8 million
Total Number of Positions*	9
Turnover Ratio	0.23%
Minimum Purchase	$2,500

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

Portfolio Allocation

Cash and Cash Equivalents	62.0%
Fixed Income	25.2%
Other Investments	12.0%
Common Stocks	0.6%

www.kineticsfunds.com

Multi-Disciplinary Income Fund Overview

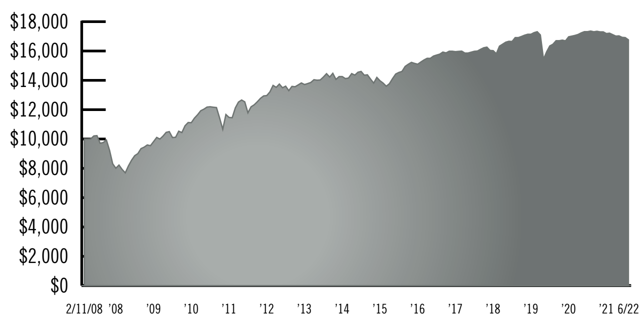
- Multi-strategy investment approach that opportunistically invests in income oriented securities and utilizes an equity option strategy which seeks to generate income and capital gains in excess of traditional fixed income indexes while assuming less interest rate risk or duration risk.
- Fixed income 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 06/30/22							
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
Multi-Disciplinary Income Fund (KMDNX)	-1.58%	-2.63%	-3.45%	-0.30%	1.21%	3.23%	3.66%	5.41%

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

Growth of $10,000 Returns Since Inception — $16,763



Statistics	Fund
Beta	0.32
Standard Deviation	5.41
Up Market Capture Ratio	0.58
Down Market Capture Ratio	0.41
Sharpe Ratio	0.02

Recent Fund Distributions**	Fund
Jun-2022	$0.00
Mar-2022	$0.00
Dec-2021	$0.00
Sep-2021	$0.00

Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	0.29
Average Maturity (years)	0.82

Top Holdings (%)

as of 06/30/22

Stolt-Nielsen Limited	11.1%
Lennar Corporation	10.9%
PIMCO Dynamic Income Fund	7.5%
DoubleLine Opportunistic Credit Fund	4.4%
Ball Corporation	1.2%
CSC Holdings LLC	1.1%
Valaris Ltd.	0.6%
Branson Missouri Regional Airport Transportation Dev. Dist.	0.6%
GAMCO Investors, Inc.	0.1%

Kinetics **Multi-Disciplinary Income** Fund

2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KMDNX)	-17.8%	22.9%	13.0%	0.2%	15.4%	4.3%	2.5%	-2.2%	10.4%	4.8%	-1.0%	9.1%	-1.4%	1.2%

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

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.58%	3.08%	2.33%	2.28%
Net	1.97%	2.47%	1.72%	1.52%

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

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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.

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We Do *Our* Research

The Kinetics **Paradigm** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
37 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%	1.93%
Adv. C	KNPCX	494613821	1.00%	2.39%	2.43%
Inst.	KNPYX	494613797	-	1.44%	1.63%
No Load	WWNPX	494613607	-	1.64%	1.68%

Fund Characteristics

Total Net Assets	$780.5 million
Total Number of Positions*	54
Turnover Ratio	0.02%
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	89.1%
Cash and Cash Equivalents	8.0%
Unit Investment Trust	2.9%
Convertible Preferred Stock	0.0%

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Paradigm Fund Overview

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

Performance (No-Load Class)

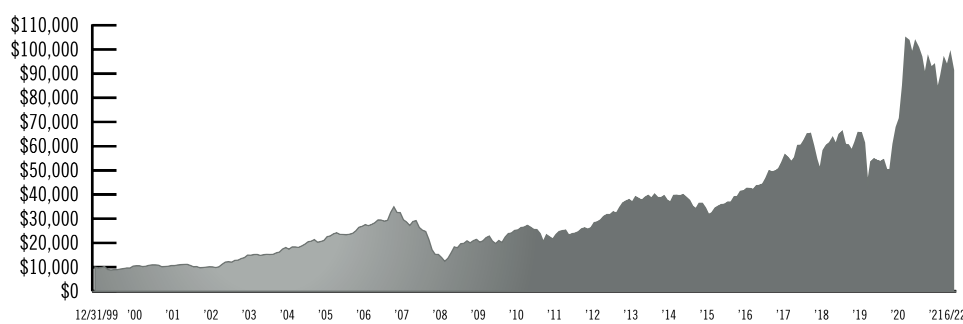
Annualized Returns as of 06/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWNPX)	-5.17%	-2.51%	-11.62%	12.09%	15.55%	14.42%	11.34%	10.34%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.08%	6.30%
MSCI ACW Index	-15.66%	-20.18%	-15.75%	6.21%	7.00%	8.76%	7.23%	4.45%

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

$91,433



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	60.6%
Brookfield Asset Management, Inc. - Class A	4.5%
Live Nation Entertainment, Inc.	2.9%
Grayscale Bitcoin Trust	2.9%
Franco-Nevada Corporation	2.8%
The Howard Hughes Corporation	2.6%
CACI International, Inc. - Class A	1.6%
Liberty Broadband Corporation - Series C	1.6%
Icahn Enterprises LP	1.4%
Associated Capital Group, Inc. - Class A	1.2%

Statistics

Statistics	Fund	S&P 500
Beta	1.02	1.00
Standard Deviation	20.33	15.21
Up Market Capture Ratio	1.14	-
Down Market Capture Ratio	0.92	-
Sharpe Ratio	0.43	0.31
Weighted Avg. Mkt. Cap. ($mil)	$14,834	$483,503
Median Market Cap. ($mil)	$8,350	$27,160
Price to Book	3.03	3.52
Price to Earnings	29.02	18.50
Return on Equity	36.30%	27.38%
Active Share	99.41%	-

The Kinetics **Paradigm** Fund

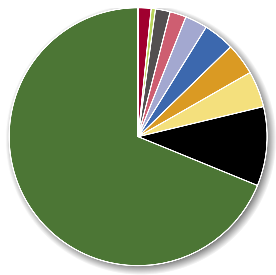
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

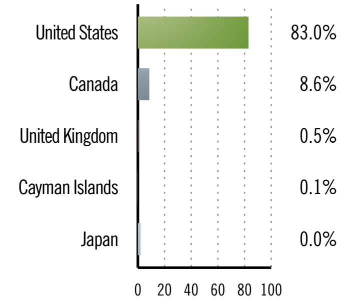
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWNPX)	4.0%	2.0%	-4.6%	47.8%	20.9%	16.1%	27.8%	21.1%	-53.2%	41.0%	17.4%	-14.3%	21.8%	44.1%	-0.8%	-8.3%	20.5%	28.4%	-5.6%	30.5%	3.3%	38.2%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI ACW Index	-14.2%	-16.2%	-19.3%	34.0%	15.2%	10.8%	21.0%	11.7%	-42.2%	34.6%	12.7%	-7.4%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	63.8%
Finance and Insurance	9.2%
Arts, Entertainment, and Recreation	4.2%
Information	3.7%
Real Estate and Rental and Leasing	3.6%
Management of Companies and Enterprises	2.6%
Accommodation and Food Services	1.9%
Professional, Scientific, and Technical Services	1.7%
Transportation and Warehousing	0.5%
Real Estate	0.5%



Top Countries (%)



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

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

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

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

Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Small Cap Opportunities** Fund

2Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since inception (2000)

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

Matt Houk
Co-Portfolio Manager
17 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%	1.95%
Adv. C	KSOCX	494613748	1.00%	2.39%	2.45%
Inst.	KSCYX	494613813	-	1.44%	1.65%
No Load	KSCOX	494613706	-	1.64%	1.70%

Fund Characteristics

Total Net Assets	$259.6 million
Total Number of Positions*	44
Turnover Ratio	0.39%
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	90.7%
Cash and Cash Equivalents	7.3%
Unit Investment Trust	1.4%
Other Investments	0.3%

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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)

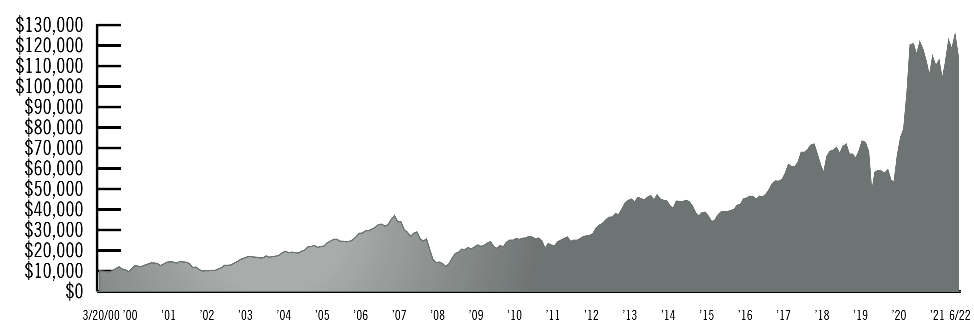
Annualized Returns as of 06/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (KSCOX)	-6.35%	1.64%	-5.72%	17.52%	19.29%	16.43%	11.22%	11.57%
S&P SmallCap 600 Index	-14.11%	-18.94%	-16.81%	7.30%	7.20%	11.26%	9.58%	9.07%
S&P 500 TR	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	9.08%	6.39%

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

$114,659



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	57.1%
DREAM Unlimited Corp.	8.0%
CACI International, Inc. - Class A	5.2%
Civeo Corp.	3.1%
Associated Capital Group, Inc. - Class A	2.6%
Icahn Enterprises LP	2.5%
Live Nation Entertainment, Inc.	2.1%
The Wendy's Company	1.7%
Inter Parfums, Inc.	1.6%
Grayscale Bitcoin Trust	1.4%

Statistics

Statistics	Fund	S&P 600
Beta	0.93	1.00
Standard Deviation	22.46	19.25
Up Market Capture Ratio	0.95	-
Down Market Capture Ratio	0.78	-
Sharpe Ratio	0.45	0.40
Weighted Avg. Mkt. Cap. ($mil)	$8,830	$2,248
Median Market Cap. ($mil)	$1,800	$1,289
Price to Book	2.66	1.65
Price to Earnings	21.57	11.74
Return on Equity	34.51%	12.99%
Active Share	99.69%	-

The Kinetics **Small Cap Opportunities** Fund

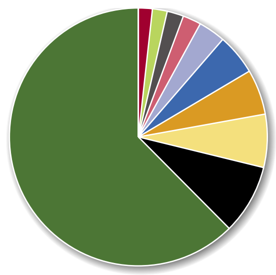
2Q 2022

Historical Total Return (No-Load Class) as of 06/30/22

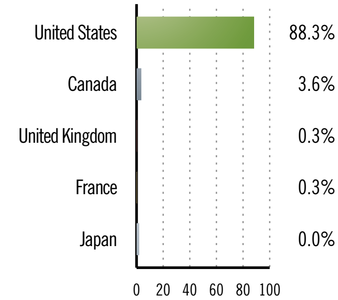
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KSCOX)	11.0%	30.6%	-30.3%	66.5%	16.4%	13.2%	28.4%	19.7%	-57.9%	58.2%	13.9%	-13.7%	26.7%	59.4%	-7.3%	-12.3%	24.4%	26.2%	0.3%	27.1%	2.3%	50.3%
S&P SmallCap 600 Index	4.3%	6.5%	-14.6%	38.8%	22.7%	7.7%	15.1%	-0.3%	-31.1%	25.6%	26.3%	1.0%	16.3%	41.3%	5.8%	-2.0%	26.6%	13.2%	-8.5%	22.8%	11.3%	26.8%
S&P 500 TR	-8.6%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	57.2%
Real Estate	8.0%
Management of Companies and Enterprises	6.1%
Professional, Scientific, and Technical Services	5.2%
Accommodation and Food Services	4.7%
Finance and Insurance	3.1%
Arts, Entertainment, and Recreation	2.1%
Manufacturing	1.9%
Real Estate and Rental and Leasing	1.7%
Transportation and Warehousing	0.6%



Top Countries (%)



Definitions:

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

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

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 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, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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 (3/20/00). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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

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

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 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 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.8 billion in assets as of 06/30/2022.
- 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
44 years of management experience
Co-Manager of Fund since inception (2007)

Steven Bregman
President
37 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%	1.68%	2.27%
Adv. C	LSHCX	494613540	0.75%	2.43%	2.77%
Inst.	LSHUX	494613532	-	1.43%	1.97%
No Load	LSHEX	494613524	-	1.63%	2.02%

Fund Characteristics

Total Net Assets	$24.8 million
Total Number of Positions*	34
Turnover Ratio	0.48%
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	94.0%
Cash and Cash Equivalents	5.9%
Fixed Income	0.1%

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Spin-off and Corporate Restructuring Fund Overview

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

Performance (Institutional Class)*

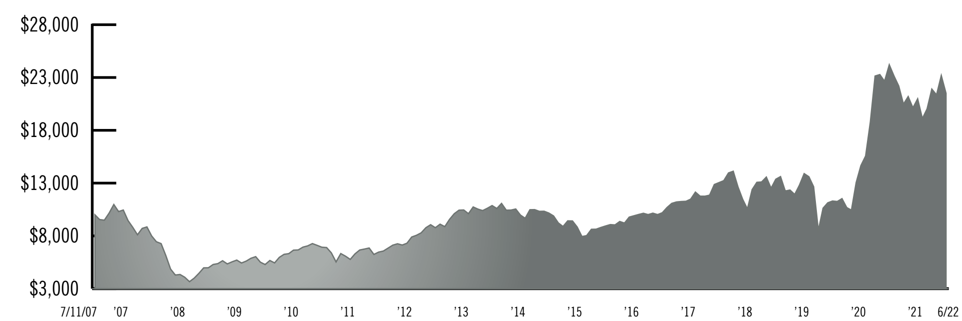
Annualized Returns as of 06/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	-1.82%	2.50%	-11.15%	17.17%	16.10%	12.77%	5.25%
S&P 500 Index	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%	8.48%

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

$21,501



Top 10 Holdings (%) as of 06/30/22

Texas Pacific Land Corp.	63.6%
DREAM Unlimited Corp.	6.8%
Associated Capital Group, Inc. - Class A	4.7%
CSW Industrials, Inc.	4.6%
Graham Holdings Company - Class B	2.3%
Civeo Corp.	1.9%
Welbilt, Inc.	1.6%
Capital Southwest Corporation	1.3%
The Howard Hughes Corporation	1.2%
Liberty Media Corp.-Liberty Formula One - Class A	0.8%

Statistics

Statistics	Fund	S&P 500
Beta	1.29	1.00
Standard Deviation	24.92	15.78
Up Market Capture Ratio	1.19	-
Down Market Capture Ratio	1.36	-
Sharpe Ratio	0.20	0.52
Weighted Avg. Mkt. Cap. ($mil)	$9,283	$483,503
Median Market Cap. ($mil)	$1,039	$27,160
Price to Book	3.10	3.52
Price to Earnings	23.43	18.50
Return on Equity	36.11%	27.38%
Active Share	99.69%	-

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

2Q 2022

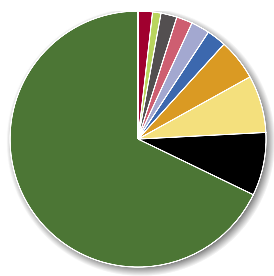
Historical Total Return (Institutional Class)* as of 06/30/22

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (LSHUX)	4.5%	-58.4%	31.4%	16.5%	-13.2%	26.5%	43.1%	-4.7%	-11.4%	12.1%	15.9%	-8.1%	31.7%	5.5%	43.1%
S&P 500 Index	-2.4%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%

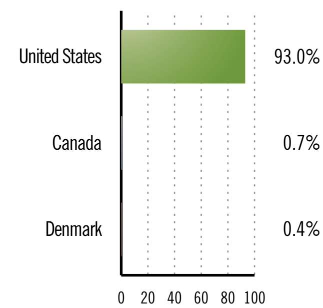
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	63.7%
Manufacturing	7.5%
Real Estate	6.8%
Management of Companies and Enterprises	4.9%
Educational Services	2.3%
Finance and Insurance	2.2%
Accommodation and Food Services	1.9%
Real Estate and Rental and Leasing	1.9%
Arts, Entertainment, and Recreation	1.0%
Information	0.7%



Top Countries (%)



Definitions:

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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.

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