Kinetics Mutual Funds

Third Quarter 2023 - Conference Call with Peter Doyle

October 11, 2023

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on October 11, 2023, 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.

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 Bloomberg U.S. Aggregate Bond Index is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. composed of the Bloomberg U.S. Corporate High Yield Bond Index measures the USD-denominated, high yield-rate corporate bond market. An investor cannot invest directly in an index.

Agustin Krisnawahjuesa: Good day, everybody. Thank you so much for joining us today, and welcome to the 3rd Quarter 2023 Kinetics Mutual Fund Webinar. With us today, we have Peter Doyle and James Davolos, and as per usual protocol, they will start with sharing pertinent market observations and also our investment positioning.

As a special guest today, we have Darryl Monasebian, the portfolio manager for the Kinetics Multi-Disciplinary Income Fund, who will provide a little bit more information regarding an investment update on that fund's objectives and positioning. In terms of housekeeping, just to provide a little bit more resources where you can find most recent performance and also top positioning on our funds, please visit www.kineticsfunds.com, as well as visiting www.horizonkinetics.com, where we post a lot of our market commentaries as well as insights.

For the call today, we will open the line for Q&A towards the end, so please feel free to queue up your questions as they come up, and we'll address them at the end of the call. With that, I will pass along the call over to Peter.

Peter Doyle: Thank you Agustin, and good morning to everyone. Thank you for joining us. I'm going to begin by speaking briefly on several topics, and then I'll turn it over to James to go through some excellent slides that he and the team have put together.

The first topic I'm going to speak about is the US debt burden. Then I'm going to talk about the geopolitical situation with BRICS[1] Plus and the economic cooperation among various countries and the implication for investors, particularly ETF investors, and then very briefly on equity valuations in general.

So, I'm going to start off with a quote from Milton Friedman, "As I said before, keep your eye on one thing and one thing only: how much government is spending, because that's the true tax. Every budget is balanced. There is no such thing as an unbalanced federal budget. You are paying for it. If you're not paying for it in the form of explicit taxes, you're paying for it indirectly in the form of inflation or in the form of borrowing. The thing you should keep your eye on is what the government spends." So, he said that back in the 1970s, and he was of the belief that inflation is a monetary issue always and forever. I

[1] BRICS is the acronym denoting the emerging national economies of Brazil, Russia, India, China and South Africa.

don’t agree with all of that, but certainly, the government spending and what that can lead to is something that people should be paying attention to.

So, let’s see how well we’ve monitored our government spending in the more recent past. Since America’s founding, and when the US government first reported its public debt in 1783, it took our government 199 years to accumulate its first trillion dollars in debt. That occurred in 1982. By 1992, it climbed to over $4.06 trillion; by 2012 it jumped to $16.06 trillion, and by 2022, it had crossed over $30 trillion. Today, our national debt is $33.5 trillion, and we have added over $500 billion in debt in just 18 days after reaching the $33 trillion mark.

Now, the debt ceiling has been raised, extended, or revised 78 times since 1960. Currently, the debt ceiling is suspended until January of 2025. Thus, no government safeguard check on spending until after the 2024 elections. Put in perspective, how are we doing? So, the US trailing government spending totaled $6.12 trillion, yet the receipts for the US government over the trailing 12 months was only $4.32 trillion for a fiscal year 2022 deficit of $1.7 trillion. That’s approximate, but it’s not going to be far off. It’s probably going to be above that.

The tax receipts have collapsed as the Federal Reserve has pushed up the Feds Funds rate. They’ve raised it 11 times since March of 2022 from effectively zero to between 5.25% and 5.5% today. Our country’s debt to GDP is currently 124%. In 2000, just to put it in perspective, it was 56%. The trailing fiscal costs of financing our nation’s debt is $715 billion. That’s annually, currently. That’s up from $330 billion just a little over two years ago. At current interest rates, the annual debt servicing will climb above $1 trillion annually or approximately 25% of our government’s tax receipts.

The US is currently on a bad feedback cycle. Higher interest rates lead to lower tax receipts, which lead to a bigger deficit, which leads to more borrowing. If we stay on this path, at some point, it’s likely that the only willing buyer of our debt will be our own government. This is why it’s probable the Federal Reserve will ultimately have to enact yield curve control, artificially holding down rates to the point where basically inflation runs hot, and we basically debase our debt away and basically confiscate money from the bondholders. And that’s what Milton Friedman was talking about. So, at that point, if they were to do that, hard assets and assets like Bitcoin, gold, silver, and other commodities would likely increase significantly.

Several years ago, we said that government bonds were all risk and no return. The ICE US Treasury 20+ Year Index[2] is down approximately 45% since July of 2020 and 39% since November of 2021. This decline in the safe haven asset is having massive implications for bank balance sheets and lending, and by extension, lending, and it's quite likely that the bank balance sheets and unreported commercial real estate problems are going to come to light in the not-too-distant future.

Now, on the geopolitical front: The rise of the BRICS Plus should be taken very seriously by Western investors. BRICS stands for Brazil, Russia, India, China, and South Africa. The Plus is Iran, Saudi Arabia, United Arab Emirates, Ethiopia, and Argentina. BRICS Plus is a grouping formed for economic cooperation. This new trading bloc or cooperation represents 45% of the world's oil production, 46% of the world's population, and 37% of the world's GDP, and that segment of the GDP for the world has grown markedly faster than the G7 economic alliance.

In purchasing power parity, the BRICS Plus economies have a combined GDP that already rivals the G7 economies in size. This information is slightly dated, but as of a number of years ago, the countries with the most annual STEM graduates were China, graduating 4.7 million annually; India, 2.6 million; United States, 568,000; Russia, 561,000; Iran, 335,000; Indonesia, 206,000, and Japan at 195,000.

The disparity of STEM graduates has already had implications for the development of global technology. For example, China has recently developed a new micro-processing chip called the Kirin 9000. That will be used in the Huawei Mate 860 phone, and the Huawei phone using this chip compares very favorably with the new Apple iPhone 15.

The rise of the BRICS Plus also has implications for ETF investors and indexation investing overall. The S&P 500 Index and its ilk are meant to be global or wholistic investment solutions. That is, you're trying to eliminate issue-specific risk and only take on market risk. And it's really going on for three-plus decades now where the ETF industry has been the dominant investment vehicle of choice.

[2] The ICE U.S. Treasury 20+ Year Bond Index is part of a series of indices intended to the assess U.S. Treasury market. The Index is market value weighted and is designed to measure the performance of U.S. dollar-denominated, fixed rate securities with minimum term to maturity greater than twenty years.

With the rise of companies like Huawei, which is private, you have a global competitor that is not included in any global index. Thus, Apple faces company-specific competition, but the indices or indexes have no offsetting potential gain in Huawei, because as I mentioned, it's private. Further, the Chinese government recently prohibited any government employee to own Apple phones either for work use or personal use. So, effectively, this means is that Apple really has a global competitor, and no investor in the Western world has access to the benefit of that, so the ETFs now have company-specific risk in a way they did not have historically.

It doesn't take a lot of imagination to see that China might encourage the BRICS Plus members to adopt the most advanced Huawei phone for widespread use. We believe the current confluence of events that caused stocks to rise since the early 1980s, i.e., cheap commodities, cheap outsourced labor, declining interest rates, and a wide-open global market, are all turning into headwinds for Western equity investors. This comes at a time of higher interest rates and rich valuations.

Then, very briefly on equity valuation, there's something called the Buffett Indicator, which is essentially the price-to-sales ratio for the entire market. And Warren Buffett has said that this is probably the best measure of valuation at any given point in time, because it doesn't allow for accounting gimmickry and all of that. So, where do we stand at the moment? The Buffett Indicator set an all-time high during the everything bubble in 2021, at which time it stood at 199%. He said that at that time, you were playing with fire. Obviously, 2022 was not a good time for the overall stock market.

Today, the Buffett Indicator stands at 160%, and just to put that in perspective, the Buffett indicator at less than 80% is significantly undervalued; 81% to 104% is moderately undervalued; 104% to 127% is fair value, and 127% to 150% is overvalued. Anything above 150% is considered significantly overvalued. Now, this doesn't tell you the pattern of that return, but it tells you the likely return. And the reason for that is that most securities revert back to their long-term trends, with corporate profitability of 6%, which is, again, linked to the overall GDP. And if you take the long-term trend, you can see that the valuation for the overall market is still very significantly overvalued.

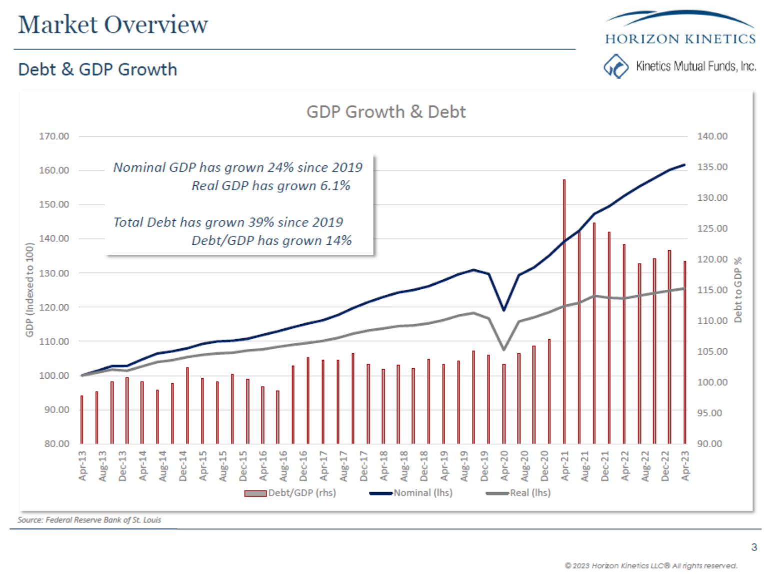
And that gets us into companies that we focus on, and just to touch briefly on that, there are certain businesses (and Apple for a long time has been one of those businesses, but that's starting to change for it) that do not revert to the mean. so I'm going to use Texas Pacific Land Corp. (TPL) as an example.

Either you own that land or you don't own that land, and there's no competitor. There's no across-the-street from TPL. And if you look at the results of TPL, in the last 12 months, their net margin was 60%. So, really, the type of margin of a monopoly, and that's effectively what it is, because nobody else owns that land. And the free cash flow that the company generates is actually even more attractive than that. The 2022 free cash flow margin for TPL was 67.8%.

Now, with that, management, if they're doing the right thing, has the ability to pay dividends, has the ability to buy back shares, has the ability to make acquisitions, in theory. And that dynamic doesn't seem like it's going to go away for us as investors for a long period of time. In fact, I think the probability of drilling in the United States is likely to rise for a number of reasons: one, inflation; and two, the high grade of the current wells, meaning that they go after the most attractive oil-producing wells first, and then it basically trails off after that. And if you follow the rig count in the United States, despite the fact that oil has risen fairly dramatically, the rig count continues to decline. At its peak, it was about 1,900 rigs. Today, it's about 630 or so, 620.

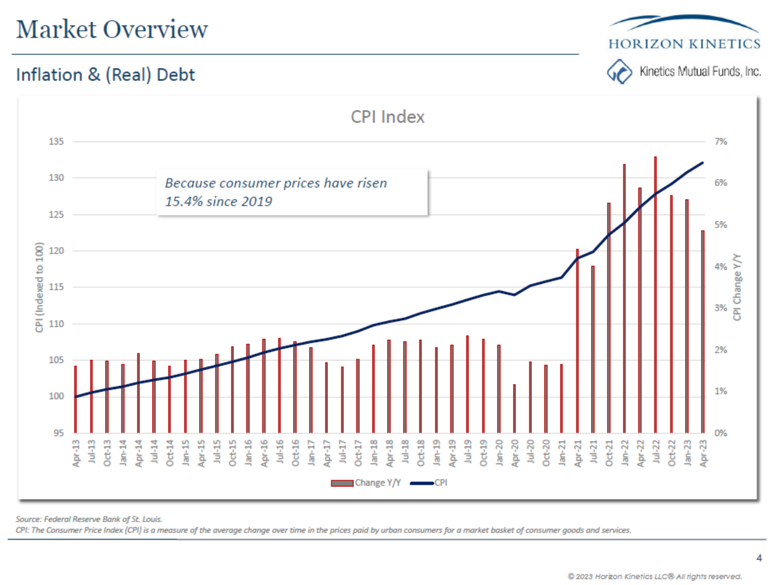
So, that being said, the depletion rate continues to run, and they're not replacing those wells, which indicates that you'll likely see higher prices for oil, higher prices for natural gas, higher prices for natural gas liquids. And TPL is the direct beneficiary of that. That being said, even if that were not to happen, there's really very little cost associated with the business of TPL, so the revenue would go down, but your market would still be incredibly high, and any money left in the business would compound at a very high rate. So, with that, I will turn it over to James to go through his slides.

James Davolos: Thanks, Peter. I think a lot of the material that I'm going to go through really supports the comments that you've already made, and I think that they're also inevitably intertwined. But so just starting on Slide 3, this shows you the trajectory of what has occurred with both real GDP, which is adjusted for inflation, nominal GDP, and the US debt-to-GDP ratio.



So, you can see with the blue line that nominal GDP growth has been about 24%. That's equal to about $5.4 trillion since the end of 2019. However, real GDP has only grown 6%, and that's about $1.9 trillion. So, the real growth obviously has been eroded away by inflation, but that's been necessary and will continue to be necessary when you consider that US total debt has grown by $9.1 trillion since the end of 2019. I'll repeat that, $9.1 trillion, which is 39%. Yet, the debt-to-GDP ratio has only expanded by about 150 basis points, which is that red line. You can see that it was much higher earlier on, where we went from a little over 105% to 135%, but by virtue of inflation, you've seen that debt-to-GDP ratio come back down to in the 120% range.

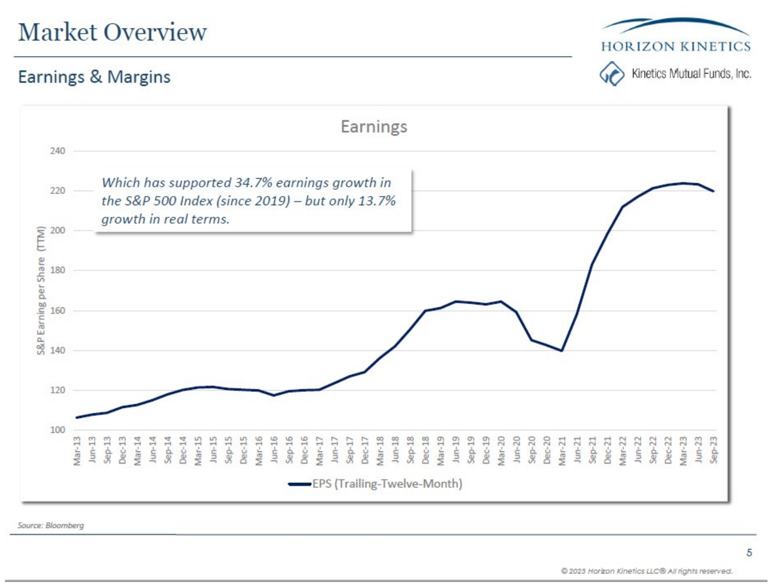
Now, just note these figures. We had total debt added to the United States' federal balance sheet of $9.1 trillion for a nominal gain of $5.4 trillion of GDP growth, and a real gain of $1.9 trillion. So, this goes right back to the Keynesian notion that once you reach a certain level of debt being injected into the system, you get a lower and lower return on each incremental dollar going into that system, but given the current debt load, there aren't a lot of solutions to that.



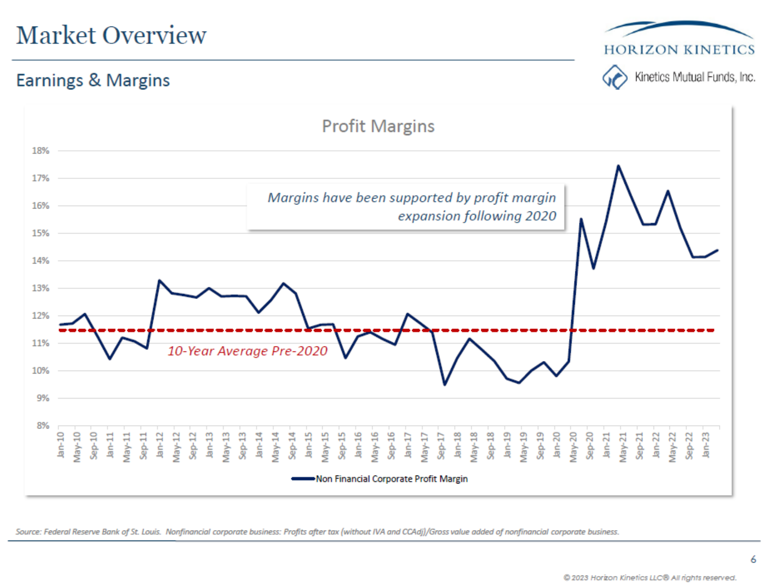
Slide 4 elaborates on this in terms of CPI[3]. So, a big part of what has allowed the debt load to be manageable, debatably manageable, is that you have seen CPI up 15.5%, so that's taking a static consumer price index level at the end of 2019 through the most recent figures. You are seeing moderation in inflation levels, but getting that back down to trend, I think, is going to be almost impossible without collapsing the economy. A huge part of that—I don't want to get too off-topic here -- is that, look at the prior 30 years, where we had this magical 2% inflation, particularly the last decade or it 15 years, and what you actually had, if you deconstruct that, is, housing and shelter inflation running a little bit over 3% services inflation running a little bit over 2%, but deflation, so actually negative pricing, in goods.

Now, economists at the Federal Reserve in their projections are believing that we are going to go back to a world where housing prices are controlled, services are controlled, and they're going to be able to run a little bit hot, because goods are going to go back to their disinflationary, if not deflationary, course. But open up a newspaper and look at what is happening to cheap labor, global supply chains, globalization, raw materials, and tell me if you think that we're going to have another decade of deflation in raw materials that run the world.

[3] CPI: The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.



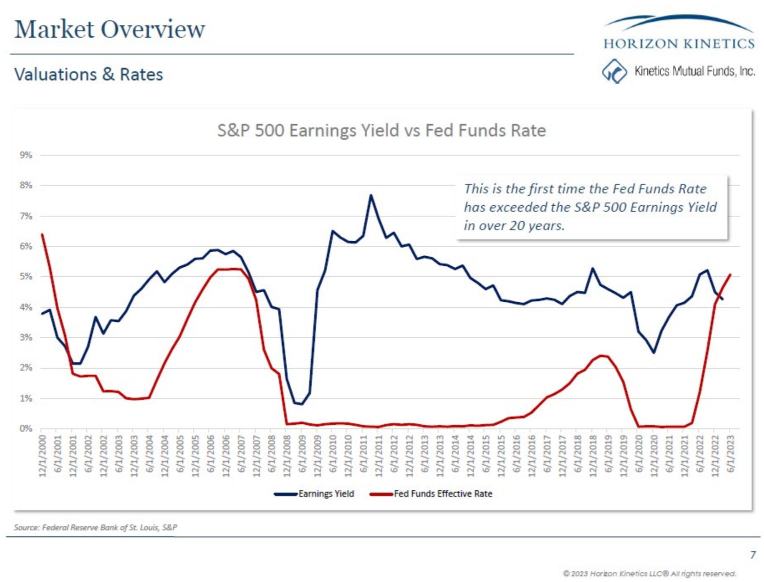
Moving onto Slide 5, now, how has this all flown through into earnings, which ultimately, is the measure of how you should be evaluating equity investments? So, all of this debt growth, and all of this nominal growth, has supported 34.7% earnings growth in the S&P 500 index, but that's only 14% in real terms. Consequently, that nominal growth figure is almost equivalent to the nominal price gain in the index since the end of 2019, so that nominal growth has really propelled the index higher, even though real growth has been far more meager.



But moving onto Slide 6, I think this shows you why you should be very cautious of that continuing. So, even if you were of the belief that inflation is going run hot, and we continue to juice top line, which is basically the major reason the market has continued to go up and kind of sustain at these current levels, the bigger factor has been profit margins. So, the S&P 500 profit margin is a very noisy data point. It's almost useless because of what GAAP accounting has become, with the amount of adjustments that you see, the amount of games that companies play with how they capitalize R&D and depreciate.

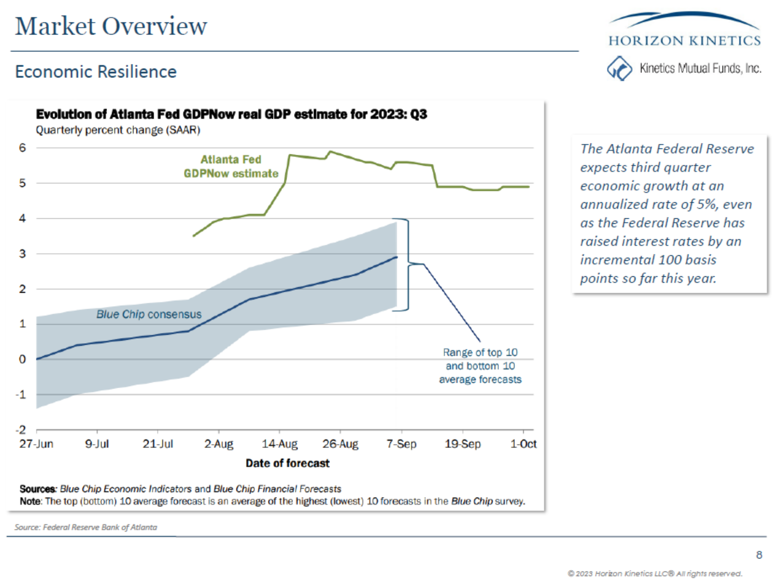
A far more accurate measure, in my opinion, is the NIPA profits statistic. You can find this through the St. Louis Federal Reserve Bank, but this is a government aggregate of corporate profits. They provide one for the aggregate economy, and also non-financial corporate. You really need to remove the financials because they're so rate and net interest margin-sensitive. But this is a pretty alarming chart. If you see the ten years prior to 2020, so let's call that the pre-pandemic modern normal, you had a NIPA profit margin in the range of 11.5%. Obviously, you see this huge spike up above 17% during the early benefits of inflation on corporate profits. Currently, we're running just under 15%.

Now, if you believe in S&P 500 earnings estimates in the $220 range for this year and then $250 or $260 for the following year, you're basically believing that the profitability that corporates have accrued because of inflation and because of pandemic-related fiscal and monetary policy will be permanent. I, for one, would like to take the other side of that bet, and think that earnings estimates are far too high for no other reason than far too ambitious profit margin assumptions.

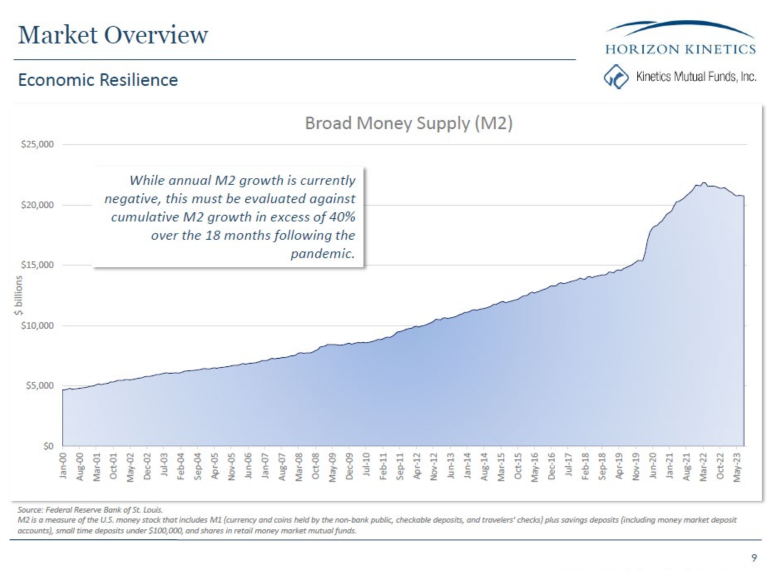


Slide 7, this is another just interesting data point. We're going to revisit this as I conclude my prepared remarks, particularly with reference to what the investment environment looked like at the turn of the century and to your turn of the millennium in 2000. But you can see the red line. That's the Federal Funds rate. The blue line is the earnings yields on the forward earnings assumption on the S&P. So, you can see the last time that the Fed Funds rate was above the earnings yield on the S&P 500 was in 2001. It was far, far, far higher, as the Fed was hiking to basically try to bring down the tech bubble. When the tech bubble burst, they started cutting rates, but the earnings yield was also coming down by virtue of rising earnings and lower valuations as you kind of bled out a lot of the tech excess in the market. It has not reoccurred until this year.

So, you can see on the far righthand side of the chart, if, again, if you believe the forward multiple in the S&P is 18x—I, for one, don't—we just crossed that. We're at around a 5.5% Fed funds rate versus call it 4.5% to 5% earnings yield on the S&P 500 Index. A 20x P/E is a 5% yield on the S&P 500 earnings. So, now you have a higher Fed Funds yield—granted, it's not inflation-protected, it's not growing, who knows if Fed Funds will stay this high, probably not—than the S&P 500 earnings. That does not portend well for highly valued hybrid companies that are betting on a lot of growth and margin in the future.

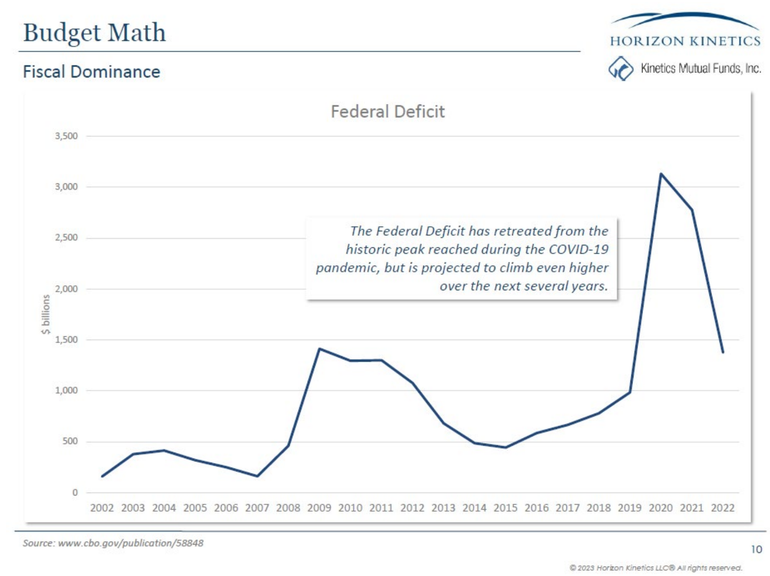


Slide 8, here, we're going to transition a little bit to some of the things that Peter was talking about in terms of the economy and the budget, but I, for one, I think people are not willing to kind of acknowledge where they were wrong. I was completely wrong. I personally thought, by back-of-the-envelope math, that about a 3% Federal Funds rate would have really deleterious, negative impacts on the economy. Here we are, over 5%, and the Atlanta Fed has run-rate real GDP growth above 5%. Blue chip consensus is around 3%, but either one, that's very healthy, if not robust, growth, depending on where you are on that range, but the Atlanta Fed has been fairly accurate.

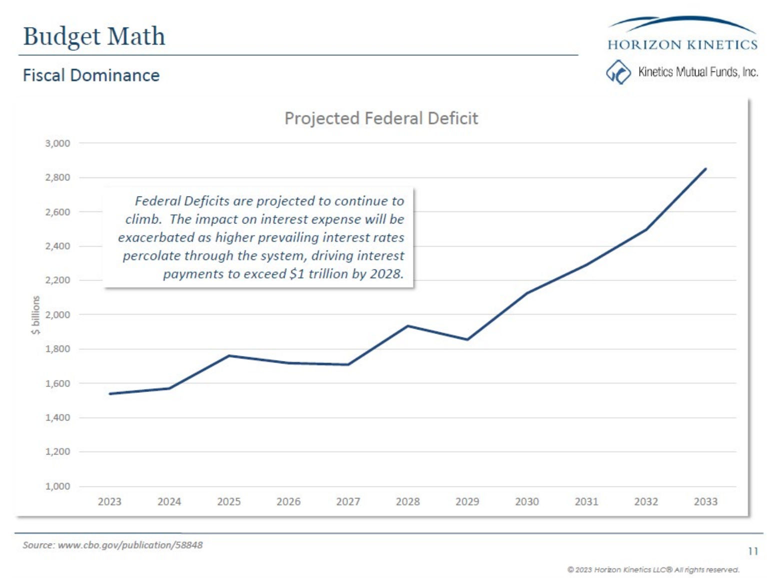


So, let's think about why and how we were wrong. So, I think Slide 9, not to bury the lead, goes to the number-one reason, which is fiscal spending. So, everybody right now is believing that you're going to have this imminent collapse in inflation and the economy because M2 has gone down, I want to say, about 4% to 5%. But zoom out a little bit, and you can see that the money supplies of broad money in the US, which is M2, has grown about $6 trillion since 2019. That's 40% growth in the money supply. If you were to basically take that trend from pre-pandemic and straight-line that along the trend line, we're still at 25% excess money in the system.

So, just because you start to decline off of this enormous base, it's an absolute number. You know, the example that I like, as an economist explained it is, if somebody gains 200 lbs. and then starts losing a pound., you still have some pretty big health problems. In this case, you still have a lot of money in liquidity sloshing around in the system, but I don't think that number can come down that meaningfully, and I think that's going to keep inflation and economic growth somewhat robust.



But Slide 10 goes into, I think, the real culprit, which is fiscal policy. So if you look at past monetary cycles, particularly Volcker or maybe even Greenspan in a vacuum, you can say that monetary policy has this profound impact on the economy. The problem is that generally, you have fiscal policy, meaning government spending, aligned with monetary policy. In theory, the Fed is independent. I think the Fed has become less and less independent, but if Congress is going to spend $2 trillion a year in deficit spending, you can see a peak there during the height of the pandemic at $3 trillion, which then came down to $2 trillion, but going to the next slide, we're not getting our house in order.



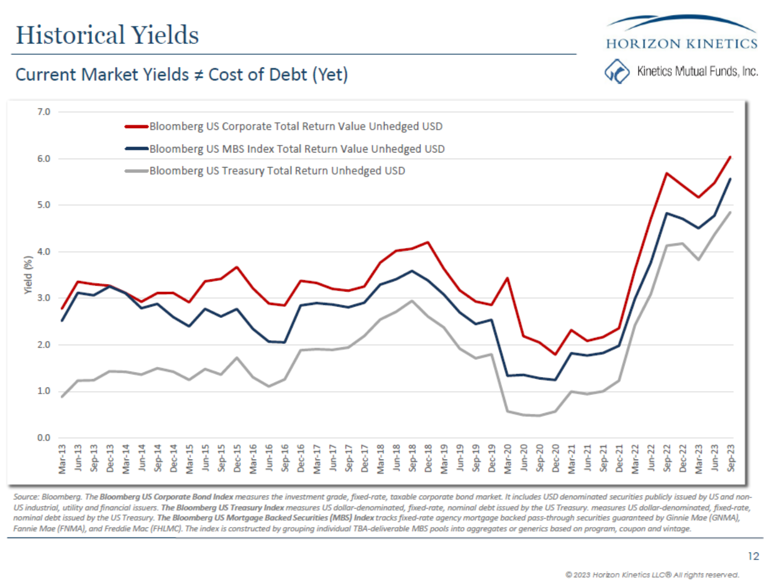
This is from the Congressional Budget Office, and we've shown you this plenty of times. And so this is the cumulative deficit, but if you look at deficits going forward through 2034 or 2033, where they give their ten-year budget forecast, the CBO is assuming zero recession, so everything is hunky dory, zero military conflicts, which unfortunately, that's looking less and less likely, and they're still saying anywhere from $800 billion to $1.2 trillion of deficits every single year for the next decade. And that is going to mean that by 2028, our federal interest payments alone are going to be $1 trillion.

By the way, all of this math ignores entitlements that are considered off balance sheet. But so when you think about this much capital entering the economy, particularly through the government sector, which is fairly inefficient and bloated, obviously, that's going to have a lot of cost push and a lot of inflationary push onto the real economy. The Inflation Reduction Act is open-ended and is pumping hundreds of billions of dollars into inflationary construction projects, and so on and so forth. So, the fiscal dominance is why I think a lot of people got the interest rate math wrong. There's a confluence of other factors as well, such as a lag, but I think this is the big one.

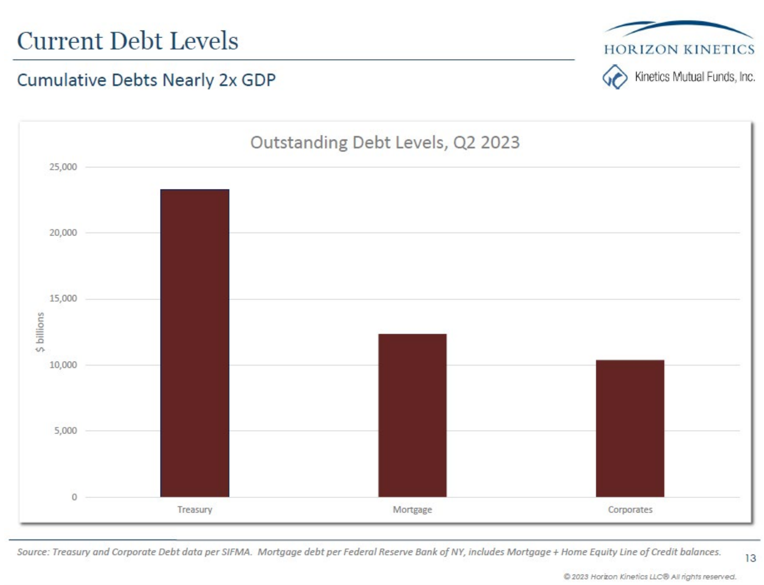
And it does not appear to me whether either side of the aisle, Republicans, Democrats, or anybody who is somewhat theoretically in the middle, these people like to stay in office, and they're going to continue to spend. And so again, we've said this many times. If you look at kind of the three ways to manage the current debt load with the current limitations of GDP, which are limited by labor force participation and employment times productivity, borrowing something completely out of left field in either of those categories, maybe you think AI can revolutionize everything, but I think that that would actually hurt the other side of the equation, which is employment, the three options are: debasement, default, or austerity. And for a lot of reasons, I think the latter two are off the table, so I think you're going to continue to see pro-inflationary policies because the Federal Reserve basically needs it.

And looking at paradigm shifts, which we'll conclude with on the next couple of slides here, paradigm shifts happen slowly and then all at once. Look at the ten-year Treasury, which you know, you've seen it get a little bit of a bid today, but with the unfortunate events over the weekend, to see the 10-year Treasury go down in value, meaning yields up, after a major geopolitical event, shows you the profound difference in capital markets compared to when the US was considered a safe haven with somewhat reasonable fiscal policy. Every other time that that happens, the US 10-year gets a huge bid for safety.

So, moving onto 12, this shows you a little bit more of the debt balance of the United States, where currently—again, these are the current market yields as opposed to the coupon, which the payers are paying—you can see corporate debt is around 6%. You can see mortgage debt is around 5.5%. You can see US Treasury is around 485 basis points[4]. And these were all less than half of these levels three years ago. For much of the last decade, they were significantly lower, call it 30% to 40% lower, depending on which type of debt you're looking at.

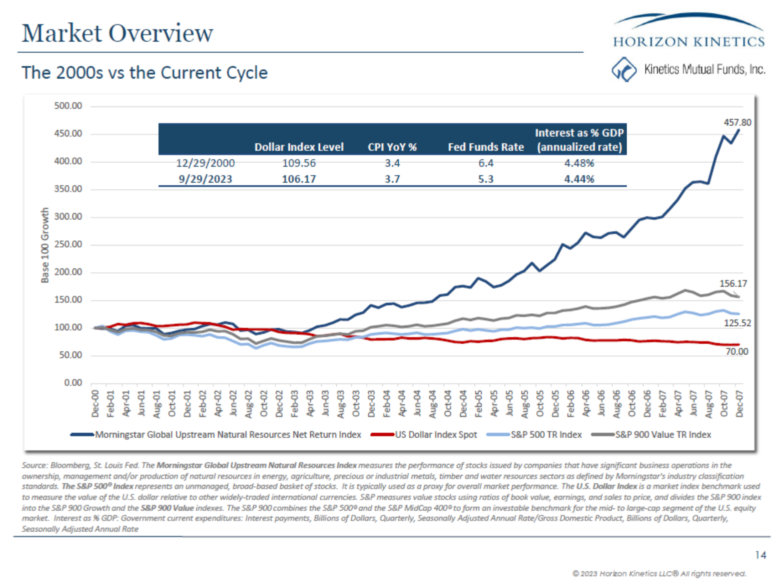


But then if you move onto Slide 13, when you look at the notional amount of this debt outstanding, so for the Treasury, 100 basis points' shift in debt financing, which depends on the tenure of your maturities and when it rolls. But for each 100 basis points, you're talking $220 billion of annual interest. For mortgages, it's $123 billion. For corporates, it's $104 billion. So I look at it in two ways. I kind of look at it from the first lens. A lot of what the Treasury is paying is flowing through the financial system, so maybe that extra $220 billion will be benefitting recipients of that interest, but then, that's going to be fully offset by an incremental $123 billion of mortgage and then $104 billion of corporate.



[4] Basis points: Basis points are a common unit of measure for percentages in finance. One basis point is equal to 1/100th of 1%.

The problem for the Treasury is that their debt maturities are far shorter than mortgage and corporate, so the mortgage and corporates can benefit from these lower rates they locked in for a lot longer than the Treasury can, which you would think, if they're influencing or knowing what direction policy was going to be, they'd be loading up on longer-term issuance, whereas they were doing nothing but issue at shorter term paper.



Something on Slide 14, which is really kind of the punchline here, is, remember earlier I was talking about regime changes and shifts? And so I'm going to talk a little bit, not directly to the slide, but to set the stage. We talked about the parallels to 2000 and the era after the tech bubble burst, which is the last time you saw the earnings yield and the Federal Funds rate cross. So, think about that 2000 to 2007 era. What worked in the market? So, in the blue line, you have the natural resources producers. The gray line is value, but the other thing that worked really well over that period was small caps, and active managers.

So, real assets, value, small cap, and active: What have we seen since then, when basically the market's just been driven by funny money? Instead of natural resources, it's been tech. Instead of value, it's been growth. Instead of small cap, it's been mega-cap, and probably the biggest trend is, instead of active, it's been passive. So, looking at these two parallels, look at the dollar index, both barely elevated 109 versus 106. CPI, 3.4% versus 3.7%; Fed Funds, 6.4% versus 5.3%; interest as a percentage of GDP both right around 4.5%. We really think that this is the regime change. So, we're exiting this tech growth mega-passive era, and it really goes into all of the areas that we've always really focused on but really heavily emphasized in our funds for the last, call it, five to seven, maybe even ten, years.

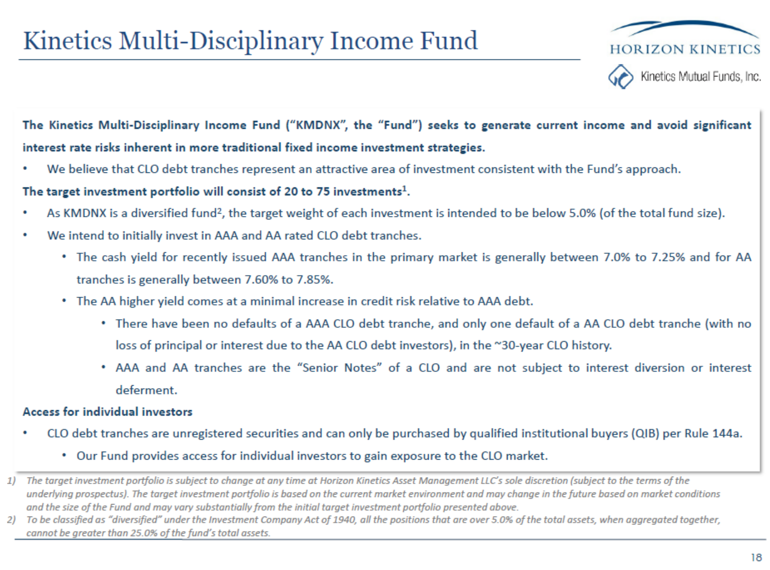
And I think the biggest one is passive. The fact that passive -- it's wild just how many strategies revolve around getting into and getting that bid from the index. You know, obviously, the rate of change cannot continue in terms of passive, but I think once passive stops working, you're going to see a big shift out of that. And then once that bid is going, I think that you have a very, very different market setup, and it's going to be a lot more akin to that 2000 era.

And I will say, people often say, well, hey, didn't indexation stop working in 2022? And yes, the mega-caps went down, and I think a lot of people were licking their wounds and trying to understand, wow, my 60/40 portfolio went down. I'm down 20 in blue chip tech. I'm down double digits in bonds. What do I do? And then lo and behold, tech stocks just fly out of the gates to start this year. So, it wasn't long enough. I think it was severe enough, but basically, to see this big snap back in the index, that's not sustained enough to really see that regime change, but I think that that will be one of the biggest factors that really drives. And then again, that's going to really drive into a lot of the allocations that we have.

So, I'm going to turn it over to Darryl, who's going to address the new opportunities that we're seeing in the multidisciplinary world, but everybody just hang with us. We're going to be a little bit longer, so I want to leave time for Q&A, but I think that people can get these slides and see the last couple ones on inflation and our real asset emphasis. But again, while we're going to have plenty of time for Q&A at the end, so stick around at the end, but for now, Darryl is going to address the fixed income opportunities.

Darryl Monasebian: Thank you, Peter and James, and good morning.

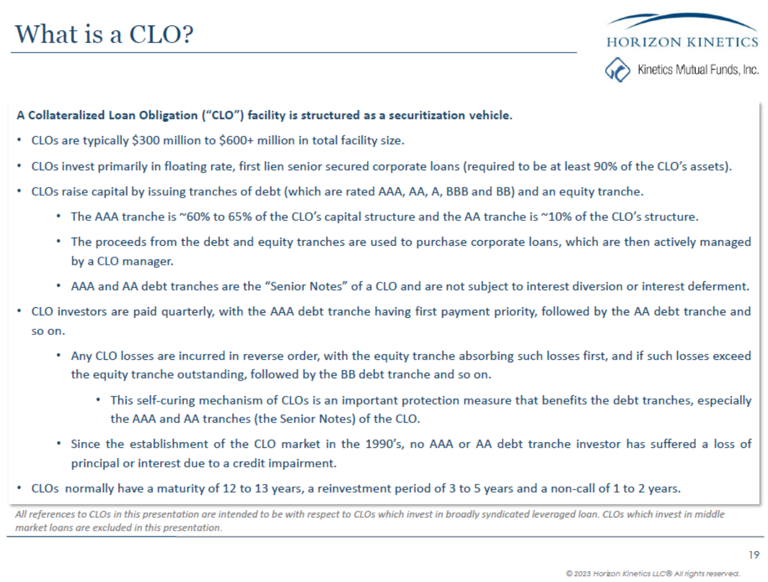
I'd like to spend a few minutes updating everyone on the Kinetics Multidisciplinary Fund. We recently changed our fund's investment strategy to permit investing in CLO debt tranches. We believe that CLO debt tranches represent an attractive investment for our clients for a number of reasons. First, CLO debt tranches have a floating rate, which provides a good hedge for its trade risk, given today's market environment.



The risk profile of CLO debt tranche investments is also very strong. Our fund is initially only buying CLO debt tranches which are rated AAA or AA by Moody's, S&P, or Fitch. For some context, the CLO market was established approximately 30 years ago, and since then, every AAA rated and AA rated CLO debt tranche has paid all principal and interest due to investors in full. No AAA or AA debt tranche investors ever lost principal or interest due to any type of credit event.

The coupon rates are also attractive. The interest rate for newly issued AAA debt in today's market is on average about 7.1%, and for AA debt, it's about 7.75%. And since CLO debt tranches are unregistered securities, individual investors can't buy these securities directly, but can invest in this asset class throughout the fund.

Now, we move to the next slide. CLOs are not as well-known in the marketplace as other fixed-income securities, so I'd like to share some background about them. CLOs are securitization facilities that are typically between $3 million to $600 million in size. For perspective, total size of the US CLO market is approximately $900 billion, and there are about 2,000 different CLOs currently outstanding. CLOs typically have maturities of 12 to 13 years and can usually reinvest their principal proceeds for the first three to five years. However, the average life of CLOs is far shorter than the maturity date, given their prepayment and amortization features. Also, investors generally benefit from one to two years of call protection.

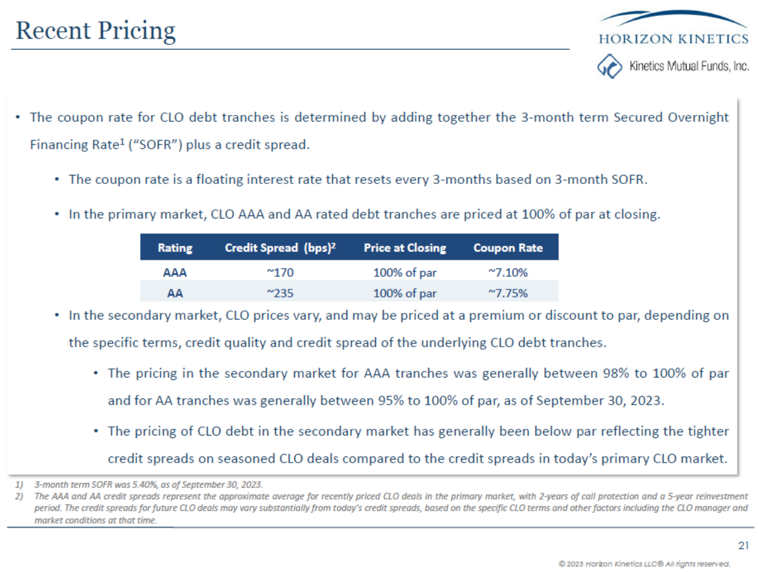


The capital structures of a CLO at closing consist of both debt and equity. The debt portion has five tranches with different credit ratings. There's a AAA, AA, A, BBB, and double B-rated tranche, and one equity tranche below that. The AAA tranche has first priority claim on all of the CLO assets, followed by the AA tranche, which has a second priority claim and so on. Furthermore, to the extent the CLO has any underperforming investments, those losses are absorbed first by the equity tranche, and if needed, by the BB tranche and so on. And as I mentioned earlier, our fund is only buying the AAA and AA tranches, which are considered the senior notes of the CLO. Lastly, the CLO uses the proceeds from the debt and equity capital to buy first-lien corporate loans of public and privately owned US companies that are positive cash-flow generating organizations.

Now, we move to the next slide. I've already talked a little bit about some of the investment merits of CLOs but let me review them in a little bit more detail. First, CLO debt is floating rate and based off of the three-month SOFR rate. Every three months, the interest rate of a CLO is reset based on the then-prevailing three-month SOFR rate, which provides a hedge against interest rate risk. CLO debt tranches and CLO investments are made in US dollars, which eliminates currency risk. Since the establishment of the CLO market in the 1990s, there has never been a single default of a AAA rated debt tranche, and there's only been one default of a AA tranche, which was a technical default in 2010. The AA investors in that deal still received all of their interest and principal due in full, after that technical default was resolved.

CLOs invest in first-lien corporate loans. These corporate loans are the senior-most security in a company's capital structure, and the companies that issue these loans are large corporations with revenues from anywhere from several hundred million dollars per year to as much as several billion dollars per year. These are very large profitable companies that issue these corporate loans. Since CLOs are structured as cash flow and not market value facilities, CLOs are not forced sellers of assets at distressed prices during periods of market volatility. CLOs are not index funds, either. They are actively managed by CLO managers who are some of the largest investment firms in the US. There are approximately 150 CLO managers in the US, which include firms such as Blackstone, Carlisle, Prudential, Aries, KKR. If I presented the whole list on this presentation, you would see how well-known these investment firms are in the marketplace.

If we move to pricing on the next slide, the coupon rate of a CLO debt tranche is a combination of the three-month SOFR[5] rate, plus a credit spread. In today's market, three-month SOFR is about 5.4%. Now, in the primary market, the average credit spread for recently issued AAA rated CLO debt tranches is about 170 basis points, and for AA rated tranches, it's about 235 basis points. This results in a coupon rate on average of about 7.1% for AAA debt and about 7.75% for AA debt. The debt is sold to investors at a price of 100% of par, and the coupon rate resets every three months, based on the then-prevailing three-month SOFR rate. The interest due is paid quarterly to CLO investors.



There's also an active secondary market to buy and sell CLO debt. Since older vintage CLO debt may have lower credit spreads than today's CLO levels, pricing levels, CLO debt in the secondary market may be bought and sold at a slight discount to par. The price range approximately is about 98% to 100% of par for AAAs in today's market and a range of about 95% to 100% of par for AAs.

[5] The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

Moving to the next slide, I'd like to spend a moment talking a little bit more about the risk profile of CLO debt. As I've already mentioned, there's been no default of a AAA tranche and only one technical default of a AA tranche, with no loss of interest or principal (indiscernible) by any investor. The footnote number one on the bottom of the slide talks a little bit more about the technical default of that AA tranche for those that would like more information.

Another point in risk metrics is the credit ratings downgrades. Looking at the table on this slide, of the approximately 5,000 AAA debt tranches rated by S&P during the past 30 years, less than 3% have been downgraded while outstanding. In other words, AAA rated CLO debt maintains its rating through maturity at least 97% of the time. What I think is very relevant and is another reason why we like also investing in the AA debt tranches is the likelihood of a credit ratings upgrade. Of the 3,500 AA tranches rated by S&P during this period, downgrades have only occurred about 1% of the time.

Now, since CLOs are deleveraging after their reinvestment period has ended, approximately 24% of AA tranches have eventually been upgraded by S&P during this period. As an investor, we may find ourselves with a AAA rated CLO debt tranche with AA pricing, which is an attractive outcome.

I'd like to move onto now the next slide and talk a little bit about CLO pricing during market dislocations. Although the risk profile of AAA and AA rated CLO debt is very strong, the market price of CLO debt has temporarily declined during market dislocations. One example occurred during the great financial crisis. AAA and AA debt, which is normally priced at about par, dropped to 70 cents and 25 cents of par, respectively in 2009, which is obviously a very meaningful drop. However, within nine months, AAA pricing was back up to 90% of par and AA pricing was up to 75% of par. So, investors saw the majority of that market value recouped within nine months. Furthermore, over the next two years, AAA and AA debt was back at 100% of par.

Again, I want to emphasize that during the great financial crisis, there was no loss of interest or principal due to any AAA or AA debt credit event. Also, all quarterly interest and principal payments due to AAA investors and AA investors were paid on time during this period, with the one exception being the technical default of that AA tranche, which I already discussed.

Another market dislocation, which occurred more recently, was during the COVID-19 pandemic. In March 2020, which was the market low point, AAA debt was 92 cents on the dollar, while AA debt was down to 86 cents on the dollar. During this market dislocation, the recovery rate was far faster than during the great financial crisis. Within six months, AAA and AA debt was at 100% of par. And also, during the COVID-19 pandemic, there was no loss of interest or principal due to any AAA or AA credit event, and all quarterly interest and principal payments due to investors were paid on time.

Let me go to the last slide here, just to wrap up. The CLO market is expected to continue to grow. It's currently about $900 billion, up from about $600 billion four years ago. The corporate loan market, which is about $1.4 trillion, is also expected to grow. The CLO and the corporate loan market are dependent on one another. CLOs represent the largest investor group of corporate loans. They currently purchase about 65% of all corporate loans issued, so if you do the math and multiply 1.4 trillion by 65%, you get approximately $900 billion representing the CLO market.

Over the past several years, there's also been a meaningful increase in both institutional and retail investor demand for CLO debt tranches for a number of reasons, including the risk-adjusted returns, the steady income stream, and the floating interest rate structures. So, at this time, we think this is an excellent opportunity to invest in AAA and AA rated CLO debt tranches. With that, I'd like to thank everyone for their time today, and I'd like to turn the call back over to Peter and James.

Peter Doyle: Thank you, Darryl. So anyone listening, the Multi-Disciplinary Income Fund offers a very good alternative for investors looking for yield, as Darryl pointed out, so maybe you want to take a look at that.

Agustin, do you want to open it up for questions, and James and I will take those on?

Agustin Krisnawahjuesa: Sure.

Since the first question was actually related to the comment that both you and James made, what can change the flow into mega-caps? It seems to be a virtuous cycle driven by continuous fund flows into the biggest stocks every month or every quarter.

Peter Doyle: Yeah, so this is one of the things that Murray has pointed out more recently and has written a great deal about, and has written a great deal about ETFs. First and foremost, I'll say that any strategy that doesn't take price into consideration as to what the expected return is going to be cannot end well. So, that's first and foremost, so it will work when the minority of investors are doing that. It becomes insane when a majority of investors are doing that, so that's what's going on today.

The second thing is what I brought up when we discussed the rise of the BRICS Plus. You now have an economic cooperation that basically exceeds the size of the G7, and these companies and countries are basically producing more engineers, more math students, etc., and they're going to rival in terms of the development of technology and other industries that of the G7. And that's a competitor that you had not had for the last 40 years. And at some point, people are going to realize that the world's market for Apple is not as wide open as it once was, and you have a competitor that basically can sell a phone comparable to the Apple iPhone 15 at a lower price.

And the Chinese want to move away from that. They also want to move away from the dollar, so you could see how the large mega-cap companies, and I don't know the exact market cap of Apple today, and I'm not picking on Apple specifically, but it was over $3 trillion. How do you grow the earnings of a company of $3 trillion to get it to be a $6 trillion company? It's just staggering. I mean, that's a very meaningful portion of the size of the GDP of this country. And at some point, that's going to collapse upon itself. The weight is going to collapse upon itself.

You can't predict the pattern of that, but there are enough things that are really working against those to bring down the—you know, at some point, everyone's in. The only next move is to get out, and you can see the turnover in a lot of these ETFs. It's literally hundreds of percent in the course of a month. They're renting this, and they'll get out of it just as fast, and much faster, actually, then they got into it. I don't know if you want to add anything to that, James.

James Davolos: Yeah, I mean, just to go back to 1999, when it was thought you had to own tech, because the Internet phenomenon was so dramatic, you know, it was until it wasn't. So, I think that the profile of big tech is so different than it was back then, so I don't think you're going to draw down 70% or 80%, but if you can start getting 6% in the bond world and big cap just stops going up, and people see commodity companies rising, real asset companies rising, small caps rising, the scale is so enormous, that even a small deviation from this trend, it might not really impact the mega-cap complex in terms of fund flows going out, but it would be profound for the recipients of that capital, especially in capacity-constrained real asset universe.

Agustin Krisnawahjuesa: Great. Can you also help us compare and contrast the future earnings of a traditional energy and production company, E&P company, versus the capital-light royalty companies that we generally own in our portfolios? And perhaps if you can review that from the perspective of a fundamental business point of view as well as the GAAP accounting point of view, that would be very helpful. Thank you.

James Davolos: Yeah, I mean, I'm happy to talk about this offline. It's a fairly lengthy explanation if you get into accounting, but basically, reserves are booked as, in terms of balance sheet value, of what you pay for them or what you've developed. So, if you were sitting on Texas Pacific Land, that is on your books at zero, it continues to be zero. If you were Exxon, and you had a bunch of old declining wells in the Permian and then we discover fracking, and you unlock a couple trillion barrels of resource, your accounting value is still zero.

The problem for the upstream players—and I'll take this opportunity to address the Pioneer transaction with Exxon—is that they require a tremendous amount of capex to maintain their production, and they also have rising lease operating expenses. Peter mentioned earlier, whether it's frack crews in terms of employees, I've heard crazy things about sand costs and steel piping, so those prices are going in one direction, and that's up. I think they can make a ton of money with oil prices in the $80s, and I think that you'll be fine, but I'd much prefer to have a royalty business where your production is effectively your pretax cash flow.

So, all of that just -- if you have a long-term secular view on the space, given the valuations today, it's a no-brainer to own the minerals. If you think that we're going to go parabolic, like $200 oil imminently, then you might want to play something with a lot more risk and a lot more leverage. So, like a junior producer that has a lot more torque to oil price, but we own cyclically adjusted names because their cash flows can maintain if not grow for decades.

Addressing Exxon quickly, and people are obviously interested in the Pioneer acquisition that is germane to TPL, Exxon needed to grow reserves, because their shareholders rely on their dividends. They've been funding it up until recently through a combination of debt and cash flow. Not a lot of mega projects offshore anymore, so you've got to go to short cycle, geopolitically stable wells, and that's the Permian.

Pioneer is a pure-play Midland Basin producer, so that's the east side of the basin. They were an early adopter. There's a lot of infrastructure. There's a lot of in-place production. Exxon was much stronger on the Western portion of the Permian, which is the Delaware, so this gives them a really nice foothold in the Midland. In terms of a read-through for TPL, TPL's only about 12% Midland, with the balance being Delaware or Delaware-adjacent, but I think the takeaway here is that there are no megaprojects really available. I mean, okay, you've got Guyana, which is going to be incredible, but how many Guyanas can you find in a year, unless you want to start drilling speculative holes off of Brazil or West Africa, and then pray that you don't have it expropriated or some sort of other situation? So, this shows us in a profound way that the incremental large-scale capex dollar is going into the Permian.

Then, going back to the original question, if you're evaluating a mineral dollar versus a produced dollar, Exxon had to write a huge check to get those wells. You have a royalty company, particularly something like Prairie Sky or TPL or even Permian Basin Trust, which has this really long tail of production that you pay nothing for, you don't have to worry about that eroding your returns as you have to chase reserves and chase production at higher and higher prices.

Peter Doyle: So, the only thing I'll add to that is that they're not spending $60 billion thinking that oil and gas is going to decline in price, and it's going away by 2030. So, that says a lot, actually. It doesn't mean they can't make a bad investment, but they're willing to fork over $60 billion.

James Davolos: I think this also kind of brings up a good segue to another question that we had in the written questions about one of the presidential nominees, which has happened every single election cycle in recent memory, has said that they're going to ban all fracking effective immediately. I'll remind you that Joe Biden and Kamala Harris both said that they were going to do it, as have any number of people, and I don't know if they just don't have intelligent advisors or if they just don't understand the math, but the US produces about 20% of global liquids, so that's oil and very wet gas streams of propane, butane, natural gasoline, not methane, which is dry gas.

If you were to ban fracking, which is well over 80% of US production and all of its growth, I don't think $500 a barrel is unrealistic. We've also bled the Strategic Petroleum Reserve dry. Obviously, there's a lot of nuance to that. You can be a little bit more aggressive with the SPR when you're producing 20 million barrels a day. So, for all intents and purposes, it would destroy the United States geopolitically, national security, and the economy and global economy with it. So, I think that's why these people have these hyperbolic statements when they go on the election trail, and then they come into office, and you don't see anything.

Now, one other comment is that, you know, someone said, well, can you -- can they do it at the federal level? So, a lot of Texas land is state land, whereas the New Mexico portion of the Permian, which is a very substantial amount of production—I want to say $4 million barrels a day. Don't hold me to that, but it's significant— is federal land. So, the President's office, obviously, can impact federal drilling, which is the Gulf of Mexico, Alaska, New Mexico, parts of Colorado and North Dakota. Private land is regulated at the state level, particularly in Texas, which is where almost all of our royalties are located in our portfolios.

For them to do something that could subvert that type of private state land, it would probably require an act of Congress that would then be challenged at the Supreme Court. I believe, unless there was an imminent danger to people or national security that, especially given the current composition of the Supreme Court, the likelihood of that passing is effectively zero. Also, I think that looking at the composition of Congress, especially with Joe Manchin and other people that are in big hydrocarbon-producing states on the left side of the aisle, I'll put that at zero. Not to mention, it would basically send the world back to almost a pre-industrialization era, so he can have fun saying that on the campaign trail, –without saying how he's going to effectuate it.

Agustin Krisnawahjuesa: Great, so perhaps one last question on energy. Can you speak about the mix between gas or gas liquids versus crude oil or oil cut out of the Delaware basin?

James Davolos: Yes, so the Delaware is gassier—oil is far more valuable, so back-of-the-envelope math, an MCF of gas basically is a 6:1 conversion ratio for a barrel of oil equivalent. So, let's say right now gas is trading at $3.30 x 6. You know, call it $20 equivalent versus oil trading at $84. So, your mix of oil is worth less than a quarter, or basically call it 20-percentish, of your oil on an energy-equivalent basis. That's why oil and liquids are where the value is. The denser liquids tend to trade around 40%, sometimes 30%, so at $80 per barrel for oil, call it you're still $24 or $25 for gas. There's still a pretty big haircut.

The reason that I do think that the gassiness of the Delaware is interesting is that it's not part of the economic profile of production, but if you believe in these theories around gas parity, where we start trading US gas on parity with Europe and Asia, you could see a vast tightening in that spread between oil and gas parity. I would also add that gas is definitely more ESG friendly.

So, the world needs to get off of coal, and the way to do that right now is natural gas, but we don't have the infrastructure, and we don't have the plans, particularly in non-OECD countries. I'm looking at China. I'm looking at India. I'm looking at Indonesia. I'm looking at Malaysia. That will be a step-function change in the right direction, and so I do like that optionality of the Delaware, but you know, make no mistake, right now, oil is by far the richest part of the hydrocarbon value chain.

Agustin Krisnawahjuesa: Thank you. To wrap up, can you provide an update on Mesabi Trust?

James Davolos: Sure, just quickly, Cleveland-Cliffs shuttered the mine, the iron ore mine, in Babbitt, Minnesota. We were of the belief that they could not do that indefinitely. They have restarted the plant. We think that they're going to reinstate the dividend imminently. I think that Cliffs' ploy to renegotiate this royalty, which has been in place, I believe, for 40 years, has backfired where this was one of the only non-union mines in the US, I believe. They took this opportunity to unionize, so they're going to have a much more difficult time trying to curtail production at this plant going forward. Also, these unionized workers, you could see solidarity at other mines, so I think that you're -- maybe you won't see the same production profile that we saw three years ago, but I think that you could definitely bank on a healthy level of production, and a healthy dividend being reinstated, so to Murray's thesis, why do anything? Just sit and wait.

This is the asset that they need, and I know we see right now Cliffs is trying to bid for US Steel, but again, it looks like they overplayed their hand, bidding too early, claiming that they had unanimous support of the unions, and now you have interloper bids, and it looks like they're not even going to get it, so I think that this is huge strategic blunder number two for the outspoken CEO of Cliffs, but we look forward to seeing the mine up and running, iron ore hanging in there at over 115-120 bucks, given all these headwinds, is definitely very encouraging, so I really like the fundamental setup, and I think that you'll see a big reaction in the stock once that dividend is reinstated. So, just to be clear, we've seen the checks have been received. We just haven't seen that dividend be declared. The market, for whatever reason, look at Permian basin Trust, the market doesn't care when they see the money hit the bank. They want to see the money distributed, so keep an eye on that.

Agustin Krisnawahjuesa: All right, great.

Well, if you have any questions, we would welcome any additional follow-up questions you may have for us. The best way to reach us is through info@horizonkinetics.com, or of course, feel free to reach out to your representative as well, but otherwise, we will continue the discussion next quarter. Thank you so much, everybody. Take care.

The Kinetics **Global** Fund

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since 2011

Steve Tuen, CFA
Co-Portfolio Manager
34 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%	2.32%
Adv. C	KGLCX	494613623	1.00%	2.14%	2.82%
No Load	WWWEX	494613805	-	1.39%	2.07%

Fund Characteristics

Total Net Assets	$16.8 million
Total Number of Positions*	42
Turnover Ratio	18%
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	66.8%
Unit Investment Trust	17.6%
Cash and Cash Equivalents	15.4%
Preferred Stocks	0.1%
Other Investments	0.1%

www.kineticsfunds.com

Global Fund Overview

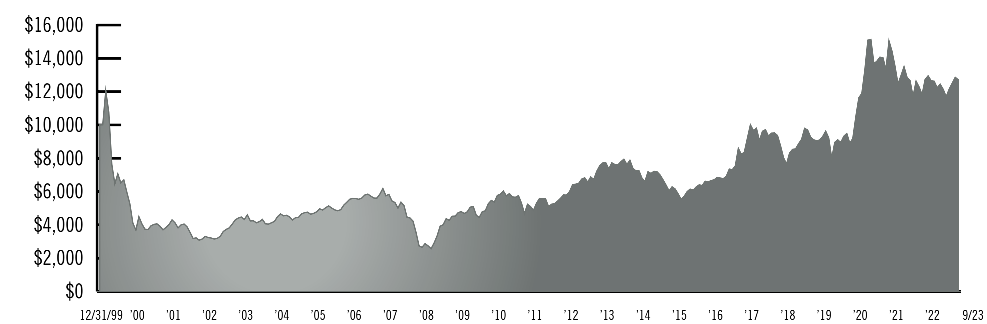
- Global Fund focuses on classic value investment opportunities worldwide with at least 40% of net assets in companies located outside the U.S.
- Seeks to identify unique business models with pricing dislocations
- On March 11, 2008 the Fund changed its name and investment mandate from the Internet Emerging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

Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
			Annualized Returns as of 09/30/23					
Fund (WWWEX)	4.60%	0.47%	7.58%	12.63%	6.30%	5.82%	5.57%	1.02%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	9.72%	6.61%
MSCI ACW Index	-3.40%	10.06%	20.80%	6.89%	6.46%	7.56%	7.71%	4.73%

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 — $12,714



Top 10 Holdings (%) as of 09/30/23

Texas Pacific Land Corp	31.3%
Grayscale Bitcoin Trust	17.6%
Permian Basin Royalty Trust	5.3%
GAMCO Investors, Inc. - Class A	3.3%
Sandstorm Gold Ltd.	3.0%
Associated Capital Group, Inc. - Class A	2.9%
Mesabi Trust	2.5%
PrairieSky Royalty Ltd	2.5%
Civeo Corp.	2.3%
Clarkson plc	2.2%

Statistics

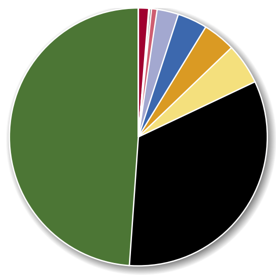
Statistics	Fund	S&P 500
Beta	0.91	1.00
Standard Deviation	21.56	15.42
Up Market Capture Ratio	0.84	-
Down Market Capture Ratio	1.02	-
Sharpe Ratio	-0.03	0.32
Weighted Avg. Mkt. Cap. ($mil)	$9,501	$631,270
Median Market Cap. ($mil)	$5,530	$30,356
Price to Book	2.91	3.85
Price to Earnings	24.08	21.53
Return on Equity	37.48%	24.90%
Active Share	99.26%	-

Historical Total Return (No-Load Class) as of 09/30/23

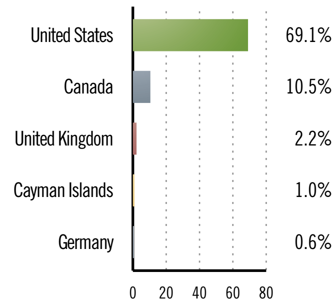
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund (WWWEX)	-63.1%	16.5%	-24.7%	33.6%	7.7%	2.7%	16.9%	4.3%	-50.7%	66.9%	20.3%	-15.4%	23.2%	28.6%	-11.9%	-13.8%	14.4%	49.2%	-23.6%	21.6%	25.0%	16.3%	-6.5%
S&P 500 Index	-9.1%	-11.9%	-22.1%	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%	-18.1%
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%	-18.4%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	41.9%
Finance and Insurance	28.4%
Management of Companies and Enterprises	4.4%
Real Estate and Rental and Leasing	3.5%
Transportation and Warehousing	3.2%
Accommodation and Food Services	2.3%
Live Sports (Spectator Sports)	0.6%
Professional, Scientific, and Technical Services	0.2%
Admin. and Support and Waste Mgt. and Remd. Services	0.1%
Industrial	0.1%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. Unit Investment Trusts are excluded from the calculation. **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). Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation.

The Gross expense ratios listed are as of 12/31/2022 as reported in the 4/30/2023 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2024 and may be discontinued at any time by the Fund's adviser after April 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

Kinetics Mutual Funds, Inc.

We Do *Our* Research

The Kinetics **Internet** Fund

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since 1999

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

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

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KINAX	494613862	0.50%	2.02%	2.02%
Adv. C	KINCX	494613763	1.00%	2.52%	2.52%
No Load	WWWFX	460953102	-	1.77%	1.77%

Fund Characteristics

Total Net Assets	$161.9 million
Total Number of Positions*	24
Turnover Ratio	13%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	41.7%
Cash and Cash Equivalents	32.9%
Unit Investment Trust	25.4%

www.kineticsfunds.com

Internet Fund Overview

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

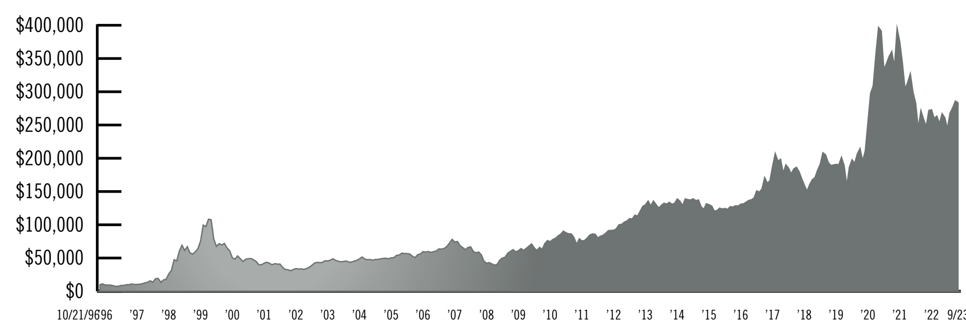
Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
			Annualized Returns as of 09/30/23					
Fund (WWWFX)	5.79%	9.14%	14.56%	13.11%	9.55%	8.95%	9.84%	13.22%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	9.72%	8.90%
NASDAQ Composite Index	-4.12%	26.30%	25.00%	5.78%	10.44%	13.36%	10.52%	9.19%

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

$283,513



Top 10 Holdings (%) as of 09/30/23

Grayscale Bitcoin Trust	25.4%
Texas Pacific Land Corp	23.7%
CACI International, Inc. - Class A	7.8%
OTC Markets Group, Inc. - Class A	4.0%
MasterCard, Inc. - Class A	1.4%
Miami International Holdings, Inc.	1.2%
Verisk Analytics, Inc.	1.0%
CME Group, Inc.	0.5%
Mesabi Trust	0.5%
Galaxy Digital Holdings Ltd.	0.3%

Statistics

Statistics	Fund	S&P 500
Beta	1.20	1.00
Standard Deviation	29.62	15.65
Up Market Capture Ratio	1.33	-
Down Market Capture Ratio	1.14	-
Sharpe Ratio	0.36	0.44
Weighted Avg. Mkt. Cap. ($mil)	$33,521	$631,270
Median Market Cap. ($mil)	$1,954	$30,356
Price to Book	6.51	3.85
Price to Earnings	27.45	21.53
Return on Equity	46.34%	24.90%
Active Share	98.21%	-

The Kinetics **Internet** Fund

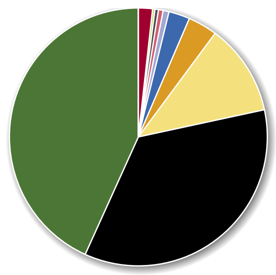
3Q 2023

Historical Total Return (No-Load Class) as of 09/30/23

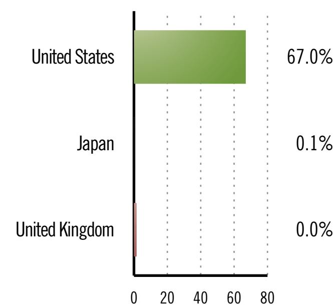
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund (WWWFX)	-51.5%	-9.6%	-23.4%	40.1%	10.1%	-1.7%	16.5%	26.8%	-42.2%	48.6%	21.2%	-2.0%	23.2%	44.3%	-0.2%	-5.4%	2.6%	57.4%	-27.3%	26.5%	56.4%	15.4%	-24.3%
S&P 500 Index	-9.1%	-11.9%	-22.1%	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%	-18.1%
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%	-33.1%

Top 10 Industries (%)

Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	29.4%
Oil and Gas Extraction	23.9%
Aerospace and Defense	7.8%
Data Processing, Hosting, and Related Services	2.5%
Securities and Commodities Exchanges	1.8%
Funds, Trusts, and Other Financial Vehicles	0.5%
Broadcasting (except Internet)	0.4%
Management of Companies and Enterprises	0.3%
Other Information Services	0.2%
Performing Arts, Spectator Sports, and Related Industries	0.2%



Top Countries (%)



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

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Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Market Opportunities** Fund

3Q 2023

Horizon Kinetics Asset Management LLC

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- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
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- Investment decisions based on fundamental research, all of which is conducted in-house.
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Portfolio Managers

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

Peter Doyle
Senior Portfolio Manager
38 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%	2.01%
Adv. C	KMKCX	494613730	1.00%	2.15%	2.51%
Inst.	KMKYX	494613615	-	1.20%	1.71%
No Load	KMKNX	494613789	-	1.40%	1.76%

Fund Characteristics

Total Net Assets	$130.2 million
Total Number of Positions*	52
Turnover Ratio	5%
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	70.0%
Cash and Cash Equivalents	20.8%
Unit Investment Trust	8.8%
Preferred Stocks	0.2%
Other Investments	0.2%

Market Opportunities Fund Overview

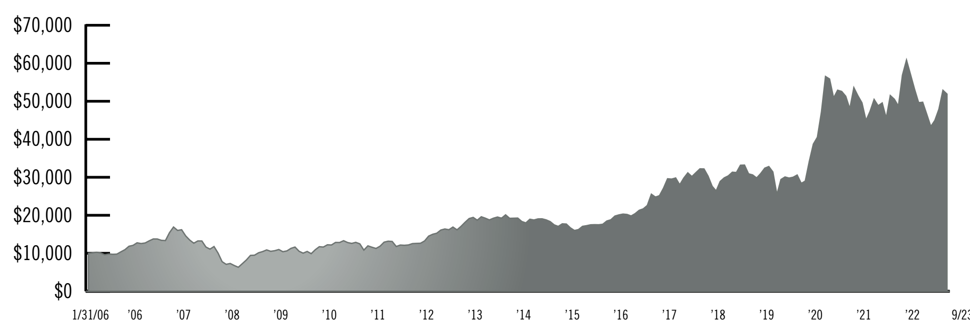
- U.S. focused global fund invests in companies engaged in capital markets related activities and services, which trade at attractive valuations.
- Investments are focused on companies that generally benefit from increasing transactional volume or facilitating financial transactions without employing 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)

	3 Month	YTD	Annualized Returns as of 09/30/23: 1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	15.43%	-9.00%	6.51%	22.28%	10.02%	11.75%	9.77%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	9.25%
MSCI EAFE Index	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%	3.56%

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 — $51,884



Top 10 Holdings (%) as of 09/30/23

Texas Pacific Land Corp	50.9%
Grayscale Bitcoin Trust	8.8%
Associated Capital Group, Inc. - Class A	2.2%
Permian Basin Royalty Trust	2.1%
Partners Value Investments LP	1.6%
Franco-Nevada Corp	1.5%
Intercontinental Exchange Inc	1.1%
Urbana Corporation - Class A	1.0%
Wheaton Precious Metals Corp	1.0%
GAMCO Investors, Inc. - Class A	0.9%

Statistics

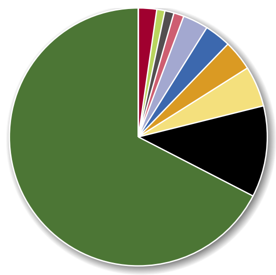
Statistics	Fund	S&P 500
Beta	1.07	1.00
Standard Deviation	21.82	15.48
Up Market Capture Ratio	1.08	-
Down Market Capture Ratio	1.03	-
Sharpe Ratio	0.39	0.51
Weighted Avg. Mkt. Cap. ($mil)	$20,231	$631,270
Median Market Cap. ($mil)	$5,798	$30,356
Price to Book	5.74	3.85
Price to Earnings	29.00	21.53
Return on Equity	51.20%	24.90%
Active Share	98.10%	-

Historical Total Return (No-Load Class) as of 09/30/23

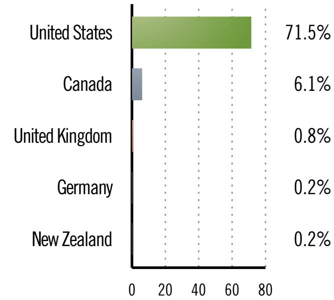
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund (KMKNX)	20.9%	34.0%	-54.8%	50.2%	11.3%	-7.9%	17.5%	46.7%	-5.6%	-9.1%	20.5%	47.3%	-10.9%	22.8%	19.6%	28.0%	15.0%
S&P 500 Index	10.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%
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%	-14.5%

Top Industries (%)

Oil and Gas Extraction	53.0%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	9.0%
Securities and Commodities Exchanges	4.0%
Other Investment Pools and Funds	3.0%
Mining (except Oil and Gas)	2.6%
Management of Companies and Enterprises	2.5%
Data Processing, Hosting, and Related Services	1.0%
Other Financial Investment Activities	0.9%
Support Activities for Water Transportation	0.8%
Global Exchanges	0.8%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. Unit Investment Trusts are excluded from the calculation. **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). Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation.

The Gross expense ratios listed are as of 12/31/2022 as reported in the 4/30/2023 prospectus. The Fund's adviser has voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2024 and may be discontinued at any time by the Fund's adviser after April 30, 2024.

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 (1/31/06). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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

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

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

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

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

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

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

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

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

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since inception (2008)

Darryl Monasebian
Co-Portfolio Manager
37 years of management experience
Co-Manager of Fund since 2023

Class Information

Class	Ticker	Cusip	12b-1 fee
No Load	KMDNX	494613672	-

Fund Characteristics

Total Net Assets	$12.1 million
Total Number of Positions*	24
Turnover Ratio	56%
Minimum Purchase	$2,500

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

Portfolio Allocation

Collateralized Loan Obligation	83.5%
Cash and Cash Equivalents	16.5%

Multi-Disciplinary Income Fund Overview

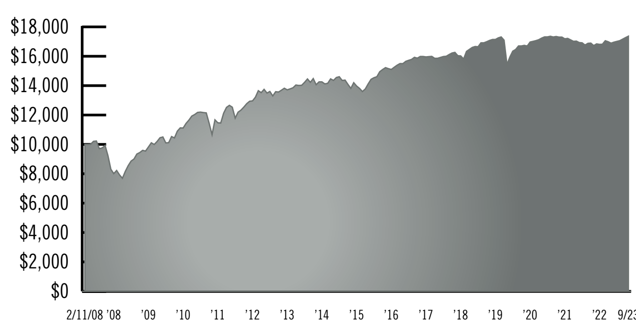
- In May 2023, the Fund's investment strategy shifted toward investing in CLO debt tranches from its prior approach of investing in individual bonds combined with an option strategy for income generation.
- The Fund's investment strategy seeks to generate current income while minimizing interest rate risks inherent in more traditional fixed income investments.
- Fund investments comprise the floating rate debt tranches of collateralized loan obligation (CLO) vehicles, which are securitization structures. The CLOs issue several debt tranches, which are typically rated AAA through BB, as well as an equity tranche. The proceeds from the debt and equity tranches are used by the CLO to invest in a diversified portfolio of collateral assets. Their collateral assets of CLOs are primarily floating rate, first lien, senior secured loans, issued by public and private, cash flow positive companies.

Performance (No-Load Class)

	3 Month	YTD	1YR (Annualized Returns as of 09/30/23)	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
Multi-Disciplinary Income Fund (KMDNX)	1.79%	3.25%	3.83%	1.23%	1.32%	2.41%	3.59%	5.45%

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

Growth of $10,000 Returns Since Inception **$17,366**



Recent Fund Distributions**

	Fund
Sep-2023	0.16
Jun-2023	0.11
Mar-2023	0.12
Dec-2022	0.08

Top Ten Holdings (%) as of 09/30/23

Barings CLO Ltd. 2023-1, AAA tranche	4.6%
Battery Park CLO II Ltd., AAA tranche	4.2%
Fortress Credit BSL XVIII Limited, AAA tranche	4.2%
ICG US CLO 2023-1 (i), Ltd., AA tranche	4.2%
Octagon 67, Ltd., AAA tranche	4.2%
Post CLO Ltd. 2023-1, AAA tranche	4.2%
Palmer Square CLO 2022-3, Ltd., AAA tranche	4.2%
37 Capital CLO 3, Ltd., AAA tranche	4.2%
Magnetite XXXVII, Limited, AA tranche	4.2%
Man US CLO 2023-1 LTD., AAA tranche	4.2%

Statistics (5 Year)

	Fund
Beta	0.21
Standard Deviation	5.45
Up Market Capture Ratio	0.43
Down Market Capture Ratio	0.24
Sharpe Ratio	-0.10

CLO Debt Statistics

Average Coupon (%)	7.44
Credit Rating Allocation (%)	
AAA	55.00
AA	45.00

Kinetics **Multi-Disciplinary Income** Fund

3Q 2023

Historical Total Return (No-Load Class) as of 09/30/23

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	-2.3%

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

Expense Ratios by Share Class

	No Load
Gross	2.05%
Net	0.74%

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Definitions:

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

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

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

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

The Kinetics **Paradigm** Fund

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
38 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%	1.92%
Adv. C	KNPCX	494613821	1.00%	2.39%	2.42%
Inst.	KNPYX	494613797	-	1.44%	1.62%
No Load	WWNPX	494613607	-	1.64%	1.67%

Fund Characteristics

Total Net Assets	$864.0 million
Total Number of Positions*	48
Turnover Ratio	1%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

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

Portfolio Allocation

Common Stocks	87.6%
Cash and Cash Equivalents	8.1%
Unit Investment Trust	4.3%

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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.

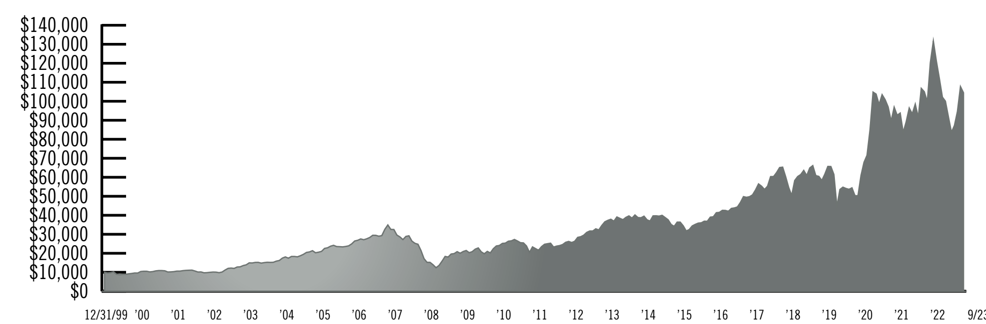
Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
			Annualized Returns as of 09/30/23					
Fund (WWNPX)	19.76%	-13.77%	4.81%	27.60%	9.85%	11.67%	11.04%	10.38%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	9.72%	6.61%
MSCI ACW Index	-3.40%	10.06%	20.80%	6.89%	6.46%	7.56%	7.71%	4.73%

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

$104,470



Top 10 Holdings (%) as of 09/30/23

Texas Pacific Land Corp	63.7%
Grayscale Bitcoin Trust	4.3%
Brookfield Corp.	2.9%
Franco-Nevada Corp	2.6%
Live Nation Entertainment, Inc.	2.6%
Howard Hughes Holdings, Inc.	2.5%
CACI International, Inc. - Class A	1.7%
CBOE Global Markets Inc.	1.1%
Associated Capital Group, Inc. - Class A	1.1%
Liberty Broadband Corporation - Series C	1.0%

Statistics

Statistics	Fund	S&P 500
Beta	1.02	1.00
Standard Deviation	21.26	15.42
Up Market Capture Ratio	1.11	-
Down Market Capture Ratio	0.89	-
Sharpe Ratio	0.41	0.32
Weighted Avg. Mkt. Cap. ($mil)	$14,765	$631,270
Median Market Cap. ($mil)	$7,157	$30,356
Price to Book	4.62	3.85
Price to Earnings	32.29	21.53
Return on Equity	49.05%	24.90%
Active Share	99.24%	-

The Kinetics **Paradigm** Fund

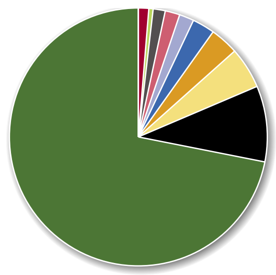
3Q 2023

Historical Total Return (No-Load Class) as of 09/30/23

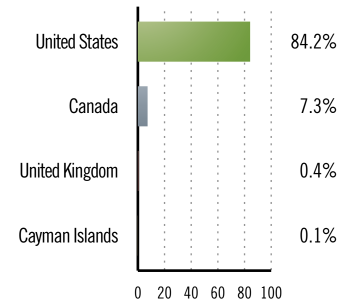
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund (WWNPX)	4.0%	2.0%	-4.6%	47.8%	20.9%	16.1%	27.8%	21.1%	-53.2%	41.0%	17.4%	-14.3%	21.8%	44.1%	-0.8%	-8.3%	20.5%	28.4%	-5.6%	30.5%	3.3%	38.2%	29.2%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	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%	-18.1%
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%	-18.4%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	66.5%
Finance and Insurance	8.8%
Information	4.8%
Real Estate and Rental and Leasing	3.3%
Arts, Entertainment, and Recreation	2.6%
Accommodation and Food Services	1.7%
Professional, Scientific, and Technical Services	1.7%
Management of Companies and Enterprises	1.4%
Transportation and Warehousing	0.5%
Real Estate	0.2%



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. Unit Investment Trusts are excluded from the calculation. **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). Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation.

The Gross expense ratios listed are as of 12/31/2022 as reported in the 4/30/2023 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2024 and may be discontinued at any time by the Fund's adviser after April 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Small Cap Opportunities** Fund

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since inception (2000)

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

Matt Houk
Co-Portfolio Manager
18 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%	1.94%
Adv. C	KSOCX	494613748	1.00%	2.39%	2.44%
Inst.	KSCYX	494613813	-	1.44%	1.64%
No Load	KSCOX	494613706	-	1.64%	1.69%

Fund Characteristics

Total Net Assets	$327.7 million
Total Number of Positions*	47
Turnover Ratio	7%
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	77.9%
Cash and Cash Equivalents	20.1%
Unit Investment Trust	1.8%
Other Investments	0.2%

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Small Cap Opportunities Fund Overview

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

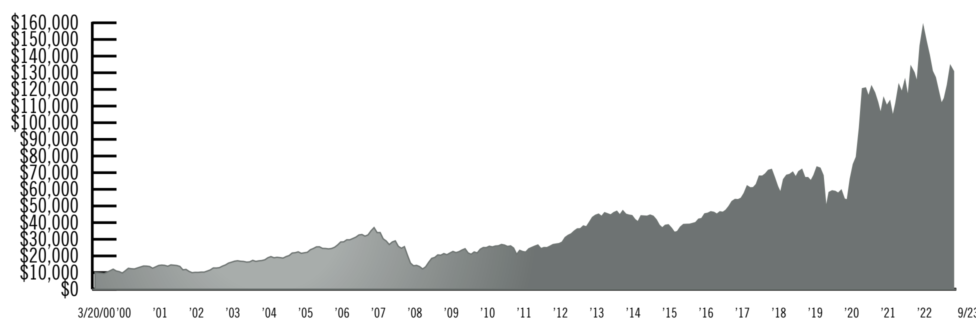
Performance (No-Load Class)

			Annualized Returns as of 09/30/23					
	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (KSCOX)	14.14%	-12.11%	5.77%	34.18%	12.72%	12.52%	11.60%	11.55%
S&P SmallCap 600 Index	-4.93%	0.81%	10.08%	12.10%	3.21%	8.15%	9.63%	8.76%
S&P 500 TR	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	9.72%	6.70%

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

$130,830



Top 10 Holdings (%) as of 09/30/23

Texas Pacific Land Corp	48.9%
CACI International, Inc. - Class A	5.3%
Civeo Corp.	4.0%
DREAM Unlimited Corp.	3.2%
Inter Parfums, Inc.	2.3%
Associated Capital Group, Inc. - Class A	2.1%
Grayscale Bitcoin Trust	1.8%
Carnival Corp.	1.4%
The Wendy's Company	1.3%
Urbana Corporation - Class A	1.1%

Statistics

Statistics	Fund	S&P 600
Beta	0.92	1.00
Standard Deviation	22.83	19.53
Up Market Capture Ratio	0.95	-
Down Market Capture Ratio	0.77	-
Sharpe Ratio	0.44	0.37
Weighted Avg. Mkt. Cap. ($mil)	$10,443	$2,470
Median Market Cap. ($mil)	$1,380	$1,519
Price to Book	3.01	1.56
Price to Earnings	29.66	13.20
Return on Equity	42.85%	13.35%
Active Share	99.67%	-

The Kinetics **Small Cap Opportunities** Fund

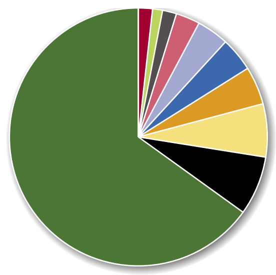
3Q 2023

Historical Total Return (No-Load Class) as of 09/30/23

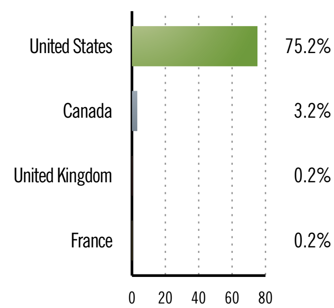
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund (KSCOX)	11.0%	30.6%	-30.3%	66.5%	16.4%	13.2%	28.4%	19.7%	-57.9%	58.2%	13.9%	-13.7%	26.7%	59.4%	-7.3%	-12.3%	24.4%	26.2%	0.3%	27.1%	2.3%	50.3%	32.0%
S&P SmallCap 600 Index	4.3%	6.5%	-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%	-16.1%
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%	-18.1%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	51.8%
Professional, Scientific, and Technical Services	5.9%
Accommodation and Food Services	5.3%
Management of Companies and Enterprises	3.8%
Finance and Insurance	3.4%
Real Estate	3.2%
Manufacturing	2.4%
Real Estate and Rental and Leasing	1.4%
Arts, Entertainment, and Recreation	1.0%
Transportation and Warehousing	0.4%



Top Countries (%)



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

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

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

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

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Kinetics Mutual Funds, Inc

We Do *Our* Research

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

3Q 2023

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 6.73 billion in assets as of 09/30/2023.
- 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
45 years of management experience
Co-Manager of Fund since inception (2007)

Steven Bregman
President
38 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%	1.63%	2.17%
Adv. C	LSHCX	494613540	0.75%	2.38%	2.67%
Inst.	LSHUX	494613532	-	1.38%	1.87%
No Load	LSHEX	494613524	-	1.58%	1.92%

Fund Characteristics

Total Net Assets	$25.4 million
Total Number of Positions*	26
Turnover Ratio	5%
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	87.7%
Cash and Cash Equivalents	10.8%
Investment Company	1.5%

www.kineticsfunds.com

Spin-off and Corporate Restructuring Fund Overview

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

Performance (Institutional Class)*

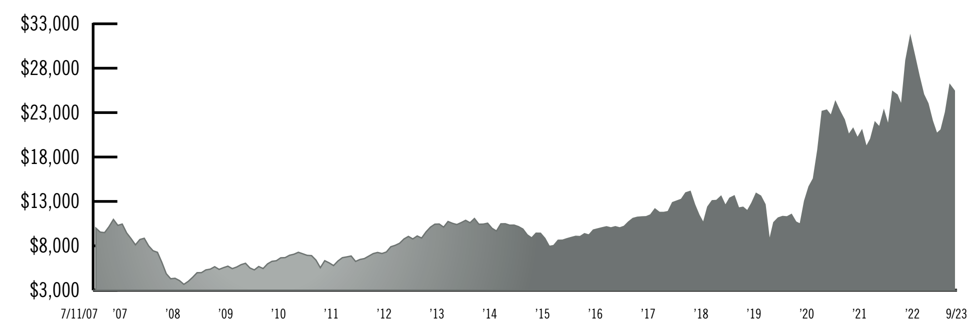
Annualized Returns as of 09/30/23

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	20.78%	-13.23%	7.02%	33.56%	12.50%	10.28%	5.93%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	8.77%

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

$25,450



Top 10 Holdings (%) as of 09/30/23

Texas Pacific Land Corp	61.6%
CSW Industrials, Inc.	6.9%
Associated Capital Group, Inc. - Class A	4.9%
GAMCO Investors, Inc. - Class A	3.3%
Civeo Corp.	3.0%
DREAM Unlimited Corp.	3.0%
Capital Southwest Corporation	1.5%
Howard Hughes Holdings, Inc.	0.9%
PrairieSky Royalty Ltd	0.9%
Liberty Media Corp-Liberty Formula One	0.8%

Statistics

Statistics	Fund	S&P 500
Beta	1.26	1.00
Standard Deviation	25.72	16.03
Up Market Capture Ratio	1.14	-
Down Market Capture Ratio	1.26	-
Sharpe Ratio	0.21	0.51
Weighted Avg. Mkt. Cap. ($mil)	$10,388	$631,270
Median Market Cap. ($mil)	$853	$30,356
Price to Book	3.50	3.85
Price to Earnings	28.21	21.53
Return on Equity	47.62%	24.90%
Active Share	99.67%	-

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

3Q 2023

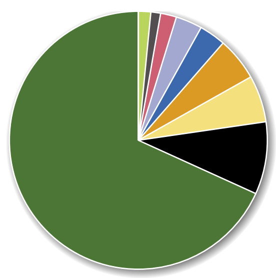
Historical Total Return (Institutional Class)* as of 09/30/23

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	39.8%
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%	-18.1%

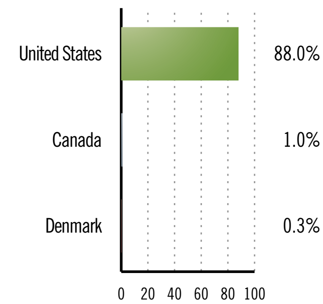
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	61.6%
Manufacturing	8.2%
Management of Companies and Enterprises	5.3%
Finance and Insurance	4.9%
Accommodation and Food Services	3.0%
Real Estate	3.0%
Real Estate and Rental and Leasing	1.8%
Information	1.1%
Retail Trade	0.4%
Professional, Scientific, and Technical Services	0.0%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:**A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. Unit Investment Trusts are excluded from the calculation. **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). Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation. **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. Unit Investment Trusts are excluded from the calculation.

The Gross expense ratios listed are as of 12/31/2022 as reported in the 4/30/2023 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through April 30, 2024 and may be discontinued at any time by the Fund's adviser after April 30, 2024.

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

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

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

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

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

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

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

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

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

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