Kinetics Mutual Funds, Inc.

## Second Quarter 2024 – Webinar Update

**July 9, 2024**

---

**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 the presenters' remarks.

**You should consider the investment objectives, risks, charges and expenses of the Kinetics Mutual Funds, Inc. (the "Funds") carefully before investing. For a free copy of the Funds' 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. For the most recent month-end performance data, please visit our website at www.kineticsfunds.com.**

The opinions contained in this transcript are not intended to be a forecast of future events, or a guarantee of future results, or investment advice. The statements made in this transcript are based on information available to the public, and no representation is made with regard to their accuracy or completeness. An investor's investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be higher or lower than the performance data quoted. The views expressed herein may change at any time subsequent to the date of issue hereof. This is neither an offer nor a solicitation to buy or sell securities.

All expressions or opinions reflect the opinions of the presenter at the time they were made and are subject to change. HKAM may have positions in the securities of companies mentioned. Reproduction is strictly prohibited. As always, past performance does not guarantee future results. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares less than 30 days after you purchase them. As most are non-diversified Funds, the value of the Funds' shares may fluctuate more than shares invested in a broader range of 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.

*Certain of the funds mentioned herein provide exposure to the Grayscale Bitcoin Trust (GBTC), an ETP which is passively invested in 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.*

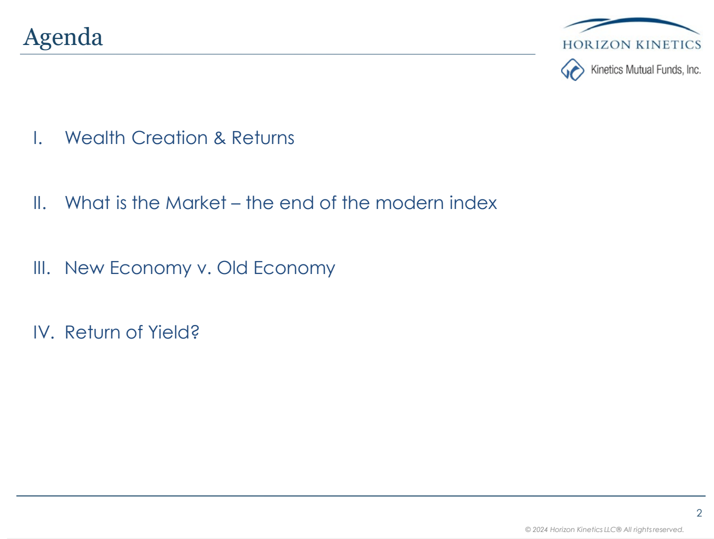
Murray Stahl, the Chairman of HKAM, serves on the Board of Directors of Texas Pacific Land Corporation ("TPL"), a top holding in many of the funds and strategies managed by HKAM. HKAM has adopted policies and procedures to address serving on the board of a public company and Mr. Stahl does not exercise investment discretion over any trades in TPL.

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 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-based, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. 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.

**<u>Chris Bell</u>:** Good morning, everyone. Thank you for joining us for the Second Quarter Kinetics Mutual Funds Update Webinar. With me today are Peter Doyle—cofounder of Horizon Kinetics and president of Kinetics Funds—as well as portfolio managers James Davolos and Darryl Monasebian. Peter will begin with a few classical investing concepts. Darryl will speak about the multidisciplinary income strategy and the collateralized loan obligation (CLO) market, and then give an update on recent portfolio activity. James will speak about current market conditions and opportunities we see.



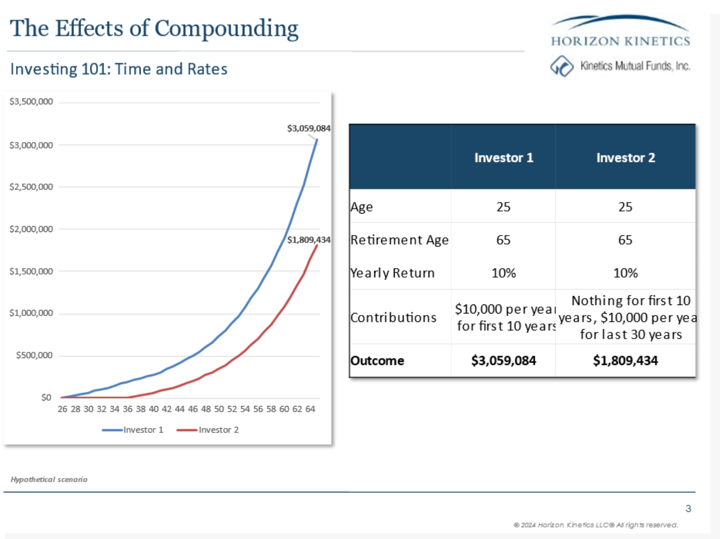

Today's webinar is being recorded and a replay will be available. Also, the slides will be available. Please take time to review our websites—at www.kineticsfunds.com for factsheets, and at www.horizonkinetics.com for other seminars. On the Horizon Kinetics homepage under the "What's New" banner, you can find updates and quarterly commentaries on all of our strategies, as well as upcoming events. Also, please follow us on social media sites LinkedIn and X.

Performance for the quarter was exceptional with our exposures to scarce assets advancing well beyond—or helping us advance well beyond—the market. Six of our seven equity funds returned well over 20% year-to-date, and these funds have seen significant outperformance of their benchmarks. Most importantly, long-term performance continues to be well beyond the benchmarks. The Paradigm Fund, the Small Cap Opportunities Fund and the Internet Fund have all been around for over 25 years with an annual performance of over 11%, and in the case of the Internet Fund, over 14%. I challenge all of you to find a family of funds with such exceptional performance. And at this time, I'd like to turn it over to Peter.

**<u>Peter Doyle</u>:** Thank you, Chris. Good morning and thank you for joining us today. We appreciate your interest in our products and we appreciate your trust. Investing in a pool vehicle such as a mutual fund represents a unique challenge, in the sense that you never fully understand or know the underlying investors and what their goals and aspirations might be. In fact, you don't even often meet with any of the underlying investors. As such, it's quite likely that our understanding of investment risk and investment reward is very different from our underlying investors.

In order to inform/educate our investors, we frequently reiterate our investment philosophy and important investment concepts. Today, I'm going to briefly focus on two extremely important components of our investment philosophy: compound interest and asymmetric returns. Albert Einstein captured a profound fundamental truth about investing and, in fact, about many other aspects of life when he said, and I quote, *"Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it."*

Uninterrupted compounding is the methodology of generating solid investment results and wealth. Not understanding this foundational truth will make achieving your investment goals far more difficult if not impossible. In fact, just understanding this one investment concept carries about 75% of the freight to investment success. It changes the way you actually behave. Our funds employ a low turnover strategy principally because we don't want to interrupt the compounding of fantastic businesses and we don't wish to share our gains with the government by paying large sums in taxes as a result of frequent trading. At present, we have a number of summer interns working with us. I've encouraged several of them to study compounding interest charts. It truly is the eighth wonder of the world, and looking at some charts will drive home this point.




| | Investor 1 | Investor 2 |
|---|---|---|
| Age | 25 | 25 |
| Retirement Age | 65 | 65 |
| Yearly Return | 10% | 10% |
| Contributions | $10,000 per year for first 10 years | Nothing for first 10 years, $10,000 per year for last 30 years |
| **Outcome** | **$3,059,084** | **$1,809,434** |

So, here we have two investors, Investor 1 and Investor 2. Investor 1 starts at age 25 and makes $10,000 investments for each of the first 10 years and then stops. Investor 2 does not do anything for the first 10 years, but then pays in annually for 30 years after that. They both get the same rate of return, but the one who started first ends up with over $3 million as a result of compounding. The one who started later—and put in more than $200,000 more—ends up with only $1.8 million. So, here, just looking at that, you can see that starting early and being in the market for a long period of time and compounding just has really profound effects on your investment results.

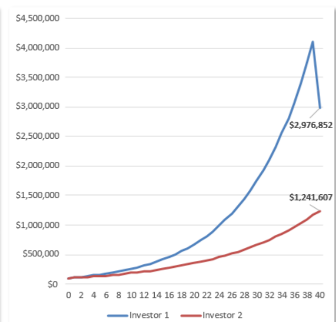
This slide touches on turnover. And if you look at the mutual fund industry, many, many mutual funds turn over their portfolios in excess of 100% per annum. I think the number is lower than 100% for some, but others are clearly over 100%. So, if you have two investors, Investor 1 and Investor 2, a starting balance of $100,000 and a tax rate of 35%, one portfolio turns itself over 100% annually, one pays at the end of the ride. And as a result of not allowing the government to take part of your capital is that tax money compounds for you, so you end up with a fair amount more money at the end of the investment period. So, you can see that Investor 1 has $2.9 million versus $1.2 million for Investor 2.

The Effects of Compounding

Investing 201: Turnover and Taxes

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

| | Investor 1 | Investor 2 |
|---|---|---|
| Starting Balanc | $100,000 | $100,000 |
| Tax Rate | 35% | 35% |
| Yearly Return | 10% | 10% |
| Time Horizon | 40 Years | 40 Years |
| Portfolio Turnover | 0% Yearly, Gains Realized At End of Period | 100% Yearly, Gains Realize Each YeaEnd |
| **Outcome** | **$2,976,852** | **$1,241,607** |




*Hypothetical scenario*

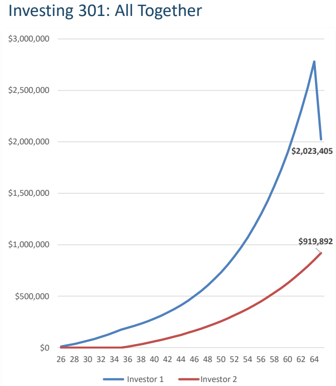
4



The Effects of Compounding

Investing 301: All Together

HORIZON KINETICS
Kinetics Mutual Funds, Inc.




| | Investor 1 | Investor 2 |
|---|---|---|
| Age | 25 | 25 |
| Retirement Age | 65 | 65 |
| Yearly Return | 10% | 10% |
| Contributions | $10,000 per year for first 10 years | Nothing for first 10 years, $10,000 per year for last 30 years |
| Tax Rate | 35% | 35% |
| Turnover | 0% Yearly, Gains Realized At End of Period | 100% Yearly, Gains Realized Each Year-End |
| **Outcome** | **$2,023,405** | **$919,892** |

*Hypothetical scenario*

5



And this slide puts it all together. It shows the effects of basically foregoing capital gains—you know, taking gains—and also the results of taxes. And you can see that, at the end of the period, the magnitude as a result of delaying and becoming a Rip Van Winkle type investor, your actual magnitude of outperformance is even greater.

All of the things that are mentioned here are really very foundational in achieving investment results. And if you don’t understand this, you’re never going to accomplish that. So, it comes as no surprise to me that our investment results over a long period of time outperform the broader markets and most mutual funds primarily because we deploy this strategy. Now, the fact that we do this is really something that shouldn’t be dismissed, and it’s actually quite hard to do.

The ability to hold assets for a long term is not as easy as it seems. First, if you measure risk in terms of volatility, a common if often-misguided risk measure used by the financial industry, higher concentration increases volatility. Second, the Investment Company Act of 1940 discourages high concentration. Third, short-term financial incentives within the financial industry are perceived as being at odds with high concentration. That is, the pattern of investment returns holds great appeal within a financial incentive structure that resets at least annually, but frequently every quarter. And, fourth, from a business perspective—meaning, running Horizon Kinetics—a concentrated position flaunts convention. The fact that many mutual funds have high turnover is a testament to what I just stated.

So, we are somewhat unique. I won’t say that we’re the only ones that invest this way. And this blueprint has been around for a long period of time, starting with Benjamin Graham and following through with Warren Buffett and Charlie Munger and a whole host of other people. But the overwhelming majority of investors do not employ this strategy, despite the fact that basically the math is so compelling.

So, looking through and finding opportunities, we believe the stock market is generally efficient, but it’s not perfectly efficient. The stock market is much more akin to pari-mutuel betting systems, something that you would see at a racetrack, where all the investors are in there together and they’re setting the odds. And you’re looking for these asymmetric returns or these asymmetric opportunities, and that volatility is what creates those opportunities, and you need to be able to take advantage of that.

So, we have a roster of companies that we own, or would like to own. If the valuations are more attractive and we wait for the volatility, we basically use those as entry points. The common characteristics of the names that we invest in—and I've said this repeatedly over the years—the businesses that we own are generally straightforward and understandable. We focus on companies that have long product life cycles and high barriers to entry. They typically have, although not in all cases, a very long operating history. And we think obviously that the businesses have long-term positive prospects. We hope and think that the management teams are rational and honest, although I've seen enough in my lifetime to believe that that's not always the case.

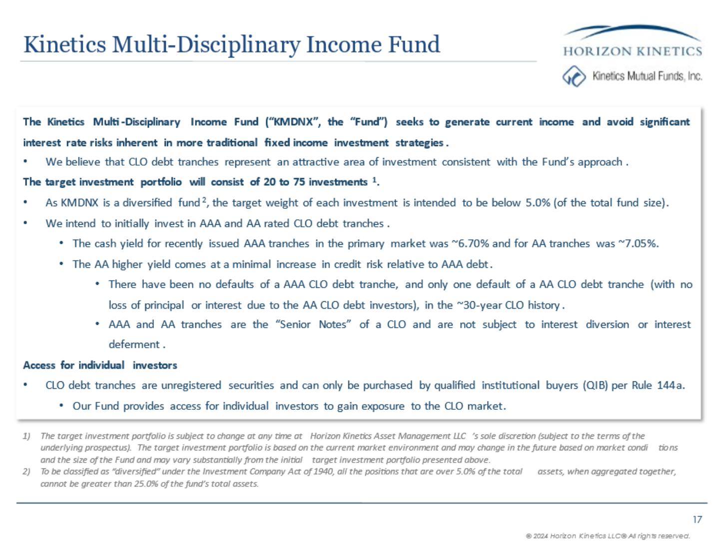
Finally, the companies have high returns on equity, or the ability to restore high returns on equity without the use of significant leverage. And why that's important is that once you make an investment, this is not a playing card, this is a fractional interest in a real business and if that return on equity can compound over an extended period of time, you end up with fantastic results. And I think that people who have followed us over the long term will see that our holding in Texas Pacific Land Corp. (TPL) is really a testament to that strategy. The concept of asymmetric risk and return is also a very profound investment concept. You're looking for situations where gains far outweigh the potential for loss.

Now, why don't more investment professionals think like that or act in that way? For several reasons. One, they don't want to look foolish. If you're the first one out there and bitcoin goes to zero, what does that do to your reputation? People are concerned with that. Two, they've lost what I would describe as the beginner's mind. They basically aren't open to new ideas and, unfortunately, that plays a part in a lot of life. And, three, they require social proof before acting. No single lemming ever got fired by basically following the crowd.

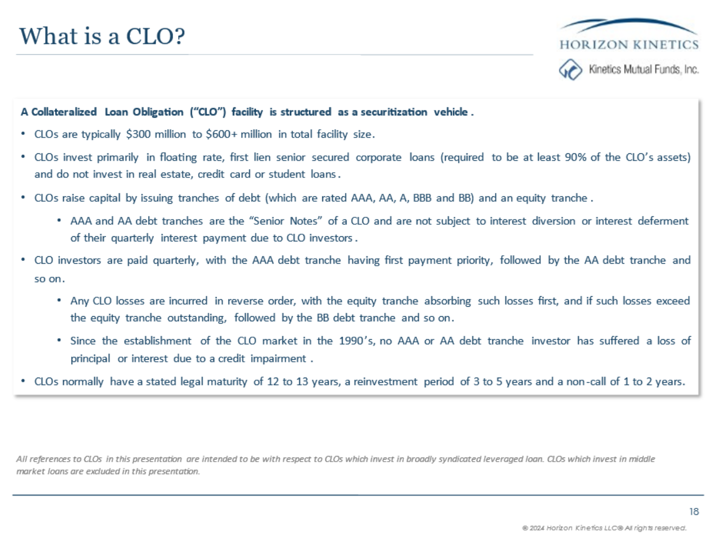
So, right now in the marketplace, there's an asymmetric risk. And I think you can make that statement for the S&P as a whole, and I think James is going to touch on that a little later. But if you look at a company like Nvidia, which has a market capitalization of $3 trillion, it trades at 75 times trailing earnings and 37.5 times trailing 12-month revenue. This company, which I have no great insight into, one way or the other—in fact, the reason, we stay away from it is that it lacks the predictability and it lacks the understanding that we desire from investments—this company would need to earn, presently, $150 billion in net income to trade at P/E multiple of 20. It currently earns $60 billion. If that $3 trillion were ever to grow to $6 trillion, it would need to earn over $300 billion in income to trade at a multiple of 20. Now, that's tenfold away from what it currently holds.

Nobody that's invested in this stock has any insight as to whether or not the company will be able to achieve that, and at some point in the future, it will trade at a 20 P/E multiple. So, investors are making what I describe as an asymmetric risk bet right there. That said, I would've told you something similar when the market capitalization was probably half the current valuation. But you're wrong until you're right and you're right until you're wrong. From where we stand, though, a bet like that just makes absolutely no sense. And you don't need to make those types of bets to generate good results. So, if you look at some of the holdings that we own, the royalty businesses, a lot of their returns come upfront and you need very modest growth, maybe 3-4% per annum, in order to achieve a 13-14% rate of return with great predictability. So, with that, I will stop and hand it off to Darryl.

**Darryl Monasebian:** Thank you, Peter, and good morning. I'd like to spend a few minutes today updating everyone on the Multi-Disciplinary Income Fund's recent activities. Last year, we changed the fund's strategy to include purchasing U.S. collateralized loan obligation debt. Our plan was to purchase only AAA and AA-rated CLO debt initially, which are considered the senior notes of the CLO. Since making this strategy change, we've made around 30 CLO investments in AAA and AA debt, and the portfolio has an average cash coupon of about 7.5%, which is before fund expenses.



Two things I'd like to point out about the coupon rate. First, since CLO debt is a floating rate, the coupon rate can change based on future market rates. And, second, the coupon rate can also change if individual investments in the portfolio are refinanced prior to maturity by the CLO manager after call protection is expired on that particular investment. The CLO that we are buying is considered very creditworthy. Since the CLO was established in the 1990s, all AAA and AA-rated CLO debt has paid in full its principal interest due to investors. Lastly, individual investors cannot buy CLO debt directly but can invest in this asset class through our fund.

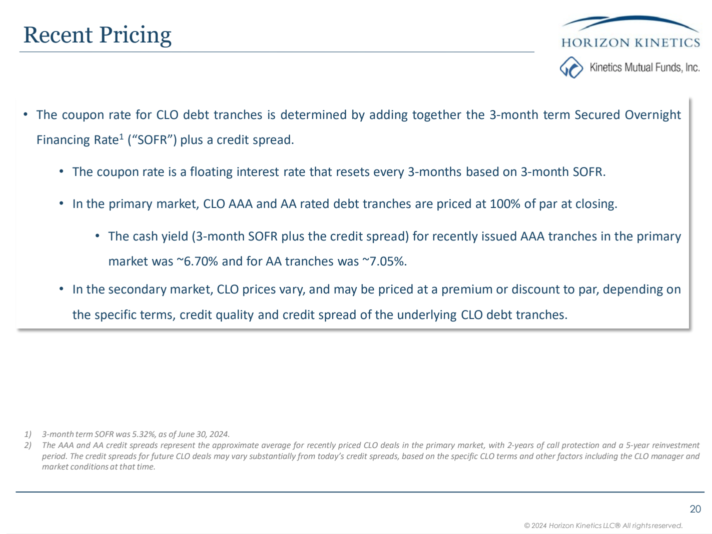



If we move to the next slide, I'd like to highlight a few of the structural features of CLOs. CLOs are securitization facilities but typically range in size from about $300-600 million, and the total size of the entire U.S. CLO market right now is about $1 trillion. When a CLO is first issued or established, the capital structure usually consists of five different debt tranches which are rated AAA through BB, and one equity tranche below BB. CLOs pay interest quarterly and the AAA debt has a first priority claim on all CLO assets, followed by the AA debt, which has a second priority claim, and so on. As I've mentioned, we're only buying the AAA and AA debt at this time. The AAA and AA debt are also considered the senior notes of the CLO because their interest and principal payments cannot be deferred or blocked in any way under the CLO credit documents.

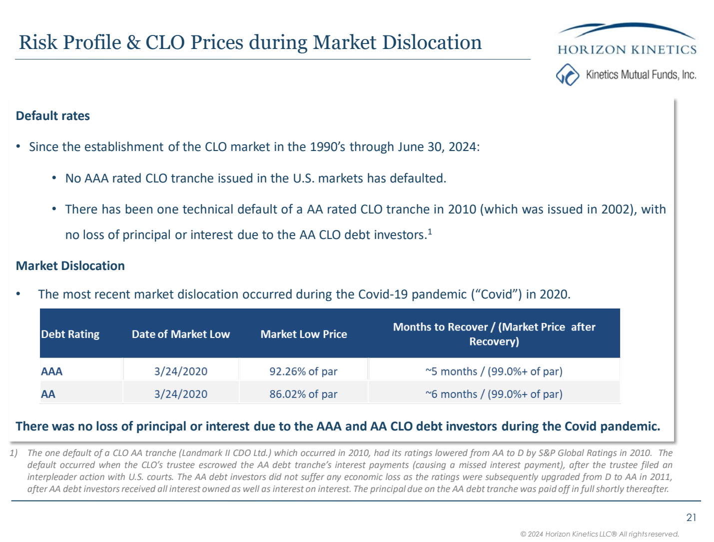
CLOs generally must use at least 90% of the proceeds that they raise from the debt and equity issued to buy first-lien corporate loans of U.S. companies, and typically CLOs have a maturity of 12-13 years, a reinvestment period of 3-5 years. After the reinvestment period has expired, the CLOs begin to amortize down to a non-call protection of typically 1-2 years. However, the average life of AAA and AA CLO debt is usually considerably shorter than 12 years, given the amortization schedule I just mentioned and the possibility of refinancing that debt.


On the next slide, I'd like to talk about several of the compelling reasons why we like investing in CLOs. First, CLO debt is floating rate, and the coupon rate is adjusted every three months, which provides a hedge against interest rate risk. CLO debt is also denominated in U.S. dollars, which eliminates currency risk. Since the establishment of the CLO market in the 1990s, there's never been a single default of a AAA-rated debt tranche and only one temporary technical default of a AA debt tranche, in 2010. Once that technical default was resolved, the AA investors in that CLO received all their interest and principal due, in full.

CLOs invest firstly in corporate loans issued by large U.S.-based companies with positive cash flows. These first lien loans represent the most senior debt issued by those companies, which makes CLO collateral very creditworthy. Unlike other securitization facilities, CLOs do not buy real estate assets like commercial-backed mortgage securities, student loans, or credit card receivables. CLOs also invest a whole 200-300 unique investments per CLO, eliminating concentration risk and the concern that if a CLO has several bad investments, it can have a material adverse effect on that CLO. This compares, for example, to commercial mortgage-backed securities structures, which sometimes consist of just a single investment. Since CLOs are structured as cash flow and not market value facilities, CLOs are also not forced sellers of investments during period of volatility when market prices may be temporarily low.
And, lastly, CLOs are not index funds, but are actively managed by approximately 150 CLO managers, which include well-known firms such as Blackstone, Carlyle, Prudential, KKR, and Credit Suisse, to name a few.




If we move to the next slide, the coupon rate of CLOs is determined by adding together the three-month Secured Overnight Financing Rate known as SOFR, which has replaced LIBOR, plus the credit spread of the CLO debt tranche. And the coupon rate is adjusted every three months going forward. The CLO market has rallied considerably since we began investing in CLOs last year, which has resulted in tighter credit spreads with AAA and AA debt. In the primarily market today, the average coupon rate for recently issued AAA debt is approximately 6.7%, and about 7.1% for AA debt, which compares to the current 7.5% coupon rate in the existing portfolio. There's also an active secondary market to buy and sell CLO debt and equity tranches, and prices in the secondary market depend on the specific terms of the CLO, the finance performance, and the credit spread of the underlying CLO debt.




If we move to the next slide, although I've mentioned before that AAA and AA CLO investors have never suffered any losses due to a credit impairment event since the inception of the CLO market 30 years ago, AAA and AA debt had had some temporary price volatility due to market dislocations. The most recent market dislocation occurred during the COVID-19 pandemic. In March 2020, when the CLO market hit a price point low, AAA debt was trading at about 92% of par, and AA debt was trading at about 86% of par. Normally, AAA and AA debt trades around par. However, within six months, as of September 2020, both AAA and AA debt was back at approximately par. Also, during the pandemic, AAA and AA debt investors received all their quarterly interest and principal payments due on time.


Now we move to the final slide, and I'll just wrap up here. The U.S. CLO market is expected to continue to grow due to the anticipated growth in the corporate loan market—not only due to the corporate loan market, but also due to CLOs' attractive risk-adjusted returns and the improved liquidity that we're seeing in the CLO trading in the marketplace today. The U.S. CLO market is about $1 trillion today, up from about $600 billion five years ago, while the U.S. loan market is about $1.4 trillion. The CLO and corporate loan market are dependent on one another. CLOs represent the largest investor group of corporate loans and own about 70% of all corporate loans outstanding. Essentially, if you take $1.4 trillion and multiply it by 70%, you get $1 trillion, which is the CLO market today. Over the past several years, there has been a meaningful increase in both institutional and retail investor demand for CLO debt, and we believe that this is an excellent time to invest in both AA and AAA-rated CLO debt.

With that, I'd like to thank everyone for their time today and turn the call back over to Peter and James.

**James Davolos:** Thanks, everyone. This is James Davolos, and I'm just going to go over some different market statistics, some areas that I think are relevant for our portfolio, and then hopefully leave about 15 minutes for Q&A. So, the first slide here is an extension of something that Murray spoke about in his most recent roundtable where he hypothesized that the current iteration of indexation is unsustainable. And the thesis lies within the premise that once you have such high concentration within the index, it invalidates the very concept of indexation, which is basically to own a diversified portfolio of securities that are market cap weighted, and then ultimately act as a free rider on the price discovery of active investors who are doing their work.

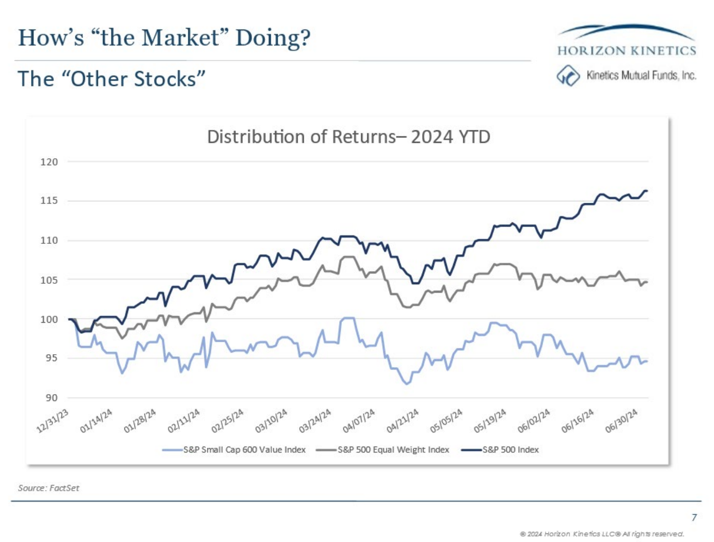

I think probably we've reached an inflection point where the free rider concept has been invalidated for a while now. The tail is wagging the dog, and fund flows are actually driving markets, and there's plenty of anecdotal evidence to support that. Obviously, it's almost impossible to prove that conclusively. I think this slide's really interesting, though, because it shows that the concentration of the top ten stocks in the S&P 500 has now exceeded one-third of the overall index. This is materially higher than it was at the peak of the tech boom in late 1999 through early 2000, and also exceeds the prior peak, which was in 1929, around the precipice of the Great Depression.

So, just to review the names that were dominating the market in 1929, you had the Standard Oil Company of New Jersey; General Motors; Ford; U.S. Steel; Great Atlantic & Pacific Tea, which is the A&P food stores; Swift & Company, which is now part of JDS Cattle; and Armour & Company. So, if you added up these companies, they actually comprised over 12% of U.S. GDP at the time. Today, the top companies—whether it's Microsoft, Apple, Nvidia, Amazon, Meta, and Google—those companies comprise about 6% of U.S. GDP when you look at their revenues.

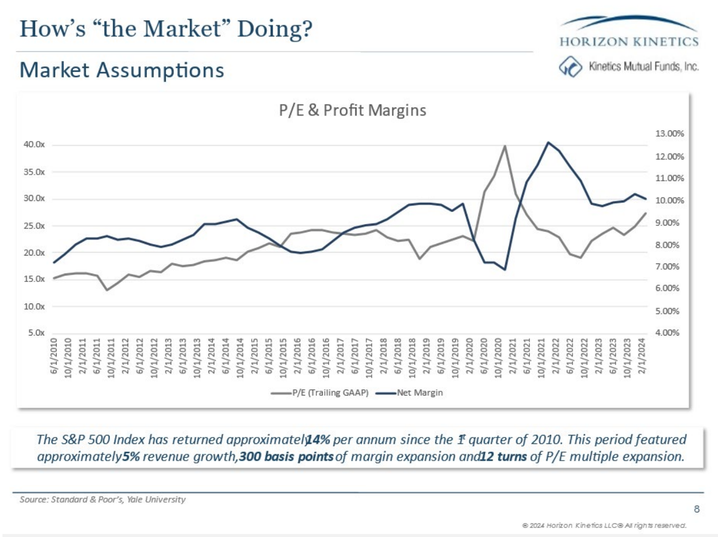
So, if you think about the concentration before the antitrust era, you had companies that really dominated absolutely critical aspects of the U.S. life and U.S. economy, whether it's energy, automobiles, steel, food, and cattle. But then when you look at the composition of the S&P 500 today, Google and Meta are basically selling ads and arguably providing pretty negative societal benefit. Microsoft is obviously a software company, Apple sells phones at a huge markup, Nvidia sells chips at radically inflated margins. I mean, perhaps you can argue that Amazon actually has a true underlying business purpose, although all of their profits are actually generated by the cloud.

So, we are definitely in uncharted territory in terms of the concentration. This did not end well the last time we were at these levels, in 1929. It did not end well when we were at this level in 1999. Obviously, nobody knows exactly what path the indexes are going to take, but I think it's obviously reaching a point where even the most enthusiastic investor in large-cap tech has to ask the question: Is it prudent to have a risk-averse investor allocated in this level of concentration?

The next slide goes into a bit more detail on what has happened this year. Personally, I have a screen on my Bloomberg of about 100 public fund managers that I respect. Some are growth, some are value, some are core, all different geographies. And, believe it or not, the only funds that are outperforming the S&P through yesterday were the Kinetics Mutual Funds. And I think that that speaks to the concentration, since it's almost impossible to keep up if you are playing the institutional asset-gathering game.




So, going back to what Peter's points were, you allow concentration, you allow un-diversification, you allow that compounding—that's why the Kinetics Funds have done this. But all of these other very venerable, highly respectable managers, the closest was a growth manager that was still 200 basis points behind the S&P as of yesterday. This chart shows you—and this is only through, I believe, June 30th—the S&P 500 was up about 16%. If you look at an equal weight index, it was up only about 5%. And then a small cap value index was down 5%. Again, when we move to the next slide, think about what you are paying for. What is embedded in the market at today's multiples?

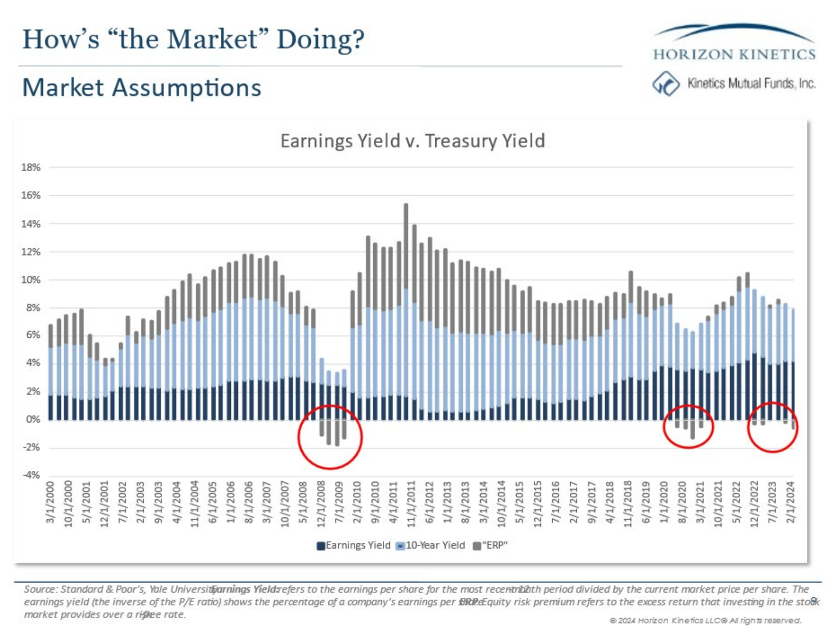



So, let's go back to end of the first quarter of 2010. We're coming out of the throes of the global financial crisis. And if you look at the gray line, which is the P/E of the S&P 500 Index on the left, you started at a P/E of about 15. Over the ensuing 14 years, you have had 12 turns of P/E multiple expansion to get you to about 26 (trailing) today. Obviously, that's been a lot of wind in the sails. You've also had net margins expand from about 7% all the way up to over 10% today.

If you actually were to unpack that, over those 14 years, revenue has grown about 5% a year. So, if you were to assume no margin expansion and no multiple expansion on the index, you would have done 5% revenue growth, along with about a 1.5% dividend. So, fine. Probably not all that exciting. If you were to have simply had the P/E multiple expansion, but without the margin expansion, you would've done about 8% a year plus dividends. Again, if you had no multiple expansion but you did have the margin expansion, you would've done 7% plus dividends.

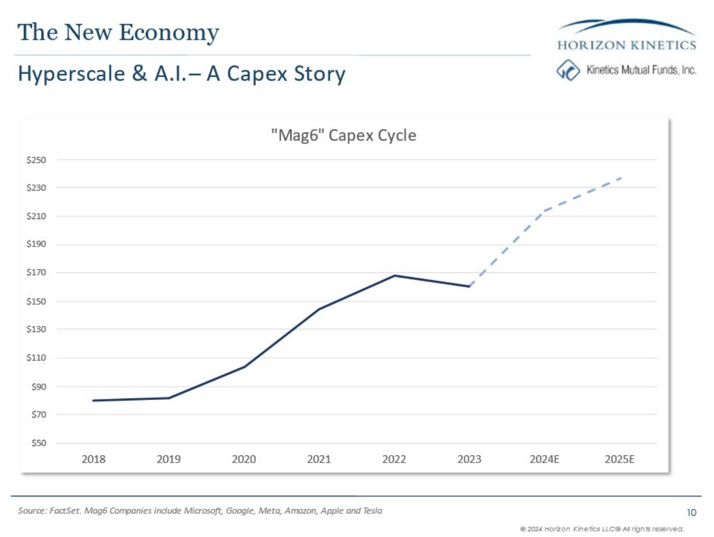
If you think about all the factors that combined—low valuation, almost an economic depression, margin expansion, P/E multiple expansion, and then this latest wave of inflation to basically boost revenues—that was all required to get you that 14% rate of return. I would argue that it was fairly heroic if you just had one of those, between margins and multiples, to get you that 7 or 8% plus dividends. So, when people are expecting these types of high single-digit, low double-digit rates of return going forward, you really have to unpack and think: What are you underwriting? And, in my opinion, what the market is underwriting today is nothing short of a productivity miracle.

What I mean by that is the only way you can logically have this type of growth without inflation, which allows the Fed to cut interest rates, would be some sort of a productivity miracle where the amount of output per unit of labor skyrockets. Clearly, the market zeitgeist seems to think that AI is going to do that. We're going to touch on that later. But, again, I think it behooves people to think: What should I invest in that is not a directional bet on a legitimate miracle that is a function of AI to justify the current margins, the current multiples, that are basically embedded in the broader stock market today?




This slide elaborates on this a little bit further. So, the dark blue shows you the historical earnings yield on the S&P 500, and then the light blue is the 10-year bond yield. So, if you go back to year 2000 on the far left, you can see that the 10-year yield was about 5%, the earnings yield on the S&P was about 2%. So you did have a positive spread by owning—or, basically, you had a positive return owning—the S&P earnings yield relative to the bond yield.

There were only a few other times besides present day when you did actually have a negative equity risk premium. Meaning, you would've earned a higher steady state yield in a U.S. Treasury as opposed to the earnings yield on the S&P. The first of which was in 2008 and 2009, when basically earnings completely fell off a cliff. The second was during the pandemic, during 2020 into early 2021. And the third is today. What do you think you are betting for? For the market to say that I am willing to bid up the S&P 500 to an earnings yield that is less than the risk-free rate on the 10-year U.S. Treasury? Now, of course, what is the market implying by justifying that? It's basically saying two things: One, interest rates are going to come down. Two, earnings are going to go up, and earnings are going to sustainably grow with margin.




Going back to my comments earlier on that productivity dynamic, I think that the market is again really taking all its chips and betting on a fairly anomalous outcome as a result of this AI CapEx. This is the new economy, this is what everybody's so excited about. You're seeing hyperscale artificial intelligence large language models. What do we really have to show for it, thus far? In terms of economic dollars and cents, we have CapEx.

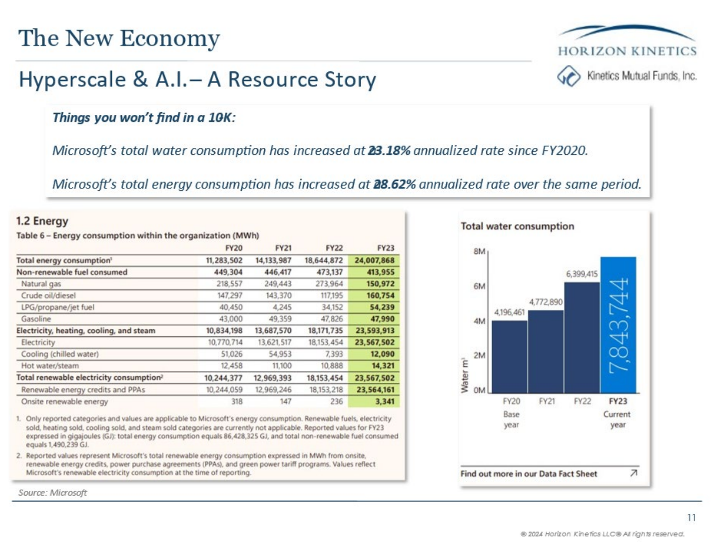
If you go back to 2018, obviously not all of this is a function of AI, but collectively the Mag6 (Magnificent Six). That is basically the Mag7 without Nvidia, because Nvidia is this unicorn of a company, pun intended, that does not really require large CapEx, because it basically has a technology and then uses third parties for fabrication. If history is any indication, those 80% margins are probably not going to be sustainable when you are at the mercy of other fabricators, and distributors, and shippers, and partners. But let the market do what the market does.

For the remaining Mag 6, in 2018, they did about $80 billion of collective CapEx; '19 was flat; '20 was up slightly. Then you've seen kind of a gradual ramp. This year, it has actually come down sequentially, which is a little bit surprising. But then you can see over the next couple of years—and these are Bloomberg forecasts for these companies—they're going to cumulatively exceed $230 billion of CapEx by 2025.

So, you're seeing a very high annualized growth rate of the capital expenditures of these companies. Clearly, a lot of that is oriented around AI. And I think the question is: What are the returns on invested capital going to be here? And, again, we're not making a bet on what AI and AI investment is going to be. But what if it's similar to fiber or companies that spent billions of dollars laying fiber, thinking that they needed their own pipes in the late '90s, and ultimately that was all written down to zero?

Or I think another equally plausible scenario is: AI is real, AI does have business functions, AI does improve productivity and certain business practices, but what if it's more of a defensive CapEx? So you log into Google and they give you a beta AI assist. Are they going to go to charge for you using Google's browser? Are they going to charge you for Gmail? Are they going to charge you for Google Sheets? Or is this simply defensive CapEx to continue to get you to use Google Search rather than going and using a Chat GPT or something of that ilk?

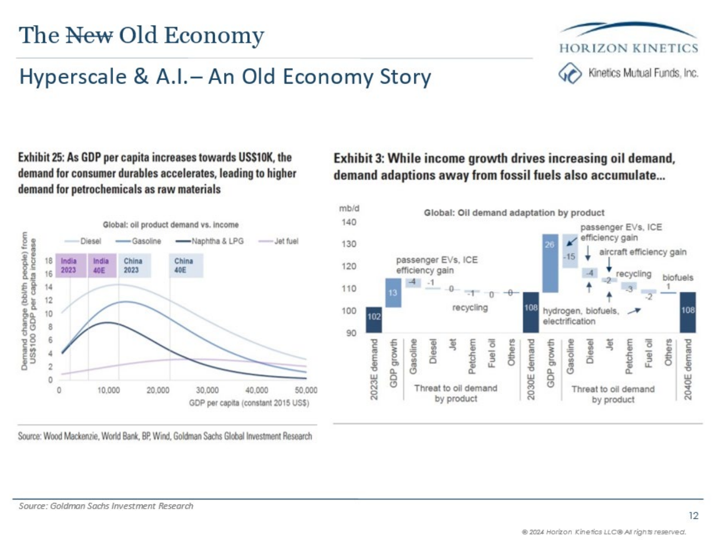
We think it's highly uncertain what the return on invested capital is going to be here. The market seems to be pricing at a near certainty that it's going to be consistent with the rolling returns on invested capital of 20% plus. So, again, this is the new economy, this is what the market is all excited about, this is where you have the really robust multiples. But let's look at what really goes into the new economy.




This slide is directly from Microsoft's environmental report. They don't put this in their 10-K. I think it's interesting that they provide a separate footnote for this, but Microsoft's total water consumption—and that's through last year; this does not include the current buildout of datacenters and everything—you can imagine these bars are just going to shift dramatically upward to the right. Microsoft's water consumption has grown at a 24% annualized rate since 2020, and its total energy consumption has increased at almost 30% over the same period.

Think about the intensity of these tech companies in terms of their water, their power. But then, also, look further upstream of the different types of things, whether it's going to be iron ore, or steel, or copper, or even traditional fossil fuels. As much as they'd like to say that they're carbon neutral or going to try to be carbon neutral, if you have a datacenter that uses renewables 20% of the time, even if you have a full installed base of your full megawatts, you're not carbon neutral. And I think I just saw something the other day that Microsoft actually stopped buying carbon credits because they realized they're never going to be able to say that they're not carbon intensive. So, again, as much as you want to get excited about AI, autonomous vehicles, renewables, whatever else, come back to reality, come back to physics, come back to chemistry. You need water, you need materials, you need energy, you need power.

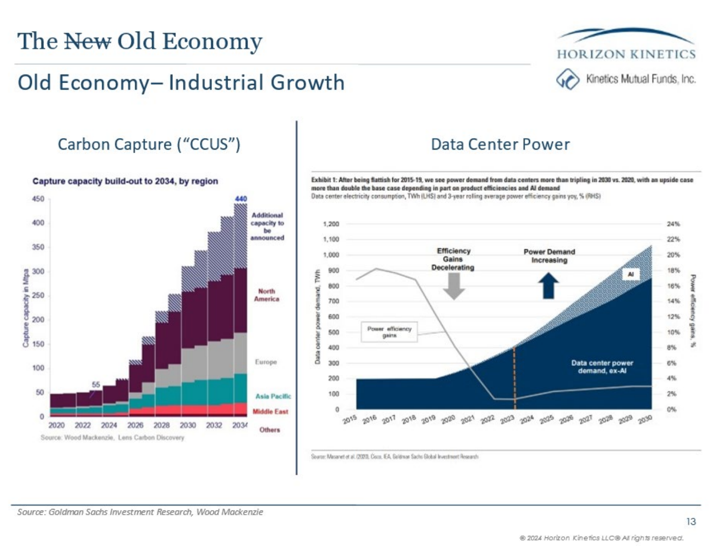
Along these same lines, the new economy is actually the old economy, if we move to next slide. What's going to be powering this transition? Well, a lot of fuel. And so if you look at the chart on the left, I think this is a really interesting chart in terms of where we're going in terms of global oil product demand. So, the drivers of global energy demand, yes, you have a large base demand from the west, from the OECD world. The real delta, though, is from where the populations are at lower per capita incomes.




So, the chart on the left shows you where India is today, where India is expected to be in 2040. The same thing with China today versus China in 2040. So, China is rapidly approaching their peak of diesel. They've got a bit of a way to go on traditional gasoline and they're actually on the downswing for naphtha. India has a very long way to ramp up for diesel and gasoline. Naphtha and LPG is also coming down. And then, all of these countries, basically every non-developed country has decades of jet fuel growth. So, when you think about how much one electric vehicle sitting in Sausalito displaces, then think about a couple billion people in the subcontinent of Africa, India and Southeast Asia that simply want to have a moderately higher standard of living, and what goes into that in terms of diesel, gasoline, and naphtha.

Also on the right-hand side is a similar chart that also just shows the bridge to 2040 oil demand. A lot of people would like to think that we've already hit a peak. If you remember, during COVID, people were saying 2019 was peak demand, but the reality is that until some scientific revolution comes through, GDP growth, which every government in the world is pursuing, is energy-intensive. So, you can see Goldman modeling the EV and ICE efficiency gain. This is saying: How much are you going to lose in demand from continued electric vehicle adoption and then higher efficiency of internal combustion engines? We're 102 million barrels of demand today, GDP is going to add 13, so you're at 115 gross. Between EVs and ICE efficiency you're going to lose 5 million barrels a day total. So, it doesn't really move the needle to get you to that 2030.

Again, if you go from 2030 to 2050, you can make much more aggressive assumptions about electric vehicles and ICE efficiency, maybe you can start to see sustainable aviation fuel (SAF). But let's assume we do get SAF and that's maybe 2 million barrels a day. If recycling becomes viable at higher prices, you've got maybe 3 million. So, again, you're at this very, very long plateau, which I think will be fortunate to be below 110 million barrels per day, and it's going to be very difficult to replace that given where CapEx is. And we'll conclude on the slide that I think reconciles all this, and how we're going to need and we're going to have a pretty tight market for fossil fuels.

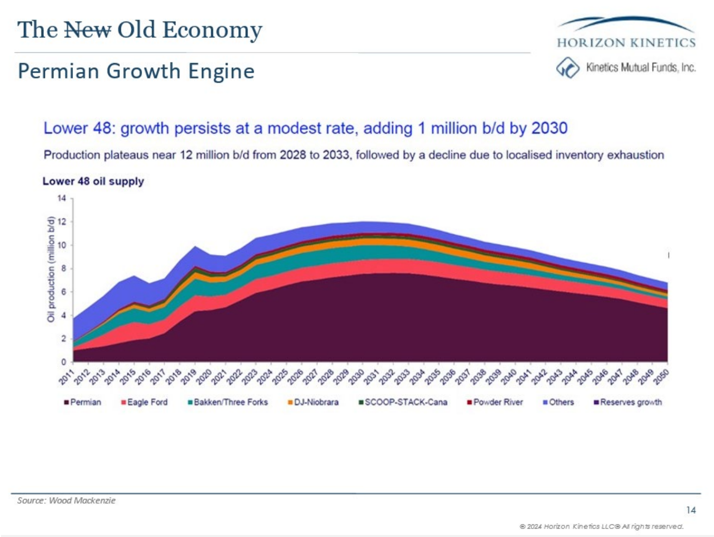



On this slide, what are some old economy businesses that are going to benefit from this new economy? Two are very germane to some companies that we own. One is carbon capture. So, you can see this from Wood Mackenzie. We're really at a very early stage in a dramatic uplift where if you could say maybe today, I don't even think we have 50 million tons of capacity of carbon capture. They may claim we do; I don't think we do, but maybe that's not fully operational. But we're saying that that 50 probably goes up to 300 by the end of this decade, and then up to probably well over 500 by 2040. You can see with the dark purple a lot of that's going to be in North America. But a lot of that top bar, which is additional capacity that has yet to be announced, that's probably going to almost be exclusively in North America. Maybe you'll see a little bit of it in the Middle East. But it's a huge nascent market here. We're just waiting for it to hit scale and have economic viability.

On the right is datacenter power demand. I alluded to his earlier, but you've read a lot about the companies that we're looking at—the amount of increasing power that these hyperscale datacenters are going to pull. So, this chart shows you the datacenter demand, ex-AI. The gray line, which is interesting and what I think some of the people who are more dogmatic—or not pragmatic—about the industry would say is, "Well, you've had this massive efficiency gain of datacenters versus your traditional datacenters." The problem is that you're already starting to see a decline in the efficiency gains here. Keep in mind the amount of raw power that is used in GPT compute. There are some estimates that one Chat-GPT compute uses half a liter of water and can use the equivalent of 30 billion Google searches.

You're seeing this really parabolic increase in power demand and, again, it's off a low base. This is not something that's really going to dramatically alter the overall electricity demand landscape. But from a very low base, it's going to certainly impact the margin, and that's where the grid gets strained. The grid gets strained where they, the regulated utilities, have to have a reserve requirement where they can't operate over X percentage of capacity. Once you start eating into that, then you obviously have to start commissioning or you have to be developing the grid further.

So, there are a lot of ways to play this. Companies that have been very good at communicating this strategy and connectivity and parts and components, some of them trade at 50, 60, 70 times earnings. But I think if you pick your spots, you can look at these areas where, going back to the Microsoft example—water intensity, power intensity, carbon capture intensity, fossil fuel intensity, and then here datacenter electricity intensity—these are all of the old economy variables that are required to drive the new economy. One is trading as if it's going to grow to the moon with infinite margins forever, the other is trading as if it's withering away and somehow we're magically going to have GDP growth without these things.




On the next slide I just want to touch on one more thing that I think is really important and interesting, in that the old economy is the Permian Basin. I think a lot of people have been focusing on the lack of CapEx worldwide. Obviously, there is only one area where you're really seeing growth globally—I mean, Guyana, we've had a discovery; OPEC theoretically has some spare capacity—but everything else in the world, conventional is declining. The U.S., particularly the Permian Basin (the dark purple) is really the swing producer in the world. And I think OPEC's doing a very good job of managing the market. They don't want oil prices at $120 per barrel; they obviously don't want prices much below $70, either.

But think about companies that we own that have leverage to the buildout of the Permian, whether through surface acreage, carbon capture, datacenters, oil and gas, all of these old economy businesses. Look towards the left of the slide with oil production per day—and this is actual liquid oil, not to be confused with the gas liquids in the barrel, that's why this number might look a little bit lower—but actual oil is at about 5 million barrels today in 2024, maybe a little higher. But then you can see it actually grows through about 2030. So, there's about ten years of growth remaining to get up to about 7 million barrels a day. Then you have a very long plateau out to 2050 and beyond.

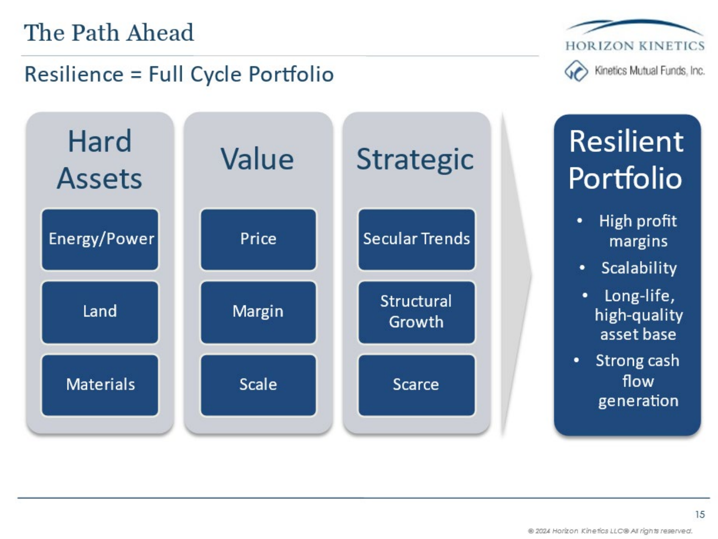
So, when you think about the Permian, it's not this resource that is just going to be extracted and monetized and this episodic opportunity. One of the companies that recently came public, the CEO was on CNBC talking about the iteration of the Permian with his company LandBridge. And he said that right now we are in the first growth phase. We're going to benefit from continued development of the basin, particularly the Delaware Basin. You need infrastructure, you need water, you need more oil, you need more gas. That's a high growth rate that is organic because this is the only place where the resources are.

At some point within the next couple of years, that mix is going to shift to renewables. Is it going to be wind? Is it going to be solar? Is it going to be carbon? Is it going to be hydrogen? Is it going to be a combination of all three? But then also part and parcel of that is bitcoin mining and datacenters. So, there are these three discrete drivers of value and it goes out for decades, far longer than any of us are going to be around to even consider, this land is going to be generating a lot of value. Now let's quickly to touch on that datacenter dynamic.

Historically, datacenters needed to be co-located with the customer, meaning you need to be in major metropolitan areas. If you send a query to Google, Microsoft, Amazon, you need it to come back quickly. So, if you pull up Digital Realty or Equitics, pull up their map of where their datacenters are, it's a cluster around the coasts, a little in Chicago, some in the Texas major metropolises. GPU centers for AI do not need low latency. Basically, what they need is cheap land, cheap power, and cheap cooling. Look no further than the Permian Basin. You have an abundance of land, you have gas that's effectively free in certain parts of the basin where you can put a direct generation facility, what's called "behind the meter," so you're not even relying on the ERCOT grid.

You also have an abundance of water, which we've heard from certain companies you can now desalinate, which can be used for liquid cooling, where you basically circulate water through a cooling system. This is magnitudes cheaper, and actually more environmentally friendly, than using Freon-based HVAC systems. So, you literally check every box for what you need for a hyper-scaler. Because when you're training a large language model, even in the inference phases, these things do not need to have that low latency with the end customer, because you're training it. And then if you do get into an actual learning phase—who knows if we're going to hit artificial general intelligence (AGI), or AI that matches humans—then again, everything is in isolation. I do think bitcoin mining has proved the concept that datacenters can exist out there. The next iteration is to just up the wattage, up the cooling, up the square footage, and then I think you have hyperscalers.

So, to conclude, what do we own? I went through all those key pillars of old economy businesses that are driving the new economy. But the portfolios, we really want to focus on resilience, full cycle. So what are the hard assets? Energy and power, land, materials. Price matters, trust me. Kinetics and Horizon really made a name for themselves in the late '90s by not playing that game, and I think they're going to be proven correct again. Prices, margins, scale—you've really got to pay attention to all three of those., But also you want to be strategic. What are the secular trends? Where is the secular growth? Where is the scarcity? So, the resilient portfolio, you really want to have those sustainably high margins, scale, the long-life high-quality asset base, and the strong cash flow generation.




And these attributes, I think, really are embedded in all the names we own. Underwrite a strong base case scenario. So, can you get an adequate or even great investment return under the base case? Blocking and tackling with the core business—if you're talking about the Permian, from the core oil and gas, the water, the land, the infrastructure. But then do you have other levers where there's free options where you can earn? Let's say there is a big carbon capture buildout, let's say there is a big datacenter buildout. That's really the way to win in this business and especially in this market, to have that secular trend, structural growth, scarcity in that resilient asset, but then also to have that upside optionality.

So, with that—sorry, I went a little longer than I had planned—we can address a few questions here and we'll form up the queue.

**Chris Bell:** James, as we're waiting for the queue, we had a lot of questions from advisors about a filing by LandBridge to go public in which they cited Horizon Kinetics as being—or they cited a major investor as being—part of their deal and the largest portion of their deal. I wonder if you would just introduce people to LandBridge and what it's all about, without necessarily mentioning any ownership. But just talk a little bit about it, because I know we've been getting a lot of questions about it.

**James Davolos:** Yeah, Horizon was disclosed in the S1 to go public that we participated for $80 million in their IPO on a week ago Friday. Briefly, LandBridge was founded by a gentleman named David Capobianco of Five Point Holdings. He has the largest water handling business in the Permian called WaterBridge. They saw the strategic value of having a land bank. They bought a ranch and then they added additional ranches to it, to basically have a truly capital-light royalty-oriented land approach to infrastructure and development in the Permian Basin. And they've been very prescient in targeting water. He actually left an incredible job to start this water business. But also talking about how we can bring new dynamic businesses into the Permian. It's really an incredible asset base. The original ranch, about 72,000 acres in Loving County, has an area of mutual interest with TPL. And you can see that's the opposite side of that checkerboard.

So, clearly, we know the business very well. When we saw where they were going to price the IPO, we thought it was too cheap. It actually priced below that range, and since then, the market has corrected that low price pretty dramatically. And so we've obviously been pleased with that. But we think that there's going to be a really interesting development story there with LandBridge, and we're excited to partner with them and help them with their public offering.

**Chris Bell:** And also I had to look back when we first started talking about LandBridge, and realized that they were the company that TPL had entered into that joint agreement with on water sales, right? Is that—

**James Davolos:** No, it was actually WaterBridge, which is an affiliate company of theirs. They also have an agreement with ERIS. So, TPL disclosed a variety of areas of mutual interest and cooperation throughout the basin, and WaterBridge has been part of that.

**Chris Bell:** I think we do have some questions. One I saw in particular, Darryl can answer: What are distribution levels and the approximate yield on the portfolio? I know we got into it a little bit.

**Darryl Monasebian:** Sure. Right now, the portfolio has a gross coupon weighted average basis around 7.5%. When you deduct the fund's expenses, it nets to about 6.75% to investors with the current portfolio. And as I mentioned, because of the market rally, credit spreads have tightened, so new deals that are coming into the portfolio are coming in at a lower coupon than that, but at least the existing book has that higher yield for now.

**James Davolos:** We have another one on the Permian and the parent and child well. So, obviously, if we can go back a slide—this is Wood Mackenzie's forecast. Just to explain the question to people, about 70% of wells drilled today are not the original wells. So, there's an original well and then there are wells that are drilled adjacent, or within a similar formation to the original well. Obviously, you're not going to have recoveries as high, because you're basically drilling into the same formation with multiple bores. That's just going to mean that prices are going to go up for operators, returns are going to probably go down for operators; you're going to have more infrastructure requirements, you're going to have more material requirements.

So, I think they're going to get the oil and gas out as long as the prices stay where it's economic. It's just going to be a lot harder to earn economic returns as an operator, which is why you can see our portfolios are dominated by the royalties.

One more question here, related to Peter's original comments, knowing that we don't really trade that actively, on the general investment strategy of the firm: Will the ETF change its allocation strategy over time? So, all the funds at Horizon adhere to intelligent inactivity. I would say that as market conditions present shifts, obviously we will change allocations. But I'd say that under almost no circumstances would you expect turnover to exceed 20%. We're really looking at these long-term secular trends. We think we're in the very early stages of this real asset cycle and this kind of debasement recognition of government debt, of interest rates, of inflation. And so, maybe I think there'll be a point in time where we would be looking at that, but I'd say we're nowhere really near that point at this time.

**Peter Doyle:** We appreciate, as always, your interest in our products and your loyalty to us as investors, and we say goodbye.

# The Kinetics **Global** Fund

**2Q 2024**

Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since 2011

**Steve Tuen, CFA**
Co-Portfolio Manager
35 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% | 2.38% |
| Adv. C | KGLCX | 494613623 | 1.00% | 2.14% | 2.88% |
| No Load | WWWEX | 494613805 | - | 1.39% | 2.13% |

## Fund Characteristics

| | |
|---|---|
| Total Net Assets | $26.7 million |
| Total Number of Positions* | 52 |
| Turnover Ratio | 52% |
| 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 | 51.2% |
| Unit Investment Trust | 29.9% |
| Cash and Cash Equivalents | 18.8% |
| Warrants | 0.1% |
| Preferred Stocks | 0.0% |

www.kineticsfunds.com

## Global Fund Overview

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

## Performance (No-Load Class)

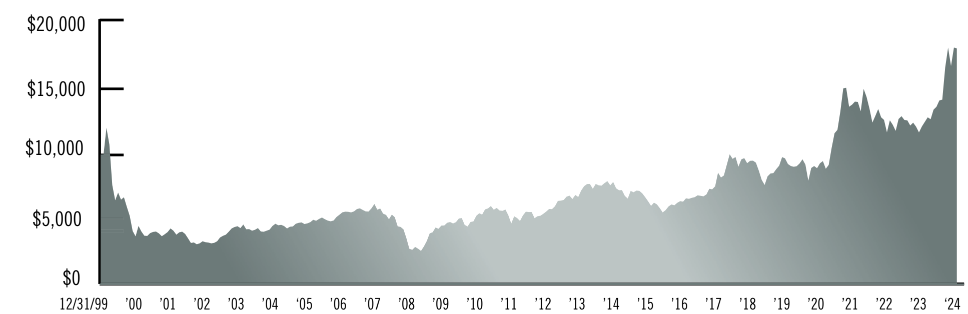
Annualized Returns as of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | 20YR | Since Inception |
|---|---|---|---|---|---|---|---|---|
| **Fund (WWWEX)** | -0.33% | 28.33% | 49.50% | 9.53% | 13.16% | 8.63% | 7.44% | 2.47% |
| S&P 500 Index | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.29% | 7.51% |
| MSCI ACW Index | 2.87% | 11.30% | 19.38% | 5.43% | 10.76% | 8.43% | 7.95% | 5.49% |

*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

**$18,172**




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Grayscale Bitcoin Trust BTC | 29.9% |
| Texas Pacific Land Corp. | 23.2% |
| Landbridge Co. LLC | 2.5% |
| GAMCO Investors, Inc. | 2.3% |
| Wheaton Precious Metals Corp. | 1.9% |
| Galaxy Digital Holdings Ltd. | 1.8% |
| Sandstorm Gold Ltd. | 1.8% |
| Clarkson PLC | 1.7% |
| Associated Capital Group, Inc. | 1.7% |
| Permian Basin Royalty Trust | 1.6% |

## Statistics

| Statistics | Fund | S&P 500 |
|---|---|---|
| Beta | 0.92 | 1.00 |
| Standard Deviation | 21.74 | 15.41 |
| Up Market Capture Ratio | 0.86 | - |
| Down Market Capture Ratio | 1.01 | - |
| Sharpe Ratio | 0.03 | 0.37 |
| Weighted Avg. Mkt. Cap. ($mil) | $15,194 | $1,010,477 |
| Median Market Cap. ($mil) | $5,649 | $35,083 |
| Price to Book | 1.54 | 4.69 |
| Price to Earnings | 2.71 | 27.11 |
| Return on Equity | 55.08% | 30.12% |
| Active Share | 99.26% | - |

# The Kinetics **Global** Fund

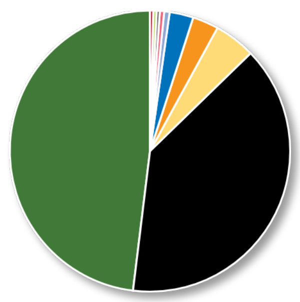
**2Q 2024**

## Historical Total Return (No-Load Class) as of 06/30/2024

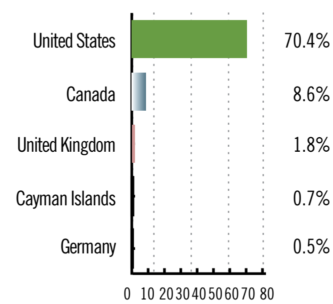
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund (WWWEX) | -63.1% | 16.5% | -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% | 11.9% |
| 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% | 26.3% |
| 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% | 22.2% |

## Top 10 Sectors (%)

| | |
|---|---|
| Finance and Insurance | 38.5% |
| Mining, Quarrying, and Oil and Gas Extraction | 31.4% |
| Management of Companies and Enterprises | 3.8% |
| Transportation and Warehousing | 2.4% |
| Real Estate and Rental and Leasing | 2.2% |
| Accommodation and Food Services | 0.5% |
| Live Sports (Spectator Sports) | 0.4% |
| Manufacturing | 0.3% |
| Global Exchanges | 0.3% |
| Professional, Scientific, and Technical Services | 0.3% |



## Top Countries (%)




## Definitions:

**Active share:** A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares 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 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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

**2Q 2024**

Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since 1999

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

**James Davolos**
Co-Portfolio Manager
19 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% | 2.00% | 2.00% |
| Adv. C | KINCX | 494613763 | 1.00% | 2.50% | 2.50% |
| No Load | WWWFX | 460953102 | - | 1.75% | 1.75% |

## Fund Characteristics

| | |
|---|---|
| Total Net Assets | $247.1 million |
| Total Number of Positions* | 30 |
| Turnover Ratio | 42% |
| 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

| | |
|---|---|
| Unit Investment Trust | 46.3% |
| Common Stocks | 33.6% |
| Cash and Cash Equivalents | 19.6% |
| Investment Company | 0.5% |
| Warrants | 0.0% |

www.kineticsfunds.com

## Internet Fund Overview

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

## Performance (No-Load Class)

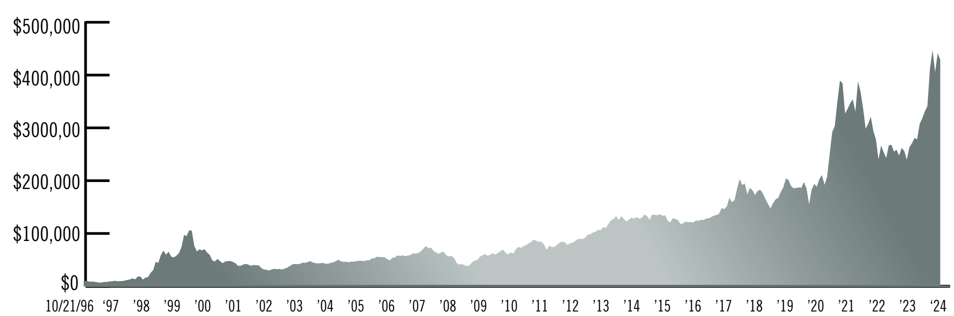
Annualized Returns as of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | 20YR | Since Inception |
|---|---|---|---|---|---|---|---|---|
| **Fund (WWWFX)** | -3.98% | 29.64% | 63.06% | 8.47% | 15.98% | 12.68% | 11.97% | 14.62% |
| S&P 500 Index | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.29% | 9.65% |
| NASDAQ Composite Index | 8.26% | 18.13% | 28.61% | 6.93% | 17.24% | 14.93% | 11.40% | 10.10% |

*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

**$436,988**




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Grayscale Bitcoin Trust BTC | 46.3% |
| Texas Pacific Land Corp. | 18.8% |
| CACI International, Inc. | 7.0% |
| OTC Markets Group, Inc. - Class A | 2.4% |
| Mastercard, Inc. | 1.1% |
| MIAMI INTERNATIONAL HOLDINGS INC | 1.0% |
| Verisk Analytics, Inc. | 0.8% |
| Galaxy Digital Holdings Ltd. | 0.7% |
| Bakkt Holdings, Inc. | 0.6% |
| CME Group, Inc. | 0.3% |

| Statistics | Fund | S&P 500 |
|---|---|---|
| Beta | 1.19 | 1.00 |
| Standard Deviation | 29.65 | 15.63 |
| Up Market Capture Ratio | 1.33 | - |
| Down Market Capture Ratio | 1.12 | - |
| Sharpe Ratio | 0.41 | 0.48 |
| Weighted Avg. Mkt. Cap. ($mil) | $22,843 | $1,010,477 |
| Median Market Cap. ($mil) | $2,442 | $35,083 |
| Price to Book | 1.32 | 4.69 |
| Price to Earnings | 1.95 | 27.11 |
| Return on Equity | 68.14% | 30.12% |
| Active Share | 98.66% | - |

# The Kinetics **Internet** Fund

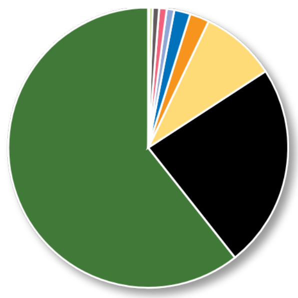
**2Q 2024**

## Historical Total Return (No-Load Class) as of 06/30/2024

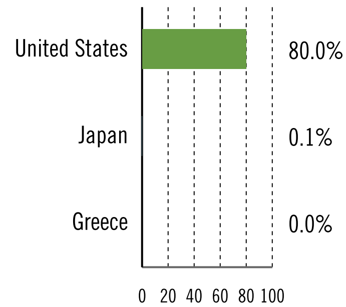
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund (WWWFX) | -51.5% | -9.6% | -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% | 29.8% |
| 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% | 26.3% |
| 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% | 43.4% |

## Top 10 Industries (%)

| | |
|---|---|
| Sec., Cmmdty Contracts, and Other Fin. Inv. And Rel. Act. | 48.7% |
| Oil and Gas Extraction | 18.9% |
| Aerospace and Defense | 7.0% |
| Data Processing, Hosting, and Related Services | 1.8% |
| Securities and Commodities Exchanges | 1.5% |
| Funds, Trusts, and Other Financial Vehicles | 0.7% |
| Management of Companies and Enterprises | 0.7% |
| Other Financial Investment Activities | 0.6% |
| Broadcasting (except Internet) | 0.3% |
| Performing Arts, Spectator Sports, and Related Industries | 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 11/01/96. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. Unit Investment Trusts are excluded from the calculation. 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. 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 11/01/96 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 11/01/96. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 11/01/96. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment. Unit Investment Trusts are excluded from the calculation.

The Gross expense ratios listed are as of 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (10/21/96). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

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

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

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

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

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

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

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

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.

Kinetics Mutual Funds, Inc
We Do *Our* Research

# The Kinetics **Market Opportunities** Fund

**2Q 2024**

## Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since inception (2006)

**Peter Doyle**
Senior Portfolio Manager
39 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 | $155.6 million |
| Total Number of Positions* | 51 |
| Turnover Ratio | 10% |
| Investment Style | Global Equity |
| Market Cap Focus | All Cap |
| Minimum Purchase | $2,500 |

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

## Portfolio Allocation

| | |
|---|---|
| Common Stocks | 69.1% |
| Unit Investment Trust | 20.3% |
| Cash and Cash Equivalents | 10.2% |
| Warrants | 0.2% |
| Preferred Stocks | 0.2% |

www.kineticsfunds.com

## Market Opportunities Fund Overview

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

## Performance (No-Load Class)

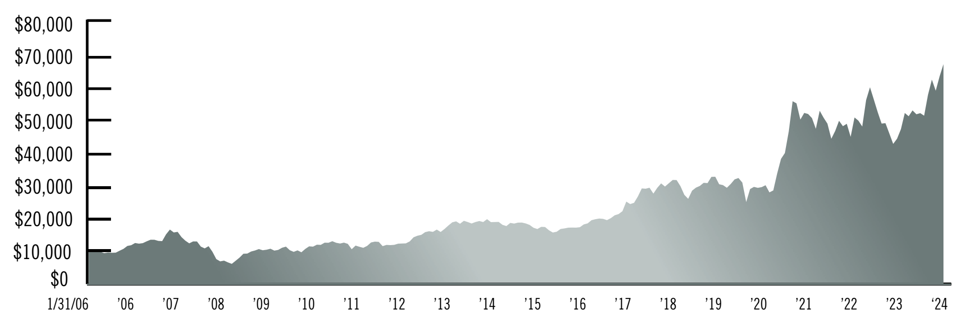
Annualized Returas of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | SInce Inception |
|---|---|---|---|---|---|---|---|
| **Fund (KMKNX)** | 7.57% | 28.63% | 51.20% | 8.71% | 15.43% | 13.28% | 10.97% |
| S&P 500 Index | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.36% |
| MSCI EAFE Index | -0.42% | 5.34% | 11.54% | 2.89% | 6.46% | 4.33% | 4.26% |

*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

**$67,963**




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Texas Pacific Land Corp. | 51.0% |
| Grayscale Bitcoin Trust BTC | 20.3% |
| Partners Value Investments LP | 2.1% |
| Associated Capital Group, Inc. | 1.7% |
| Intercontinental Exchange, Inc. | 1.1% |
| Franco-Nevada Corp. | 1.1% |
| Wheaton Precious Metals Corp. | 1.0% |
| Clarkson PLC | 1.0% |
| Urbana Corp. | 1.0% |
| Permian Basin Royalty Trust | 0.9% |

## Statistics

| Statistics | Fund | S&P 500 |
|---|---|---|
| Beta | 1.05 | 1.00 |
| Standard Deviation | 21.76 | 15.45 |
| Up Market Capture Ratio | 1.07 | - |
| Down Market Capture Ratio | 1.02 | - |
| Sharpe Ratio | 0.44 | 0.58 |
| Weighted Avg. Mkt. Cap. ($mil) | $22,781 | $1,010,477 |
| Median Market Cap. ($mil) | $6,634 | $35,083 |
| Price to Book | 2.46 | 4.69 |
| Price to Earnings | 4.29 | 27.11 |
| Return on Equity | 50.82% | 30.12% |
| Active Share | 98.29% | - |

# The Kinetics **Market Opportunities** Fund

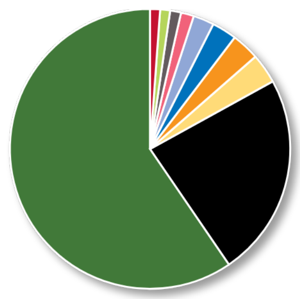
**2Q 2024**

## Historical Total Return (No-Load Class) as of 06/30/2024

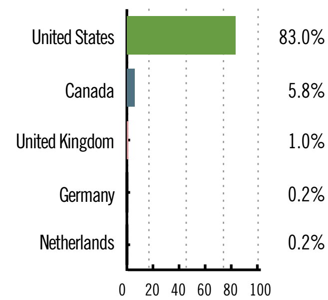
| | 2006* | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund (KMKNX) | 20.9% | 34.0% | -54.8% | 50.2% | 11.3% | -7.9% | 17.5% | 46.7% | -5.6% | -9.1% | 20.5% | 47.3% | -10.9% | 22.8% | 19.6% | 28.0% | 15.0% | -7.3% |
| 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% | 26.3% |
| 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% | 18.2% |

## Top Industries (%)

| | |
|---|---|
| Oil and Gas Extraction | 51.9% |
| Sec., Cmmdty Contracts, and Other Fin. Inv. And Rel. Act. | 20.5% |
| Other Investment Pools and Funds | 3.0% |
| Securities and Commodities Exchanges | 2.8% |
| Management of Companies and Enterprises | 2.5% |
| Mining (except Oil and Gas) | 2.1% |
| Other Financial Investment Activities | 1.3% |
| Securities and Commodity Exchanges | 1.1% |
| Support Activities for Water Transportation | 1.0% |
| Data Processing, Hosting, and Related Services | 1.0% |



## 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 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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

**2Q 2024**

Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since inception (2008)

**Darryl Monasebian**
Co-Portfolio Manager
38 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 | $13.7 million |
| Total Number of Positions* | 27 |
| Turnover Ratio | 4% |
| Minimum Purchase | $2,500 |

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

## Portfolio Allocation

| | |
|---|---|
| Collateralized Loan | 85.8% |
| Cash and Cash Equivalents | 14.2% |

www.kineticsfunds.com

## Multi-Disciplinary Income Fund Overview

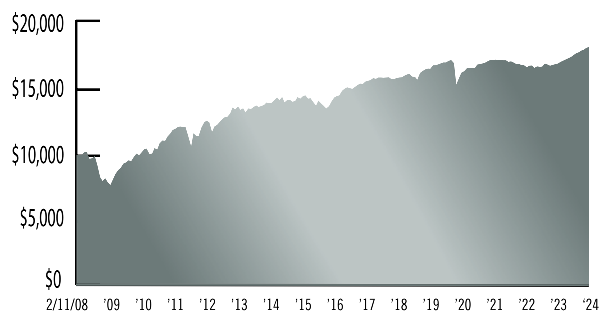
- In May 2023, the Fund's investment strategy shifted toward investing in CLO debt tranches from its prior approach of investing in individual bonds combined with an option strategy for income generation.
- The Fund's investment strategy seeks to generate current income while minimizing interest rate 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)

| | | | Annualized Returns as of 06/30/2024 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **3 Month** | **YTD** | **1YR** | **3YR** | **5YR** | **10YR** | **Since Inception** | **5 Year Standard Deviation** |
| **Multi-Disciplinary Income Fund (KMDNX)** | 1.65% | 3.69% | 7.49% | 1.84% | 1.63% | 2.41% | 3.77% | 5.16% |

*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 — $18,339




## Recent Fund Distributions**

| | Fund |
|---|---|
| Jun-2024 | 0.15 |
| Mar-2024 | 0.19 |
| Dec-2023 | 0.13 |
| Sep-2023 | 0.16 |

## Top Ten Holdings (%) as of 06/30/2024

| | |
|---|---|
| Babson CLO Ltd./Cayman Islands 2023-1, AAA tranche | 4.1% |
| Fortress Credit BSL Ltd. 2023-18, AAA tranche | 3.8% |
| Regatta XVI Funding Ltd. 2019-16B, AA tranche | 3.8% |
| Rad CLO 2023-20A, AA tranche | 3.8% |
| Venture 48 CLO Ltd. 2023-48, AA tranche | 3.8% |
| Magnetite CLO Ltd. 2023-37A, AA tranche | 3.8% |
| ICG US CLO 2023-1 (i), Ltd., AA tranche | 3.7% |
| Man US CLO 2023-1 LTD., AAA tranche | 3.7% |
| Battery Park CLO Ltd. 2022-2, AAA tranche | 3.7% |
| 37 Capital CLO Ltd. 2023-3, AAA tranche | 3.7% |

## Statistics (5 Year)

| | |
|---|---|
| Beta | 0.16 |
| Standard Deviation | 5.16 |
| Up Market Capture Ratio | 0.35 |
| Down Market Capture Ratio | 0.13 |
| Sharpe Ratio | -0.11 |

## CLO Debt Statistics

| | |
|---|---|
| Average Coupon (%) | 7.55 |

## Kinetics **Multi-Disciplinary Income** Fund

**2Q 2024**

### Historical Total Return (No-Load Class) as of 06/30/2024

| | 2008* | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% | 5.2% |

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

### Expense Ratios by Share Class

| | No Load |
|---|---|
| Gross | 1.63% |
| Net | 1.02% |

The Gross expense ratios listed are as of 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

### Definitions:

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

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

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

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

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

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

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

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

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

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 **Paradigm** Fund

**2Q 2024**

Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since inception (1999)

**Peter Doyle**
Senior Portfolio Manager
39 years of management experience
Co-Manager of fund since inception (1999)

## Class Information

| Class | Ticker | Cusip | 12b-1 fee | Net | Gross |
|---|---|---|---|---|---|
| Adv. A | KNPAX | 494613854 | 0.50% | 1.89% | 1.93% |
| Adv. C | KNPCX | 494613821 | 1.00% | 2.39% | 2.43% |
| Inst. | KNPYX | 494613797 | - | 1.44% | 1.63% |
| No Load | WWNPX | 494613607 | - | 1.64% | 1.68% |

## Fund Characteristics

| | |
|---|---|
| Total Net Assets | $933.5 million |
| Total Number of Positions* | 49 |
| Turnover Ratio | 2% |
| Investment Style | Global Equity |
| Market Cap Focus | All Cap |
| Minimum Purchase | $2,500 |

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

## Portfolio Allocation

| | |
|---|---|
| Common Stocks | 86.2% |
| Unit Investment Trust | 10.9% |
| Cash and Cash Equivalents | 2.9% |
| Warrants | 0.0% |

www.kineticsfunds.com

## Paradigm Fund Overview

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

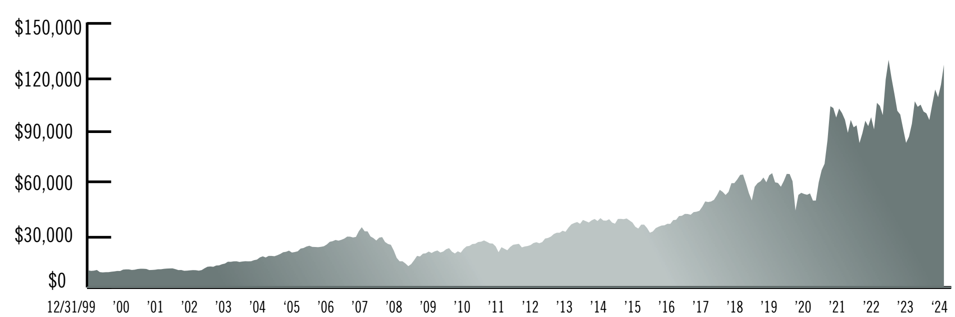
## Performance (No-Load Class)

Annualized Returns as of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | 20YR | Since Inception |
|---|---|---|---|---|---|---|---|---|
| **Fund (WWNPX)** | 12.55% | 27.94% | 47.66% | 7.58% | 14.69% | 12.50% | 11.25% | 11.00% |
| S&P 500 Index | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.29% | 7.51% |
| MSCI ACW Index | 2.87% | 11.30% | 19.38% | 5.43% | 10.76% | 8.43% | 7.95% | 5.49% |

*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 **$128,810**




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Texas Pacific Land Corp. | 64.6% |
| Grayscale Bitcoin Trust BTC | 10.9% |
| Brookfield Corp. | 3.1% |
| Live Nation Entertainment, Inc. | 2.4% |
| Landbridge Co. LLC | 2.2% |
| CACI International, Inc. | 2.1% |
| Franco-Nevada Corp. | 2.1% |
| Howard Hughes Holdings, Inc. | 1.9% |
| Cboe Global Markets, Inc. | 1.1% |
| Associated Capital Group, Inc. | 0.9% |

| Statistics | Fund | S&P 500 |
|---|---|---|
| Beta | 1.00 | 1.00 |
| Standard Deviation | 21.22 | 15.41 |
| Up Market Capture Ratio | 1.09 | - |
| Down Market Capture Ratio | 0.88 | - |
| Sharpe Ratio | 0.43 | 0.37 |
| Weighted Avg. Mkt. Cap. ($mil) | $17,644 | $1,010,477 |
| Median Market Cap. ($mil) | $4,944 | $35,083 |
| Price to Book | 3.49 | 4.69 |
| Price to Earnings | 7.98 | 27.11 |
| Return on Equity | 42.71% | 30.12% |
| Active Share | 99.51% | - |

# The Kinetics **Paradigm** Fund

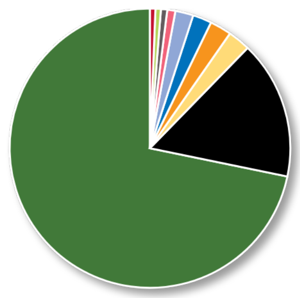
**2Q 2024**

## Historical Total Return (No-Load Class) as of 06/30/2024

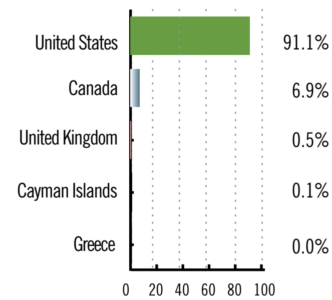
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund (WWNPX) | 4.0% | 2.0% | -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% | -16.9% |
| 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% | 26.3% |
| 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% | 22.2% |

## Top 10 Sectors (%)

| | |
|---|---|
| Mining, Quarrying, and Oil and Gas Extraction | 69.1% |
| Finance and Insurance | 15.4% |
| Real Estate and Rental and Leasing | 2.5% |
| Arts, Entertainment, and Recreation | 2.4% |
| Professional, Scientific and Technical Services | 2.1% |
| Information | 2.0% |
| Management of Companies and Enterprises | 0.9% |
| Food Services and Drinking Places | 0.7% |
| Accommodation and Food Services | 0.6% |
| Transportation and Warehousing | 0.6% |



## Top Countries (%)




## Definitions:

**Active share:** A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares 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 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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

**2Q 2024**

## Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since inception (2000)

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

**Matt Houk**
Co-Portfolio Manager
19 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% | 1.97% |
| Adv. C | KSOCX | 494613748 | 1.00% | 2.39% | 2.46% |
| Inst. | KSCYX | 494613813 | - | 1.44% | 1.67% |
| No Load | KSCOX | 494613706 | - | 1.64% | 1.72% |

## Fund Characteristics

| | |
|---|---|
| Total Net Assets | $304.1 million |
| Total Number of Positions* | 48 |
| Turnover Ratio | 3% |
| 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 | 84.0% |
| Cash and Cash Equivalents | 10.3% |
| Unit Investment Trust | 5.2% |
| Warrants | 0.4% |

**www.kineticsfunds.com**

## Small Cap Opportunities Fund Overview

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

## Performance (No-Load Class)

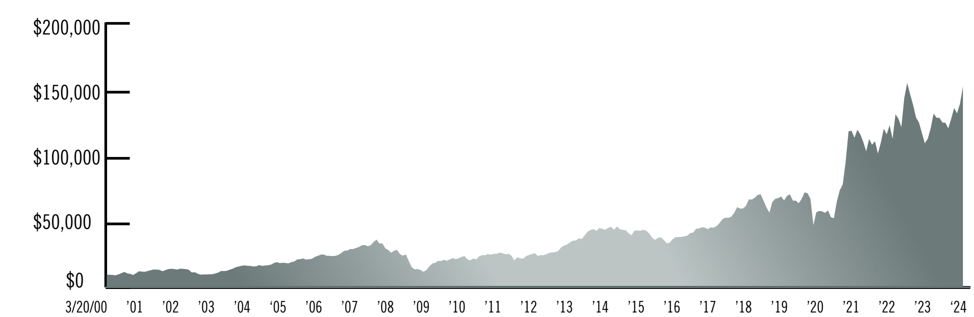
Annualized Returns as of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | 20YR | Since Inception |
|---|---|---|---|---|---|---|---|---|
| **Fund (KSCOX)** | 12.04% | 22.04% | 35.20% | 8.42% | 17.01% | 12.72% | 11.57% | 11.95% |
| S&P SmallCap 600 Index | -3.11% | -0.72% | 8.66% | -0.26% | 8.06% | 8.24% | 9.09% | 9.08% |
| S&P 500 TR | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.29% | 7.60% |

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

## Growth of $10,000 Returns Since Inception

**$154,978**




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Texas Pacific Land Corp. | 53.8% |
| CACI International, Inc. | 7.0% |
| Grayscale Bitcoin Trust BTC | 5.2% |
| Civeo Corp. | 4.5% |
| DREAM Unlimited Corp. | 3.2% |
| Landbridge Co. LLC | 2.7% |
| Associated Capital Group, Inc. | 2.1% |
| Inter Parfums, Inc. | 2.0% |
| Carnival Corp. | 1.8% |
| Urbana Corp. | 1.3% |

## Statistics

| | Fund | S&P 600 |
|---|---|---|
| Beta | 0.89 | 1.00 |
| Standard Deviation | 22.65 | 19.59 |
| Up Market Capture Ratio | 0.93 | - |
| Down Market Capture Ratio | 0.74 | - |
| Sharpe Ratio | 0.45 | 0.38 |
| Weighted Avg. Mkt. Cap. ($mil) | $13,107 | $3,073 |
| Median Market Cap. ($mil) | $1,644 | $1,836 |
| Price to Book | 2.88 | 1.70 |
| Price to Earnings | 10.70 | 15.63 |
| Return on Equity | 37.04% | 11.58% |
| Active Share | 97.92% | - |

# The Kinetics **Small Cap Opportunities** Fund

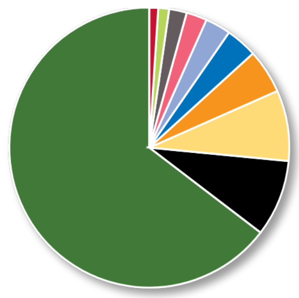
**2Q 2024**

## Historical Total Return (No-Load Class) as of 06/30/2024

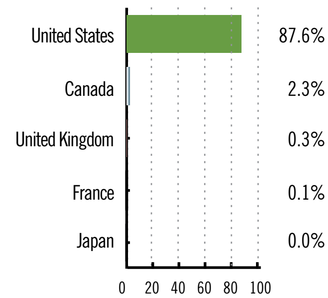
| | 2000* | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund (KSCOX) | 11.0% | 30.6% | -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% | -14.7% |
| 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% | 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% | 26.3% |

## Top 10 Sectors (%)

| | |
|---|---|
| Mining, Quarrying, and Oil and Gas Extraction | 57.0% |
| Professional, Scientific and Technical Services | 7.8% |
| Finance and Insurance | 7.2% |
| Accommodation and Food Services | 4.5% |
| Real Estate | 3.2% |
| Management of Companies and Enterprises | 2.6% |
| Manufacturing | 2.1% |
| Management, Scientific, and Technical Consulting | 1.8% |
| Real Estate and Rental and Leasing | 1.1% |
| Food Services and Drinking Places | 0.9% |



## Top Countries (%)




## Definitions:

**Active share:** A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares Core S&P Small-Cap ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since 04/01/00. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. 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 04/01/00 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 04/01/00. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio**: A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 04/01/00. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment. Unit Investment Trusts are excluded from the calculation.

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

The Gross expense ratios listed are as of 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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

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

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

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

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

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

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

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

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

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 Spin-off and Corporate Restructuring Fund

2Q 2024

## Horizon Kinetics Asset Management LLC

- Majority employee owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $ 7.4 billion in assets as of 06/30/2024.
- 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
46 years of management experience
Co-Manager of Fund since inception (2007)

**Steven Bregman**
President
39 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% | 2.21% |
| Adv. C | LSHCX | 494613540 | 0.75% | 2.38% | 2.71% |
| Inst. | LSHUX | 494613532 | - | 1.38% | 1.91% |
| No Load | LSHEX | 494613524 | - | 1.58% | 1.96% |

## Fund Characteristics

| | |
|---|---|
| Total Net Assets | $26.2 million |
| Total Number of Positions* | 26 |
| Turnover Ratio | 2% |
| Investment Style | Global Equity |
| Market Cap Focus | All Cap |
| Minimum Purchase | $2,500 |

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

## Portfolio Allocation

| | |
|---|---|
| Common Stocks | 93.2% |
| Cash and Cash Equivalents | 6.3% |
| Investment Company | 0.3% |
| Unit Investment Trust | 0.2% |

www.kineticsfunds.com

## Spin-off and Corporate Restructuring Fund Overview

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

## Performance (Institutional Class)*

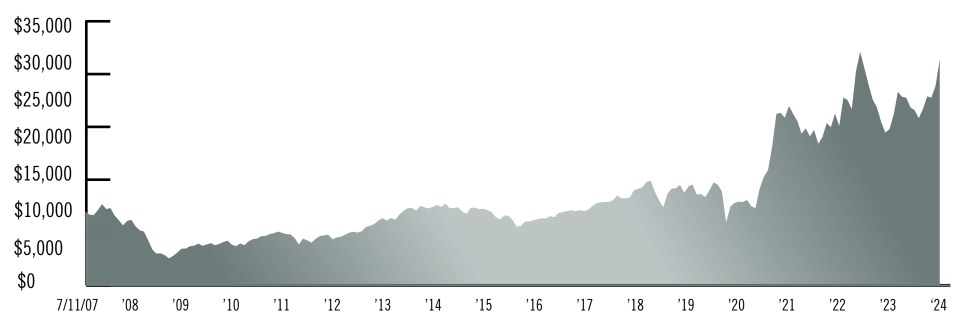
Annualized Returns as of 06/30/2024

| | 3 Month | YTD | 1YR | 3YR | 5YR | 10YR | Since Inception |
|---|---|---|---|---|---|---|---|
| **Fund (LSHUX)** | 19.68% | 29.09% | 44.78% | 8.03% | 17.94% | 10.87% | 6.79% |
| S&P 500 Index | 4.28% | 15.29% | 24.56% | 10.01% | 15.05% | 12.86% | 10.00% |

*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

$30,506




## Top 10 Holdings (%) as of 06/30/2024

| | |
|---|---|
| Texas Pacific Land Corp. | 70.4% |
| CSW Industrials, Inc. | 7.3% |
| Associated Capital Group, Inc. | 4.5% |
| GAMCO Investors, Inc. | 3.7% |
| Civeo Corp. | 1.9% |
| Landbridge Co. LLC | 1.6% |
| PrairieSky Royalty Ltd. | 0.9% |
| Liberty Media Corp.-Liberty Formula One | 0.7% |
| Howard Hughes Holdings, Inc. | 0.4% |
| DREAM Unlimited Corp. | 0.4% |

## Statistics

| Statistics | Fund | S&P 500 |
|---|---|---|
| Beta | 1.22 | 1.00 |
| Standard Deviation | 25.51 | 15.98 |
| Up Market Capture Ratio | 1.11 | - |
| Down Market Capture Ratio | 1.24 | - |
| Sharpe Ratio | 0.23 | 0.57 |
| Weighted Avg. Mkt. Cap. ($mil) | $13,440 | $1,010,477 |
| Median Market Cap. ($mil) | $3,343 | $35,083 |
| Price to Book | $5.51 | 4.69 |
| Price to Earnings | 30.89 | 27.11 |
| Return on Equity | 37.93% | 30.12% |
| Active Share | 99.68% | - |

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

**2Q 2024**

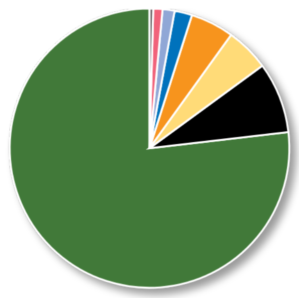
## Historical Total Return (Institutional Class)* as of 06/30/2024

| | 2007† | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% | -19.4% |
| 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% | 26.3% |

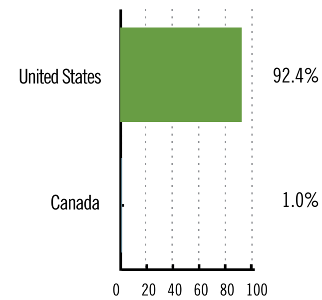
†Cumulative return from Fund's inception to year-end.

## Top 10 Sectors (%)

| | |
|---|---|
| Mining, Quarrying, and Oil and Gas Extraction | 72.0% |
| Manufacturing | 7.7% |
| Finance and Insurance | 4.7% |
| Management of Companies and Enterprises | 4.7% |
| Accommodation and Food Services | 1.9% |
| Real Estate and Rental and Leasing | 1.3% |
| Information | 1.0% |
| Real Estate | 0.4% |
| Utilities | 0.0% |
| Basic Materials | 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 12/31/2023 as reported in the 4/30/2024 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, 2025 and may be discontinued at any time by the Fund's adviser after April 30, 2025.

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.

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



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