Dear Valued Shareholder,

We are writing to provide you with some color around the 2026 capital gains distribution from the Kinetics Mutual Funds (the "Funds"). As explained below, all our Funds (with the exception of the Multi-Disciplinary Fund) will pay out capital gains for 2026; management is taking new steps—not previously available—to help lower your tax bill in the future.

The Paradigm Fund will pay out a much larger capital gains distribution than usual. This happened, principally, because some investors redeemed shares, forcing our managers to sell underlying stocks on the open market to raise cash. Because many of these had appreciated significantly over long holding periods, the sale triggered taxable profits. Under federal tax laws, mutual funds must pass profits on to shareholders at the end of the year.

We recognize that unexpected payouts create unwanted tax friction for our loyal investors. In fact, our buy-and-hold strategy is designed to maintain investment positions for the long term so you can keep the IRS a silent partner for as long as possible. Indeed, some of these positions had been held for more than 10 years—perhaps small comfort, but tax-deferred and lower-tax-rate compounding was a silver lining in those particular tax lots.

Even so, tax efficiency is always advisable and usually add more to performance than most investment strategies do. In furtherance of that philosophy and practice, the Funds' Board of Directors/Trustees approved a new operational partnership with ReFlow, LLC ("ReFlow"). Here is how it protects you going forward: when withdrawal requests rise above a minimum threshold, ReFlow provides immediate cash directly to the Fund(s) to fund the redemption. Departing investors are paid promptly without forcing our portfolio managers to make market trades to satisfy cash needs.

After a period of several days, ReFlow redeems out of the Fund, but instead of selling assets for cash to pay ReFlow back, the Funds deliver a basket of one or more stocks directly to ReFlow. Giving stocks directly ("in-kind") does not trigger a taxable capital gain for the Funds. ReFlow absorbs the stocks—and their tax responsibility—which removes gains from our Funds without creating extra taxable income for remaining shareholders. Additional detail on this program, including fees and other considerations, can be found in our most recent prospectus.

Of course, taxable income is fundamentally good news—it means your wealth has grown and we're doing our job. Importantly, the new process gives open-end mutual funds tax advantages similar to exchange-traded funds (ETFs), helping our long-term investors keep more of what's theirs.

We estimate the Paradigm Fund's year-end distribution likely would have been about one-tenth its current size, had ReFlow's service been available to us in fiscal 2026. Going forward, this system is designed to protect remaining shareholders from significant capital gains distributions caused by investor cash-outs across our Funds.

We appreciate your continued investment and trust, and management remains focused on delivering strong portfolio performance while maintaining high tax efficiency.

Sincerely,
Horizon Kinetics Asset Management LLC

Please note that some of the Kinetics Mutual Funds may make capital distributions during 2026. The information is provided to assist shareholders with year-end planning; however, the estimated distributions listed below may change. Please note that these are unaudited estimates based on October 23, 2026 book numbers and are subject to vary significantly from the actual distribution amounts. An update will be provided in early December 2026. If the anticipated distributions are made, shareholders can expect to receive a 1099-DIV form sometime in January 2027.

The Record Date for any Distributions will be December 22, 2026, the Ex-Dividend Date will be December 23, 2026, and the Payment Date will be December 23, 2026.

2026 Estimated Distributions Per Share

Fund	Short-Term Capital Gain	Long-Term Capital Gain	Dividends/ Ordinary Income
Kinetics Internet Fund (WWWFX – No Load Class)	$ 0.00	$ 2.38880000	$ 0.00
Kinetics Internet Fund (KINAX – Class A)	$ 0.00	$ 2.38880000	$ 0.00
Kinetics Internet Fund (KINCX – Class C)	$ 0.00	$ 2.38880000	$ 0.00
Kinetics Global Fund (WWWEX – No Load Class)	$ 0.14153000	$ 1.10239000	$ 0.17959837
Kinetics Global Fund (KGLAX – Class A)	$ 0.14153000	$ 1.10239000	$ 0.14516194
Kinetics Global Fund (KGLCX – Class C)	$ 0.14153000	$ 1.10239000	$ 0.14616664
Kinetics Paradigm Fund (WWNPX – No Load Class)	$ 0.00	$ 24.51243000	$ 0.00
Kinetics Paradigm Fund (KNPAX – Class A)	$ 0.00	$ 24.51243000	$ 0.00
Kinetics Paradigm Fund (KNPCX – Class C)	$ 0.00	$ 24.51243000	$ 0.00
Kinetics Paradigm Fund (KNPYX – Institutional Class)	$ 0.00	$ 24.51243000	$ 0.00
Kinetics Small Cap Opportunities Fund (KSCOX – No Load Class)	$ 0.00	$ 1.98271000	$ 0.91783430
Kinetics Small Cap Opportunities Fund (KSOAX – Class A)	$ 0.00	$ 1.98271000	$ 0.47348047
Kinetics Small Cap Opportunities Fund (KSOCX – Class C)	$ 0.00	$ 1.98271000	$ 0.00
Kinetics Small Cap Opportunities Fund (KSCYX – Institutional Class)	$ 0.00	$ 1.98271000	$ 1.29849032
Kinetics Market Opportunities Fund (KMKNX – No Load Class)	$ 0.00	$ 1.36733000	$ 0.15344032
Kinetics Market Opportunities Fund (KMKAX – Class A)	$ 0.00	$ 1.36733000	$ 0.16079715

Kinetics Market Opportunities Fund (KMKCX – Class C)	$ 0.00	$ 1.36733000	$ 0.17938380
Kinetics Market Opportunities Fund (KMKYX – Institutional Class)	$ 0.00	$ 1.36733000	$ 0.14625804
Kinetics Multi-Disciplinary Income Fund (KMDNX – No Load Class)	$ 0.00	$ 0.00	$ 0.02167263
Kinetics Spin-Off and Corporate Restructuring Fund (LSHEX – No Load Class)	$ 0.00	$ 5.48428000	$ 0.00
Kinetics Spin-Off and Corporate Restructuring Fund (LSHAX – Class A)	$ 0.00	$ 5.48428000	$ 0.00
Kinetics Spin-Off and Corporate Restructuring Fund (LSHCX – Class C)	$ 0.00	$ 5.48428000	$ 0.00
Kinetics Spin-Off and Corporate Restructuring Fund (LSHUX – Institutional Class)	$ 0.00	$ 5.48428000	$ 0.00

About Horizon Kinetics LLC

Horizon Kinetics Holding Corporation (OTC: HKHC), through its subsidiary investment manager, Horizon Kinetics Asset Management LLC ("Horizon"), is an investment advisory firm. Horizon provides independent proprietary research and investment advisory services for long-only and alternative value-based investing strategies, including the full suite of Kinetics Mutual Funds, Inc. The firm has offices in New York City, White Plains, New York and Summit, New Jersey. For more information, please visit Horizon's websites below:
http://www.horizonkinetics.com
http://www.kineticsfunds.com.

Disclosures:

Kinetics Mutual Funds, Inc. are offered by Kinetics Funds Distributor LLC, an affiliate of Horizon Kinetics Holding Corporation. Past performance does not guarantee future results. To obtain a free copy of the most recent prospectus, which contains important information about the funds, visit us at http://www.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before investing.