

June 30, 2011 www.kineticsfunds.com

Semi-Annual Report

The **Internet** Fund

The **Global** Fund

The **Paradigm** Fund

The **Medical** Fund

The **Small Cap Opportunities** Fund

The **Market Opportunities** Fund

The **Water Infrastructure** Fund

The **Multi-Disciplinary** Fund

Each a series of Kinetics Mutual Funds, Inc.



Kinetics Mutual Funds, Inc.

Table of Contents

June 30, 2011

	<u>Page</u>
Shareholders' Letter	2
Year 2011 Semi-Annual Investment Commentary	5
KINETICS MUTUAL FUNDS, INC. — FEEDER FUNDS	
Expense Example	11
Statements of Assets & Liabilities	19
Statements of Operations.	23
Statements of Changes in Net Assets	27
Notes to Financial Statements	38
Financial Highlights	52
KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS	
Allocation of Portfolio Assets	81
Portfolio of Investments — The Internet Portfolio.	89
Portfolio of Investments — The Global Portfolio	95
Portfolio of Investments — The Paradigm Portfolio	99
Portfolio of Investments — The Medical Portfolio	105
Portfolio of Investments — The Small Cap Opportunities Portfolio	108
Portfolio of Investments — The Market Opportunities Portfolio	113
Portfolio of Investments — The Water Infrastructure Portfolio	116
Portfolio of Investments — The Multi-Disciplinary Portfolio	119
Portfolio of Options Written — The Water Infrastructure Portfolio	123
Portfolio of Options Written — The Multi-Disciplinary Portfolio	127
Statements of Assets & Liabilities	154
Statements of Operations.	158
Statements of Changes in Net Assets	162
Notes to Financial Statements	166

Shareholders' Letter

Dear Fellow Shareholders:

We are pleased to present the Kinetics Mutual Funds' ("Funds") Semi-Annual Report for the six-month period ended June 30, 2011. On balance, the Kinetics Family of Mutual Funds did not meet our expectations for the first half of 2011, with returns of 1.46% for The Paradigm Fund, (0.64)% for The Small Cap Opportunities Fund, 2.97% for The Market Opportunities Fund, 11.01% for The Internet Fund, 15.81% for The Medical Fund, 2.51% for The Water Infrastructure Fund, (1.93)% for The Global Fund, and 6.49% for The Multi-Disciplinary Fund. This compares with first-half 2011 returns of 6.02% and 4.55% for the S&P 500 Index and the NASDAQ Composite Index, respectively.

Developed equity markets have remained resilient thus far in 2011 despite natural disasters, speculation over the solvency of euro-zone sovereigns, turmoil in the Middle East and a continued disagreement in the U.S. Congress over spending levels and the debt ceiling. The pace of the global economic recovery has fallen short of many expectations and certainly most desires. However, many developed nations must now embark on a path toward debt and spending reductions, while remaining vigilant not to tip the economy back into contraction. As a result we expect markets to continue to be volatile until there is greater clarity with respect to government policies and corporate results. The encouraging news is that amid all of this uncertainty, U.S. corporations have reached an all time peak in profitability, and are expected by many to continue to produce compelling results. The Funds are positioned in durable businesses with dedicated management teams and conservative capital structures. The broad based markets will face continued headwinds, which will make individual business selection of paramount importance. We believe that such an environment is much to the advantage of our dedicated value Funds.

Shareholders can continue to access additional information from our website, www.kineticsfunds.com. This website provides a broad array of information, including recent portfolio holdings, quarterly investment commentaries, conference call transcripts, newsflashes, recent performance data, and online access to account information.

Kinetics offers the following funds to investors:

The Paradigm Fund focuses on companies that are valued attractively and currently have, or are expected to soon have, sustainable high business returns. The Fund has produced attractive returns since its inception in an environment that should be described as difficult for equity investors. The Paradigm Fund is Kinetics' flagship fund.

The Small Cap Opportunities Fund focuses on undervalued and special situation small capitalization equities that have the potential for rewarding long-term investment results. The same investment fundamentals employed by The Paradigm Fund are used to identify such opportunities.

The Medical Fund is a sector fund, offering an investment in scientific discovery within the promising field of medical research, particularly in the development of cancer treatments and therapies. As a sector fund, The Medical Fund is likely to have heightened volatility.

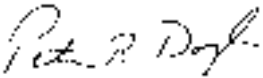
The Internet Fund is a sector fund that focuses on companies engaged in the evolution of Internet-related developments. As such, this Fund has been, and is likely to continue to be, quite volatile. The Internet Fund is not designed to be a major component of one's equity exposure. More recently, this Fund has been focusing on content companies, which we believe will be the winners in the next generation of Internet development.

The Global Fund's mandate was changed in early April 2008 and is now focused on selecting long life cycle international companies that can generate long-term wealth through their business operations. This Fund is presently finding exciting opportunities in the more developed markets.

The Market Opportunities Fund focuses on those companies that benefit from increasing transactional volume or throughput, such as publicly-traded exchanges and credit card processors, or companies that act as facilitators, such as gaming companies, airports and publicly-traded toll roads.

The Water Infrastructure Fund incorporates a blended strategy that invests in global companies engaged in water infrastructure and water-specific natural resources, as well as related activities. To supplement the equity investments, the Fund also utilizes The Multi-Disciplinary Fund's options strategy employed upon water businesses. This provides the Fund equity exposure and exposure to the water industry, complemented by income from put options.

The Multi-Disciplinary Fund seeks to utilize stock options and fixed-income investments in order to provide investors with equity-like returns, but with more muted volatility. At times, the options strategies of the Fund may cause the manager to purchase equity securities.

A handwritten signature in black ink, appearing to read "Peter B. Doyle". The signature is written in a cursive, flowing style.

Peter B. Doyle
President
Kinetics Mutual Funds, Inc.

Investment Commentary

Dear Fellow Shareholders:

As we began penning this semi-annual letter, we felt compelled to reference our comments from mid-year 2010. In that letter, we made several market observations that could just as easily have been referring to current capital markets in 2011. Media outlets, politicians and financial professionals have returned their collective focus to the finances of various European nations, after not paying much attention to the topic for some months prior. In the 2010 letter, we had the benefit of writing in early August, far enough after quarter end for investors to have calmed their anxiety regarding these issues. It now appears that these concerns may not dissipate as quickly and easily as they did last year, and that a long-term solution is what these nations ultimately require for long-term growth and stability.

In last year's semi-annual letter, we also commented on what we believed to be a "bubble in pessimism" that resulted in 10-year U.S. Treasury Notes offering a pre-tax yield of merely 2.72%. In the past 12 months, 10-year Notes have appreciated slightly and now offer a marginally higher pre-tax yield of 3.35%. Once this return is taxed and impacted for inflation, the real return is likely to be near breakeven. Investors must be expecting a very dire economic scenario in order to accept such mediocre returns. The general risk aversion and appetite for low-yielding U.S. Government securities has changed very little over the past year.

Despite the familiar financial landscape reminiscent of mid-year 2010, many factors have changed markedly over the past 12 months. The S&P 500 Index has climbed 30.69% since June 30, 2010 and the cash balances of the S&P 500 companies have increased an additional 12.92% in aggregate. Cash now represents approximately 21.50% of the S&P 500 Index valuation. Large corporate cash balances are comforting to fixed income investors, regulators and unnerved management teams. However, these large cash positions earn effectively nothing after taxes and inflation are considered, and are not an effective use of company capital. We have been disillusioned by the overly conservative capital management of many U.S. and multi-national corporations, which has contributed to our desire to seek out proactive managements that

were able to improve their respective companies over the past several years, including during the crisis of 2008.

In our search for superior businesses we came across a common factor shared by nearly all of the companies: an “owner-operator.” We define owner-operator companies as follows: At owner-operator companies, decisions are made by a principal or owner rather than by agents or hired managers. The latter must manage their careers in relation to the short-term reactive expectations of shareholders and analysts, and must abide by arbitrarily set benchmarks including market share and revenue growth. They are reluctant to invest in their businesses during times of great economic uncertainty. Conversely, owner-operators are secure in their positions and are vested in the long-term success of their companies, and accordingly they tend to base their actions on long-term return-on-capital considerations. They have the strategic flexibility for choosing capital structures that enhance returns and limit risk. Owner-operators can choose to remain in a given business or to allocate capital elsewhere. They are positioned to take advantage of economically uncertain times and the investment opportunities they present, often at fire-sale prices. Owner-operated businesses exist in nearly every country and industry and range from very small micro-cap companies to enormous multi-national corporations. These businesses have demonstrated the ability to build shareholder value and maintain a focus on the long-term enhancement of the business. As such, it should come as no surprise that these companies have vastly outperformed the markets at large over the long term.

The investment team at Kinetics is in the process of incrementally increasing exposure to owner-operators in all of the portfolios. Although we did not employ the owner-operator moniker until recently, for years the portfolios have owned companies that meet this description including Berkshire Hathaway, Brookfield Asset Management, Icahn Enterprises and many more. We believe that an emphasis on these investment opportunities will be to the long-term benefit of our investors. As our long-term shareholders are aware, we are generally averse to frequent trading and take great

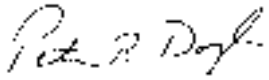
pains to ensure that we have conviction that our decision to trade will result in favorable performance for our shareholders.

We believe that the owner-operator companies being purchased for our Funds have superior, shareholder interest-oriented managements to supplement very attractive business models. An observer could reasonably suppose that these companies would trade at valuation multiples well in excess of that of the market. Historically this has been the case. However, at present these companies in aggregate trade at a substantial discount to the major indexes and average peer corporations. We believe that this may be a byproduct of the proliferation of ETFs, which focus on float-adjusted share counts. Any company that actively buys back shares, reducing its float, becomes a lower weight for any indexes or ETFs that adjust based on share float. This reduction in weight in the portfolio is typically the opposite of the action that investors should take in this circumstance, as share repurchases reflect management's belief in the value of the company shares. In any event, even without multiple expansions, many of these businesses have returns on equity near 15% and have historically grown book value at similar rates. Thus, the businesses can compound at very attractive rates for shareholders simply through the operations of the company.

Our Multi-Disciplinary Fund has continued to grow assets and has achieved strong performance with dampened volatility relative to the S&P 500 Index. Investors who are hesitant to invest in long-term equity products should review the prospectus for this Fund to learn more. The unique options strategy utilized by the Fund has been very effective, particularly applied to the aforementioned owner-operator companies.

As always, we appreciate the continued support and confidence of our shareholders. The investment environment remains somewhat uncertain due to a myriad of political and macroeconomic forces. Investing in owner-operated businesses offers what we believe to be a very attractive risk-adjusted return potential, especially

considering the resilience and opportunistic nature of their management teams.

A handwritten signature in black ink that reads "Peter B. Doyle". The signature is written in a cursive, slightly slanted style.

Peter B. Doyle
Chief Investment Strategist

Disclosure

This material is intended to be reviewed in conjunction with a current prospectus, which includes all fees and expenses that apply to a continued investment program, as well as information regarding the risk factors, policies and objectives of the Funds. Read it carefully before investing.

Mutual Fund investing involves risk. Principal loss is possible. Because The Internet Fund, The Medical Fund and The Water Infrastructure Fund invest in a single industry, their shares are subject to a higher degree of risk than funds with a higher level of diversification. Internet and biotechnology 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. International investing [for The Global Fund, The Water Infrastructure Fund, The Paradigm Fund, The Market Opportunities Fund, The Small Cap Opportunities Fund, and The Internet Fund] presents special risks including currency exchange fluctuation, government regulations, and the potential for political and economic instability. Accordingly, the share price for these Funds is expected to be more volatile than that of a U.S.-only fund. Past performance is no guarantee of future performance.

Because smaller companies [for The Global Fund, The Small Cap Opportunities Fund and The Water Infrastructure Fund] often have narrower markets and limited financial resources, they present more risk than larger, more well established, companies.

Non-investment grade debt securities [for all Funds], i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Further, options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Investments [for all Funds] in futures, swaps and other derivative instruments may result in loss as derivative instruments may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses to the Fund. To the extent the Funds segregate assets to cover derivative positions, they may impair their ability to meet current obligations, to honor requests for redemption and to manage the Funds in a manner consistent with their respective investment objectives. Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities that entail greater than ordinary investment risk.

As non-diversified Funds, the value of Fund shares may fluctuate more than shares invested in a broader range of industries and companies.

Unlike other investment companies that directly acquire and manage their own portfolios of securities, The Kinetics Mutual Funds pursue their investment objectives by investing all or generally all of their investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

The information concerning the Funds included in the shareholder report contains certain forward-looking statements about the factors that may affect the performance of the Funds in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Funds, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Funds. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

Portfolio composition is subject to change at any time.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-basket of stocks. They are typically used as a proxy for overall market performance.

Distributor: Kinetics Funds Distributor, LLC is not an affiliate of Kinetics Mutual Funds, Inc. Kinetics Funds Distributor, LLC is an affiliate of Kinetics Asset Management, LLC, Investment Adviser to Kinetics Mutual Funds, Inc.

For more information, log onto www.kineticsfunds.com.

July 1, 2011 — Kinetics Asset Management, LLC.

Expense Example

June 30, 2011 (Unaudited)

Shareholders incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvestments of dividends or other distributions made by a Fund, redemption fees, and exchange fees, and (2), ongoing costs, including management fees, distribution and/or service (12b-1) fees, and other Fund expenses. This example is intended to help investors understand the ongoing costs (in dollars) of investing in the Feeder Funds, as defined below, and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested on January 1, 2011 and held for the entire period from January 1, 2011 to June 30, 2011.

Actual Expenses

The first line and second line items of the table below provide information about actual account values and actual expenses before and after expense reimbursement. Unlike other mutual funds that directly acquire and manage their own portfolio securities, each Feeder Fund invests all or generally all of its investable assets in a corresponding series of The Kinetics Portfolios Trust (each, a "Master Portfolio", and together the "Master Portfolios"), a separately registered investment company. The Master Portfolio, in turn, invests in securities. With this type of organization, expenses can accrue specifically to the Master Portfolio or the Feeder Fund or both. The Adviser for the Master Portfolios has directed a certain amount of the Master Portfolio's trades to brokers believed to provide the best execution and, as a result, the Master Portfolios have generated direct brokerage credits to reduce certain service provider fees. Each Feeder Fund records its proportionate share of the Master Portfolio's expenses, including directed brokerage credits, on a daily basis. Any expense reductions include Feeder Fund-specific expenses as well as the expenses allocated from the Master Portfolio.

The Feeder Funds will charge shareholder fees for outgoing wire transfers, returned checks, and exchanges executed by telephone between the Feeder Fund and any other series of Kinetics Mutual Funds, Inc. The Feeder Funds' transfer agent charges a \$5.00 transaction fee to shareholder accounts for telephone exchanges between any two series of Kinetics Mutual Funds, Inc. The Feeder Funds' transfer agent does not charge a transaction fee for written exchange requests. IRA accounts are assessed a \$15.00 annual fee. Finally, as a disincentive to market-timing transactions, the Feeder Funds will assess a 2.00% fee on the redemption or exchange of Fund shares held for less than 30 days. These fees will be paid to the Feeder Funds to help offset transaction costs. The Feeder Funds reserve the right to waive the redemption fee, subject

Expense Example — *(Continued)*

June 30, 2011 (Unaudited)

to their sole discretion, in instances deemed not to be disadvantageous to the Feeder Funds or shareholders as described in the Funds' prospectus.

You may use the information provided in the first line, together with the amounts you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The third and fourth line items of the table below provide information about hypothetical account values and hypothetical expenses before and after expense reimbursements based on the Feeder Funds' actual expense ratio and an assumed rate of return of 5% per year before expenses, which are not the Feeder Funds' actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses one paid for the period. You may use this information to compare the ongoing costs of investing in the Feeder Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight one's ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help one determine the relative total costs of owning different funds. In if these transactional costs were included, one's costs would have been higher.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — (Continued)

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
The Internet Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,110.10	1.94%	\$10.15
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,110.10	1.89%	\$ 9.89
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,015.18	1.94%	\$ 9.69
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,108.70	2.19%	\$11.45
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,108.70	2.14%	\$11.19
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,013.94	2.19%	\$10.94
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,014.19	2.14%	\$10.69
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,105.90	2.69%	\$14.05
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,105.90	2.64%	\$13.78
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.46	2.69%	\$13.42
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,011.71	2.64%	\$13.17
The Global Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$ 980.70	3.88%	\$19.05
No Load Class Actual — after expense reimbursement	\$1,000.00	\$ 980.70	1.39%	\$ 6.83
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,005.56	3.88%	\$19.29
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.91	1.39%	\$ 6.95
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$ 978.60	4.13%	\$20.26
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$ 978.60	1.64%	\$ 8.05
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,004.32	4.13%	\$20.52
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$ 976.30	4.63%	\$22.69
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$ 976.30	2.14%	\$10.49

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — (Continued)

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,001.84	4.63%	\$22.98
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,014.19	2.14%	\$10.69
The Paradigm Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,014.60	1.77%	\$ 8.84
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,014.60	1.64%	\$ 8.19
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,016.02	1.77%	\$ 8.85
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,013.50	2.02%	\$10.08
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,013.50	1.89%	\$ 9.44
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,014.78	2.02%	\$10.09
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,011.20	2.52%	\$12.57
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,011.20	2.39%	\$11.92
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,012.30	2.52%	\$12.57
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,012.95	2.39%	\$11.93
Institutional Actual — before expense reimbursement	\$1,000.00	\$1,015.50	1.72%	\$ 8.60
Institutional Actual — after expense reimbursement	\$1,000.00	\$1,015.50	1.44%	\$ 7.20
Institutional Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,016.27	1.72%	\$ 8.60
Institutional Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.66	1.44%	\$ 7.20
The Medical Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,158.10	1.98%	\$10.59
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,158.10	1.39%	\$ 7.44
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,014.98	1.98%	\$ 9.89
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.91	1.39%	\$ 6.95

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — (Continued)

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,155.80	2.23%	\$11.92
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,155.80	1.64%	\$ 8.77
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,013.74	2.23%	\$11.13
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,153.40	2.73%	\$14.58
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,153.40	2.14%	\$11.43
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.26	2.73%	\$13.61
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,014.19	2.14%	\$10.69
The Small Cap Opportunities Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$ 993.60	1.89%	\$ 9.34
No Load Class Actual — after expense reimbursement	\$1,000.00	\$ 993.60	1.64%	\$ 8.11
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$ 992.60	2.14%	\$10.57
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$ 992.60	1.89%	\$ 9.34
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,014.19	2.14%	\$10.69
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$ 989.90	2.64%	\$13.03
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$ 989.90	2.39%	\$11.79
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.71	2.64%	\$13.17
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,012.95	2.39%	\$11.93
Institutional Actual — before expense reimbursement	\$1,000.00	\$ 994.50	1.84%	\$ 9.10
Institutional Actual — after expense reimbursement	\$1,000.00	\$ 994.50	1.44%	\$ 7.12
Institutional Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,015.68	1.84%	\$ 9.20

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — (Continued)

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
Institutional Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.66	1.44%	\$ 7.20
The Market Opportunities Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,029.70	1.93%	\$ 9.71
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,029.70	1.64%	\$ 8.25
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,015.23	1.93%	\$ 9.64
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,028.90	2.18%	\$10.97
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,028.90	1.89%	\$ 9.51
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,013.99	2.18%	\$10.89
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,026.50	2.68%	\$13.47
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,026.50	2.39%	\$12.01
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.51	2.68%	\$13.37
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,012.95	2.39%	\$11.93
Institutional Actual — before expense reimbursement	\$1,000.00	\$1,030.50	1.88%	\$ 9.46
Institutional Actual — after expense reimbursement	\$1,000.00	\$1,030.50	1.44%	\$ 7.25
Institutional Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,015.48	1.88%	\$ 9.39
Institutional Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.66	1.44%	\$ 7.20
The Water Infrastructure Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,025.10	2.26%	\$11.35
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,025.10	1.64%	\$ 8.23
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,013.59	2.26%	\$11.28
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,016.67	1.64%	\$ 8.20
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,024.00	2.51%	\$12.60

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — *(Continued)*

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,024.00	1.89%	\$ 9.48
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,012.35	2.51%	\$12.52
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,015.43	1.89%	\$ 9.44
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,021.80	3.01%	\$15.09
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,021.80	2.39%	\$11.98
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,009.87	3.01%	\$15.00
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,012.95	2.39%	\$11.93
Institutional Actual — before expense reimbursement	\$1,000.00	\$1,029.70	2.21%	\$11.12
Institutional Actual — after expense reimbursement	\$1,000.00	\$1,029.70	1.44%	\$ 7.25
Institutional Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,013.84	2.21%	\$11.04
Institutional Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.66	1.44%	\$ 7.20
The Multi-Disciplinary Fund				
No Load Class Actual — before expense reimbursement	\$1,000.00	\$1,064.90	2.68%	\$13.72
No Load Class Actual — after expense reimbursement	\$1,000.00	\$1,064.90	1.49%	\$ 7.63
No Load Class Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.51	2.68%	\$13.37
No Load Class Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,017.41	1.49%	\$ 7.45
Advisor Class A Actual — before expense reimbursement	\$1,000.00	\$1,063.30	2.93%	\$14.99
Advisor Class A Actual — after expense reimbursement	\$1,000.00	\$1,063.30	1.74%	\$ 8.90
Advisor Class A Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,010.27	2.93%	\$14.60
Advisor Class A Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,016.17	1.74%	\$ 8.70
Advisor Class C Actual — before expense reimbursement	\$1,000.00	\$1,061.40	3.43%	\$17.53
Advisor Class C Actual — after expense reimbursement	\$1,000.00	\$1,061.40	2.24%	\$11.45
Advisor Class C Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,007.79	3.43%	\$17.08
Advisor Class C Hypothetical (5% return before expenses) — after expense reimbursement	\$1,000.00	\$1,013.69	2.24%	\$11.18

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Expense Example — (Continued)

June 30, 2011 (Unaudited)

	Beginning Account Value (1/1/11)	Ending Account Value (6/30/11)	Annualized Expense Ratio	Expenses Paid During Period* (1/1/11 to 6/30/11)
Institutional Actual — before expense reimbursement	\$1,000.00	\$1,065.60	2.63%	\$13.47
Institutional Actual — after expense reimbursement	\$1,000.00	\$1,065.60	1.29%	\$ 6.61
Institutional Hypothetical (5% return before expenses) — before expense reimbursement . . .	\$1,000.00	\$1,011.76	2.63%	\$13.12
Institutional Hypothetical (5% return before expenses) — after expense reimbursement . . .	\$1,000.00	\$1,018.40	1.29%	\$ 6.46

Note: Each Feeder Fund records its proportionate share of the respective Master Portfolio's expenses, including directed brokerage credits, on a daily basis. Any expense reduction includes Feeder Fund-specific expenses as well as the expenses allocated for the Master Portfolio.

** Expenses are equal to the Feeder Fund's annualized expense ratio before expense reimbursement and after expense reimbursement multiplied by the average account value over the period, multiplied by 181/365.*

Statements of Assets & Liabilities

June 30, 2011 (Unaudited)

	The Internet Fund	The Global Fund
ASSETS:		
Investments in the Master Portfolio, at value*	\$123,526,025	\$ 5,162,639
Receivable from Adviser	29,160	9,384
Receivable for Master Portfolio interest sold	8,416	712
Receivable for Fund shares sold	16,363	—
Prepaid expenses and other assets	24,377	22,523
Total Assets	<u>123,604,341</u>	<u>5,195,258</u>
LIABILITIES:		
Payable to Directors and Officers	1,769	82
Payable for Fund shares repurchased	24,779	712
Payable for shareholder servicing fees	24,471	1,050
Payable for distribution fees	386	165
Accrued expenses and other liabilities	74,048	12,390
Total Liabilities	<u>125,453</u>	<u>14,399</u>
Net Assets	<u>\$123,478,888</u>	<u>\$ 5,180,859</u>
NET ASSETS CONSIST OF:		
Paid in capital	\$ 88,140,955	\$ 6,048,673
Accumulated net investment income (loss)	(642,832)	17,823
Accumulated net realized loss on investments and foreign currency	(6,609,109)	(1,049,222)
Net unrealized appreciation on:		
Investments and foreign currency	<u>42,589,874</u>	<u>163,585</u>
Net Assets	<u>\$123,478,888</u>	<u>\$ 5,180,859</u>
CALCULATION OF NET ASSET VALUE PER SHARE — NO LOAD CLASS:		
Net Assets	\$122,044,725	\$ 4,405,853
Shares outstanding	2,951,202	962,170
Net asset value per share (offering price and redemption price)	<u>\$ 41.35</u>	<u>\$ 4.58</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS A:		
Net Assets	\$ 1,328,391	\$ 693,218
Shares outstanding	32,650	151,324
Net asset value per share (redemption price)	<u>\$ 40.69</u>	<u>\$ 4.58</u>
Offering price per share (\$40.69 divided by .9425 and \$4.58 divided by .9425)	<u>\$ 43.17</u>	<u>\$ 4.86</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS C:		
Net Assets	\$ 105,772	\$ 81,788
Shares outstanding	2,672	18,041
Net asset value per share (offering price and redemption price)	<u>\$ 39.59</u>	<u>\$ 4.53</u>

* Each Feeder Fund invests all or generally all its assets directly in the corresponding Master Portfolio. The financial statements for the Master Portfolios, along with the portfolio of investments in securities, are contained elsewhere in this report and should be read in conjunction with the Feeder Fund's financial statements.

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Paradigm Fund	The Medical Fund
ASSETS:		
Investments in the Master Portfolio, at value*	\$1,151,940,358	\$34,567,786
Receivable from Adviser	160,049	18,426
Receivable for Master Portfolio interest sold	1,270,451	5,446
Receivable for Fund shares sold	1,166,481	427
Prepaid expenses and other assets	59,689	19,179
Total Assets	<u>1,154,597,028</u>	<u>34,611,264</u>
LIABILITIES:		
Payable to Directors and Officers	17,566	453
Payable for Fund shares repurchased	2,436,931	5,873
Payable for shareholder servicing fees	208,177	6,995
Payable for distribution fees	178,720	1,588
Accrued expenses and other liabilities	351,133	20,406
Total Liabilities	<u>3,192,527</u>	<u>35,315</u>
Net Assets	<u>\$1,151,404,501</u>	<u>\$34,575,949</u>
NET ASSETS CONSIST OF:		
Paid in capital	\$1,882,901,458	\$29,915,220
Accumulated net investment income (loss)	(11,588,879)	233,551
Accumulated net realized gain (loss) on investments and foreign currency	(873,196,955)	41,189
Net unrealized appreciation on: Investments and foreign currency	153,288,877	4,385,989
Net Assets	<u>\$1,151,404,501</u>	<u>\$34,575,949</u>
CALCULATION OF NET ASSET VALUE PER SHARE — NO LOAD CLASS:		
Net Assets	\$ 643,144,640	\$29,310,131
Shares outstanding	27,193,713	1,299,213
Net asset value per share (offering price and redemption price)	<u>\$ 23.65</u>	<u>\$ 22.56</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS A:		
Net Assets	\$ 206,340,573	\$ 4,452,225
Shares outstanding	8,873,167	202,045
Net asset value per share (redemption price)	<u>\$ 23.25</u>	<u>\$ 22.04</u>
Offering price per share (\$23.25 divided by .9425 and \$22.04 divided by .9425)	<u>\$ 24.67</u>	<u>\$ 23.38</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS C:		
Net Assets	\$ 141,622,281	\$ 813,593
Shares outstanding	6,295,304	37,315
Net asset value per share (offering price and redemption price)	<u>\$ 22.50</u>	<u>\$ 21.80</u>
CALCULATION OF NET ASSET VALUE PER SHARE — INSTITUTIONAL CLASS:		
Net Assets	\$ 160,297,007	N/A
Shares outstanding	6,791,291	N/A
Net asset value per share (offering price and redemption price)	<u>\$ 23.60</u>	<u>N/A</u>

* Each Feeder Fund invests all or generally all its assets directly in the corresponding Master Portfolio. The financial statements for the Master Portfolios, along with the portfolio of investments in securities, are contained elsewhere in this report and should be read in conjunction with the Feeder Fund's financial statements.

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Small Cap Opportunities Fund	The Market Opportunities Fund
ASSETS:		
Investments in the Master Portfolio, at value*	\$ 113,011,821	\$ 50,237,072
Receivable from Adviser	17,802	18,467
Receivable for Master Portfolio interest sold	201,757	48,392
Receivable for Fund shares sold	45,628	5,657
Prepaid expenses and other assets	30,291	30,473
Total Assets	<u>113,307,299</u>	<u>50,340,061</u>
LIABILITIES:		
Payable to Directors and Officers	1,901	774
Payable for Fund shares repurchased	247,385	54,050
Payable for shareholder servicing fees	22,008	10,139
Payable for distribution fees	5,002	5,399
Accrued expenses and other liabilities	58,231	22,164
Total Liabilities	<u>334,527</u>	<u>92,526</u>
Net Assets	<u>\$ 112,972,772</u>	<u>\$ 50,247,535</u>
NET ASSETS CONSIST OF:		
Paid in capital	\$ 273,040,102	\$ 78,299,405
Accumulated net investment loss	(1,195,940)	(2,114,256)
Accumulated net realized loss on investments and foreign currency	(175,416,114)	(34,157,832)
Net unrealized appreciation on:		
Investments and foreign currency	16,544,724	8,220,218
Net Assets	<u>\$ 112,972,772</u>	<u>\$ 50,247,535</u>
CALCULATION OF NET ASSET VALUE PER SHARE — NO LOAD CLASS:		
Net Assets	\$ 93,059,912	\$ 34,808,966
Shares outstanding	4,016,703	2,950,529
Net asset value per share (offering price and redemption price)	<u>\$ 23.17</u>	<u>\$ 11.80</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS A:		
Net Assets	\$ 9,709,776	\$ 10,028,184
Shares outstanding	425,736	852,966
Net asset value per share (redemption price)	<u>\$ 22.81</u>	<u>\$ 11.76</u>
Offering price per share (\$22.81 divided by .9425 and \$11.76 divided by .9425)	<u>\$ 24.20</u>	<u>\$ 12.48</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS C:		
Net Assets	\$ 3,053,907	\$ 5,234,161
Shares outstanding	136,039	451,402
Net asset value per share (offering price and redemption price)	<u>\$ 22.45</u>	<u>\$ 11.60</u>
CALCULATION OF NET ASSET VALUE PER SHARE — INSTITUTIONAL CLASS:		
Net Assets	\$ 7,149,177	\$ 176,224
Shares outstanding	306,553	14,893
Net asset value per share (offering price and redemption price)	<u>\$ 23.32</u>	<u>\$ 11.83</u>

* Each Feeder Fund invests all or generally all its assets directly in the corresponding Master Portfolio. The financial statements for the Master Portfolios, along with the portfolio of investments in securities, are contained elsewhere in this report and should be read in conjunction with the Feeder Fund's financial statements.

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Water Infrastructure Fund	The Multi- Disciplinary Fund
ASSETS:		
Investments in the Master Portfolio, at value*	\$18,283,848	\$16,989,872
Receivable from Adviser	10,875	7,902
Receivable for Master Portfolio interest sold	80,353	—
Receivable for Fund shares sold	100	576,459
Prepaid expenses and other assets	38,065	26,239
Total Assets	<u>18,413,241</u>	<u>17,600,472</u>
LIABILITIES:		
Payable for Master Portfolio interest purchased	—	576,459
Payable to Directors and Officers	286	119
Payable for Fund shares repurchased	80,453	—
Payable for shareholder servicing fees	3,554	2,401
Payable for distribution fees	3,505	681
Accrued expenses and other liabilities	19,445	13,163
Total Liabilities	<u>107,243</u>	<u>592,823</u>
Net Assets	<u>\$18,305,998</u>	<u>\$17,007,649</u>
NET ASSETS CONSIST OF:		
Paid in capital	\$26,081,146	\$16,501,250
Accumulated net investment income (loss)	43,544	(21,581)
Accumulated net realized gain (loss) on investments, foreign currency and written option contracts	(8,274,690)	169,577
Net unrealized appreciation on:		
Investments and foreign currency	79,164	119,067
Written option contracts	376,834	239,336
Net Assets	<u>\$18,305,998</u>	<u>\$17,007,649</u>
CALCULATION OF NET ASSET VALUE PER SHARE — NO LOAD CLASS:		
Net Assets	\$ 6,903,112	\$10,840,793
Shares outstanding	803,350	989,003
Net asset value per share (offering price and redemption price)	<u>\$ 8.59</u>	<u>\$ 10.96</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS A:		
Net Assets	\$ 7,367,990	\$ 1,204,724
Shares outstanding	861,627	110,275
Net asset value per share (redemption price)	<u>\$ 8.55</u>	<u>\$ 10.92</u>
Offering price per share (\$8.55 divided by .9425 and \$10.92 divided by .9425)	<u>\$ 9.07</u>	<u>\$ 11.59</u>
CALCULATION OF NET ASSET VALUE PER SHARE — ADVISOR CLASS C:		
Net Assets	\$ 2,796,627	\$ 1,065,848
Shares outstanding	331,770	98,069
Net asset value per share (offering price and redemption price)	<u>\$ 8.43</u>	<u>\$ 10.87</u>
CALCULATION OF NET ASSET VALUE PER SHARE — INSTITUTIONAL CLASS:		
Net Assets	\$ 1,238,269	\$ 3,896,284
Shares outstanding	142,893	354,422
Net asset value per share (offering price and redemption price)	<u>\$ 8.67</u>	<u>\$ 10.99</u>

* Each Feeder Fund invests all or generally all its assets directly in the corresponding Master Portfolio. The financial statements for the Master Portfolios, along with the portfolio of investments in securities, are contained elsewhere in this report and should be read in conjunction with the Feeder Fund's financial statements.

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Operations

For the Six Months Ended June 30, 2011 (Unaudited)

	The Internet Fund	The Global Fund
INVESTMENT INCOME (LOSS) ALLOCATED FROM MASTER PORTFOLIOS:		
PORTFOLIOS:		
Dividendst	\$ 380,323	\$ 79,145
Interest	3	—
Income from securities lending	67,519	498
Expenses allocated from Master Portfolio	<u>(842,575)</u>	<u>(58,507)</u>
Net investment income (loss) from Master Portfolio	<u>(394,730)</u>	<u>21,136</u>
EXPENSES:		
Distribution fees — Advisor Class A	1,772	880
Distribution fees — Advisor Class C	607	240
Shareholder servicing fees — Advisor Class A	1,772	880
Shareholder servicing fees — Advisor Class C	202	80
Shareholder servicing fees — No Load Class	149,137	5,748
Transfer agent fees and expenses	83,829	9,816
Reports to shareholders	35,961	1,778
Administration fees	21,693	965
Professional fees	6,167	4,332
Directors' and Officers' fees and expenses	4,652	201
Registration fees	23,578	21,559
Fund accounting fees	3,052	134
Other expenses	<u>2,282</u>	<u>111</u>
Total expenses	334,704	46,724
Less, expense reimbursement	<u>(32,502)</u>	<u>(66,812)</u>
Net expenses	<u>302,202</u>	<u>(20,088)</u>
Net investment income (loss)	<u>(696,932)</u>	<u>41,224</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS ALLOCATED FROM MASTER PORTFOLIOS:		
Net realized gain on:		
Investments and foreign currency	17,169,857	251,528
Net change in unrealized depreciation of:		
Investments and foreign currency	<u>(3,982,488)</u>	<u>(403,974)</u>
Net gain (loss) on investments	<u>13,187,369</u>	<u>(152,446)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$12,490,437</u>	<u>\$(111,222)</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 9,288</u>	<u>\$ 10,097</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Paradigm Fund	The Medical Fund
INVESTMENT INCOME ALLOCATED FROM MASTER PORTFOLIOS:		
Dividendst	\$ 7,520,240	\$ 415,564
Interest	183,241	—
Income from securities lending	958,149	18,756
Expenses allocated from Master Portfolio	<u>(8,188,844)</u>	<u>(218,836)</u>
Net investment income from Master Portfolio	<u>472,786</u>	<u>215,484</u>
EXPENSES:		
Distribution fees — Advisor Class A	275,038	5,342
Distribution fees — Advisor Class C	558,042	2,762
Shareholder servicing fees — Advisor Class A	275,038	5,342
Shareholder servicing fees — Advisor Class C	186,014	920
Shareholder servicing fees — No Load Class	842,424	33,455
Shareholder servicing fees — Institutional Class	151,609	—
Transfer agent fees and expenses	328,282	15,831
Reports to shareholders	151,642	6,041
Administration fees	216,507	5,611
Professional fees	68,491	3,437
Directors' and Officers' fees and expenses	45,057	1,166
Registration fees	40,580	22,351
Fund accounting fees	30,870	784
Other expenses	<u>25,007</u>	<u>593</u>
Total expenses	3,194,601	103,635
Less, expense waiver for Institutional Class shareholder servicing fees	(113,707)	—
Less, expense reimbursement	<u>(794,269)</u>	<u>(93,538)</u>
Net expenses	<u>2,286,625</u>	<u>10,097</u>
Net investment income (loss)	<u>(1,813,839)</u>	<u>205,387</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS ALLOCATED FROM MASTER PORTFOLIOS:		
Net realized gain on:		
Investments and foreign currency	148,163,527	719,065
Realized gain distributions received from other investment companies	7,906	—
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	<u>(128,317,821)</u>	<u>3,703,533</u>
Net gain on investments	<u>19,853,612</u>	<u>4,422,598</u>
Net increase in net assets resulting from operations	<u>\$ 18,039,773</u>	<u>\$4,627,985</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 403,895</u>	<u>\$ 28,647</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Small Cap Opportunities Fund	The Market Opportunities Fund
INVESTMENT INCOME ALLOCATED FROM MASTER PORTFOLIOS:		
Dividendst	\$ 924,187	\$ 451,104
Interest	1	18
Income from securities lending	38,822	18,203
Expenses allocated from Master Portfolio	<u>(916,200)</u>	<u>(381,525)</u>
Net investment income from Master Portfolio	<u>46,810</u>	<u>87,800</u>
EXPENSES:		
Distribution fees — Advisor Class A	13,300	14,422
Distribution fees — Advisor Class C	12,222	20,429
Shareholder servicing fees — Advisor Class A	13,300	14,422
Shareholder servicing fees — Advisor Class C	4,074	6,810
Shareholder servicing fees — No Load Class	132,324	44,781
Shareholder servicing fees — Institutional Class	8,637	193
Transfer agent fees and expenses	44,676	18,052
Reports to shareholders	23,258	3,442
Administration fees	23,784	9,631
Professional fees	6,033	3,992
Directors' and Officers' fees and expenses	4,909	2,032
Registration fees	29,189	25,308
Fund accounting fees	3,360	1,345
Other expenses	<u>3,236</u>	<u>1,176</u>
Total expenses	322,302	166,035
Less, expense waiver for Institutional Class shareholder servicing fees	(6,478)	(145)
Less, expense reimbursement	<u>(162,289)</u>	<u>(78,130)</u>
Net expenses	<u>153,535</u>	<u>87,760</u>
Net investment income (loss)	<u>(106,725)</u>	<u>40</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS ALLOCATED FROM MASTER PORTFOLIOS:		
Net realized gain on:		
Investments and foreign currency	13,502,912	657,234
Realized gain distributions received from other investment companies	—	3,214
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	<u>(14,030,589)</u>	<u>986,832</u>
Net gain (loss) on investments	<u>(527,677)</u>	<u>1,647,280</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (634,402)</u>	<u>\$1,647,320</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 53,967</u>	<u>\$ 27,503</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Water Infrastructure Fund	The Multi- Disciplinary Fund
INVESTMENT INCOME ALLOCATED FROM MASTER PORTFOLIOS:		
Dividendst	\$ 24,787	\$ —
Interest	229,642	332,159
Income from securities lending	2,119	214
Expenses allocated from Master Portfolio	<u>(135,972)</u>	<u>(72,970)</u>
Net investment income from Master Portfolio	<u>120,576</u>	<u>259,403</u>
EXPENSES:		
Distribution fees — Advisor Class A	10,125	570
Distribution fees — Advisor Class C	10,643	2,121
Shareholder servicing fees — Advisor Class A	10,125	570
Shareholder servicing fees — Advisor Class C	3,548	707
Shareholder servicing fees — No Load Class	8,688	8,804
Shareholder servicing fees — Institutional Class	1,710	1,521
Transfer agent fees and expenses	13,530	10,835
Reports to shareholders	10,276	249
Administration fees	3,462	1,541
Professional fees	4,699	2,418
Directors' and Officers' fees and expenses	747	321
Registration fees	27,670	27,658
Fund accounting fees	490	230
Other expenses	<u>472</u>	<u>70</u>
Total expenses	106,185	57,615
Less, expense waiver for Institutional Class shareholder servicing fees	(1,283)	(1,141)
Less, expense reimbursement	<u>(61,110)</u>	<u>(56,865)</u>
Net expenses	<u>43,792</u>	<u>(391)</u>
Net investment income	<u>76,784</u>	<u>259,794</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS ALLOCATED FROM MASTER PORTFOLIOS:		
Net realized gain (loss) on:		
Investments and foreign currency	(382,276)	(8,036)
Written option contracts expired or closed	1,524,227	174,616
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	58,437	49,842
Written option contracts	<u>(786,607)</u>	<u>73,209</u>
Net gain on investments	<u>413,781</u>	<u>289,631</u>
Net increase in net assets resulting from operations	<u>\$ 490,565</u>	<u>\$549,425</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 2,110</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets

	The Internet Fund		The Global Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income (loss)	\$ (696,932)	\$ (913,022)	\$ 41,224	\$ 24,135
Net realized gain on sale of investments and foreign currency	17,169,857	3,608,256	251,528	621,170
Net change in unrealized appreciation (depreciation) of investments, foreign currency and written options	<u>(3,982,488)</u>	<u>18,103,348</u>	<u>(403,974)</u>	<u>246,651</u>
Net increase (decrease) in net assets resulting from operations	<u>12,490,437</u>	<u>20,798,582</u>	<u>(111,222)</u>	<u>891,956</u>
DISTRIBUTIONS TO SHAREHOLDERS — NO LOAD CLASS:				
Net investment income:	—	—	—	(43,877)
Total distributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>(43,877)</u>
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS A:				
Net investment income:	—	—	—	(5,645)
Total distributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,645)</u>
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS C:				
Net investment income:	—	—	—	(303)
Total distributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>(303)</u>
CAPITAL SHARE TRANSACTIONS — NO LOAD CLASS:				
Proceeds from shares sold	4,684,348	3,021,151	654,755	1,128,676
Redemption fees	404	170	61	102
Proceeds from shares issued to holders in reinvestment of dividends	—	—	—	43,193
Cost of shares redeemed	<u>(8,045,978)</u>	<u>(15,163,154)</u>	<u>(694,739)</u>	<u>(1,733,680)</u>
Net decrease in net assets resulting from capital share transactions	<u>(3,361,226)</u>	<u>(12,141,833)</u>	<u>(39,923)</u>	<u>(561,709)</u>
CAPITAL SHARE TRANSACTIONS — ADVISOR CLASS A:				
Proceeds from shares sold	218,094	1,362,470	11,000	289,022
Redemption fees	165	16	—	14
Proceeds from shares issued to holders in reinvestment of dividends	—	—	—	1,741
Cost of shares redeemed	<u>(929,252)</u>	<u>(412,504)</u>	<u>(9,855)</u>	<u>(50,310)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(710,993)</u>	<u>949,982</u>	<u>1,145</u>	<u>240,467</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Internet Fund		The Global Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CAPITAL SHARE TRANSACTIONS —				
ADVISOR CLASS C:				
Proceeds from shares sold	\$ 20,495	\$ 43,167	\$ 29,647	\$ 24,258
Redemption fees	—	—	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	—	—	303
Cost of shares redeemed	(133,615)	—	(11,298)	(6,489)
Net increase (decrease) in net assets resulting from capital share transactions	(113,120)	43,167	18,349	18,072
TOTAL INCREASE (DECREASE) IN NET ASSETS:	8,305,098	9,649,898	(131,651)	538,961
NET ASSETS:				
Beginning of period	115,173,790	105,523,892	5,312,510	4,773,549
End of period*	<u>\$123,478,888</u>	<u>\$115,173,790</u>	<u>\$5,180,859</u>	<u>\$ 5,312,510</u>
*Including undistributed net investment income (loss) of:	\$ (642,832)	\$ 54,100	\$ 17,823	\$ (23,401)
CHANGES IN SHARES OUTSTANDING —				
NO LOAD CLASS:				
Shares sold	115,130	92,334	139,608	281,577
Shares issued in reinvestments of dividends and distributions	—	—	—	9,289
Shares redeemed	(199,802)	(461,380)	(149,177)	(433,433)
Net decrease in shares outstanding	(84,672)	(369,046)	(9,569)	(142,567)
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS A:				
Shares sold	5,334	39,616	2,368	69,249
Shares issued in reinvestments of dividends and distributions	—	—	—	373
Shares redeemed	(24,255)	(12,363)	(2,139)	(12,056)
Net increase (decrease) in shares outstanding	(18,921)	27,253	229	57,566
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS C:				
Shares sold	526	1,472	6,599	6,225
Shares issued in reinvestments of dividends and distributions	—	—	—	65
Shares redeemed	(3,340)	—	(2,376)	(1,651)
Net increase (decrease) in shares outstanding	(2,814)	1,472	4,223	4,639

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Paradigm Fund		The Medical Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income (loss)	\$ (1,813,839)	\$ 5,338,769	\$ 205,387	\$ 155,037
Net realized gain (loss) on sale of investments and foreign currency and distributions received from other investment companies	148,171,433	(106,442,949)	719,065	(220,195)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(128,317,821)	278,030,932	3,703,533	1,376,200
Net increase in net assets resulting from operations	18,039,773	176,926,752	4,627,985	1,311,042
DISTRIBUTIONS TO SHAREHOLDERS — NO LOAD CLASS:				
Net investment income:	—	(10,863,592)	—	(141,862)
Total distributions	—	(10,863,592)	—	(141,862)
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS A:				
Net investment income:	—	(3,108,298)	—	(12,747)
Total distributions	—	(3,108,298)	—	(12,747)
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS C:				
Net investment income:	—	(1,760,303)	—	(688)
Total distributions	—	(1,760,303)	—	(688)
DISTRIBUTIONS TO SHAREHOLDERS — INSTITUTIONAL CLASS:				
Net investment income:	—	(2,558,528)	N/A	N/A
Total distributions	—	(2,558,528)	N/A	N/A
CAPITAL SHARE TRANSACTIONS — NO LOAD CLASS:				
Proceeds from shares sold	53,534,611	102,887,659	2,834,259	10,282,693
Redemption fees	5,432	13,160	334	132
Proceeds from shares issued to holders in reinvestment of dividends	—	10,197,239	—	140,271
Cost of shares redeemed	(108,276,924)	(340,164,186)	(3,210,155)	(6,758,118)
Net increase (decrease) in net assets resulting from capital share transactions	(54,736,881)	(227,066,128)	(375,562)	3,664,978
CAPITAL SHARE TRANSACTIONS — ADVISOR CLASS A:				
Proceeds from shares sold	12,938,327	26,261,163	430,245	1,196,355
Redemption fees	1,816	4,893	—	177
Proceeds from shares issued to holders in reinvestment of dividends	—	2,635,918	—	7,167
Cost of shares redeemed	(36,313,974)	(85,179,916)	(798,749)	(1,492,863)
Net decrease in net assets resulting from capital share transactions	(23,373,831)	(56,277,942)	(368,504)	(289,164)

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Paradigm Fund		The Medical Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CAPITAL SHARE TRANSACTIONS —				
ADVISOR CLASS C:				
Proceeds from shares sold	\$ 4,763,585	\$ 8,298,564	\$ 46,630	\$ 356,622
Redemption fees	120	712	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	1,536,819	—	441
Cost of shares redeemed	<u>(17,529,578)</u>	<u>(47,196,534)</u>	<u>(30,578)</u>	<u>(139,626)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(12,765,873)</u>	<u>(37,360,439)</u>	<u>16,052</u>	<u>217,437</u>
CAPITAL SHARE TRANSACTIONS —				
INSTITUTIONAL CLASS:				
Proceeds from shares sold	30,564,544	49,106,216	N/A	N/A
Redemption fees	544	541	N/A	N/A
Proceeds from shares issued to holders in reinvestment of dividends	—	2,167,870	N/A	N/A
Cost of shares redeemed	<u>(14,475,430)</u>	<u>(53,388,379)</u>	<u>N/A</u>	<u>N/A</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>16,089,658</u>	<u>(2,113,752)</u>	<u>N/A</u>	<u>N/A</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS:	<u>(56,747,154)</u>	<u>(164,182,230)</u>	<u>3,899,971</u>	<u>4,748,996</u>
NET ASSETS:				
Beginning of period	<u>1,208,151,655</u>	<u>1,372,333,885</u>	<u>30,675,978</u>	<u>25,926,982</u>
End of period*.	<u>\$1,151,404,501</u>	<u>\$1,208,151,655</u>	<u>\$34,575,949</u>	<u>\$30,675,978</u>
*Including undistributed net investment income (loss) of:	\$ (11,588,879)	\$ (9,775,040)	\$ 233,551	\$ 28,164
CHANGES IN SHARES OUTSTANDING —				
NO LOAD CLASS:				
Shares sold	2,233,260	4,985,324	135,476	545,733
Shares issued in reinvestments of dividends and distributions	—	439,158	—	7,182
Shares redeemed	<u>(4,517,678)</u>	<u>(16,845,311)</u>	<u>(159,195)</u>	<u>(355,336)</u>
Net increase (decrease) in shares outstanding	<u>(2,284,418)</u>	<u>(11,420,829)</u>	<u>(23,719)</u>	<u>197,579</u>
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS A:				
Shares sold	548,573	1,278,667	21,237	64,338
Shares issued in reinvestments of dividends and distributions	—	115,297	—	375
Shares redeemed	<u>(1,535,583)</u>	<u>(4,218,313)</u>	<u>(39,965)</u>	<u>(80,705)</u>
Net decrease in shares outstanding	<u>(987,010)</u>	<u>(2,824,349)</u>	<u>(18,728)</u>	<u>(15,992)</u>
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS C:				
Shares sold	206,065	417,554	2,268	19,193
Shares issued in reinvestments of dividends and distributions	—	69,320	—	23
Shares redeemed	<u>(766,494)</u>	<u>(2,404,604)</u>	<u>(1,566)</u>	<u>(7,443)</u>
Net increase (decrease) in shares outstanding	<u>(560,429)</u>	<u>(1,917,730)</u>	<u>702</u>	<u>11,773</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Paradigm Fund		The Medical Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CHANGES IN SHARES OUTSTANDING —				
INSTITUTIONAL CLASS:				
Shares sold	1,277,388	2,381,963	N/A	N/A
Shares issued in reinvestments of dividends and distributions	—	93,604	N/A	N/A
Shares redeemed	(605,367)	(2,583,750)	N/A	N/A
Net increase (decrease) in shares outstanding	<u>672,021</u>	<u>(108,183)</u>	<u>N/A</u>	<u>N/A</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Small Cap Opportunities Fund		The Market Opportunities Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income (loss)	\$ (106,725)	\$ (359,966)	\$ 40	\$ 121,463
Net realized gain (loss) on sale of investments and foreign currency and distributions received from other investment companies	13,502,912	(588,589)	660,448	(336,643)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(14,030,589)	20,471,453	986,832	6,167,781
Net increase (decrease) in net assets resulting from operations	(634,402)	19,522,898	1,647,320	5,952,601
DISTRIBUTIONS TO SHAREHOLDERS —				
NO LOAD CLASS:				
Net investment income:	—	(2,187,430)	—	(1,939,475)
Total distributions	—	(2,187,430)	—	(1,939,475)
DISTRIBUTIONS TO SHAREHOLDERS —				
ADVISOR CLASS A:				
Net investment income:	—	(165,531)	—	(677,980)
Total distributions	—	(165,531)	—	(677,980)
DISTRIBUTIONS TO SHAREHOLDERS —				
ADVISOR CLASS C:				
Net investment income:	—	(35,675)	—	(243,526)
Total distributions	—	(35,675)	—	(243,526)
DISTRIBUTIONS TO SHAREHOLDERS —				
INSTITUTIONAL CLASS:				
Net investment income:	—	(163,727)	—	(11,629)
Total distributions	—	(163,727)	—	(11,629)
CAPITAL SHARE TRANSACTIONS —				
NO LOAD CLASS:				
Proceeds from shares sold	1,419,902	14,985,968	318,578	2,555,924
Redemption fees	99	3,294	10	309
Proceeds from shares issued to holders in reinvestment of dividends	—	2,097,736	—	1,892,329
Cost of shares redeemed	(38,128,679)	(62,304,199)	(5,154,230)	(9,242,637)
Net decrease in net assets resulting from capital share transactions	(36,708,678)	(45,217,201)	(4,835,642)	(4,794,075)
CAPITAL SHARE TRANSACTIONS —				
ADVISOR CLASS A:				
Proceeds from shares sold	552,683	2,116,520	192,570	2,148,005
Redemption fees	—	717	30	4,256
Proceeds from shares issued to holders in reinvestment of dividends	—	132,990	—	533,060
Cost of shares redeemed	(2,284,309)	(6,197,572)	(4,746,380)	(7,979,700)
Net decrease in net assets resulting from capital share transactions	(1,731,626)	(3,947,345)	(4,553,780)	(5,294,379)

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Small Cap Opportunities Fund		The Market Opportunities Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CAPITAL SHARE TRANSACTIONS —				
ADVISOR CLASS C:				
Proceeds from shares sold	\$ 49,106	\$ 411,674	\$ 116,197	\$ 594,179
Redemption fees	—	—	—	2,058
Proceeds from shares issued to holders in reinvestment of dividends	—	21,022	—	208,569
Cost of shares redeemed	(415,649)	(1,792,550)	(596,255)	(1,567,544)
Net decrease in net assets resulting from capital share transactions	(366,543)	(1,359,854)	(480,058)	(762,738)
CAPITAL SHARE TRANSACTIONS —				
INSTITUTIONAL CLASS:				
Proceeds from shares sold	530,840	1,069,997	—	193,362
Redemption fees	—	14	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	111,423	—	603
Cost of shares redeemed	(3,162,881)	(12,224,759)	(41,035)	(11,602)
Net increase (decrease) in net assets resulting from capital share transactions	(2,632,041)	(11,043,325)	(41,035)	182,363
TOTAL DECREASE IN NET ASSETS:	(42,073,290)	(44,597,190)	(8,263,195)	(7,588,838)
NET ASSETS:				
Beginning of period	155,046,062	199,643,252	58,510,730	66,099,568
End of period*	\$112,972,772	\$155,046,062	\$50,247,535	\$58,510,730
*Including undistributed net investment loss of:	\$ (1,195,940)	\$ (1,089,215)	\$ (2,114,256)	\$ (2,114,296)
CHANGES IN SHARES OUTSTANDING —				
NO LOAD CLASS:				
Shares sold	60,466	663,539	26,682	234,324
Shares issued in reinvestments of dividends and distributions	—	90,071	—	165,414
Shares redeemed	(1,630,827)	(2,905,365)	(442,361)	(841,037)
Net decrease in shares outstanding	(1,570,361)	(2,151,755)	(415,679)	(441,299)
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS A:				
Shares sold	23,882	103,386	16,530	192,473
Shares issued in reinvestments of dividends and distributions	—	5,792	—	46,719
Shares redeemed	(98,922)	(302,155)	(403,032)	(736,967)
Net decrease in shares outstanding	(75,040)	(192,977)	(386,502)	(497,775)
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS C:				
Shares sold	2,134	19,435	9,951	54,608
Shares issued in reinvestments of dividends and distributions	—	928	—	18,490
Shares redeemed	(18,247)	(87,406)	(51,336)	(146,542)
Net decrease in shares outstanding	(16,113)	(67,043)	(41,385)	(73,444)

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Small Cap Opportunities Fund		The Market Opportunities Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CHANGES IN SHARES OUTSTANDING —				
INSTITUTIONAL CLASS:				
Shares sold	22,552	49,716	—	17,668
Shares issued in reinvestments of dividends and distributions	—	4,757	—	53
Shares redeemed	(134,278)	(580,939)	(3,566)	(1,020)
Net increase (decrease) in shares outstanding	<u>(111,726)</u>	<u>(526,466)</u>	<u>(3,566)</u>	<u>16,701</u>

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Water Infrastructure Fund		The Multi-Disciplinary Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income	\$ 76,784	\$ 181,587	\$ 259,794	\$ 76,552
Net realized gain (loss) on sale of investments, foreign currency and written options contracts expired or closed	1,141,951	(2,474,817)	166,580	102,161
Net change in unrealized appreciation (depreciation) of investments, foreign currency and written options	(728,170)	806,181	123,051	151,265
Net increase (decrease) in net assets resulting from operations	490,565	(1,487,049)	549,425	329,978
DISTRIBUTIONS TO SHAREHOLDERS — NO LOAD CLASS:				
Net investment income:	—	(60,253)	(173,448)	(75,832)
Net realized gains	—	—	—	(97,584)
Total distributions	—	(60,253)	(173,448)	(173,416)
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS A:				
Net investment income:	—	(56,524)	(17,045)	(7,026)
Net realized gains	—	—	—	(9,873)
Total distributions	—	(56,524)	(17,045)	(16,899)
DISTRIBUTIONS TO SHAREHOLDERS — ADVISOR CLASS C:				
Net investment income:	—	(3,967)	(15,494)	(3,169)
Net realized gains	—	—	—	(3,569)
Total distributions	—	(3,967)	(15,494)	(6,738)
DISTRIBUTIONS TO SHAREHOLDERS — INSTITUTIONAL CLASS:				
Net investment income:	—	(44,989)	(62,535)	(4,248)
Net realized gains	—	—	—	(3,925)
Total distributions	—	(44,989)	(62,535)	(8,173)
CAPITAL SHARE TRANSACTIONS — NO LOAD CLASS:				
Proceeds from shares sold	715,400	3,810,415	7,332,782	2,878,206
Redemption fees	24	101	1,870	51
Proceeds from shares issued to holders in reinvestment of dividends	—	54,002	91,290	122,312
Cost of shares redeemed	(991,103)	(3,555,293)	(307,265)	(554,675)
Net increase (decrease) in net assets resulting from capital share transactions	(275,679)	309,225	7,118,677	2,445,894
CAPITAL SHARE TRANSACTIONS — ADVISOR CLASS A:				
Proceeds from shares sold	734,186	6,375,421	869,761	309,589
Redemption fees	457	1,662	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	50,605	16,618	16,899
Cost of shares redeemed	(3,670,630)	(5,936,700)	(53,339)	(79,254)
Net increase (decrease) in net assets resulting from capital share transactions	(2,935,987)	490,988	833,040	247,234

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Water Infrastructure Fund		The Multi-Disciplinary Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CAPITAL SHARE TRANSACTIONS —				
ADVISOR CLASS C:				
Proceeds from shares sold	\$ 606,296	\$ 1,279,796	\$ 912,118	\$ 15,000
Redemption fees	—	—	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	2,625	15,144	6,667
Cost of shares redeemed	(712,021)	(943,226)	—	(5,570)
Net increase (decrease) in net assets resulting from capital share transactions	(105,725)	339,195	927,262	16,097
CAPITAL SHARE TRANSACTIONS —				
INSTITUTIONAL CLASS:				
Proceeds from shares sold	458,982	3,936,264	3,676,400	26,000
Redemption fees	2,793	278	—	—
Proceeds from shares issued to holders in reinvestment of dividends	—	1,972	60,477	8,173
Cost of shares redeemed	(3,452,913)	(2,421,527)	(4,750)	—
Net increase (decrease) in net assets resulting from capital share transactions	(2,991,138)	1,516,987	3,732,127	34,173
TOTAL INCREASE (DECREASE) IN NET				
ASSETS:				
Beginning of period	24,123,962	23,120,349	4,115,640	1,247,490
End of period*	\$18,305,998	\$24,123,962	\$17,007,649	\$4,115,640
*Including undistributed net investment income (loss) of:	\$ 43,544	\$ (33,240)	\$ (21,581)	\$ (12,853)
CHANGES IN SHARES OUTSTANDING —				
NO LOAD CLASS:				
Shares sold	83,815	448,551	675,358	278,898
Shares issued in reinvestments of dividends and distributions	—	6,441	8,371	11,816
Shares redeemed	(115,744)	(429,862)	(28,137)	(52,420)
Net increase (decrease) in shares outstanding	(31,929)	25,130	655,592	238,294
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS A:				
Shares sold	85,342	752,587	79,502	29,903
Shares issued in reinvestments of dividends and distributions	—	6,068	1,530	1,635
Shares redeemed	(433,116)	(721,854)	(4,850)	(7,901)
Net increase (decrease) in shares outstanding	(347,774)	36,801	76,182	23,637

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Statements of Changes in Net Assets — (Continued)

	The Water Infrastructure Fund		The Multi-Disciplinary Fund	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
CHANGES IN SHARES OUTSTANDING —				
ADVISOR CLASS C:				
Shares sold	72,303	151,009	84,360	1,486
Shares issued in reinvestments of dividends and distributions	—	318	1,400	650
Shares redeemed	(84,602)	(117,149)	—	(538)
Net increase (decrease) in shares outstanding	(12,299)	34,178	85,760	1,598
CHANGES IN SHARES OUTSTANDING —				
INSTITUTIONAL CLASS:				
Shares sold	53,734	470,451	335,756	2,512
Shares issued in reinvestments of dividends and distributions	—	234	5,531	790
Shares redeemed	(407,423)	(300,650)	(429)	—
Net increase (decrease) in shares outstanding	(353,689)	170,035	340,858	3,302

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2011 (Unaudited)

1. Organization

Kinetics Mutual Funds, Inc. (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and is incorporated in the State of Maryland. The Company is an open-end management investment company issuing its shares in series. One billion shares are authorized for the Company with a par value of \$0.001 per share. The series of the Company presently authorized are The Internet Fund (“Internet”), The Global Fund (“Global”), The Paradigm Fund (“Paradigm”), The Medical Fund (“Medical”), The Small Cap Opportunities Fund (“Small Cap”), The Market Opportunities Fund (“Market Opportunities”), The Water Infrastructure Fund (“Water Infrastructure”), and The Multi-Disciplinary Fund (“Multi-Disciplinary”). Investment operations of the Company began on October 21, 1996 (Internet), September 30, 1999 (Medical), December 31, 1999 (Global and Paradigm), March 20, 2000 (Small Cap), January 31, 2006 (Market Opportunities), June 29, 2007 (Water Infrastructure), and February 11, 2008 (Multi-Disciplinary). Each series, unlike many other investment companies which directly acquire and manage their own portfolios of securities, seeks to achieve its investment objective by investing all of its investable assets in a corresponding portfolio series (each a “Master Portfolio” and collectively the “Master Portfolios”) of Kinetics Portfolios Trust (the “Trust”).

On April 28, 2000 (January 31, 2006 with respect to Market Opportunities, June 29, 2007 with respect to Water Infrastructure, and February 11, 2008 with respect to Multi-Disciplinary), each series in the Company entered into a master-feeder fund structure. By entering into this structure, each series (each a “Feeder Fund” and collectively, the “Feeder Funds”) invested all of its assets in a corresponding Master Portfolio which had the same investment objective as the Feeder Fund. Each Master Portfolio has multiple feeder funds. Each Feeder Fund receives a proportionate amount of interest in the Master Portfolio equal to its relative contribution of capital. Thus, each Feeder Fund is allocated its portion of income, gains (losses) and expenses from the Master Portfolio.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Each Feeder Fund's respective interest in the corresponding Master Portfolio as of June 30, 2011 is as follows:

	Interest in Master Portfolio
Internet Fund	99.989%
Global Fund	99.886%
Paradigm Fund	96.983%
Medical Fund	99.947%
Small Cap Fund	99.978%
Market Opportunities Fund	99.978%
Water Infrastructure Fund	99.439%
Multi-Disciplinary Fund	99.286%

Prior to the conversion to a master-feeder fund structure on April 28, 2000, each then existing series conducted its own investment operations.

As of June 30, 2011 each of the Feeder Funds offers Advisor Class A shares. Advisor Class A shares are subject to an annual Rule 12b-1 fee of 0.25% of average daily net assets and a shareholder servicing fee of 0.25% of average daily net assets. The Advisor Class A shares are also subject to a front-end sales charge of 5.75%.

As of June 30, 2011, each of the Feeder Funds offers Advisor Class C shares. Advisor Class C shares are subject to an annual Rule 12b-1 fee of 0.75% of average daily net assets and a shareholder servicing fee of 0.25% of average daily net assets. Advisor Class C shares do not have a sales charge.

As of June 30, 2011, each of the Feeder Funds offers No Load Class shares. No Load Class shares are subject to a shareholder servicing fee of 0.25% of average daily net assets but do not have 12b-1 fees or a sales charge.

As of June 30, 2011 the Paradigm, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary Funds offer Institutional Class shares. Institutional Class shares are subject to a shareholder servicing fee of 0.20% of average daily net assets but do not have 12b-1 fees or a sales charge.

Each class of shares for each Fund has identical rights and privileges except with respect to the Rule 12b-1 fees paid by the Advisor Class A and Advisor Class C shares, the sales charge on the Advisor Class A shares, the shareholder servicing fees paid by the Advisor Class A, Advisor Class C, No Load Class and Institutional Class shares, voting rights on matters pertaining to a single class of shares and the exchange privileges of each class of shares. Shares of each Feeder Fund will assess a 2.00% redemption fee (with exceptions) on shares redeemed or exchanged within 30 days of purchase. Income, expenses (other than expenses attributable to a specific class), and realized and

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

unrealized gains or losses on investments are allocated to each class based on its relative net assets.

Refer to the Master Portfolio's financial statements to obtain information about the investment objective of the corresponding Feeder Fund. The financial statements of the Master Portfolios, including the portfolios of investments, are contained elsewhere in this report and should be read in conjunction with the Feeder Funds' financial statements.

2. Significant Accounting Policies

Security Valuation

Master Portfolio securities that are listed on a U.S. securities exchange for which market quotations are readily available are valued at the last quoted sale price on the day the valuation is made. Price information on listed securities is taken from the exchange where the security is primarily traded. All equity securities that are traded using the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") are valued using the NASDAQ Official Closing Price ("NOCP"). Foreign securities are valued by an independent pricing service. In the event market quotations are not readily available or if events occur that may materially affect the value of a particular security between the time trading ends on a particular security and the close of regular trading on the New York Stock Exchange ("NYSE"), "fair value" will be determined. Purchased non-exchange traded options, futures, unlisted U.S. securities and listed U.S. securities not traded on the valuation date for which market quotations are readily available are valued at the last bid price. Exchange traded options are valued at the last reported sale price on an exchange on which the option is traded. If no sales are reported on a particular day, the mean between the highest bid and the lowest asked quotations at the close of the exchanges will be used. Fixed-income securities (other than obligations having a maturity of 60 days or less) are normally valued on the basis of quotes obtained from pricing services, which take into account appropriate factors such as institutional-sized trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data.

Instruments with remaining maturities of 60 days or less are valued at amortized cost, which approximates fair value. Other assets and securities for which no quotations are readily available (including restricted securities) are valued in good faith at fair value using methods determined by the Board of Trustees of the Master Portfolios. At June 30, 2011, 1.53%, 0.00%, 0.00%,

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

and 0.00% of the net assets of the Internet Portfolio, Paradigm Portfolio, Medical Portfolio, and Small Cap Opportunities Portfolio, respectively, were fair valued securities. The other Master Portfolios did not hold any fair valued securities at June 30, 2011.

Repurchase Agreements

Each Master Portfolio may enter into repurchase agreements with banks that are members of the Federal Reserve System or securities dealers who are members of a national securities exchange or are primary dealers in U.S. Government Securities. In connection with transactions in repurchase agreements, it is the Trust's policy that the Master Portfolio receive, as collateral, securities whose market value, including accrued interest, at all times will be at least equal to 100% of the amount invested by the Master Portfolio in each repurchase agreement. If the seller defaults and the value of the collateral declines, realization of the collateral by the Master Portfolio may be delayed or limited.

Written Option Accounting

The Master Portfolios may write (sell) call or put options for trading or hedging purposes. When the Master Portfolio writes an option, an amount equal to the premium received by the Master Portfolio is included in the Statement of Assets and Liabilities as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current value of the option written. By writing the option, the Master Portfolio may become obligated during the term of the option to deliver or purchase the securities underlying the option at the exercise price if the option is exercised. When an option expires on its stipulated expiration date or the Master Portfolio enters into a closing purchase transaction, the Master Portfolio realizes a gain or loss if the cost of the closing transaction differs from the premium received when the option was sold, without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is eliminated. When an option is exercised, the premium originally received decreases the cost basis of the underlying security (or increases the proceeds on the security sold short) and the Master Portfolio realizes a gain or loss from the sale of the security (or closing of the short sale). As collateral for uncovered written options, the Master Portfolio is required under the 1940 Act to maintain assets consisting of cash, cash equivalents or liquid securities. This collateral is required to be adjusted daily to reflect the exercise price of the purchase obligation for put options or the market value of the instrument underlying the contract for call options.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Foreign Currency Translations

The books and records of the Master Portfolios are maintained in U.S. dollars. For the Master Portfolios, foreign currency transactions are translated into U.S. dollars on the following basis: (i) market values of investment securities and other assets and liabilities are translated at the exchange rate of such currencies against the U.S. dollar, as provided by an approved pricing service, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. The Master Portfolios do not isolate and treat as ordinary income that portion of the results of operations arising as a result of changes in the exchange rate from the fluctuations arising from changes in the market prices of securities held during the period. However, for federal income tax purposes, the Master Portfolios do isolate and treat as ordinary income the effect of changes in foreign exchange rates arising from actual foreign currency transactions and the effect of changes in foreign exchange rates arising between trade date and settlement date.

Restricted and Illiquid Securities

The Master Portfolios may invest in restricted securities. These securities are valued by the Master Portfolios after giving due consideration to pertinent factors including recent private sales, market conditions and the issuer's financial performance. The Master Portfolios have no right to require registration of unregistered securities. At June 30, 2011 the following Master Portfolio held securities restricted to institutional shares (144A securities):

	<u>Market Value</u>	<u>Percentage of Net Assets</u>
The Multi-Disciplinary Portfolio	\$1,133,065	6.62%

An illiquid asset is any asset which may not be sold or disposed of in the ordinary course of business within seven days at approximately the value at which the Master Portfolio has valued the investment. At June 30, 2011, the following Master Portfolios held illiquid securities:

	<u>Market Value</u>	<u>Percentage of Net Assets</u>
The Internet Portfolio	\$1,891,145	1.53%
The Paradigm Portfolio	\$ 10	0.00%
The Medical Portfolio	\$ 0	0.00%
The Small Cap Portfolio	\$ 3	0.00%

When-Issued Securities

The Master Portfolios may purchase securities on a when-issued or delayed delivery basis. Although the purchase amounts of these securities are

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

established at the time the purchaser enters into the agreement, these securities may be delivered and paid for at a future date. The Master Portfolios record purchases of when-issued securities and reflect the values of such securities in determining net asset value in the same manner as other portfolio securities. The Master Portfolios maintain at all times cash or other liquid assets in an amount at least equal to the amount of outstanding commitments for when-issued securities.

Securities Lending

Each Master Portfolio may lend its portfolio securities to broker-dealers by entering directly into lending arrangements with such broker-dealers or indirectly through repurchase agreements with respect to no more than 33 $\frac{1}{3}$ % of the total assets of each Master Portfolio (including any collateral posted) or 50% of the total assets of each Master Portfolio (excluding any collateral posted). Securities lending and repurchase transactions will be fully collateralized at all times with cash and/or short-term debt obligations. The Master Portfolios receive interest on the collateral received as well as a fee for the securities loaned.

Expense Allocation

Common expenses incurred by Feeder Funds are allocated among the Feeder Funds (i) based upon relative average net assets, (ii) as incurred on a specific identification basis, or (iii) equally among the Feeder Funds, depending on the nature of the expenditure.

Each Feeder Fund records its proportionate share of the corresponding Master Portfolio's expenses on a daily basis. In addition, each Feeder Fund accrues its own separate expenses. Any cap on expenses includes Feeder Fund-specific expenses as well as the expenses allocated from the Master Portfolio.

Federal Income Taxes

Each Master Portfolio will be treated as a partnership for federal income tax purposes. As such, each investor in the Master Portfolio via its investment in a Feeder Fund will be subject to taxation on its share of the Master Portfolio's ordinary income and capital gains. It is intended that the Master Portfolio's assets will be managed so an investor in the Master Portfolio via its investment in a Feeder Fund can satisfy the requirements of subchapter M of the Internal Revenue Code.

It is the Feeder Funds' policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and the Feeder Funds intend to distribute investment company net taxable income and net capital gains to shareholders. Therefore, no federal income tax provision is recorded.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Dividends from net investment income and distributions of net realized capital gains, if any, will be declared and paid at least annually. The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expenses and gain items for financial statement and tax purposes. Additionally, the Feeder Funds may utilize earnings and profits distributed to shareholders on redemption of shares as part of the dividends paid deduction for income tax purposes. Where appropriate, reclassifications between capital accounts are made for such differences that are permanent in nature.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. As of December 31, 2010, open tax years include the tax years ended December 31, 2007 through 2010. The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next six months.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Other

Realized gains and losses on the sale of investments are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recognized on the accrual basis. Other noncash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Company's understanding of the applicable country's tax rules and rates.

3. Investment Adviser

Effective May 1, 2011, Kinetics Asset Management LLC, Kinetics Advisers, LLC, Horizon Asset Management, LLC, together with various affiliates, became wholly-owned subsidiaries of a newly-formed entity, Horizon Kinetics LLC. The Trust has entered into Investment Advisory Agreements (the "Agreements") with Kinetics Asset Management LLC (the "Adviser"), with whom certain officers and trustees of the Trust are affiliated, to furnish investment advisory services to the Master Portfolios. Under the terms of the Agreements, the

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Master Portfolios compensate the Adviser for its management services at the annual rate of 1.25% of each Master Portfolio's average daily net assets.

The Adviser has voluntarily agreed to waive a portion of its advisory fee and/or reimburse certain operating expenses as deemed appropriate. The Adviser may discontinue the voluntary waiver/reimbursement at any time; these waivers/reimbursements are not subject to recapture.

For the six months ended June 30, 2011, the rate earned by the Adviser from the Master Portfolios and the waived fees/reimbursed expenses for the Feeder Funds are as follows:

	The Internet Fund	The Global Fund
Annual Advisory Rate	1.25%	1.25%
Expenses Reimbursed by Adviser through voluntary waiver	\$ 32,502	\$66,812
Expenses Reimbursed by Adviser through institutional class shareholder servicing fee waiver	\$ —	\$ —
	The Paradigm Fund	The Medical Fund
Annual Advisory Rate	1.25%	1.25%
Expenses Reimbursed by Adviser through voluntary waiver	\$794,269	\$93,538
Expenses Reimbursed by Adviser through institutional class shareholder servicing fee waiver	\$113,707	\$ —
	The Small Cap Opportunities Fund	The Market Opportunities Fund
Annual Advisory Rate	1.25%	1.25%
Expenses Reimbursed by Adviser through voluntary waiver	\$162,289	\$78,130
Expenses Reimbursed by Adviser through institutional class shareholder servicing fee waiver	\$ 6,478	\$ 145
	The Water Infrastructure Fund	The Multi- Disciplinary Fund
Annual Advisory Rate	1.25%	1.25%
Expenses Reimbursed by Adviser through voluntary waiver	\$ 61,110	\$56,865
Expenses Reimbursed by Adviser through institutional class shareholder servicing fee waiver	\$ 1,283	\$ 1,141

The Adviser receives a shareholder servicing fee from the No Load Class, Advisor Class A and Advisor Class C shares of a Feeder Fund pursuant to a Shareholder Servicing Agreement in the amount equal to 0.25% of the Feeder Fund's average daily net assets attributable to No Load Class, Advisor Class A and Advisor Class C shares, respectively. For the Institutional Class, the

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Adviser receives a shareholder servicing fee pursuant to a shareholder servicing agreement in the amount equal to 0.20% of a Feeder Fund's average daily net assets attributable to Institutional Class shares. At this time, the Adviser has contractually agreed to waive and/or reimburse the portion of the Institutional Class shareholder servicing fee in excess of 0.05% of a Feeder Fund's average daily net assets attributable to Institutional Class shares until at least May 1, 2012. For the six months ended June 30, 2011, the Adviser waived amounts depicted in the above table in shareholder servicing fees for the Institutional Class of Paradigm, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary. The Adviser is responsible for paying a portion of these shareholder servicing fees to various agents that have a written shareholder servicing agreement with the Adviser and that perform shareholder servicing functions and maintenance of shareholder accounts on behalf of their clients who own shares of the Feeder Funds.

For the six months ended June 30, 2011, the Feeder Funds were allocated \$12,000 for the services of the Chief Compliance Officer employed by the Adviser.

The Company, on behalf of the Feeder Funds, has adopted two Retail Distribution Plans pursuant to Rule 12b-1 under the 1940 Act (the "12b-1 Plans"). One Plan is for Advisor Class A shares, while the other Plan is for Advisor Class C shares. Under the first Plan, Advisor Class A shares may pay up to an annual rate of 0.50% of the average daily net asset value of Advisor Class A shares to the Distributor or other qualified recipients under the Plan. During the six months ended June 30, 2011, payments under the 12b-1 Plan for the Advisor Class A shares of the Internet, Global, Paradigm, Medical, Small Cap, Market Opportunities, Water, and Multi-Disciplinary were limited to 0.25% of the average daily net asset value of such shares of such Funds. During the six months ended June 30, 2011, the Advisor Class A shares of the Internet, Global, Paradigm, Medical, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary Funds incurred expenses of \$1,772, \$880, \$275,038, \$5,342, \$13,300, \$14,422, \$10,125 and \$570, respectively, pursuant to the 12b-1 Plan. Under the second Plan, Advisor Class C shares pay an annual rate of 0.75% of the average daily net asset value of such shares. During the six months ended June 30, 2011, Internet, Global, Paradigm, Medical, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary Funds Advisor Class C Shares incurred expenses of \$607, \$240, \$558,042, \$2,762, \$12,222, \$20,429, \$10,643 and \$2,121, respectively, pursuant to the 12b-1 Plan.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Kinetics Funds Distributor, LLC (the “Distributor”) acts as the Funds’ principal underwriter in a continuous public offering of the Funds’ shares. The Distributor is an affiliate of the Adviser. For the six months ended June 30, 2011, the Distributor received \$288, \$0, \$14,094, \$984, \$849, \$149, \$2,335 and \$3,047 from sales loads from the Internet, Global, Paradigm, Medical, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary.

4. Reclassification of Capital Accounts

Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2010, each Fund recorded the following reclassifications to the accounts listed below:

	INCREASE/(DECREASE)		
	Paid-In-Capital	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)
The Internet Fund	\$(138,451,652)	\$1,879,268	\$136,572,384
The Global Fund	(2,025,608)	10,610	2,014,998
The Paradigm Fund	(3,181)	689,542	(686,361)
The Medical Fund	—	(1,189)	1,189
The Small Cap Opportunities Fund	—	953,052	(953,052)
The Market Opportunities Fund	(78,705)	579,584	(500,879)
The Water Infrastructure Fund	(4,029)	(52,338)	56,367
The Multi-Disciplinary Fund	(53)	165	(112)

5. Income Taxes

At December 31, 2010 Internet, Global, Paradigm, Medical, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary had \$0, \$30,374, \$8,405,276, \$28,164, \$1,730,963, \$0, \$0, and \$4,312, respectively, of undistributed net investment income on a tax basis.

At December 31, 2010 none of the Feeder Funds had accumulated gains on a tax basis.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

At December 31, 2010, the Feeder Funds had accumulated net realized capital loss carryforwards expiring in the following years:

<u>Fund</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2011</u>
Internet	\$ —	\$ —	\$ —	\$ —	\$16,077,777	\$6,777,871	\$ —
Global	—	408,711	—	—	—	4,885	887,154
Paradigm	115,811,157	445,505,345	417,659,386	—	—	—	—
Medical	406,228	116,113	—	—	—	—	—
Small Cap.	8,371,154	96,486,615	78,193,634	—	—	—	—
Market Opportunities	2,108,533	6,623,055	25,221,869	40,803	21	—	—
Water Infrastructure	2,203,647	4,868,599	2,008,692	—	—	—	—
Multi-Disciplinary	—	—	—	—	—	—	—

To the extent that the Feeder Funds realize future net capital gains, those gains will be offset by any unused capital loss carryforwards. For the year ended December 31, 2010, Internet and Global utilized \$2,812,299 and \$609,896, respectively, of capital loss carryforwards.

At December 31, 2010, the following Feeder Funds deferred, on a tax basis, post-October losses and straddle losses of:

<u>Fund</u>	<u>Post-October Losses</u>	<u>Post-October Currency Losses</u>
Internet	\$ —	\$ 5,825
Global	—	2,005
Paradigm	—	40,806
Medical	—	—
Small Cap	—	810
Market Opportunities	100,268	—
Water Infrastructure	262,091	11,042
Multi-Disciplinary	1,228	169

The tax components of dividends paid during the years ended December 31, 2010 and December 31, 2009, are:

	<u>Internet</u>		<u>Global</u>	
	<u>Ordinary Income Distribution</u>	<u>Long-Term Capital Gains Distribution</u>	<u>Ordinary Income Distribution</u>	<u>Long-Term Capital Gains Distribution</u>
2010	\$ —	\$ —	\$49,825	\$ —
2009	\$128,367	\$ —	\$20,989	\$ —

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

	Paradigm		Medical	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2010	\$18,290,721	\$ —	\$155,297	\$ —
2009	\$ 9,279,988	\$ —	\$232,701	\$ —
	Small Cap Opportunities		Market Opportunities	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2010.....	\$2,552,363	\$ —	\$2,872,610	\$ —
2009.....	\$ —	\$ —	\$ 33,049	\$ —
	Water Infrastructure		Multi-Disciplinary	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2010.....	\$165,733	\$ —	\$196,148	\$9,078
2009.....	\$ 9,099	\$ —	\$ 29,079	\$ —

6. New Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements” in GAAP and the International Financial Reporting Standards (“IFRSs”). ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact the update will have on its financial statement disclosures.

7. Subsequent Events

In preparing these financial statements, management has evaluated Fund related events and transactions for potential recognition or disclosure through the date the financial statements were issued. There were no events or translations that occurred during the period that materially impacted the amounts or disclosures in the Funds’ financial statements.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

8. Tax Information

The Regulated Investment Company Modernization Act of 2010 (the “Act”) was enacted on December 22, 2010. The Act makes changes to several tax rules impacting the Funds. In general, the provisions of the Act will be effective for the Funds’ fiscal year ending December 31, 2011. Although the Act provides several benefits, including the unlimited carryover of future capital losses, there may be a greater likelihood that all or a portion of each Fund’s pre-enactment capital loss carryovers may expire without being utilized due to the fact that post-enactment capital losses get utilized before pre-enactment capital loss carryovers. Relevant information regarding the impact of the Act on the Funds, if any, will be contained within the “Income Taxes” section of the financial statement notes for the fiscal year ending December 31, 2011.

Global, Paradigm, Medical, Market Opportunities, and Water Infrastructure designate 100%, 100%, 100%, 33%, and 100%, respectively, of dividends declared after December 31, 2010 from net investment income as qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003. Global, Paradigm, Medical, Small Cap, Market Opportunities, Water Infrastructure, and Multi-Disciplinary hereby designate 100%, 100%, 100%, 100%, 100%, 100%, and 96%, respectively, as ordinary income distributions and 4% for Multi-Disciplinary Fund as long-term capital gain distributions for the purposes of the dividends paid deduction, which include earnings and profits distributed to shareholders on redemptions of Fund shares.

For corporate shareholders in the Funds, the percentage of ordinary dividend income distributed for the year ended December 31, 2010, which is designated as qualifying for the dividends-received deduction, is as follows: Global 1%, Paradigm 43%, Medical 100%, Market Opportunities 17%, and Water Infrastructure 82%.

Paradigm, Water Infrastructure, and Multi-Disciplinary designate 8%, 30%, and 47%, respectively, of their ordinary income distributions for the fiscal year ended December 31, 2010 as interest-related dividends under Internal Revenue Code Section 871(k)(l)(C).

Multi-Disciplinary designates 56% of its ordinary income distribution as a short-term capital gain distribution under Internal Revenue Code Section 871(k)(2)(C).

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

9. Information about Proxy Voting

Information regarding how Kinetics Mutual Funds, Inc. votes proxies relating to portfolio securities is available without charge, upon request by calling toll-free at 1-800-930-3828 or by accessing the Funds' website at www.kinetics-funds.com and by accessing the SEC's website at www.sec.gov. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent twelve month period ended June 30, is available without charge, upon request, by calling toll-free at 1-800-930-3828 or by accessing the SEC's website at www.sec.gov.

10. Information about the Portfolio Holdings

The Funds file their complete schedule of portfolio holdings for their first and third fiscal quarters with the SEC on Form N-Q. The Funds' Form N-Q is available without charge, upon request, by calling toll-free at 1-800-930-3828. Furthermore, you can obtain the Form N-Q on the SEC's website at www.sec.gov. Finally, the Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Financial Highlights

The Internet Fund

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
--	---	---	---	---	---	---

PER SHARE DATA:⁽¹⁾

Net Asset Value						
Beginning of Period	\$ 37.25	\$ 30.74	\$ 20.71	\$ 35.94	\$ 28.62	\$ 24.66
Income from Investment Operations:						
Net investment income (loss) ⁽²⁾	(0.23)	(0.28)	(0.14)	0.29	0.30	(0.08)
Net realized and unrealized gain (loss) on investments	4.33	6.79	10.21	(15.47)	7.37	4.15
Total from investment operations	4.10	6.51	10.07	(15.18)	7.67	4.07
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	—	(0.04)	(0.05)	(0.35)	(0.11)
From net realized gains	—	—	—	—	—	—
Total distributions	—	—	(0.04)	(0.05)	(0.35)	(0.11)
Net Asset Value, End of Period	\$ 41.35	\$ 37.25	\$ 30.74	\$ 20.71	\$ 35.94	\$ 28.62
Total return ⁽⁴⁾	11.01% ⁽⁵⁾	21.18%	48.61%	(42.24)%	26.81%	16.50%

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$122,045	\$113,085	\$104,666	\$75,112	\$166,787	\$137,012
Ratio of operating expenses to average net assets:						
Before expense reimbursement	1.94% ⁽⁶⁾	1.95%	1.98%	2.03%	1.99%	1.98%
After expense reimbursement ⁽⁷⁾	1.89% ⁽⁶⁾	1.89%	1.89%	1.90%	1.98%	1.85%
Ratio of net investment income (loss) to average net assets:						
Before expense reimbursement	(1.20)% ⁽⁶⁾	(0.91)%	(0.64)%	0.90%	0.94%	(0.42)%
After expense reimbursement ⁽⁷⁾	(1.15)% ⁽⁶⁾	(0.85)%	(0.55)%	1.03%	0.95%	(0.29)%
Portfolio turnover rate ⁽⁸⁾	21%	12%	14%	19%	15%	11%

- (1) Information presented relates to a share of capital stock outstanding for each period.
(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
(3) Amount calculated is less than \$0.005.
(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
(5) Not annualized.
(6) Annualized.
(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
(8) Portfolio turnover of The Internet Portfolio.

The accompanying notes are an integral part of these financial statements.

The Internet Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
<u>\$36.69</u>	<u>\$30.35</u>	<u>\$20.50</u>	<u>\$ 35.66</u>	<u>\$28.24</u>	<u>\$24.40</u>
(0.27)	(0.36)	(0.21)	0.22	0.23	(0.14)
<u>4.27</u>	<u>6.70</u>	<u>10.09</u>	<u>(15.33)</u>	<u>7.49</u>	<u>4.09</u>
<u>4.00</u>	<u>6.34</u>	<u>9.88</u>	<u>(15.11)</u>	<u>7.72</u>	<u>3.95</u>
0.00 ⁽³⁾	0.00 ⁽³⁾	0.01	0.00 ⁽³⁾	—	—
—	—	(0.04)	(0.05)	0.30	(0.11)
—	—	—	—	—	—
—	—	(0.04)	(0.05)	0.30	(0.11)
<u>\$40.69</u>	<u>\$36.69</u>	<u>\$30.35</u>	<u>\$ 20.50</u>	<u>\$35.66</u>	<u>\$28.24</u>
10.87% ⁽⁵⁾	20.89%	48.23%	(42.37)%	27.35%	16.18%
\$1,328	\$1,892	\$ 738	\$ 318	\$ 637	\$ 235
2.19% ⁽⁶⁾	2.20%	2.23%	2.28%	2.24%	2.23%
2.14% ⁽⁶⁾	2.14%	2.14%	2.15%	2.23%	2.10%
(1.45)% ⁽⁶⁾	(1.16)%	(0.89)%	0.65%	0.70%	(0.67)%
(1.40)% ⁽⁶⁾	(1.10)%	(0.80)%	0.78%	0.71%	(0.54)%
21%	12%	14%	19%	15%	11%

The accompanying notes are an integral part of these financial statements.

Financial Highlights — (Continued)**The Internet Fund**

Advisor Class C

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	February 16, 2007 through December 31, 2007
PER SHARE DATA:⁽¹⁾					
Net Asset Value					
Beginning of Period	\$35.79	\$29.76	\$20.20	\$ 35.31	\$28.66
Income from Investment Operations:					
Net investment income (loss) ⁽²⁾	(0.36)	(0.51)	(0.31)	0.08	0.07
Net realized and unrealized gain (loss) on investments	4.16	6.54	9.91	(15.15)	6.87
Total from investment operations	3.80	6.03	9.60	(15.07)	6.94
Redemption Fees	—	—	—	—	0.00 ⁽³⁾
Less Distributions:					
From net investment income	—	—	(0.04)	(0.04)	(0.29)
From net realized gains	—	—	—	—	—
Total distributions	—	—	(0.04)	(0.04)	(0.29)
Net Asset Value, End of Period	\$39.59	\$35.79	\$29.76	\$ 20.20	\$35.31
Total return ⁽⁴⁾	10.59% ⁽⁵⁾	20.26%	47.51%	(42.67)%	24.22% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS					
Net assets, end of period (000's)	\$ 106	\$ 196	\$ 120	\$ 113	\$ 294
Ratio of operating expenses to average net assets:					
Before expense reimbursement	2.69% ⁽⁶⁾	2.70%	2.73%	2.78%	2.73% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	2.64% ⁽⁶⁾	2.64%	2.64%	2.65%	2.72% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:					
Before expense reimbursement	(1.95)% ⁽⁶⁾	(1.66)%	(1.39)%	0.15%	0.22% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	(1.90)% ⁽⁶⁾	(1.60)%	(1.30)%	0.28%	0.23% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	21%	12%	14%	19%	15%

^ Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Internet Portfolio.

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank)

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Global Fund

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 4.67	\$ 3.92	\$ 2.36	\$ 4.90	\$ 5.00	\$ 4.43
Income from Investment Operations:						
Net investment income (loss)	0.04 ⁽²⁾	0.02 ⁽²⁾	0.02 ⁽²⁾	0.07 ⁽²⁾	0.22	0.13
Net realized and unrealized gain (loss) on investments	(0.13)	0.78	1.55	(2.56)	(0.01)	0.62
Total from investment operations	(0.09)	0.80	1.57	(2.49)	0.21	0.75
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.01	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	(0.05)	(0.02)	(0.05)	(0.31)	(0.18)
From net realized gains	—	—	—	—	—	—
Total distributions	—	(0.05)	(0.02)	(0.05)	(0.31)	(0.18)
Net Asset Value, End of Period	\$ 4.58	\$ 4.67	\$ 3.92	\$ 2.36	\$ 4.90	\$ 5.00
Total return ⁽⁴⁾	(1.93)% ⁽⁵⁾	20.30%	66.86%	(50.72)%	4.27%	16.90%

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$4,406	\$4,541	\$4,370	\$ 1,863	\$3,138	\$3,991
Ratio of operating expenses to average net assets:						
Before expense reimbursement	3.88% ⁽⁶⁾	4.17%	5.32%	5.98%	3.84%	3.09%
After expense reimbursement ⁽⁷⁾	1.39% ⁽⁶⁾	1.39%	1.39%	1.41%	1.48%	1.39%
Ratio of net investment income (loss) to average net assets:						
Before expense reimbursement	(0.91)% ⁽⁶⁾	(2.26)%	(3.27)%	(2.72)%	1.87%	1.30%
After expense reimbursement ⁽⁷⁾	1.58% ⁽⁶⁾	0.52%	0.66%	1.85%	4.23%	3.00%
Portfolio turnover rate ⁽⁸⁾	57%	122%	53%	98%	22%	10%

[^] Commencement of operations.

- (1) Information presented relates to a share of capital stock outstanding for each period.
- (2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
- (3) Amount calculated is less than \$0.005.
- (4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
- (5) Not annualized.
- (6) Annualized.
- (7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
- (8) Portfolio turnover of The Global Portfolio.

The accompanying notes are an integral part of these financial statements.

The Global Fund

For the Six Months Ended June 30, 2011 (Unaudited)	Advisor Class A			Advisor Class C			
	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	May 19, 2008 ⁷ through December 31, 2008	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	May 19, 2008 ⁷ through December 31, 2008
<u>\$ 4.68</u>	<u>\$ 3.93</u>	<u>\$ 2.36</u>	<u>\$ 4.56</u>	<u>\$ 4.64</u>	<u>\$ 3.90</u>	<u>\$ 2.37</u>	<u>\$ 4.56</u>
0.03 ⁽²⁾	0.01 ⁽²⁾	0.01 ⁽²⁾	0.03 ⁽²⁾	0.02 ⁽²⁾	(0.01) ⁽²⁾	0.00 ⁽²⁾⁽³⁾	0.02 ⁽²⁾
<u>(0.13)</u>	<u>0.78</u>	<u>1.57</u>	<u>(2.18)</u>	<u>(0.13)</u>	<u>0.77</u>	<u>1.53</u>	<u>(2.17)</u>
<u>(0.10)</u>	<u>0.79</u>	<u>1.58</u>	<u>(2.15)</u>	<u>(0.11)</u>	<u>0.76</u>	<u>1.53</u>	<u>(2.15)</u>
—	0.00 ⁽³⁾	—	—	—	—	—	—
—	(0.04)	(0.01)	(0.05)	—	(0.02)	(0.00) ⁽³⁾	(0.04)
—	—	—	—	—	—	—	—
—	(0.04)	(0.01)	(0.05)	—	(0.02)	(0.00) ⁽³⁾	(0.04)
<u>\$ 4.58</u>	<u>\$ 4.68</u>	<u>\$ 3.93</u>	<u>\$ 2.36</u>	<u>\$ 4.53</u>	<u>\$ 4.64</u>	<u>\$ 3.90</u>	<u>\$ 2.37</u>
<u>(2.14)%⁽⁵⁾</u>	<u>20.04%</u>	<u>67.11%</u>	<u>(47.12)%⁽⁵⁾</u>	<u>(2.37)%⁽⁵⁾</u>	<u>19.24%</u>	<u>65.08%</u>	<u>(47.14)%⁽⁵⁾</u>
\$ 693	\$ 707	\$ 368	\$ 106	\$ 82	\$ 64	\$ 36	\$ 5
4.13% ⁽⁶⁾	4.42%	5.57%	8.28% ⁽⁶⁾	4.63% ⁽⁶⁾	4.92%	6.07%	8.78% ⁽⁶⁾
1.64% ⁽⁶⁾	1.64%	1.64%	1.65% ⁽⁶⁾	2.14% ⁽⁶⁾	2.14%	2.14%	2.15% ⁽⁶⁾
(1.16)% ⁽⁶⁾	(2.51)%	(3.52)%	(5.16)% ⁽⁶⁾	(1.66)% ⁽⁶⁾	(3.01)%	(4.02)%	(5.66)% ⁽⁶⁾
1.33% ⁽⁶⁾	0.27%	0.41%	1.47% ⁽⁶⁾	0.83% ⁽⁶⁾	(0.23)%	(0.09)%	0.97% ⁽⁶⁾
57%	122%	53%	98%	57%	122%	53%	98%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Paradigm Fund

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 23.31	\$ 20.18	\$ 14.42	\$ 30.99	\$ 25.79	\$ 20.33
Income from Investment Operations:						
Net investment income (loss) ⁽²⁾	(0.02)	0.11	0.15	0.12	0.11	0.14
Net realized and unrealized gain (loss) on investments	0.36	3.39	5.78	(16.62) ⁽⁹⁾	5.35	5.52
Total from investment operations	0.34	3.50	5.93	(16.50)	5.46	5.66
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.01	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	(0.37)	(0.17)	—	(0.13)	(0.16)
From net realized gains	—	—	—	(0.08)	(0.13)	(0.04)
Total distributions	—	(0.37)	(0.17)	(0.08)	(0.26)	(0.20)
Net Asset Value, End of Period	\$ 23.65	\$ 23.31	\$ 20.18	\$ 14.42	\$ 30.99	\$ 25.79
Total return ⁽⁴⁾	1.46% ⁽⁵⁾	17.37%	41.02%	(53.17)% ⁽⁹⁾	21.15%	27.81%

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$643,145	\$687,056	\$825,278	\$740,983	\$2,910,518	\$1,337,761
Ratio of operating expenses to average net assets:						
Before expense reimbursement	1.77% ⁽⁶⁾	1.76%	1.73%	1.72%	1.68%	1.79%
After expense reimbursement ⁽⁷⁾	1.64% ⁽⁶⁾	1.64%	1.64%	1.66%	1.68%	1.63%
Ratio of net investment income (loss) to average net assets:						
Before expense reimbursement	(0.32)% ⁽⁶⁾	0.43%	0.78%	0.46%	0.39%	0.44%
After expense reimbursement ⁽⁷⁾	(0.19)% ⁽⁶⁾	0.55%	0.87%	0.52%	0.39%	0.60%
Portfolio turnover rate ⁽⁸⁾	41%	7%	15%	34%	8%	3%

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Paradigm Portfolio.

(9) Includes adviser reimbursement from net realized losses on the disposal of investments in violation of restrictions and trading errors. This reimbursement comprises less than \$0.005 of the NAVs for each class at the time of the reimbursement and 0.03% of the total return for the Institutional Class for the fiscal year ended December 31, 2008. There was no impact on the other classes.

The accompanying notes are an integral part of these financial statements.

The Paradigm Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
<u>\$ 22.95</u>	<u>\$ 19.88</u>	<u>\$ 14.16</u>	<u>\$ 30.52</u>	<u>\$ 25.43</u>	<u>\$ 20.08</u>
(0.05)	0.06	0.10	0.06	0.04	0.08
<u>0.35</u>	<u>3.33</u>	<u>5.68</u>	<u>(16.34)⁽⁹⁾</u>	<u>5.27</u>	<u>5.43</u>
<u>0.30</u>	<u>3.39</u>	<u>5.78</u>	<u>(16.28)</u>	<u>5.31</u>	<u>5.51</u>
0.00 ⁽³⁾	0.00 ⁽³⁾	—	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
—	(0.32)	(0.06)	—	(0.09)	(0.12)
—	—	—	(0.08)	(0.13)	(0.04)
—	(0.32)	(0.06)	(0.08)	(0.22)	(0.16)
<u>\$ 23.25</u>	<u>\$ 22.95</u>	<u>\$ 19.88</u>	<u>\$ 14.16</u>	<u>\$ 30.52</u>	<u>\$ 25.43</u>
1.35% ⁽⁵⁾	17.11%	40.64%	(53.30)% ⁽⁹⁾	20.87%	27.42%
\$206,341	\$226,264	\$252,106	\$249,424	\$544,046	\$183,031
2.02% ⁽⁶⁾	2.01%	1.98%	1.97%	1.93%	2.04%
1.89% ⁽⁶⁾	1.89%	1.89%	1.91%	1.93%	1.88%
(0.57)% ⁽⁶⁾	0.18%	0.53%	0.21%	0.14%	0.19%
(0.44)% ⁽⁶⁾	0.30%	0.62%	0.27%	0.14%	0.35%
41%	7%	15%	34%	8%	3%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Paradigm Fund

Advisor Class C

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 22.25	\$ 19.33	\$ 13.80	\$ 29.90	\$ 24.98	\$ 19.76
Income from Investment Operations:						
Net investment income (loss) ⁽²⁾	(0.11)	(0.04)	0.02	(0.05)	(0.10)	(0.03)
Net realized and unrealized gain (loss) on investments	0.36	3.22	5.51	(15.97) ⁽⁹⁾	5.15	5.33
Total from investment operations	0.25	3.18	5.53	(16.02)	5.05	5.30
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	(0.26)	—	—	(0.00) ⁽³⁾	(0.04)
From net realized gains	—	—	—	(0.08)	(0.13)	(0.04)
Total distributions	—	(0.26)	—	(0.08)	(0.13)	(0.08)
Net Asset Value, End of Period	\$ 22.50	\$ 22.25	\$ 19.33	\$ 13.80	\$ 29.90	\$ 24.98
Total return ⁽⁴⁾	1.12% ⁽⁵⁾	16.45%	39.97%	(53.54)% ⁽⁹⁾	20.20%	26.82%

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$141,622	\$152,571	\$169,578	\$147,915	\$320,962	\$116,226
Ratio of operating expenses to average net assets:						
Before expense reimbursement	2.52% ⁽⁶⁾	2.51%	2.48%	2.47%	2.43%	2.54%
After expense reimbursement ⁽⁷⁾	2.39% ⁽⁶⁾	2.39%	2.39%	2.41%	2.43%	2.38%
Ratio of net investment income to average net assets:						
Before expense reimbursement	(1.07)% ⁽⁶⁾	(0.32)%	0.03%	(0.29)%	(0.36)%	(0.31)%
After expense reimbursement ⁽⁷⁾	(0.94)% ⁽⁶⁾	(0.20)%	0.12%	(0.23)%	(0.36)%	(0.15)%
Portfolio turnover rate ⁽⁸⁾	41%	7%	15%	34%	8%	3%

- (1) Information presented relates to a share of capital stock outstanding for each period.
- (2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
- (3) Amount calculated is less than \$0.005.
- (4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
- (5) Not annualized.
- (6) Annualized.
- (7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
- (8) Portfolio turnover of The Paradigm Portfolio.
- (9) Includes adviser reimbursement from net realized losses on the disposal of investments in violation of restrictions and trading errors. This reimbursement comprises less than \$0.005 of the NAVs for each class at the time of the reimbursement and 0.03% of the total return for the Institutional Class for the fiscal year ended December 31, 2008. There was no impact on the other classes.

The accompanying notes are an integral part of these financial statements.

The Paradigm Fund

Institutional Class

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
<u>\$ 23.25</u>	<u>\$ 20.13</u>	<u>\$ 14.44</u>	<u>\$ 30.97</u>	<u>\$ 25.76</u>	<u>\$ 20.31</u>
0.00 ⁽³⁾	0.16	0.18	0.18	0.17	0.19
<u>0.35</u>	<u>3.38</u>	<u>5.78</u>	<u>(16.63)⁽⁹⁾</u>	<u>5.34</u>	<u>5.49</u>
<u>0.35</u>	<u>3.54</u>	<u>5.96</u>	<u>(16.45)</u>	<u>5.51</u>	<u>5.68</u>
0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	—
—	(0.42)	(0.27)	—	(0.17)	(0.19)
—	—	—	(0.08)	(0.13)	(0.04)
—	(0.42)	(0.27)	(0.08)	(0.30)	(0.23)
<u>\$ 23.60</u>	<u>\$ 23.25</u>	<u>\$ 20.13</u>	<u>\$ 14.44</u>	<u>\$ 30.97</u>	<u>\$ 25.76</u>
1.55% ⁽⁵⁾	17.62%	41.31%	(53.11)% ⁽⁹⁾	21.37%	27.96%
\$160,297	\$142,261	\$125,372	\$128,129	\$804,755	\$507,314
1.72% ⁽⁶⁾	1.71%	1.68%	1.67%	1.63%	1.74%
1.44% ⁽⁶⁾	1.44%	1.44%	1.46%	1.48%	1.43%
(0.27)% ⁽⁶⁾	0.48%	0.83%	0.51%	0.44%	0.48%
0.01% ⁽⁶⁾	0.75%	1.07%	0.72%	0.59%	0.79%
41%	7%	15%	34%	8%	3%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

	The Medical Fund					
	No Load Class					
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 19.48	\$ 18.77	\$ 15.23	\$ 19.82	\$ 17.83	\$ 16.64
Income from Investment Operations:						
Net investment income ⁽²⁾	0.14	0.10	0.20	0.19	0.10	0.06
Net realized and unrealized gain (loss) on investments	2.94	0.72	3.51	(4.25)	2.67	2.40
Total from investment operations	3.08	0.82	3.71	(4.06)	2.77	2.46
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.01	0.01	0.01	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	(0.11)	(0.16)	(0.16)	(0.10)	(0.04)
From net realized gains	—	—	(0.02)	(0.38)	(0.69)	(1.23)
Total distributions	—	(0.11)	(0.18)	(0.54)	(0.79)	(1.27)
Net Asset Value, End of Period	<u>\$ 22.56</u>	<u>\$ 19.48</u>	<u>\$ 18.77</u>	<u>\$ 15.23</u>	<u>\$ 19.82</u>	<u>\$ 17.83</u>
Total return ⁽⁴⁾	15.81% ⁽⁵⁾	4.30%	24.47%	(20.42)%	15.47%	14.81%
SUPPLEMENTAL DATA AND RATIOS						
Net assets, end of period (000's)	\$29,310	\$25,777	\$21,126	\$15,727	\$13,917	\$15,527
Ratio of operating expenses to average net assets:						
Before expense reimbursement	1.98% ⁽⁶⁾	2.00%	2.15%	2.26%	2.41%	2.28%
After expense reimbursement ⁽⁷⁾	1.39% ⁽⁶⁾	1.39%	1.39%	1.41%	1.40%	1.44%
Ratio of net investment income (loss) to average net assets:						
Before expense reimbursement	0.75% ⁽⁶⁾	(0.06)%	0.42%	0.18%	(0.51)%	(0.51)%
After expense reimbursement ⁽⁷⁾	1.34% ⁽⁶⁾	0.55%	1.17%	1.03%	0.50%	0.33%
Portfolio turnover rate ⁽⁸⁾	4%	3%	13%	28%	38%	20%

- (1) Information presented relates to a share of capital stock outstanding for each period.
- (2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
- (3) Amount calculated is less than \$0.005.
- (4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
- (5) Not annualized.
- (6) Annualized.
- (7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
- (8) Portfolio turnover of The Medical Portfolio.

The accompanying notes are an integral part of these financial statements.

The Medical Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
<u>\$19.06</u>	<u>\$18.36</u>	<u>\$14.90</u>	<u>\$ 19.39</u>	<u>\$17.47</u>	<u>\$16.34</u>
0.11	0.05	0.15	0.13	0.05	0.01
<u>2.87</u>	<u>0.71</u>	<u>3.44</u>	<u>(4.15)</u>	<u>2.62</u>	<u>2.35</u>
<u>2.98</u>	<u>0.76</u>	<u>3.59</u>	<u>(4.02)</u>	<u>2.67</u>	<u>2.36</u>
—	0.00 ⁽³⁾	0.01	0.04	0.00 ⁽³⁾	—
—	(0.06)	(0.12)	(0.13)	(0.06)	—
—	—	(0.02)	(0.38)	(0.69)	(1.23)
—	(0.06)	(0.14)	(0.51)	(0.75)	(1.23)
<u>\$22.04</u>	<u>\$19.06</u>	<u>\$18.36</u>	<u>\$ 14.90</u>	<u>\$19.39</u>	<u>\$17.47</u>
15.58% ⁽⁵⁾	4.13%	24.17%	(20.49)%	15.16%	14.49%
\$4,452	\$4,207	\$4,347	\$ 2,941	\$1,427	\$ 711
2.23% ⁽⁶⁾	2.25%	2.40%	2.51%	2.66%	2.53%
1.64% ⁽⁶⁾	1.64%	1.64%	1.66%	1.65%	1.69%
0.50% ⁽⁶⁾	(0.31)%	0.17%	(0.07)%	(0.76)%	(0.76)%
1.09% ⁽⁶⁾	0.30%	0.92%	0.78%	0.25%	0.08%
4%	3%	13%	28%	38%	20%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

	The Medical Fund				
	Advisor Class C				
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	February 16, 2007 through December 31, 2007
PER SHARE DATA:⁽¹⁾					
Net Asset Value					
Beginning of Period	\$18.90	\$18.27	\$14.83	\$ 19.34	\$18.29
Income from Investment Operations:					
Net investment income (loss) ⁽²⁾	0.06	(0.04)	0.07	0.05	(0.04)
Net realized and unrealized gain (loss) on investments	2.84	0.69	3.41	(4.13)	1.79
Total from investment operations	2.90	0.65	3.48	(4.08)	1.75
Redemption Fees	—	—	0.00 ⁽³⁾	0.02	0.00 ⁽³⁾
Less Distributions:					
From net investment income	—	(0.02)	(0.02)	(0.07)	(0.01)
From net realized gains	—	—	(0.02)	(0.38)	(0.69)
Total distributions	—	(0.02)	(0.04)	(0.45)	(0.70)
Net Asset Value, End of Period	\$21.80	\$18.90	\$18.27	\$ 14.83	\$19.34
Total return ⁽⁴⁾	15.34% ⁽⁵⁾	3.55%	23.50%	(20.97)%	9.55% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS					
Net assets, end of period (000's)	\$ 814	\$ 692	\$ 454	\$ 314	\$ 148
Ratio of operating expenses to average net assets:					
Before expense reimbursement	2.73% ⁽⁶⁾	2.75%	2.90%	3.01%	3.19% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	2.14% ⁽⁶⁾	2.14%	2.14%	2.16%	2.15% ⁽⁶⁾
Ratio of net investment income to average net assets:					
Before expense reimbursement	0.00% ⁽⁶⁾	(0.81)%	(0.33)%	(0.57)%	(1.30)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	0.59% ⁽⁶⁾	(0.20)%	0.42%	0.28%	(0.26)% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	4%	3%	13%	28%	38%

^ Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Medical Portfolio.

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank)

Financial Highlights — (Continued)**The Small Cap Opportunities Fund**

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 23.32	\$ 20.83	\$ 13.17	\$ 31.92	\$ 26.92	\$ 21.02
Income from Investment						
Operations:						
Net investment income						
(loss) ⁽²⁾	(0.02)	(0.04)	(0.04)	0.05	0.01	0.03
Net realized and unrealized gain						
(loss) on investments	(0.13)	2.93	7.70	(18.53) ⁽⁹⁾	5.29	5.92
Total from investment						
operations	(0.15)	2.89	7.66	(18.48)	5.30	5.95
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:						
From net investment income . . .	—	(0.40)	—	—	(0.23)	(0.05)
From net realized gains	—	—	—	(0.27)	(0.07)	—
Total distributions	—	(0.40)	—	(0.27)	(0.30)	(0.05)
Net Asset Value, End of Period . . .	\$ 23.17	\$ 23.32	\$ 20.83	\$ 13.17	\$ 31.92	\$ 26.92
Total return ⁽⁴⁾	(0.64)% ⁽⁵⁾	13.86%	58.16%	(57.88)% ⁽⁹⁾	19.65%	28.37%

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's) . .	\$93,060	\$130,279	\$161,205	\$126,971	\$729,278	\$268,875
Ratio of operating expenses to						
average net assets:						
Before expense						
reimbursement	1.89% ⁽⁶⁾	1.86%	1.86%	1.79%	1.71%	1.83%
After expense						
reimbursement ⁽⁷⁾	1.64% ⁽⁶⁾	1.64%	1.64%	1.67%	1.69%	1.58%
Ratio of net investment income to						
average net assets:						
Before expense						
reimbursement	(0.39)% ⁽⁶⁾	(0.42)%	(0.48)%	0.09%	0.00%	(0.14)%
After expense						
reimbursement ⁽⁷⁾	(0.14)% ⁽⁶⁾	(0.20)%	(0.26)%	0.21%	0.02%	0.11%
Portfolio turnover rate ⁽⁸⁾	12%	4%	4%	16%	17%	6%

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Small Cap Opportunities Portfolio.

(9) Includes adviser reimbursement from the net realized loss on the disposal of investments in violation of restrictions. This reimbursement comprises less than \$0.005 of the NAVs for each class at the time of the reimbursement and 0.03% of the total return for the Adviser Class C for the fiscal year ended December 31, 2008. There was no impact on the other classes.

The accompanying notes are an integral part of these financial statements.

The Small Cap Opportunities Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
<u>\$22.98</u>	<u>\$ 20.53</u>	<u>\$ 13.01</u>	<u>\$ 31.63</u>	<u>\$ 26.71</u>	<u>\$ 20.89</u>
(0.04)	(0.09)	(0.08)	(0.01)	(0.07)	(0.03)
<u>(0.13)</u>	<u>2.87</u>	<u>7.60</u>	<u>(18.34)⁽⁹⁾</u>	<u>5.25</u>	<u>5.88</u>
<u>(0.17)</u>	<u>2.78</u>	<u>7.52</u>	<u>(18.35)</u>	<u>5.18</u>	<u>5.85</u>
—	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
—	(0.33)	—	—	(0.19)	(0.03)
<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.27)</u>	<u>(0.07)</u>	<u>—</u>
<u>—</u>	<u>(0.33)</u>	<u>—</u>	<u>(0.27)</u>	<u>(0.26)</u>	<u>(0.03)</u>
<u>\$22.81</u>	<u>\$ 22.98</u>	<u>\$ 20.53</u>	<u>\$ 13.01</u>	<u>\$ 31.63</u>	<u>\$ 26.71</u>
(0.74)% ⁽⁵⁾	13.56%	57.80%	(58.00)% ⁽⁹⁾	19.36%	28.03%
\$9,710	\$11,509	\$14,244	\$12,090	\$36,390	\$12,144
2.14% ⁽⁶⁾	2.11%	2.11%	2.04%	1.96%	2.08%
1.89% ⁽⁶⁾	1.89%	1.89%	1.92%	1.94%	1.83%
(0.64)% ⁽⁶⁾	(0.67)%	(0.73)%	(0.16)%	(0.25)%	(0.39)%
(0.39)% ⁽⁶⁾	(0.45)%	(0.51)%	(0.04)%	(0.23)%	(0.14)%
12%	4%	4%	16%	17%	6%

The accompanying notes are an integral part of these financial statements.

Financial Highlights — (Continued)**The Small Cap Opportunities Fund**

	Advisor Class C				February 16, 2007 ⁷ through December 31, 2007
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	
PER SHARE DATA:⁽¹⁾					
Net Asset Value					
Beginning of Period	<u>\$22.68</u>	<u>\$20.28</u>	<u>\$12.92</u>	<u>\$ 31.57</u>	<u>\$28.70</u>
Income from Investment Operations:					
Net investment income (loss) ⁽²⁾	(0.10)	(0.20)	(0.16)	(0.12)	(0.21)
Net realized and unrealized gain (loss) on investments	<u>(0.13)</u>	<u>2.84</u>	<u>7.52</u>	<u>(18.26)⁽⁹⁾</u>	<u>3.33</u>
Total from investment operations	<u>(0.23)</u>	<u>2.64</u>	<u>7.36</u>	<u>18.38</u>	<u>3.12</u>
Redemption Fees	—	—	0.00 ⁽³⁾	0.00 ⁽³⁾	0.02
Less Distributions:					
From net investment income	—	(0.24)	—	—	(0.20)
From net realized gains	—	—	—	(0.27)	(0.07)
Total distributions	—	(0.24)	—	(0.27)	(0.27)
Net Asset Value, End of Period	<u>\$22.45</u>	<u>\$22.68</u>	<u>\$20.28</u>	<u>\$ 12.92</u>	<u>\$31.57</u>
Total return ⁽⁴⁾	(1.01)% ⁽⁵⁾	13.00%	56.97%	(58.20)% ⁽⁹⁾	10.94% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS					
Net assets, end of period (000's)	\$3,054	\$3,450	\$4,445	\$ 2,871	\$4,942
Ratio of operating expenses to average net assets:					
Before expense reimbursement	2.64% ⁽⁶⁾	2.61%	2.61%	2.54%	2.47% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	2.39% ⁽⁶⁾	2.39%	2.39%	2.42%	2.45% ⁽⁶⁾
Ratio of net investment income to average net assets:					
Before expense reimbursement	(1.14)% ⁽⁶⁾	(1.17)%	(1.23)%	(0.66)%	(0.76)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	(0.89)% ⁽⁶⁾	(0.95)%	(1.01)%	(0.54)%	(0.75)% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	12%	4%	4%	16%	17%

[^] Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net Investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Small Cap Opportunities Portfolio.

(9) Includes adviser reimbursement from the net realized loss on the disposal of investments in violation of restrictions. This reimbursement comprises less than \$0.005 of the NAVs for each class at the time of the reimbursement and 0.03% of the total return for the Adviser Class C for the fiscal year ended December 31, 2008. There was no impact on the other classes.

The accompanying notes are an integral part of these financial statements.

The Small Cap Opportunities Fund

Institutional Class

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
\$23.45	\$20.90	\$ 13.19	\$ 31.92	\$ 26.91	\$ 21.00
0.01	0.00 ⁽³⁾	(0.01)	0.10	0.07	0.08
(0.14)	2.95	7.72	(18.56) ⁽⁹⁾	5.29	5.91
<u>(0.13)</u>	<u>2.95</u>	<u>7.71</u>	<u>(18.46)</u>	<u>5.36</u>	<u>5.99</u>
—	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
—	(0.40)	—	—	(0.28)	(0.08)
—	—	—	(0.27)	(0.07)	—
—	(0.40)	—	(0.27)	(0.35)	(0.08)
<u>\$23.32</u>	<u>\$23.45</u>	<u>\$ 20.90</u>	<u>\$ 13.19</u>	<u>\$ 31.92</u>	<u>\$ 26.91</u>
(0.55)% ⁽⁵⁾	14.10%	58.45%	(57.82)% ⁽⁹⁾	19.91%	28.52%
\$7,149	\$9,808	\$19,749	\$68,408	\$316,709	\$209,592
1.84% ⁽⁶⁾	1.81%	1.81%	1.74%	1.66%	1.78%
1.44% ⁽⁶⁾	1.44%	1.44%	1.47%	1.49%	1.38%
(0.34)% ⁽⁶⁾	(0.37)%	(0.43)%	0.14%	0.05%	(0.09)%
0.06% ⁽⁶⁾	0.00%	(0.06)%	0.41%	0.22%	0.31%
12%	4%	4%	16%	17%	6%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Market Opportunities Fund

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	January 31, 2006 ¹ through December 31, 2006
PER SHARE DATA:⁽¹⁾						
Net Asset Value						
Beginning of Period	\$ 11.46	\$ 10.84	\$ 7.22	\$ 16.12	\$ 12.05	\$10.00
Income from Investment Operations:						
Net investment income (loss)	0.01 ⁽²⁾	0.04 ⁽²⁾	0.00 ⁽²⁾⁽³⁾	0.11 ⁽²⁾	0.04 ⁽²⁾	0.04
Net realized and unrealized gain (loss) on investments	0.33	1.18	3.62	(9.02)	4.05	2.05
Payment by adviser ⁽⁹⁾	—	—	—	0.06	—	—
Total from investment operations	0.34	1.22	3.62	(8.85)	4.09	2.09
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.01	0.01	0.01	0.00 ⁽³⁾
Less Distributions:						
From net investment income	—	(0.60)	(0.01)	(0.06)	(0.03)	(0.04)
From net realized gains	—	—	—	—	—	—
Total distributions	—	(0.60)	(0.01)	(0.06)	(0.03)	(0.04)
Net Asset Value, End of Period	<u>\$ 11.80</u>	<u>\$ 11.46</u>	<u>\$ 10.84</u>	<u>\$ 7.22</u>	<u>\$ 16.12</u>	<u>\$12.05</u>
Total return ⁽⁴⁾	2.97% ⁽⁵⁾	11.31%	50.21%	(54.82)% ⁽⁹⁾	34.03%	20.85% ⁽⁵⁾

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$34,809	\$38,562	\$41,254	\$34,246	\$63,004	\$7,994
Ratio of operating expenses to average net assets:						
Before expense reimbursement	1.93% ⁽⁶⁾	1.92%	1.93%	1.82%	1.91%	2.68% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	1.64% ⁽⁶⁾	1.64%	1.64%	1.66%	1.74%	1.46% ⁽⁶⁾
Ratio of net investment income to average net assets:						
Before expense reimbursement	(0.16)% ⁽⁶⁾	0.06%	(0.25)%	0.78%	0.12%	(0.76)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	0.13% ⁽⁶⁾	0.34%	0.04%	0.94%	0.29%	0.46% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	11%	12%	14%	77%	14%	0%

[^] Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Market Opportunities Portfolio.

(9) Includes adviser reimbursement from the net realized loss on the disposal of investments in violation of restrictions. This reimbursement contributed 0.38%, 0.37%, 0.38% and 0.44% to the returns of the No Load Class, the Advisor Class A, the Advisor Class C, and the institutional Class, respectively, for the year ended December 31, 2008.

The accompanying notes are an integral part of these financial statements.

The Market Opportunities Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	January 31, 2006 through December 31, 2006
\$ 11.43	\$ 10.80	\$ 7.22	\$ 16.07	\$ 12.04	\$10.00
(0.01) ⁽²⁾	0.01 ⁽²⁾	(0.02) ⁽²⁾	0.08 ⁽²⁾	0.00 ⁽²⁾⁽³⁾	0.02
0.34	1.19	3.61	(8.97)	4.04	2.05
—	—	—	0.06	—	—
0.33	1.20	3.59	(8.83)	4.04	2.07
0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	—
—	(0.57)	(0.01)	(0.02)	(0.01)	(0.03)
—	—	—	—	—	—
—	(0.57)	(0.01)	(0.02)	(0.01)	(0.03)
<u>\$ 11.76</u>	<u>\$ 11.43</u>	<u>\$ 10.80</u>	<u>\$ 7.22</u>	<u>\$ 16.07</u>	<u>\$12.04</u>
2.89% ⁽⁵⁾	11.11%	49.66%	(54.91)% ⁽⁹⁾	33.54%	20.68% ⁽⁵⁾
\$10,028	\$14,167	\$18,770	\$18,514	\$43,907	\$9,591
2.18% ⁽⁶⁾	2.17%	2.18%	2.07%	2.16%	2.93% ⁽⁶⁾
1.89% ⁽⁶⁾	1.89%	1.89%	1.91%	1.99%	1.71% ⁽⁶⁾
(0.41)% ⁽⁶⁾	(0.19)%	(0.50)%	0.53%	(0.14)%	(1.01)% ⁽⁶⁾
(0.12)% ⁽⁶⁾	0.09%	(0.21)%	0.69%	0.03%	(0.21)% ⁽⁶⁾
11%	12%	14%	77%	14%	0%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Market Opportunities Fund

	Advisor Class C				February 16, 2007 through December 31, 2007
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	
PER SHARE DATA:⁽¹⁾					
Net Asset Value					
Beginning of Period	\$11.30	\$10.69	\$ 7.17	\$ 16.01	\$12.99
Income from Investment Operations:					
Net investment income (loss) ⁽²⁾	(0.04)	(0.04)	(0.06)	0.02	(0.05)
Net realized and unrealized gain (loss) on investments	0.34	1.17	3.59	(8.91)	3.07
Payment by adviser ⁽⁹⁾	—	—	—	0.06	—
Total from investment operations	0.30	1.13	3.53	(8.83)	3.02
Redemption Fees	—	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Less Distributions:					
From net investment income	—	(0.52)	(0.01)	(0.01)	—
From net realized gains	—	—	—	—	—
Total distributions	—	(0.52)	(0.01)	(0.01)	—
Net Asset Value, End of Period	\$11.60	\$11.30	\$10.69	\$ 7.17	\$16.01
Total return ⁽⁴⁾	2.65% ⁽⁵⁾	10.54%	49.17%	(55.13)% ⁽⁹⁾	23.25% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS					
Net assets, end of period (000's)	\$5,234	\$5,569	\$6,055	\$ 771	\$8,790
Ratio of operating expenses to average net assets:					
Before expense reimbursement	2.68% ⁽⁶⁾	2.67%	2.68%	2.57%	2.66% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	2.39% ⁽⁶⁾	2.39%	2.39%	2.41%	2.49% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:					
Before expense reimbursement	(0.91)% ⁽⁶⁾	(0.69)%	(1.00)%	0.03%	(0.60)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	(0.62)% ⁽⁶⁾	(0.41)%	(0.71)%	0.19%	(0.43)% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	11%	12%	14%	77%	14%

[^] Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net Investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Market Opportunities Portfolio.

(9) Includes adviser reimbursement from the net realized loss on the disposal of investments in violation of restrictions. This reimbursement contributed 0.38%, 0.37%, 0.38% and 0.44% to the returns of the No Load Class, the Advisor Class A, the Advisor Class C, and the Institutional Class, respectively, for the year ended December 31, 2008.

The accompanying notes are an integral part of these financial statements.

The Market Opportunities Fund

Institutional Class

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	May 19, 2008 through December 31, 2008
<u>\$11.48</u>	<u>\$10.86</u>	<u>\$ 7.21</u>	<u>\$ 13.71</u>
0.02	0.06	0.02	0.08
0.33	1.19	3.64	(6.55)
<u>—</u>	<u>—</u>	<u>—</u>	<u>0.06</u>
<u>0.35</u>	<u>1.25</u>	<u>3.66</u>	<u>(6.41)</u>
—	—	—	—
—	(0.63)	(0.01)	(0.09)
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>—</u>	<u>(0.63)</u>	<u>(0.01)</u>	<u>(0.09)</u>
<u>\$11.83</u>	<u>\$11.48</u>	<u>\$10.86</u>	<u>\$ 7.21</u>
3.05% ⁽⁵⁾	11.54%	50.70%	(46.77)% ⁽⁵⁾⁽⁹⁾
\$ 176	\$ 212	\$ 19	\$ 5
1.88% ⁽⁶⁾	1.87%	1.88%	1.82% ⁽⁶⁾
1.44% ⁽⁶⁾	1.44%	1.44%	1.44% ⁽⁶⁾
(0.11)% ⁽⁶⁾	0.11%	(0.20)%	0.94% ⁽⁶⁾
0.33% ⁽⁶⁾	0.54%	0.24%	1.32% ⁽⁶⁾
11%	12%	14%	77%

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

The Water Infrastructure Fund

No Load Class

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	June 29, 2007 [^] through December 31, 2007
PER SHARE DATA:⁽¹⁾					
Net Asset Value					
Beginning of Period	\$ 8.38	\$ 8.86	\$ 7.61	\$ 10.17	\$10.00
Income from Investment Operations:					
Net investment income ⁽²⁾	0.04	0.07	0.04	0.10	0.06
Net realized and unrealized gain (loss) on investments	0.17	(0.48)	1.21	(2.66)	0.20
Total from investment operations	0.21	(0.41)	1.25	(2.56)	0.26
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾	—
Less Distributions:					
From net investment income	—	(0.07)	(0.00) ⁽³⁾	—	(0.04)
From net realized gains	—	—	—	—	(0.05)
Total distributions	—	(0.07)	(0.00) ⁽³⁾	—	(0.09)
Net Asset Value, End of Period	\$ 8.59	\$ 8.38	\$ 8.86	\$ 7.61	\$10.17
Total return ⁽⁴⁾	2.51% ⁽⁵⁾	(4.60)%	16.46%	(25.17)%	2.64% ⁽⁵⁾

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$6,903	\$7,001	\$7,176	\$ 6,598	\$2,385
Ratio of operating expenses to average net assets:					
Before expense reimbursement	2.26% ⁽⁶⁾	2.17%	2.36%	2.20%	3.62% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	1.64% ⁽⁶⁾	1.64%	1.64%	1.65%	1.74% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:					
Before expense reimbursement	0.36% ⁽⁶⁾	0.33%	(0.26)%	0.55%	(0.73)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	0.98% ⁽⁶⁾	0.86%	0.46%	1.10%	1.15% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	6%	111%	45%	66%	7%

[^] Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net Investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Water Infrastructure Portfolio.

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Fund

Advisor Class A

For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	June 29, 2007 through December 31, 2007
<u>\$ 8.35</u>	<u>\$ 8.82</u>	<u>\$ 7.59</u>	<u>\$ 10.17</u>	<u>\$10.00</u>
0.03	0.05	0.02	0.07	0.05
<u>0.17</u>	<u>(0.47)</u>	<u>1.21</u>	<u>(2.65)</u>	<u>0.20</u>
<u>0.20</u>	<u>(0.42)</u>	<u>1.23</u>	<u>(2.58)</u>	<u>0.25</u>
<u>0.00⁽³⁾</u>	<u>0.00⁽³⁾</u>	<u>0.00⁽³⁾</u>	<u>0.00⁽³⁾</u>	<u>0.00⁽³⁾</u>
—	(0.05)	—	—	(0.03)
—	—	—	—	(0.05)
—	(0.05)	—	—	(0.08)
<u>\$ 8.55</u>	<u>\$ 8.35</u>	<u>\$ 8.82</u>	<u>\$ 7.59</u>	<u>\$10.17</u>
2.40% ⁽⁵⁾	(4.80)%	16.21%	(25.37)%	2.55% ⁽⁵⁾
\$7,368	\$10,100	\$10,339	\$ 7,661	\$2,459
2.51% ⁽⁶⁾	2.42%	2.61%	2.45%	3.87% ⁽⁶⁾
1.89% ⁽⁶⁾	1.89%	1.89%	1.90%	1.99% ⁽⁶⁾
0.11% ⁽⁶⁾	0.08%	(0.51)%	0.30%	(0.98)% ⁽⁶⁾
0.73% ⁽⁶⁾	0.61%	0.21%	0.85%	0.90% ⁽⁶⁾
6%	111%	45%	66%	7%

The accompanying notes are an integral part of these financial statements.

Financial Highlights — (Continued)**The Water Infrastructure Fund****Advisor Class C**

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	June 29, 2007 [^] through December 31, 2007
PER SHARE DATA: ⁽¹⁾					
Net Asset Value					
Beginning of Period	\$ 8.25	\$ 8.71	\$ 7.54	\$ 10.16	\$10.00
Income from Investment Operations:					
Net investment income (loss) ⁽²⁾	0.01	0.01	(0.02)	0.03	0.02
Net realized and unrealized gain (loss) on investments	0.17	(0.46)	1.19	(2.65)	0.21
Total from investment operations	0.18	(0.45)	1.17	(2.62)	0.23
Redemption Fees	—	—	0.00 ⁽³⁾	—	0.00 ⁽³⁾
Less Distributions:					
From net investment income	—	(0.01)	—	—	(0.02)
From net realized gains	—	—	—	—	(0.05)
Total distributions	—	(0.01)	—	—	(0.07)
Net Asset Value, End of Period	\$ 8.43	\$ 8.25	\$ 8.71	\$ 7.54	\$10.16
Total return ⁽⁴⁾	2.18% ⁽⁵⁾	(5.15)%	15.52%	(25.79)%	2.33% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS					
Net assets, end of period (000's)	\$2,797	\$2,840	\$2,700	\$ 1,571	\$1,201
Ratio of operating expenses to average net assets:					
Before expense reimbursement	3.01% ⁽⁶⁾	2.92%	3.11%	2.95%	4.37% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	2.39% ⁽⁶⁾	2.39%	2.39%	2.40%	2.49% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:					
Before expense reimbursement	(0.39)% ⁽⁶⁾	(0.42)%	(1.01)%	(0.20)%	(1.48)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	0.23% ⁽⁶⁾	0.11%	(0.29)%	0.35%	0.40% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	6%	111%	45%	66%	7%

[^] Commencement of operations.

(1) Information presented relates to a share of capital stock outstanding for each period.

(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.

(3) Amount calculated is less than \$0.005.

(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.

(5) Not annualized.

(6) Annualized.

(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.

(8) Portfolio turnover of The Water Infrastructure Portfolio.

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Fund

For the Six Months Ended June 30, 2011 (Unaudited)	Institutional Class			
	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	June 29, 2007* through December 31, 2007
<u>\$ 8.42</u>	<u>\$ 8.90</u>	<u>\$ 7.63</u>	<u>\$ 10.18</u>	<u>\$10.00</u>
0.05	0.09	0.05	0.12	0.06
<u>0.19</u>	<u>(0.48)</u>	<u>1.23</u>	<u>(2.67)</u>	<u>0.21</u>
<u>0.24</u>	<u>(0.39)</u>	<u>1.28</u>	<u>(2.55)</u>	<u>0.27</u>
0.01	0.00 ⁽³⁾	0.01	0.00 ⁽³⁾	—
—	(0.09)	(0.02)	—	(0.04)
—	—	—	—	(0.05)
—	(0.09)	(0.02)	—	(0.09)
<u>\$ 8.67</u>	<u>\$ 8.42</u>	<u>\$ 8.90</u>	<u>\$ 7.63</u>	<u>\$10.18</u>
2.97% ⁽⁵⁾	(4.38)%	16.94%	(25.05)%	2.76% ⁽⁵⁾
\$1,238	\$4,182	\$2,905	\$ 251	\$ 103
2.21% ⁽⁶⁾	2.12%	2.31%	2.15%	3.58% ⁽⁶⁾
1.44% ⁽⁶⁾	1.44%	1.44%	1.45%	1.54% ⁽⁶⁾
0.41% ⁽⁶⁾	0.38%	(0.21)%	0.60%	(0.69)% ⁽⁶⁾
1.18% ⁽⁶⁾	1.06%	0.66%	1.30%	1.35% ⁽⁶⁾
6%	111%	45%	66%	7%

The accompanying notes are an integral part of these financial statements.

Financial Highlights — (Continued)

	The Multi-Disciplinary Fund			
	No Load Class			
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	February 11, 2008 [^] through December 31, 2008
PER SHARE DATA:⁽¹⁾				
Net Asset Value				
Beginning of Period	\$ 10.47	\$ 9.86	\$ 8.22	\$ 10.00
Income from Investment Operations:				
Net investment income (loss) ⁽²⁾	0.29	0.35	0.09	0.01
Net realized and unrealized gain (loss) on investments	0.39	0.91	1.79	(1.79)
Total from investment operations	0.68	1.26	1.88	(1.78)
Redemption Fees	0.00 ⁽³⁾	0.00 ⁽³⁾	—	—
Less Distributions:				
From net investment income	(0.19)	(0.35)	(0.08)	(0.00) ⁽³⁾
From net realized gains	—	(0.30)	(0.16)	—
Total distributions	(0.19)	(0.65)	(0.24)	(0.00) ⁽³⁾
Net Asset Value, End of Period	\$ 10.96	\$10.47	\$ 9.86	\$ 8.22
Total return ⁽⁴⁾	6.49% ⁽⁵⁾	13.04%	22.90%	(17.76)% ⁽⁵⁾

SUPPLEMENTAL DATA AND RATIOS

Net assets, end of period (000's)	\$10,841	\$3,489	\$ 938	\$ 99
Ratio of operating expenses to average net assets:				
Before expense reimbursement	2.68% ⁽⁶⁾	6.11%	13.11%	17.58% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	1.49% ⁽⁶⁾	1.49%	1.49%	1.49% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:				
Before expense reimbursement	4.25% ⁽⁶⁾	(1.19)%	(10.69)%	(15.99)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	5.44% ⁽⁶⁾	3.43%	0.93%	0.10% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	28%	38%	77%	N/A ⁽⁹⁾

[^] Commencement of operations.

- (1) Information presented relates to a share of capital stock outstanding for each period.
(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
(3) Amount calculated is less than \$0.005.
(4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
(5) Not annualized.
(6) Annualized.
(7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
(8) Portfolio turnover of The Multi-Disciplinary Portfolio.
(9) The Multi-Disciplinary Portfolio did not hold any long-term securities during the period, therefore the portfolio turnover is not applicable.

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Fund

For the Six Months Ended June 30, 2011 (Unaudited)	Advisor Class A			For the Six Months Ended June 30, 2011 (Unaudited)	Advisor Class C		
	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	February 11, 2008 ⁽³⁾ through December 31, 2008		For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	February 11, 2008 ⁽³⁾ through December 31, 2008
<u>\$10.44</u>	<u>\$ 9.85</u>	<u>\$ 8.20</u>	<u>\$ 10.00</u>	<u>\$10.40</u>	<u>\$ 9.80</u>	<u>\$ 8.17</u>	<u>\$ 10.00</u>
0.28	0.33	0.06	(0.01)	0.25	0.27	0.02	(0.05)
<u>0.38</u>	<u>0.89</u>	<u>1.80</u>	<u>(1.79)</u>	<u>0.39</u>	<u>0.90</u>	<u>1.78</u>	<u>(1.78)</u>
<u>0.66</u>	<u>1.22</u>	<u>1.86</u>	<u>(1.80)</u>	<u>0.64</u>	<u>1.17</u>	<u>1.80</u>	<u>(1.83)</u>
—	—	—	—	—	—	—	—
(0.18)	(0.33)	(0.05)	(0.00) ⁽³⁾	(0.17)	(0.27)	(0.01)	(0.00) ⁽³⁾
<u>—</u>	<u>(0.30)</u>	<u>(0.16)</u>	<u>—</u>	<u>—</u>	<u>(0.30)</u>	<u>(0.16)</u>	<u>—</u>
<u>(0.18)</u>	<u>(0.63)</u>	<u>(0.21)</u>	<u>(0.00)⁽³⁾</u>	<u>(0.17)</u>	<u>(0.57)</u>	<u>(0.17)</u>	<u>(0.00)⁽³⁾</u>
<u>\$10.92</u>	<u>\$10.44</u>	<u>\$ 9.85</u>	<u>\$ 8.20</u>	<u>\$10.87</u>	<u>\$10.40</u>	<u>\$ 9.80</u>	<u>\$ 8.17</u>
6.33% ⁽⁵⁾	12.64%	22.73%	(17.97)% ⁽⁵⁾	6.14% ⁽⁵⁾	12.13%	22.03%	(18.30)% ⁽⁵⁾
\$1,205	\$ 356	\$ 103	\$ 84	\$1,066	\$ 128	\$ 105	\$ 88
2.93% ⁽⁶⁾	6.36%	13.36%	17.83% ⁽⁶⁾	3.43% ⁽⁶⁾	6.86%	13.86%	18.33% ⁽⁶⁾
1.74% ⁽⁶⁾	1.74%	1.74%	1.74% ⁽⁶⁾	2.24% ⁽⁶⁾	2.24%	2.24%	2.24% ⁽⁶⁾
4.00% ⁽⁶⁾	(1.44)%	(10.94)%	(16.24)% ⁽⁶⁾	3.50% ⁽⁶⁾	(1.94)%	(11.44)%	(16.74)% ⁽⁶⁾
5.19% ⁽⁶⁾	3.18%	0.68%	(0.15)% ⁽⁶⁾	4.69% ⁽⁶⁾	2.68%	0.18%	(0.65)% ⁽⁶⁾
28%	38%	77%	N/A ⁽⁹⁾	28%	38%	77%	N/A ⁽⁹⁾

The accompanying notes are an integral part of these financial statements.

KINETICS MUTUAL FUNDS, INC. — THE FEEDER FUNDS

Financial Highlights — (Continued)

	The Multi-Disciplinary Fund			
	Institutional Class			
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	February 11, 2008 [*] through December 31, 2008
PER SHARE DATA:⁽¹⁾				
Net Asset Value				
Beginning of Period	\$10.50	\$ 9.89	\$ 8.23	\$ 10.00
Income from Investment Operations:				
Net investment income ⁽²⁾	0.30	0.37	0.10	0.02
Net realized and unrealized gain (loss) on investments	0.39	0.91	1.81	(1.79)
Total from investment operations	0.69	1.28	1.91	(1.77)
Redemption Fees	—	—	—	—
Less Distributions:				
From net investment income	(0.20)	(0.37)	(0.09)	(0.00) ⁽³⁾
From net realized gains	—	(0.30)	(0.16)	—
Total distributions	(0.20)	(0.67)	(0.25)	(0.00) ⁽³⁾
Net Asset Value, End of Period	\$10.99	\$10.50	\$ 9.89	\$ 8.23
Total return ⁽⁴⁾	6.56% ⁽⁵⁾	13.19%	23.25%	(17.65)% ⁽⁵⁾
SUPPLEMENTAL DATA AND RATIOS				
Net assets, end of period (000's)	\$3,896	\$ 142	\$ 101	\$ 82
Ratio of operating expenses to average net assets:				
Before expense reimbursement	2.63% ⁽⁶⁾	6.06%	13.06%	17.53% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	1.29% ⁽⁶⁾	1.29%	1.29%	1.29% ⁽⁶⁾
Ratio of net investment income (loss) to average net assets:				
Before expense reimbursement	4.30% ⁽⁶⁾	(1.14)%	(10.64)%	(15.94)% ⁽⁶⁾
After expense reimbursement ⁽⁷⁾	5.64% ⁽⁶⁾	3.63%	1.13%	0.30% ⁽⁶⁾
Portfolio turnover rate ⁽⁸⁾	28%	38%	77%	N/A ⁽⁹⁾

^{*} Commencement of operations.

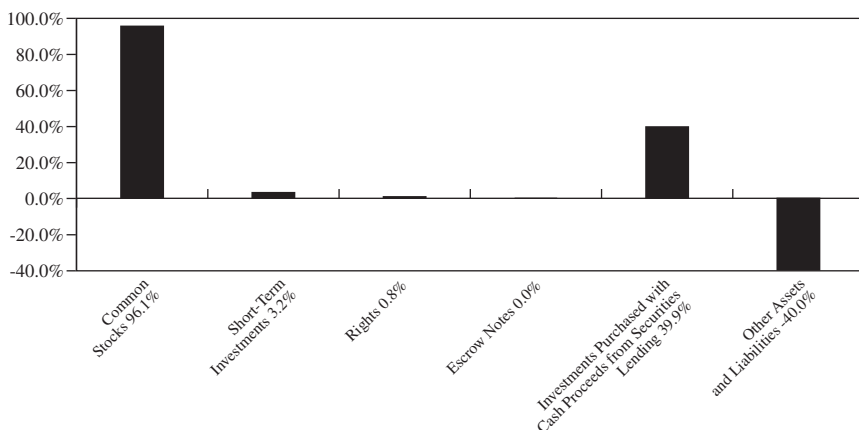
- (1) Information presented relates to a share of capital stock outstanding for each period.
- (2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
- (3) Amount calculated is less than \$0.005.
- (4) The total return calculation does not reflect the 5.75% front end sales charge on Advisor Class A shares.
- (5) Not annualized.
- (6) Annualized.
- (7) See Note #3, Investment Adviser, for the waiver and expense reimbursement discussion.
- (8) Portfolio turnover of The Multi-Disciplinary Portfolio.
- (9) The Multi-Disciplinary Portfolio did not hold any long-term securities during the period, therefore the portfolio turnover is not applicable.

The accompanying notes are an integral part of these financial statements.

Allocation of Portfolio Assets

June 30, 2011 (Unaudited)

The Internet Portfolio



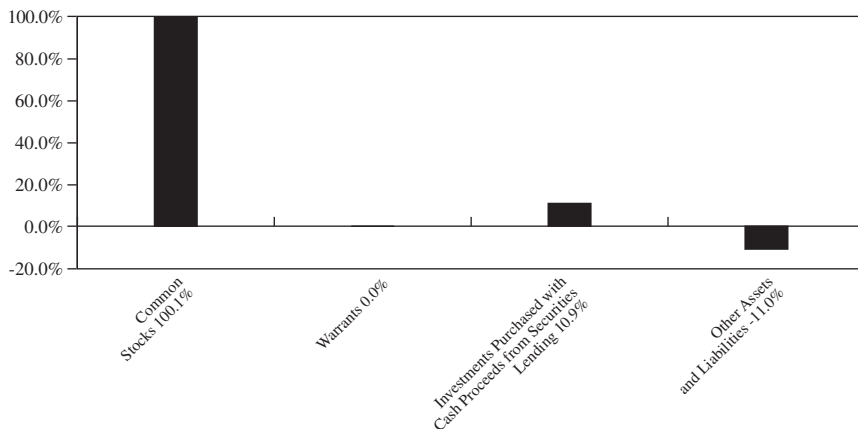
Sector Allocation*	Market Value	Percentage of Total Net Assets
Information	\$65,137,673	52.8%
Retail Trade	14,086,999	11.4%
Finance and Insurance	11,941,357	9.7%
Manufacturing	9,553,200	7.8%
Arts, Entertainment, and Recreation	6,327,733	5.1%
Professional, Scientific, and Technical Services	4,975,320	4.0%
Telecommunications	2,485,582	2.0%
Real Estate and Rental and Leasing	2,190,368	1.8%
Transportation and Warehousing	1,266,341	1.0%
Management of Companies and Enterprises	777,377	0.6%
Administrative and Support and Waste Management and Remediation Services	496,218	0.4%
Educational Services	396,606	0.3%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Global Portfolio



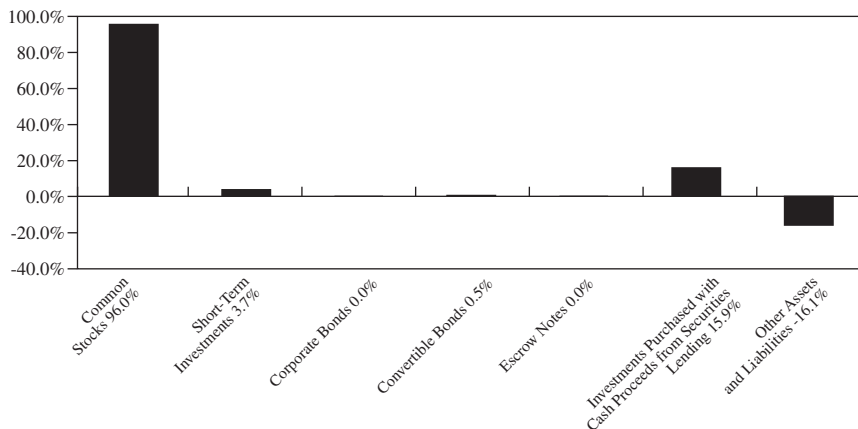
Country Allocation*	Market Value	Percentage of Total Net Assets
Japan	\$2,437,724	47.1%
France	486,668	9.4%
Canada	327,071	6.3%
Germany	250,908	4.9%
Switzerland	225,204	4.4%
Italy	216,313	4.2%
United Kingdom	187,040	3.6%
Netherlands	154,080	3.0%
Jersey	141,315	2.7%
Chile	129,440	2.5%
Hong Kong	106,918	2.1%
Hungary	96,849	1.9%
Poland	75,361	1.5%
Luxembourg	72,754	1.4%
Australia	68,475	1.3%
China	64,639	1.3%
Denmark	48,839	0.9%
Bermuda	39,837	0.8%
Portugal	26,590	0.5%
Austria	16,462	0.3%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Paradigm Portfolio



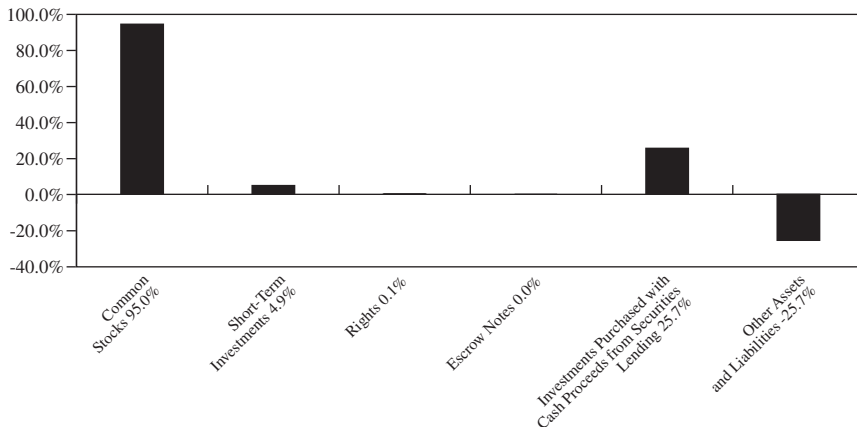
Sector Allocation*	Market Value	Percentage of Total Net Assets
Finance and Insurance	\$202,266,703	17.0%
Real Estate and Rental and Leasing	185,716,566	15.7%
Information	160,829,819	13.6%
Arts, Entertainment, and Recreation	148,888,339	12.5%
Mining, Quarrying, and Oil and Gas Extraction	147,040,573	12.4%
Management of Companies and Enterprises	103,293,437	8.7%
Retail Trade	96,841,759	8.2%
Manufacturing	58,592,542	4.9%
Transportation and Warehousing	22,459,905	1.9%
Telecommunications	10,503,789	0.9%
Wholesale Trade	7,525,230	0.6%
Utilities	1,651,547	0.1%
Escrow Notes	0	0.0%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Medical Portfolio



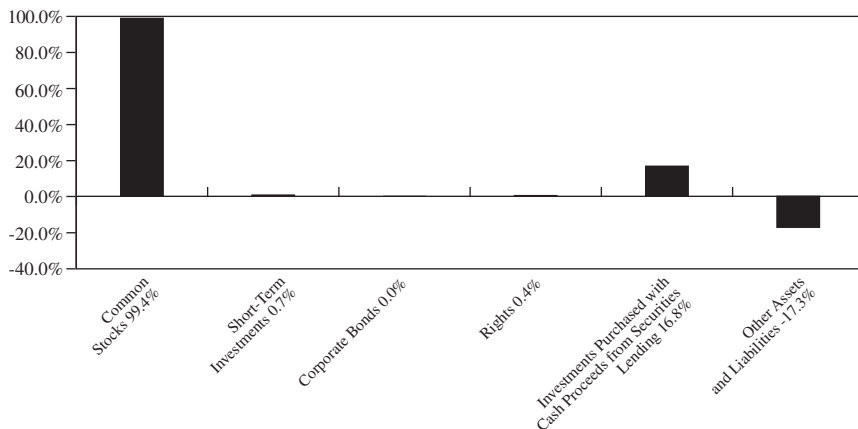
Sector Allocation*	Market Value	Percentage of Total Net Assets
Manufacturing	\$31,392,282	90.8%
Professional, Scientific, and Technical Services	1,503,014	4.3%
Finance & Insurance	3,964	0.0%
Health Care and Social Assistance	1,450	0.0%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Small Cap Opportunities Portfolio



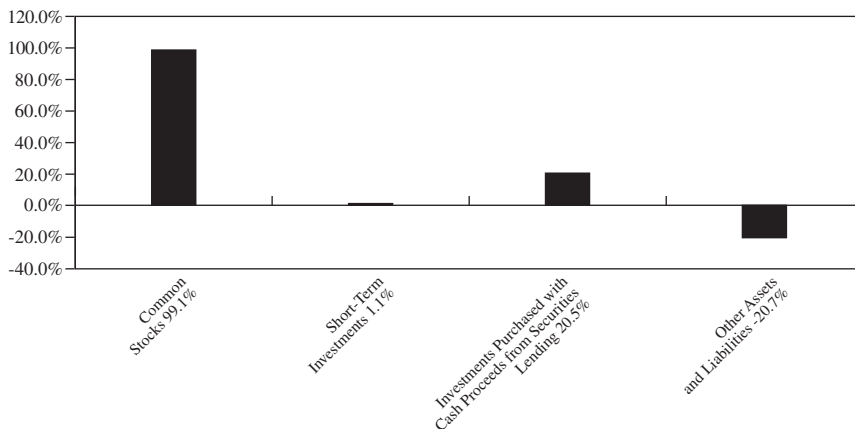
Sector Allocation*	Market Value	Percentage of Total Net Assets
Finance and Insurance	\$30,898,296	27.3%
Real Estate and Rental and Leasing	18,877,594	16.7%
Transportation and Warehousing	14,749,954	13.1%
Mining, Quarrying, and Oil and Gas Extraction	10,382,113	9.2%
Management of Companies and Enterprises	9,997,414	8.8%
Manufacturing	7,230,276	6.4%
Retail Trade	7,159,043	6.3%
Arts, Entertainment, and Recreation	4,516,691	4.0%
Administrative and Support and Waste Management and Remediation Services	3,916,297	3.5%
Information	3,223,230	2.9%
Utilities	836,679	0.7%
Accommodation and Food Services	660,753	0.6%
Telecommunications	336,977	0.3%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Market Opportunities Portfolio



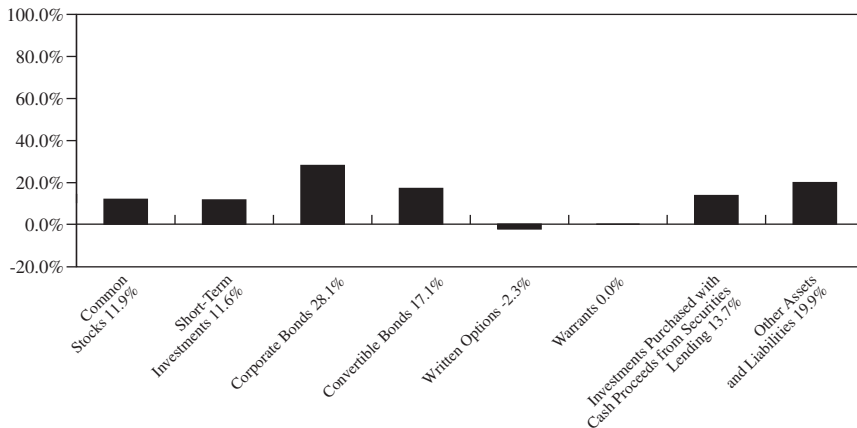
Sector Allocation*	Market Value	Percentage of Total Net Assets
Finance and Insurance	\$40,183,958	80.0%
Mining, Quarrying, and Oil and Gas Extraction	3,848,598	7.6%
Management of Companies and Enterprises	1,952,245	3.9%
Retail Trade	1,839,093	3.7%
Arts, Entertainment, and Recreation	1,595,116	3.2%
Information	240,306	0.5%
Utilities	70,541	0.1%
Transportation and Warehousing	58,892	0.1%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Water Infrastructure Portfolio



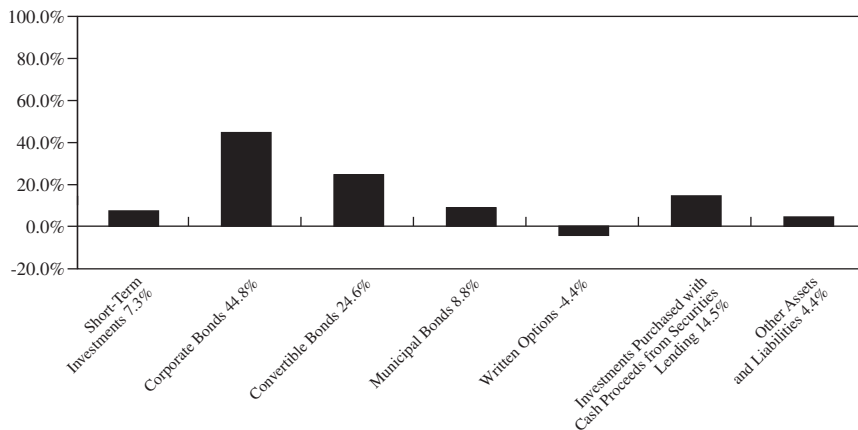
Sector Allocation*	Market Value	Percentage of Total Net Assets
Utilities	\$4,195,964	22.8%
Manufacturing	2,683,050	14.6%
Mining, Quarrying, and Oil and Gas Extraction	1,822,500	9.9%
Management of Companies and Enterprises	1,316,981	7.2%
Professional, Scientific, and Technical Services	431,865	2.3%
Administrative and Support and Waste Management and Remediation Services	48,180	0.3%

* Excludes Short-Term Investments

Allocation of Portfolio Assets

June 30, 2011 (Unaudited) — (Continued)

The Multi-Disciplinary Portfolio



Sector Allocation*	Market Value	Percentage of Total Net Assets
Mining, Quarrying, and Oil and Gas Extraction	\$3,927,575	23.0%
Finance and Insurance	1,780,241	10.4%
Transportation and Warehousing	1,505,000	8.8%
Management of Companies and Enterprises	1,422,724	8.3%
Utilities	1,085,000	6.3%
Real Estate and Rental and Leasing	1,068,933	6.2%
Arts, Entertainment, and Recreation	873,375	5.1%
Health Care and Social Assistance	812,000	4.8%
Administrative and Support and Waste Management and Remediation Services	343,125	2.0%
Manufacturing	359,875	2.1%
Professional, Scientific, and Technical Services	105,375	0.6%
Information	101,125	0.6%

* Excludes Short-Term Investments

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited)

Identifier	COMMON STOCKS — 96.05%	Shares	Value
Administrative and Support Services — 0.40%			
CTRP	Ctrip.com International Ltd. — ADR*^	6,000	\$ 258,480
IILG	Interval Leisure Group, Inc.*	200	2,738
ID	L-1 Identity Solutions, Inc.*	20,000	<u>235,000</u>
			<u>496,218</u>
Amusement, Gambling, and Recreation Industries — 0.94%			
DIS	The Walt Disney Co.^	29,691	<u>1,159,137</u>
Asset Management — 0.26%			
URB/A CN	Urbana Corporation — Class A*	240,000	<u>323,501</u>
Broadcasting (except Internet) — 18.30%			
CBS	CBS Corporation — Class B	48,340	1,377,206
DISCA	Discovery Communications, Inc. — Class A*^	90,412	3,703,275
LBTYK	Liberty Global, Inc. — Series C*	100,707	4,300,189
LCAPA	Liberty Media Corp. — Capital — Series A*	23,580	2,021,985
LINTA	Liberty Media Corp. — Interactive — Class A*	174,500	2,926,365
LSTZA	Liberty Media Corp. — Starz — Series A*	40,190	3,023,896
2008 HK	Phoenix Satellite Television Holdings Limited	5,006,000	1,974,944
SNI	Scripps Networks Interactive — Class A.	65,000	3,177,200
SIRI	Sirius XM Radio, Inc.*	46,000	<u>100,740</u>
			<u>22,605,800</u>
Computer and Electronic Product Manufacturing — 2.05%			
AAPL	Apple, Inc.*	5,000	1,678,350
QCOM	QUALCOMM Inc.	15,000	<u>851,850</u>
			<u>2,530,200</u>
Credit Intermediation and Related Activities — 0.04%			
TREE	Tree.com, Inc.*	10,033	<u>51,369</u>
Data Processing, Hosting and Related Services — 0.10%			
CSGP	CoStar Group, Inc.*^	2,000	<u>118,560</u>

The accompanying notes are an integral part of these financial statements.

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Data Processor — 3.02%		
MA Mastercard, Inc. — Class A	5,620	\$ 1,693,531
VRSK Verisk Analytics, Inc. — Class A*	10,000	346,200
V Visa, Inc. — Class A^	20,000	<u>1,685,200</u>
		<u>3,724,931</u>
Defense — 5.68%		
CACI CACI International, Inc. — Class A**	55,000	3,469,400
MANT ManTech International Corporation — Class A^	80,000	<u>3,553,600</u>
		<u>7,023,000</u>
Educational Services — 0.32%		
EDU New Oriental Education & Technology Group, Inc. — ADR*^	3,550	<u>396,606</u>
European Exchanges — 1.53%		
NAT BB Compagnie Nationale a Portefeuille*+	26,685	<u>1,891,145</u>
Gaming — 1.22%		
200 HK Melco International Development Limited	1,500,000	<u>1,513,165</u>
Global Exchanges — 2.06%		
JSE SJ JSE Limited	51,000	478,941
8697 JP Osaka Securities Exchange Co., Ltd.	210	935,159
SGX SP Singapore Exchange Limited	185,000	<u>1,134,128</u>
		<u>2,548,228</u>
Holding Company — 0.63%		
GBLS BB Groupe Bruxelles Lambert S.A. Strip VVPR*	2,000	23
IEP Icahn Enterprises LP	18,078	<u>777,354</u>
		<u>777,377</u>
Management of Companies and Enterprises — 2.01%		
SATS EchoStar Corporation — Class A*	68,229	<u>2,485,583</u>

The accompanying notes are an integral part of these financial statements.

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
<i>Motion Picture and Sound Recording Industries — 8.60%</i>		
DWA DreamWorks Animation SKG, Inc. — Class A*^	154,420	\$ 3,103,842
SINA SINA Corporation*^	41,980	4,370,118
TWX Time Warner, Inc.^	86,666	<u>3,152,042</u>
		<u>10,626,002</u>
<i>Motor Vehicle and Parts Dealers — 0.92%</i>		
AN AutoNation, Inc.*^	30,890	<u>1,130,883</u>
<i>Non-Store Retailers — 10.49%</i>		
CPRT Copart, Inc.*^	20,030	933,398
EBAY eBay, Inc.*	81,290	2,623,228
HSNI HSN, Inc.*	200	6,584
IACI IAC/InterActiveCorp*^	60,740	2,318,446
OSTK Overstock.com, Inc.*	1,000	15,220
RBA Ritchie Bros. Auctioneers, Incorporated^	162,000	4,453,380
SOHU Sohu.com Inc.*^	18,000	1,300,860
BID Sotheby's^	30,000	<u>1,305,000</u>
		<u>12,956,116</u>
<i>Other Exchanges — 0.32%</i>		
FTIS LI Financial Technologies (India) Ltd. — GDR	144,000	<u>390,816</u>
<i>Other Information Services — 10.22%</i>		
BIDU Baidu.com, Inc. — ADR*	57,540	8,063,080
EXPE Expedia, Inc.^	50,320	1,458,777
GOOG Google Inc. — Class A*	3,200	1,620,416
NTES NetEase.com Inc. — ADR*	11,320	510,419
YHOO Yahoo! Inc.*^	60,000	902,400
YOKU Youku.com, Inc. — ADR*^	2,160	<u>74,196</u>
		<u>12,629,288</u>
<i>Performing Arts, Spectator Sports, and Related Industries — 2.96%</i>		
LYV Live Nation Entertainment, Inc.*	112,724	1,292,944
MSG The Madison Square Garden Company — Class A*	85,815	<u>2,362,487</u>
		<u>3,655,431</u>

The accompanying notes are an integral part of these financial statements.

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier		Shares	Value
Professional, Scientific, and Technical Services — 4.03%			
JRJC	China Finance Online Company — ADR*^	10,000	\$ 35,900
CTSH	Cognizant Technology Solutions Corporation — Class A*	39,000	2,860,260
ICGE	ICG Group Inc.*	15,000	183,450
INFY	Infosys Technologies Limited — ADR^	27,185	1,773,278
MWW	Monster Worldwide, Inc.*^	2,000	29,320
UNTD	United Online, Inc.^	10,000	60,300
WYY	WidePoint Corp.*^	39,062	32,812
			<u>4,975,320</u>
Publishing Industries (except Internet) — 7.06%			
ROVI	Rovi Corporation*^	94,600	5,426,256
SSP	The E.W. Scripps Company — Class A*^	341,000	3,297,470
			<u>8,723,726</u>
Rental and Leasing Services — 0.98%			
CDCO	Comdisco Holding Company, Inc.	194,400	<u>1,211,112</u>
Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 1.89%			
COWN	Cowen Group, Inc. — Class A*^	193,103	726,067
ICE	IntercontinentalExchange Inc.*^	11,670	1,455,366
MKTX	MarketAxess Holdings, Inc.	6,000	150,360
			<u>2,331,793</u>
Special Purpose Entity — 0.00%			
ADPAO	Adelphia Contingent Value Vehicle CVV Services ACC-4 Int*+	250,827	0
ADPAL	Adelphia Recovery Trust Ser ACC-6 E/F Int*+	4,878,645	0
			<u>0</u>
Telecommunications — 8.45%			
CHU	China Unicom (Hong Kong) Limited — ADR^	107,645	2,181,964
DISH	DISH Network Corp. — Class A*	60,410	1,852,775
215 HK	Hutchison Telecommunications Hong Kong Holdings Limited	2,300,000	709,356

The accompanying notes are an integral part of these financial statements.

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Telecommunications (Continued)		
HTHKY Hutchison Telecommunications Hong Kong Holdings Limited — ADR ^	45,000	\$ 205,650
SNSH Sunshine PCS Corporation — Class A*	149	5,111
VIA/B Viacom Inc. — Class B	107,440	<u>5,479,440</u>
		<u>10,434,296</u>
U.S. Equity Exchanges — 0.55%		
NYX NYSE Euronext	19,830	<u>679,574</u>
Warehousing and Storage — 1.02%		
IRM Iron Mountain Incorporated^	37,147	<u>1,266,341</u>
TOTAL COMMON STOCKS (cost \$74,400,125)		<u>118,655,518</u>
ESCROW NOTES — 0.00%		Principal Amount
Special Purpose Entity — 0.00%		
006ESCBG1 Adelpia Communications Corp.*+	\$ 200,000	0
006ESC958 Adelpia Communications Corp. Preferred*+	190,000	<u>0</u>
TOTAL ESCROW NOTES (cost \$0)		<u>0</u>
RIGHTS — 0.79%		Shares
Rental and Leasing Services — 0.79%		
CDCOR Comdisco Holding Company, Inc. Expiration Date: 12/31/2050 Strike Price: \$1.00#	12,240,699	<u>979,256</u>
TOTAL RIGHTS (cost \$2,643,576)		<u>979,256</u>

The accompanying notes are an integral part of these financial statements.

The Internet Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	SHORT-TERM INVESTMENTS — 3.22%	Shares	Value
	Money Market Funds — 3.22%		
FIUXX	First American Prime Obligations Fund — Class I, 0.00% ^b	3,975,558	\$ 3,975,558
	TOTAL SHORT-TERM INVESTMENTS (cost \$3,975,558)		<u>3,975,558</u>
	INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 39.88%		
	Investment Companies — 39.88%		
	Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	49,273,501	<u>49,273,501</u>
	TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$49,273,501)		<u>49,273,501</u>
	TOTAL INVESTMENTS — 139.94% (cost \$130,292,760)		<u><u>\$172,883,833</u></u>

Percentages are stated as a percent of net assets.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$48,206,745 at June 30, 2011.

— Contingent value right (contingent upon profitability of company).

+ — Security is considered illiquid and was fair valued. The aggregate value of such securities is \$1,891,145 or 1.53% of net assets.

b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

ADR — American Depository Receipt.

GDR — Global Depository Receipt.

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Global Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 100.07%	Shares	Value
Arts, Entertainment, and Recreation — 0.77%			
585 HK	Imagi International Holdings Limited*	1,000,000	\$ 39,837
Asset Management — 1.92%			
8739 JP	SPARX Group Co., Ltd.*	1,000	99,124
Beverage and Tobacco Product Manufacturing — 1.46%			
ZWC PW	Grupa Zywiec S.A.	200	43,751
ZWACK HB	Zwack Unicum Nyrt.	400	31,756
			<u>75,507</u>
Chemical Manufacturing — 17.03%			
LYB	LyondellBasell Industries NV — Class A [^]	4,000	154,080
MRK GR	Merck KGaA	1,000	108,675
SNY	Sanofi-Aventis — ADR [^]	4,000	160,680
SHPGY	Shire PLC — ADR [^]	1,500	141,315
4911 JP	Shiseido Company, Limited	10,000	186,200
SQM	Sociedad Quimica y Minera de Chile SA — ADR [^]	2,000	129,440
			<u>880,390</u>
Commercial Banking — 2.52%			
BHW PW	Bank Handlowy w Warszawie S.A.	500	15,860
MIL PW	Bank Millennium S.A.	8,000	15,750
MFG	Mizuho Financial Group, Inc. — ADR [^]	30,000	98,400
			<u>130,010</u>
Computer and Electronic Product Manufacturing — 10.15%			
6954 JP	Fanuc Corporation	1,500	249,301
6861 JP	Keyence Corporation	500	141,233
6506 JP	YASKAWA Electric Corporation	12,000	133,855
			<u>524,389</u>
Credit Intermediation and Related Activities — 7.71%			
MTU	Mitsubishi UFJ Financial Group, Inc. — ADR	20,000	96,600
OTP HB	OTP Bank Nyrt.	2,000	65,094
SMFG	Sumitomo Mitsui Financial Group, Inc. — ADR [^]	16,000	98,400

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Global Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
<i>Credit Intermediation and Related Activities (Continued)</i>		
8309 JP Sumitomo Mitsui Trust Holdings, Inc.	40,000	\$ 138,625
		<u>398,719</u>
<i>Food Manufacturing — 1.92%</i>		
BARN SW Barry Callebaut AG	100	99,078
<i>Funds, Trusts, and Other Financial Vehicles — 3.27%</i>		
AER CN Groupe Aeroplan, Inc.	8,000	110,488
2337 JP Ichigo Group Holdings Co., Ltd.*	500	58,319
		<u>168,807</u>
<i>Global Exchanges — 2.59%</i>		
8697 JP Osaka Securities Exchange Co., Ltd.	30	133,594
<i>Insurance Carriers and Related Activities — 2.07%</i>		
MUV2 GR Muenchener Rueckversicherungs-Gesellschaft AG	700	107,044
<i>Machinery Manufacturing — 0.68%</i>		
KWG GR KHD Humboldt Wedag International AG*	3,978	35,189
<i>Medical Equipment and Supplies Manufacturing — 1.38%</i>		
NOBN VX Nobel Biocare Holding AG	3,500	71,353
<i>Merchant Wholesalers, Durable Goods — 9.37%</i>		
CFAO FP CFAO	2,000	86,661
973 HK L'Occitane International SA*	40,000	106,917
7974 JP Nintendo Co., Ltd.	1,100	205,913
7867 JP Tomy Company, Ltd.	10,000	84,839
		<u>484,330</u>
<i>Merchant Wholesalers, Nondurable Goods — 8.30%</i>		
EDEN FP Edenred	5,000	152,557
5002 JP Showa Shell Sekiyu K.K.	10,000	92,417
3402 JP Toray Industries, Inc.	25,000	183,839
		<u>428,813</u>
<i>Mining (except Oil and Gas) — 2.35%</i>		
ELT AU Elementos Limited*	9,081	2,192
ORE AU Orocobre Ltd.*	30,000	66,283

The accompanying notes are an integral part of these financial statements.

The Global Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier		Shares	Value
Mining (except Oil and Gas) (Continued)			
TTT	Terra Nova Realty Corp.	7,000	\$ 53,060
			<u>121,535</u>
Oil and Gas Extraction — 0.47%			
MAU	FP Etablissements Maurel et Prom.	1,000	<u>24,515</u>
Paper Manufacturing — 0.51%			
PTI	PL Portucel — Empresa Produtora de Pasta e Papel, S.A.	8,000	<u>26,590</u>
Professional, Scientific, and Technical Services — 7.70%			
ALKB	DC Alk-Abello A/S.	800	48,839
BSLN	SW Basilea Pharmaceutica AG*	750	54,773
8601	JP Daiwa Securities Group Inc.	15,000	65,772
ICLL	AV Intercell AG*	4,000	16,462
PTS	CN Points International Ltd.*	6,000	60,097
4825	JP Weathernews, Inc.	6,000	<u>152,040</u>
			<u>397,983</u>
Real Estate — 3.41%			
BRE	CN Brookfield Real Estate Services, Inc.	7,000	103,427
GfJ	GR Gagfah SA	10,000	<u>72,754</u>
			<u>176,181</u>
Retail Trade — 1.19%			
CA	FP Carrefour SA	1,500	<u>61,603</u>
Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 1.91%			
NMR	Nomura Holdings, Inc. — ADR [^]	20,000	<u>98,600</u>
Sporting Goods, Hobby, Book, and Music Stores — 2.33%			
7309	JP Shimano Inc.	2,200	<u>120,651</u>
Telecommunications — 3.62%			
VOD	Vodafone Group Plc — ADR [^]	7,000	<u>187,040</u>
Transportation Equipment — 1.52%			
BRE	IM Brembo S.p.A.	5,500	<u>78,403</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Global Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Transportation Equipment Manufacturing — 1.25%		
1211 HK BYD Company Limited — Class H*	20,000	<u>\$ 64,639</u>
Utilities — 2.67%		
EGPW IM Enel Green Power SpA	50,000	<u>137,910</u>
TOTAL COMMON STOCKS (cost \$5,008,769)		<u>5,171,834</u>
WARRANTS — 0.01%		
Oil and Gas and Consumable Fuels — 0.01%		
B4PM666 Maurel Et Prom Cw14 Expiration Date: 6/30/2014 Strike Price: \$14.20*	1,000	<u>653</u>
TOTAL WARRANTS (cost \$0)		<u>653</u>
INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 10.89%		
Investment Companies — 10.89%		
Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	562,925	<u>562,925</u>
TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$562,925)		<u>562,925</u>
TOTAL INVESTMENTS — 110.97% (cost \$5,571,694)		<u><u>\$5,735,412</u></u>

Percentages are stated as a percent of net assets.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$513,402 at June 30, 2011.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

ADR — American Depository Receipt.

The accompanying notes are an integral part of these financial statements.

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 95.99%	Shares	Value
	Asset Management — 5.49%		
BAM	Brookfield Asset Management Inc. — Class A	1,853,790	\$ 61,490,214
URB/A CN	Urbana Corporation — Class A*	398,178	536,712
806 HK	Value Partners Group Limited	3,713,000	3,177,786
			<u>65,204,712</u>
	Beverage and Tobacco Product Manufacturing — 1.38%		
168 HK	Tsingtao Brewery Co. Limited — Class H	2,840,000	16,404,898
	Broadcasting (except Internet) — 8.54%		
CBS	CBS Corporation — Class B	573,720	16,345,283
DISCA	Discovery Communications, Inc. — Class A*^	273,673	11,209,646
LCAPA	Liberty Media Corp. — Capital — Series A*	234,906	20,143,189
LINTA	Liberty Media Corp. — Interactive — Class A*	1,132,192	18,986,860
LSTZA	Liberty Media Corp. — Starz — Series A*	285,589	21,487,717
SNI	Scripps Networks Interactive — Class A	75,973	3,713,560
VIA/B	Viacom Inc. — Class B	188,499	9,613,449
			<u>101,499,704</u>
	Chemical Manufacturing — 2.66%		
SIAL	Sigma-Aldrich Corp.	429,815	31,539,825
	Credit Intermediation and Related Activities — 0.00%		
UCBHQ	UCBH Holdings, Inc.*^	112,751	1,240
	Gaming — 11.43%		
LVS	Las Vegas Sands Corp.*	1,465,011	61,838,114
200 HK	Melco International Development Limited.	1,863,000	1,879,352
MGM	MGM Resorts International*^	759,661	10,035,122
WYNN	Wynn Resorts Limited	432,295	62,051,624
			<u>135,804,212</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier		Shares	Value
General Merchandise Stores — 2.93%			
JCP	J.C. Penney Company, Inc.^	301,490	\$ 10,413,465
SCC CN	Sears Canada Inc.	306,219	5,562,711
SHLD	Sears Holdings Corporation*^	263,852	18,849,587
			<u>34,825,763</u>
Global Exchanges — 2.76%			
388 HK	Hong Kong Exchanges & Clearing Limited.	528,000	11,066,579
JSE SJ	JSE Limited	470,543	4,418,865
8697 JP	Osaka Securities Exchange Co., Ltd.	3,889	17,318,260
			<u>32,803,704</u>
Holding Company — 9.06%			
BRK/A	Berkshire Hathaway Inc. — Class A*	34	3,947,570
GBLS BB	Groupe Bruxelles Lambert S.A. Strip VVPR*	23,520	273
IEP	Icahn Enterprises LP.	467,319	20,094,717
JS SP	Jardine Strategic Holdings Limited	60,000	1,836,000
LUK	Leucadia National Corporation^	2,270,231	77,414,877
OCX CN	Onex Corporation	113,500	4,397,838
			<u>107,691,275</u>
Insurance Carriers and Related Activities — 2.07%			
MKL	Markel Corporation*	32,732	12,988,385
2328 HK	PICC Property & Casualty Co. Ltd. — Class H*	2,538,000	4,318,224
PWF CN	Power Financial Corporation.	234,000	7,215,677
			<u>24,522,286</u>
Manufactured Brands — 0.90%			
JAH	Jarden Corporation	308,543	10,647,819
Merchant Wholesalers, Nondurable Goods — 0.63%			
NOBL SP	Noble Group Limited.	4,692,000	7,525,230
Mining (except Oil and Gas) — 3.27%			
AAUKY	Anglo American PLC — ADR	175,000	4,348,750
FNV CN	Franco-Nevada Corporation	922,362	34,428,982
			<u>38,777,732</u>
Motion Picture and Sound Recording Industries — 3.17%			
DWA	DreamWorks Animation SKG, Inc. — Class A*^	1,873,460	37,656,546

The accompanying notes are an integral part of these financial statements.

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
<i>Motor Vehicle and Parts Dealers — 5.22%</i>		
AN AutoNation, Inc.*^	761,100	\$ 27,863,871
AZO AutoZone, Inc.*	55,477	16,357,393
PAG Penske Automotive Group, Inc.^	782,530	<u>17,794,732</u>
		<u>62,015,996</u>
<i>Oil and Gas Extraction — 9.12%</i>		
CNQ Canadian Natural Resources Ltd.	651,605	27,276,186
COS CN Canadian Oil Sands Ltd.	1,420,008	41,024,031
SU Suncor Energy, Inc.^	1,022,062	<u>39,962,624</u>
		<u>108,262,841</u>
<i>Performing Arts, Spectator Sports, and Related Industries — 1.10%</i>		
LYV Live Nation Entertainment, Inc.*	1,140,726	<u>13,084,127</u>
<i>Port and Harbor Operations — 0.02%</i>		
3382 HK Tianjin Port Development Holdings Ltd.	1,512,000	<u>287,567</u>
<i>Real Estate — 15.18%</i>		
ALX Alexander's, Inc. — REIT	5,091	2,021,127
1 HK Cheung Kong (Holdings) Limited	1,063,240	15,548,879
ELS Equity Lifestyle Properties, Inc.	273,050	17,049,242
FCE/A Forest City Enterprises, Inc. — Class A*^	1,802,642	33,655,326
10 HK Hang Lung Group Limited	1,450,000	9,186,296
12 HK Henderson Land Development Company Limited	3,491,260	22,499,799
HHC The Howard Hughes Corporation*.	741,400	48,220,656
823 HK The Link — REIT	2,200,000	7,506,072
TPL Texas Pacific Land Trust	210,598	9,554,831
VNO Vornado Realty Trust — REIT^	105,869	9,864,874
4 HK The Wharf Holdings Limited	740,300	<u>5,141,963</u>
		<u>180,249,065</u>
<i>Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 6.34%</i>		
CBOE CBOE Holdings Inc.^	1,611,526	39,643,540
ICE IntercontinentalExchange Inc.*^	286,211	<u>35,693,374</u>
		<u>75,336,914</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Support Activities for Transportation — 1.87%		
995 HK Anhui Expressway Co. Ltd. — Class H . . .	1,052,000	\$ 878,728
694 HK Beijing Capital International Airport Company Limited — Class H*	27,459,000	12,844,335
357 HK Hainan Meilan International Airport Company Limited — Class H	2,587,720	2,607,107
548 HK Shenzhen Expressway Company Limited — Class H	2,100,000	1,192,798
107 HK Sichuan Expressway Co. Limited — Class H	9,000,000	<u>4,649,370</u>
		<u>22,172,338</u>
Telecommunications — 2.71%		
DISH DISH Network Corp. — Class A*	706,670	21,673,569
SATS EchoStar Corporation — Class A*	288,328	<u>10,503,789</u>
		<u>32,177,358</u>
Utilities — 0.14%		
BIP Brookfield Infrastructure Partners LP^ . . .	65,930	<u>1,651,547</u>
TOTAL COMMON STOCKS (cost \$978,710,176)		<u>1,140,142,699</u>
ESCROW NOTES — 0.00%		Principal Amount
Special Purpose Entity — 0.00%		
13199ACT6 Calpine Corporation (converted from Capline Corp., 8.750%, 07/15/2008)*+	\$ 200,000	0
13199ACU3 Calpine Corporation (converted from Capline Corp., 7.875%, 04/01/2008)*+	200,000	0
13199ACV1 Calpine Corporation (converted from Capline Corp., 7.625%, 04/15/2050)*+	100,000	<u>0</u>
TOTAL ESCROW NOTES (cost \$0)		<u>0</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	CONVERTIBLE BONDS — 0.46%	Principal Amount	Value
	Real Estate — 0.46%		
345550AK3	Forest City Enterprises, Inc. 3.625%, 10/15/2014	\$ 4,000,000	\$ 5,467,500
	TOTAL CONVERTIBLE BONDS (cost \$3,226,569)		<u>5,467,500</u>
	CORPORATE BONDS — 0.00%		
	Credit Intermediation and Related Activities — 0.00%		
317928AA7	FINOVA Group, Inc. 7.500%, 11/15/2009, Acquired 10/19/2006-3/29/2007 at \$7,902,157 (Default Effective 4/29/2005)*+	9,503,880	10
	TOTAL CORPORATE BONDS (cost \$7,341,784)		<u>10</u>
	SHORT-TERM INVESTMENTS — 3.67%		Shares
	Money Market Funds — 3.67%		
FIUXX	First American Prime Obligations Fund — Class I, 0.00% ^b	43,588,609	43,588,609
	TOTAL SHORT-TERM INVESTMENTS (cost \$43,588,609)		<u>43,588,609</u>
	INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 15.85%		
	Investment Companies — 15.85%		
	Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	188,226,101	188,226,101
	TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$188,226,101)		<u>188,226,101</u>
	TOTAL INVESTMENTS — 115.97% (cost \$1,221,093,239)		<u><u>\$1,377,424,919</u></u>

The accompanying notes are an integral part of these financial statements.

The Paradigm Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — *(Continued)*

Percentages are stated as a percent of net assets.

** — Non-income producing security.*

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$180,989,628 at June 30, 2011.

+ — Security is considered illiquid and was fair valued. The aggregate value of such securities is \$10 or 0.00% of net assets.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

ADR — American Depository Receipt.

REIT — Real Estate Investment Trust.

The accompanying notes are an integral part of these financial statements.

The Medical Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 95.01%	Shares	Value
	Ambulatory Health Care Services — 0.00%		
AVXT	AVAX Technologies, Inc.*	50,000	\$ 1,450
	Chemical Manufacturing — 4.53%		
AGEN	Agenus, Inc.*^	892	696
APHB	Ampliphi Biosciences Corp.*	1,000	225
LONN VX	Lonza Group AG	15,000	1,173,952
MRK	Merck & Co., Inc.	11,000	388,190
MMRF	MMRGlobal Inc.*	43,000	2,021
			<u>1,565,084</u>
	Computer and Electronic Product Manufacturing — 0.01%		
TGX	Theragenics Corporation*	2,000	3,520
	Pharmaceutical and Biotechnology — 84.48%		
ABT	Abbott Laboratories	29,000	1,525,980
ATLN VX	Actelion Ltd.	14,000	689,551
AEZS	AEterna Zentaris Inc.*^	102,500	225,500
ALKS	Alkermes, Inc.*^	32,000	595,200
ARNA	Arena Pharmaceuticals, Inc.*^	45,000	61,200
AZN	AstraZeneca PLC — ADR^	21,000	1,051,470
ATB CN	Atrium Innovations Inc.*^	4,884	80,265
BIIB	Biogen Idec, Inc.*	37,250	3,982,770
BPAX	BioSante Pharmaceuticals, Inc.*^	13,476	37,059
BYM	Bristol-Myers Squibb Company	48,000	1,390,080
CLDX	Celldex Therapeutics Inc.*^	26,294	93,344
CEPH	Cephalon, Inc.*^	11,000	878,900
1093 HK	China Pharmaceutical Group Limited	1,640,000	794,531
CBST	Cubist Pharmaceuticals, Inc.*^	38,000	1,367,620
DNDN	Dendreon Corporation*	29,000	1,143,760
LLY	Eli Lilly & Company	37,000	1,388,610
EPCT	EpiCept Corporation*	680	360
GSK	GlaxoSmithKline plc — ADR^	37,673	1,616,172
HGSI	Human Genome Sciences, Inc.*^	21,000	515,340
IMGN	ImmunoGen, Inc.*^	14,000	170,660
ISIS	Isis Pharmaceuticals, Inc.*^	29,000	265,640
ISA CN	Isotechnika Pharma Inc.*	40,000	5,806
JNJ	Johnson & Johnson	30,000	1,995,600
LIFE	Life Technologies Corporation*	36,000	1,874,520
MAXY	Maxygen, Inc.^	39,000	213,330
MYRX	Myrex Inc.*	72,000	257,760
COX FP	NicOx SA*	41,535	108,478
NVS	Novartis AG — ADR	35,000	2,138,850

The accompanying notes are an integral part of these financial statements.

The Medical Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Pharmaceutical and Biotechnology (Continued)		
ONTY Oncothyreon, Inc.*^	28,333	\$ 260,380
PTIE Pain Therapeutics, Inc.	38,000	147,060
PFE Pfizer, Inc.	56,000	1,153,600
PGNX Progenics Pharmaceuticals, Inc.*^	65,200	468,136
SNY Sanofi-Aventis — ADR^	36,000	1,446,120
SCR Simcere Pharmaceutical Group — ADR*^	58,000	566,660
TELK Telik, Inc.*^	116,000	90,480
VICL Vical Incorporated*^	82,500	339,900
VPHM ViroPharma Incorporated*^	15,000	277,500
		<u>29,218,192</u>
Pharmaceutical and Medicine Manufacturing — 1.64%		
4508 JP Mitsubishi Tanabe Pharma Corporation	34,000	568,039
Professional, Scientific, and Technical Services — 4.35%		
AFFX Affymetrix, Inc.*	134,000	1,062,620
AMRI Albany Molecular Research, Inc.*	56,000	269,360
CDXS Codexis, Inc.*^	5,611	54,034
PACB Pacific Biosciences of California Inc.*	10,000	117,000
		<u>1,503,014</u>
TOTAL COMMON STOCKS (cost \$28,511,882)		<u>32,859,299</u>
ESCROW NOTES — 0.00%		Principal Amount
Special Purpose Entity — 0.00%		
053ESC992 Avigen Inc. Escrow*+	\$ 51,000	0
TOTAL ESCROW NOTES (cost \$0)		<u>0</u>
RIGHTS — 0.12%		Shares
Funds, Trusts, and Other Financial Vehicles — 0.01%		
LGNYZ Ligand Pharmaceuticals Incorporated General Contingent Value Right*	44,000	2,200
LGNXZ Ligand Pharmaceuticals Incorporated Glucagon Contingent Value Right*	44,000	48
LGNDZ Ligand Pharmaceuticals Incorporated Roche Contingent Value Right	44,000	1,672

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Medical Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Funds, Trusts, and Other Financial Vehicles (Continued)		
LGNZZ Ligand Pharmaceuticals Incorporated TR Beta Contingent Value Right*	44,000	\$ 44
		3,964
Pharmaceutical and Biotechnology — 0.11%		
GCVRZ Sanofi Contingent Value Right*	15,538	37,447
TOTAL RIGHTS (cost \$0)		41,411
SHORT-TERM INVESTMENTS — 4.89%		
Money Market Funds — 4.89%		
FIUXX First American Prime Obligations Fund — Class I, 0.00% ^b	1,688,687	1,688,687
FAIXX First American Prime Obligations Fund — Class Y, 0.00% ^b	4,434	4,434
TOTAL SHORT-TERM INVESTMENTS (cost \$1,693,121)		1,693,121
INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 25.66%		
Investment Companies — 25.66%		
Mount Vernon Securities Lending Trust — Prime Portfolio, 0.26% ^b	8,874,018	8,874,018
TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$8,874,018)		8,874,018
TOTAL INVESTMENTS — 125.68% (cost \$39,079,021)		\$43,467,849

Percentages are stated as a percent of net assets.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$8,409,612 at June 30, 2011.

+ — Security is considered illiquid and was fair valued. The aggregate value of such securities is \$0 or 0.00% of net assets.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

ADR — American Depository Receipt.

The accompanying notes are an integral part of these financial statements.

The Small Cap Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 99.38%	Shares	Value
Air Transportation — 2.67%			
670 HK	China Eastern Airlines Corporation Limited — Class H*	1,139,000	\$ 506,437
1055 HK	China Southern Airlines Company Limited — Class H*	4,664,000	<u>2,505,303</u>
			<u>3,011,740</u>
Asset Management — 12.84%			
BNBMF	BAM Investments Ltd.*	125,540	2,160,780
	CNS Cohen & Steers, Inc.^	83,623	2,772,102
OCX CN	Onex Corporation	24,860	963,262
	PZN Pzena Investment Management, Inc. — Class A	96,360	547,325
	SII CN Sprott, Inc.	1,680	12,873
URB/A CN	Urbana Corporation — Class A*	481,071	648,445
GROW	US Global Investors, Inc. — Class A^	73,940	532,368
806 HK	Value Partners Group Limited	2,330,000	1,994,140
WSDT	WisdomTree Investments, Inc.*	771,080	<u>4,888,647</u>
			<u>14,519,942</u>
Commercial Banking — 1.50%			
BLBD LI	BLOM Bank s.a.l. — GDR	199,240	<u>1,693,540</u>
Credit Intermediation and Related Activities — 0.20%			
FBOD	First Bank of Delaware	80,025	162,451
PFBCD	Preferred Bank of Los Angeles*	9,361	<u>67,396</u>
			<u>229,847</u>
Defense — 1.76%			
CACI	CACI International, Inc. — Class A**	17,988	1,134,683
MANT	ManTech International Corporation — Class A^	19,275	<u>856,196</u>
			<u>1,990,879</u>
Gaming — 1.78%			
200 HK	Melco International Development Limited	1,999,000	<u>2,016,545</u>
Global Exchanges — 5.34%			
JSE SJ	JSE Limited	352,000	3,305,629
8697 JP	Osaka Securities Exchange Co., Ltd.	613	<u>2,729,775</u>
			<u>6,035,404</u>
Holding Company — 8.85%			
IEP	Icahn Enterprises LP	232,498	<u>9,997,414</u>

The accompanying notes are an integral part of these financial statements.

The Small Cap Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier		Shares	Value
Insurance Carriers and Related Activities — 2.40%			
GLRE	Greenlight Capital Re, Ltd. — Class A*^	103,305	\$ 2,715,888
Manufactured Brands — 4.16%			
JAH	Jarden Corporation	136,310	4,704,058
Mining (except Oil and Gas) — 7.37%			
FNV CN	Franco-Nevada Corporation	144,480	5,393,001
IMN CN	Inmet Mining Corporation	40,790	2,935,171
			<u>8,328,172</u>
Motion Picture and Sound Recording Industries — 2.03%			
DWA	DreamWorks Animation SKG, Inc. — Class A*^	114,144	2,294,294
Motor Vehicle and Parts Dealers — 2.69%			
PAG	Penske Automotive Group, Inc.^	133,520	3,036,245
Non-Store Retailers — 3.65%			
RBA	Ritchie Bros. Auctioneers, Incorporated^	15,077	414,467
BID	Sotheby's^	85,249	3,708,331
			<u>4,122,798</u>
Oil and Gas Extraction — 1.82%			
SEMUF	Siem Industries Inc.*	29,342	2,053,940
Other Exchanges — 0.81%			
NZX NZ	NZX Ltd.	462,420	919,476
Performing Arts, Spectator Sports, and Related Industries — 2.21%			
LYV	Live Nation Entertainment, Inc.*	140,567	1,612,303
MSG	The Madison Square Garden Company — Class A*	32,250	887,843
			<u>2,500,146</u>
Pharmaceutical and Biotechnology — 0.47%			
1093 HK	China Pharmaceutical Group Limited	1,105,000	535,339
Pipeline Transportation — 0.94%			
135 HK	Kunlun Energy Co., Ltd.	618,000	1,062,601
SUG	Southern Union Company	1	20
			<u>1,062,621</u>
Publishing Industries (except Internet) — 0.78%			
ROVI	Rovi Corporation*^	13,510	774,934
VALU	Value Line, Inc.^	7,615	102,117
			<u>877,051</u>

The accompanying notes are an integral part of these financial statements.

The Small Cap Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
<i>Rail Transportation — 0.02%</i>		
525 HK	Guangshen Railway Company Limited — Class H	58,000 \$ 24,298
<i>Real Estate — 16.26%</i>		
ALX	Alexander's, Inc.	6,110 2,425,670
BLMC	Biloxi Marsh Lands Corporation	100 1,155
HHC	The Howard Hughes Corporation*^	50,343 3,274,308
KEWL	Keweenaw Land Association Ltd.*	380 34,960
823 HK	The Link REIT	626,000 2,135,819
PVR	Penn Virginia Resources Partners, L.P.	39,821 1,072,778
TPL	Texas Pacific Land Trust^	180,700 8,198,359
FUR	Winthrop Realty Trust	103,573 1,236,662
		<u>18,379,711</u>
<i>Rental and Leasing Services — 0.04%</i>		
CDCO	Comdisco Holding Company, Inc.	7,560 47,099
<i>Restaurants — 0.59%</i>		
WEN	Wendy's/Arby's Group, Inc. — Class A	130,326 660,753
<i>Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 4.23%</i>		
CBOE	CBOE Holdings Inc.^	122,190 3,005,874
JEF	Jefferies Group, Inc.^	86,890 1,772,556
RHJI BB	RHJ International*	800 5,766
		<u>4,784,196</u>
<i>Support Activities for Transportation — 9.42%</i>		
694 HK	Beijing Capital International Airport Company Limited — Class H	5,199,000 2,431,906
357 HK	Hainan Meilan International Airport Company Limited — Class H	3,095,000 3,118,187
548 HK	Shenzhen Expressway Company Limited — Class H	539,000 306,152
107 HK	Sichuan Expressway Co. Limited — Class H	9,282,000 4,795,050
		<u>10,651,295</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Small Cap Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Telecommunications — 0.35%		
CIBY CIBL, Inc.	18	\$ 9,630
SATS EchoStar Corporation — Class A*	9,250	336,977
LICT Lynch Interactive Corporation*	16	35,120
SNSH Sunshine PCS Corporation — Class A*	208	7,135
		<u>388,862</u>
Utilities — 0.74%		
PICO PICO Holdings, Inc.*	28,851	836,679
Waste Management and Remediation Services — 3.46%		
CVA Covanta Holding Corporation.	213,415	3,519,213
SWSH Swisher Hygiene, Inc.*^	70,530	397,084
		<u>3,916,297</u>
TOTAL COMMON STOCKS (cost \$93,710,667)		<u>112,334,529</u>
CORPORATE BONDS — 0.00%		
	Principal Amount	
Credit Intermediation and Related Activities — 0.00%		
317928AA7 FINOVA Group, Inc. 7.500%, 11/15/2009, Acquired 10/19/2006- 5/17/2007 at \$741,082 (Default Effective 4/29/2005)*+	\$ 2,783,965	<u>3</u>
TOTAL CORPORATE BONDS (cost \$1,232,811)		<u>3</u>
RIGHTS — 0.40%		
	Shares	
Rental and Leasing Services — 0.40%		
CDCOR Comdisco Holding Company, Inc. Expiration Date: 12/31/2050 Strike Price: \$1.00#	5,634,807	<u>450,785</u>
TOTAL RIGHTS (cost \$1,296,169)		<u>450,785</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Small Cap Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	SHORT-TERM INVESTMENTS — 0.71%	Shares	Value
	Money Market Funds — 0.71%		
FIUXX	First American Prime Obligations Fund — Class I, 0.00% ^b	802,423	\$ 802,423
	TOTAL SHORT-TERM INVESTMENTS (cost \$802,423)		<u>802,423</u>
	INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 16.78%		
	Investment Companies — 16.78%		
	Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	18,973,978	18,973,978
	TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$18,973,978)		<u>18,973,978</u>
	TOTAL INVESTMENTS — 117.27% (cost \$116,016,048)		<u><u>\$132,561,718</u></u>

Percentages are stated as a percent of net assets.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$18,371,855 at June 30, 2011.

+ — Security is considered illiquid and was fair valued. The aggregate value of such securities is \$3 or 0.00% of net assets.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

— Contingent value right (contingent upon profitability of company).

GDR — Global Depository Receipt.

REIT — Real Estate Investment Trust.

The accompanying notes are an integral part of these financial statements.

The Market Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 99.09%	Shares	Value
Asset Management — 28.76%			
BNBMF	BAM Investments Ltd.*	31,090	\$ 535,117
BX	The Blackstone Group LP*	68,399	1,132,688
BAM	Brookfield Asset Management Inc. — Class A	71,540	2,372,982
CNS	Cohen & Steers, Inc.^	45,822	1,518,999
EV	Eaton Vance Corp.^	17,500	529,025
JZCP LN	JZ Capital Partners Ltd.	44,440	282,444
OCX CN	Onex Corporation	25,390	983,798
RCP LN	RIT Capital Partners plc*	14,570	303,059
SII CN	Sprott, Inc.	43,155	330,671
TROW	T. Rowe Price Group, Inc.	3,490	210,587
URB/A CN	Urbana Corporation — Class A*	356,004	479,864
806 HK	Value Partners Group Limited	1,712,000	1,465,222
WSDT	WisdomTree Investments, Inc.*	679,007	4,304,904
			<u>14,449,360</u>
Credit Intermediation and Related Activities — 0.44%			
CATY	Cathay General Bancorp^	3,237	53,054
CLFC	Center Financial Corporation*	5,454	34,633
EWBC	East West Bancorp, Inc.	3,204	64,753
NARA	Nara Bancorp, Inc.*	6,164	50,113
UCBHQ	UCBH Holdings, Inc.*	6,803	75
WIBC	Wilshire Bancorp, Inc.*^	6,341	18,643
			<u>221,271</u>
Data Processor — 5.32%			
FISV	Fiserv, Inc.*	3,606	225,844
MA	Mastercard, Inc. — Class A	4,555	1,372,603
VRSK	Verisk Analytics, Inc. — Class A*	5,117	177,151
V	Visa, Inc. — Class A^	10,650	897,369
			<u>2,672,967</u>
European Exchanges — 1.59%			
DB1 GR	Deutsche Boerse AG	10,508	798,485
Gaming — 3.17%			
LVS	Las Vegas Sands Corp.*	37,790	1,595,116

The accompanying notes are an integral part of these financial statements.

The Market Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Global Exchanges — 13.28%		
388 HK Hong Kong Exchanges & Clearing Limited . . .	133,350	\$ 2,794,940
JSE SJ JSE Limited	124,500	1,169,178
8697 JP Osaka Securities Exchange Co., Ltd.	150	667,971
SGX SP Singapore Exchange Limited	332,727	<u>2,039,758</u>
		<u>6,671,847</u>
Holding Company — 3.88%		
BRK/A Berkshire Hathaway Inc. — Class A**	9	1,044,945
IEP Icahn Enterprises LP^	21,100	<u>907,300</u>
		<u>1,952,245</u>
Insurance Carriers and Related Activities — 4.40%		
2628 HK China Life Insurance Co., Limited — Class H	114,000	389,683
GLRE Greenlight Capital Re, Ltd. — Class A*	300	7,887
MKL Markel Corporation*	523	207,532
2318 HK Ping An Insurance Group Company of China Limited — Class H.	60,000	619,530
PWF CN Power Financial Corporation	32,000	<u>986,759</u>
		<u>2,211,391</u>
Mining (except Oil and Gas) — 7.66%		
FNV CN Franco-Nevada Corporation	103,105	<u>3,848,598</u>
Non-Store Retailers — 3.66%		
BID Sotheby's^	42,278	<u>1,839,093</u>
Other Exchanges — 1.27%		
FTIS LI Financial Technologies (India) Ltd. — GDR. . .	102,980	279,488
IMAREX NO IMAREX ASA*	1,850	19,717
NZX NZ NZX Ltd.	170,954	<u>339,925</u>
		<u>639,130</u>
Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 22.69%		
CBOE CBOE Holdings Inc.^	164,971	4,058,287
CME CME Group, Inc.	7,628	2,224,249
ICE IntercontinentalExchange Inc.*	26,747	3,335,618
IVZ Invesco Limited	16,415	384,111
JEF Jefferies Group, Inc.^	54,730	1,116,492
LSE LN London Stock Exchange Group plc	16,538	<u>281,619</u>
		<u>11,400,376</u>

The accompanying notes are an integral part of these financial statements.

The Market Opportunities Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Shares	Value
Support Activities for Transportation — 0.12%		
107 HK Sichuan Expressway Co. Limited — Class H	114,000	\$ 58,892
Telecommunications — 0.03%		
IRDM Iridium Communications, Inc.*^	1,672	14,463
U.S. Equity Exchanges — 2.68%		
NDAQ The NASDAQ OMX Group, Inc.*	11,800	298,540
NYSE NYSE Euronext	30,535	1,046,434
		<u>1,344,974</u>
Utilities — 0.14%		
BIP Brookfield Infrastructure Partners LP^	2,816	70,541
TOTAL COMMON STOCKS		
(cost \$41,567,168)		<u>49,788,749</u>
SHORT-TERM INVESTMENTS — 1.08%		
Money Market Funds — 1.08%		
FIUXX First American Prime Obligations Fund — Class I, 0.00% ^b	542,126	542,126
TOTAL SHORT-TERM INVESTMENTS		
(cost \$542,126)		<u>542,126</u>
INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 20.46%		
Investment Companies — 20.46%		
Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	10,281,357	10,281,357
TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING		
(cost \$10,281,357)		<u>10,281,357</u>
TOTAL INVESTMENTS — 120.63%		
(cost \$52,390,651)		<u><u>\$60,612,232</u></u>

Percentages are stated as a percent of net assets.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$10,018,029 at June 30, 2011.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

GDR — Global Depository Receipt.

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	COMMON STOCKS — 11.93%	Shares	Value
Administrative and Support Services — 0.26%			
TRIT	Tri-Tech Holding Inc.*^	6,000	\$ 48,180
Machinery Manufacturing — 3.03%			
AMN	Ameron International Corporation	5,246	344,557
ARF CN	Armtec Infrastructure, Inc.	12,650	45,120
ERII	Energy Recovery Inc.*^	51,108	167,123
			<u>556,800</u>
Professional, Scientific, and Technical Services — 2.35%			
TTEK	Tetra Tech, Inc.*^	19,194	431,865
Utilities — 6.29%			
BRC-U CN	Brookfield Renewable Power Fund	11,250	268,404
CDZI	Cadiz Inc.*^	40,000	434,400
CWCO	Consolidated Water Co., Ltd.^	27,875	258,959
PNH MK	Puncak Niaga Holdings Berhad — EIS.	18,972	3,299
UU/ LN	United Utilities Group PLC	20,000	192,274
			<u>1,157,336</u>
TOTAL COMMON STOCKS (cost \$2,470,037)			<u>2,194,181</u>
CONVERTIBLE BONDS — 17.07%		Principal Amount	
Holding Company — 7.16%			
451102AB3	Icahn Enterprises LP 4.000%, 08/15/2013#	\$1,370,000	1,316,981
Oil and Gas Extraction — 9.91%			
165167CB1	Chesapeake Energy Corp. 2.250%, 12/15/2038^	2,000,000	1,822,500
TOTAL CONVERTIBLE BONDS (cost \$2,888,645)			<u>3,139,481</u>
CORPORATE BONDS — 28.06%			
Fabricated Metal Product Manufacturing — 11.57%			
624758AB4	Mueller Water Products, Inc. 7.375%, 06/01/2017#	2,250,000	2,126,250

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Principal Amount	Value
Utilities — 16.49%		
7595554 Veolia Environnement SA 4.875%, 05/28/2013#	\$2,000,000	\$ 3,032,228
TOTAL CORPORATE BONDS (cost \$5,012,826)		<u>5,158,478</u>
WARRANTS — 0.04%		
	Shares	
Utilities — 0.04%		
CHC/WS China Hydroelectric Corporation Expiration Date: 1/25/2014 Strike Price: \$15.00*	40,000	<u>6,400</u>
TOTAL WARRANTS (cost \$48,000)		<u>6,400</u>
SHORT-TERM INVESTMENTS — 11.62%		
Money Market Funds — 11.62%		
FGVXX First American Government Obligations Fund — Class Y, 0.00%# ^b	620,172	620,172
FIUXX First American Prime Obligations Fund — Class I, 0.00%# ^b	620,575	620,575
FAIXX First American Prime Obligations Fund — Class Y, 0.00%# ^b	620,437	620,437
FOCXX First American Treasury Obligations Fund — Class Y, 0.00%# ^b	275,691	<u>275,691</u>
TOTAL SHORT-TERM INVESTMENTS (cost \$2,136,875)		<u>2,136,875</u>

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure PortfolioPortfolio of Investments — June 30, 2011 (Unaudited) — *(Continued)*

Identifier	INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING — 13.73%	Shares	Value
	<i>Investment Companies — 13.73%</i>		
	Mount Vernon Securities Lending Trust — Prime Portfolio, 0.20% ^b	2,525,320	\$ 2,525,320
	TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING (cost \$2,525,320)		<u>2,525,320</u>
	TOTAL INVESTMENTS — 82.45% (cost \$15,081,703)		<u>\$15,160,735</u>

Percentages are stated as a percent of net assets.

EIS — Enhanced Income Security. This exchange-traded security is composed of both an issuer's common shares and its subordinated notes.

* — Non-income producing security.

^ — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$2,385,886 at June 30, 2011.

— All or a portion of the shares have been committed as collateral for written option contracts.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	CONVERTIBLE BONDS — 24.63%	Principal Amount	Value
Computer and Electronic Product Manufacturing — 0.60%			
502413AW7	L-3 Communications Holdings, Inc. 3.000%, 08/01/2035	\$ 100,000	<u>\$ 102,375</u>
Holding Company — 8.31%			
451102AB3	Icahn Enterprises LP 4.000%, 08/15/2013	1,480,000	<u>1,422,724</u>
Oil and Gas Extraction — 5.26%			
Chesapeake Energy Corp.			
165167BW6	2.750%, 11/15/2035#	100,000	111,125
165167CB1	2.250%, 12/15/2038#	865,000	<u>788,231</u>
			<u>899,356</u>
Professional, Scientific, and Technical Services — 0.62%			
159864AB3	Charles River Laboratories International, Inc. 2.250%, 06/15/2013	100,000	<u>105,375</u>
Real Estate — 3.36%			
029169AA7	American Real Estate 4.000%, 08/15/2013, Acquired 6/24/2011 at \$48,130#*	50,000	48,065
10112RAK0	Boston Properties LP 2.875%, 02/15/2037#	100,000	100,750
345550AH0	Forest City Enterprises, Inc. 3.625%, 10/15/2011#	425,000	<u>426,742</u>
			<u>575,557</u>
U.S. Equity Exchanges — 6.48%			
631103AA6	The NASDAQ OMX Group, Inc. 2.500%, 08/15/2013#	1,100,000	<u>1,109,625</u>
TOTAL CONVERTIBLE BONDS (cost \$4,101,807)			<u>4,215,012</u>

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	CORPORATE BONDS — 44.79%	Principal Amount	Value
Administrative and Support Services — 2.01%			
Corrections Corp. of America			
22025YAJ9	6.750%, 01/31/2014#	\$ 100,000	\$ 102,500
22025YAK6	7.750%, 06/01/2017#	220,000	240,625
			<u>343,125</u>
Ambulatory Health Care Services — 4.75%			
23918KAL2	Davita, Inc.		
	6.375%, 11/01/2018#	800,000	812,000
Amusement, Gambling, and Recreation Industries — 5.10%			
707569AL3	Penn National Gaming, Inc.		
	6.750%, 03/01/2015#	850,000	873,375
Chemical Manufacturing — 1.50%			
785583AC9	Sabine Pass LNG LP		
	7.250%, 11/30/2013^	250,000	257,500
Mining (except Oil and Gas) — 11.18%			
20854PAD1	Consol Energy, Inc.		
	8.000%, 04/01/2017#	1,500,000	1,642,500
704549AH7	Peabody Energy Corp.		
	6.500%, 09/15/2020	250,000	270,000
			<u>1,912,500</u>
Oil and Gas Extraction — 6.52%			
Harvest Operations Corp.			
41754WAE1	7.250%, 09/30/2013#	200,000	213,386
41754WAJ0	7.500%, 05/31/2015#	830,000	902,333
			<u>1,115,719</u>
Real Estate — 6.36%			
779273AF8	Rouse Co.		
	7.200%, 09/15/2012	273,000	285,626
The Rouse Company LP			
U77928AAA4	6.750%, 05/01/2013	200,000	207,750
779273AG6	5.375%, 11/26/2013	590,000	595,163
			<u>1,088,539</u>

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Investments — June 30, 2011 (Unaudited) — (Continued)

Identifier	Principal Amount	Value
Securities, Commodity Contracts, and Other Financial Investments and Related Activities — 0.44%		
52107QAC9 Lazard Group LLC 7.125%, 05/15/2015	\$ 67,000	\$ 75,453
Telecommunications — 0.59%		
27876GAQ1 EchoStar DBS Corp. 6.375%, 10/01/2011	100,000	101,125
Utilities — 6.34%		
13134YAD9 Calpine Construction Finance Company, L.P. 8.000%, 06/01/2016, Acquired 10/25/2010 through 6/8/2011 at \$1,074,857^#*	1,000,000	1,085,000
TOTAL CORPORATE BONDS (cost \$7,567,525)		7,664,336
MUNICIPAL BONDS — 8.79%		
Air Transportation — 8.79%		
Branson Missouri Regional Airport Transportation Development District		
105459AB7 6.000%, 07/01/2025#	2,000,000	860,000
105459AC5 6.000%, 07/01/2037#	1,500,000	645,000
TOTAL MUNICIPAL BONDS (cost \$1,585,183)		1,505,000
SHORT-TERM INVESTMENTS — 7.31%		
Money Market Funds — 7.31%		
FVGXX First American Government Obligations Fund — Class Y, 0.00%# ^b	10,277	10,277
FIUXX First American Prime Obligations Fund — Class I, 0.00%# ^b	650,137	650,137
FAIXX First American Prime Obligations Fund — Class Y, 0.00%# ^b	589,815	589,815
TOTAL SHORT-TERM INVESTMENTS (cost \$1,250,229)		1,250,229

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary PortfolioPortfolio of Investments — June 30, 2011 (Unaudited) — *(Continued)***INVESTMENTS PURCHASED WITH THE
CASH PROCEEDS FROM SECURITIES**

Identifier	LENDING — 14.50%	Shares
<i>Investment Companies — 14.50%</i>		
Mount Vernon Securities Lending Trust —		
Prime Portfolio, 0.20% ^b	2,481,435	<u>\$ 2,481,435</u>
TOTAL INVESTMENTS PURCHASED WITH THE CASH PROCEEDS FROM SECURITIES LENDING		
(cost \$2,481,435)		<u>2,481,435</u>
TOTAL INVESTMENTS — 100.02%		
(cost \$16,986,179)		<u>\$17,116,012</u>

Percentages are stated as a percent of net assets.

[^] — This security or a portion of this security was out on loan at June 30, 2011. Total loaned securities had a market value of \$2,434,401 at June 30, 2011.

[#] — All or a portion of the shares have been committed as collateral for written option contracts.

^b — The rate quoted is the annualized seven-day yield as of June 30, 2011.

^{*} — Restricted Security restricted to institutional investors (144A Securities).

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited)

Identifier	PUT OPTIONS WRITTEN	Contracts	Value
	<i>Administrative and Support Services</i>		
ACM 110917P00025000	Aecom Technology Corp. Expiration: September 2011, Exercise Price: \$25.00	260	\$ <u>13,000</u>
	<i>Chemical Manufacturing</i>		
CCC 110716P00012500	Calgon Carbon Corporation Expiration: July 2011, Exercise Price: \$12.50	500	3,750
NLC 110917P00025000	Nalco Holding Co. Expiration: September 2011, Exercise Price: \$25.00	200	<u>9,500</u>
			<u>13,250</u>
	<i>Computer and Electronic Product Manufacturing</i>		
DHR 120121P00035000	Danaher Corporation Expiration: January 2012, Exercise Price: \$35.00	40	1,400
DHR 120121P00045000	Danaher Corporation Expiration: January 2012, Exercise Price: \$45.00	145	<u>18,850</u>
			<u>20,250</u>
	<i>Fabricated Metal Product Manufacturing</i>		
INSU 110917P00022500	Insituform Technologies, Inc. — Class A Expiration: September 2011, Exercise Price: \$22.50	100	28,300
NWPX 110917P00020000	Northwest Pipe Company Expiration: September 2011, Exercise Price: \$20.00	30	900
NWPX 110917P00022500	Northwest Pipe Company Expiration: September 2011, Exercise Price: \$22.50	20	<u>1,250</u>
			<u>30,450</u>

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Funds, Trusts, and Other Financial Vehicles			
PHO 110917P00019000	PowerShares Water Resources ETF Expiration: September 2011, Exercise Price: \$19.00	600	\$ 36,000
PHO 111217P00018000	PowerShares Water Resources ETF Expiration: December 2011, Exercise Price: \$18.00	175	<u>12,688</u>
			<u>48,688</u>
Machinery Manufacturing			
AMN 110917P00065000	Ameron International Corporation Expiration: September 2011, Exercise Price: \$65.00	96	36,960
ESE 110917P00035000	ESCO Technologies, Inc. Expiration: September 2011, Exercise Price: \$35.00	200	31,500
ITT 110716P00050000	ITT Corporation Expiration: July 2011, Exercise Price: \$50.00	145	725
LNN 110917P00060000	Lindsay Corporation Expiration: September 2011, Exercise Price: \$60.00	200	40,999
PLL 110917P00050000	Pall Corporation Expiration: September 2011, Exercise Price: \$50.00	225	17,438
VMI 110917P00090000	Valmont Industries, Inc. Expiration: September 2011, Exercise Price: \$90.00	20	<u>6,750</u>
			<u>134,372</u>

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Professional, Scientific, and Technical Services</i>			
TTEK 110917P00022500	Tetra Tech, Inc. Expiration: September 2011, Exercise Price: \$22.50	140	\$ 18,900
URS 110716P00040000	URS Corp. Expiration: July 2011, Exercise Price: \$40.00	110	825
URS 111022P00040000	URS Corp. Expiration: October 2011, Exercise Price: \$40.00	80	9,600
			<u>29,325</u>
<i>Utilities</i>			
AWK 110917P00025000	American Water Works Co., Inc. Expiration: September 2011, Exercise Price: \$25.00	101	1,010
WTR 110917P00020000	Aqua America, Inc. Expiration: September 2011, Exercise Price: \$20.00	50	1,125
WTR 110917P00022500	Aqua America, Inc. Expiration: September 2011, Exercise Price: \$22.50	30	3,225
SBS 110716P00050000	Cia de Saneamento Basico do Estado de Sao Paulo — ADR Expiration: July 2011, Exercise Price: \$50.00	150	3,000
CIG 110917P00017500	Companhia Energetica de Minas Gerais — ADR Expiration: September 2011, Exercise Price: \$17.50	5	188
PICO 110716P00030000	PICO Holdings, Inc. Expiration: July 2011, Exercise Price: \$30.00	250	28,125
VE 110716P00030000	Veolia Environnement — ADR Expiration: July 2011, Exercise Price: \$30.00	165	32,588
VE 111022P00030000	Veolia Environnement — ADR Expiration: October 2011, Exercise Price: \$30.00	165	43,724
			<u>112,985</u>

The accompanying notes are an integral part of these financial statements.

The Water Infrastructure Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
	Waste Management and Remediation Services		
CLH 110716P00075000	Clean Harbors, Inc. Expiration: July 2011, Exercise Price: \$75.00	80	\$ 200
WCN 110917P00025000	Waste Connections, Inc. Expiration: September 2011, Exercise Price: \$25.00	5	50
WM 120121P00032500	Waste Management, Inc. Expiration: January 2012, Exercise Price: \$32.50	200	<u>22,000</u>
			<u>22,250</u>
	TOTAL PUT OPTIONS WRITTEN		
	(premiums received (\$803,519))		<u><u>\$424,570</u></u>

ADR — American Depository Receipt.

ETF — Exchange Traded Fund.

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	PUT OPTIONS WRITTEN	Contracts	Value
<i>Administrative and Support Services</i>			
EXPE 120121P00015000	Expedia, Inc. Expiration: January 2012, Exercise Price: \$15.00	30	\$ 300
EXPE 120121P00024000	Expedia, Inc. Expiration: January 2012, Exercise Price: \$24.00	19	<u>1,900</u>
			<u>2,200</u>
<i>Air Transportation</i>			
ZNH 110917P00020000	China Southern Airlines Company Limited — ADR Expiration: September 2011, Exercise Price: \$20.00	10	400
ZNH 110917P00022500	China Southern Airlines Company Limited — ADR Expiration: September 2011, Exercise Price: \$22.50	31	<u>2,635</u>
			<u>3,035</u>
<i>Amusement, Gambling, and Recreation Industries</i>			
LVS 120121P00030000	Las Vegas Sands Corp. Expiration: January 2012, Exercise Price: \$30.00	8	976
LVS 120121P00035000	Las Vegas Sands Corp. Expiration: January 2012, Exercise Price: \$35.00	3	678
DIS 120121P00035000	The Walt Disney Company Expiration: January 2012, Exercise Price: \$35.00	36	<u>5,076</u>
			<u>6,730</u>
<i>Asset Management</i>			
BLK 110716P00175000	BlackRock, Inc. Expiration: July 2011, Exercise Price: \$175.00	2	70

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Asset Management (Continued)			
BLK 111022P00175000	BlackRock, Inc. Expiration: October 2011, Exercise Price: \$175.00	3	\$ 1,890
BAM 110917P00030000	Brookfield Asset Management Inc. — Class A Expiration: September 2011, Exercise Price: \$30.00	20	850
EV 111119P00030000	Eaton Vance Corp. Expiration: November 2011, Exercise Price: \$30.00	22	4,565
FII 110716P00025000	Federated Investors, Inc. — Class B Expiration: July 2011, Exercise Price: \$25.00	16	1,920
FII 111022P00022500	Federated Investors, Inc. — Class B Expiration: October 2011, Exercise Price: \$22.50	10	1,150
FII 111022P00025000	Federated Investors, Inc. — Class B Expiration: October 2011, Exercise Price: \$25.00	20	4,900
FII 120121P00020000	Federated Investors, Inc. — Class B Expiration: January 2012, Exercise Price: \$20.00	17	1,615
FII 120121P00022500	Federated Investors, Inc. — Class B Expiration: January 2012, Exercise Price: \$22.50	5	925
BEN 120121P00105000	Franklin Resources, Inc. Expiration: January 2012, Exercise Price: \$105.00	7	2,083
BEN 120121P00110000	Franklin Resources, Inc. Expiration: January 2012, Exercise Price: \$110.00	5	1,900
IVZ 111022P00022500	Invesco Limited Expiration: October 2011, Exercise Price: \$22.50	46	5,635

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Asset Management (Continued)			
LM 120121P00030000	Legg Mason, Inc. Expiration: January 2012, Exercise Price: \$30.00	35	\$ 6,825
LM 120218P00030000	Legg Mason, Inc. Expiration: February 2012, Exercise Price: \$30.00	16	3,520
TROW 120121P00050000	T. Rowe Price Group, Inc. Expiration: January 2012, Exercise Price: \$50.00	30	6,300
GROW 110917P00007500	US Global Investors, Inc. — Class A Expiration: September 2011, Exercise Price: \$7.50	30	2,700
GROW 111217P00007500	US Global Investors, Inc. — Class A Expiration: December 2011, Exercise Price: \$7.50	20	<u>2,600</u>
			<u>49,448</u>
Beverage and Tobacco Product Manufacturing			
DEO 110716P00065000	Diageo plc — ADR Expiration: July 2011, Exercise Price: \$65.00	4	20
DEO 110716P00070000	Diageo plc — ADR Expiration: July 2011, Exercise Price: \$70.00	4	20
DEO 120121P00075000	Diageo plc — ADR Expiration: January 2012, Exercise Price: \$75.00	10	<u>3,075</u>
			<u>3,115</u>
Broadcasting (except Internet)			
DISCA 111022P00035000	Discovery Communications Inc. Expiration: October 2011, Exercise Price: \$35.00	28	<u>1,470</u>

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Building Material and Garden Equipment and Supplies Dealers</i>			
SHW 120121P00070000	The Sherwin-Williams Company Expiration: January 2012, Exercise Price: \$70.00	2	\$ 335
SHW 120121P00075000	The Sherwin-Williams Company Expiration: January 2012, Exercise Price: \$75.00	10	<u>2,800</u>
			<u>3,135</u>
<i>Chemical Manufacturing</i>			
CCJ 120121P00022500	Cameco Corporation Expiration: January 2012, Exercise Price: \$22.50	17	2,465
CCJ 120121P00025000	Cameco Corporation Expiration: January 2012, Exercise Price: \$25.00	30	7,200
CCJ 120121P00030000	Cameco Corporation Expiration: January 2012, Exercise Price: \$30.00	7	3,710
CCJ 120121P00035000	Cameco Corporation Expiration: January 2012, Exercise Price: \$35.00	6	5,610
LYB 120121P00033000	LyondellBasell Industries NV — Class A Expiration: January 2012, Exercise Price: \$33.00	30	7,350
NLC 110917P00025000	Nalco Holding Co. Expiration: September 2011, Exercise Price: \$25.00	24	1,140
NVS 120121P00050000	Novartis AG — ADR Expiration: January 2012, Exercise Price: \$50.00	15	1,050
SIAL 110716P00060000	Sigma-Aldrich Corp. Expiration: July 2011, Exercise Price: \$60.00	10	50

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Chemical Manufacturing (Continued)			
SIAL 111022P00060000	Sigma-Aldrich Corp. Expiration: October 2011, Exercise Price: \$60.00	14	\$ 805
SIAL 120121P00060000	Sigma-Aldrich Corp. Expiration: January 2012, Exercise Price: \$60.00	4	<u>500</u>
			<u>29,880</u>
Computer and Electronic Product Manufacturing			
DCM 110716P00017500	NTT Docomo, Inc. — ADR Expiration: July 2011, Exercise Price: \$17.50	20	200
COL 110716P00055000	Rockwell Collins, Inc. Expiration: July 2011, Exercise Price: \$55.00	9	45
COL 111022P00055000	Rockwell Collins, Inc. Expiration: October 2011, Exercise Price: \$55.00	5	<u>475</u>
			<u>720</u>
Construction			
BRP1 110917P00010000	Brookfield Residential Properties Inc. Expiration: September 2011, Exercise Price: \$10.00	83	<u>20,957</u>
Couriers and Messengers			
FDX 120121P00075000	FedEx Corp. Expiration: January 2012, Exercise Price: \$75.00	2	364
FDX 120121P00080000	FedEx Corp. Expiration: January 2012, Exercise Price: \$80.00	7	1,820
FDX 120121P00085000	FedEx Corp. Expiration: January 2012, Exercise Price: \$85.00	2	750
UPS 120121P00065000	United Parcel Service — Class B Expiration: January 2012, Exercise Price: \$65.00	10	1,900

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Couriers and Messengers (Continued)</i>			
UPS 120121P00067500	United Parcel Service — Class B Expiration: January 2012, Exercise Price: \$67.50	8	<u>\$ 2,000</u>
			<u>6,834</u>
<i>Credit Intermediation and Related Activities</i>			
AXP 120121P00030000	American Express Company Expiration: January 2012, Exercise Price: \$30.00	10	290
AXP 120121P00040000	American Express Company Expiration: January 2012, Exercise Price: \$40.00	15	1,485
AXP 130119P00045000	American Express Company Expiration: January 2013, Exercise Price: \$45.00	18	7,965
BAC 120121P00012500	Bank Of America Corporation Expiration: January 2012, Exercise Price: \$12.50	84	17,220
BAC 120218P00010000	Bank Of America Corporation Expiration: February 2012, Exercise Price: \$10.00	26	1,898
BK 120121P00025000	The Bank Of New York Mellon Corp. Expiration: January 2012, Exercise Price: \$25.00	36	6,840
BOKF 110917P00050000	BOK Financial Corporation Expiration: September 2011, Exercise Price: \$50.00	5	1,225
EWBC 110716P00020000	East West Bancorp, Inc. Expiration: July 2011, Exercise Price: \$20.00	20	600
EWBC 111022P00020000	East West Bancorp, Inc. Expiration: October 2011, Exercise Price: \$20.00	8	1,060
FIS 120121P00025000	Fidelity National Information Services, Inc. Expiration: January 2012, Exercise Price: \$25.00	6	318

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
<i>Credit Intermediation and Related Activities (Continued)</i>		
MTB 120121P00065000	M&T Bank Corporation Expiration: January 2012, Exercise Price: \$65.00	6 \$ 510
MTB 120121P00075000	M&T Bank Corporation Expiration: January 2012, Exercise Price: \$75.00	3 667
MTB 120121P00080000	M&T Bank Corporation Expiration: January 2012, Exercise Price: \$80.00	7 2,415
MTB 130119P00085000	M&T Bank Corporation Expiration: January 2013, Exercise Price: \$85.00	6 6,450
NTRS 120121P00045000	Northern Trust Corp. Expiration: January 2012, Exercise Price: \$45.00	8 2,480
NTRS 120121P00050000	Northern Trust Corp. Expiration: January 2012, Exercise Price: \$50.00	8 4,720
STT 120121P00040000	State Street Corporation Expiration: January 2012, Exercise Price: \$40.00	36 7,560
STI 120121P00021000	SunTrust Banks, Inc. Expiration: January 2012, Exercise Price: \$21.00	15 1,320
STI 120121P00025000	SunTrust Banks, Inc. Expiration: January 2012, Exercise Price: \$25.00	15 3,285
USB 120121P00022500	U.S. Bancorp Expiration: January 2012, Exercise Price: \$22.50	36 3,384
USB 120121P00024000	U.S. Bancorp Expiration: January 2012, Exercise Price: \$24.00	10 1,350

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
Credit Intermediation and Related Activities (Continued)		
USB 120121P00025000	U.S. Bancorp Expiration: January 2012, Exercise Price: \$25.00	8 <u>\$ 1,440</u> <u>74,482</u>
Data Processing, Hosting and Related Services		
GOOG 120121P00520000	Google Inc. Expiration: January 2012, Exercise Price: \$520.00	2 <u>9,900</u>
Data Processor		
V 120121P00065000	Visa, Inc. — Class A Expiration: January 2012, Exercise Price: \$65.00	10 1,280
V 120121P00070000	Visa, Inc. — Class A Expiration: January 2012, Exercise Price: \$70.00	14 <u>2,786</u> <u>4,066</u>
Defense		
CACI 110917P00050000	CACI International Inc. — Class A Expiration: September 2011, Exercise Price: \$50.00	5 <u>112</u>
Depository Credit Intermediation		
HDB 110716P00140000	HDFC Bank Ltd. — ADR Expiration: July 2011, Exercise Price: \$140.00	2 35
HDB 110716P00145000	HDFC Bank Ltd. — ADR Expiration: July 2011, Exercise Price: \$145.00	1 10
HDB 111022P00150000	HDFC Bank Ltd. — ADR Expiration: October 2011, Exercise Price: \$150.00	3 960
HDB 111022P00155000	HDFC Bank Ltd. — ADR Expiration: October 2011, Exercise Price: \$155.00	2 <u>820</u> <u>1,825</u>

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Electric Power Distribution</i>			
EBR 110917P00012490	Centrais Eletricas Brasileiras S.A. — ADR Expiration: September 2011, Exercise Price: \$12.49	63	<u>\$ 15,750</u>
<i>Fabricated Metal Product Manufacturing</i>			
CMC 110917P00015000	Commercial Metals Company Expiration: September 2011, Exercise Price: \$15.00	60	7,200
FO 120121P00050000	Fortune Brands, Inc. Expiration: January 2012, Exercise Price: \$50.00	7	<u>770</u>
			<u>7,970</u>
<i>Food Manufacturing</i>			
ADM 120121P00025000	Archer-Daniels-Midland Company Expiration: January 2012, Exercise Price: \$25.00	13	1,079
ADM 120121P00028000	Archer-Daniels-Midland Company Expiration: January 2012, Exercise Price: \$28.00	11	1,859
ADM 120121P00030000	Archer-Daniels-Midland Company Expiration: January 2012, Exercise Price: \$30.00	33	8,613
BG 120121P00050000	Bunge Limited Expiration: January 2012, Exercise Price: \$50.00	3	270
BG 120121P00060000	Bunge Limited Expiration: January 2012, Exercise Price: \$60.00	14	3,710
BG 120121P00065000	Bunge Limited Expiration: January 2012, Exercise Price: \$65.00	5	2,125
BG 130119P00065000	Bunge Limited Expiration: January 2013, Exercise Price: \$65.00	6	5,010

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
Food Manufacturing (Continued)		
CAG 120121P00020000	ConAgra Foods, Inc. Expiration: January 2012, Exercise Price: \$20.00	9 \$ 225
CAG 120121P00022500	ConAgra Foods, Inc. Expiration: January 2012, Exercise Price: \$22.50	46 2,760
CAG 120121P00024000	ConAgra Foods, Inc. Expiration: January 2012, Exercise Price: \$24.00	20 2,050
UN 110820P00025000	Unilever NV Expiration: August 2011, Exercise Price: \$25.00	16 120
UN 110820P00030000	Unilever NV Expiration: August 2011, Exercise Price: \$30.00	15 487
UN 111119P00030000	Unilever NV Expiration: November 2011, Exercise Price: \$30.00	20 <u>2,200</u>
		<u>30,508</u>
Funds, Trusts, and Other Financial Vehicles		
NLY 120121P00015000	Annaly Capital Management Inc. Expiration: January 2012, Exercise Price: \$15.00	43 1,419
GGP 120121P00012500	General Growth Properties, Inc. Expiration: January 2012, Exercise Price: \$12.50	20 420
GGP 120121P00015000	General Growth Properties, Inc. Expiration: January 2012, Exercise Price: \$15.00	40 3,000
EWJ 120121P00010000	iShares MSCI Japan Index Fund Expiration: January 2012, Exercise Price: \$10.00	130 6,110
PSA 111217P00095000	Public Storage Expiration: December 2011, Exercise Price: \$95.00	3 607

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Funds, Trusts, and Other Financial Vehicles (Continued)			
PSA 111217P00105000	Public Storage Expiration: December 2011, Exercise Price: \$105.00	2	\$ 830
			12,386
General Merchandise Stores			
SHLD 120121P00060000	Sears Holdings Corporation Expiration: January 2012, Exercise Price: \$60.00	24	14,160
Holding Company			
BRKB 120121P00070000	Berkshire Hathaway Inc. — Class B Expiration: January 2012, Exercise Price: \$70.00	11	2,640
BRKB 120121P00072500	Berkshire Hathaway Inc. — Class B Expiration: January 2012, Exercise Price: \$72.50	4	1,240
BRKB 120121P00075000	Berkshire Hathaway Inc. — Class B Expiration: January 2012, Exercise Price: \$75.00	9	3,510
LUK 120121P00025000	Leucadia National Corporation Expiration: January 2012, Exercise Price: \$25.00	10	550
LUK 120121P00030000	Leucadia National Corporation Expiration: January 2012, Exercise Price: \$30.00	10	1,475
			9,415
Insurance Carriers and Related Activities			
AIG 120121P00028000	American International Group, Inc. Expiration: January 2012, Exercise Price: \$28.00	10	2,425
AIG 120121P00030000	American International Group, Inc. Expiration: January 2012, Exercise Price: \$30.00	35	11,900
AIG 120218P00028000	American International Group, Inc. Expiration: February 2012, Exercise Price: \$28.00	12	3,198

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Insurance Carriers and Related Activities (Continued)</i>			
LFC 120121P00047500	China Life Insurance Co., Limited — ADR Expiration: January 2012, Exercise Price: \$47.50	4	\$ 1,040
LFC 120121P00062500	China Life Insurance Co., Limited — ADR Expiration: January 2012, Exercise Price: \$62.50	6	7,200
FNF 111217P00015000	Fidelity National Financial, Inc. — Class A Expiration: December 2011, Exercise Price: \$15.00	5	387
L 110917P00040000	Loews Corporation Expiration: September 2011, Exercise Price: \$40.00	11	880
L 111217P00040000	Loews Corporation Expiration: December 2011, Exercise Price: \$40.00	12	1,944
MMC 120121P00027500	Marsh & McLennan Companies, Inc. Expiration: January 2012, Exercise Price: \$27.50	58	5,075
PGR 120121P00020000	The Progressive Corporation Expiration: January 2012, Exercise Price: \$20.00	51	4,590
PGR 120218P00020000	The Progressive Corporation Expiration: February 2012, Exercise Price: \$20.00	25	2,688
			41,327
<i>Machinery Manufacturing</i>			
LNN 111217P00060000	Lindsay Corporation Expiration: December 2011, Exercise Price: \$60.00	5	2,150

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Management of Companies and Enterprises			
GS 120121P00140000	The Goldman Sachs Group, Inc. Expiration: January 2012, Exercise Price: \$140.00	1	\$ 1,500
GS 120121P00150000	The Goldman Sachs Group, Inc. Expiration: January 2012, Exercise Price: \$150.00	5	<u>10,765</u>
			<u>12,265</u>
Medical Laboratories			
LH 110820P00080000	Laboratory Corporation of America Holdings Expiration: August 2011, Exercise Price: \$80.00	3	<u>60</u>
Merchant Wholesalers, Nondurable Goods			
TAP 110716P00040000	Molson Coors Brewing Company — Class B Expiration: July 2011, Exercise Price: \$40.00	16	80
TAP 110716P00045000	Molson Coors Brewing Company — Class B Expiration: July 2011, Exercise Price: \$45.00	20	1,400
TAP 111022P00045000	Molson Coors Brewing Company — Class B Expiration: October 2011, Exercise Price: \$45.00	20	<u>4,900</u>
			<u>6,380</u>
Mining (except Oil and Gas)			
ABX 120121P00040000	Barrick Gold Corporation Expiration: January 2012, Exercise Price: \$40.00	9	1,755
ABX 120121P00045000	Barrick Gold Corporation Expiration: January 2012, Exercise Price: \$45.00	10	4,200

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Mining (except Oil and Gas) (Continued)</i>			
ABX 120121P00050000	Barrick Gold Corporation Expiration: January 2012, Exercise Price: \$50.00	7	\$ 5,145
ABX 130119P00040000	Barrick Gold Corporation Expiration: January 2013, Exercise Price: \$40.00	12	5,820
GGP1 120121P00015000	Greatland Gold Plc Expiration: January 2012, Exercise Price: \$15.00	24	336
HWD 110820P00010000	Harry Winston Diamond Corporation Expiration: August 2011, Exercise Price: \$10.00	27	338
HWD 111119P00012500	Harry Winston Diamond Corporation Expiration: November 2011, Exercise Price: \$12.50	52	2,860
NEM 120121P00045000	Newmont Mining Corporation Expiration: January 2012, Exercise Price: \$45.00	5	865
NEM 120121P00050000	Newmont Mining Corporation Expiration: January 2012, Exercise Price: \$50.00	5	1,563
NEM 120121P00052500	Newmont Mining Corporation Expiration: January 2012, Exercise Price: \$52.50	20	8,440
RIO 120121P00060000	Rio Tinto PLC — ADR Expiration: January 2012, Exercise Price: \$60.00	19	<u>5,130</u>
			<u>36,452</u>
<i>Miscellaneous Manufacturing</i>			
BDX 110917P00075000	Becton, Dickinson and Company Expiration: September 2011, Exercise Price: \$75.00	12	510

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
	Miscellaneous Manufacturing (Continued)		
BDX 111217P00080000	Becton, Dickinson and Company Expiration: December 2011, Exercise Price: \$80.00	6	\$ 1,500
IGT 120121P00015000	International Game Technology Expiration: January 2012, Exercise Price: \$15.00	74	5,365
IGT 130119P00012500	International Game Technology Expiration: January 2013, Exercise Price: \$12.50	12	<u>1,230</u>
			<u>8,605</u>
	Motion Picture and Sound Recording Industries		
DWA 110917P00025000	Dreamworks Animation SKG, Inc. — Class A Expiration: September 2011, Exercise Price: \$25.00	10	5,100
DWA 111217P00020000	Dreamworks Animation SKG, Inc. — Class A Expiration: December 2011, Exercise Price: \$20.00	46	8,050
DWA 111217P00022500	Dreamworks Animation SKG, Inc. — Class A Expiration: December 2011, Exercise Price: \$22.50	20	6,600
NWS 120121P00015000	News Corporation Expiration: January 2012, Exercise Price: \$15.00	30	1,650
NWS 120121P00016000	News Corporation Expiration: January 2012, Exercise Price: \$16.00	80	<u>6,000</u>
			<u>27,400</u>
	Non-Store Retailers		
AMZN 120121P00160000	Amazon.com, Inc. Expiration: January 2012, Exercise Price: \$160.00	2	1,240

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
<i>Non-Store Retailers (Continued)</i>		
AMZN 120121P00165000		
Amazon.com, Inc.		
Expiration: January 2012,		
Exercise Price: \$165.00	2	\$ 1,380
AMZN 120121P00170000		
Amazon.com, Inc.		
Expiration: January 2012,		
Exercise Price: \$170.00	2	1,640
EBAY 120121P00020000		
eBay, Inc.		
Expiration: January 2012,		
Exercise Price: \$20.00	5	130
EBAY 120121P00025000		
eBay, Inc.		
Expiration: January 2012,		
Exercise Price: \$25.00	35	3,045
BID 120121P00035000		
Sotheby's		
Expiration: January 2012,		
Exercise Price: \$35.00	35	<u>8,400</u>
		<u>15,835</u>
<i>Oil and Gas and Consumable Fuels</i>		
SNP 120121P00090000		
China Petroleum and Chemical Corporation — ADR		
Expiration: January 2012,		
Exercise Price: \$90.00	11	4,455
PTR 120121P00105000		
PetroChina Company Limited — ADR		
Expiration: January 2012,		
Exercise Price: \$105.00	2	270
PTR 120121P00120000		
PetroChina Company Limited — ADR		
Expiration: January 2012,		
Exercise Price: \$120.00	2	760
PTR 130119P00125000		
PetroChina Company Limited — ADR		
Expiration: January 2013,		
Exercise Price: \$125.00	8	<u>11,120</u>
		<u>16,605</u>
<i>Oil and Gas Extraction</i>		
CNQ 120121P00035000		
Canadian Natural Resources Ltd.		
Expiration: January 2012,		
Exercise Price: \$35.00	10	1,625

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
<i>Oil and Gas Extraction (Continued)</i>		
CNQ 120121P00037500	Canadian Natural Resources Ltd. Expiration: January 2012, Exercise Price: \$37.50	16 \$ 3,760
CNQ 120121P00040000	Canadian Natural Resources Ltd. Expiration: January 2012, Exercise Price: \$40.00	12 3,840
CEO 110917P00190000	CNOOC Limited — ADR Expiration: September 2011, Exercise Price: \$190.00	2 240
CEO 111217P00190000	CNOOC Limited — ADR Expiration: December 2011, Exercise Price: \$190.00	2 950
CEO 111217P00200000	CNOOC Limited — ADR Expiration: December 2011, Exercise Price: \$200.00	3 2,130
ECA 120121P00029000	Encana Corporation Expiration: January 2012, Exercise Price: \$29.00	17 3,230
ECA 120121P00030000	EnCana Corporation Expiration: January 2012, Exercise Price: \$30.00	26 6,110
ECA 130119P00025000	Encana Corporation Expiration: January 2013, Exercise Price: \$25.00	13 3,133
IMO 110820P00035000	Imperial Oil Ltd. Expiration: August 2011, Exercise Price: \$35.00	2 70
IMO 110820P00040000	Imperial Oil Ltd. Expiration: August 2011, Exercise Price: \$40.00	12 720
IMO 111119P00045000	Imperial Oil Ltd. Expiration: November 2011, Exercise Price: \$45.00	8 2,200
IMO 120218P00040000	Imperial Oil Ltd. Expiration: February 2012, Exercise Price: \$40.00	18 3,510

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
<i>Oil and Gas Extraction (Continued)</i>		
NXY 110917P00021000	Nexen Inc. Expiration: September 2011, Exercise Price: \$21.00	40 \$ 3,960
PBR 120121P00030000	Petroleo Brasileiro S.A. — ADR Expiration: January 2012, Exercise Price: \$30.00	47 7,191
PBR 130119P00035000	Petroleo Brasileiro S.A. — ADR Expiration: January 2013, Exercise Price: \$35.00	8 5,040
STO 110716P00022500	StatoilHydro ASA — ADR Expiration: July 2011, Exercise Price: \$22.50	22 165
STO 111022P00025000	StatoilHydro ASA — ADR Expiration: October 2011, Exercise Price: \$25.00	16 2,360
SU 120121P00035000	Suncor Energy, Inc. Expiration: January 2012, Exercise Price: \$35.00	68 15,096
TOT 120121P00045000	Total SA — ADR Expiration: January 2012, Exercise Price: \$45.00	5 650
TOT 120121P00050000	Total SA — ADR Expiration: January 2012, Exercise Price: \$50.00	17 <u>3,740</u>
		<u>69,720</u>
<i>Other Investment Pools and Funds</i>		
SDS 120121P00020000	UltraShort S&P 500 ProShares ETF Expiration: January 2012, Exercise Price: \$20.00	100 19,000
SDS 120121P00021000	UltraShort S&P 500 ProShares ETF Expiration: January 2012, Exercise Price: \$21.00	5 <u>1,267</u>
		<u>20,267</u>

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
<i>Performing Arts, Spectator Sports, and Related Industries</i>		
LYV 120121P00010000	Live Nation Entertainment, Inc. Expiration: January 2012, Exercise Price: \$10.00	100 <u>\$ 8,250</u>
<i>Pharmaceutical and Biotechnology</i>		
BIIB 120121P00055000	Biogen Idec Inc. Expiration: January 2012, Exercise Price: \$55.00	5 100
BIIB 120121P00060000	Biogen Idec Inc. Expiration: January 2012, Exercise Price: \$60.00	10 375
BIIB 120121P00065000	Biogen Idec Inc. Expiration: January 2012, Exercise Price: \$65.00	6 345
SNY 110917P00030000	Sanofi-Aventis — ADR Expiration: September 2011, Exercise Price: \$30.00	33 <u>363</u> <u>1,183</u>
<i>Professional, Scientific, and Technical Services</i>		
ADP 120121P00045000	Automatic Data Processing, Inc. Expiration: January 2012, Exercise Price: \$45.00	20 2,000
ADP 130119P00050000	Automatic Data Processing, Inc. Expiration: January 2013, Exercise Price: \$50.00	16 8,000
CRL 110820P00030000	Charles River Laboratories International, Inc. Expiration: August 2011, Exercise Price: \$30.00	25 250
CRL 110820P00035000	Charles River Laboratories International, Inc. Expiration: August 2011, Exercise Price: \$35.00	5 113

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
<i>Professional, Scientific, and Technical Services (Continued)</i>			
CRL 111119P00035000	Charles River Laboratories International, Inc. Expiration: November 2011, Exercise Price: \$35.00	13	\$ 1,170
FCN 120121P00030000	FTI Consulting, Inc. Expiration: January 2012, Exercise Price: \$30.00	12	<u>750</u>
			<u>12,283</u>
<i>Rail Transportation</i>			
CP 110917P00060000	Canadian Pacific Railway Limited Expiration: September 2011, Exercise Price: \$60.00	12	1,950
CP 110917P00065000	Canadian Pacific Railway Limited Expiration: September 2011, Exercise Price: \$65.00	5	2,075
CP 111217P00055000	Canadian Pacific Railway Limited Expiration: December 2011, Exercise Price: \$55.00	7	1,085
CP 111217P00060000	Canadian Pacific Railway Limited Expiration: December 2011, Exercise Price: \$60.00	5	1,525
CSX 120121P00019170	CSX Corp. Expiration: January 2012, Exercise Price: \$19.17	21	725
CSX 120121P00020000	CSX Corp. Expiration: January 2012, Exercise Price: \$20.00	15	660
CSX 120121P00022500	CSX Corp. Expiration: January 2012, Exercise Price: \$22.50	9	801
NSC 120121P00050000	Norfolk Southern Corporation Expiration: January 2012, Exercise Price: \$50.00	6	330
NSC 120121P00055000	Norfolk Southern Corporation Expiration: January 2012, Exercise Price: \$55.00	4	360

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Rail Transportation (Continued)			
NSC 120121P00060000	Norfolk Southern Corporation Expiration: January 2012, Exercise Price: \$60.00	3	\$ 420
NSC 120121P00065000	Norfolk Southern Corporation Expiration: January 2012, Exercise Price: \$65.00	7	1,610
UNP 120121P00072500	Union Pacific Corporation Expiration: January 2012, Exercise Price: \$72.50	2	200
UNP 120121P00080000	Union Pacific Corporation Expiration: January 2012, Exercise Price: \$80.00	1	159
UNP 120121P00085000	Union Pacific Corporation Expiration: January 2012, Exercise Price: \$85.00	7	1,652
UNP 120121P00087500	Union Pacific Corporation Expiration: January 2012, Exercise Price: \$87.50	5	1,390
UNP 130119P00090000	Union Pacific Corporation Expiration: January 2013, Exercise Price: \$90.00	4	<u>3,410</u>
			<u>18,352</u>
Real Estate			
CBG 111217P00021000	CB Richard Ellis Group, Inc. — Class A Expiration: December 2011, Exercise Price: \$21.00	30	3,675
CBG 111217P00023000	CB Richard Ellis Group, Inc. — Class A Expiration: December 2011, Exercise Price: \$23.00	15	2,812
JLL 111217P00090000	Jones Lang LaSalle Incorporated Expiration: December 2011, Exercise Price: \$90.00	3	1,845

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Real Estate (Continued)			
JOE 120121P00022500	The St. Joe Company Expiration: January 2012, Exercise Price: \$22.50	10	\$ 4,900
			13,232
Securities and Commodity Exchanges			
CBOE 110917P00020000	CBOE Holdings Inc. Expiration: September 2011, Exercise Price: \$20.00	8	200
CBOE 120121P00025000	CBOE Holdings Inc. Expiration: January 2012, Exercise Price: \$25.00	47	13,395
CME 120121P00260000	CME Group Inc. Expiration: January 2012, Exercise Price: \$260.00	2	2,300
CME 120121P00270000	CME Group Inc. Expiration: January 2012, Exercise Price: \$270.00	3	4,539
			20,434
Securities, Commodity Contracts, and Other Financial Investments and Related Activities			
AB 110716P00022500	AllianceBernstein Holding LP Expiration: July 2011, Exercise Price: \$22.50	35	10,360
AB 120121P00017500	AllianceBernstein Holding LP Expiration: January 2012, Exercise Price: \$17.50	45	4,725
SCHW 120121P00015000	The Charles Schwab Corporation Expiration: January 2012, Exercise Price: \$15.00	12	1,080

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
Securities, Commodity Contracts, and Other Financial Investments and Related Activities (Continued)			
SCHW 120121P00017500	The Charles Schwab Corporation Expiration: January 2012, Exercise Price: \$17.50	52	\$ 10,790
GHL 111217P00050000	Greenhill & Co., Inc. Expiration: December 2011, Exercise Price: \$50.00	26	<u>8,710</u>
			<u>35,665</u>
Support Activities for Transportation			
PAC 110716P00035000	Grupo Aeroportuario del Pacifico SAB de CV — ADR Expiration: July 2011, Exercise Price: \$35.00	12	3,000
ASR 110917P00045000	Grupo Aeroportuario del Sureste S.A.B. de C.V. — ADR Expiration: September 2011, Exercise Price: \$45.00	7	157
ASR 110917P00050000	Grupo Aeroportuario del Sureste S.A.B. de C.V. — ADR Expiration: September 2011, Exercise Price: \$50.00	7	<u>262</u>
			<u>3,419</u>
Telecommunications			
CHU 110716P00013000	China Unicom (Hong Kong) Limited — ADR Expiration: July 2011, Exercise Price: \$13.00	9	<u>67</u>
Transportation Equipment Manufacturing			
BA 120218P00070000	Boeing Co. Expiration: February 2012, Exercise Price: \$70.00	22	10,670
OSK 120121P00030000	Oshkosh Corporation Expiration: January 2012, Exercise Price: \$30.00	20	6,800

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
Transportation Equipment Manufacturing (Continued)		
TM 120121P00070000	Toyota Motor Corporation — ADR Expiration: January 2012, Exercise Price: \$70.00	8 \$ 1,352
TM 120121P00080000	Toyota Motor Corporation — ADR Expiration: January 2012, Exercise Price: \$80.00	11 <u>5,170</u>
		<u>23,992</u>
U.S. Equity Exchanges		
NDAQ 120121P00017500	The NASDAQ OMX Group, Inc. Expiration: January 2012, Exercise Price: \$17.50	10 375
NDAQ 120121P00020000	The NASDAQ OMX Group, Inc. Expiration: January 2012, Exercise Price: \$20.00	28 2,030
NDAQ 120121P00022500	The NASDAQ OMX Group, Inc. Expiration: January 2012, Exercise Price: \$22.50	20 2,700
NYX 120121P00025000	NYSE Euronext Expiration: January 2012, Exercise Price: \$25.00	12 432
NYX 120121P00030000	NYSE Euronext Expiration: January 2012, Exercise Price: \$30.00	10 <u>1,210</u>
		<u>6,747</u>
Utilities		
CPN 120121P00012500	Calpine Corp. Expiration: January 2012, Exercise Price: \$12.50	30 1,050
CPN 120121P00015000	Calpine Corp. Expiration: January 2012, Exercise Price: \$15.00	14 1,505
SBS 110716P00045000	Cia de Saneamento Basico do Estado de Sao Paulo — ADR Expiration: July 2011, Exercise Price: \$45.00	15 412

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier		Contracts	Value
	Utilities (Continued)		
SBS 111022P00045000	Cia de Saneamento Basico do Estado de Sao Paulo — ADR Expiration: October 2011, Exercise Price: \$45.00	4	\$ 270
CIG 110917P00015000	Companhia Energetica de Minas Gerais — ADR Expiration: September 2011, Exercise Price: \$15.00	54	945
FE1 110716P00022500	FirstEnergy Corp. Expiration: July 2011, Exercise Price: \$22.50	4	20
FE1 110716P00025000	FirstEnergy Corp. Expiration: July 2011, Exercise Price: \$25.00	9	23
FE 120121P00035000	FirstEnergy Corp. Expiration: January 2012, Exercise Price: \$35.00	20	1,200
GXP 110917P00017500	Great Plains Energy Incorporated Expiration: September 2011, Exercise Price: \$17.50	6	45
GXP 111217P00020000	Great Plains Energy Incorporated Expiration: December 2011, Exercise Price: \$20.00	25	2,313
HNP 110820P00020000	Huaneng Power International, Inc. — ADR Expiration: August 2011, Exercise Price: \$20.00	27	608
HNP 111119P00022500	Huaneng Power International, Inc. — ADR Expiration: November 2011, Exercise Price: \$22.50	35	7,088
HNP 120218P00020000	Huaneng Power International, Inc. — ADR Expiration: February 2012, Exercise Price: \$20.00	17	1,615

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
Utilities (Continued)		
KEP 110917P00012500	Korea Electric Power Corporation — ADR Expiration: September 2011, Exercise Price: \$12.50	35 \$ 1,312
NGG 110917P00040000	National Grid PLC — ADR Expiration: September 2011, Exercise Price: \$40.00	24 240
PICO 110716P00030000	PICO Holdings, Inc. Expiration: July 2011, Exercise Price: \$30.00	22 2,475
PICO 111022P00025000	PICO Holdings, Inc. Expiration: October 2011, Exercise Price: \$25.00	10 350
PICO 111022P00030000	PICO Holdings, Inc. Expiration: October 2011, Exercise Price: \$30.00	10 2,050
UNS 110917P00035000	Unisource Energy Corporation Expiration: September 2011, Exercise Price: \$35.00	15 3,675
UTH 110820P00096000	Utilities HOLDRs Trust Expiration: August 2011, Exercise Price: \$96.00	15 638
UTH 111119P00102000	Utilities HOLDRs Trust Expiration: November 2011, Exercise Price: \$102.00	3 968
XLU 120121P00030000	Utilities Select Sector SPDR Fund Expiration: January 2012, Exercise Price: \$30.00	55 3,658
VE 110716P00025000	Veolia Environnement — ADR Expiration: July 2011, Exercise Price: \$25.00	15 150
VE 110716P00030000	Veolia Environnement — ADR Expiration: July 2011, Exercise Price: \$30.00	5 988
VE 111022P00030000	Veolia Environnement — ADR Expiration: October 2011, Exercise Price: \$30.00	4 1,060

The accompanying notes are an integral part of these financial statements.

The Multi-Disciplinary Portfolio

Portfolio of Options Written — June 30, 2011 (Unaudited) — (Continued)

Identifier	Contracts	Value
Utilities (Continued)		
VE 120121P00025000		
Veolia Environnement — ADR		
Expiration: January 2012,		
Exercise Price: \$25.00	21	\$ 2,415
		<u>37,073</u>
TOTAL PUT OPTIONS WRITTEN		
(premiums received (\$986,977))		<u><u>\$745,861</u></u>

ADR — American Depository Receipt.

ETF — Exchange Traded Fund.

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Assets & Liabilities

June 30, 2011 (Unaudited)

	The Internet Portfolio	The Global Portfolio
ASSETS:		
Investments, at value ⁽¹⁾⁽²⁾	\$172,883,833	\$5,735,412
Foreign currencies, at value ⁽³⁾	21,229	17,750
Receivable for contributed capital	16,363	—
Receivable for investments sold	167,142	—
Dividends and interest receivable	48,046	15,217
Other accounts receivable	99,877	—
Other assets	13,349	201
Total Assets	<u>173,249,839</u>	<u>5,768,580</u>
LIABILITIES:		
Payable to Adviser	122,418	5,238
Payable to Custodian	—	17,160
Payable to Trustees and Officers	1,835	70
Payable for securities purchased	265,615	—
Payable for collateral received for securities loaned	49,273,501	562,925
Payable for withdrawn capital	24,779	712
Accrued expenses and other liabilities	22,662	13,969
Total Liabilities	<u>49,710,810</u>	<u>600,074</u>
Net Assets	<u>\$123,539,029</u>	<u>\$5,168,506</u>
⁽¹⁾ Cost of investments	<u>\$130,292,760</u>	<u>\$5,571,694</u>
⁽²⁾ Includes loaned securities with a market value of	<u>\$ 48,206,745</u>	<u>\$ 513,402</u>
⁽³⁾ Cost of foreign currencies	<u>\$ 21,223</u>	<u>\$ 17,698</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Paradigm Portfolio	The Medical Portfolio
ASSETS:		
Investments, at value ⁽¹⁾⁽²⁾	\$1,377,424,919	\$43,467,849
Foreign currencies, at value ⁽³⁾	38,283	—
Cash	13,571	—
Receivable for contributed capital	1,166,481	427
Receivable for investments sold	18,706,973	—
Dividends and interest receivable	1,016,880	39,089
Other assets	198,529	5,212
Total Assets	<u>1,398,565,636</u>	<u>43,512,577</u>
LIABILITIES:		
Payable to Adviser	1,205,153	34,984
Payable to Trustees and Officers	18,624	485
Payable for securities purchased	18,738,375	—
Payable for collateral received for securities loaned	188,226,101	8,874,018
Payable for withdrawn capital	2,436,931	5,873
Accrued expenses and other liabilities	161,884	10,967
Total Liabilities	<u>210,787,068</u>	<u>8,926,327</u>
Net Assets	<u>\$1,187,778,568</u>	<u>\$34,586,250</u>
⁽¹⁾ Cost of investments	<u>\$1,221,093,239</u>	<u>\$39,079,021</u>
⁽²⁾ Includes loaned securities with a market value of	<u>\$ 180,989,628</u>	<u>\$ 8,409,612</u>
⁽³⁾ Cost of foreign currencies	<u>\$ 38,150</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Small Cap Opportunities Portfolio	The Market Opportunities Portfolio
ASSETS:		
Investments, at value ⁽¹⁾⁽²⁾	\$132,561,718	\$60,612,232
Foreign currencies, at value ⁽³⁾	14,187	3,413
Cash	—	873
Receivable for contributed capital	45,628	5,657
Dividends and interest receivable	159,625	25,487
Other accounts receivable	20,976	—
Other assets	5,930	2,452
Total Assets	<u>132,808,064</u>	<u>60,650,114</u>
LIABILITIES:		
Payable to Adviser	116,095	50,849
Payable to Trustees and Officers	1,948	786
Payable for securities purchased	394,204	—
Payable for collateral received for securities loaned	18,973,978	10,281,357
Payable for withdrawn capital	247,385	54,050
Accrued expenses and other liabilities	38,079	14,898
Total Liabilities	<u>19,771,689</u>	<u>10,401,940</u>
Net Assets	<u>\$113,036,375</u>	<u>\$50,248,174</u>
⁽¹⁾ Cost of investments	<u>\$116,016,048</u>	<u>\$52,390,651</u>
⁽²⁾ Includes loaned securities with a market value of	<u>\$ 18,371,855</u>	<u>\$10,018,029</u>
⁽³⁾ Cost of foreign currencies	<u>\$ 14,163</u>	<u>\$ 3,372</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Assets & Liabilities — (Continued)

June 30, 2011 (Unaudited)

	The Water Infrastructure Portfolio	The Multi- Disciplinary Portfolio
ASSETS:		
Investments, at value ⁽¹⁾⁽²⁾	\$15,160,735	\$17,116,012
Deposit at brokers for written options	6,232,146	2,899,471
Receivable for contributed capital	100	576,459
Dividends and interest receivable	52,264	202,699
Other assets	816	173
Total Assets	<u>21,446,061</u>	<u>20,794,814</u>
LIABILITIES:		
Written options, at value ⁽³⁾	424,570	745,861
Payable to Adviser	18,845	13,959
Payable to Trustees and Officers	305	139
Payable for securities purchased	—	430,000
Payable for collateral received for securities loaned	2,525,320	2,481,435
Payable for withdrawn capital	80,453	—
Accrued expenses and other liabilities	9,641	11,434
Total Liabilities	<u>3,059,134</u>	<u>3,682,828</u>
Net Assets	<u>\$18,386,927</u>	<u>\$17,111,986</u>
⁽¹⁾ Cost of investments	<u>\$15,081,703</u>	<u>\$16,986,179</u>
⁽²⁾ Includes loaned securities with a market value of	<u>\$ 2,385,886</u>	<u>\$ 2,434,401</u>
⁽³⁾ Premiums received	<u>\$ 803,519</u>	<u>\$ 986,977</u>

The accompanying notes are an integral part of these financial statements.

Statements of Operations

For the Six Months Ended June 30, 2011 (Unaudited)

	The Internet Portfolio	The Global Portfolio
INVESTMENT INCOME:		
Dividendst	\$ 380,363	\$ 79,231
Interest	3	—
Income from securities lending	67,526	498
Total investment income	<u>447,892</u>	<u>79,729</u>
EXPENSES:		
Investment advisory fees	755,919	33,422
Administration fees	26,896	1,188
Professional fees	4,947	4,301
Fund accounting fees	13,216	5,474
Trustees' and Officers' fees and expenses	5,730	251
Custodian fees and expenses	33,689	13,824
Other expenses	2,264	111
Total expenses	<u>842,661</u>	<u>58,571</u>
Net investment income (loss)	<u>(394,769)</u>	<u>21,158</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain on:		
Investments and foreign currency	17,170,009	251,822
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	<u>(3,982,921)</u>	<u>(404,417)</u>
Net gain (loss) on investments	<u>13,187,088</u>	<u>(152,595)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$12,792,319</u>	<u>\$(131,437)</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 9,289</u>	<u>\$ 10,108</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Paradigm Portfolio	The Medical Portfolio
INVESTMENT INCOME:		
Dividendst	\$ 7,760,719	\$ 415,784
Interest	189,076	—
Income from securities lending	988,645	18,766
Total investment income	<u>8,938,440</u>	<u>434,550</u>
EXPENSES:		
Investment advisory fees	7,704,861	198,545
Administration fees	277,880	7,065
Professional fees	57,464	3,130
Fund accounting fees	111,660	4,514
Trustees' and Officers' fees and expenses	58,444	1,486
Custodian fees and expenses	218,073	3,637
Other expenses	25,203	574
Total expenses	<u>8,453,585</u>	<u>218,951</u>
Net investment income	<u>484,855</u>	<u>215,599</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain on:		
Investments and foreign currency	154,201,027	719,638
Realized gain distributions received from other investment companies	8,158	—
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	<u>(134,009,074)</u>	<u>3,705,553</u>
Net gain on investments	<u>20,200,111</u>	<u>4,425,191</u>
Net increase in net assets resulting from operations	<u>\$ 20,684,966</u>	<u>\$4,640,790</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 416,778</u>	<u>\$ 28,662</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Small Cap Opportunities Portfolio	The Market Opportunities Portfolio
INVESTMENT INCOME:		
Dividendst	\$ 924,374	\$ 451,200
Interest	2	18
Income from securities lending	38,829	18,207
Total investment income	<u>963,205</u>	<u>469,425</u>
EXPENSES:		
Investment advisory fees	803,250	331,747
Administration fees	29,532	12,009
Professional fees	4,431	3,387
Fund accounting fees	14,576	7,665
Trustees' and Officers' fees and expenses	6,357	2,552
Custodian fees and expenses	55,106	23,096
Other expenses	3,128	1,149
Total expenses	<u>916,380</u>	<u>381,605</u>
Net investment income	<u>46,825</u>	<u>87,820</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain on:		
Investments and foreign currency	13,504,452	657,359
Realized gain distributions received from other investment companies	—	3,215
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	(14,033,236)	987,033
Net gain (loss) on investments	<u>(528,784)</u>	<u>1,647,607</u>
Net increase (decrease) in net assets resulting from operations . . .	<u>\$ (481,959)</u>	<u>\$1,735,427</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 53,978</u>	<u>\$ 27,509</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Operations — (Continued)

For the Six Months Ended June 30, 2011 (Unaudited)

	The Water Infrastructure Portfolio	The Multi- Disciplinary Portfolio
INVESTMENT INCOME:		
Dividendst	\$ 24,921	\$ —
Interest	230,849	335,951
Income from securities lending	2,130	217
Total investment income	<u>257,900</u>	<u>336,168</u>
EXPENSES:		
Investment advisory fees	123,173	59,725
Administration fees	4,341	2,341
Professional fees	4,409	2,306
Fund accounting fees	3,407	7,056
Trustees' and Officers' fees and expenses	995	389
Custodian fees and expenses	—	2,155
Other expenses	353	70
Total expenses	<u>136,678</u>	<u>74,042</u>
Net investment income	<u>121,222</u>	<u>262,126</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on:		
Investments and foreign currency	(385,393)	(2,026)
Written option contracts expired or closed	1,532,820	175,872
Net change in unrealized appreciation (depreciation) of:		
Investments and foreign currency	57,136	54,269
Written option contracts	(789,331)	70,510
Net gain on investments	<u>415,232</u>	<u>298,625</u>
Net increase in net assets resulting from operations	<u>\$ 536,454</u>	<u>\$560,751</u>
† Net of Foreign Taxes Withheld of:	<u>\$ 2,123</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Changes in Net Assets

	The Internet Portfolio		The Global Portfolio	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income (loss)	\$ (394,769)	\$ (350,263)	\$ 21,158	\$ (24,971)
Net realized gain on sale of investments, foreign currency and written options	17,170,009	3,608,489	251,822	621,908
Net change in unrealized appreciation (depreciation) of investments, foreign currency and written options	<u>(3,982,921)</u>	<u>18,105,026</u>	<u>(404,417)</u>	<u>246,931</u>
Net increase (decrease) in net assets resulting from operations . .	<u>12,792,319</u>	<u>21,363,252</u>	<u>(131,437)</u>	<u>843,868</u>
NET DECREASE IN NET ASSETS RESULTING FROM BENEFICIAL INTEREST TRANSACTIONS:				
Contributions	1,993,482	1,346,460	527,566	1,327,460
Withdrawals	<u>(6,513,725)</u>	<u>(13,061,708)</u>	<u>(530,457)</u>	<u>(1,636,790)</u>
Net decrease in net assets resulting from beneficial interest transactions	<u>(4,520,243)</u>	<u>(11,715,248)</u>	<u>(2,891)</u>	<u>(309,330)</u>
Total increase (decrease) in net assets	8,272,076	9,648,004	(134,328)	534,538
NET ASSETS:				
Beginning of period	<u>115,266,953</u>	<u>105,618,949</u>	<u>5,302,834</u>	<u>4,768,296</u>
End of period	<u>\$123,539,029</u>	<u>\$115,266,953</u>	<u>\$5,168,506</u>	<u>\$ 5,302,834</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Changes in Net Assets — (Continued)

	The Paradigm Portfolio		The Medical Portfolio	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income.	\$ 484,855	\$ 10,490,238	\$ 215,599	\$ 171,404
Net realized gain (loss) on sale of investments and foreign currency and distributions received from other investment companies	154,209,185	(109,064,403)	719,638	(219,849)
Net change in unrealized appreciation (depreciation) of investments and foreign currency.	(134,009,074)	286,372,800	3,705,553	1,376,880
Net increase in net assets resulting from operations	<u>20,684,966</u>	<u>187,798,635</u>	<u>4,640,790</u>	<u>1,328,435</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM BENEFICIAL INTEREST TRANSACTIONS:				
Contributions	7,612,192	12,611,540	2,296,426	8,554,289
Withdrawals.	(87,969,372)	(358,281,150)	(3,043,146)	(5,133,179)
Net increase (decrease) in net assets resulting from beneficial interest transactions	(80,357,180)	(345,669,610)	(746,720)	3,421,110
Total increase (decrease) in net assets	(59,672,214)	(157,870,975)	3,894,070	4,749,545
NET ASSETS:				
Beginning of period	<u>1,247,450,782</u>	<u>1,405,321,757</u>	<u>30,692,180</u>	<u>25,942,635</u>
End of period	<u>\$1,187,778,568</u>	<u>\$1,247,450,782</u>	<u>\$34,586,250</u>	<u>\$30,692,180</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Changes in Net Assets — (Continued)

	The Small Cap Opportunities Portfolio		The Market Opportunities Portfolio	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income	\$ 46,825	\$ 34,333	\$ 87,820	\$ 330,735
Net realized gain (loss) on sale of investments, foreign currency and written options and distributions received from other investment companies	13,504,452	(589,161)	660,574	(336,199)
Net change in unrealized appreciation (depreciation) of investments, foreign currency and written options	<u>(14,033,236)</u>	<u>20,474,498</u>	<u>987,033</u>	<u>6,168,917</u>
Net increase (decrease) in net assets resulting from operations	<u>(481,959)</u>	<u>19,919,670</u>	<u>1,735,427</u>	<u>6,163,453</u>
NET DECREASE IN NET ASSETS RESULTING FROM BENEFICIAL INTEREST TRANSACTIONS:				
Contributions	26,450	8,900,395	71,337	1,707,965
Withdrawals	<u>(41,652,268)</u>	<u>(73,460,711)</u>	<u>(10,087,842)</u>	<u>(15,461,186)</u>
Net decrease in net assets resulting from beneficial interest transactions	<u>(41,625,818)</u>	<u>(64,560,316)</u>	<u>(10,016,505)</u>	<u>(13,753,221)</u>
Total decrease in net assets . . .	<u>(42,107,777)</u>	<u>(44,640,646)</u>	<u>(8,281,078)</u>	<u>(7,589,768)</u>
NET ASSETS:				
Beginning of period	<u>155,144,152</u>	<u>199,784,798</u>	<u>58,529,252</u>	<u>66,119,020</u>
End of period	<u>\$113,036,375</u>	<u>\$155,144,152</u>	<u>\$ 50,248,174</u>	<u>\$ 58,529,252</u>

The accompanying notes are an integral part of these financial statements.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Statements of Changes in Net Assets — (Continued)

	The Water Infrastructure Portfolio		The Multi-Disciplinary Portfolio	
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010
OPERATIONS:				
Net investment income	\$ 121,222	\$ 270,250	\$ 262,126	\$ 60,260
Net realized gain (loss) on sale of investments, foreign currency and written options	1,147,427	(2,463,151)	173,846	111,002
Net change in unrealized appreciation (depreciation) of investments, foreign currency and written options	(732,195)	806,163	124,779	154,643
Net increase (decrease) in net assets resulting from operations	<u>536,454</u>	<u>(1,386,738)</u>	<u>560,751</u>	<u>325,905</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM BENEFICIAL INTEREST TRANSACTIONS:				
Contributions	1,072,837	10,339,696	12,555,714	3,080,316
Withdrawals	(7,445,451)	(7,936,060)	(212,528)	(520,802)
Net increase (decrease) in net assets resulting from beneficial interest transactions	<u>(6,372,614)</u>	<u>2,403,636</u>	<u>12,343,186</u>	<u>2,559,514</u>
Total increase (decrease) in net assets	(5,836,160)	1,016,898	12,903,937	2,885,419
NET ASSETS:				
Beginning of period	<u>24,223,087</u>	<u>23,206,189</u>	<u>4,208,049</u>	<u>1,322,630</u>
End of period	<u>\$18,386,927</u>	<u>\$24,223,087</u>	<u>\$17,111,986</u>	<u>\$4,208,049</u>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2011 (Unaudited)

1. Organization

The Kinetics Portfolios Trust (the “Trust”) was organized as a Delaware Statutory Trust on March 14, 2000 and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company issuing its beneficial interests in series, each series representing a distinct portfolio with its own investment objective and policies. The series currently authorized are: The Internet Portfolio, The Global Portfolio, The Paradigm Portfolio, The Medical Portfolio, The Small Cap Opportunities Portfolio, The Market Opportunities Portfolio, The Water Infrastructure Portfolio and The Multi-Disciplinary Portfolio (collectively, the “Master Portfolios”). Pursuant to the 1940 Act, the Master Portfolios, are “non-diversified” series of the Trust. The Market Opportunities Portfolio commenced operations on January 31, 2006, The Water Infrastructure Portfolio commenced operations on June 29, 2007 and The Multi Disciplinary Portfolio commenced operations on February 11, 2008. Each of the remaining Master Portfolios commenced operations on April 28, 2000.

Each Master Portfolio is a Master Investment Portfolio in a master-feeder fund structure. Each Master Portfolio has multiple feeder funds invested in the Master Portfolio. By contributing assets to the Master Portfolio, the feeder funds receive a beneficial interest in the Master Portfolio. The Master Portfolio then invests the contributed assets in portfolio securities and allocates income, gains (losses) and expenses to the feeder funds based on the feeder funds’ proportionate interests in the Master Portfolio.

Each of the Master Portfolios, except for The Multi-Disciplinary Portfolio, seeks to provide investors with long-term capital growth. The Multi-Disciplinary Portfolio seeks to provide investors with total return. The Internet Portfolio invests primarily in the equity securities of U.S. and foreign companies engaged in the Internet and Internet-related activities. The Global Portfolio generally invests in the equity securities of foreign companies that have the ability to facilitate an increase in the growth of their traditional business lines and in U.S. companies benefiting from international economic growth. The Paradigm Portfolio invests primarily in the equity securities of U.S. and foreign companies that the investment adviser believes are undervalued and that have high returns on equity and are well positioned to reduce their costs, extend the reach of their distribution channels and experience significant growth in their assets or revenues. The Medical Portfolio invests primarily in the equity securities of U.S. and foreign companies engaged in medical research, pharmaceutical treatments and related medical technology industries and

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

related technology industries, generally, with a focus on companies engaged in cancer research and drug development. The Small Cap Opportunities Portfolio invests primarily in the equity securities of U.S. and foreign small capitalized companies that provide attractive valuation opportunities due to special situations such as lack of institutional ownership, lack of significant analyst coverage or companies with sound fundamentals that have experienced a short-term earnings shortfall. The Market Opportunities Portfolio invests primarily in the equity securities of U.S. and foreign companies engaged in capital markets or related to capital markets, as well as companies involved in the gaming industry. The Water Infrastructure Portfolio invests primarily in securities and derivatives issued by U.S. and foreign companies engaged in water infrastructure and natural resources with a specific water theme and related activities. The Multi-Disciplinary Portfolio utilizes a two-part investment strategy, which includes fixed income and derivatives components.

2. Significant Accounting Policies

Security Valuation

Master Portfolio securities that are listed on a U.S. securities exchange for which market quotations are readily available are valued at the last quoted sale price on the day the valuation is made. Price information on listed securities is taken from the exchange where the security is primarily traded. All equity securities that are traded using the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") are valued using the NASDAQ Official Closing Price ("NOCP"). In the event market quotations are not readily available or if events occur that may materially affect the value of a particular security between the time trading ends on a particular security and the close of regular trading on the NYSE, "fair value" will be determined. Purchased non-exchange traded options, futures, unlisted U.S. securities and listed U.S. securities not traded on the valuation date for which market quotations are readily available are valued at the last bid price. Exchange traded options are valued at the last reported sale price on an exchange on which the option is traded. If no sales are reported on a particular day, the mean between the highest bid and lowest asked quotations at the close of the exchanges will be used. Fixed-income securities (other than obligations having a maturity of 60 days or less) are normally valued on the basis of quotes obtained from pricing services, which take into account appropriate factors such as institutional-sized trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. Other assets and securities for which no quotations are readily available

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

(including restricted securities) will be valued in good faith at fair value using methods determined by the Board of Trustees of the Master Portfolios. At June 30, 2011, 1.53%, 0.00%, 0.00%, and 0.00% of the net assets of The Internet Portfolio, The Paradigm Portfolio, The Medical Portfolio, and The Small Cap Portfolio, respectively, were fair valued securities.

Repurchase Agreements

Each Master Portfolio may enter into repurchase agreements with banks that are members of the Federal Reserve System or securities dealers who are members of a national securities exchange or are primary dealers in U.S. Government Securities. In connection with transactions in repurchase agreements, it is the Trust's policy that the Master Portfolio receive, as collateral, securities whose market value, including accrued interest, at all times will be at least equal to 100% of the amount invested by the Master Portfolio in each repurchase agreement. If the seller defaults, and the value of the collateral declines, realization of the collateral by the Master Portfolio may be delayed or limited.

Written Options

The Master Portfolios may write (sell) call or put options for trading or hedging purposes. When a Master Portfolio writes an option, an amount equal to the premium received by the Master Portfolio is included in the Statement of Assets and Liabilities as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current value of the option written. By writing the option, the Master Portfolio may become obligated during the term of the option to deliver or purchase the securities underlying the option at the exercise price if the option is exercised. When an option expires on its stipulated expiration date or the Master Portfolio enters into a closing purchase transaction, the Master Portfolio realizes a gain or loss if the cost of the closing transaction differs from the premium received when the option was sold, without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is eliminated. When an option is exercised, the premium originally received decreases the cost basis of the underlying security (or increases the proceeds on the security sold short) and the Master Portfolio realizes a gain or loss from the sale of the security (or closing of the short sale). As collateral for uncovered written options, the Master Portfolio is required under the 1940 Act to maintain assets consisting of cash, cash equivalents or liquid securities. This collateral is required to be adjusted daily to reflect the exercise price of the purchase obligation for put options or the market value of the instrument underlying the contract for call options.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Foreign Currency Translations

The books and records of the Master Portfolios are maintained in U.S. dollars. For the Master Portfolios, foreign currency transactions are translated into U.S. dollars on the following basis: (i) market value of investment securities and other assets and liabilities are translated at the exchange rate of such currencies against the U.S. dollar, as provided by an approved pricing service, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. The Master Portfolios do not isolate and treat as ordinary income that portion of the results of operations arising as a result of changes in the exchange rate from the fluctuations arising from changes in the market prices of securities held during the period. However, for federal income tax purposes, the Master Portfolios do isolate and treat as ordinary income the effect of changes in foreign exchange rates arising from actual foreign currency transactions and the effect of changes in foreign exchange rates arising between trade date and settlement date.

Restricted and Illiquid Securities

The Master Portfolios may invest in restricted securities. These securities are valued by the Master Portfolios after giving due consideration to pertinent factors including recent private sales, market conditions and the issuer's financial performance. The Master Portfolios have no right to require registration of unregistered securities. At June 30, 2011 the following Master Portfolio held securities restricted to institutional investors (144A Securities):

	<u>Market Value</u>	<u>Percentage of Net Assets</u>
The Multi-Disciplinary Portfolio	\$1,133,065	6.62%

An illiquid asset is any asset which may not be sold or disposed of in the ordinary course of business within seven days at approximately the value at which the Master Portfolio has valued the investment. At June 30, 2011, the following Master Portfolios held illiquid securities:

	<u>Market Value</u>	<u>Percentage of Net Assets</u>
The Internet Portfolio	\$1,891,145	1.53%
The Paradigm Portfolio	\$ 10	0.00%
The Medical Portfolio	\$ 0	0.00%
The Small Cap Opportunities Portfolio	\$ 3	0.00%

When-Issued Securities

The Master Portfolios may purchase securities on a when-issued or delayed delivery basis. Although the purchase amounts of these securities are

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

established at the time the purchaser enters into the agreement, these securities may be delivered and paid for at a future date. The Master Portfolios record purchases of when-issued securities and reflect the values of such securities in determining net asset value in the same manner as other portfolio securities. The Master Portfolios maintain at all times cash or other liquid assets in an amount at least equal to the amount of outstanding commitments for when-issued securities.

Securities Lending

Each Master Portfolio may lend its portfolio securities to broker-dealers by entering directly into lending arrangements with such broker dealers or indirectly through repurchase agreements with respect to no more than 33 $\frac{1}{3}$ % of the total assets of each Master Portfolio (including any collateral posted) or 50% of the total assets of each Master Portfolio (excluding any collateral posted). Securities lending and repurchase transactions will be fully collateralized at all times with cash and/or short-term debt obligations. The Master Portfolios receive interest on the collateral received as well as a fee for the securities loaned.

Expense Allocation

Common expenses incurred by the Master Portfolios are allocated among the Master Portfolios (i) based upon relative average net assets, (ii) as incurred on a specific identification basis, or (iii) equally among the Master Portfolios, depending on the nature of the expenditure. All expenses incurred by the Master Portfolios are allocated to the feeder funds daily based on their proportionate interests in the respective Master Portfolios.

Federal Income Taxes

Each Master Portfolio will be treated as a partnership for federal income tax purposes. As such, each investor in a Master Portfolio will be subject to taxation on its share of the Master Portfolio's ordinary income and capital gains. It is intended that each Master Portfolio's assets will be managed so an investor in the Master Portfolio can satisfy the requirements of subchapter M of the Internal Revenue Code.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. As of June 30, 2011, open tax years include the tax years ended December 31, 2007 through 2010. The Master Portfolios are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next six months.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Other

Realized gains and losses on the sale of investments are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recognized on the accrual basis. Other noncash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Trust's understanding of the applicable country's tax rules and rates.

3. Investment Adviser

Effective May 1, 2011, Kinetics Asset Management LLC, Kinetics Advisers, LLC, and Horizon Asset Management, LLC, together with various affiliates, became wholly-owned subsidiaries of a newly-formed entity, Horizon Kinetics LLC. The Trust has entered into Investment Advisory Agreements (the "Agreements") with Kinetics Asset Management LLC (the "Adviser"), with whom certain officers and trustees of the Trust are affiliated, to furnish investment advisory services to the Master Portfolios. Under the terms of the Agreements, the Master Portfolios compensate the Adviser for its management services at the annual rate of 1.25% of each Master Portfolio's average daily net assets.

For the six months ended June 30, 2011, The Internet Portfolio, The Global Portfolio, The Paradigm Portfolio, The Medical Portfolio, The Small Cap Opportunities Portfolio, The Market Opportunities Portfolio, The Water Infrastructure Portfolio and The Multi-Disciplinary Portfolio incurred expenses of \$755,919, \$33,422, \$7,704,861, \$198,545, \$803,250, \$331,747, \$123,173 and \$59,725, respectively, pursuant to the Agreements.

For the six months ended June 30, 2011, the Trust was allocated \$12,000 for the services of the Chief Compliance Officer employed by the Adviser.

4. Approval of Investment Advisory Contracts by Trustees of Kinetics Portfolios Trust

At a meeting of the Board of Trustees of the Trust held on March 11, 2011, the Board, including all of the Trustees who are not interested persons under the 1940 Act (the "Independent Trustees"), approved the Agreements with

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

respect to each Master Portfolio. In reaching a decision to renew the Agreements, the Board of Trustees, including all of the Independent Trustees, considered, among others (1) the nature, extent and quality of the services provided by the Adviser, including what the Adviser had communicated that it had learned over the past year and the changes the Adviser had discussed as having made during the period; (2) the performance of the Master Portfolios over the previous three months as well as the one, three, five, and ten-year periods, as applicable, ended December 31, 2010, as compared to the relevant Lipper, Inc. (“Lipper”) peer group; (3) the contractual and actual compensation to be paid under the Agreements as compared to the compensation paid to relevant Lipper peer groups; (4) the expense ratios of the Master Portfolios, with expense waivers, as compared to expense ratios for relevant peer groups of Lipper portfolios; (5) the experience and qualifications of the Adviser’s personnel and the Adviser’s portfolio management capabilities and investment methodologies; (6) the Adviser’s operations, compliance program and policies with respect to the Code of Ethics; (7) the financial condition of the Adviser; (8) the cost of services to be provided by the Adviser and the Adviser’s profitability from each Master Portfolio for the year ended December 31, 2010; (9) the “fall-out” benefits to the Adviser and its affiliates from the relationship with the Master Portfolios; (10) the extent to which economies of scale are relevant given each Master Portfolios’ current asset size and current asset growth potential; and (11) that each Master Portfolio is designed for long-term investors. The Lipper peer group information was provided by U.S. Bancorp Fund Services, LLC, the Trust’s administrator. The Independent Trustees also discussed the continuing viability of the Master Portfolios. The Board of Trustees considered and discussed the pending reorganization among Kinetics Asset Management LLC, Kinetics Advisers, LLC and Horizon Asset Management, LLC.

The Board of Trustees, including a majority of the Independent Trustees, concluded that: they were satisfied with the quality of services provided by the Adviser in advising the Master Portfolios, the profits earned by the Adviser were reasonable in light of the nature, extent and quality of the services provided to each Master Portfolio; and that each Master Portfolio was not large enough to attain significant economies of scale. Based on the factors considered, the Board of Trustees, including a majority of the Independent Trustees, concluded that it was appropriate to renew the Agreements.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

5. Securities Transactions

Purchases and sales of investment securities, other than short-term investments, for the six months ended June 30, 2011 were as follows:

	Purchases		Sales	
	U.S.		U.S.	
	Government	Other	Government	Other
The Internet Portfolio	\$—	\$ 25,347,123	\$—	\$ 32,957,438
The Global Portfolio	—	3,132,615	—	3,068,151
The Paradigm Portfolio	—	505,310,342	—	587,830,683
The Medical Portfolio	—	1,267,616	—	2,959,594
The Small Cap Opportunities Portfolio	—	15,969,085	—	56,086,786
The Market Opportunities Portfolio	—	6,072,078	—	16,752,267
The Water Infrastructure Portfolio	—	1,164,963	—	630,967
The Multi-Disciplinary Portfolio	—	11,496,779	—	2,194,581

As of December 31, 2010, the cost of investments and unrealized appreciation (depreciation) on investment securities for federal income tax purposes was as follows:

	Net Unrealized Appreciation (Depreciation)	Unrealized Appreciation	Unrealized Depreciation	Tax Cost of Investments
The Internet Portfolio	\$ 45,780,455	\$ 55,045,628	\$ (9,265,173)	\$ 107,981,610
The Global Portfolio	514,949	626,963	(112,014)	5,326,364
The Paradigm Portfolio	228,453,024	360,791,025	(132,338,001)	1,261,640,870
The Medical Portfolio	527,740	5,989,204	(5,461,464)	40,963,881
The Small Cap Opportunities Portfolio	22,538,214	48,513,109	(25,974,895)	173,109,281
The Market Opportunities Portfolio	4,483,119	12,417,832	(7,934,713)	69,188,537
The Water Infrastructure Portfolio	2,163	551,721	(549,558)	19,404,536
The Multi-Disciplinary Portfolio	62,862	104,758	(41,896)	3,777,994

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

For the six months ended June 30, 2011, the Master Portfolios wrote the following options:

	<u>Number of Contracts</u>	<u>Premium Amount</u>
<u>The Water Infrastructure Portfolio</u>		
Outstanding at the Beginning of the Year	8,680	\$ 1,687,618
Options Written	4,537	792,214
Options Expired	(7,445)	(1,467,607)
Options Closed	(235)	(70,572)
Options Exercised	(1,050)	(138,134)
Outstanding at June 30, 2011	<u>4,487</u>	<u>\$ 803,519</u>
<u>The Multi-Disciplinary Portfolio</u>		
Outstanding at the Beginning of the Year	1,027	\$ 300,469
Options Written	4,542	909,989
Options Exercised	(164)	(35,378)
Options Expired	(709)	(170,291)
Options Closed	(154)	(17,812)
Outstanding at June 30, 2011	<u>4,542</u>	<u>\$ 986,977</u>

6. Portfolio Securities Loaned

As of June 30, 2011, the Master Portfolios had loaned securities that were collateralized by cash. The cash collateral is invested by the custodian in a money market pooled account approved by the Adviser. Although risk is mitigated by the collateral, a Master Portfolio could experience a delay in recovering its securities and possible loss of income or value if the borrower fails to return them. The Master Portfolio receives interest on the collateral received as well as a fee for the securities loaned. The Master Portfolios will continue to receive dividends and interest on all securities loaned. Gain or loss in the fair value of the securities loaned that may occur during the term of the loan will be accounted for by the Master Portfolios. The value of the securities on loan and the value of the related collateral at June 30, 2011, were as follows:

	<u>Securities</u>	<u>Collateral</u>
The Internet Portfolio	\$ 48,206,745	\$ 49,273,501
The Global Portfolio	513,402	562,925
The Paradigm Portfolio	180,989,628	188,226,101
The Medical Portfolio	8,409,612	8,874,018
The Small Cap Opportunities Portfolio	18,371,855	18,973,978
The Market Opportunities Portfolio	10,018,029	10,281,357
The Water Infrastructure Portfolio	2,385,886	2,525,320
The Multi-Disciplinary Portfolio	2,434,401	2,481,435

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

7. Selected Financial Highlights

Financial highlights for the Master Portfolios were as follows:

	The Internet Portfolio					
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	1.39% ⁽¹⁾	1.37%	1.37%	1.34%	1.34%	1.39%
After expense reduction	1.39% ⁽¹⁾	1.37%	1.37%	1.34%	1.33%	1.33%
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	(0.65)% ⁽¹⁾	(0.33)%	(0.04)%	1.59%	1.58%	0.17%
After expense reduction	(0.65)% ⁽¹⁾	(0.33)%	(0.04)%	1.59%	1.59%	0.23%
Portfolio turnover rate	21%	12%	14%	19%	15%	11%

(1) Annualized.

	The Global Portfolio					
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	2.19% ⁽¹⁾	2.43%	2.81%	2.46%	1.99%	1.62%
After expense reduction	2.19% ⁽¹⁾	2.43%	2.81%	2.46%	1.98%	1.46%
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	0.79% ⁽¹⁾	(0.51)%	(0.74)%	0.83%	3.73%	2.78%
After expense reduction	0.79% ⁽¹⁾	(0.51)%	(0.74)%	0.83%	3.74%	2.94%
Portfolio turnover rate	57%	122%	53%	98%	22%	10%

(1) Annualized.

	The Paradigm Portfolio					
	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	1.37% ⁽¹⁾	1.36%	1.36%	1.33%	1.33%	1.40%
After expense reduction	1.37% ⁽¹⁾	1.36%	1.36%	1.33%	1.33%	1.32%
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	0.08% ⁽¹⁾	0.83%	1.15%	0.86%	0.75%	0.85%
After expense reduction	0.08% ⁽¹⁾	0.83%	1.15%	0.86%	0.75%	0.93%
Portfolio turnover rate	41%	7%	15%	34%	8%	3%

(1) Annualized.

KINETICS PORTFOLIOS TRUST — MASTER INVESTMENT PORTFOLIOS

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

The Medical Portfolio

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	1.38% ⁽¹⁾	1.39%	1.43%	1.42%	1.49%	1.44%
After expense reduction	1.38% ⁽¹⁾	1.39%	1.43%	1.42%	1.40%	1.34%
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	1.36% ⁽¹⁾	0.55%	1.14%	1.02%	0.42%	0.33%
After expense reduction	1.36% ⁽¹⁾	0.55%	1.14%	1.02%	0.51%	0.43%
Portfolio turnover rate	4%	3%	13%	28%	38%	20%

(1) Annualized.

The Small Cap Opportunities Portfolio

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	1.43% ⁽¹⁾	1.42%	1.42%	1.36%	1.34%	1.40%
After expense reduction	1.43% ⁽¹⁾	1.42%	1.42%	1.36%	1.31%	1.27%
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	0.07% ⁽¹⁾	0.02%	(0.05)%	0.51%	0.38%	0.30%
After expense reduction	0.07% ⁽¹⁾	0.02%	(0.05)%	0.51%	0.41%	0.43%
Portfolio turnover rate	12%	4%	4%	16%	17%	6%

(1) Annualized.

The Market Opportunities Portfolio

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	January 31, 2006 [^] through December 31, 2006
Ratio of expenses to average net assets:						
Before expense reduction	1.44% ⁽¹⁾	1.42%	1.42%	1.36%	1.44%	1.81% ⁽¹⁾
After expense reduction	1.44% ⁽¹⁾	1.42%	1.42%	1.36%	1.44%	1.61% ⁽¹⁾
Ratio of net investment income (loss) to average net assets:						
Before expense reduction	0.33% ⁽¹⁾	0.56%	0.26%	1.25%	0.61%	0.16% ⁽¹⁾
After expense reduction	0.33% ⁽¹⁾	0.56%	0.26%	1.25%	0.61%	0.36% ⁽¹⁾
Portfolio turnover rate	11%	12%	14%	77%	14%	0%

[^] Commencement of operations.

(1) Annualized.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

The Water Infrastructure Portfolio

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	June 29, 2007 through December 31, 2007
Ratio of expenses to average net assets:					
Before expense reduction	1.39% ⁽¹⁾	1.47%	1.49%	1.49%	2.01% ⁽¹⁾
After expense reduction	1.39% ⁽¹⁾	1.47%	1.49%	1.49%	2.01% ⁽¹⁾
Ratio of net investment income (loss) to average net assets:					
Before expense reduction	1.23% ⁽¹⁾	1.04%	0.63%	1.27%	0.96% ⁽¹⁾
After expense reduction	1.23% ⁽¹⁾	1.04%	0.63%	1.27%	0.96% ⁽¹⁾
Portfolio turnover rate	6%	111%	45%	66%	7%

~ Commencement of operations.

(1) Annualized.

The Multi-Disciplinary Portfolio

	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	February 11, 2008 through December 31, 2008
Ratio of expenses to average net assets:				
Before expense reduction	1.55% ⁽¹⁾	2.41%	3.66%	5.09% ⁽¹⁾
After expense reduction	1.55% ⁽¹⁾	2.41%	3.66%	5.09% ⁽¹⁾
Ratio of net investment income (loss) to average net assets:				
Before expense reduction	5.49% ⁽¹⁾	2.58%	(1.20)%	(3.49)% ⁽¹⁾
After expense reduction	5.49% ⁽¹⁾	2.58%	(1.20)%	(3.49)% ⁽¹⁾
Portfolio turnover rate	28%	38%	77%	N/A ⁽²⁾

~ Commencement of operations.

(1) Annualized.

(2) The Portfolio did not hold any long-term securities during the period, therefore the portfolio turnover is not applicable.

8. Summary of Fair Value Exposure

Various inputs are used in determining the value of the Master Portfolios' investments. These inputs are summarized in the three broad levels listed below:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access.

Level 2 — Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Trust's own assumptions about the assumptions a market participant would use in

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the market-place, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The Internet Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$116,759,262*	\$5,111 ⁽¹⁾	\$1,891,145 ⁽²⁾	\$118,655,518
Escrow Notes	—	—	—*	—*
Rights	979,256	—	—	979,256
Short-Term Investments	3,975,558	—	—	3,975,558
Investments Purchased with the Cash				
Proceeds from Securities Lending	49,273,501	—	—	49,273,501
Total Investments in Securities	<u>\$170,987,577</u>	<u>\$5,111</u>	<u>\$1,891,145</u>	<u>\$172,883,833</u>

* Amount is less than \$0.50.

^ See Portfolio of Investments for breakout of common stocks by industry classification.

(1) The Common Stocks Level 2 balance consists of the market value of the associated Level 2 investments in the following industry:

Telecommunications	5,111
------------------------------	-------

(2) The Common Stocks Level 3 balance consists of the market values of the associated Level 3 investments in the following industries:

European Exchanges	\$1,891,145
Special Purpose Entity	—*
	<u>\$1,891,145</u>

Transfers out of Level 2 into Level 1	\$1,211,112
Transfers out of Level 1 and into Level 3	\$1,891,145

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Transfers were made into Level 3 due to a lack of market activity. Transfers were made out of Level 2 and into Level 1 due to an increase in market activity.

Transfers between levels are recognized at the end of the reporting period.

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

<u>Description</u>	<u>Investments in Securities</u>
Balance as of December 31, 2010	\$ 502
Accrued discounts/premiums	—
Realized gain (loss)	(502)
Change in unrealized appreciation (depreciation)	(502)
Purchases	—
Sales	—
Transfer in and/or out of Level 3	1,891,145
Balance as of June 30, 2011	<u>\$1,891,145</u>

* Amount is less than \$0.50.

The Global Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$5,171,834 [^]	\$—	\$—	\$5,171,834*
Warrants	653	—	—	653
Investments Purchased with the Cash				
Proceeds from Securities Lending	562,925	—	—	562,925
Total Investments in Securities	<u>\$5,735,412</u>	<u>\$—</u>	<u>\$—</u>	<u>\$5,735,412</u>

[^] See Portfolio of Investments for breakout of common stocks by industry classification.

The Paradigm Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$1,140,142,699 [^]	\$ —	\$—	\$1,140,142,699
Escrow Notes	—	—	—*	—*
Convertible Bonds	—	5,467,500	—	5,467,500
Corporate Bonds	—	—	10	10
Short-Term Investments	43,588,609	—	—	43,588,609
Investments Purchased with the Cash				
Proceeds from Securities Lending	188,226,101	—	—	188,226,101
Total Investments in Securities	<u>\$1,371,957,409</u>	<u>\$5,467,500</u>	<u>\$10</u>	<u>\$1,377,424,919</u>

* Amount is less than \$0.50.

[^] See Portfolio of Investments for breakout of common stocks by industry classification.

Transfers out of Level 2 and into Level 3 \$10

Transfers were made out of Level 2 due to a lack of market activity.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Transfers between levels are recognized at the end of the reporting period.

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

<u>Description</u>	<u>Investments in Securities</u>
Balance as of December 31, 2010	\$—*
Accrued discounts/premiums	—
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	—
Purchases	—
Sales	—
Transfer in and/or out of Level 3	10
Balance as of June 30, 2011	<u>\$10</u>

* Amount is less than \$0.50.

The Medical Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$32,859,299 [^]	\$ —	\$—	\$32,859,299
Escrow Notes	—	—	—*	—*
Rights	37,447	3,964 ⁽¹⁾	—	41,411
Short-Term Investments	1,693,121	—	—	1,693,121
Investments Purchased with the Cash				
Proceeds from Securities Lending	8,874,018	—	—	8,874,018
Total Investments in Securities	<u>\$43,463,885</u>	<u>\$3,964</u>	<u>\$—*</u>	<u>\$43,467,849</u>

* Amount is less than \$0.50.

[^] See Portfolio of Investments for breakout of common stocks by industry classification.

(1) The Rights Level 2 balance consists of the market value of the associated Level 2 investments in the following industry:

Funds, Trusts, and Other Financial Vehicles \$3,964

Transfers into Level 2 out of Level 1 \$3,964

Transfers were made out of Level 1 and into Level 2 due to a lack of market activity.

Transfers between levels are recognized at the end of the reporting period.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

<u>Description</u>	<u>Investments in Securities</u>
Balance as of December 31, 2010	\$—*
Accrued discounts/premiums	—
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	—
Purchases	—
Sales	—
Transfer in and/or out of Level 3	—
Balance as of June 30, 2011	<u>\$—*</u>

* Amount is less than \$0.50.

The Small Cap Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$108,066,769 [^]	\$4,267,760 ⁽¹⁾	\$—	\$112,334,529
Corporate Bonds	—	—	3	3
Rights	450,785	—	—	450,785
Short-Term Investments	802,423	—	—	802,423
Investments Purchased with the Cash				
Proceeds from Securities Lending	<u>18,973,978</u>	<u>—</u>	<u>—</u>	<u>18,973,978</u>
Total Investments in Securities	<u>\$128,293,955</u>	<u>\$4,267,760</u>	<u>\$ 3</u>	<u>\$132,561,718</u>

[^] See Portfolio of Investments for breakout of common stocks by industry classification.

⁽¹⁾ The Common Stocks Level 2 balance consists of the market value of the associated Level 2 investments in the following industries:

Asset Management	\$2,160,780
Oil and Gas Extraction	2,053,940
Real Estate	1,155
Telecommunications	51,885
	<u>\$4,267,760</u>

Transfers into Level 2 out of Level 1	\$2,089,060
Transfers out of Level 2 into Level 3	\$ 3

Transfers were made out of Level 1 and into Level 2 due to a lack of market activity. Transfers were made out of Level 2 and into Level 3 due to a lack of market activity.

Transfers between levels are recognized at the end of the reporting period.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

<u>Description</u>	<u>Investments in Securities</u>
Balance as of December 31, 2010	\$—
Accrued discounts/premiums	—
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	—
Purchases	—
Sales	—
Transfer in and/or out of Level 3	3
Balance as of June 30, 2011	<u>\$ 3</u>

The Market Opportunities Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$49,253,632 [^]	\$535,117 ⁽¹⁾	\$—	\$49,788,749
Short-Term Investments	542,126	—	—	542,126
Investments Purchased with the Cash				
Proceeds from Securities Lending	10,281,357	—	—	10,281,357
Total Investments in Securities	<u>\$60,077,115</u>	<u>\$535,117</u>	<u>\$—</u>	<u>\$60,612,232</u>

[^] See *Portfolio of Investments for breakout of common stocks by industry classification.*

⁽¹⁾ *The Common Stocks Level 2 balance consists of the market value of the associated Level 2 investments in the following industry:*

Asset Management \$535,117

The Water Infrastructure Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$2,194,181 [^]	\$ —	\$—	\$ 2,194,181
Convertible Bonds	—	3,139,481	—	3,139,481
Corporate Bonds	—	5,158,478	—	5,158,478
Warrants	—	6,400	—	6,400
Short-Term Investments	2,136,875	—	—	2,136,875
Investments Purchased with the Cash				
Proceeds from Securities Lending	2,525,320	—	—	2,525,320
Total Investments in Securities	<u>\$6,856,376</u>	<u>\$8,304,359</u>	<u>\$—</u>	<u>\$15,160,735</u>
Put Options Written	\$ —	\$ (424,570)	\$—	\$ (424,570)

[^] See *Portfolio of Investments for breakout of common stocks by industry classification.*

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

The Multi-Disciplinary Portfolio

The following is a summary of the inputs used to value the Portfolio's net assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Convertible Bonds	\$ —	\$ 4,215,012	\$—	\$ 4,215,012
Corporate Bonds	—	7,664,336	—	7,664,336
Municipal Bonds	—	1,505,000	—	1,505,000
Short-Term Investments	1,250,229	—	—	1,250,229
Investments Purchased with the Cash				
Proceeds from Securities Lending	<u>2,481,435</u>	<u>—</u>	<u>—</u>	<u>2,481,435</u>
Total Investments in Securities	<u>\$3,731,664</u>	<u>\$13,384,348</u>	<u>\$—</u>	<u>\$17,116,012</u>
Put Options Written	<u>\$ —</u>	<u>\$ (745,861)</u>	<u>\$—</u>	<u>\$ (745,861)</u>

9. Disclosures about Derivative Instruments and Hedging Activities

The Master Portfolios have adopted enhanced disclosure regarding derivatives and hedging activity intended to improve financial reporting of derivative instruments by enabling investors to understand how and why a Master Portfolio uses derivatives, how derivatives are accounted for by the Master Portfolios, and how derivative instruments affect a Master Portfolio's results of operations and financial position. The Master Portfolios utilized options to implement or to gain further exposure to their respective investment strategies.

**The Water Infrastructure Portfolio
Statement of Assets and Liabilities**

Fair Values of derivative instruments as of June 30, 2011:

<u>Equity Contracts</u>	<u>Assets</u>		<u>Liabilities</u>	
	<u>Description</u>	<u>Fair Value</u>	<u>Description</u>	<u>Fair Value</u>
Purchased Options	Investments*	\$—	Written option contracts, at value	\$424,570
Written Options . . .		<u>—</u>		<u>\$424,570</u>
Total		<u>\$—</u>		<u>\$424,570</u>

* Purchased options are included in investments with other long positions.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Statement of Operations

The effect of derivative instruments on the Statement of Operations for the six months ended June 30, 2011:

Amount of Realized Gain on Equity Contracts**Equity Contracts**

Purchased Options	\$	—**
Written Options		<u>1,532,820</u>
Total		<u>\$1,532,820</u>

** Purchased options are included with investments.

Change in Unrealized Depreciation on Equity Contracts**Equity Contracts**

Purchased Options	\$	—***
Written Options		<u>(789,331)</u>
Total		<u>\$(789,331)</u>

*** Purchased options are included with investments.

The Water Infrastructure Portfolio has adopted authoritative standards regarding disclosure about derivatives and hedging activities and how they affect the Portfolio's Statement of Assets and Liabilities and Statement of Operations. For the six months ended June 30, 2011: no long option contracts were purchased and \$0 premiums were paid, written option contracts (4,537 contracts) were opened and \$792,214 premiums were received during the period.

The Multi-Disciplinary Portfolio**Statement of Assets and Liabilities**

Fair Values of derivative instruments as of June 30, 2011:

<u>Equity Contracts</u>	<u>Assets</u>		<u>Liabilities</u>	
	<u>Description</u>	<u>Fair Value</u>	<u>Description</u>	<u>Fair Value</u>
Purchased Options	Investments*	\$—	Written option contracts, at value	<u>\$745,861</u>
Written Options		<u>—</u>		
Total		<u>\$—</u>		<u>\$745,861</u>

* Purchased options are included in investments with other long positions.

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

Statement of Operations

The effect of derivative instruments on the Statement of Operations for the six months ended June 30, 2011:

Amount of Realized Gain on Equity Contracts**Equity Contracts**

Purchased Options	\$ —**
Written Options	175,872
Total	<u>\$175,872</u>

** Purchased options are included with investments.

Change in Unrealized Appreciation on Equity Contracts**Equity Contracts**

Purchased Options	\$ —***
Written Options	70,510
Total	<u>\$70,510</u>

*** Purchased options are included with investments.

The Multi-Disciplinary Portfolio has adopted authoritative standards regarding disclosure about derivatives and hedging activities and how they affect the Portfolio's Statement of Assets and Liabilities and Statement of Operations. For the six months ended June 30, 2011: no long option contracts were purchased and \$0 premiums were paid, written option contracts (4,542 contracts) were opened and \$909,989 premiums were received during the period.

10. New Accounting Pronouncement

In May 2011, the FASB issued ASU No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements" in GAAP and the International Financial Reporting Standards ("IFRSs"). ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact the update will have on its financial statement disclosures.

11. Subsequent Events

In preparing these financial statements, management has evaluated Portfolio related events and transactions for potential recognition or disclosure through

Notes to Financial Statements — (Continued)

June 30, 2011 (Unaudited)

the date the financial statements were issued. There were no events or translations that occurred during the period that materially impacted the amounts or disclosures in the Portfolios' financial statements.

12. Tax Information

The Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted on December 22, 2010. The Act makes changes to several tax rules impacting the Portfolios. In general, the provisions of the Act will be effective for the Master Portfolios' fiscal year ending December 31, 2011. Although the Act provides several benefits, including the unlimited carryover of future capital losses, there may be a greater likelihood that all or a portion of each Master Portfolio's pre-enactment capital loss carryovers may expire without being utilized due to the fact that post-enactment capital losses get utilized before pre-enactment capital loss carryovers. Relevant information regarding the impact of the Act on the Master Portfolios, if any, will be contained within the "Federal Taxes" section of the financial statement notes for the fiscal year ending December 31, 2011.

13. Information about Proxy Voting

Information regarding how Kinetics Portfolios Trust votes proxies relating to portfolio securities is available without charge upon request by calling toll-free at 1-800-930-3828 or by accessing the Funds' website at www.kineticsfunds.com and by accessing the SEC's website at www.sec.gov. Information regarding how the Portfolios voted proxies relating to portfolio securities during the most recent twelve month period ended June 30, is available without charge, upon request, by calling toll-free at 1-800-930-3828 or by accessing the SEC's website at www.sec.gov.

14. Information about the Portfolio Holdings

The Kinetics Portfolios Trust files its complete schedules of portfolio holdings for its first and third fiscal quarters with the SEC on Form N-Q. The Portfolios' Form N-Q is available without charge, upon request, by calling toll-free at 1-800-930-3828. Furthermore, you can obtain the Form N-Q on the SEC's website at www.sec.gov. The Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Kinetics Mutual Funds, Inc.

615 East Michigan Street
Milwaukee, WI 53202

INVESTMENT ADVISER AND
SHAREHOLDER SERVICING AGENT

Kinetics Asset Management LLC
555 Taxter Road
Suite 175
Elmsford, NY 10523

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

Tait, Weller & Baker LLP
1818 Market Street
Suite 2400
Philadelphia, PA 19103

DISTRIBUTOR

Kinetics Funds Distributor, LLC
555 Taxter Road
Suite 175
Elmsford, NY 10523

ADMINISTRATOR

FUND ACCOUNTANT AND
TRANSFER AGENT

U.S. Bancorp Fund Services, LLC
615 East Michigan Street
Milwaukee, WI 53202

CUSTODIAN

U.S. Bank, N.A.
Custody Operations
1555 River Center Drive, Suite 302
Milwaukee, WI 53212

THIS MATERIAL MUST BE PRECEDED OR
ACCOMPANIED BY A PROSPECTUS