January 2010

Kinetics Asset Management, Inc.

Background

- In 1994, **Horizon Asset Management, Inc. ("Horizon")** was formed by several investment professionals, including Peter Doyle and Murray Stahl. Horizon began publishing research in 1995 and is now one of the largest providers of independent hard dollar research to Wall Street, disseminating such reports as "The Spinoff Report," "The Contrarian Report" and the "Distressed Securities Report." Examples are available upon request.

- In 1996, **Kinetics Asset Management, Inc. ("Kinetics")** was formed and The Internet Fund was launched to capitalize on Horizon's "IPO Report", which identified an increase in the number of internet-related opportunities coming to the market. With the success of the Internet Fund (and pending market bubble), Kinetics began diversifying its investment strategies and, in late 1999, launched the Paradigm Fund. The Paradigm Fund continues to this day as Kinetics' flagship Fund, offering a global all-cap blend strategy. In total, Kinetics offers a family of nine U.S. mutual funds, **including the newly launched Tactical Paradigm Fund**, Paradigm Fund, Market Opportunities Fund, Small Cap Opportunities Fund, Medical Fund, Global Fund, Water Infrastructure Fund, Internet Fund, and the Multi-Disciplinary Fund, along with several European UCIT funds through a joint venture with United Overseas Bank. Kinetics also manages separately managed accounts and is sub-advisor to several large institutions.

- In 2000, the founders of Kinetics formed **Kinetics Advisers, LLC** in order to implement long/short strategies through alternative investment products. Kinetics Advisers, LLC manages several U.S. and Cayman-based funds and separate accounts.

AUM By Entity

As of December 31, 2009

Kinetics Asset Mgmt, Inc	
• US Mutual Funds • Offshore Mutual Funds • Separate Accts	$1.8 B $1.5 B $1.9 B
Total AUM = $5.2 Billion	

Kinetics Advisers, LLC	
• Offshore Hedge Fund • Domestic Hedge Funds	$183 M $90 M
Total AUM = $273 Million	

Combined AUM = $5.47 Billion

Investment Philosophy

*Kinetics investment philosophy and strategy
is based on the following key factors:*

- Making investments in companies that are engaged in providing products and services that have long product life cycles. Ex: auto insurance, electric utilities, etc.
- Focusing on the qualitative aspects of a business like brand name, low reinvestment needs, monopoly status or low cost provider status that allows it to earn high returns
- Seeking out operating predictability and transparency. Following Warren Buffett's dictum that *"You should invest in a business that even a fool can run, because some day a fool will."*
- Long-term returns are driven by returns on capital of the business operations of the companies held in the portfolio rather than timing the purchases and sales of investments.
- Volatility is not considered to be the primary determinant of risk. Financial risks associated with a company's business operations are more relevant for long-term investors. Avoidance of financial risk is defined as avoiding the permanent erosion of capital.
- Diversification of portfolio based on the principle of non-codependence – ensuring to the degree possible that companies within the portfolio do not have significant or material inter-linkages in their business dealings.

Investment Philosophy and Strategy (continued)

- Research efforts are structured to identify securities that we believe have unique risk and return characteristics.

- Research is organized around pervasively inefficient segments of the marketplace like tax-free spinoffs, contrarian investments, distressed equities, capital structure arbitrage, etc.

- Research methodology and structure unearths companies that we believe have the potential to thrive irrespective of their sector or industry performance.

- Company analysis focuses as much on the qualitative elements of an investment as on the quantitative ones in order to seek out unique qualities that might give companies a competitive advantage.

- Due to the long term orientation of the portfolios (holding periods of at least 3-5 years generally) we are able to take advantage of the artificial time horizons on Wall Street that pressure most managers to produce short term returns.

- Decisions to sell are made when:

➢ The business thesis is invalidated by new information
➢ The market valuations discount in full the long-term business prospects
➢ New opportunities are uncovered with better risk/return characteristics than existing investments

Portfolio Composition

Relative Value Analysis

- In addition to traditional metrics used for valuation, we employ a relative scale looking for businesses that are well capitalized and able to achieve high returns on equity without the use of excess leverage

Individual Business Analysis

- All companies are assessed on an individual, bottom up basis
- Weights are determined by risk reward estimates and convictions in the investment

Keynesian Economics and Investing

- The current edifice of finance is based on the efficient market hypothesis, modern portfolio theory and the need to constantly hedge and re-weight portfolios
- Keynes believed that markets move in the short term inefficiently, yet long term returns are based upon fundamentals
- Keynes personal investments, which were purchased in 1927 and held, returned 4.8x the original investment in 1945, compared to -14.8% return for the U.K. stock market during the same period
- Keynes' portfolio suffered greatly during the Great Depression and lost over ½ of its value, but his prudence was rewarded in the long term
- Despite multiple examples akin to this, the pervasive mentality is to over-trade and over-hedge portfolios resulting is lost performance

The Paradigm Strategy

- Kinetics' flagship product, the Paradigm Fund commenced operations on 12/31/1999.
- Non-diversified fund using Kinetics' investment and research approach, focusing on purchasing businesses with high returns on capital
- All capitalization, global investment portfolio with a strong US focus
- Low turnover, tax efficient

The Paradigm Strategy *(continued)*

The Strategy will distinguish itself from other value funds in several ways:

- The Strategy is managed in the classical value style, as opposed to the prominent modern value approach (e.g. buy low numerical P/E)
- The driver of appreciation for the classical value investor is a sustainable return on equity.
- Another differentiating feature of the Strategy is the rigor with which the portfolio will be diversified, stressing the unique concept of non-codependence
- Portfolio companies will typically be profitable, have strong balance sheets and possess long product life cycles
- The Strategy has long time horizons and looks to exploit securities with unique properties

Historical Performance for the Paradigm Fund - WWNPX
As of December 31, 2009

Calendar Year Returns

	Paradigm Fund WWNPX	S&P 500 TR Index
2009	41.02%	26.46%
2008	-53.17%	-37.00%
2007	21.14%	5.49%
2006	27.81%	15.79%
2005	16.11%	4.91%
2004	20.93%	10.88%
2003	47.77%	28.68%
2002	-4.62%	-22.10%
2001	2.02%	-11.89%
2000	4.00%	-9.10%

As of Dec. 31 2009	Paradigm Fund WWNPX	S&P 500 TR Index
One Year**	41.02%	26.46%
Three Year**	-7.17%	-5.63%
Five Year**	3.49%	0.42%
Ten Year**	7.94%	-0.95%
Since Inception**	7.94%	-0.95%

** Annualized

Top 10 Holdings (as of December 31, 2009)			
Hong Kong Exchange	6.88%	Brookfield Asset Mgt	2.67%
Leucadia National	3.64%	Suncor Energy	2.65%
Canadian Oil Sands	3.01%	CME Group	2.54%
Anglo American	3.00%	Singapore Exchange	2.45%
Intercontinental Exchange	2.72%	Canadian Natural Resources	2.42%

Performance shown is that of the Kinetics Paradigm Fund (No-Load Class). The assets in the fund as of December 31, 2009 were approximately $1.4 billion. The inception date is December 31, 1999. Past performance is no guarantee of future results and an investment can lose money. An investor's investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more of less than their original cost. Current performance may be lower of higher than the performance data quoted. You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. **Investors may visit our website at www.kineticsfunds.com or call us at 1-800-930-3828 for a copy of the most recent Prospectus containing performance data current to the most recent month-end.**

Senior Investment Professionals

• Peter Doyle is the President, CEO and Chief Investment Strategist and Co-Founder of Kinetics Asset Management, Inc. Mr. Doyle serves as Co-Manager to the Kinetics Paradigm Fund, Kinetics Small Cap Opportunities Fund and Kinetics Market Opportunities Fund. Mr. Doyle is also the Chief Investment Strategist of Kinetics Advisers, LLC, the investment adviser to Kinetics alternative products and other separate accounts. He is also Co-Founder, Vice-President and a Director of Horizon Asset Management, Inc., a New York-based investment management and research firm, which was established in 1994 and which managed approximately $4.7 billion as of December 31, 2008. From 1988 through late 1994, Mr. Doyle was an Investment Officer in Bankers Trust Company's Investment Services Group. Mr. Doyle received a Masters of Business Administration from Fordham University in 1994 and a Bachelor of Science in Economics from St. John's University in 1984.

• Paul Mampilly is a Co-Manager and member of the portfolio management team at Kinetics Asset Management, Inc. Mr. Mampilly has over 15 years experience as an investment professional working at Bankers Trust, Deutsche Bank, ING Funds and the Capuchin Group as a research analyst and portfolio manager. He is a Chartered Financial Analyst (CFA), a member of the New York Society of Securities Analysts (NYSSA) and a member of the American Association for the Advancement of Science (AAAS). Mr. Mampilly graduated from Montclair State College, New Jersey in 1991 and received his MBA from Fordham University, New York in 1996.

• Murray Stahl is the Director of Research for the Kinetics Mutual Funds, Inc. Mr. Stahl is the Chairman, CEO, Chief Investment Strategist and Co-Founder of Horizon Asset Management, Inc., a New York-based investment management and research firm that had approximately $6.5 billion in assets under management as of December 31, 2008. Previously, Mr. Stahl was with Bankers Trust Company for 16 years as a portfolio manager and research analyst, and managed approximately $600 million of individual, trust and institutional client assets. As the senior Fund manager, he directed the investments of three of the bank's Common Trust Funds: the Special Opportunity, Utility and Tangible Assets Funds, as well as the Utility Mutual Fund. Mr. Stahl received a Masters in Business Administration from Pace University in 1984 and a Bachelor of Arts from Brooklyn College in 1976 as well as a Masters of Arts from Brooklyn College in 1980.

Disclosures

You should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. For a free copy of the Funds' Prospectus, which contains this and other information, visit our website at www.kineticsfunds.com or call us at 1-800-930-3828. You should read the Prospectus carefully before you invest. The opinions contained herein are not intended to be a forecast of future events, or a guarantee or future results, or investment advice. The views expressed herein may change at any time subsequent to the date of issue hereof.

Past performance does not guarantee future results. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange you No Load Class shares less than 30 days after you purchase them. As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. An investor's investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more of less than their original cost. Current performance may be lower of higher than the performance data quoted. Non-investment grade securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options.

There may also be risks associated with investing in *small and medium* sized companies. Small and medium-size companies often have narrower markets and more limited managerial and financial resources than do larger, more established companies. As a result, their performance can be more volatile and they face a greater risk of business failure, which could increase the volatility of the Paradigm Portfolio's assets. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Funds contained herein pursue their own investment objectives by investing all if their investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

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

Contact Information

If you would like more information on any of the products mentioned in this presentation, please contact us:

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