Kinetics Tactical Paradigm Fund

Symbols: KPANX, KPARX, KPACX, KPAYX

BROADMARK
ASSET
MANAGEMENT, LLC

Kinetics Asset Management, Inc.

January 2010

Background of Kinetics

- 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 eight U.S. mutual funds, including the Paradigm Fund, Market Opportunities Fund, Small Cap Opportunities Fund, Medical Fund, Global Fund, Water Infrastructure Fund, Internet Fund, and, most recently, 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.

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

Background on Broadmark

- SEC Registered Investment Adviser (since 2000), with solid track record.
- The Management Team, which is identified at the end of this Presentation, has worked together for over ten years.
- Broadmark is 61% employee owned, with most employees maintaining an equity interest in the company.
- Broadmark manages $665 million across hedge funds, separately managed accounts and mutual funds.

Broadmark's Investment Philosophy

- Stock market risk can and should be addressed.
- Broadmark will seek to outperform a buy and hold strategy by having high equity exposure when risks are low and opportunities are high, and low equity exposure when risks are high and opportunities are low.
- Broadmark, through their proprietary models, will attempt to identify certain points in time when hedging may be appropriate.

The Tactical Paradigm Edge

The Tactical Paradigm strategy seeks to provide long-term growth of capital while mitigating market risk through various hedging activities, achieved in part due to the following attributes:

Superior Stock Selection

Principals of Kinetics Asset Management, Inc.
bring years of experience in superior stock selection.

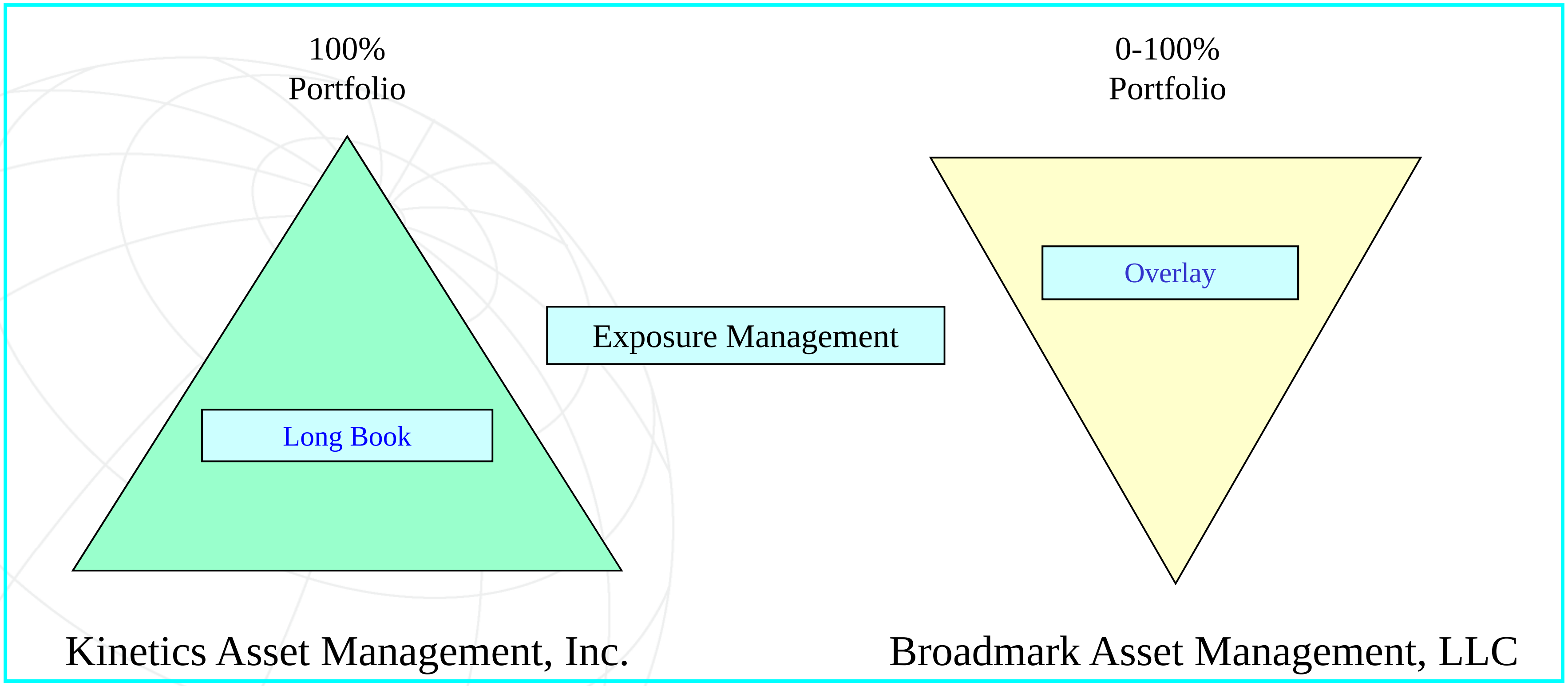
Measured Risk

Market, risk and opportunity are calculated by Broadmark's
process to determine degree and type of market exposure
with greatest risk return profile.

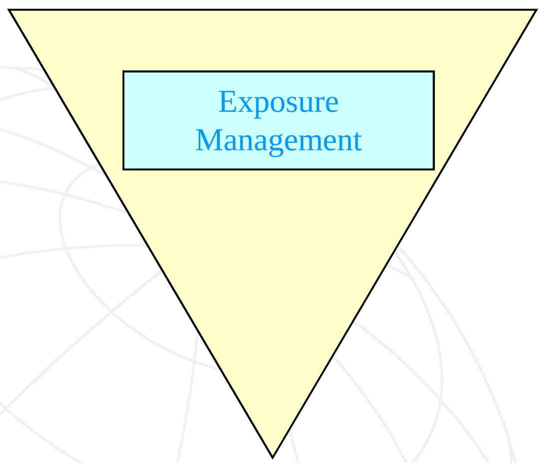
Variable Market Exposure

Market risk is adjusted through the tactical adjustment
of net exposure. When market risks are high, net exposure is low.
When perceived risks are low, net exposure will be higher.

Kinetics Tactical Paradigm Strategy Overview



Exposure Management



- Assesses overall stock market risk
- Measures levels of monetary policy, sentiment, momentum and institutional participation
- Readings of these variables determine level of long versus short exposure
- ETF’s and indices are used to quickly adjust exposure

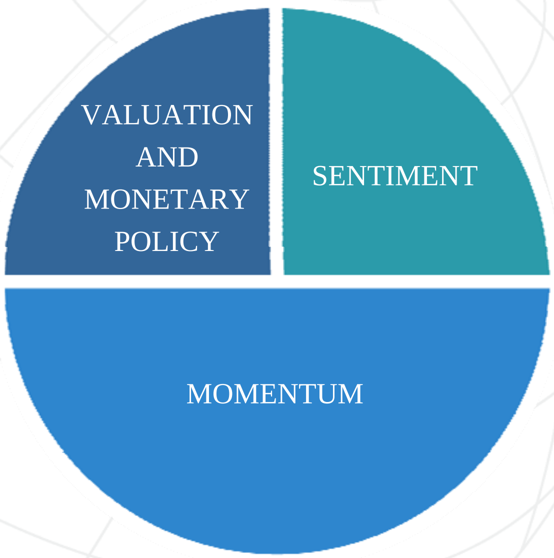
Strategy tends to have increased exposure to equity markets at low-risk entry points while being underexposed at high risk levels of the market.

Hedging Factors

Broadmark models provide key determinates in assessing optimal stock market exposure including:

- Entry points
- The amount of exposure
- The type of exposure
- Exit points

Neither Kinetics nor Broadmark represent or guarantee the accuracy of the models. It is possible the models being employed do not accurately predict stock market movements. Read the Prospectus for a list of additional Risks.

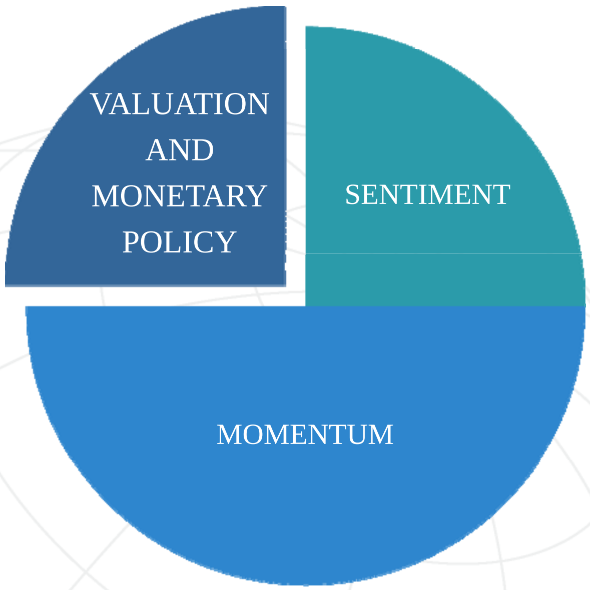


Valuation and Monetary Policy Models
Assesses overall stock market risk

Sentiment Models
Contrarian indicator. Most investors are often wrong at market inflection points

Momentum Models
The major input in determining market exposure

Valuation and Monetary Policy

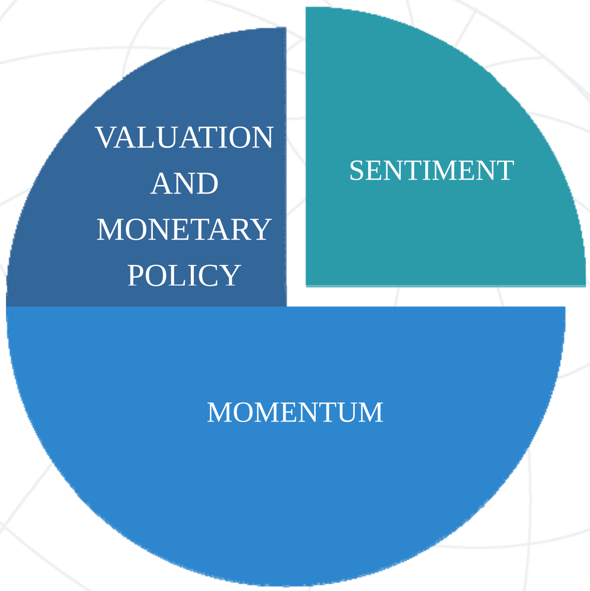


- **P/E ratios are compared to interest rates and prices to establish if markets are under, over or fairly valued**
- **Treasury yields and BAA corporate bond yields are compared to the earnings yield of the S&P 500**
- **Credit Spreads and Monetary Aggregate Growth indicate favorable or negative liquidity conditions and federal reserve bias**

Market Sentiment

Sentiment levels can be excessively positive or negative

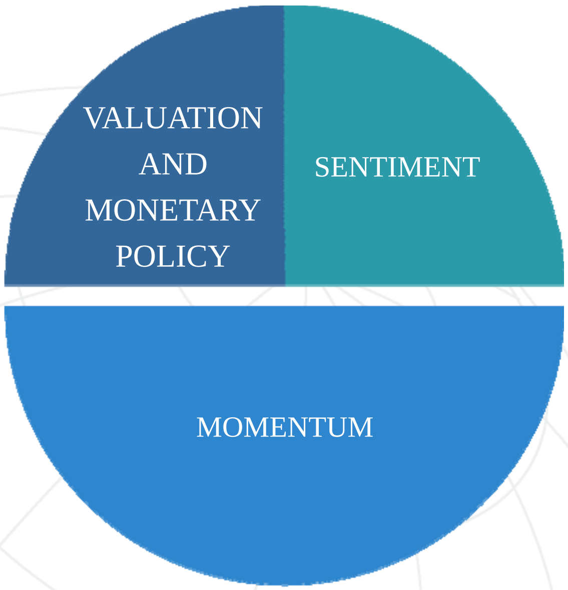
Viewing in a contrary fashion helps identify high and low risk market environments



- **Consumer Sentiment**
- **Individual Investor Behavior**
- **Wall Street Strategists**
- **Corporate insider**
- **Newsletter Writers**
- **Options Speculators**
- **Put Writers**
- **NYSE Member**

Most are usually wrong and some are usually right

Market Momentum



- **Broadmark's Breadth/Volume Momentum Models are the final determinants that position the portfolio**
- **Because markets can overshoot, momentum itself is strongly relied upon**

Kinetics 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.

Broadmark Senior Professionals

Christopher J. Guptill
<u>CEO and Chief Investment Officer</u>

Mr. Guptill, a founding member of Broadmark Asset Management, LLC, is based in the California office and is responsible for the development of Broadmark's investment management programs and products. He is also responsible for the implementation of all portfolio management and execution. Mr. Guptill began his career in 1979 at Paine, Webber, Jackson & Curtis. In the mid-1980s he developed a specialty for identifying emerging equity managers. In 1994 Mr. Guptill joined McKinley Capital Management, Inc., as a Senior Portfolio Manager. He later became the firm's Chief Equity Strategist. Additionally, Mr. Guptill developed, launched and co-managed the firm's highly successful alternative investment portfolios. Mr. Guptill is a 1979 graduate of California State University, Chico with a B.A. in Economics.

Richard P. Damico
<u>Senior Portfolio Manager</u>

Mr. Damico joined Broadmark in March 2005 and is based in the California office. As a Portfolio Manager he participates in the implementation of portfolio management and trading functions. Most recently he was a Managing Director at ThinkEquity Partners, LLC where he established and was responsible for the development of the institutional trading desk at their San Francisco headquarters. Prior to ThinkEquity Partners, from 1997 to 2002, he was a Vice President and Senior Institutional Sales Trader at Morgan Stanley's San Francisco office covering West Coast institutional accounts. Additionally, Mr. Damico was an Associate Director and Senior Sales Trader at Bear Stearns in San Francisco from 1990 to 1997. Mr. Damico began his career at Paine, Webber, Jackson & Curtis in 1985.

Eric C. Fisher, CFA
<u>Senior Portfolio Manager</u>

Mr. Fisher joined Broadmark in 2000 and is based in the California office. As a Senior Portfolio Manager, he participates in the equity selection and research process, with primary emphasis on the short selection, as well as performing trading functions. He began his career in the securities industry in 1995. A year later, he joined McLaughlin Capital Markets, Inc. where he became involved in trading and research for institutional clients. In 1999, he moved to Broadmark Capital Corporation (an unaffiliated entity) where he concentrated on research for his institutional clients. Prior to 1995, he worked in the metal fabrication and construction industry for his family's business as their chief project manager and estimator, including engineering and design. Mr. Fisher is a 1991 graduate of Vanderbilt University with a B.S. in Civil and Environmental Engineering. In 2000, he earned the right from the Association for Investment Management and Research to use the Chartered Financial Analyst (CFA) designation.

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, as both consist of complex investment techniques that are further described in the Fund's Prospectus

The Fund may invest in futures to hedge the performance of the Fund. The success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates. Additionally, there may be an imperfect or no correlation between the changes in market value of the securities held by the Master Portfolio or Tactical Paradigm Fund and the prices of futures. It is possible there may not be a liquid securities market for a futures contract. Trading restrictions or limitations may be imposed by an exchange when dealing with futures. Government regulations may also restrict trading in futures contracts in certain cases.

Disclosures Continued

Furthermore, the Fund may leverage its assets, subject to the provisions of the Investment Company Act of 1940, in order to fund investment activities or to achieve higher returns. The Fund may borrow money from banks for temporary or emergency purposes in order to meet redemption requests. To reduce its indebtedness, the Fund may Have to sell a portion of its investments at a time when it may be disadvantageous to do so. In addition, interest paid by The Fund on borrowed funds would decrease the net earnings of the Fund.

The Fund may invest up to 5% of its assets in exchange traded funds ("ETFs"). ETFs are registered investment companies whose shares are listed and traded on the U.S. stock exchanges or otherwise traded in the over-the-counter market. In general, ETFs seek to track a specified securities index or a basket or securities that an "index provider" such as Standard and Poor's selects as representative of a market, market segment or industry sector. An ETF portfolio generally holds the same stocks or bonds as the index it tracks or it ma hold a representative sample of such securities. As a shareholder in An ETF, the Fund will bear its pro rata portion of an ETF's expenses, including advisory fees, in addition to its own expenses.

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 Tactical 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

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