



Kinetics Paradigm Fund
(WWNPX, KNPAX, KNPCX, KNPYX)

4th Quarter 2011

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

Past performance does not guarantee future results. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares less than 30 days after you purchase them. As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies.

Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolio Trust. The Standard & Poor's 500 Index ("S&P 500") represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. S&P 500 Index returns assume that dividends are reinvested. You cannot invest directly in the S&P 500. This presentation is for informational purposes only, is not a solicitation to purchase shares, does not constitute investment or tax advice and is not a public or private offering or recommendation of any kind. This document and its content are the property of Horizon Kinetics LLC ("Horizon Kinetics") and cannot be reproduced or transmitted to any person in any form or by any means in whole or part without prior written consent from Horizon Kinetics. Mutual Funds, including Kinetics Paradigm Fund, are subject to stock market risks and significant fluctuations in value. If the stock market declines in value, the Fund is likely to decline in value and you could lose money on your investment.

This Fund may invest in options and bonds, which carry special risks further discussed in the Fund's Prospectus. Concentrated portfolios that invest a substantial portion of their assets in a particular industry carry a risk that a group of industry-related stocks will decline in price due to industry specific developments. Companies in the same or similar industries may share common characteristics and are more likely to react comparably to industry specific market or economic developments. The Fund may invest in the equity securities of small and medium size 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 Fund's assets.

The Fund may invest in foreign securities, which can carry higher returns but involve more risks than those associated with U.S. investments. Additional risks associated with investments in foreign securities include currency fluctuations, political and economic instability, differences in financial reporting standards and less stringent regulation of securities markets. In a non-diversified Fund, more of the Fund's assets may be concentrated in the common stock of any single issuer, which may make the value of the Fund's shares more susceptible to certain risks than shares of a diversified mutual fund. Portfolio holdings information is subject to change at any time and is as of the date shown. For more information, you may visit www.kineticsfunds.com.

- I. Firm Overview
- II. Investment Philosophy & Process
- III. Kinetics Paradigm Fund Review
- IV. Market Observations
- V. Appendix
 - *Management Bios*
 - *Research Publications*
 - *Contact Information*
 - *Disclosures*

Firm Overview

Firm Overview



At a Glance

Horizon Kinetics LLC

- Independent, employee owned, serving clients since 1994.
- \$7.0 billion in firm-wide assets under management.¹
- 80+ employees.
- Offices in New York City and Elmsford, NY.

Stable, tenured investment team

- Co-Founders investing together for over 25 years.
 - **Murray Stahl** – Chief Investment Officer
 - **Steven Bregman** – Director of Research
 - **Peter Doyle** – President of Kinetics Funds, Inc.
- 19 Investment Professionals with an average tenure of 8 years with the firm and 17 years in the industry.

Dedicated Culture

- Committed exclusively to investment research and portfolio management across the capital structure.
- Independent publisher of research for institutional investment community since 1995.
- Adhering to a research-intensive, time-tested fundamental investment philosophy.
- Institutional quality client service and operations infrastructure.

Investment Approach

- Independent Thinking
 - Primary source data driven process.
 - Research analysts culturally guided to overcome confirmation biases and data availability errors.
- Opportunity
 - Seek higher returns and margin of safety by capturing high discount rates associated with the "Equity Yield Curve."
 - Earn returns of underlying fundamental business and potential narrowing of discount rate.
- Focus
 - Research team and process organized around attributes associated with long-term excess returns.
 - Seek to avoid the permanent loss of capital.
- Differentiated
 - Philosophy and process lead us to explore lesser researched and less frequently trafficked investments.
- Discipline
 - Portfolio Managers and Research Analysts must write logical, clear and understandable investment theses that withstand internal and external scrutiny.
- Patience
 - Capturing long-term excess returns requires commitment.

¹ As of December 31, 2011

Firm Overview



History

Team Formation at Bankers Trust

- Murray Stahl (1978)
- Steven Bregman (1985)
- Peter Doyle (1985)
- Portfolio Management:
 - Special Opportunities
 - Utilities
 - Tangible Assets
- Portfolio management responsibilities for separately managed accounts within the Bank's Private Client Group and Trust Company.
- Identified need for independent research.

1978-1994

1995

1996

1998

2000

2003

2004

2008

2010

2011

Horizon Research Milestones

Contrarian Research Report

Spin-off Report

Intangible Asset Report

Capital Structure Arbitrage

Global Contrarian Report

ETF Report

Investment Management Milestones

Horizon Asset Management LLC¹ (1994)

Equity and Fixed Income Strategies

Alternative Strategies

Options Strategies

Kinetics Asset Management LLC¹ (1996)

Created to advise and manage mutual funds under Kinetics Mutual Fund, Inc. leveraging Horizon's investment research.

Internet Fund

Paradigm Fund

Alternative Strategies

Horizon Kinetics LLC (2011)

Merger of underlying companies.

- Senior portfolio managers focused on investing and research.
- Formalized Professional Management.
- Single comprehensive platform with institutional quality client service, business development, legal/compliance and operations.

¹ Investment Advisers registered with the Securities and Exchange Commission

Firm Overview



Strategy and Client Type Overview

Firmwide Assets Under Management **\$7.0 B**

Separately Managed Accounts¹ **\$5.4 B**

Focused Strategies

- Large Cap
- Global Large Cap Value
- Small Cap
- Asia
- Spin-Off
- High Yield Opportunity
- Core Value

Unconstrained Strategies²

- Strategic Value Investing
- Research Select

Kinetics Mutual Funds, Inc³ **\$1.1 B**

Broad Markets

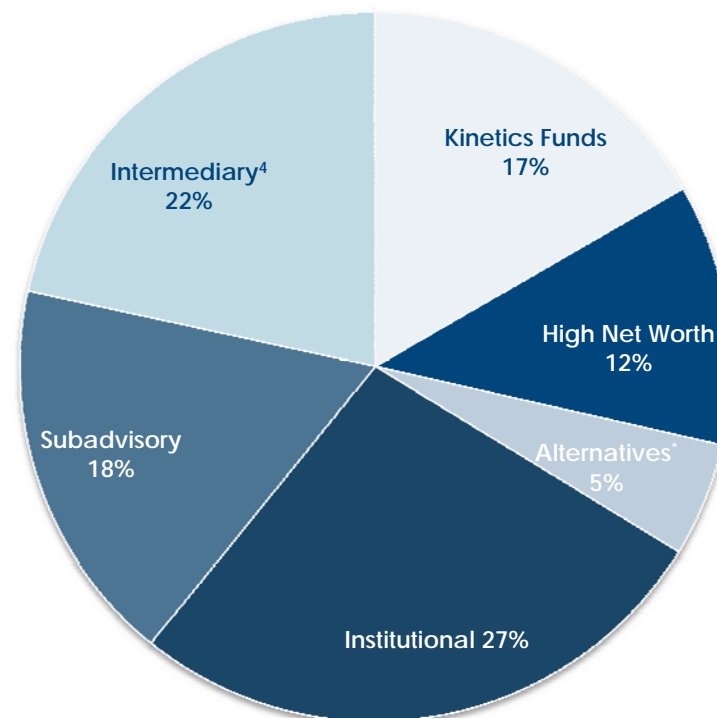
- Paradigm Fund
- Small Cap Fund
- Global Fund
- Multi Disciplinary Fund

Specialty Markets

- Internet Fund
- Medical Fund
- Market Opportunities Fund
- Water Infrastructure Fund

Alternative Investments* **\$0.4 B**

Client Assets by Type



You should consider the investment objectives, risks, charges and expenses of the mutual funds carefully before investing. For a free copy of the mutual funds' prospectus, which contains this and other information, visit our website at www.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before you invest. AUM as of December 31, 2011. Client Type as of June 30, 2011.

* Additional information available upon request for qualified investors.

¹ Includes assets in customized portfolios and other strategies developed for intermediaries.

² Subject to client guidelines.

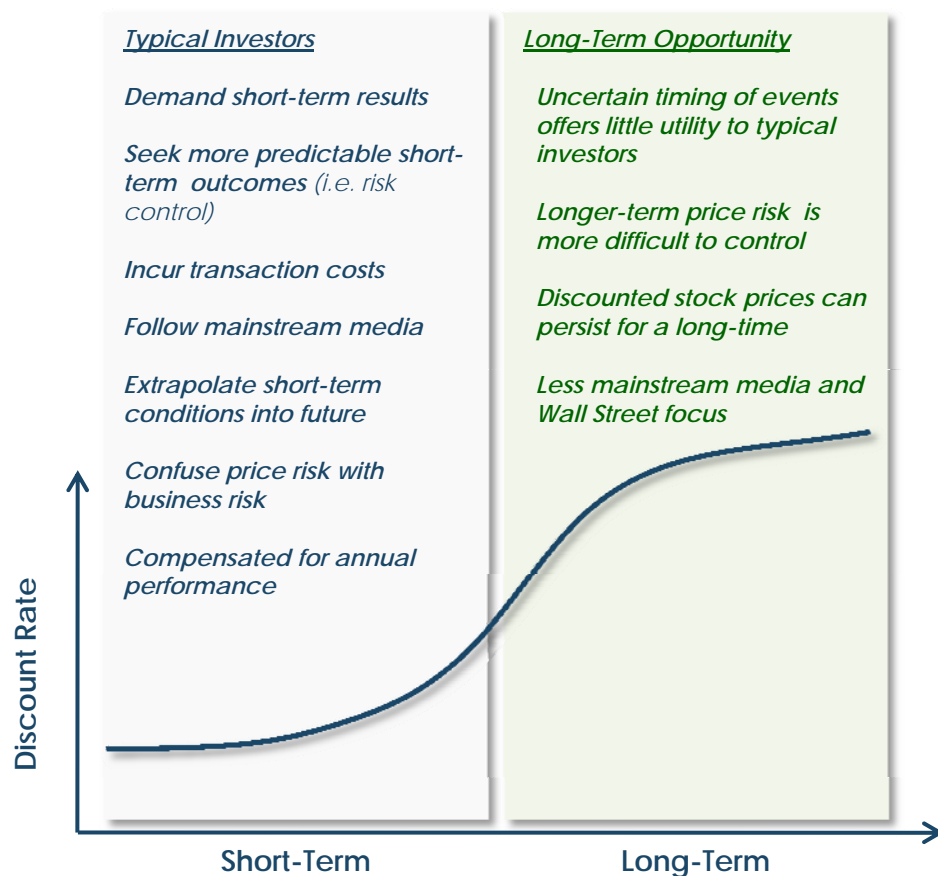
³ Kinetics Mutual Funds, Inc. ("Kinetics Funds") are distributed by Kinetics Funds Distributors, Inc. ("KFD"), an affiliate of Horizon Kinetics LLC. KFD is not affiliated with the Kinetics Funds.

⁴ Includes individual client accounts through intermediaries.

Investment Philosophy & Process

Investors' short-term interests can create significant mispricing of long-term investments. We believe a long-term investment horizon is essential to maintaining a margin of safety and earning excess return.

Equity Yield Curve



Return Dynamics

- Future events inevitably become short-term “actionable” for typical investors as equity investments “roll down” the equity yield curve.
- At a minimum, we expect to earn the underlying businesses’ return on capital overtime.
- Acquiring investments at a higher discount rate provides the potential for a greater margin of safety.
- Valuation multiples improve; market prices may move to or beyond fundamental values as investors observe and extrapolate from improved results and near-term events.
- Company results and improved prospects ultimately attract Wall Street and mainstream media attention, which may further enhance returns.

Idea Generation

Dynamic, unconventional thinking is required to find successful long-term investments.

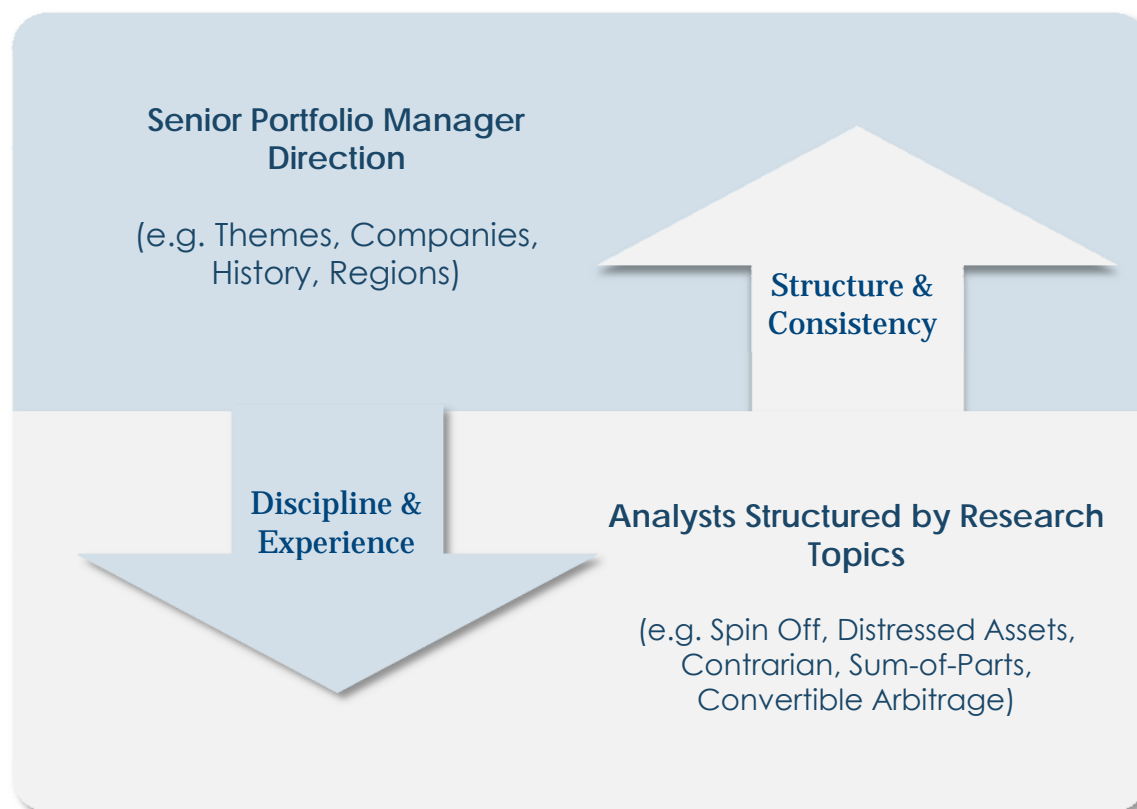
Investment team avoids relying solely on conventional descriptive attributes and places greater emphasis on attributes that are verifiable but not always readily quantifiable.

Confirmation and availability biases refer to an investor's tendency to assign greater importance to information that is readily available, easily organized, and consistent with pre-conceived views.

IDEA GENERATION	
Conventional Screens	Unconventional Attributes
Style <i>(Growth, Core, Value)</i>	Owner-Operators
Sector / Industry	Sum-of-the-Parts
Market Capitalization <i>(small, mid, large)</i>	Dormant Assets
Geography <i>(Country, Region)</i>	Scalability
Momentum <i>(Price, Earnings)</i>	Terms-of-Trade
Price Risk <i>(Volatility)</i>	Product Lifecycle
Valuation <i>(P/B, P/E, P/S)</i>	Industry History
	Business Risk
	Spin-Off
	Liquidation

Horizon Kinetics Research

- Team and process organized around our philosophy
- Independent¹
- Emphasize written reports²
- Peer reviewed
- Absolute minded approach focusing on firm's entire capital structure



¹ Horizon Kinetics does not use outside consultant, network or survey services for investment purposes.

² Not all of Horizon Kinetics' investments correspond to specific written research reports.

Investment Team

Portfolio Management and Research Team



Investment Oversight Committee

Steven Bregman
President
(27 years of Industry Experience)

Murray Stahl
Chief Investment Officer
(34 years of Industry Experience)

Peter Doyle
President, Kinetics Mutual Funds, Inc.
(27 years of Industry Experience)

Strategies

Core Value
Research Select

Large Cap
Small Cap
Spin-Off
Strategic Value

Global
Asia

Fixed Income

Mutual Funds
Alternatives

Portfolio Managers

Steven Bregman

Murray Stahl

Murray Stahl
Aya Weissman

Murray Stahl
Steven Bregman
David Kingsley

Murray Stahl
Steven Bregman
David Kingsley
Peter Doyle
Paul Abel

Research Team

Paul Abel
Therese Byars
Steven Bregman

Ryan Casey
James Davolos
Derek Devens

Peter Doyle
Mike Gallant
Matt Houk

Utako Kojima
David Kingsley
David Leibowitz

Murray Stahl
Eric Sites
Fredrik Tjernstrom

Steven Tuen
Aya Wesissman

Client Portfolio Managers

Derek Devens
James Davolos

Andrea DeMichele
Michael Venuto

Risk management is embedded within our fundamental research process.

Volatility as a Measure of Risk

- Short-term price movements are not necessarily indicative of long-term business value.



Limitations of Traditional Concepts

- We believe investors' desire for precise quantification can lead to availability errors and a false sense of risk control.



Identify Co-Dependency

- Portfolio managers identify co-dependence among portfolio companies and seek to manage exposures accordingly.



Focus on Managing Idiosyncratic Risk

	Systematic Risk	Idiosyncratic Risk
Short-Term	Short-term systematic risk is best controlled via asset allocation.	Example: Avoid investments with substantial short-term debt maturities.
Long-Term	Example: Seek to profit from secular growth in China.	Focus Bottom-up, fundamental analysis.

¹ Certain sector funds do not seek to offer non co-dependent holdings as a result of their investment strategy.

Investment Process



Portfolio Construction

Time Diversification	Avoid attempting to time the market, and instead average into and out of positions over time.
Initial Position Sizing	Initial position sizes are typically built to 2% of the portfolio over time while higher conviction names can be built to 5% ¹ of the portfolio.
Concentration	Positions are sized by portfolio managers' judgment of discount rate magnitude along with an assessment of unconventional business attributes.
Multi-Security Positions	Multi-security positions are used when we have a high degree of conviction regarding a group of related businesses or a theme.
Rebalancing	Limit rebalancing to maximize returns and reduce transaction costs.
Cash Allocation	Cash allocation is a function of the attractiveness of investment opportunities at any give point in time.

¹ Typical Max of 8%. May vary in certain funds.



Kinetics Paradigm Fund Performance & Strategy Update

Historical Performance Result Results

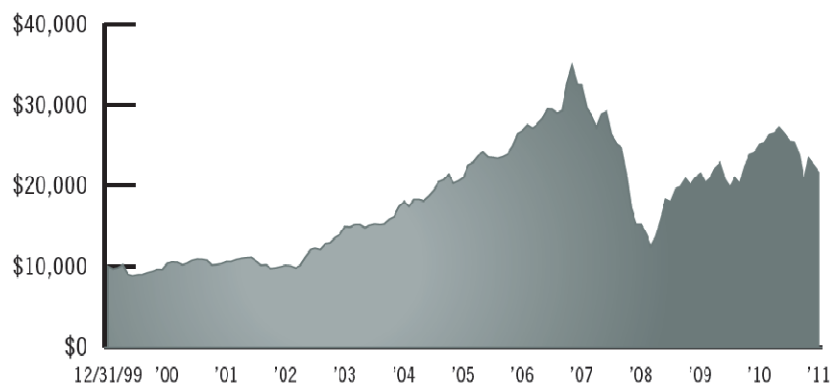


The Paradigm Fund - WWPX

(as of December 31, 2011)

- Kinetics Asset Management LLC is the investment adviser to Kinetics Mutual Funds, Inc., a series of U.S. registered investment companies, which includes The Kinetics Paradigm Fund.
- Investment ideas are typically sourced from seemingly inefficient areas of the marketplace such as tax-free spin offs, companies emerging from bankruptcy, corporate restructurings, out of favor industries, etc.
- The Kinetics Paradigm Fund does not adhere to any benchmark allocation parameters; this allows us to choose from the most attractive risk-adjusted investment opportunities across sectors, countries and capital structures in accordance with the Fund's Prospectus.

Growth of \$10,000 Returns Since Inception \$21,603



	Annualized Returns (%)				Since Inception (Net %)	
	1-Year	3-Year	5-Year	10-Year	Return % Ann.	Volatility % Ann.
Paradigm Fund	-14.3	12.4	-4.2	7.4	6.6	18.7
S&P 500 Return	2.1	14.1	-0.2	2.9	0.6	16.3
<i>Excess Return</i>	-16.4	-1.7	-4.0	4.4	6.1	

Rolling 5-Year Performance Paradigm Fund (Net) vs. S&P 500 Index

	Inception Date	# of 5-Year Periods	Total Return > Index	Total Return >0%	Total Return >10%
Paradigm Fund	Dec-99	85	87%	91%	54%

Performance shown is that of the Kinetics Paradigm Fund (No-Load Class). The annual expense ratio, gross of any fee waivers or expense reimbursements, is 1.78% for the No-Load Class. The annual net expense ratio, after voluntary reimbursements and waivers, which may be discontinued at any time, is 1.64%. The assets in the Fund as of December 31, 2011 were approximately \$846 million. The inception date is December 31, 1999. Performance includes the reinvestment of dividends. Past performance is no guarantee of future results and an investment can lose money. Performance does not include a sales charge. You will be charge a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them. 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.

The Growth of \$10,000 chart illustrates the performance of a hypothetical \$10,000 investment made in No Load Class shares commencement of operations (12/31/99). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Kinetics Paradigm Fund



Fund Information

Class	Assets* (MM)	Inception Date	Ticker	CUSIP	12b-1 fee	Expense Ratios	
						Gross	Net
Advisor A	147	Apr-01	KNPAX	494613854	0.25%	2.03%	1.89%
Advisor C	103	Jun-02	KNPCX	494613821	0.75%	2.53%	2.39%
Institutional	134	May-05	KNPYX	494613797	---	1.73%	1.44%
No Load	431	Dec-99	WWNPX	494613607	---	1.78%	1.64%

Monthly Performance

<u>Paradigm Fund (No Load)</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD</u>	<u>S&P 500</u>
2011	0.6	4.0	0.7	2.7	-2.9	-3.4	-0.4	-6.3	-14.1	14.0	-3.8	-3.8	-14.3	2.1
2010	-5.5	2.8	6.3	2.9	-9.0	-4.9	6.3	-3.8	11.0	6.5	1.1	4.5	17.4	15.1
2009	-8.3	-11.1	9.9	16.5	15.5	-1.8	8.9	1.1	5.2	-3.9	4.5	2.6	41.0	26.5
2008	-9.0	-3.3	-4.9	6.1	1.1	-9.6	-4.3	-2.0	-13.4	-19.8	-11.4	-0.1	-53.2	-37.0
2007	2.6	-1.5	1.8	2.5	4.1	-0.1	-1.6	1.1	11.3	7.1	-6.7	-0.1	21.1	5.5
2006	7.4	1.5	3.7	1.9	-2.7	-0.3	-0.4	0.9	1.4	4.3	6.1	1.4	27.8	15.8
2005	-3.7	5.2	0.0	-1.0	3.2	3.9	5.1	1.3	3.1	-5.1	1.5	2.1	16.1	4.9
2004	-0.3	1.9	0.2	-2.6	1.8	1.1	-0.5	0.4	4.0	2.2	7.7	3.6	20.9	10.9
2003	-0.5	-2.8	3.5	10.4	7.9	1.3	-1.5	6.1	0.7	5.1	2.9	7.4	47.8	28.7
2002	0.0	2.4	1.3	0.7	0.5	-4.1	-5.1	0.6	-4.5	0.8	1.7	1.4	-4.6	-22.1
2001	1.3	-0.1	-3.1	1.6	3.7	1.6	-0.1	-1.1	-5.8	0.7	1.2	2.6	2.0	-11.9
2000	-3.4	1.4	4.1	-12.0	-2.1	1.5	0.2	2.8	2.0	2.8	-0.3	8.3	4.0	-9.1

*Assets as of 12/31/2011. Gross expense ratios for No Load Class, Advisor Class A, Advisor Class C and the Institutional Class are reported as of 12/31/11 and referenced in the 12/31/10 respective annual report. Net expense ratios listed for No Load Class, Advisor Class A, Advisor Class C and Institutional Class are stated as of 12/31/11 and include a voluntary expense waiver from the Investment Adviser which may be terminated at any time. Performance is net of fees.

Portfolio Top 10 Holdings



December 31st, 2011

Name	% of Portfolio	Horizon's Perspective
Leucadia National Corp.	5.5%	A diversified investment company run by the team of Cumming and Steinberg. Its understated book value that has expanded near 20% annually, on a per-share basis, since 1979.
Las Vegas Sands Corp.	5.4%	Under the leadership of Sheldon Adelson as the CEO and majority shareholder, it entered the Macau market in 2004 and was awarded one of only two gaming licenses issued in Singapore. We believe the combination of rapid economic expansion, rising middle class, improved infrastructure for travel and demographic trends for gaming in Southeast Asia should allow the company to unlock free cash flow in the coming years.
Liberty Media Capital	5.4%	John Malone is one of the more astute and skillful practitioners of mergers and acquisitions. The combined assets of Liberty Media appear to be worth far more than the company's current market capitalization.
Brookfield Asset Mgmt Inc. – Class A	5.0%	Brookfield has a robust project pipeline that should continue its long history of book value growth and ultimately higher prospective earnings assuming conservative returns on assets.
Autonation, Inc.	4.8%	AutoNation is another example of Eddie Lampert's approach to creating value, which might be summarized as: 1) gaining control of low-margin, but relatively stable, retail businesses, 2) subsequently cutting costs to increase free cash flow, and 3) using that free cash to repurchase shares.
CBOE Holdings Inc.	4.6%	Poised to benefit from future growth in the US as well as emerging markets in the proprietary CBOE Volatility Index (VIX) franchise.
Wynn Resorts Limited	4.1%	Headed by Las Vegas legend Steve Wynn, owns and operates Wynn Las Vegas, Encore and Wynn Macau. Particularly the Macau properties are expanding rapidly and we believe a greater percentage of the Chinese will likely visit these casinos in the future as relative wealth and transportation issues improve.
The Howard Hughes Corp.	4.0%	2010 spin-off from General Growth Properties trades at low multiple of book value even though the carrying values of real estate properties are likely severely understated.
DreamWorks Animation SKG, Inc. – Class A	3.7%	Dreamworks is a leader animated film producer, whose growing film library is not properly reflected in its share price. Over time, the virtually cost-free revenue stream from Dreamworks' ever-growing film library should come to dominate the value of the company.
Continental Resources	3.3%	U.S. based independent oil and gas exploration company founded in 1967 by Harold Hamm, who maintains a majority equity interest. Continental has been able to achieve impressive compound annual growth in production and proven reserves, and intends to accelerate this expansion. Continental presents a unique investment opportunity as we believe it trades at a discount to both proven reserves and extraction costs, maintains strong financial positioning and possesses a stable geopolitical reserve base.

Holdings information is presented for illustrative purposes only, portfolio holdings are subject to change without notice and it should not be assumed that the holdings were or will be prove to be profitable. Holdings are expressed as a percentage of the total net investment and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

Portfolio Statistics



December 31st, 2011

Fund Characteristics

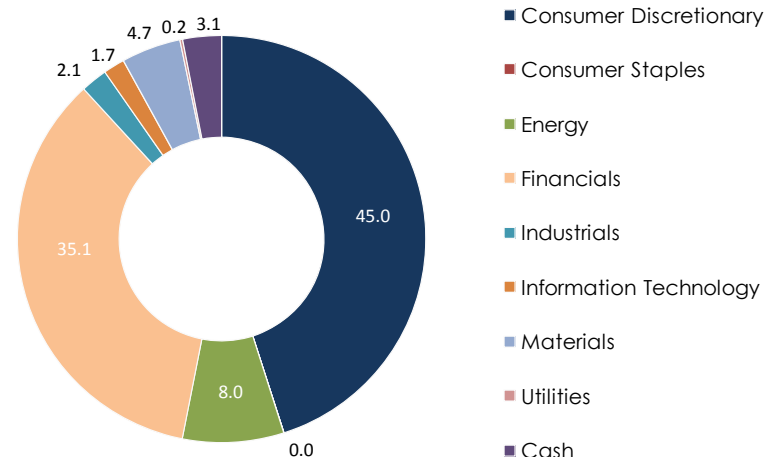
Total Net Assets	\$846 MM
Total Number of Holdings	64
Turnover Ratio	58%
Investment Style	Global Equity
Minimum Purchase ¹	\$2,500
Inception Date	12/31/99

Strategy Statistics

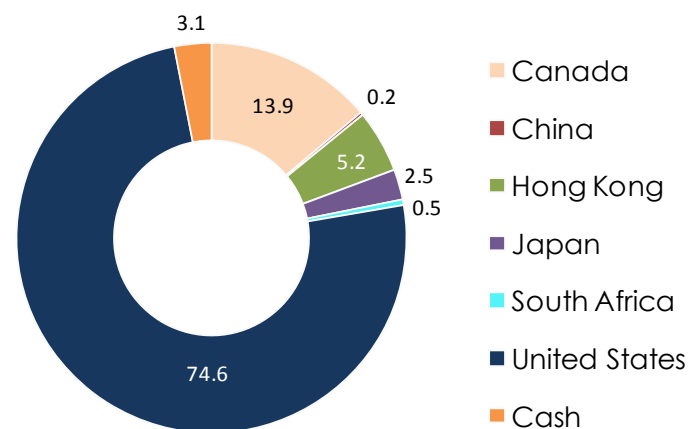
	Fund	S&P 500
Beta	0.92	1.00
Standard Deviation	18.75	16.32
Up Market Capture Ratio	1.13	-
Down Market Capture Ratio	0.84	-
Sharpe Ratio	0.22	-0.12
Weighted Avg. Mkt. Cap. ⁽¹⁾	\$8,887	\$96,350
Median Market Capitalization ⁽¹⁾	\$4,330	\$10,925
Price to Book	1.53	2.03
Price to Earnings	11.22	13.88
Return on Equity	15.36%	21.29%

¹In Millions

Sector Allocation, %



Country Allocation, %



•The traditional GICS sector classification of 'Financials' does not accurately reflect what we believe are the true underlying business models of several companies in the portfolio.

¹Relates to No-Load, A-Class and C-Class shares only. Institutional class has a \$1 MM minimum.

Kinetics Paradigm Fund

Investment Examples



The Howard Hughes Corporation

- Strategic real estate development company formed through a spin-off during the restructuring of General Growth Properties
- High quality, diversified portfolio of multi-purpose, commercial and master planned community real estate assets
- Minimal leverage of 11.7% of total assets and strong institutional backing
- Assets in attractive, high density geographic locations including a beach front shopping center in Honolulu and a water front facility in lower Manhattan. Due to the depressed real estate market in 2008 and 2009, many assets are held on the balance sheet well below our estimation of fair value
- Highly vested management with primary compensation benefits earned through long-term, restricted stock options

Liberty Media Corporation



- In the 4th quarter of 2011, Liberty Starz eliminated its "tracking stock" structure and merged with Liberty Capital (LCAPA). The "new Liberty Media" (LMCA) combines the strong cash flows generated by the Starz cable networks, and the balance sheet size and strength of various businesses formerly held by Liberty Capital
- Liberty Media has a NAV of over \$12 billion and the capacity for nearly \$5 billion in additional strategic investments, share repurchases and business purposes. (Includes cash, undrawn revolving debt and non-strategic public holdings)
- Liberty Media trades at nearly a 25% discount to NAV, providing owner-operator John Malone with an opportunity to enhance shareholder value through the share repurchase facility
- Strategic investments owned by the new Liberty include SiriusXM, Live Nation and Barnes & Noble booksellers, in addition to Starz, LLC. Some highlights: Starz, LLC has achieved success in its foray into original programming, and has recently entered into a production partnership with BBC Worldwide. Sirius XM has achieved the highest average revenue per user in the industry and has surpassed 20 million subscribers.

Horizon Kinetics LLC reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. This strategy may invest in both equity and fixed income securities without regard to market capitalizations or issue size. There is no assurance that any securities discussed herein will remain in the funds. The securities discussed might not represent an entire fund and in the aggregate may represent only a small percentage of the fund's holdings. This information should not be used as a general guide to investing or as a source of any specific investment recommendations, and makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives. This is not an offer or solicitation to any person in any jurisdiction in which such action is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

Appendix

Murray Stahl

Chairman, Chief Investment Officer

Murray is Chairman of the Board of Horizon Kinetics and was a co-founder of the Firm. He has over thirty years of investing experience and is responsible for overseeing the Horizon Kinetics Research Team and is Chairman of our Investment Committee, which is responsible for all portfolio management decisions. Previously, Murray spent 16 years at Bankers Trust Company (1978-1994) as a senior portfolio manager and research analyst. As a senior fund manager, he was responsible for investing the Utility Mutual Fund, along with three of the bank's Common Trust Funds: The Special Opportunity Fund, The Utility Fund, and The Tangible Assets Fund. He was also a member of the Equity Strategy Group and the Investment Strategy Group, which established asset allocation guidelines for the Private Bank. By 1994, Murray managed approximately \$600 million in trust and fund assets and he was also deeply involved in new product development. Murray received a BA and MA from Brooklyn College and an MBA from Pace University.

Douglas Kramer

Chief Executive Officer

Doug joined the firm in 2010 and is responsible for overseeing all business functions. He is a member of the Board. Prior to Horizon Kinetics, Doug was a Managing Principal of Quadrangle Group. Prior to Quadrangle, Doug was a Partner of Goldman, Sachs & Co. where he served as Chief Investment Officer and head of the Global Manager Strategies Group within Goldman Sachs Asset Management (GSAM). Doug was responsible for manager selection across all traditional asset classes for Goldman's private wealth management businesses globally. In addition, Doug oversaw the strategic development of GSAM's Institutional Fiduciary Management business where he served as Chief Investment Officer. Prior to Goldman Sachs, Doug worked at Columbia Energy Group in Houston, TX and as a portfolio manager at Fischer Francis Trees & Watts, Inc. where he managed corporate and mortgage-backed fixed income portfolios. Doug has a BS from the Wharton School of the University of Pennsylvania and an MBA with Beta Gamma Sigma honors from Columbia University.

Steven Bregman

President

Steven is the Portfolio Manager of Horizon's Core Value strategy and was a co-founder of the Firm. Steven serves on the Investment Committee, the Board and is a senior member of Horizon Kinetics' Research Team, with oversight responsibilities for all research reports produced by the Firm. Previously, he was a senior investment officer in the Private Bank at Bankers Trust Company (1985-1994), where he was a member of the Institutional/Individual Group responsible for the bank's larger individual relationships and for setting equity investment guidelines for the Private Bank. Steven also served as a member of the Special Situations Equity Strategy Group, and in a variety of new product development projects. By 1994 Steven managed approximately \$600 million in private client assets. He received a BA from Hunter College.

Peter Doyle

Managing Director

Peter is a Senior Member of Horizon Kinetics' Research Team. He is a member of the Investment Committee and the Board and manages customized portfolios for a number of Horizon Kinetics' private clients. Peter is also the President of the Kinetics Mutual Funds, Inc., a series of U.S. mutual funds managed by Kinetics Asset Management LLC, a subsidiary of Horizon Kinetics. Previously, Peter was with Bankers Trust Company as a Senior Investment Officer, where he also served on the Finance, Utility and REIT Research sub-group teams. Peter received a BS from St. John's University and an MBA from Fordham University.

Thomas Ewing

Managing Director

Managing Director and a member of the Executive Committee. In addition to serving on the Executive Committee and Investment Committee. Tom is instrumental in the creation of new Horizon Kinetics investment strategies. Prior to joining Horizon Kinetics, Tom was a Marketing Director with Smith Barney's Capital Management Division (1989-1991) and then a Financial Consultant at Wheat First Butcher Singer (1991-1996). Tom received a BA from Washington & Lee University.

Jay Kesslen

General Counsel

Jay joined the firm in 1999 and currently serves as General Counsel and is the assistant secretary of the Board. Jay is responsible for managing all legal and compliance matters for the firm. Jay is also the firm's Anti-Money Laundering Officer and serves as Assistant Secretary for the Kinetics Mutual Funds, Inc., a series of U.S. mutual funds managed by Kinetics Asset Management, LLC, a subsidiary of Horizon Kinetics. Jay holds a BA in Economics from the State University of New York at Plattsburgh (cum laude) and a JD from Albany Law School.

Hugh Ross

Chief Operating Officer

Chief Operating Officer and a member of the Executive Committee. Hugh oversees all non-investment functions for Horizon Kinetics. Prior to joining Horizon Kinetics, Hugh served as the Chief Operating Officer of the Global Manager Strategies Group within Goldman Sachs Asset Management (GSAM), and immediately prior to this, he served as a compliance officer for both GSAM and Goldman's Private Wealth Management business. Prior to joining Goldman Sachs, Hugh served as an Associate Counsel for ChaseMellon Shareholder Services and also worked as an attorney with a securities industry boutique law firm whose practice focused on broker/dealer and investment adviser regulatory matters. Hugh received a BBA from Emory University, a JD from New York Law School.

Discipline Through Written Research



Contrarian Research Report

Est. April 1995

Details out-of-favor, turnaround, restructuring or distressed situations with sufficiently discounted valuations as to provide an asymmetrically favorable risk/return profile.

The Spin-off Report

Est. February 1996

Provides in-depth, fundamental analysis of all domestic tax-free spin-offs. These securities generally result from large companies divesting small subsidiaries in a way that bypasses traditional Wall Street coverage, often resulting in discounted valuations.

The Fixed Income Contrarian

Est. October 2000

Identifies convertible or debt securities with an asymmetric return profile – those that provide an equity-level return in the positive case, but with limited expected risk of loss in the negative case – as well as selected arbitrage opportunities.

The Devil's Advocate Report

Est. August 2000

Provides short-sale recommendations on highly-visible, large-capitalization, widely-held stocks.

The Global Contrarian Research Report

Est. April 2008

Identifies companies primarily in Asia and Western Europe with earnings dependent upon their local economies, rather than the U.S. market, as these types of companies offer genuine international diversification.

The Global Spin-off Report

Est. March 2010

Provides in-depth fundamental analysis of international, tax-free spin-offs. These securities generally result from large companies divesting small subsidiaries in a way that bypasses traditional Wall Street coverage, often resulting in discounted valuations.

Contact Information



Offices:

New York, NY

470 Park Avenue South

New York, NY 10016

Elmsford, NY

555 Taxter Rd #175

Elmsford, NY 10523

Telephone:

646.495.7334

Fax:

646.495.0078

Email:

info@kineticsfunds.com

Website(s)

www.horizonkinetics.com

www.kineticsfunds.com

Beta: A statistic that measures the volatility of the fund, as compared to that of the overall market. The market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. The Beta has been calculated using data since the fund's inception.

Standard Deviation: A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception.

Up Market Capture Ratio: A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception.

Down Market Capture Ratio: A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception.

Sharpe Ratio: A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return.

Weighted Avg. Mkt. Cap: The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

Median Market Capitalization: The median market capitalization (value of outstanding shares) of a basket of stocks.

Price to Book Ratio: The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities).

Price to Earnings Ratio: The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings.

Return on Equity: The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Turnover Ratio: A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period.

Allocation Box: The allocation box has been created by Kinetics. The horizontal axis of the box is divided into three investment style classifications: Value, Core (a blend of Value and Growth) and Growth. The vertical axis is divided into three categories based on individual company size: large, mid and small. Generally, the 400 largest companies in the U.S. are considered Large, the next 1000 largest are Mid and the remainder are Small. Classifications made by Kinetics are for representative purposes only and may change at any time without notice.