

The Kinetics Paradigm Fund



4Q 2011

Kinetics Asset Management LLC

- Kinetics Asset Management LLC, employee-owned SEC-registered investment adviser, established in 1996.
- With its affiliated investment advisors, manages approximately \$7.0 billion in assets as of 12/31/2011.
- Oversees investments in 8 U.S. mutual funds, separate accounts and alternative products.
- Utilizes the proprietary research capabilities of affiliate, Horizon Asset Management LLC.

Portfolio Management Team

Peter Doyle

Chief Investment Strategist & Co-Founder
26 years of management experience
Co-Manager of fund since inception (1999)

Murray Stahl

Director of Research
32 years of management experience
Co-Manager of Fund since inception (1999)

Class Information

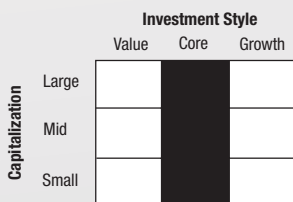
Class	Ticker	Cusip	12b-1 fee
Advisor A	KNPAX	494613854	0.25%
Advisor C	KNPCX	494613821	0.75%
Institutional	KNPYX	494613797	-
No Load	WWNPX	494613607	-

Fund Characteristics

Total Net Assets	\$846.2 million
Total Number of Holdings	64
Turnover Ratio	58%
Investment Style	Global Equity
Minimum Purchase	\$2,500

Portfolio Allocation

Common Stocks	96.4%
Cash and Cash Equivalents	3.1%
Bonds	0.5%
Other Investments	0.0%



Paradigm Fund Overview

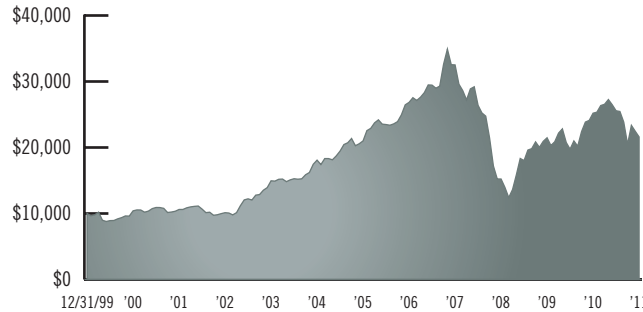
- ◆ U.S. focused global all-cap fund comprised of investments in misunderstood or underappreciated companies whose businesses exhibit long product life cycles and have substantial barriers to entry.
- ◆ Proprietary in-house research sources original investment opportunities in companies for which investors fail to distinguish between permanent and transitory problems.
- ◆ The strategy seeks to capture long-term results commensurate with the returns of companies' underlying businesses, and has low turnover.

Historic Total Return (No-Load Class) as of 12/31/11

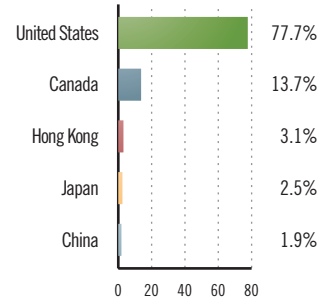
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund (WWNPX)	-4.62%	47.77%	20.93%	16.11%	27.81%	21.14%	-53.17%	41.02%	17.37%	-14.27%
S&P 500 Index	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%
MSCI ACW Index	-19.32%	33.99%	15.23%	10.84%	20.95%	11.66%	-42.20%	34.63%	12.67%	-7.35%

Growth of \$10,000 Returns Since Inception

\$21,603



Top Countries (%)



Top 10 Holdings (%) as of 12/31/11

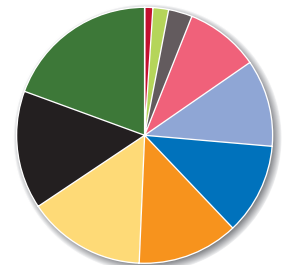
Leucadia National Corporation	5.5%
Las Vegas Sands Corp.	5.4%
Liberty Media Corporation - Liberty Capital - Series A	5.4%
Brookfield Asset Management Inc. - Class A	5.0%
AutoNation, Inc.	4.8%
CBOE Holdings Inc.	4.6%
Wynn Resorts Limited	4.1%
The Howard Hughes Corporation	4.0%
DreamWorks Animation SKG, Inc. - Class A	3.7%
Continental Resources, Inc.	3.3%

Statistics as of 12/31/11

	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. (\$mil)	\$8,887	\$96,350
Median Market Capitalization	\$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%

Top 10 Sectors (%)

Information	18.7%
Real Estate and Rental and Leasing	14.4%
Finance and Insurance	14.4%
Arts, Entertainment, and Recreation	12.3%
Mining, Quarrying, and Oil and Gas Extraction	11.1%
Retail Trade	10.6%
Management of Companies and Enterprises	9.0%
Manufacturing	2.9%
Transportation and Warehousing	1.9%
Petroleum & Gas	1.0%





Performance (No-Load Class)

	Annualized Returns as of 12/31/11						
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
The Paradigm Fund (WWNPX)	5.52%	-14.27%	-14.27%	12.37%	-4.25%	7.37%	6.63%
S&P 500 Index	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%	0.55%
MSCI ACW Index	7.18%	-7.35%	-7.35%	12.01%	-1.93%	4.24%	0.71%

The Paradigm Fund No Load Class inception date is 12/31/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of the sales load or fee. 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 30 days or less after you purchase them.

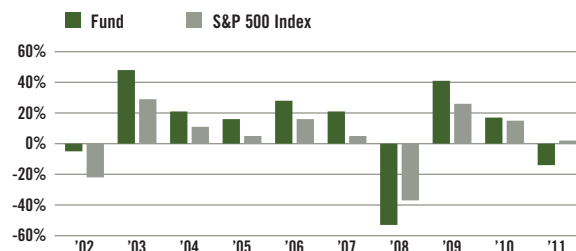
Expense Ratios by Share Class

	Advisor A	Advisor C	No Load	Inst.
Gross	2.27%	2.52%	1.77%	1.72%
Net	1.90%	2.40%	1.65%	1.45%

Gross expense ratios for No Load Class, Advisor Class A, Advisor Class C and the Institutional Class are reported as of 12/31/10 and referenced in the 5/1/11 respective prospectuses.

Net expense ratios listed for No Load Class, Advisor Class A, Advisor Class C and Institutional Class are stated as of 12/31/10 and include a voluntary expense waiver from the Investment Adviser which may be terminated at any time.

Calendar Year Returns (No-Load Class)



Definitions:

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.

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.

As of 12/31/11, holdings are expressed as a percentage of total net investments 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.

The Top 10 Sectors displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before you invest.

As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. Non-investment grade debt 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 are also risks associated with investing in small and medium sized 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 Portfolios Trust.

S&P 500 Index statistics data is based on the iShares S&P 500 Index Fund.

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

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