

- Advisor Class A (KGLAX)
- Advisor Class C (KGLCX)
- No Load Class (WWWEX)

➤ Portfolio Management Team  
 Team Managed  
 Peter Doyle,  
 Chief Investment Strategist  
 Paul Mampilly,  
 Co-Portfolio Manager

➤ **Advisor Class A**

Inception Date 5/19/08  
 CUSIP # 494613631

Max Sales Charge 5.75%  
 Front-end  
 12b-1 Fee 0.25%  
 ♦Gross Expense Ratio **5.57%**  
 ♦Net Expense Ratio **1.64%**

➤ **Advisor Class C**

Inception Date 5/19/08  
 CUSIP # 494613623

12b-1 Fee 0.75%  
 ♦Gross Expense Ratio **6.07%**  
 ♦Net Expense Ratio **2.14%**

➤ **No Load Class**

CUSIP # 494613805

♦Gross Expense Ratio **5.32%**  
 ♦Net Expense Ratio **1.39%**

♦Gross expense ratios listed for No Load Class, Advisor Class A and Advisor Class C are reported as of 12/31/09 and referenced in the 12/31/09 respective annual report.

\*Net expense ratios listed for No Load Class, Advisor Class A and Advisor Class C are stated as of 6/30/10 and may include a voluntary expense waiver from the Investment Adviser which may be terminated at any time, the application of directed brokerage credits, and/or the application of other waivers.

➤ **Fund Facts**

➤ Total Net Assets \$4.6 million  
 ➤ Minimum Purchase \$2,500

➤ **Portfolio Statistics**

➤ Weighted Average Market Cap. (\$mil): \$25,074  
 ➤ Holdings In Portfolios: 122



# The Global Fund

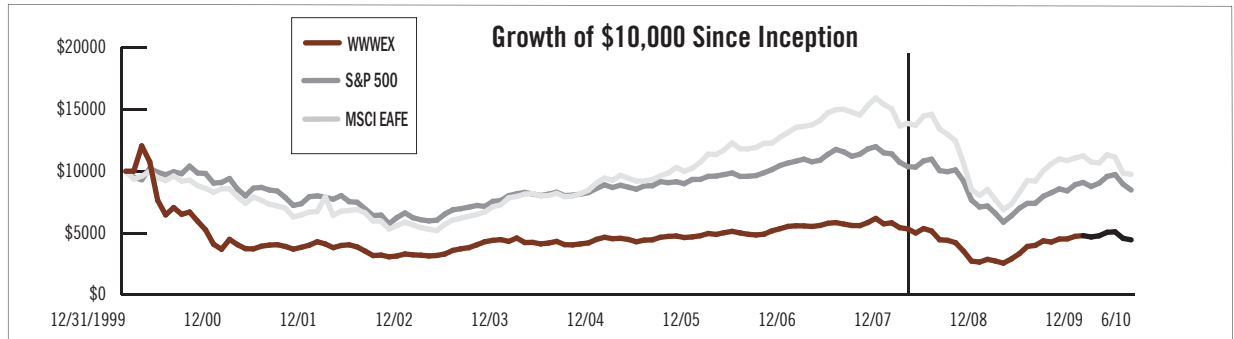
as of 6/30/10

## Portfolio Strategy

The Global Fund seeks long term growth of capital through the ownership of foreign and U.S. companies with business operations and/or equity or business interests in international markets. The securities selected by the Investment Adviser generally will be those of foreign companies that have the ability to facilitate an increase in the growth of their traditional business lines and those of U.S. companies that benefit from international economic growth. As noted by the vertical line on the graph below, on March 16, 2008, the Fund changed its name and investment strategy from the Kinetics Internet Emerging Growth Fund to the Kinetics Global Fund.

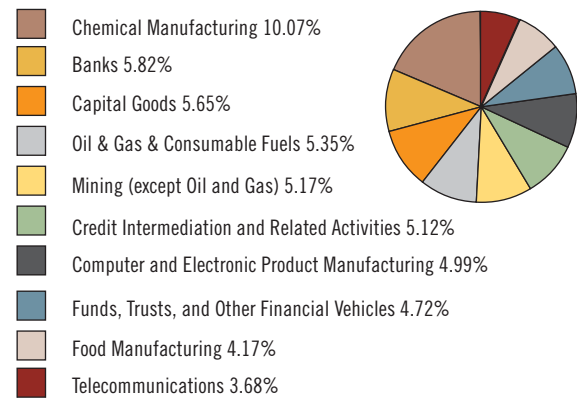


Kinetics Mutual Funds, Inc.  
 We Do Our Research



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

### Top 10 Sector Allocation\*\*\*



### Top 10 Equity Holdings†

	Symbol	% of Total Net Assets
Shandong Weigao Grp Med. Polymer Co Ltd-CI. H	8199 HK	2.9%
Ecopetrol SA	EC	2.8%
Shire PLC - ADR	SHPGY	2.6%
GlaxoSmithKline PLC - ADR	GSK	2.3%
Sumitomo Trust and Banking Co., Ltd	8403 JP	2.3%
Petronet LNG Ltd. - PN	022072668	2.2%
Brick Group Income Fund-Class A	BRK-U CN	2.1%
CSL Limited	CSL AU	2.1%
Computershare Limited	CPU AU	2.0%
Sanofi-Aventis - ADR	SNY	1.9%

Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

† As of 6/30/10, holdings are expressed as a percentage of total net investments and may vary over time.

### Quarterly Total Return (No Load Class)

Data as of June 30, 2010

	Total Returns	S&P 500 Index	MSCI EAFE Index††
Three Month**	-12.08%	-11.43%	-13.97%
One Year *	11.14%	14.43%	5.92%
Three Year*	-8.04%	-9.81%	-13.38%
Three Year **	-22.24%	-26.64%	-35.01%
Five Year*	0.00%	-0.79%	0.88%
Five Year**	-0.01%	-3.91%	4.46%
Ten Year*	-4.51%	-1.59%	0.15%
Ten Year**	-36.94%	-14.79%	1.46%
Since Inception*^	-7.42%	-1.55%	-0.24%
Since Inception**^	-55.48%	-15.15%	-2.49%

\*Annualized \*\* Non-Annualized/Cumulative

### Historic Total Return (No Load Class)

Data as of June 30, 2010

	Total Returns	S&P 500 Index	MSCI EAFE Index
2010 YTD	-7.14%	-6.65%	-13.23%
2009	66.86%	26.46%	31.78%
2008	-50.72%	-37.00%	-43.38%
2007	4.27%	5.49%	11.17%
2006	16.90%	15.79%	26.34%
2005	2.65%	4.91%	13.54%
2004	7.67%	10.88%	20.25%
2003	33.56%	28.68%	38.59%
2002	-24.65%	-22.10%	-15.94%
2001	16.53%	-11.89%	-21.44%
2000	-63.10%	-9.10%	-14.17%

^The Global Fund No Load Class inception date is 12/31/99. Performance data quoted represents past performance and does not guarantee future results. Figures include changes in principal value, reinvested dividends and capital gains distributions. 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 current fund month end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee.

††One year, 3 year, 5 year, 10 year, since inception, and historical total returns (where applicable) are with dividends reinvested.

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

as of 6/30/10

**Market Commentary**

The Kinetics Global Fund ("Fund") (No-Load Class) declined by 12.08% in the second quarter of 2010, compared with declines of 11.43% for the S&P 500 Index and 13.97% for the MSCI EAFE Index. After over a year of rising markets, financial markets ended the last quarter marked by the kind of volatility seen during 2008 and early 2009, a turbulent, crisis ridden period. In the financial media, some argue that the recent volatility presages more imminent crises, relating to sovereign debt in Europe, or real estate prices in China, or deflation, or inflation, or some yet undefined problem. Parsing through the financial and economic data, we find little to justify the extreme volatility in equity prices seen in the last quarter. Financial indicators around the world continue to suggest a robust economic recovery in developing countries and a manufacturing led recovery in developed markets. The data continues to fuel our expectations that economic growth will be greater in next three years than it was in the previous three. This view was a minority view prior to the recent volatility and continues to be a non-consensus expectation now.

Bond yields and fund flows show that investors continue to pour money into bonds. Among the best performing securities in the second quarter are U.S. treasury bonds that increased in value (price appreciation + interest) by 12.2%. This trend could be seen on a global basis as the Global Broad Market Bond Index rose by 4.2% compared to a decline of 9.5% for MSCI World Equity Index.

Ten year bonds of the largest issuers, U.S., Japan and Germany presently yield 2.95%, 1.10% and 3% and represent multi-decade, generational lows. These low yields, by our analysis, should be unappealing to long-term investors unless these economies experience a prolonged and pronounced period of deflation. An alternate explanation for the rush to buy bonds is that these securities are havens against stock market volatility. Valuing short-term stability may in the long run lead to permanent losses through long-term inflation. The governments of the U.S., Japan and Germany are considered to be beyond default and can always choose to repay their bonds in full by issuing more currency. Such actions will cause the value of their bonds to fluctuate when such expectations begin to be understood by investors, and if long term inflation persists as a result of such actions, the long-term value realized by investors will also decline.

From our perch as asset allocators, the allure of bonds or cash of these issuers has never seemed more perilous in recent history. U.S., Japan and Germany all face large long-term liabilities associated with pensions, medical benefits and more generally from aging populations. Funding these liabilities will require spurring economic growth, reducing benefits, increasing taxes, inflation and managing social and political unrest. Developed market equity prices, in contrast to their bonds, we believe largely discount these problems. In Japan, equities trade near 20-year low levels. Many Japanese stocks trade at single digit price to earnings (P/E) ratios and at price to book (P/B) values below 1. On an absolute and relative basis, Japanese equities look inexpensive and reflect the country's two decade long deflationary experience. The Nikkei newspaper recently reported that 50% of the benchmark Nikkei 225 component companies carry no debt. At its peak in 1989, the Nikkei 225 index traded at a P/E of 70 and an absolute level of approximately 39,000. Thinking back to that time, we remember wide acceptance of the idea that the world was entering a period of Japanese domination. Investors buying Japanese equities at that valuation and price extrapolated Japan's post World War economic growth into the foreseeable future, capitalizing the expectation that Japan and its companies could and would dominate world economies. In our opinion, the Japanese equity market now represents a bubble in reverse as investors extrapolate the deflationary experience into eternity. The Japanese equity market now features low prices and valuations amid improving prospects. Japanese companies have altered their business models to create products and services for the rapidly growing, industrializing economies in Asia, South America and Africa. Another change is that company managements are more shareholder friendly and are actively looking to increase shareholder value through buybacks, cost cutting, mergers and dividend payments.

The Kinetics Global Fund has increased its weighting to Japan in the last two quarters, purchasing many companies that exhibit the characteristics we mention above. As markets normalize and economic growth materializes, we expect that the earnings of these companies will rise. If the perception of Japanese equities changes, in time these earnings will be capitalized at higher multiples than at present. In turn, we believe this would cause prices to be revalued at much higher levels than where they sit today.

We appreciate your confidence and believe you will be rewarded for it.

The Kinetics Investment Team

***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](http://www.kineticsfunds.com) or call 1-800-930-3828. You should read the prospectus carefully before you invest.***

These opinions are not intended to be a forecast of future events, or a guarantee of 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 your shares 30 days or less 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. 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. 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. 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. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE is unmanaged and includes the reinvestment of dividends and does not reflect the payment of transaction costs or advisory fees associated with an investment in the Funds. The securities that comprise the MSCI EAFE may differ substantially from the securities in the Funds' portfolio. 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 assumes that dividends are reinvested. An investor cannot invest directly in an index.*

**Investment  
Products Offered:**

- Are Not FDIC Insured
- May Lose Value
- Are Not Bank Guaranteed