

The Kinetics Internet 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 1999

James Davolos
5 years of management experience
Co-Manager of Fund since 2010

Class Information

Class	Ticker	Cusip	12b-1 fee
Advisor A	KINAX	494613862	0.25%
Advisor C	KINCX	494613763	0.75%
No Load	WWWFX	460953102	-

Fund Characteristics

Total Net Assets	\$105.1 million
Total Number of Holdings	76
Turnover Ratio	32%
Investment Style	Global Equity
Minimum Purchase	\$2,500

Portfolio Allocation

Common Stocks	96.1%
Cash and Cash Equivalents	3.1%
Other Investments	0.8%

Capitalization	Investment Style		
	Value	Core	Growth
Large			
Mid			
Small			

Internet Fund Overview

- ◆ A global fund that invests in undervalued companies participating in the growth of the Internet.
- ◆ Focused not only on investing in traditional technology companies, but also those that provide new kinds of services or products made possible by development of the Internet, as well as existing businesses that are radically reinventing themselves through the Internet.
- ◆ Such companies typically enjoy high barriers to entry, such as proprietary content or technology that is difficult to replicate.

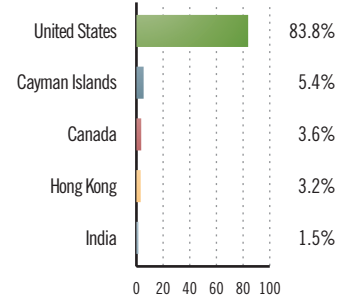
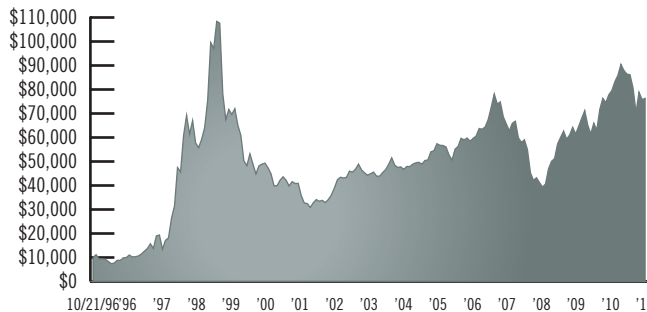
Historic Total Return (No-Load Class) as of 12/31/11

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund (WWWFX)	-23.44%	40.11%	10.06%	-1.69%	16.49%	26.81%	-42.24%	48.61%	21.18%	-1.98%
S&P 500 Index	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%
Nasdaq Index	-31.53%	50.01%	8.59%	1.37%	9.52%	9.81%	-40.54%	43.89%	16.91%	-1.80%

Growth of \$10,000 Returns Since Inception

\$76,295

Top Countries (%)



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

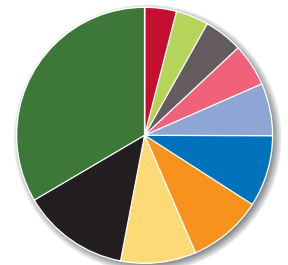
Liberty Media Corporation - Liberty Capital - Series A	8.2%
Google Inc. - Class A	6.1%
Viacom Inc. - Class B	4.6%
Liberty Global, Inc. - Series C	3.8%
Discovery Communications, Inc. - Class A	3.5%
Ritchie Bros. Auctioneers, Incorporated	3.4%
DISH Network Corp. - Class A	3.1%
Time Warner, Inc.	3.0%
CACI International, Inc. - Class A	2.9%
EchoStar Corporation - Class A	2.9%

Statistics as of 12/31/11

	Fund	S&P 500
Beta	1.31	1.00
Standard Deviation	34.71	16.61
Up Market Capture Ratio	1.64	-
Down Market Capture Ratio	1.29	-
Sharpe Ratio	0.30	0.16
Weighted Avg. Mkt. Cap. (\$mil)	\$32,856	\$96,350
Median Market Capitalization	\$2,706	\$10,925
Price to Book	1.98	2.03
Price to Earnings	13.73	13.88
Return on Equity	16.54%	21.29%

Top 10 Industries (%)

Broadcasting (except Internet)	26.7%
Non-Store Retailers	10.8%
Other Information Services	7.6%
Motion Picture and Sound Recording Industries	7.5%
Satellite Telecommunications	7.2%
Defense	5.3%
Data Processor	4.3%
Professional, Scientific, and Technical Services	3.9%
Telecommunications	3.3%
Performing Arts, Spectator Sports, and Related Industries	3.2%





Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 12/31/11				
			1YR	3YR	5YR	10YR	Since Inception
The Internet Fund (WWWFX)	8.32%	-1.98%	-1.98%	20.86%	5.28%	5.75%	14.31%
S&P 500 Index	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%	5.70%
Nasdaq Index	7.86%	-1.80%	-1.80%	18.21%	1.52%	2.94%	5.03%

The Internet Fund No Load Class inception date is 10/21/96. 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 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.

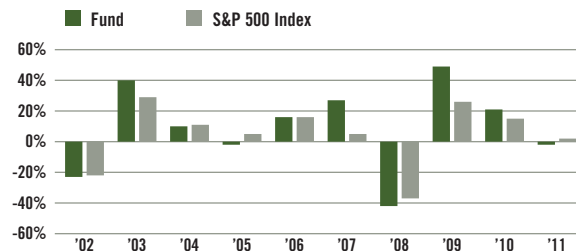
Expense Ratios by Share Class

	Advisor A	Advisor C	No Load
Gross	2.45%	2.70%	1.95%
Net	2.14%	2.64%	1.89%

Gross expense ratios for the No Load Class, Advisor Class A and Advisor Class C 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 and Advisor Class C 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 on commencement of operations (10/21/96). 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 Industries 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. 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. Furthermore, Internet stocks are subject to a rate of change in technology obsolescence and competition that is generally higher than that of other industries, and have experienced extreme price and volume fluctuations. 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 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 overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

