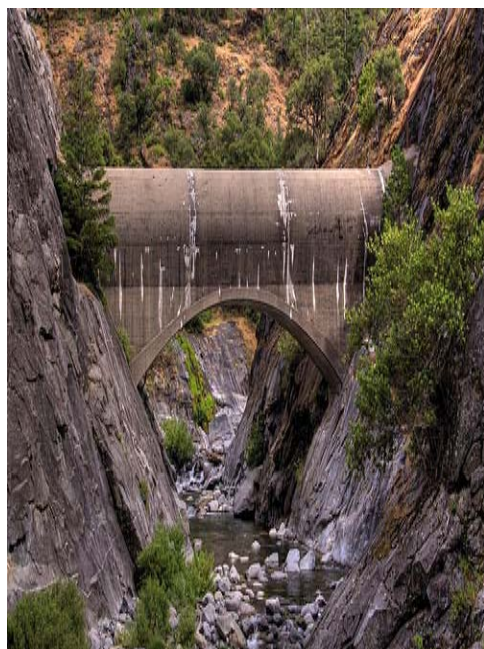


# Kinetics Water Infrastructure Fund



We Do *Our* Research



## Portfolio Strategy

The **Water Infrastructure Fund** is a non-diversified fund that seeks to provide investors with long-term capital growth and secondarily, with current income by investing all of its investable assets in the Water Infrastructure Portfolio ("Portfolio") of Kinetics Portfolio Trust. The Portfolio invests primarily in securities issued by U.S. and foreign companies involved in water infrastructure and natural resources with a specific water theme and related activities.

William S. Brennan, President & Managing Partner, Aqua Terra Asset Management LLC, serves as the portfolio manager and is responsible for the day-to-day management of the Portfolio. Gerard Sweeney, Vice President serves as a research analyst. Together, they have more than 20 years investment experience.

## Who May Want to Invest

The Fund may be appropriate for investors who:

- Have a long-term investment horizon
- Want to diversify their portfolios
- Wish to allocate some portion of their long-term investments to value equity investing
- Are willing to accept the volatility associated with equity investing and investments in foreign companies

---

<b>Fund Name:</b>	Kinetics Water Infrastructure Fund (the "Fund")	
<b>Minimum Purchase:</b>	\$2,500	
<b>Investment Objectives:</b>	The Fund's investment objective is long term growth of capital. The Fund seeks to obtain current income as a secondary objective.	
<b>Investment Strategy:</b>	The Fund will be managed by Aqua Terra Asset Management LLC and will invest in publicly traded domestic and international companies that derive a significant portion of their revenue from water.	
<b>Classes Offered:</b>	Kinetics Water Infrastructure Fund (No-Load)	KWINX
	Kinetics Water Infrastructure Fund, Advisor Class A	KWIAX
	Kinetics Water Infrastructure Fund, Advisor Class C	KWICX
	Kinetics Water Infrastructure Fund, Y Class (Institutional)	KWIIX
<b>Redemption Fee:</b>	2.00% fee on shares redeemed or exchanged within 30 days of purchase	
<b>Investment Manager:</b>	Kinetics Asset Management, Inc.	
<b>Sub-Advisor:</b>	Aqua Terra Asset Management, LLC	
<b>Management Fee:</b>	1.25%	

---

The management fee for each class is listed in the respective prospectuses, which can be downloaded on our website ([www.kineticsfunds.com](http://www.kineticsfunds.com)). Please note, however, that these figures are subject to a voluntary waiver by the investment adviser that caps expenses at a certain level. For instance, the no-load class is capped at 1.74% although the total expense ratio is forecasted to be 2.50%.

## Investment Process

---

The Fund aims to invest in securities issued by companies operating in the water infrastructure and natural resource sector globally. The companies targeted in the water sector will include, but are not limited to, water production companies, water conditioning and desalination companies, water suppliers, water transport and distribution companies, companies specializing in the treatment of waste water, sewage and solid, liquid and chemical waste, companies operating sewage treatment plants and companies providing equipment, consulting and engineering services in connection with the above-described activities. Companies targeted in the natural resource sector are those that are dependent on water usage in industries such as agriculture, timber, oil and gas service, hydroelectricity and alternative renewable energy.

A value-based strategy is used in managing the Fund, which means that both equity and fixed income security purchase selections will be based primarily upon current relative valuation of company fundamentals, although the growth prospects of respective companies within the global water industry will also be considered. When determining the intrinsic value of each potential company for the Fund, a focus on traditional valuation metrics including, but not limited to, price to earnings, price to cash flow, book value, price to sales, return on equity, and return on invested capital will be used. Our 7 step process includes the following:

- Define water universe
- Screen for under/overvalued issues
- Rank companies in a relative value format
- Perform additional analysis using financial statements, databases and research
- Converse with industry contacts, analysts, and Company Officers
- Determine the purchase price of a security and allocation to portfolio
- Monitor positions on a daily basis

---

**Investing in a Mutual Fund involves risk including the loss of principal. An investor's shares, when redeemed, may be worth more or less than their original cost. 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 important 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. Diversification does not assure a profit or protect against loss in a declining market.**

You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your 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. In addition, investing in foreign securities involves more risks 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 small and medium sized companies. 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. 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.