



Horizon Kinetics Blockchain Development ETF (BCDF)

Investing in Distributed Ledger Technology

WHAT IS A BLOCKCHAIN?

- **A Blockchain is a distributed peer-to-peer ledger of immutable transactions**
 - Groups of transactions are encrypted into “Blocks” of data using cryptographic algorithms
 - Each new block is posted to all participants and chronologically linked to the previous block of transactions.
 - This creates a system where anyone involved can verify ownership and history of all transactions at any time.
 - Virtually any asset can be digitized and exchanged via a blockchain.

WHAT ARE THE BENEFITS OF BLOCKCHAIN TECHNOLOGY?

Immutability and Security	Efficiency and Speed	Decentralization	Transparency	Access
Consensus mechanisms make it difficult to manipulate the system without alerting other participants.	Less time and fewer resources need to be spent on reconciliation of accounts, so transactions can settle quickly and cheaply.	No single authority is needed to act as a trusted third party. All participants can validate transactions within the ledger.	All transactions records are linked back to inception of the chain, and available to view at any time.	Any asset or information can be recorded on a blockchain. This allows never before seen products to be created and exchanged.

Blockchain Development Business Models

Exchanges

These companies act as financial marketplaces, earning fees on trade volume, listings, and data on the assets they service. We believe these firms will be the primary beneficiaries of the movement towards blockchain and tokenization. As more assets become digitized, there will be a greater need for robust systems to connect digital assets and purchasers. Peer to peer trading will always be an option for blockchain participants, but the sheer scope and variety of assets will require increasingly large marketplaces for robust liquidity across chains. These companies are also in the best position to create regulated tokenized products with scale and efficiency, aside from their current involvement with cryptocurrency spot and future trading.

Data and Defense Companies

There is a treasure trove of data available through public, decentralized ledgers. Defense companies can monitor these blockchains to track the exchange of digital assets across borders and monitor the dark web. Policing bad actors can help enhance adoption of cryptocurrencies and other tokenized assets. There are high barriers to entry due to the security clearance necessary to retain government contracts. These data companies can also be contracted to develop private/permissioned blockchains for industries or build new layers onto existing public chains to capture data flow across assets.

Asset Managers

Asset managers provide accessibility to investment products allocating across digital assets. We believe all financial assets will eventually be tokenized, creating new ways to allocate capital. Some managers have already begun to adapt to the prospect of tokenization by offering spot and futures cryptocurrency products. Asset managers have the ability to scale with the rapid adoption of new tokens.

Crypto Financial Services

Blockchain companies can facilitate secure transfers of assets between companies. Banks have already developed "stablecoins" and "tokenized deposits" to allow global transactions instantaneously and with minimal to no transaction fees. Banks have collateralized cryptocurrencies like bitcoin to issue loans and provide liquidity for companies operating with cryptocurrencies.

Cryptocurrency Mining/Hosting

Cryptocurrency mining companies package transactions and validate blockchains for specific cryptocurrencies. Profits are primarily dependent upon the cost of mining machines, the network hash rates, and the "halving". The "halving" reduces the reward generated to validators over time, but increases the scarcity and availability of the asset in many blockchains. There is no asymmetric advantage to the mining industry; anyone can participate. Over time, miners should be rewarded with a premium for their services in addition to the growth in the cryptos they validate. Hosting companies operate data centers that house mining machines.

How is Blockchain Related to Bitcoin?

Bitcoin is the first application of blockchain technology. It provides an example of how blockchains can be used to transact tokens of value. Bitcoin(s) refer to the units that are transacted within this distributed ledger.

Some Benefits:

1. Bitcoin can neither be counterfeited nor confiscated, a universal challenge of physical money.

- a) Each owner possesses a unique cryptographic password to their own account or “wallet”. This links to a public address that shows the amount held by each
- b) This security frees users from the need for banks to safekeep their assets.

2. Bitcoin is borderless and permissionless.

- a) Units can be transferred anywhere, quickly and in any amount.
- b) There is no need for additional fees to move assets globally.

3. Bitcoin is decentralized, with thousands of participants validating transactions on the ledger.

- a) Bitcoin is not fiat or government-issued currency.
- b) The ledger is maintained by any who wish to participate in the consensus protocol.

4. Bitcoin is fixed-supply and non-inflatable.

This is defined by its software code: only 21 million units will ever be issued. That makes it the first modern currency to escape government's power to dilute and debase the holder's purchasing power.

BCDF Overview



A Prospective Approach to Blockchain Development

FUND DESCRIPTION

Investment Objective:

The Horizon Kinetics Blockchain Development ETF (the "Fund") seeks long-term growth of capital.

Strategy:

The Fund is an actively-managed exchange-traded fund ("ETF") that will invest primarily in equity securities of domestic and foreign companies that are expected to benefit, either directly or indirectly, from the issuance, facilitation, custody, trading and administration of digital assets, including cryptocurrencies.

Portfolio Managers:

Murray Stahl – 44 years of industry experience

Steven Bregman – 37 years of industry experience

Peter Doyle – 37 years of industry experience

James Davolos – 17 years of industry experience

Brandon Colavita – 8 years of industry experience

FUND DETAILS

Ticker/CUSIP	BCDF/ 53656G209
Inception Date	August 1, 2022
Expense Ratio	0.85%
Total Net Assets	\$1,261,525 (8/2/2022)
Index Tracked	None (Active ETF)
Issuer	US Bank
Stock Exchange	NYSE Arca

PERFORMANCE HISTORY

As of 6/30/2022	YTD	1 Year	Since Inception
Total Return % (Price) ¹	N/A	N/A	N/A
Total Return % (NAV)	N/A	N/A	N/A
NASDAQ Composite Index	N/A	N/A	N/A
S&P 500 Index	N/A	N/A	N/A

TOP 10 HOLDINGS (8/2/2022)

Total Top 10 (%)	
SILVERGATE CAP CORP	6.27
BAKKT HOLDINGS INC	6.26
WISDOMTREE INVTS INC	6.14
ASX LTD	6.10
CORE SCIENTIFIC INC	5.97
GALAXY DIGITAL HOLDINGS LTD	5.42
DEUTSCHE BOERSE AG	5.27
CACI INTL INC	5.11
SIGNATURE BK NEW YORK N Y	5.03
NEW YORK CMNTY BANCORP INC	4.16

Holdings are subject to change without notice

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most recent month-end can be obtained by calling (800) 617-0004.

Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Returns beyond 1 year are annualized. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

A Prospective Approach to Blockchain Development

Blockchain Development Companies may include companies that:

- (i) verify and add digital asset transactions to a blockchain ledger (i.e., digital asset mining), or that produce technology used in digital asset mining,**
- (ii) operate trading platforms/exchanges, asset managers, custodians, wallets, and/or payment gateways or processors for digital assets issued on a blockchain,**
- (iii) develop and distribute applications and software services related to blockchain technology and digital assets issued on a blockchain, including smart contracts,**
- (iv) manufacture and distribute infrastructure and/or hardware used for blockchain activities and digital assets issued on a blockchain, or**
- (v) provide engineering and consulting services for the adoption and utilization of blockchain technology and digital assets issued on a blockchain.**

Blockchain is a nascent technology in the early stages of adoption. Instead of focusing strictly on the first-movers or pure-plays, our Fund allocates assets to those companies that we feel have the best chances to incorporate valid use-cases over time. Some companies may only generate a small portion of their revenue from Blockchain Development, but we believe their prospects for utilization are high.

The Fund will focus on high quality, profitable businesses which facilitate the development, utilization and maintenance of such technologies, as well as companies with the greatest potential to benefit from further adoption. We will seek to identify the best business models within the greater blockchain ecosystem and utilize proprietary valuation criteria to source portfolio positions.



**Blockchain
Exposure**

**Long Term
Applications**

Valuation

Why this Fund?

KEY FACTORS	TRADITIONAL TECH INDEX	BCDF
Management Style:	Passive	Active
Market Cap Focus:	Mega Cap	All Cap
Blockchain Effect:	Disruptive	Higher Margins New Products Wider Access
Investment Attributes:	Advertising Revenues Cloud-Computing Share-Based Compensation	Transaction Volume Tokenization Crypto Adoption
Valuation:	Not Considered	Profitability Operating Cash Flow ¹ Capitalization

¹ Cash Flow (CF) is the increase or decrease in the amount of money a business, institution, or individual has.

CRYPTOCURRENCY AND BLOCKCHAIN RESEARCH SINCE 2015

Compendium Compilation July – December 2021

- What is a Cryptocurrency?
- Cryptocurrency Ownership Concentration
- Cryptocurrency Hoarding
- Proof-of-Stake vs. Proof-of-Work
- The Valuation Factor in Cryptocurrency: Network Effect
- Bitcoin's Energy Usage
- Comparing Cryptocurrencies: The Heart of Crypto
- Taxation and Cryptocurrency
- Cryptocurrency Custody Possibilities
- Mining Economics and the Price of Bitcoin (and the Coming Halving)
- Cryptocurrency Mining Companies
- Litecoin Mining and the Cryptocurrency/Mining Transformation Ratio
- Ethereum: Proof-of-Work vs. Proof-of-Stake
- Merged Mining and the Network Effect
- Information Asymmetry: Art vs. Cryptocurrency
- Charade and Cryptocurrency
- New Cryptocurrency Regulations and Tax Reporting
- The Value of Bitcoin vs. the System Maintenance Costs
- Proof-of-Stake vs. Proof-of-Work Cryptocurrencies; Blockchain and Smart Contract Security
- A Cryptocurrency ETF?
- The Thermocap Multiple as a Measure of Bitcoin Mining Profitability
- Cryptocurrency Miner Breakeven Points
- Litecoin Hash Rate
- What Does It Cost to Make a Bitcoin?
- Grayscale Bitcoin Trust vs. ProShares Bitcoin Strategy ETF
- Bitcoin ETF
- Consolidation Among Crypto Companies
- The Turkish Lira Crisis (and the Cryptocurrency Connection)
- Basic Attention Token (BAT)
- Decentraland (MANA)
- Horizen (ZEN)
- Livepeer (LPT)
- Why Do We Need Tokens, or Why Do We Have So Many Cryptocurrencies?
- Basic Attention Token (BAT) and Decentraland Q & A

BLOCKCHAIN PARTICIPANT SINCE 2016

2016

**HKEO Private
Cryptocurrency Funds**

2017

HK Cryptocurrency Mining 1

2018

HK Cryptocurrency Mining 2

2021

**Consensus Mining and
Seigniorage Corporation**

Firm Overview

At a Glance



Horizon Kinetics LLC

- Independent, employee owned, serving clients since 1994.
- \$6.8 billion in firm-wide assets under management¹.
- 75 employees.
- Offices in New York City, White Plains, NY and Summit, NJ.

Stable, tenured investment team

- Co-Founders investing together for over 30 years.
- 19 Investment Professionals with an average tenure of 19 years with the firm and 29 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 above market returns with reduced chances of loss by capturing high discount rates associated with the “Equity Yield Curve.”
 - Earn returns of underlying fundamental business and potential narrowing of discount rate².
- 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.
 - High active share³ by design.
- 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 June 30, 2022

² The discount rate reflects the required rate of return of an investment given the riskiness of its future cash flows.

³ Active share is a measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the strategy's primary benchmark.

Firm Overview



Strategy and Client Type Overview

Firmwide Assets Under Management¹ **\$6.8 B**

Separately Managed Accounts² **\$3.2 B**

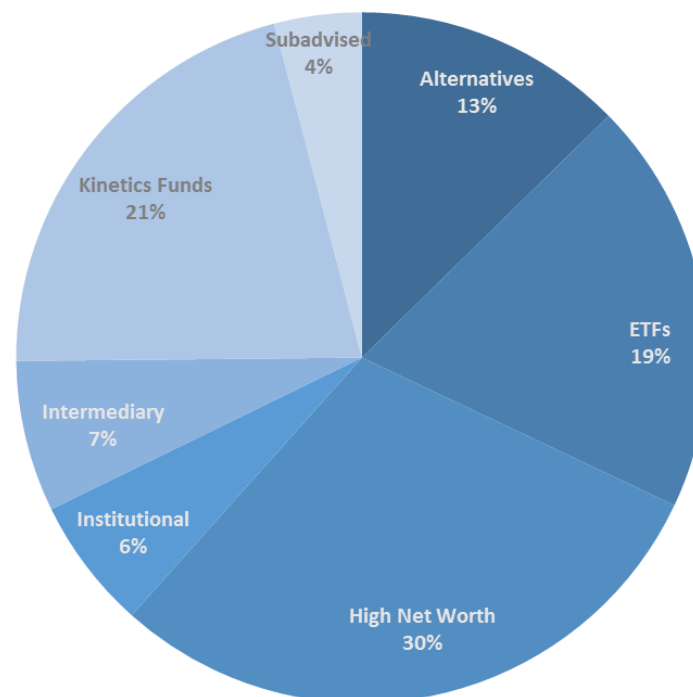
- Equities
- High-Yield
- Liquid Alternatives/ Low Volatility
- Opportunistic Investments, i.e. Distressed Debt

Kinetics Mutual Funds and Active ETF³ **\$2.7 B**

- Broad Markets
- Specialty Markets
- Income-Related
- Inflation Beneficiaries

Alternative Investments* **\$0.9 B**

Client Assets by Type¹



*Alternative Investment values are based on previous month end fund administrator values. Additional information available upon request for qualified investors.

¹AUM and client type as of 6/30/2022

²Includes assets in customized portfolios, other strategies developed for intermediaries, and sub-advised assets.

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

⁴Includes individual client accounts through intermediaries. The Horizon Kinetics Inflation Beneficiaries ETF (INFL) is distributed by Foreside Fund Services, LLC ("Foreside"). Foreside is not affiliated with INFL or Horizon Kinetics LLC or its subsidiaries.

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.

Murray Stahl

Chairman, Chief Executive Officer, Chief Investment Officer

Murray is Chief Executive Officer, Chairman of the Board of Horizon Kinetics and is a co-founder of the Firm. He has over thirty years of investing experience and is responsible for overseeing the Firm's proprietary research. Murray serves as the Firm's Chief Investment Officer, and chairs the Firm's Investment Committee, which is responsible for portfolio management decisions across the entire Firm. He is also the Co-Portfolio Manager for a number of registered investment companies, private funds, and institutional separate accounts. Additionally, Murray is the Chairman and Chief Executive Officer of FRMO Corp. He is a member of the Board of Directors of the Minneapolis Grain Exchange, the Bermuda Stock Exchange, and Texas Pacific Land Corporation. Prior to co-founding the Firm, 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. Murray received a Bachelor of Arts in 1976, a Masters of Arts in 1980 from Brooklyn College, and an MBA from Pace University in 1985.

Peter Doyle

Managing Director, President of Kinetics Mutual Funds, Inc.

Peter is a Managing Director and co-founder of the Firm. He is a senior member of the research team, and a member of the Investment Committee and the Board. Peter is a Co-Portfolio Manager for several registered investment companies, private funds, and institutional separate accounts. He is also responsible for oversight of the Firm's marketing and sales activities and is the Vice President of FRMO Corp. Previously, Peter was with Bankers Trust Company (1985-1994) 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.

Steven Bregman

President

Steven is the President of Horizon Kinetics and is a co-founder of the Firm. He is a senior member of the Firm's research team, a member of the Investment Committee and Board, and supervises all research reports produced by the Firm. As one of the largest independent research firms, Horizon Kinetics focuses on structurally inefficient market sectors, including domestic spin-offs, global spin-offs (The Spin-Off Report and Global Spin-Off Report), distressed debt (Contrarian Fixed Income) and short sale candidates (Devil's Advocate), among others. Horizon Kinetics has also taken an interest in creating functionally improved indexes, such as the Spin-Off Indexes and the Wealth Indexes (which incorporate the owner-operator return variable). Steve is also the President and CFO of FRMO Corp., a publicly traded company with interests in Horizon Kinetics and is a member of the Board of Directors of Winland Electronics, Inc. He received a BA from Hunter College, and his CFA® Charter in 1989. Steve has authored a variety of papers, notably "Spin-offs Revisited: A Review of a Structural Pricing Anomaly" (1996) and "Equity Strategies and Inflation" (2012).

James Davolos

Portfolio Manager

James joined the Firm in 2005 and currently serves as Co-Portfolio Manager for the Inflation Beneficiaries ETF (INFL), the Internet Fund as well as several private funds and institutional separate accounts. He began his investment career with the Firm in 2005, as a member of the trading desk and joined the investment team in December 2006. James began his tenure on the investment team as a generalist analyst covering investment and research opportunities for various strategies managed by the Firm. James received a BBA in Finance from Loyola University in Maryland, and an MBA from New York University.

Brandon Colavita, CFA®

Portfolio Manager

Brandon joined the Firm in 2014 and currently serves as Co-Portfolio Manager of the Horizon Kinetics Blockchain Development ETF. Brandon is a member of the Firm's ESG committee and is involved in developing research and investment ideas. Other responsibilities include portfolio analytics and client relationship management across many of the Firm's products. He has held positions within the Client Service & Business Development and Wholesaling teams. Brandon received a B.S. in Economics from The Wharton School of the University of Pennsylvania where he was also a member of the football team. Brandon is a CFA® charterholder.

Alun Williams

Chief Operating Officer

Alun joined the Firm in 2009 and, after 12 years as the firm's Director of Trading and Operations, took over the role of Chief Operating Officer in 2021. As Chief Operating Officer, Alun is responsible for overseeing daily operations and administrative functions for Horizon Kinetics. Prior to 2009, Alun was at Goldman Sachs where he was the head of GSAM Operations Salt Lake City. Alun joined Goldman Sachs in 1996 and in his time there held a number of operational and control positions within the equity, private wealth and asset management divisions. Alun received a BSc in Business Administration from Bath University, England.

Jay Kesslen

General Counsel, Managing Director

Jay joined the Firm in 1999 and currently serves as General Counsel, Managing Director, and is a member of the Board. He oversees all aspects of the Firm's legal affairs, advises on all material compliance matters, and is responsible for the Firm's corporate governance. Jay is the Firm's Anti-Money Laundering Officer and also serves as a Director for several private funds managed by subsidiaries of the Firm. He is also Vice President and Assistant Secretary for Kinetics Mutual Funds, Inc., a series of U.S. mutual funds managed by Horizon Kinetics Asset Management LLC, a subsidiary of the Firm. Jay also serves as the General Counsel of FRMO Corp., a publicly traded company. Jay holds a BA in Economics from the State University of New York at Plattsburgh (cum laude) and a JD from Albany Law School.

Russell Grimaldi

Chief Compliance Officer, Associate General Counsel

Russ joined the Firm in 2005 and currently serves as the Chief Compliance Officer and Associate General Counsel. He oversees the Firm's compliance program and supports all legal and regulatory functions. Russ has substantial experience with the rules and regulations governing the investment management industry and is a frequent speaker at various industry events. He is also a member of several of the Firm's operating committees and is the Anti-Money Laundering Compliance Officer for the Firm's offshore private funds. Russ holds a BA in Legal Studies from Quinnipiac University (cum laude) and a JD from Albany Law School.

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Important Risk Disclosures



Please consider carefully a fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a statutory and summary prospectus by contacting 646-495-7333. Read it carefully before investing.

Past performance is not a guarantee of future returns and you may lose money. Opinions and estimates offered constitute our judgment as of the date made and are subject to change without notice. This information should not be used as a general guide to investing or as a source of any specific investment recommendations.

The Horizon Kinetics Blockchain Development ETF (Symbol: BCDF) is an exchange traded fund ("ETF") managed by Horizon Kinetics Asset Management LLC ("HKAM"). HKAM is an investment adviser registered with the U.S. Securities and Exchange Commission. You may obtain additional information about HKAM at our website at www.horizonkinetics.com.

FUND RISKS:

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and may trade at a discount or premium to NAV. Shares are not individually redeemable from the Fund and may only be acquired or redeemed from the fund in creation units. Blockchain Development Companies Risks. At times, Blockchain Development Companies may be out of favor and underperform other industries or groups of industries or the market as a whole. In such event, the value of the Shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries. Blockchain technology is new and many of its uses may be untested. Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account (or "wallet"). The theft, loss, or destruction of these keys could adversely affect a user's ownership claims over an asset or a company's business or operations if it was dependent on the blockchain. The development and acceptance of competing platforms or technologies may cause consumers or investors to use an alternative to blockchains. Cybersecurity incidents may compromise an issuer, its operations, or its business. Digital assets that are represented and trade on a blockchain may not necessarily benefit from viable trading markets. Digital commodities and their associated platforms are largely unregulated, and the regulatory environment is rapidly evolving.

Equity Market Risk. The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. **Emerging Markets Risk.** The Fund may invest in companies organized in emerging market nations. Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, currency fluctuations or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. **Non-Diversification Risk.** The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. **New Fund Risk.** The Fund is a recently organized investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision. **Cybersecurity Risk.** Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets or proprietary information, or cause the Fund, the Adviser, the Sub-Adviser and/or other service providers (including custodians and financial intermediaries) to suffer data breaches or data corruption.

This material references cryptocurrencies, including bitcoin. Horizon Kinetics' subsidiaries manage products that seek to provide exposure to bitcoin and other cryptocurrencies. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

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