

Horizon Kinetics Inflation Beneficiaries ETF

INFL

Hard Asset, Capital Light Focus

Horizon Kinetics Inflation Beneficiaries ETF

(INFL) is an actively managed ETF that seeks long-term growth of capital in real (inflation-adjusted) terms. INFL is primarily focused on hard asset, capital-light companies (equity) that provide exposure to attractively priced, high-quality real asset businesses. These businesses are expected to benefit from rising prices of real assets (i.e., assets whose value is mainly derived from physical properties without corresponding increases in expenses. This promotes margin expansion and compounding of capital as business cycles develop.

FUND FACTS

| | |
|-------------------------|-------------------------|
| Ticker | INFL |
| AUM (as of 12/31/24) | \$1.1 billion |
| Fund Type | Actively Managed ETF |
| Exchange | NYSE ARCA |
| CUSIP | 53656F623 |
| Inception Date | January 11, 2021 |
| Expense Ratio | 0.85% |

Portfolio Construction

Direct

Direct beneficiaries are companies with **hard asset exposure** underlying their business. This portfolio component is largely comprised of high margin royalty businesses focused on energy, precious metals, and industrial commodities, as well as other inflation-impacted assets.

Opportunistic Indirect

Indirect beneficiaries are asset light companies focused on “spread-based businesses”. Businesses that benefit from rising prices but with limited cost exposure. Examples include brokerages, commodity infrastructure, and financial exchanges.

Opportunistic beneficiaries are firms with a unique direct exposure to inflationary end markets with limited competition and strong barriers to entry. As this type of company is less common, this is the smallest portion of INFL.

“All Weather” Real Asset Strategy

Precious Metals

Benefit from most rising price scenarios, while also rising as a “store of value” during risk aversion.

Land/Asset Management

Consistent long-term appreciation through various environments.

Energy

Demand inelasticity and supply insufficiency drive strong energy prices in various economic environments.

Exchanges

Throughput rises with nominal economic growth in most environments, with leverage to higher volume during volatility events.

The Fund's primary focus is on asset-light companies that can benefit from rising prices while avoiding the capital intensity and upward cost pressures faced by conventional real asset companies.

INFL offers complementary differentiated real-asset exposure to high quality asset-light businesses that can benefit from rising prices over time. The Fund does not hold directional "bets" on inflation but invests in high quality profitable businesses with potential to generate full-cycle returns enhanced by inflation.

Conventional Real Asset Universe

Capital Inefficient

Commodity (CTAs)

Natural Resources

- Highly Cyclical
- Large Reinvestment Requirements
- Limited Ability to Compound

Rate Sensitive

REITs

Global Infrastructure

- High Initial Investment and Leverage
- Interest Rate Sensitive
- High (Growth) Reinvestment Cost

INFL

Capital Efficient | Rate Resilient

- High profit margins
 - Scalability
- Limited debt financing
- Long-life, high-quality asset base
- Strong cash flow generation

Conventional Real Asset Universe ≠ Full Cycle Investments

- The emergent economic backdrop will challenge companies' abilities to grow revenue in real terms, while also pressuring operating margins as costs increasingly impact operations.
- Various real asset industries which are most likely to benefit from a shift towards higher structural inflation are extremely capital intensive (working capital and debt).
- These investments only benefit in certain macroeconomic environments.

Advantaged Real Asset = Full Cycle Investments

Instead, we optimize for a full-cycle investment strategy, which can be held through the inevitable volatility in underlying or broader markets, and provide full-cycle returns.

Most major indexes have little to no exposure to these specific companies in the Fund. This exposure provides high quality diversification to conventional asset allocations.

**INFL offers Potential Complementary Benefits
for your Real-Asset Portfolio**

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INFL

Actively Managed Returns Through Market Regimes

While the Fund is likely to benefit from continued increases in real asset prices (inflation), the return profile is not contingent on this dynamic. The Fund outpaced many relevant real asset benchmarks while delivering superior risk adjusted returns since the Fund's inception.

INFL delivers high quality diversification benefits and wealth preservation to conventional real-asset allocations.

Proven Track Record

| As of Dec 31, 2024 | 2024 | 2023 | 2022 | 2021* |
|------------------------------------|--------|--------|---------|--------|
| INFL | 23.34% | 1.86% | 2.57% | 26.05% |
| MSCI ACWI Value Index | 11.56% | 12.68% | -6.86% | 16.86% |
| S&P Real Assets Equity Index | 4.83% | 8.43% | -10.69% | 25.84% |
| S&P Real Assets Index | 3.61% | 7.83% | -9.94% | 15.47% |
| S&P Global REIT Index | 3.92% | 11.53% | -23.60% | 36.75% |
| S&P Global Infrastructure Index | 15.10% | 6.79% | -0.17% | 11.02% |
| S&P Global Natural Resources Index | -8.30% | 4.08% | 10.32% | 16.77% |

| As of Dec 31, 2024 | 1 Yr | 3 Yr | ITD (Ann) | Correlation |
|------------------------------------|--------|--------|-----------|-------------|
| INFL | 23.34% | 8.82% | 13.00% | |
| MSCI ACWI Value Index | 11.56% | 5.40% | 8.22% | 0.86 |
| S&P Real Assets Equity Index | 4.83% | 0.50% | 6.36% | 0.87 |
| S&P Real Assets Index | 3.61% | 0.20% | 3.85% | 0.84 |
| S&P Global REIT Index | 3.92% | -3.97% | 4.94% | 0.78 |
| S&P Global Infrastructure Index | 15.10% | 7.06% | 8.10% | 0.83 |
| S&P Global Natural Resources Index | -8.30% | 1.73% | 5.34% | 0.80 |

2021 - Reflation, the market experienced pro-cyclical inflation and INFL performed accordingly.

2022-23 – Inflation and Renewed Optimism, inflation began to moderate as rate hikes pressured many asset classes. Despite steep drawdowns in 2022 and narrow market rally in 2023, the Fund preserved capital generating positive returns each year.

YTD 2024 – Differentiation, YTD performance highlights the **differentiation** and **active management** results driven by strong company-specific success in revenue and profit margins through an inflationary environment.

We remain confident in the long-term exposure for the investments in the portfolio and will continue to remain constructive on most risky asset prices over time, specifically real assets.

We recognize that this is a different growth, inflation, and interest rate regime and are well-positioned for this underappreciated change.

As of December 31, 2024. Source: Morningstar. Inception date is 1/11/21. *2021 returns are from 1/11/21 to 12/31/21. Returns greater than one year are annualized. Start date of analysis for risk statistics is 2/1/21 due to the use of monthly returns. Average Annual Returns through 12/31/24: INFL (Market Price), 23.33% (one year), 8.75% (three year), 12.94% (since inception); INFL (NAV), 23.34% (one year), 8.82% (three year), 13.00% (since inception). **The performance quoted represents past performance and does not guarantee future results.** 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. INFL fund expense ratio is 0.85%. Index returns are for illustrative purposes only and do not represent actual fund performance. Index returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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 Inflation Beneficiaries ETF (Symbol: INFL) 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.

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. The Fund's investments in securities linked to real assets involve significant risks, including financial, operating, and competitive risks. Investments in securities linked to real assets expose the Fund to potentially adverse macroeconomic conditions, such as a rise in interest rates or a downturn in the economy in which the asset is located.

The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. The S&P 500 Index is a broad-based index intended to show the performance of the 500 largest companies listed on stock exchanges in the United States.

The Fund may invest in the securities of smaller and mid-capitalization companies, which may be more volatile than funds that invest in larger, more established companies. The fund is actively managed and may be affected by the investment adviser's security selections. Diversification does not assure a profit or protect against a loss in a declining market.

HKAM does not provide tax or legal advice, all investors are encouraged to consult their tax and legal advisors regarding an investment in the Fund. No part of this material may be copied, photocopied, or duplicated in any form, by any means, or redistributed without the express written consent of HKAM.

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MSCI ACWI Value Index captures large and mid cap securities exhibiting overall value style characteristics across 23 developed markets countries and 24 emerging markets countries.

S&P Real Assets Index measures global property, infrastructure, commodities, and inflation-linked bonds using liquid and investable component indices that track public equities, fixed income, and futures.

S&P Real Assets Equity Index is a static weighted return of investable and liquid equity indexed components that measures the performance of real return strategies that invest in listed global property, infrastructure, natural resources, and timber and forestry companies.

S&P Global REIT Index serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets.

S&P Global Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability.

S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy, and metals & mining.

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