Horizon Kinetics Inflation Beneficiaries ETF

Prepared in May 2024
Exclusively for:

INFL - Horizon Kinetics Inflation Beneficiaries ETF

Portfolio Management Bios

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.

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).

Firm Overview

At a Glance

Horizon Kinetics LLC

- Independent, employee owned, serving clients since 1994.
- $7.0 billion in firm-wide assets under management[1].
- 79 employees.
- Offices in New York City, White Plains, NY and Summit, NJ.

Stable, tenured investment team

- Co-Founders investing together for over 30 years.
  - **Murray Stahl** – Chairman, CEO, and CIO
  - **Steven Bregman** – President, Senior Portfolio Manager and Director of Research
  - **Peter Doyle** – President of Kinetics Mutual Funds, Inc. and Senior Portfolio Manager
- 21 Investment Professionals with an average tenure of 21 years with the firm and 31 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 rate.
- 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 share[2] 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 March 31, 2024

[2] 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 Management[1]	$7.0 B
Separately Managed Accounts[2]	$3.5 B

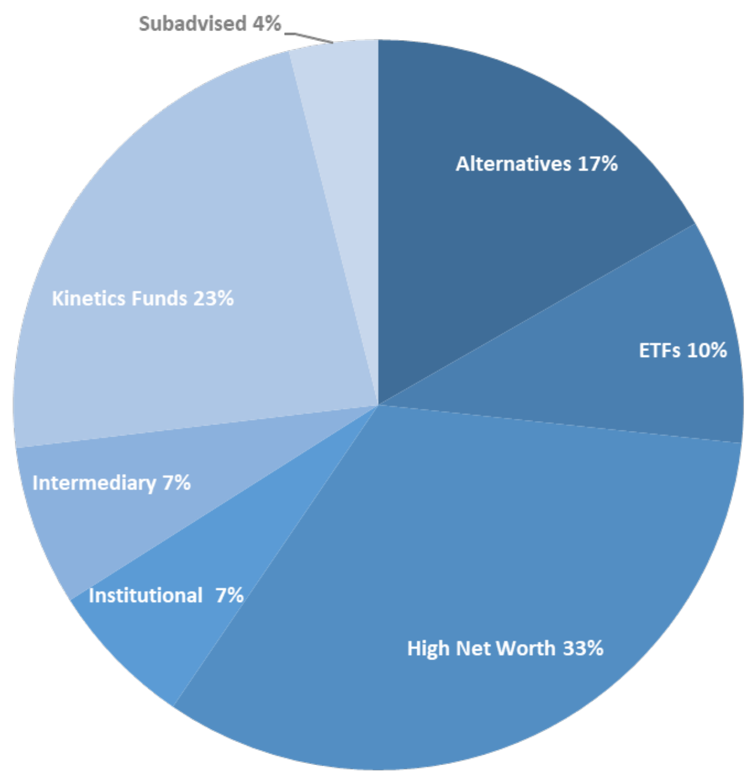
- *Equities*
- *High-Yield*
- *Opportunistic Investments, i.e. Distressed Debt*

Kinetics Mutual Funds and Active ETF[3]	$2.3 B

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

Alternative Investments*	$1.2 B

Client Assets by Type[1]



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

[1] AUM and client type as of 3/31/2024

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

[3] Kinetics 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.

[4] Includes 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.

Firm Overview

Guiding Principles

Background:

Our co-founders created Horizon Asset Management LLC in 1994 and Kinetics Asset Management LLC in 1996, both are now consolidated under the Horizon Kinetics Asset Management LLC, in answer to the extraordinary structural changes that were occurring in the personalized investment management industry.[1] The firm is dedicated to "long-horizon" investing and to providing solutions away from mass-market, asset allocation driven approaches to investing which we believe can be higher risk, higher cost, and tax-inefficient to most investors.

As we approach the 30th anniversary of our founding in 1994, we are pleased to announce our intention to bring Horizon Kinetics LLC public.*

Guiding Principles:

- We are committed to long-horizon, value driven investing and building long-term, continuous relationships with influencers of external permanent capital.
- We are contrarian investors and our vision is diametrically opposed to the movement of the crowd.
- Our investment approach stresses absolute returns, blending a combination of fundamental research, discipline and patience with the goal of long-term preservation and compounding of capital.
- We measure our success based on the net economic basis we can deliver to our clients, after allowance of applicable taxes, inflation and fees.
- We measure risk as an impairment of capital. Temporary price variability is not synonymous with risk. Returns can be increased by extension of the investment horizon rather than by extension of risk.
- Our strategies are driven by fundamental research and opportunity, not capacity for asset gathering.
- We invest alongside our clients and believe that a skin in the game approach is critical to aligning interests.

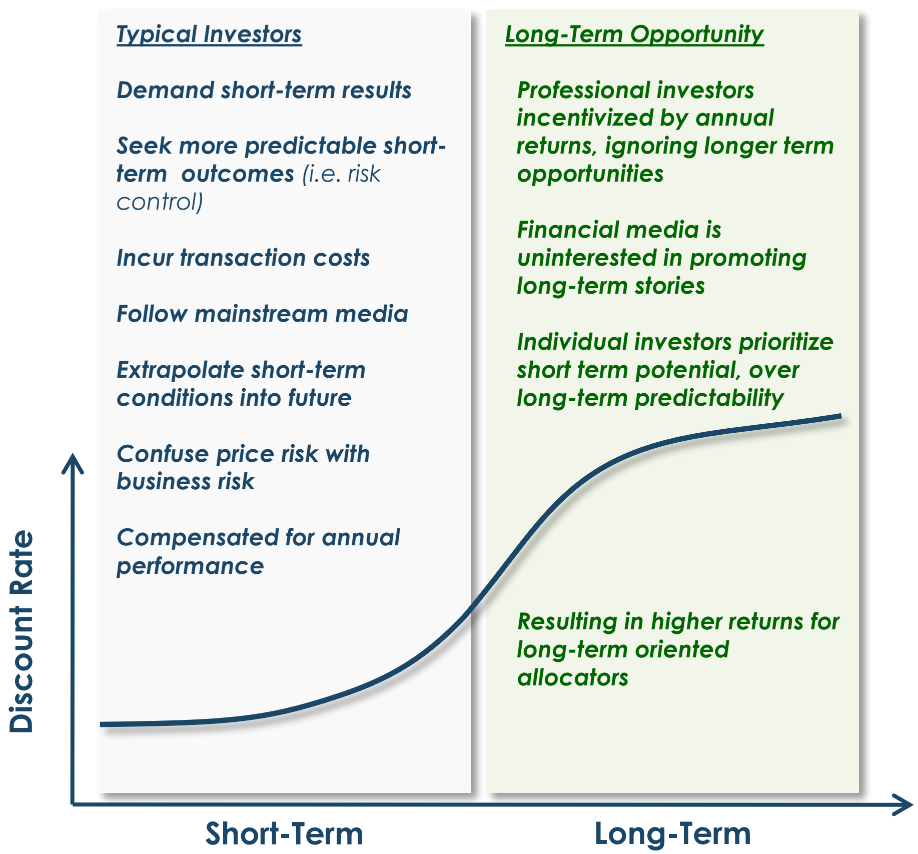
[1]In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary.
*https://horizonkinetics.com/app/uploads/HKAM-Corporate-Update_05162024.pdf

Investment Philosophy

The Equity Yield Curve

Investors' short-term interests can create significant mispricing of long-term investments. We believe a long-term investment horizon is essential to reducing chance of loss and earning excess return.

Equity Yield Curve



Return Dynamics

- *Investors tend to overly discount future value creation that is likely, but for which the timing is unknown. As the timing risk decreases, so does the valuation discount.*
- *At a minimum, we expect to earn the underlying businesses' return on capital over time.*
- *Purchasing investments at substantial discounts to our assessment of future value reduces the likelihood and magnitude of capital losses*
- *Valuation multiple expansion often accompanies fundamental improvement or greater visibility into value recognition. Often, the market price will fully reflect future value, driving returns for existing shareholders, but muting future return potential.*

Investment Philosophy

Capitalizing on Market Inefficiencies

Why are securities mispriced?

Information asymmetry and human emotion (fear and greed) were once the drivers for significant market pricing discrepancies. As markets have modernized, adherents have long advocated an "efficient market" due to the vast number of market participants, along with amount of market data and speed of information dissemination. However, what if the institutionalization of asset management **now is the cause of inefficiency?**

- **Traditional asset managers:** these investors are beholden to a rigid set of investment criteria (style, size, sector, geography) and a relevant benchmark. Thus, there is an impetus to always be invested in these securities despite fundamentals.
- **Index funds:** these funds invest purely based upon a prescribed formula, often based on market driven factors such as relative market values. Thus, capital flows are indiscriminant of fundamentals.
- **Endowments & Pensions:** these large pools of capital are funded and make disbursements predicated upon return and interest rate assumptions. The result is often a higher risk exposure maintained throughout market cycles.
- **Traders:** various types of market "traders" are universally motivated by short-term profits, often ignoring longer term implications on an investment.
- **Algorithmic funds:** a growing proportion of daily market volume is being driven by algorithmic trading, seeking to exploit pricing trends and mean reversions, regardless of fundamental business attributes. The funds often seek volatility targeting and or momentum trends, exaggerating market movements.

Investment Process

Idea Generation

Dynamic, unconventional thinking is required in order to consistently find successful long-term investments over the course of a full business cycle.

Investment team avoids relying solely on conventional descriptive attributes and places greater emphasis on attributes that are verifiable but not always readily quantifiable.

Confirmation and availability biases refer to an investor's tendency to assign greater importance to information that is readily available, easily organized, and consistent with pre-conceived views.

Opportunity sets of value investments gyrate with market cycles, requiring flexibility to adjust for prevailing investment environment

IDEA GENERATION	
Conventional Screens (Mainstream Investors)	**Unconventional Attributes (Horizon Kinetics)**
Style *(Growth, Core, Value)*	Owner-Operators
Sector / Industry	Bits and Pieces
Market Capitalization *(small, mid, large)*	Dormant Assets
Geography *(Country, Region)*	Scalability
Momentum *(Price, Earnings)*	Terms-of-Trade
Price Risk *(Volatility)*	Product Lifecycle
Valuation *(P/B, P/E, P/S)*	Spin-Off
	Liquidation
	ETF Divide

INFL Portfolio Construction

Hard Asset, Capital Light Approach

We define a hard asset company as one that earns revenues primarily related to a tangible, finite asset base.

A capital light business model requires lower working capital and debt, while earning higher returns on capital. This facilitates higher compounding of capital over full business cycles.

This is achieved through participation on the upside, but also mitigation of downside risk.

The revenues of a capital light, hard asset business derive directly from the underlying asset, with minimal additional cost structure.

If the price of the resource rises or production volume increases, that's an immediate increase in revenues to the hard asset company. Importantly, almost all of that revenue becomes an increase in pre-tax profits, because there is minimal incremental operating expense. This operating leverage is what differentiates these companies as inflation beneficiaries.

These businesses earn attractive returns at mid-cycle price levels; hence investment success is ***not dependent upon higher inflation/rising price levels.***

Direct Beneficiaries	**Asset-light companies with direct exposure to inflationary asset(s)**
Indirect Beneficiaries	**Asset-light companies with indirect exposure to inflationary asset(s)**
Opportunistic Beneficiaries	**Companies with unique direct exposure to inflationary asset(s), but with moderate asset intensity**

INFL Portfolio Construction

Hard Asset, Capital Light Focus - Company Verticals

INFL

Direct Exposure

Capital-light companies with direct (ownership) exposure to underlying real assets

- Revenue directly driven by volume (throughput) and price. Costs are largely fixed.
- Examples: high margin royalty businesses focused on energy, base metals, precious metals, land, pharmaceuticals, as well as other inflation-impacted assets.

Indirect Exposure

Capital-light companies with indirect exposure to the price levels of underlying real assets

- Revenue is tied to underlying price levels and volumes with largely fixed cost structure. These businesses benefit from rising prices but with limited cost exposure.
- Examples: financial exchanges, brokerages, commodity infrastructure, and, financial services, real estate, industrials & more.

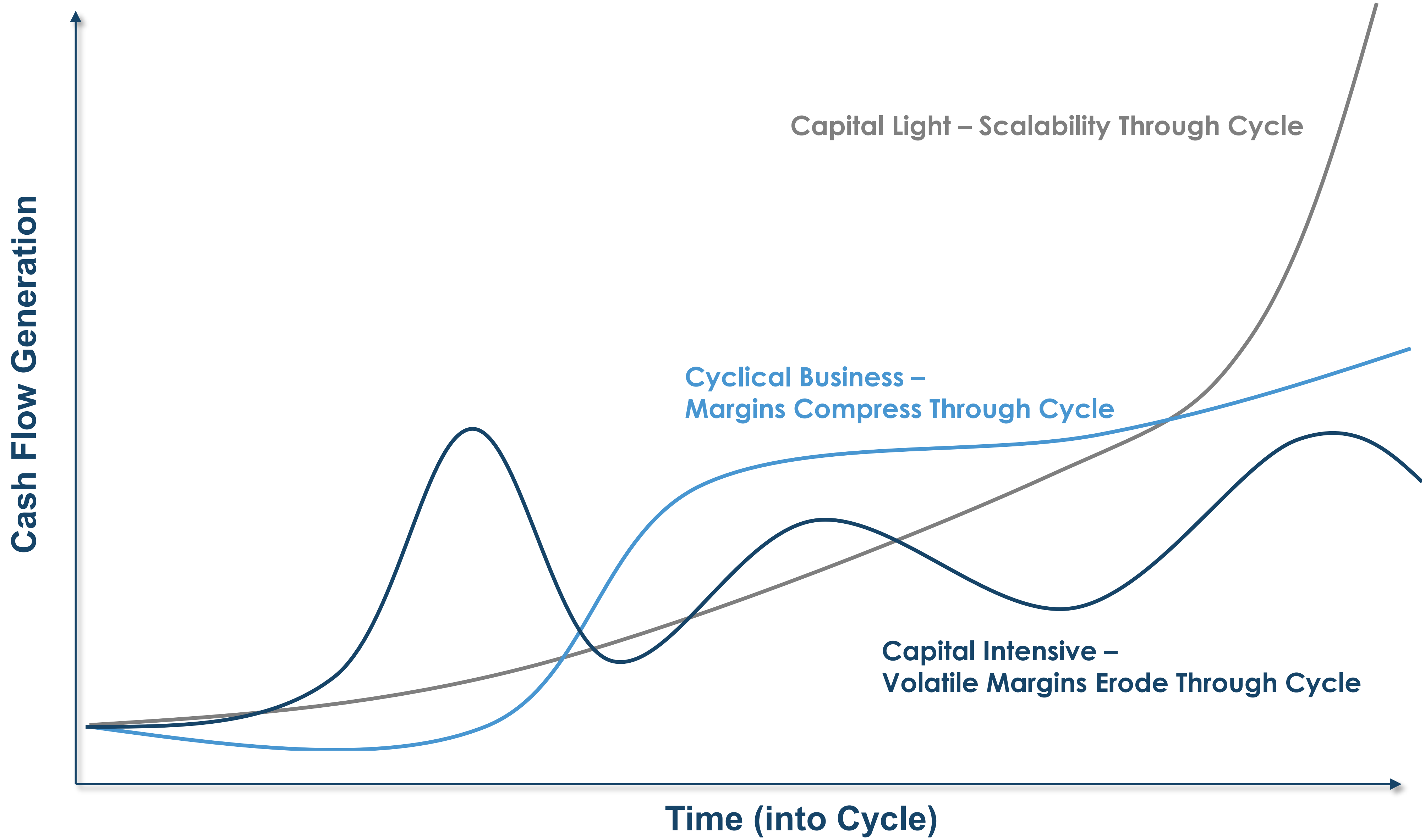
Opportunistic Exposure

Companies with direct exposure to unique underlying real assets, but with moderate asset intensity

- Revenue is tied to volume (throughput) and price, but capital efficiency requires scale
- Primary Assets: agriculture, liquefied natural gas (LNG), specialty metals, materials.
- As this type of company is less common, this is the smallest portion of INFL.

Capital Light Businesses

Scale and Earnings Potential



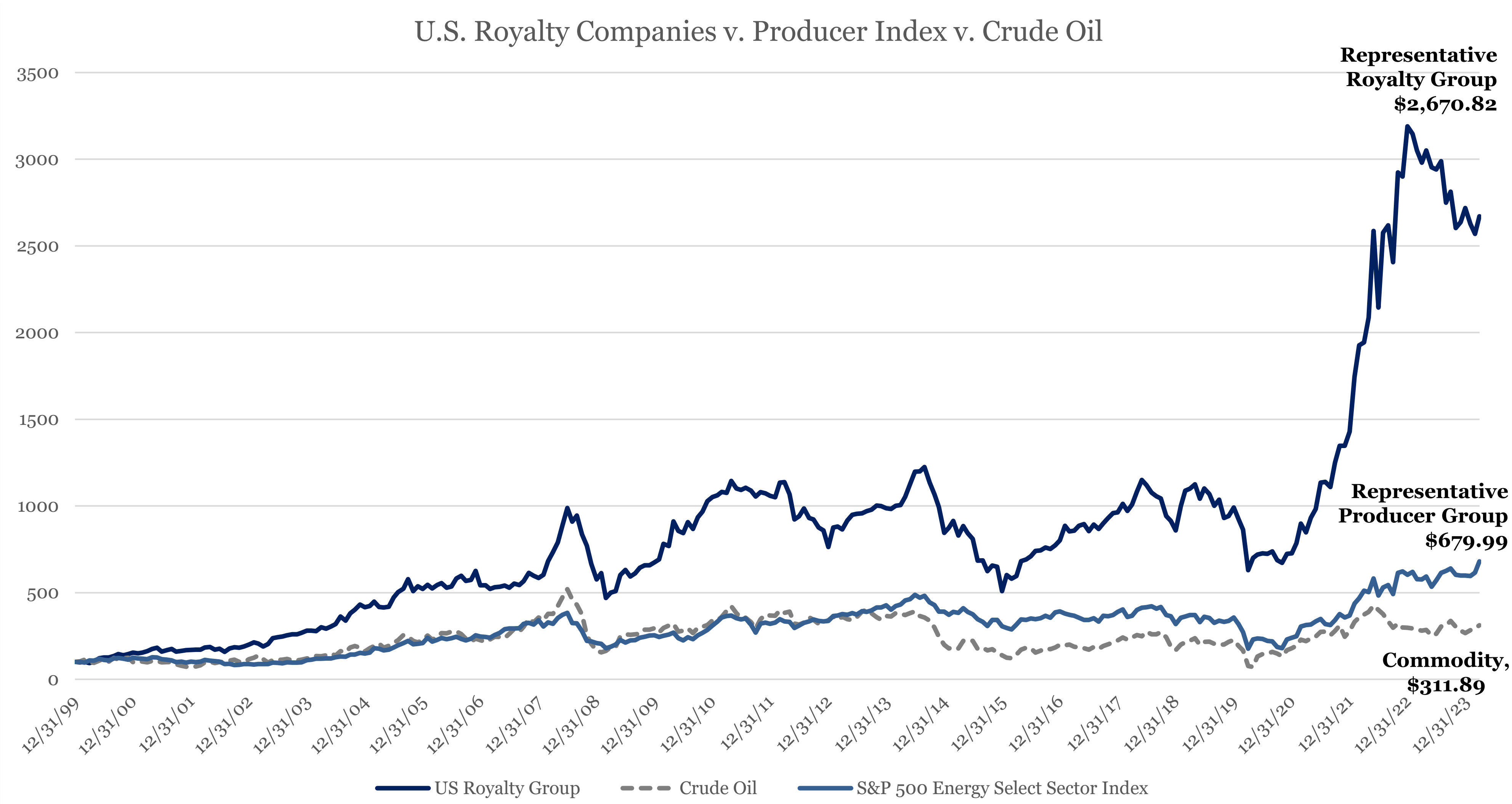
Full Cycle Investments That Benefit From Inflation

Capital Light Business Models

Direct	**Royalty & Streaming Companies**	Royalty/steaming business models can be simplified as earning revenue streams based on the production of 3rd party operators. These businesses have direct exposure to rising commodity prices and production volumes in **energy, base metal, and precious metal** markets, yet with no direct operating costs exposure, high operating margins and longer reserve lives.
	Real Estate and Infrastructure Managers	Real Estate and Infrastructure are recognized as having pricing power and benefitting from rising inflation/price levels. However, these assets are capital intensive, and command high valuation multiples which are very sensitive to interest rates. Companies which manage these assets, largely with other investors' capital, can earn high and rising margins throughout a full-cycle, without committing high amounts of capital, or taking on undue interest rate exposure.
Indirect	**Transaction Facilitators**	These companies earn fees for facilitating transactions, and achieve operating leverage with volume growth, as variable costs are low. Examples include **financial exchanges**, which stand to benefit from trading volume if higher prices drive higher volumes from speculators and hedgers. Similarly, **brokerage firms** have similar unit economics matching buyers and sellers, in industries including insurance, commercial real estate and shipping.
	Data & Research Companies	Data/Research companies provide mission critical information and research services to various inflationary end markets operating in the **health care, insurance, energy, metals & mining, automotive and industrial** industries. The proprietary database and research infrastructure established by these companies facilitates high volume growth with minimal variable expense as pricing pressures increase in the end markets.
Opportunistic	**Timber**	Timber companies have extensive asset bases in the form of timberlands, however the basic harvesting and milling is relatively low cost, as compared to the sale of the finished product. This generates high free cash flow conversion even at modest commodity prices, but materially higher margins during strong pricing cycles which could be driven by low residential housing inventories in developed markets.
	Agriculture	Agricultural demand is growing with global GDP per capita and higher global standards of living, however many companies within the food supply chain are not positioned to benefit from rising prices. **Grain/seed processing** companies are a unique example of scalable "throughput" businesses which can grow profit with pricing.

Energy Royalties

Long-Term Compounding

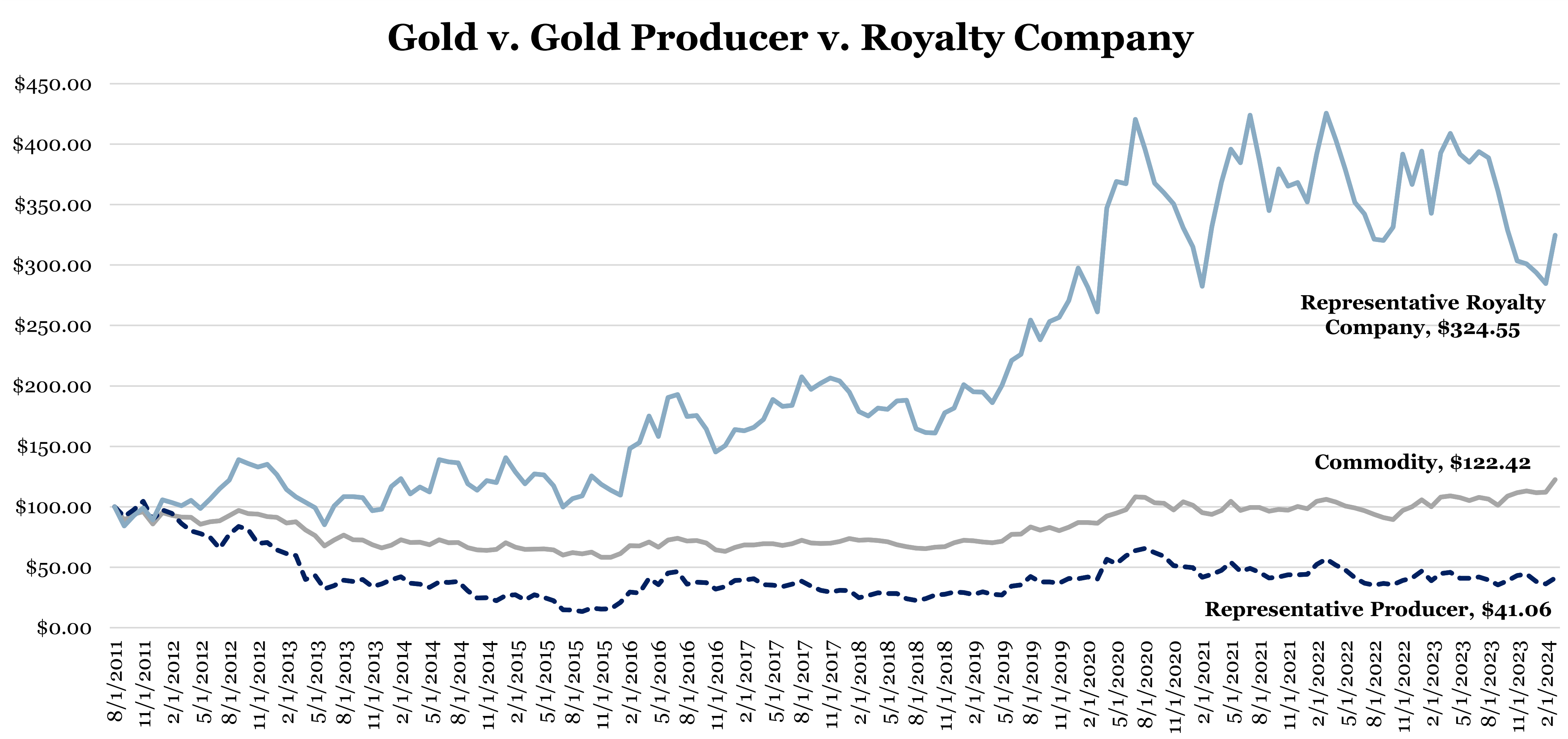


Source: FactSet, Bloomberg, Royalty Group consists of companies with trading history back to 1999: Permian Basin Trust, Dorchester Minerals and Sabine Royalty Trust

Precious Metal Royalty

Full Cycle Decoupling

INFL

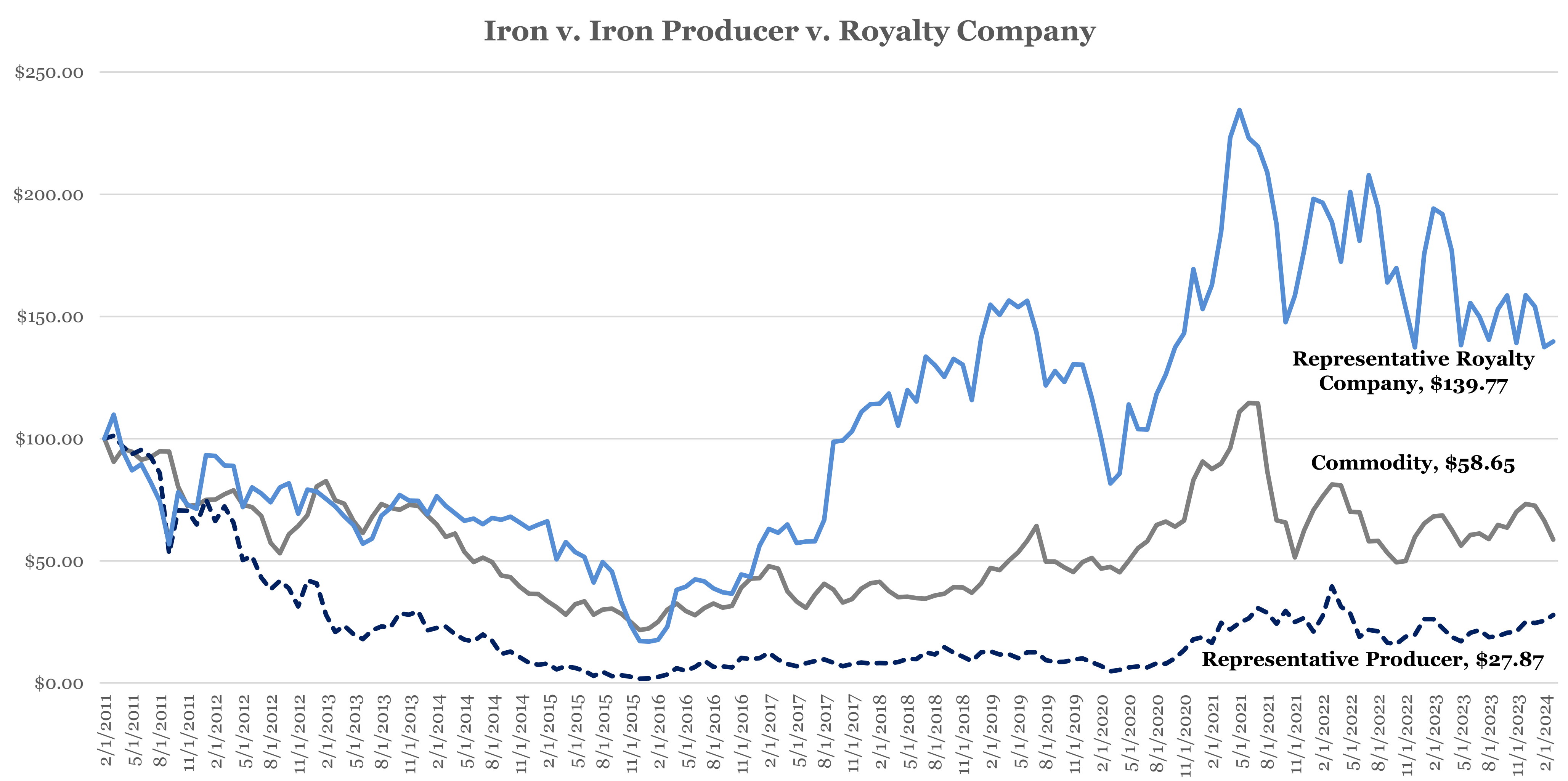


Gold – Previous Cycle Peak Aug 2011

Source: FactSet, Normalized to a 100 base

Iron Ore Royalty

Full Cycle Decoupling



Iron - Previous Cycle Peak Feb 2011

Source: FactSet, World Bank, Normalized to a 100 base

Global Securities Exchanges

Full-Cycle Volume Growth

Derivatives Volume During Adverse Events

Year	OCC Total Volume YoY Change	Nominal GDP YoY Change
2009	1.04%	-1.98%
2020	51.17%	-0.92%
2008	24.92%	2.04%
2016	-1.01%	2.79%
2001	7.50%	3.23%

Year	OCC Total Volume YoY Change	Corporate Profits YoY Change
2008	24.92%	-20.69%
1982	25.50%	-16.29%
2001	7.50%	-8.76%
1986	24.17%	-7.93%
1998	14.84%	-7.62%

Year	OCC Total Volume YoY Change	CPI YoY Change
1979	12.29%	13.25%
1980	50.52%	12.35%
1978	44.39%	8.99%
1981	13.11%	8.91%
2021	31.96%	7.19%

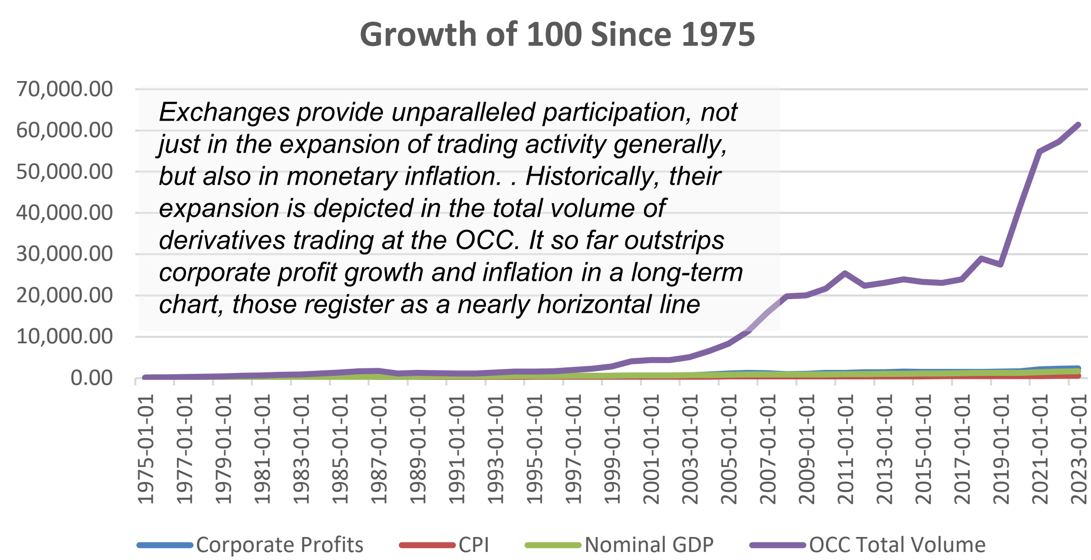
Year	OCC Total Volume YoY Change	VIX (Absolute Change)
2008	24.92%	15.2
2020	51.17%	13.9
2022	4.50%	6.0
1997	20.02%	5.9
2018	21.13%	5.5

Securities Exchange Attributes

As the "croupiers" for global financial transactions and risk control activity, exchanges can provide unparalleled participation in the overall expansion of trading activity, monetary inflation and even technological innovation.

*Like a royalty company, a securities exchange is a form of **financial infrastructure**, participating in throughput without the capital investment, operating or financial risks that its customers take on.*

- Leverage to Nominal Growth
- Counter-cyclical Business Drivers
- Exposure to Real Asset Markets
- "Financial Infrastructure"



Source: OCC, St. Louis Fed, VIX data starts in 1990.

Capital Light Businesses

Fundamental Research and Security Selection Process

Real Asset Exposure (~1600 names)	•Top Quality Asset •Long Reserve/Asset Life •Strong Operator/Partner •Strong Jurisdiction
Capital Light Business Model (~500 names)	•Robust Profit Margins •High Return on Capital •Operating Leverage •Minimal Debt
Valuation (~150 names)	•Cash Flow Generation •Residual Asset Value •Leverage to Price/Volume •Above Market "Risk Premium"
INFL **(~30-50 names)**	•High profit margins and scalable •Limited debt financing •Long-life, high-quality asset base •Strong cash flow generation

Hard Asset, Capital Light

Capital Efficient, Real Asset Companies

INFL

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FULL-CYCLE REAL ASSET EXPOSURE

Returns are enhanced by, but not reliant on rising prices

Real Assets	**Tangible, finite**	**Inelastic Demand**	**Limited Supply**	Emphasize top quartile asset quality, with long useful lives and top counterparties & jurisdictions
Capital Light	**High Margin**	**Scalable**	**High Return**	Isolate businesses with efficient business models, high returns on capital, limited reinvestment requirements and operating leverage (scale). Ability to compound capital over cycles.
Valuation	**Free Cash Flow**	**Asset Value**	**Replace-ment Cost**	Underwrite using prevailing or lower asset prices and volumes, dynamic discount rates and emphasizing long-term "optionality"

INFL Fundamentals

Key Business Drivers and Valuation Criteria

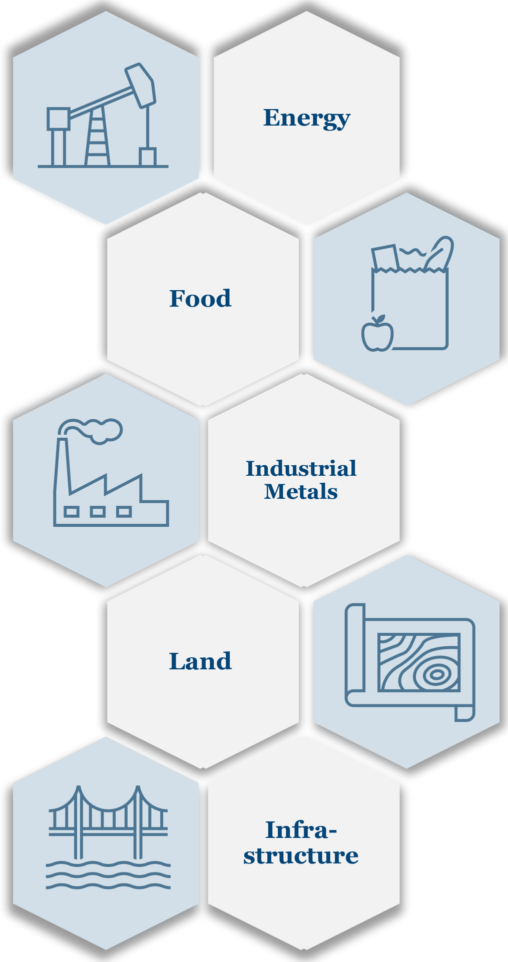
Category	Business Drivers	Valuation Criteria
Royalty/Streamers	Volume and Price drive revenue. The asset base is evaluated based on reserve life and quality (cost quartile), as well as jurisdiction and operator	Net Present Value (NPV) derived value using modest input price assumptions and discount rates no lower than our hurdle return. (also see raw land)
Exchanges	Volume is the primary revenue as revenue per contract is less dynamic. Product mix, ancillary revenue lines and competitive position are considered.	Free Cash Flow (FCF) yield is the most appropriate adjusted for cyclical growth, margins and growth.
Processors	Volume and crush margins are the key drivers. Lower input costs relative to end product demand drives higher spread. Total volume also supports revenue growth.	FCF yield adjusted for working capital and normalized spreads or margins.
Brokerages	Volume, in this case number of transactions and notional value of transactions drive revenue. Costs should be stable over time.	(Earnings Per Share) EPS is the cleanest metric given minimal D&A outside of acquisitions. We assume organic nominal growth + bolt-on acquisitions and synergies to determine intrinsic value.
Asset Managers	AUM and recurring revenue (management fees) are the primary driver. We heavily discount any carry or performance fees from run-rate assumptions.	EPS is preferred, but separated between recurring and performance earnings. AUM growth, addressable market size and forward return assumptions are considered.
Distributors	Product volume and breadth, along with sustainable margins drive these businesses. Most require large scale, while others have higher margin niche markets.	Normalized EPS depending on margins and inventory accounting methods. We seek to determine mid-cycle margins and organic growth.
Raw Land	Utilization rates and market activity. Value is very specific to the area, entitlements, end uses and permits (if applicable).	Comparable land/development, potential lease/royalty revenue. Cash flows discounted to derive an NPV.

Structural Market Shift

Portfolios Must Adapt to the "New Regime"

- The prevailing economic and interest rate regime, which has persisted for much of the last 30 years, included **low interest rates, low inflation and rising debts/deficits.** This created a macroeconomic backdrop supportive of all asset prices.
- We believe that these conditions were driven by one-time shifts in **globalization, resource mobilization and technological development**. These variables are ending or reversing today, which will be inflationary, as opposed to dis-inflationary.
- **Globalization** resulted in disinflation in OECD markets due to cheap and abundant labor and materials. Goods deflation was one of the largest drivers of low inflation for much of the modern era. However, underinvestment, resource competition and depleted reserves are resulting in **structurally undersupplied markets**, which have a limited ability for a demand response.
- Global governments continue to run large **fiscal deficits** and funding developments that require the very resources that have limited supply. Paradoxically, higher interest rates only increase government funding costs and **disincentivize business investment.**

Structural Real Assets



Capital Light Hard Assets Strategy

A Real Asset Strategy for Higher Rates and Price Levels

INFL

Current Market Conditions

- The global economy experienced over 30 years of generally low inflation, low and declining (real) interest rates, increasing profit margins and rising productivity. These trends have been disinflationary and strongly supportive of financial asset prices.
- These factors are rapidly ending or reversing, which will be inflationary on a secular basis for certain markets with structural supply shortages.

Structural Supply Side Drivers

- Rising price levels are widely regarded as being demand driven; however recent data suggests that the inflation episode of the 1970s was heavily influenced by supply side drivers, with limited impact from monetary policy*
- Critical hard asset industries such as energy, metals, and agriculture have experienced decades of insufficient capital investment, hence constrained supply growth, despite resilient and rising demand.
- These dynamics are likely to lead to enduring elevated, albeit volatile, inflation levels

Challenges to Conventional Portfolio Implementations

- The majority of investment portfolios are designed for the macroeconomic environment of the past; not the future. Portfolios designed for the coming decade will require an emphasis on pricing power, asset value, profit margins and scalability.

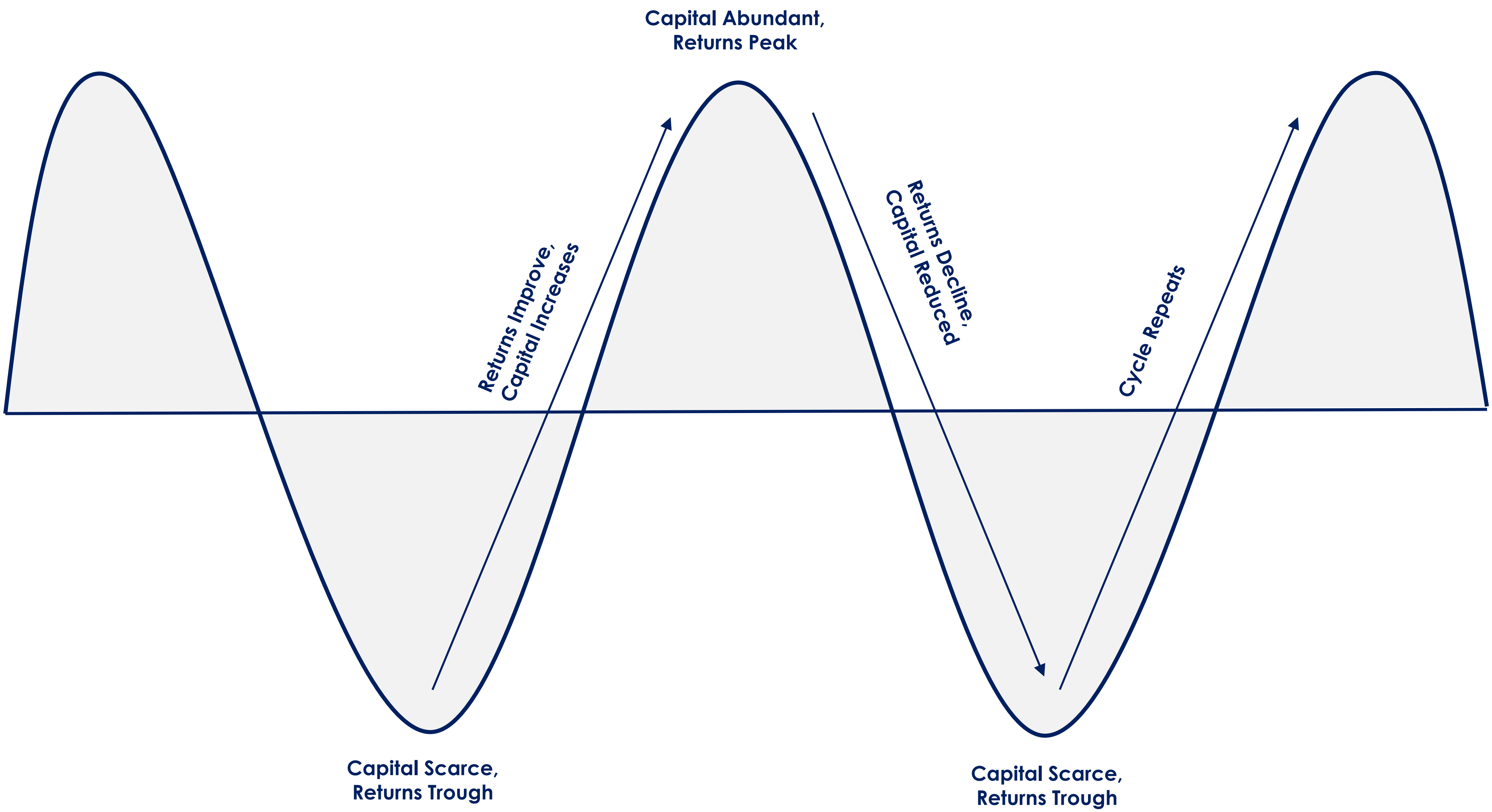
We believe that this environment is ideal for real asset companies with advantaged business models.

These are businesses for which investment success is not dependent upon higher inflation/rising price levels. However, the business returns can be enhanced by price levels.

*https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3538569

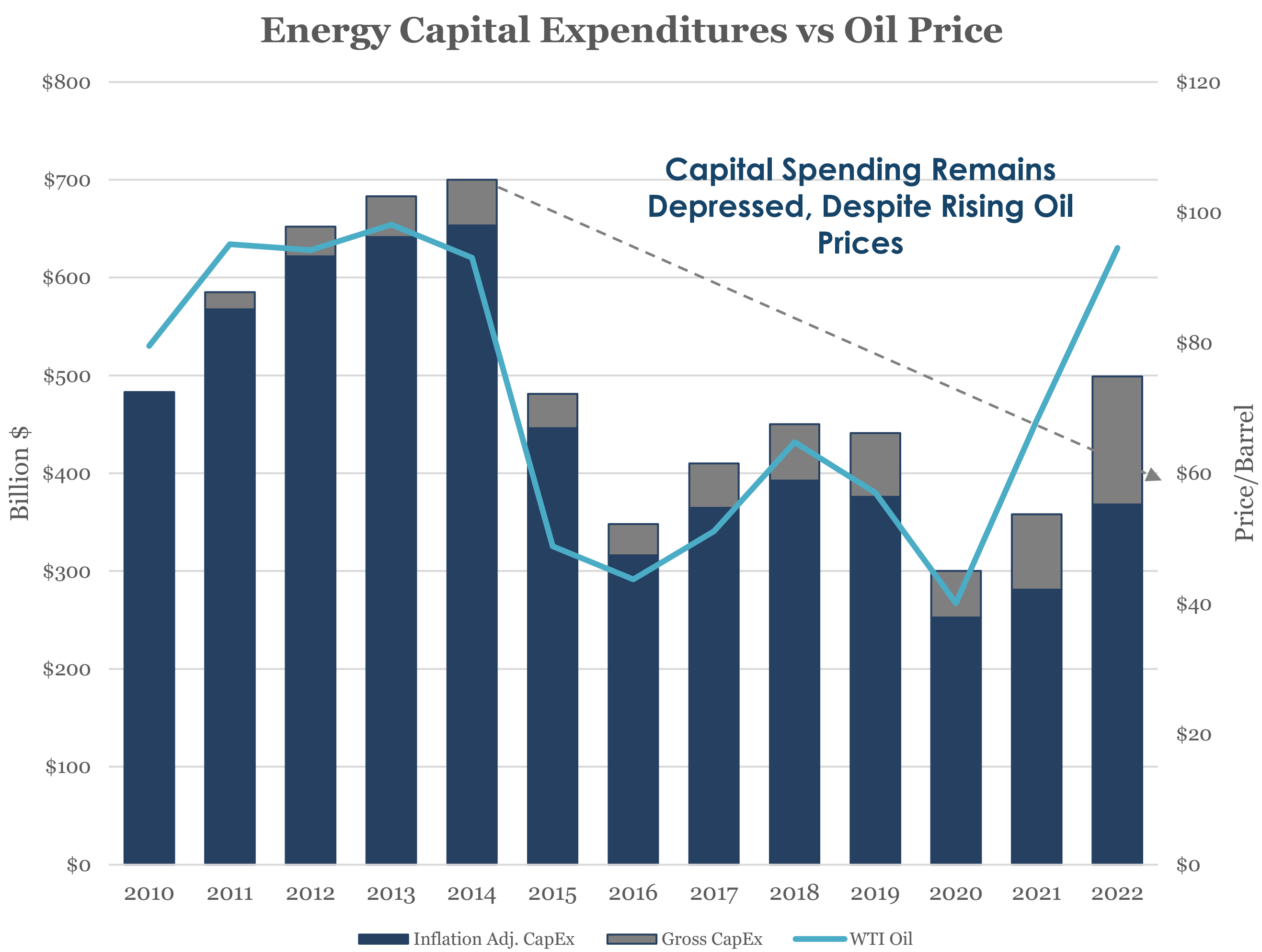
Capital Cycle Theory

Decades of Underinvestment in Raw Materials



Capital Cycle – Supply Inflation

Energy Capital Insufficiency



Structural inflation is likely to persist for many years given supply shortages that are not being addressed today.

Oil majors, which for years had reduced their capital expenditures amid sub-$80 oil prices, have since experienced additional pressure—from states, regulators and investors to reduce capital allocation toward petroleum.

The end result of this nearly decade-long, and seemingly intensifying process, with all of these companies having severely curtailed their oil exploration spending, has been declining reserves.

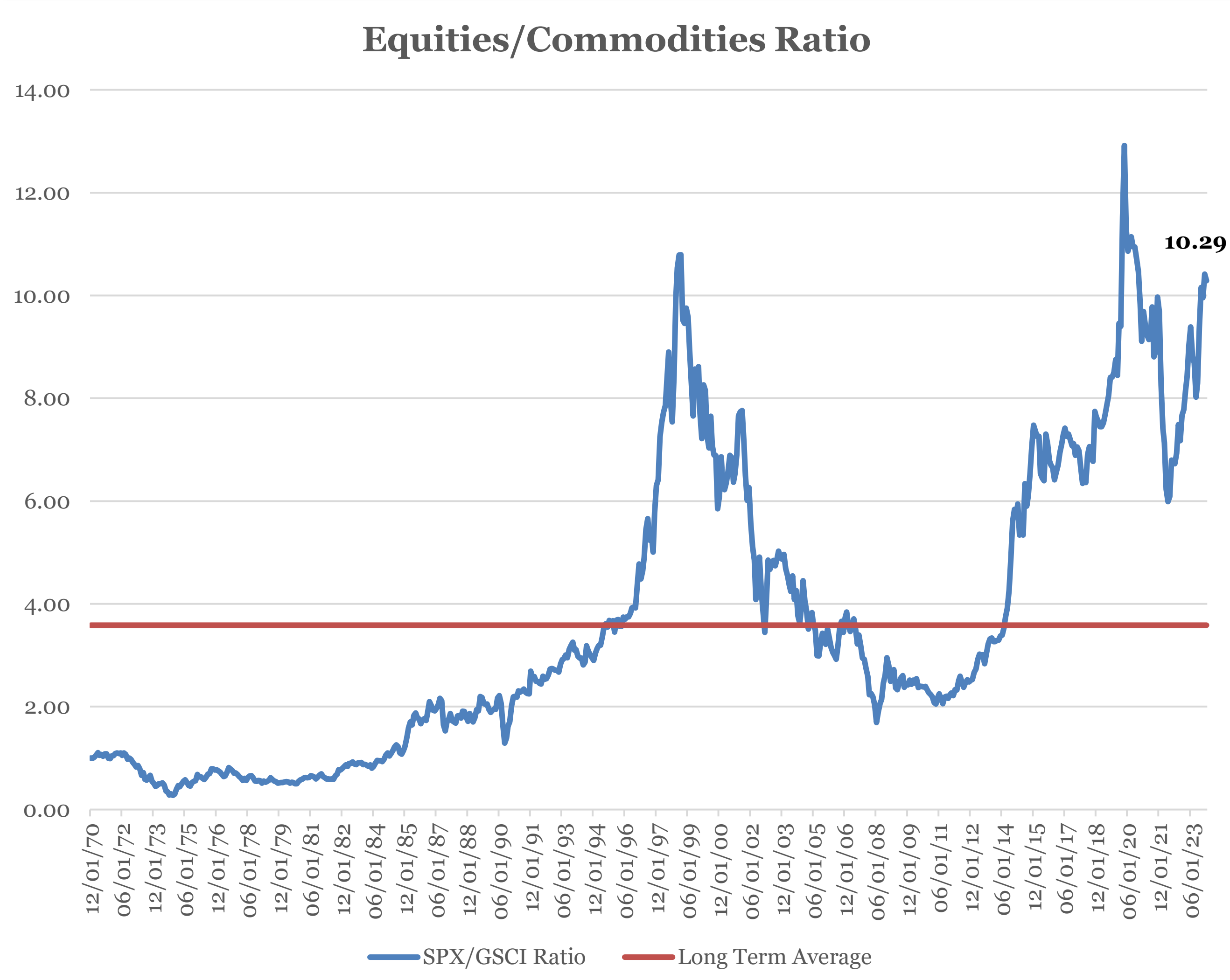
Approximately $800 billion per year needs to be spent just to prevent reserves from declining. Only about half of that is currently spent.

Source: IEF, S&P Commodity Insights

Capital Cycle

Hard Assets / Equity Cycle

INFL



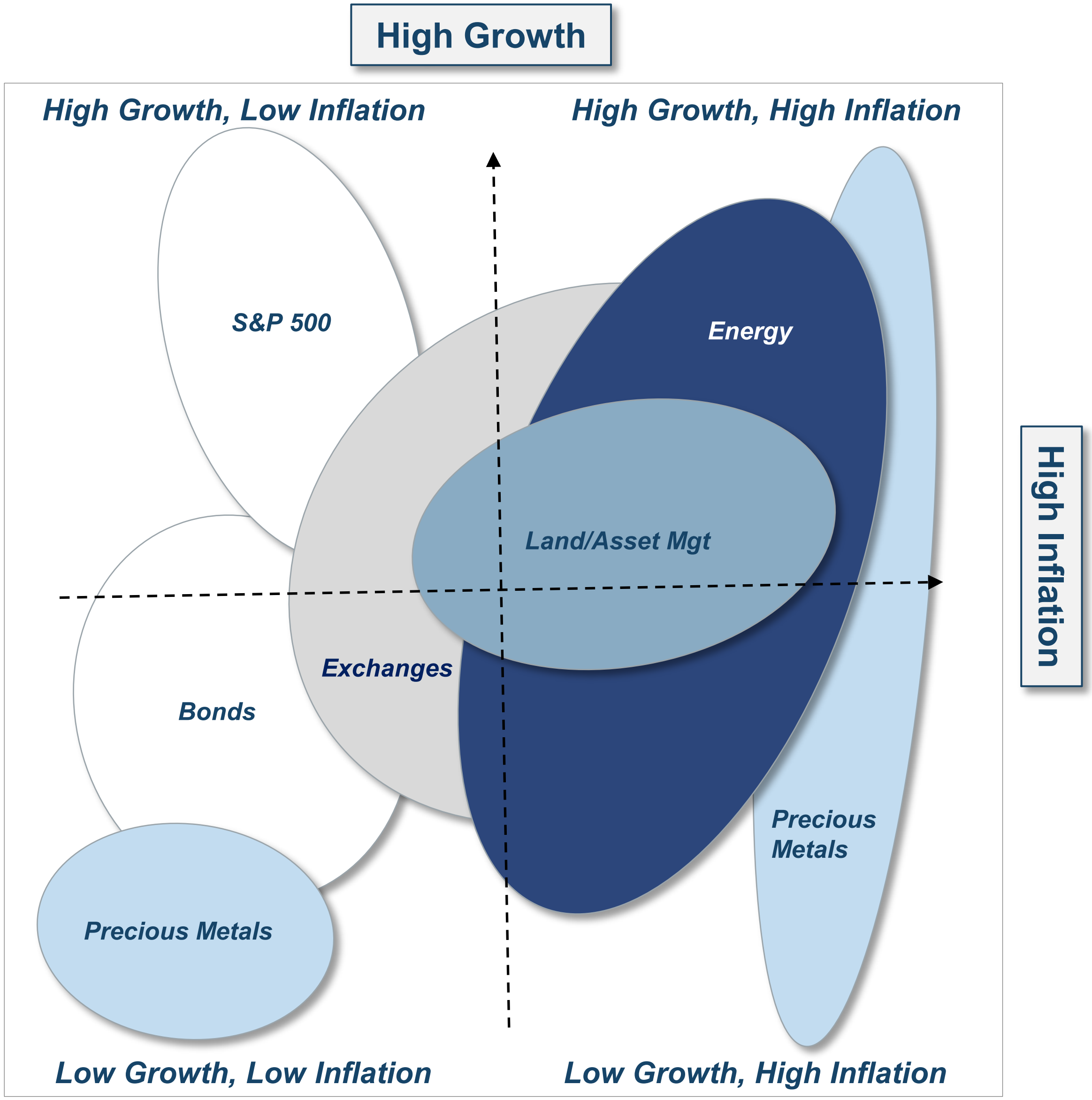
The ratio of equity value to commodities illustrates the relative value of real assets compared to corporate assets.

This relationship reached a level not seen since the technology bubble in 2020, but remains very elevated relative to historical levels.

Source: Bloomberg, S&P 500 Price Index vs S&P GSCI Spot Index

Portfolio Positioning

Ability to Benefit Under a Variety of Regimes



"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 Mgt	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.

Full-Cycle Real-Asset "Goldilocks"

Past, Present, and Future

Secular Stagnation	Mini Inflation Cycle		Secular Inflation
2010-2019	2020-2022	2023-2024	2024 & Beyond
Disinflation CPI: 0-2% Secular Stagnation	Reflation / Cyclical Inflation CPI: 3-9% Inflationary Growth	Cyclical Disinflation CPI: 3-6% Reactionary Policy Normalization	Secular Inflation CPI: 3-5% New Neutral

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Goldilocks: *New Normal*

2024 & Beyond

INFL

CPI: 3% - 5%

"New Neutral"

- Declining Interest Rates
- Moderate Growth
- Financial Stability
- Fiscal Support
- Real Debt Static?

- Declining Cost of Capital
- Dollar Stability
- Structural Supply Constraints

- + Natural Resources
- + Real Assets
- + Store of Value

INFL Performance

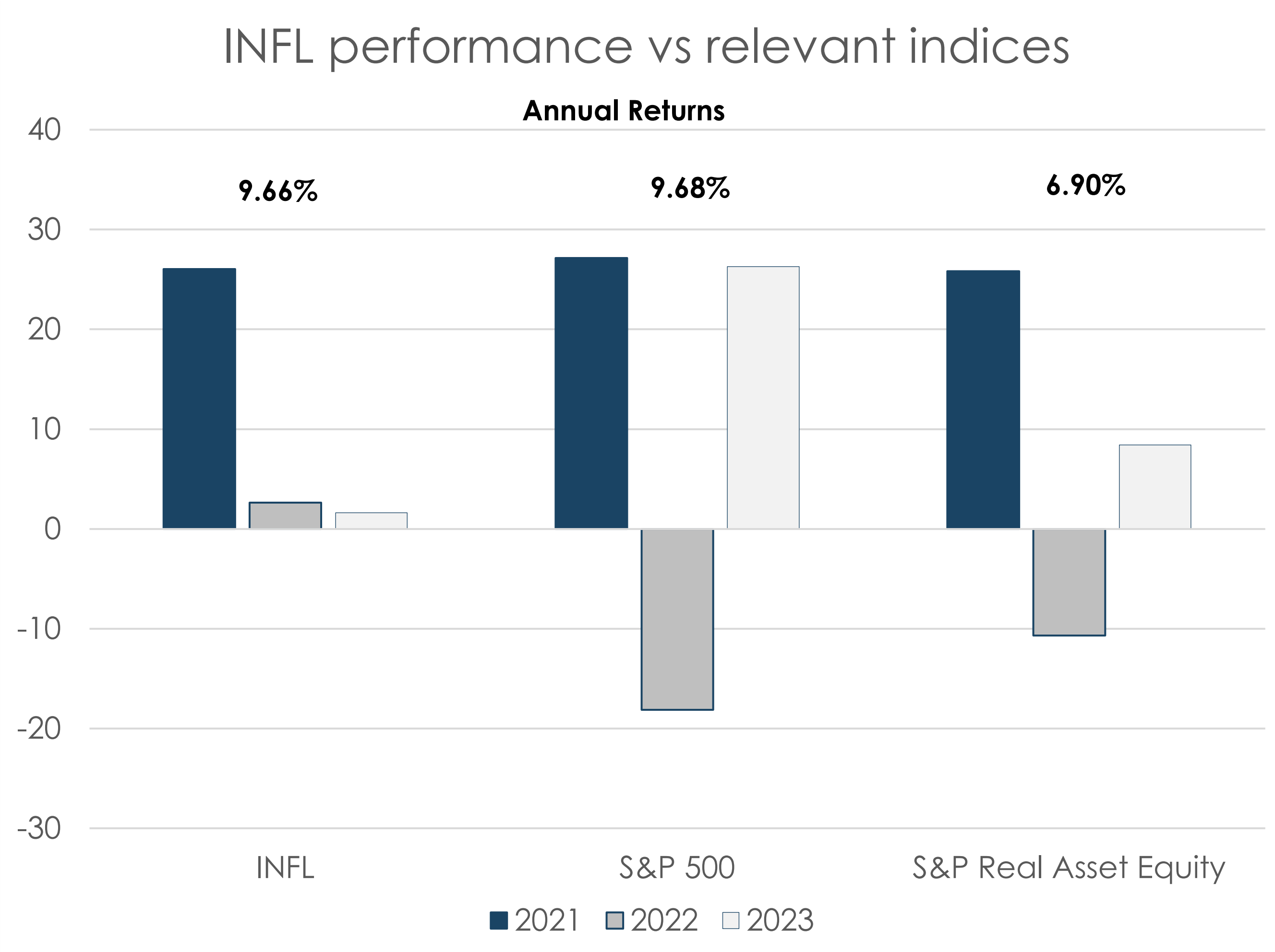
Upside Capture; Preservation of Capital

INFL offers exposure to quality businesses which benefit from higher and rising prices over time. It should not be viewed as an inflation "bet".

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

In 2022-23, inflation began to moderate as rate hikes pressured many asset classes.

The Fund preserved capital with **positive returns** in each year. This is despite steep drawdowns in 2022 and a narrow market rally in 2023.



Source: Bloomberg, 2021 figures are from inception date of INFL on 1/11/2021

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 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.

INFL Investment Examples

INFL

Long-term compounding of value in real asset oriented companies requires both high quality business models and high quality underlying assets.

Royalty companies have both premier assets and advantaged business models. This includes minimal exposure to direct operating costs, capital expenditures and operational risks. As a result, the businesses have high profit margins through business cycles.

Global demand for various raw materials continues to grow, but new discoveries are becoming more scarce. Hence, there is greater value in existing, low cost assets. Royalties on these assets will be particularly valuable.

Texas Pacific Land Corporation (Ticker: TPL)

Texas Pacific Land Corporation

- TPL was created as a land trust in 1888 as a result of the bankruptcy of the Texas and Pacific Railway Company. In January 2020, it completed a reorganization into a C Corp, which we believe is conducive to greater transparency and improved corporate governance.
- TPL currently owns approximately 868,000 surface acres and 533,000 (gross) non-participating perpetual royalty interest acres in western Texas, much of which is located in core portions of the Permian Basin.
- TPL's revenue streams are primarily generated through oil and gas royalties, land easements and related revenues, and water services. These cash flows are primarily driven by the activities and capital expenditures of 3rd parties, hence are high profit margin and minimally capital intensive.
- The alternating nature of the land grant, in sections concentrated across the Delaware Basin, virtually requires many well operators, infrastructure providers, and well service providers to utilize the property of TPL, diversifying the revenue streams further.
- Water procurement and disposal is increasingly the largest portion of a well lease operating expense. By virtue of the surface acreage, TPL has a dominant position in acquirer access, water transportation rights, and access to salt water disposal wells. TPL created a dedicated water division, Texas Pacific Water Resources, to monetize this opportunity.
- TPL's portion of the greater Permian Basin has become the focus of multinational oil companies and has become a significant driver of the marginal U.S. (and global) production.
- Despite significant appreciation in recent years, we believe that TPL shares still have substantial return potential in the years to come.

Wheaton Precious Metals Corp. (Ticker: WPM)

WHEATON PRECIOUS METALS

- Wheaton Precious Metals Corp is the world's second largest precious metal royalty company by revenue, with approximately 50% of its revenues from silver, which is about the highest exposure one will find, because substantially all silver is a byproduct of gold or other metals mining.
- The royalty structure provides asymmetric optionality; this means that one could experience both an increase in metals production and an increase in price, either of which would increase revenues to WPM, but the company has no ongoing capital costs and no post-production remediation liabilities.
- The company's royalty portfolio is largely in gold and silver; however, the company will also continue to expand via new deals, and it has a recent track record of doing so. The company's assets have been able to support 18 years of mining and are left with more resources today than what was known at the time the assets were purchased.
- Ergo there is significant upside potential as other properties reach production stage, which may occur as metals prices increase.

The Fund held these securities as of March 31, 2024. Please see slide 31 for the top holdings of the Fund. Specific holdings may change at any time without notice.

INFL Portfolio Overview

An Active Approach to Inflation Risk

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Fund Descriptions

Investment Objective:

The Horizon Kinetics Inflation Beneficiaries ETF (the "Fund") seeks long-term growth of capital in real (inflation-adjusted) terms.

Strategy:

An actively-managed ETF that seeks to provide positive real investment returns in an inflationary macroeconomic environment. The Fund seeks to achieve this by investing in the public equity securities of profitable businesses which we believe are also inflation beneficiaries with scalable, economically resilient business models.

Portfolio Managers:

James Davolos – 18 years of investment experience

Peter Doyle – 38 years of investment experience

Steven Bregman – 38 years of investment experience

Fund Details

Ticker/CUSIP	INFL/53656F623
Inception Date	January 12, 2021
Expense Ratio	0.85%
Total Net Assets	$644,920,106 (as of 3/31/2024)
Index Tracked	None (Active ETF)
Issuer	Foreside Fund Services, LLC
Stock Exchange	NYSE Arca

Performance History

As of 3/31/2024	YTD	1 Year	3 Year	Since Inception Annualized
Total Return % (Price)	4.0%	7.6%	8.0%	10.2%
Total Return % (NAV)	3.8%	7.5%	8.1%	10.2%

Top 10 Holdings

Total Top 10 (%)	46.3
PrairieSky Royalty Ltd	6.3
Viper Energy Inc	6.2
Texas Pacific Land Corp	5.9
Wheaton Precious Metals Corp	5.3
Intercontinental Exchange Inc	4.7
Franco-Nevada Corp	3.9
Marsh & McLennan Cos Inc	3.9
Archer-Daniels-Midland Co	3.6
Glencore PLC	3.4
Bunge Global SA	3.2

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.

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Resources and Recent Insights

Resources

[Holdings]

[INFL Factsheet]

[INFL 2023 Annual Letter]

[INFL Annual Webinar Replay]

[INFL Prospectus]

[INFL Summary Prospectus]

In the Press

- Horizon Kinetics on Money Tree Investing Podcast – Challenging Conventional Wisdom: Alternative Insights From James Davolos (May 2024) Watch
- Murray Stahl on Value Investor Insight - Worth the Time (February 2024) Read
- Royalties as an Asset Class White Paper Read
- Thematic Investors Interview with James Davolos (March 2024) Watch
- James Davolos on the Grant Williams Podcast (October 8, 2023) Listen
- James Davolos Presentation at the CFA Ben Graham 10th Annual Conference (June 20, 2023) Watch
- Interview with Markets Media (06/07/2023) Read
- James Davolos on the Value Hive Podcast with Brandon Beylo (Recorded May 26, 2023) Watch

If you would like to access the report, please contact your Horizon Kinetics representative or email info@horizonkinetics.com.

Corporate Bios

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.

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.

Mark Herndon

Chief Financial Officer

Mark joined the Firm in 2024 and currently serves as Chief Financial Officer. Mark is responsible for overseeing all financial reporting functions of Horizon Kinetics. Previously, Mark was Senior Vice President and Chief Financial Officer at Safeguard Scientifics from 2018 to 2023, a publicly listed firm that provided capital and relevant expertise to a portfolio of private entities. Prior to 2018, Mark spent 27 years at PricewaterhouseCoopers serving in a variety of client service and national office roles, including his position as Assurance Partner from 2006 through 2018. Mark earned a BBA in Accounting from Georgia Southern University and an MBA from Emory University's Goizueta Business School.

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 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.

Contact Information

INFL

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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 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.

The Horizon Kinetics Inflation Beneficiaries ETF (INFL) is distributed by Foreside Fund Services, LLC ("Foreside"). Foreside is not affiliated with Horizon Kinetics LLC, HKAM, or their affiliates or subsidiaries.

Returns are subject to change. Note that indices are unmanaged, and the figures shown herein do not reflect any investment management fee or transaction costs. Investors cannot directly invest in an index. References to market indices, benchmarks or other measures of relative market performance (a "Benchmark") over a specific period are provided for your information only. It is not our intention to state, indicate or imply in any manner that our future results will be profitable or equal past results.

Murray Stahl is a member of the Board of Directors of Texas Pacific Land Corporation ("TPL"), a large holding in certain client accounts and funds managed by Horizon Kinetics Asset Management LLC ("HKAM"). Officers, directors and employees may also hold substantial amounts of TPL, both directly and indirectly, in their personal accounts. HKAM seeks to address potential conflicts of interest through the adoption of various policies and procedures, which include both electronic and physical safeguards. All personal and proprietary trading is also subject to HKAM's Code of Ethics and is monitored by the firm's Legal and Compliance Department.

In December 2023, we announced our intention to bring Horizon Kinetics LLC public through a reverse merger with Scott's Liquid Gold-Inc., a publicly traded company with shares listed in the United States on OTC Markets (OTC Pink: SLGD). We expect the transaction to close in mid to late 2024.

More details can be found in the 8-K SEC filed document and press release:

- *8-K: https://www.sec.gov/ix?doc=/Archives/edgar/data/88000/000095017023072802/slgd-20231219.htm*
- *Press Release: https://www.sec.gov/Archives/edgar/data/88000/000095017023072802/slgd-ex99_1.htm*

In May 2024, SLDG filed a definitive proxy: https://www.sec.gov/Archives/edgar/data/88000/000095017024058628/slgd-hk_def_14a.htm

The reverse merger permits a seamless transition to the next phase of our development. Horizon Kinetics Asset Management LLC will remain as the named investment advisor entity servicing your account(s). There will be no changes to our personnel structure, ensuring continuity in the services we provide to clients who invest alongside us. Our strategic leaders and co-founders, Murray Stahl, Steven Bregman and Peter Doyle are committed to preserving our independent owner-operated culture, which is the cornerstone of our long-term, fundamental value, contrarian (fact-based) investment practice.