



Horizon Kinetics Japan Owner Operator ETF

日本 オーナーオペレーター ETF

Investing Alongside Authentic Japanese Entrepreneurs

Prepared in May 2025
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New York, NY 10016
www.horizonkinetics.com

Investor focus on short-term returns and events can create significant mispricing of long-term investments. We believe a disciplined long-term investment horizon is key to minimizing potential losses and achieving superior returns. Moreover, investors allocating to Japan are essentially exposed to the dominant large-cap companies, which are almost necessarily global businesses with very little economic exposure to Japan. One is simply gaining exposure to multi-national export-oriented companies that happened to be domiciled in Japan.

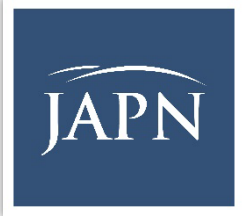
We are building an authentically Japan-centric portfolio with revenue primarily sourced domestically, an exposure currently unavailable in mainstream indexes.

Our Advantages:

- We have a disciplined approach to fundamental research with a long-term horizon.
- We target companies with revenues predominantly derived from Japan, unlike most Japanese equity indexes.
- We build a concentrated portfolio, deliberately distinct from popular indexes, with a high active share* by design (i.e., 95%+).

**Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.*

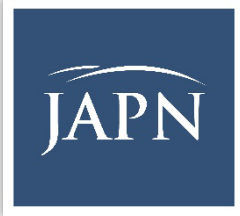
Seasoned Japan Investment Team



Portfolio Management and Research Team

Managing a Dedicated Asia/Japan Strategy Since 2008					
Industry Experience	Murray Stahl Co-Portfolio Manager Chairman, CEO, CIO (47 years of Industry Experience)		Aya Weissman Co-Portfolio Manager Director of Asia Strategy (42 years of Industry Experience)		Utako Kojima Co-Portfolio Manager, Portfolio Analyst (23 years of Industry Experience)
	Horizon Kinetics (1994-present)	Horizon Kinetics (2010-present)	Horizon Kinetics (2010-present)		
	Bankers Trust Company (1978-1994)	AS Hirota Capital Management LLC (2006-2010) Kingdon Capital Management (2002-2005) Feirstein Capital Management LLC (1999-2001) Smith Barney Harris Upham & Co., Inc. (1987-1999) Equitable Capital Management (1984-1987)	AS Hirota Capital Management LLC (2006-2010) Shin-Nihon Ernst & Young Transaction Advisory Services (2004-2006) Deutsche Securities (2002-2004)		
Research Team	Our dedicated Asia/Japan Investment Team is supported by a team of 18 other investment professionals with an average industry tenure of 32 years.				
	Paul Abel Rich Begun Steven Bregman Therese Byars	Ryan Casey Brandon Colavita James Davolos Andrea DeMichele	Peter Doyle Thomas Ewing Matt Houk Darryl Monasebian	John Meditz Robert Parauda Eric Sites	Alan Swimmer Fredrik Tjernstrom Steven Tuen

Certain research team members may also serve as co-portfolio managers on various strategies and funds.



Our research effort embodies independent thinking, collaboration, open debate, and humility. Philosophy and process lead us to explore areas less researched and omitted or underrepresented by major indices.

FUNDAMENTAL ANALYSIS

Consistent with our investment philosophy, our research focuses on fundamental analysis of business models and company operations. We structure our portfolios to achieve returns driven by the long-term returns-on-capital of the underlying businesses.

ACCESS TO LOCAL MANAGEMENT

An understanding of local culture and access to management provides valuable context and perspective for investments. We conduct multiple regional visits a year to research the evolution of certain companies, industries, and countries to develop informed views.

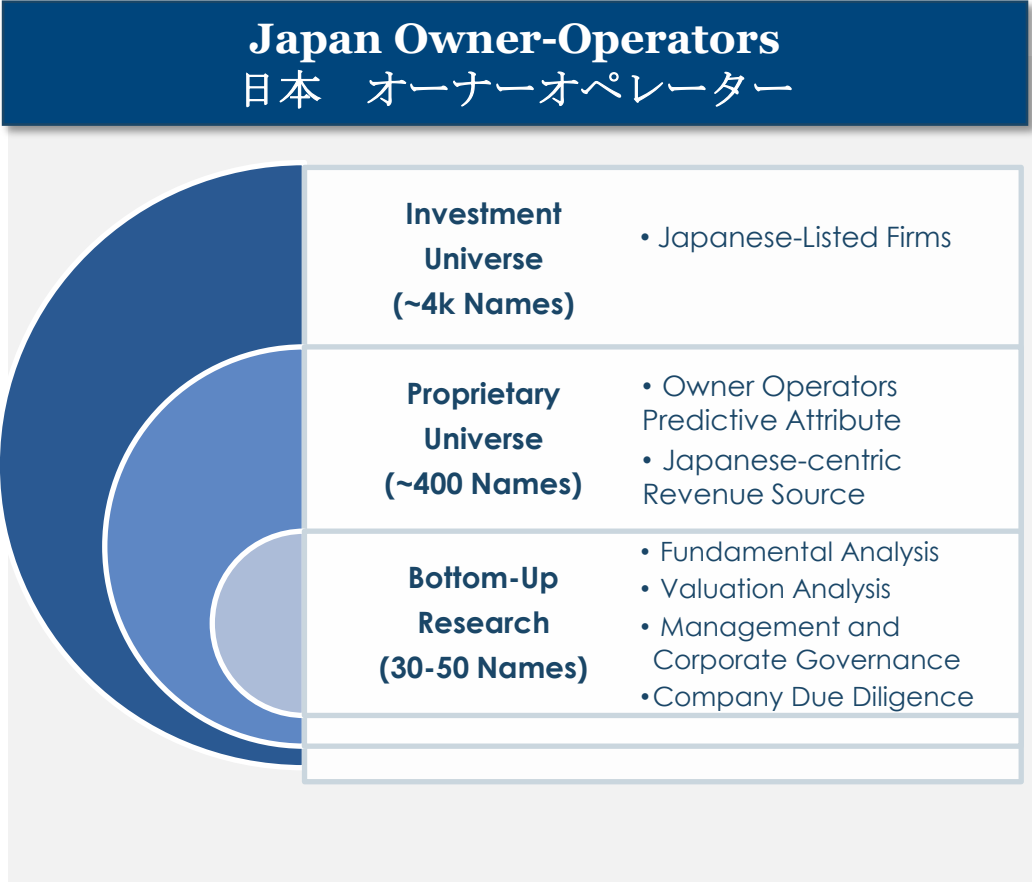
INDEPENDENT THOUGHT

Our research is independent. Dynamic, unconventional thinking is required to find successful long-term investments. We form our own hypotheses and opinions, then work to substantiate or invalidate them through proprietary research and primary sources.

PREDICTIVE ATTRIBUTES

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

- Owner-Operators**
Bits and Pieces
Terms of Trades
Spin-Off
- Dormant Assets
Scalability
Product Lifecycle
Liquidation



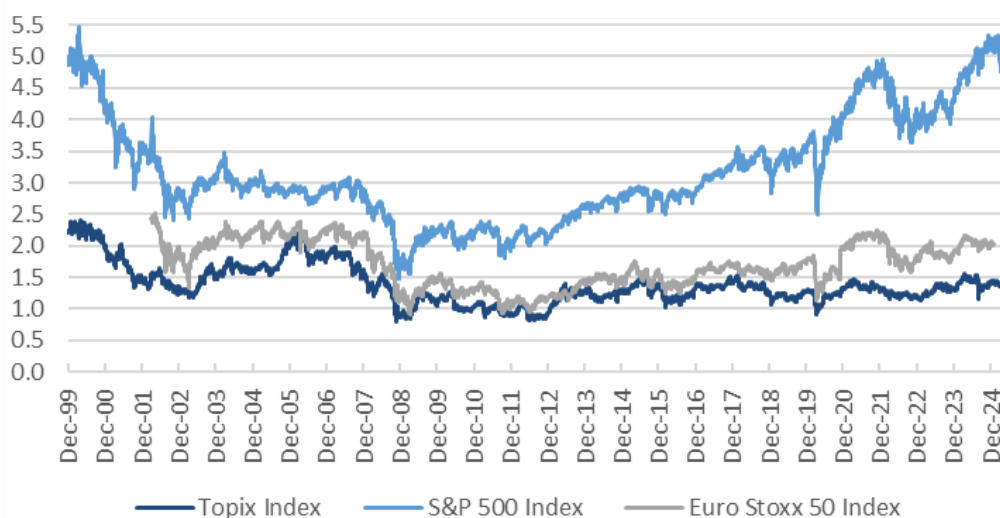
Why Japan?



An Undervalued Yet Integral Component of the World Economy

Type	ACWI - All Country World Index	Share of World GDP
United States	63.2	26.1
Japan	5.0	4.0
United Kingdom	3.5	3.2
China	3.1	16.8
Canada	2.9	2.0
France	2.6	2.9
Germany	2.4	4.3
Switzerland	2.3	0.8
India	2.0	3.4
Taiwan	1.7	0.8

Price to Book Ratio



A New Era: Japan Finally Emerges as an Undervalued Developed Country Investment Opportunity

Japan is the second-largest developed economy in the world, and the third-largest overall, after the U.S and China. Japan has a 5% weighting in the ACWI.

Contrast this with the 63% U.S. market capitalization weighting in the index, which overwhelms its 26% share in global GDP. The main reason for the disproportionately higher weighting is because U.S. companies outperform non-American firms in terms of profitability. However, changes to this norm are already visible.

In February 2024, the Japanese market surpassed its historic high of 1989. That said, the Japanese equity market continues to be undervalued relative to its developed-market peers.

Concurrently, a historically unprecedented, regulator-mandated policy and rule changes in Japan are now altering its 75-year insular cycle of protected corporate structure. Notorious for its opaqueness and indifference toward shareholders, Japanese corporate management is now under pressure to incorporate return on equity, return on invested capital, and shareholder returns.

Compared to the rest of the world, Japan offers a compelling international investment diversification opportunity due to its lower valuation and superior fundamental prospects.

Under the Hood



What's in Your Japanese Index?

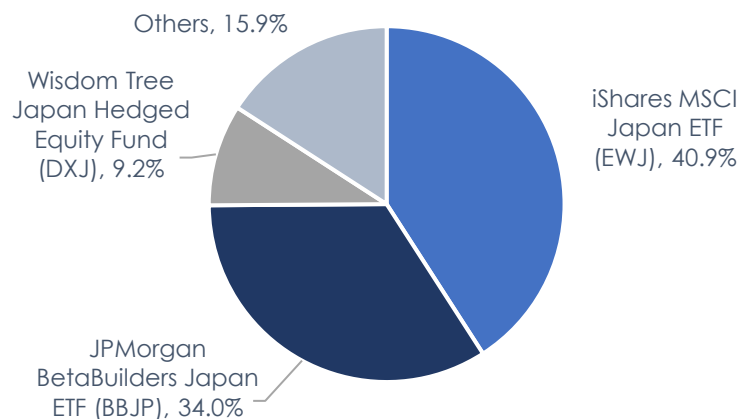
Investments in the Japanese market are predominantly placed in three ETFs, which capture over 80% of the AUM.

These traditional ETFs provide indexed exposure to Japan—and to the same concentration and misallocation risks as other markets.

- Only 3% of the opportunities account for almost two-thirds of the value of the entire Japanese stock market.
- The three main Japan ETFs invest in well-known, large-cap, highly-liquid companies with significant global business exposures.

The paradox: When investors seek the international diversification benefits of local economies, they're getting essentially the same exposures they already have. Like the S&P 500, these index funds are packed with global multinationals.

U.S.-Listed Japan ETFs
Three funds represent over 80% of the AUM



Source: ETF Database as of 3/31/2025

Japan Equities Top-Heaviness Statistics

	Number of Companies	Ratio	Market Capitalization (\$MM)	Ratio
Japan Equity Market	3898	100%	6,367,130	100%
Large-Cap Companies*	119	3%	4,158,785	65%
iShares MSCI Japan ETF	182	5%	4,632,744	73%

*Large-cap includes companies with market cap greater than USD 10 billion

Source: Bloomberg, iShares MSCI Japan

The Japanese Market You Know and the One You Don't



Perception vs. Reality

How to NOT Invest in the Dynamism of Japanese Markets: Your Traditional ETFs

- The top 10 holdings of the iShares Japan ETF source a mere 37% of their revenue from Japan.
- With 63% of these sales derived from *outside* Japan, investors are more exposed to Japan's primary export markets—the U.S., Europe, and other developed economies—and their cyclicalities, not Japan's.

That is the Japanese market you know. There's also one that you don't, embodied by the **The Japanese Owner Operator ETF (JAPN)**.

The Fund primarily invests in Japanese owner-entrepreneurs with locally generated revenue, providing an authentic exposure to the Japanese economies.

The low valuations and unleveraged balance sheets of these companies provide a degree of risk protection not available in other developed markets.

That makes them classic Graham value investments with high-return, low-risk possibilities. And being idiosyncratic makes them uncorrelated with other markets.

Company Name	% of Revenue Sourced within Japan	iShares MSCI Japan ETF (EWJ)	JPMorgan BetaBuilders Japan ETF (BBJP)
Toyota Motor Corp	22.6	4.4	5.1
Sony Group Corp	23.3	4.2	3.8
Mitsubishi UFJ Financial Group Inc	43.3	4.1	3.9
Hitachi Ltd	38.8	2.9	2.7
Sumitomo Mitsui Financial Group	41.6	2.5	2.5
Keyence Corp	35.6	2.0	1.8
Nintendo Ltd	21.7	2.0	1.8
Recruit Holdings	46.6	1.9	1.9
Tokio Marine Holdings Inc	47.6	1.8	1.9
Mizuho Financial Group	33.0	1.8	na
Mitsubishi Corp	48.5	Na	1.8
	36.6%	27.7	27.2

Source: MSCI, ETF Database as of 3/31/2025

Japanese Owner-Operators



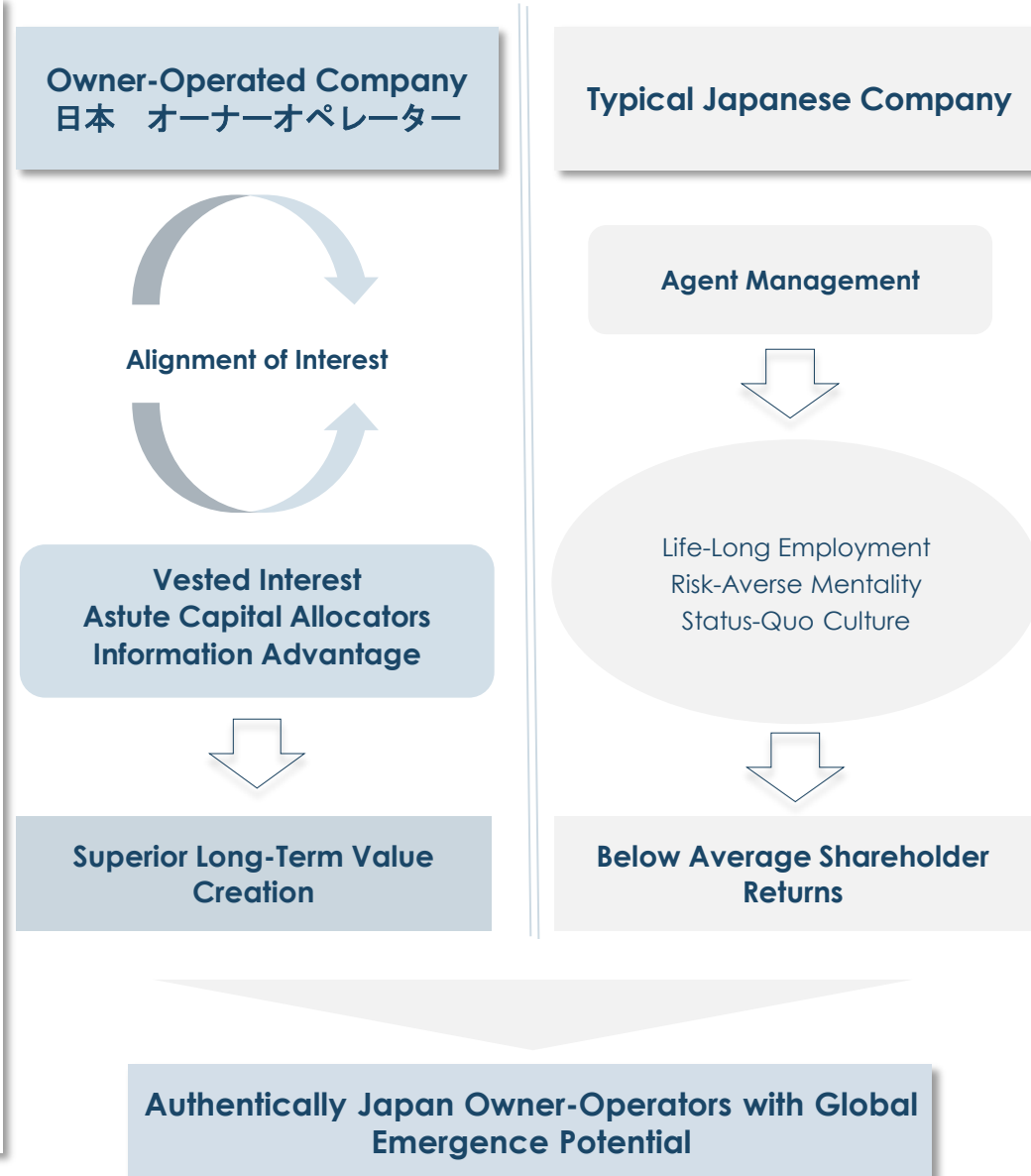
Aligned Entrepreneurs with Competitive Moats

Japan's culture of lifetime employment stifles innovation. New niche opportunities are often dismissed by the risk-averse agent management executives of established companies.

Hence, Japanese entrepreneurs gravitate toward the owner-operator structure, affording them the liberty to seek and capture uncharted business opportunities in Japan. They are also aligned with shareholders to maximize returns. And there are plenty of them: Japan produces 8% of all patent filings worldwide, behind only China at 47% and the U.S. at 17%¹.

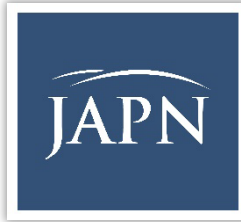
Ironically, threats from abroad are also limited as language barriers combined with closed corporate structure create limited information access. Japan's mature macro economy—declining population and aging society—disincentive entrance from global competitors.

Hence, Japanese entrepreneurs have **competitive moats over their stagnant corporate peers at home and distant investors abroad** when it comes to opportunistically implementing and monetizing innovative ideas and business growth plans.



¹www.wipo.int/web-publications/world-intellectual-property-indicators-2024-highlights/en/patents-highlights.html

Japan-Centric Owner-Operators



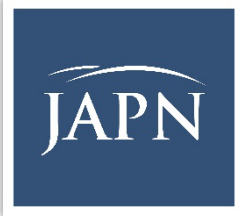
Alignment of Interest with Incentive for Outperformance

Japanese Owner-Operators 日本 オーナーオペレーター	Japanese-Centric Posture
Owner-Driven Entrepreneurial Leadership	Core Revenue Anchored in Japan's Domestic Demand
Opportunistic Capital and Resource Allocation	Direct Beneficiaries of Japan's Emergence in Intellectual Property Innovations
Robust Network and Information-Advantage	Distinct Optionality for Potential Global Expansion
Incentivized to Maximize Return on Equity, Return on Invested Capital, and Shareholder Returns	Beneficiaries of Shareholder Focused Regulator-Mandated Policy and Rule Changes

Vested Interest for Long-Term Value Creation

We're investing alongside visionary Japanese entrepreneurs who build niche and differentiated products and businesses with revenue primarily sourced domestically. Paradoxically, while deeply rooted in Japan, many are now experiencing a breakout moment—rapidly gaining market share globally.

Horizon Kinetics Japan Owner Operator ETF (JAPN)



日本 オーナーオペレーター ETF

FUND DESCRIPTIONS

Investment Objective:

The Horizon Kinetics Japan Owner Operator ETF seeks long-term growth of capital.

Strategy:

The Fund is an actively managed exchange-traded fund (ETF). We seek long-term growth of capital by investing primarily in companies domiciled in Japan, with locally driven revenues—specifically, firms operated by individuals who have significant ownership of the company. Many owner-operators exhibit a high degree of management skills, specific industry knowledge, networks, and strong commitment to grow the company's long-term enterprise value.

Portfolio Managers:

Murray Stahl, CIO - 47 years of investment experience
Aya Weissman, CFA - 42 years of investment experience
Utako Kojima, CFA - 23 years of investment experience

FUND DETAILS

Ticker/CUSIP	JAPN / 53656H835
Inception Date	May 2025
Expense Ratio	0.85%
Index Tracked	None (Active ETF)
Distributor	Foreside Fund Services, LLC
Stock Exchange	NASDAQ

FUND RESOURCES

- [JAPN Press Release](#)
- [JAPN Factsheet](#)
- [Prospectus](#)
- [Summary Prospectus](#)

Appendix

Firm Overview



At a Glance

Horizon Kinetics LLC

- Independent, majority employee-owned, serving clients since 1994
- \$9.8 billion in firm-wide assets under management¹
- 84 employees
- Offices in New York, NY; White Plains, NY; and Summit, NJ

Stable, long-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 19 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
 - Process driven by data and primary sources
 - 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 share² 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 December 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.

Portfolio Management 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 also 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.

Aya Hirota Weissman, CFA

Senior Portfolio Manager, Director of Asia Strategy

Aya joined the firm in 2010, as a Co-Portfolio Manager for the Asia Strategy. With over 30 years of investment experience, Aya was previously a founder and Chief Investment Officer of AS Hirota Capital Management, LLC. Prior to that, her experiences included acting as a portfolio manager specializing in Japanese securities for Kingdon Capital Management, LLC, a New York-based hedge fund; two years as a partner and Portfolio Manager of Feirstein Hirota Japan Partners, a Japanese long/short hedge fund; and 12 years at Salomon Smith Barney Asset Management, as a Managing Director and Senior Portfolio manager in the U.S. value equity group where she was a founding member of the large cap value equity group, with responsibility for approximately \$2 billion in assets. She also worked as a securities analyst covering global technology and consumer sectors at Equitable Capital Management. Aya was previously a non-executive board member of Toshiba Corp. and SBI Holdings, Inc. in Japan. Aya received an MBA from the International Institute for Management Development (IMD) in Lausanne, Switzerland and a BA in Liberal Arts from International Christian University in Tokyo, Japan. She also studied at Chung Chi College at the Chinese University of Hong Kong, as a Japanese Ministry of Education Scholar. Aya is a CFA® charterholder. She is a member of the U.S.-Japan Council and serves on its investment committee.

Utako Kojima, CFA

Portfolio Analyst

Utako joined the Firm in 2010 as a Portfolio Analyst, primarily focusing on the Firm's Asia Strategy. Prior to this, Utako was an equity analyst at AS Hirota Capital Management, LLC. Her experience includes consulting in the Valuation Division at Shin-Nihon Ernst & Young Transaction Advisory Services, Tokyo, Japan. Previously, she served in the International Products Client Services and Sales Operations group at Deutsche Securities Limited, Tokyo, Japan, managing post transaction processes and client services. Utako received a BA in Political Science from Keio University, Tokyo, Japan, and is a CFA® charter holder.



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 Kessler

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. He 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 member of several of the Firm's operating committees. Russ holds a BA in Legal Studies from Quinnipiac University (cum laude) and a JD from Albany Law School.

Contact Information



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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 visiting www.horizonkinetics.com/products/etf/japn. 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 Japan Owner Operator ETF (Symbol: JAPN) 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.

The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. The TOPIX, also known as the Tokyo Stock Price Index, is a capitalization weighted index of all companies listed on the First Section of the Tokyo Stock Exchange.

The WisdomTree Japan Hedged Equity Fund (DXJ) seeks to track the price and yield performance, before fees and expenses, of the WisdomTree Japan Hedged Equity Index. The iShares MSCI Japan ETF (EWJ) seeks to track the investment results of an index composed of Japanese equities. JPMorgan BetaBuilders Japan ETF (BBJP) seeks investment results that closely correspond to the Morningstar® Japan Target Market Exposure Index. DXJ, EWJ, and BBJP are passive ETFs. There are risks associated with investing, including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. These Funds focus their investments in Japan, thereby increasing the impact of events and developments in Japan that can adversely affect performance. Investments in currency involve additional special risks, such as credit risk, interest rate fluctuations, derivative investments which can be volatile and may be less liquid than other securities, and more sensitive to the effect of varied economic conditions. As this Fund can have a high concentration in some issuers, the Fund can be adversely impacted by changes affecting those issuers. Due to the investment strategy of these funds, they may make higher capital gain distributions than other ETFs. Please read the Funds' prospectus for specific details regarding the Fund's risk profile. Net expenses: DXJ at 0.48%, EWJ at 0.50%, and BBJP at 0.19%. AUMs (as of 3/31/25) DXJ: \$3.4B, EWJ: \$13.6B, and BBJP: \$11.6B. Inception dates: DXJ: 3/31/2010, EWJ: 8/10/2020, and BBJP: 6/15/2018.

Trailing Annual Total Returns (NAV)	Inc Date	1 Year	3 Years	5 Years	10 Years	Since Inception
WisdomTree Japan Hedged Equity ETF (DXJ)	3/31/10	4.20	23.16	24.46	10.45	7.26
iShares MSCI Japan ETF (EWJ)	8/10/20	-1.55	5.63	8.57	4.96	1.72
JPMorgan BetaBuilders Japan ETF (BBJP)	6/15/18	-1.33	6.02	8.97	n/a	4.01

Risk Considerations: Investing in securities entails risk, which may be subject but not limited to the following: When investing in securities, the market may not necessarily have the same value assessment as the manager, and therefore, the performance of the securities may decline. Under no circumstance does the information contained herein represent a recommendation to buy, hold or sell securities. All material presented is compiled from sources believed to be reliable, but no guarantee is given as to its accuracy or completeness. The information presented is subject to further clarification during presentations, and may not be duplicated or communicated without the prior consent of Horizon Kinetics LLC.

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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.

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. **Risks Related to Investing in Japan.** Japan's economy has historically lagged that of its Asian neighbors and other major developed economies due in part to economic, political and social conditions. Japan's economic growth is heavily dependent on international trade, government support of the financial services sector and other troubled sectors, as well as governmental policy supporting its export market. However, slowdowns in the economies of key trading partners, such as the U.S. and China, leading to de-creased demand from these countries, new trade regulations, and changes in exchange rates may also have an adverse impact on the economy of Japan. 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.

The Horizon Kinetics Japan Owner Operator ETF (JAPN) is distributed by Foreside Fund Services, LLC ("Foreside"), Foreside is not affiliated with JAPN or Horizon Kinetics LLC or its subsidiaries.