



## **Horizon Kinetics Launches the Horizon Kinetics SPAC Active ETF (SPAQ) and the Horizon Kinetics Medical ETF (MEDX)**

January 30, 2023

Horizon Kinetics LLC today launched the Horizon Kinetics SPAC Active ETF (SPAQ) and the Horizon Kinetics Medical ETF (MEDX). SPAQ was converted from the Kinetics Alternative Income Mutual Fund, and MEDX from the Kinetics Medical Mutual Fund, as part of tax-free reorganizations effective after the close of business on January 27, 2023. Both ETFs now have substantially lower shareholder fees or expenses. Both are actively managed funds that began trading on NASDAQ today (January 30, 2023). Since its arrival into the active ETF space in early 2021, Horizon Kinetics, with \$8 billion in total assets, has launched 4 actively managed ETFs with \$1.3 billion in assets.



### **Horizon Kinetics SPAC Active ETF (SPAQ)**

SPAQ, an actively managed income replacement strategy that seeks to generate realized capital gains in excess of short-term interest rates, is managed by its sub-adviser, Ryan Heritage, LLP, an affiliate of Bulldog Investors (“Bulldog”). The team applies a value investment approach to identify opportunities to invest in special purpose acquisition companies (“SPACs”). Bulldog Investors has been researching and investing in SPACs for over 15 years. We believe SPACs offer an asymmetric risk/return profile if a deal is successfully orchestrated. . SPACs are an alternative to traditional IPOs for bringing private companies public, raising the capital first and then seeking an attractive operating private company to capitalize and bring public—either through acquisition or merger. The proceeds from a SPAC’s IPO are placed in a trust account where they are invested in short-term U.S. Treasury Bills. The funds in the trust account are returned with interest (1) if the sponsor is unable to complete a deal, or (2) if a deal is proposed and a shareholder elects to redeem its shares for the per share value of the trust account. If a deal is proposed, the sub-adviser does not plan to hold the SPAC investments beyond the close of the intended business combination, as investors would no longer have the right to redeem shares for the per-share cash value of the trust account.

“SPACs offer income-dependent investors a viable way forward. We believe SPAQ is a superior alternative for the risk averse investor who is dissatisfied with the interest rate offered on bank certificates of deposit with maturities of six months to two years,” said Phil Goldstein, Co-Portfolio Manager and Managing Partner of Ryan Heritage, LLP.

For more information about SPAQ, please visit <https://horizonkinetics.com/products/etf/spaq/>.



### **Horizon Kinetics Medical ETF (MEDX)**

MEDX maintains the same investment objective as the mutual fund did, and portfolio manager Paul Abel continues to actively employ a long-term perspective, seeking returns from both intrinsic valuation realization and scientific discovery. MEDX invests primarily in patented first line pharmaceuticals and biologics, products with characteristically high profit margins and significant barriers to entry. MEDX may also judiciously invest in public venture capital at the cutting-edge of advances in science, with the goal of participating in success mode without incurring undue portfolio risk.



“The past two decades have witnessed a dramatic improvement in the standard of care. One need only consider the new vocabulary that has been introduced: monoclonal antibody, Car T treatment, Immunotherapy, etc. Good science is good medicine during periods of market uncertainty,” said Paul Abel, Portfolio Manager at Horizon Kinetics. “Our pharmaceutical companies are lean and mean, with multi-billion dollar per year investment programs, while our biotechs are mature businesses. The distinction between the two has all but evaporated. To that end, we are pleased to announce the evolution of The Medical Fund into an actively managed ETF.”

For more information about MEDX, please visit <https://horizonkinetics.com/products/etf/medx/>.

### **About Horizon Kinetics LLC**

Horizon Kinetics LLC, formed in May 2011, is the consolidated parent company of Horizon Asset Management LLC (founded in 1994) and Kinetics Asset Management LLC (founded in 1996) and various affiliates. Horizon Kinetics is an independently owned and operated investment boutique that adheres to a long-term, contrarian, fundamental value investment philosophy that the founders established close to 30 years ago at Bankers Trust Company. Horizon Kinetics has over 70 employees and has primary offices in New York City, White Plains, NY and Summit, NJ. For more information about Horizon Kinetics, visit [www.horizonkinetics.com](http://www.horizonkinetics.com)

### **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.**

Horizon Kinetics Medical ETF (MEDX) and Horizon Kinetics SPAC Active ETF (SPAQ) are exchange traded funds (“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](http://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 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.

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