



## Horizon Kinetics Blockchain Development ETF

May 2025



# Why BCDF?

# BCDF – How We Invest



## A Prospective Approach to Blockchain Development

Blockchain is a nascent technology in the early stages of adoption. **Being “early” is perhaps the greatest driver of high-order returns in technology that is poised for broad adoption. The challenge is how to invest in new technology while considering both the valuation and the long-term survivorship risks.**

**Instead of focusing strictly on the first-movers or pure-plays—the traditional crowded, valuation-rich trade with historically low selection success rates—our Fund allocates to companies that appear best positioned to benefit from or incorporate valid use-cases of the technology over time: winner- and loser-indifferent business models.**

Determining the eventual victors of the blockchain age requires a deeper analysis than a simple binary allocation to pioneers and an avoidance of established firms. Some companies with very high future utilization prospects might currently generate only a small portion of their revenue from blockchain development—prime candidates to be overlooked and undervalued.

Our value bias and business-model-analysis approach drives our investments toward:

- High quality, profitable businesses that facilitate the development, utilization and maintenance of such technologies, as well as companies with the greatest potential to benefit from further adoption.
- Good business models within the greater blockchain ecosystem with exposure to the growth of the sector, and an avoidance of a binary win-or-lose posture. (like the **regulated financial exchanges and other natural croupiers** of the world)

KEY FACTORS	BCDF	
<b>Management Style:</b>	Active	
<b>Market Cap Focus:</b>	All Cap	
<b>Blockchain Exposure:</b>	Spot and Derivative Trading Custody and Asset Management Blockchain Data and Analysis Tokenization	
<b>Long Term Investment Drivers:</b>	Transaction Volume Digital Asset Adoption Blockchain Integration	
<b>Business Models:</b>	Exchanges  Defense Companies  Crypto Infrastructure	Asset Managers  Crypto ETPs  Other



# Business Models

## Blockchain Development Business Models

### Exchanges

Exchanges act as financial marketplaces, earning fees on trade volume, listings, and data on the assets they service. We believe these firms will be the primary beneficiaries of the movement towards blockchain and tokenization. These platforms can cast a wide net, able to benefit from the wide—and sometimes unpredictable—field of digital asset offerings. In success mode, adoption could meaningfully enhance the results of these businesses. If these companies fail to fully integrate blockchain-based digital assets into the business model, the exchanges will still be able to operate in their current capacities with little to no deterioration of their core business. Regulated exchanges exhibit a sound business model in their current iterations and a high level of optionality related to blockchain developments.

### Defense Companies

National defense spending has transitioned from heavy weaponry to information capture and analysis. Defense companies geared towards data and intelligence can benefit from the secular trends towards digitization, with blockchain-based initiatives providing a new focus for growth. Defense companies can utilize the information available through blockchains to track the exchange of digital assets across borders and monitor the dark web. Distributed ledgers provide a vast array of pseudo-anonymous information and history, which can be analyzed by companies with the technical expertise to interpret the flow of data. As blockchains become more prevalent, the opportunities to utilize and capture the associated data should grow as well.

### Asset Managers

Asset managers have already created traditional investment products that allocate capital to digital assets and cryptocurrencies. These firms have also been able to perform the reverse function: taking traditional investment products and tokenizing them onto blockchains. We believe all financial assets will eventually be tokenized, creating a system built on blockchain infrastructure and giving investors new opportunities to allocate and transfer capital.

### Crypto Infrastructure

Cryptocurrency mining companies package transactions and validate blockchains for specific cryptocurrencies. Over time, miners should be rewarded with a premium for their services, or the ability to harvest additional cryptocurrencies at a discount to the open market price. The self-equilibrating mechanisms governing the economics of proof-of-work cryptocurrencies lead us to believe that miners should be rewarded with a premium for their services. Well-managed miners may be able to continuously grow their balance of cryptocurrencies, in direct contrast to investment products that charge fees for exposure. Hosting companies operate data centers that house mining machines may be able to capture a portion of that premium as a necessary part of blockchain infrastructure. Land and power generation also play a pivotal role.

### Other

The flexibility of blockchains may present opportunities that fall outside of the distinct categories above. Nearly any asset can be tokenized through the use of blockchain technology, and use cases for efficient data capture, clearance, and settlement are nearly endless. We remain open to potential opportunities that fall outside of the business models mentioned above.

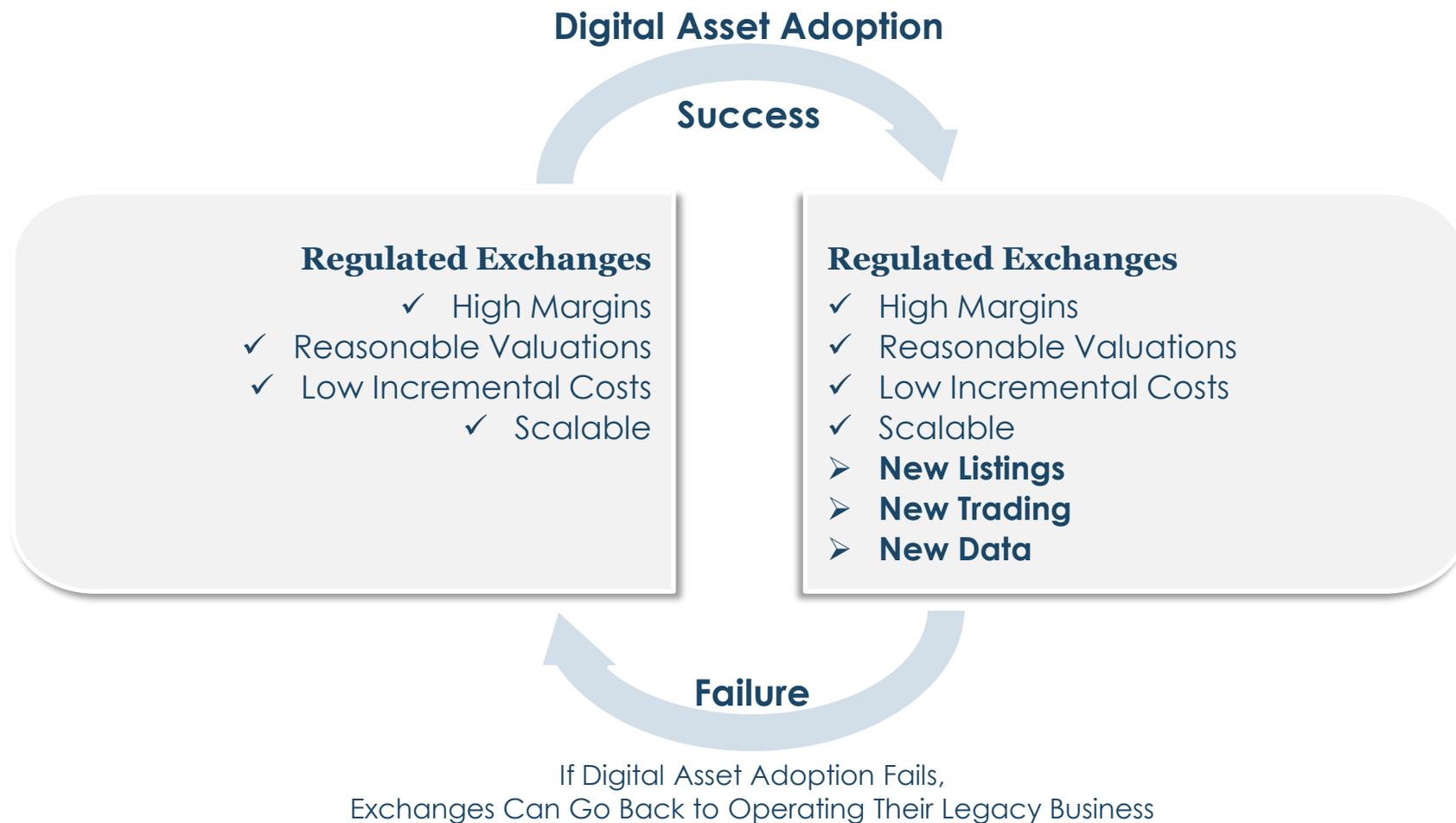
*\*Not all business models may be present in the Fund at a given time. Some may have larger representations in the Fund than others.*

# Securities (and Derivative) Exchanges



## Digital Assets as a New Product Line

A working premise of BCDF is that the regulated financial exchanges of the world are the natural gateway to widespread adoption of blockchain-based digital assets, providing fair, transparent platforms to facilitate trade for a new category of assets.



# Exchanges and Country Indices



## A Better Mouse Trap

Over the past 20 years, securities and derivative exchanges have outperformed the economies and major stock indexes of just about every nation, not just the U.S., to a remarkable degree.

For an exchange, it is not necessary that the companies comprising the stock indexes be profitable; nor that the stock and bond indexes provide a suitable total return; nor that the advisors who buy and sell those stocks or organize and manage the ETFs based on those stocks and bonds manifest robust growth or profitability.

The exchange will be robustly profitable anyway: as a croupier, it simply collects the fees for accessing and participating in the venue it operates. It is true that if trading volumes decline, there will be earnings leverage on the downside, just as there is on the upside. But unless there will be a permanent decline in activity, it will be merely interim cyclical.

Source: Bloomberg, FactSet, includes securities and derivatives exchanges above a \$100 million USD market cap with a 20-year track record, not all securities are constituents of BCDF

As of March 31, 2025 – 20-Year Total Return (USD)	Cumulative	Annualized
CME Group Inc	1245%	13.87%
S&P 500 Total Return Index	602%	10.23%
<b>Excess</b>	<b>643%</b>	<b>3.64%</b>
Nasdaq Inc	2541%	17.78%
S&P 500 Total Return Index	602%	10.23%
<b>Excess</b>	<b>1939%</b>	<b>7.55%</b>
Japan Exchange Group Inc	2512%	17.72%
Topix Total Return Index JPY	143%	4.55%
<b>Excess</b>	<b>2369%</b>	<b>13.17%</b>
Hong Kong Exchanges & Clearing Ltd	2979%	18.69%
Hang Seng Index	243%	6.35%
<b>Excess</b>	<b>2736%</b>	<b>12.34%</b>
London Stock Exchange Group PLC	2170%	16.90%
FTSE 100 Total Return Index GBP	153%	4.75%
<b>Excess</b>	<b>2018%</b>	<b>12.15%</b>
Deutsche Boerse AG	1302%	14.12%
DAX (TR) USD	324%	7.48%
<b>Excess</b>	<b>979%</b>	<b>6.63%</b>
Philippine Stock Exchange Inc/The Philippines Stock Exchange PSEi Index	954%	12.50%
	410%	8.49%
<b>Excess</b>	<b>544%</b>	<b>4.01%</b>
Singapore Exchange Ltd	1705%	15.56%
FTSE Straits Times Index	391%	8.28%
<b>Excess</b>	<b>1314%</b>	<b>7.28%</b>
ASX Ltd	791%	11.56%
SP ASX 200 Total Return Index	258%	6.59%
<b>Excess</b>	<b>533%</b>	<b>4.97%</b>
Bursa Malaysia Bhd	555%	9.85%
FTSE Bursa Malaysia KLCI Index - Kuala Lumpur Composite Index	213%	5.87%
<b>Excess</b>	<b>342%</b>	<b>3.98%</b>
NZX Ltd	1052%	13.00%
S&P/NZX 50 Total Return Index	221%	6.00%
<b>Excess</b>	<b>831%</b>	<b>7.00%</b>
Bolsa de Valores de Lima SAA	1201%	13.69%
S&P/BVL Peru General Total Return PEN Index	542%	9.75%
<b>Excess</b>	<b>659%</b>	<b>3.94%</b>
Hellenic Exchanges - Athens Stock Exchange SA	36%	1.53%
Athens Stock Exchange General Index	-21%	-1.20%
<b>Excess</b>	<b>57%</b>	<b>2.73%</b>

# How Early Are We?



## A Review of the Derivatives Markets

### Volume by Year

Asset Group ● Agriculture ● Currencies ● Energy ● Equity ● Interest Rates ● Metals ● Other



**Exchange-traded derivative volume has vastly outpaced nominal GDP growth in the United States. This is due to a combination of growth in core products and new offerings gaining traction over time.**

**Even if most new contracts are unsuccessful, exchanges have been able to bring over a substantial amount of new assets to regulated platforms for clients.**

# Exchanges and Digital Assets



## An Emerging Crypto Spot and Derivatives

Volume by Year

Asset Group ● Agriculture ● Currencies ● Energy ● Equity ● Interest Rates ● Metals ● Other



**This is the same chart with Bitcoin contracts highlighted. Bitcoin future contracts were launched in 2017 in the United States. It is still almost impossible to see the impact of these contracts, as they were only 0.4% of total exchange-traded derivative volume in 2024.**

**But the annualized growth rates? Over 100% for Bitcoin contracts versus a very impressive 14% for all exchange-traded contracts. We believe this is a tremendous opportunity for the platforms offering these contracts.**

# Blockchain, Exchanges, and Clearinghouses



## Notable Blockchain/Digital Asset Initiatives

**CME is planning to launch spot-quoted futures on June 30, 2025 for Bitcoin and Ether.** These contracts, which are similar to the perpetual futures contracts that are extremely popular in the crypto space, are the closest we've seen to spot trading of cryptocurrency assets on a regulated exchange in the United States. The company recently launched XRP futures as well.

### CME Group

CME also announced a pilot program for the tokenization of assets using the Google Cloud Universal Ledger. CME's CEO Terry Duffy believes this partnership "has the potential to deliver significant efficiencies for collateral, margin, settlement, and fee payments **as the world moves toward 24/7 trading.**"

### Intercontinental Exchange

**ICE has announced an agreement to explore using Circle's offerings (stablecoin and tokenized money market fund) to develop new products and solutions on ICE platforms.** If successful, this could further blur the line between traditional finance and decentralized finance, as acceptance of these assets for payment or collateral is acceptance of the legitimacy of these assets.

### DTCC

The DTCC has formed a digital asset arm and has been accelerating their digital asset initiatives. They recently announced their digital collateral management platform, an application on their DTCC AppChain. **This blockchain solution will likely allow for tokenized assets to be created and used as collateral,** and the DTCC believes this will offer greater efficiencies for market participants. (mobility, velocity, liquidity)

### Deutsche Börse

DB's Eurex Clearing, one of the leading central clearinghouses in Europe, has received a non-objection letter from its regulator BaFin **to offer distributed ledger technology-supported collateral solutions for clients in Q2 2025.** Additionally, DB announced that Clearstream (central securities depository) **will provide institutional clients access to crypto custody.**

### Singapore Exchange

SGX is planning to **offer perpetual bitcoin futures** to institutional and professional investors in 2025.

### Euroclear

Euroclear, a leading central securities depository in Europe, has partnered with Digital Asset to launch the first phase of its **tokenized collateral mobility initiative** on the Canton Global Collateral Network (GNC). The Canton Network is a permissioned blockchain with a focus on privacy and smart contract capabilities.

### LCH SA

LCH, one of the largest clearinghouses in the world and a subsidiary of London Stock Exchange Group, **has launched LCH DigitalAssetClear.** DigitalAssetClear is a segregated service for regulated clearing of cash-settled Bitcoin futures and options contracts traded on GFO-X

Source: Company press releases

### **High Free Cash Flow and Minimal Capital Reinvestment Needs**

Software and license assets are extremely scalable

### **Uncertainty Leads to Increased Volume**

Periods of increased volatility can lead to new hedging, speculation, and trading. Financial exchanges exhibit some countercyclical elements

### **Index/ETF Reconstitutions**

Benefit from trading associated with rebalancing and ETF creation/redemptions

### **Trading is Recycled into Data Products**

Data from trading is captured by the exchange and sold back to participants as information to support additional trading.

### **Potential for 24/5 or 24/7 Trading**

Capture additional volume from after-hours platforms without corresponding increase in cost



# Introduction to Blockchain

# An Introduction to Blockchain



## WHAT IS A BLOCKCHAIN?

- Blockchains are advanced databases, distributed and maintained across a network of participants. The term is derived from the process of recording transactions and tracking information contained within the database.
- Transactions are broadcast to peers, then validated and packaged into “Blocks” of data using cryptography.
- New blocks are posted to all participants and linked or chained to the previous block of transactions.
- Each block contains data from the prior block. Any attempt to alter previous transactions will change every block thereafter.
- Unauthorized changes are easily detectable by other participants. Without consensus agreement, the database is immutable.

## FEATURES OF BLOCKCHAIN TECHNOLOGY

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

At times, Blockchain Development Companies may be out of favor and underperform other industries or groups of industries or the market as a whole. Blockchain technology is new and many of its uses may be untested. Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user’s account (or “wallet”). The theft, loss, or destruction of these keys could adversely affect a user’s ownership claims over an asset or a company’s business or operations if it was dependent on the blockchain. The development and acceptance of competing platforms or technologies may cause consumers or investors to use an alternative to blockchains. Cybersecurity incidents may compromise an issuer, its operations, or its business. Digital assets that are represented and traded on a blockchain may not necessarily benefit from viable trading markets. Digital commodities and their associated platforms are largely unregulated, and the regulatory environment is rapidly evolving.

# What is Blockchain Technology Used For?



## The Addressable Market

### Transforming Real World Assets

Assets can become programmable, with automated execution of certain functions, rules, and procedures.

### New Digital Assets

Blockchain allows for the creation of new assets like cryptocurrencies, stablecoins, utility tokens, etc.

### Improving Logistics

Information can be more easily captured and analyzed by participants, with complete chain of custody.

## New Opportunities

There is an **entirely new asset class** in need of services for growth and support.

## New Efficiencies

Databases of traditional assets and information can be more accurate, faster, and tamper-proof.

# What is Blockchain Technology Used For?



Efficiencies and Opportunities

Capital Markets

Decentralized Finance (DeFi)

Digital Identity

Energy and Sustainability

Insurance

Finance

Global Trade and Commerce

Government and the Public Sector

Healthcare and Life Sciences

Law

Media and Entertainment

Real Estate

Retail Fashion and Luxury

Sports and Esports

Supply Chain Management

Information storage, communication, and veracity are important tenets of all businesses.

Hence, many industries can benefit from the incorporation of blockchain technology.

# Why Digital Assets?



New Opportunities

## Blockchain Integration



**Top Line** → New Investment Opportunities

**Bottom Line** → New Efficiencies Reducing Time and Cost

### Payment Stablecoins

American Bankers Association

Do no harm – **avoid negative economic impacts and bank disintermediation. Payment stablecoin has the potential to significantly disintermediate core commercial bank activity like deposit taking and lending.**

### Crypto Assets

International Monetary Fund

Directors agreed that crypto assets have implications for policies that lie at the core of the Fund's mandate. **In particular, the widespread adoption of crypto assets could undermine the effectiveness of monetary policy, circumvent capital flow management measures, and exacerbate fiscal risks.** Widespread adoption could also have significant implications for the international monetary system in the longer term.

In many cases, those who are seemingly critical certain blockchain initiatives provide the best explanation of the technology's inherent strengths.

# BCDF Overview



## A Prospective Approach to Blockchain Development

### FUND DESCRIPTION

#### Investment Objective:

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

#### Strategy:

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

#### Portfolio Managers:

Murray Stahl – 47 years of industry experience  
Steven Bregman – 40 years of industry experience  
Peter Doyle – 40 years of industry experience  
James Davolos – 20 years of industry experience  
Brandon Colavita – 11 years of industry experience

### FUND DETAILS

<b>Ticker/CUSIP</b>	BCDF/ 53656G209
<b>Inception Date</b>	August 1, 2022
<b>Expense Ratio</b>	0.85%
<b>Total Net Assets</b>	\$ 13.2 MM
<b>Index Tracked</b>	None (Active ETF)
<b>Distributor</b>	Foreside Fund Services, LLC
<b>Stock Exchange</b>	NYSE Arca

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.

### PERFORMANCE HISTORY

As of 3/31/2025	QTD	YTD	1-Year	Since Inception
Total Return % (Price) <sup>1</sup>	0.45	0.45	13.29	4.86
Total Return % (NAV)	0.44	0.44	14.17	4.79
S&P 500 TR	-4.27	-4.27	8.25	14.07
NASDAQ Composite Index	-10.26	-10.26	6.37	14.35

<sup>1</sup>8/1/2022 End-of-Day Price is based on NAV due to lack of transaction volume

### TOP 10 HOLDINGS

Total Top 10 (%)	
Cboe Global Markets Inc	6.6
TMX Group Ltd	6.2
Intercontinental Exchange Inc	6.2
Deutsche Boerse AG	5.5
Tradeweb Markets Inc	5.3
Urbana Corp	5.3
Nasdaq Inc	5.1
London Stock Exchange Group PLC	4.7
Singapore Exchange Ltd	4.6
Landbridge Co LLC	4.0

Holdings are subject to change without notice

# 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 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.

## **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).

## **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.

## **James Davolos**

*Portfolio Manager*

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

## **Brandon Colavita, CFA®**

*Portfolio Manager*

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

## **Alun Williams**

*Chief Operating Officer*

Alun joined Horizon Kinetics 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 the Company. Prior to 2009, Alun was at Goldman Sachs where he was the head of GSAM Operations Salt Lake City. He 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. He is also a member of the Board of Directors and the President of CMSC (Consensus Mining & Seigniorage Corp.) and a member of the Board of Directors of the Horizon Kinetics ICAV, a regulated UCITS fund. Alun received a BSc in Business Administration from Bath University, England.

## **Jay Kesslen**

*General Counsel, Managing Director*

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

## **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.

## **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.

## **Chris Bell**

*Managing Director, National Sales Manager*

Chris joined the Firm in 2001 and currently serves as National Sales Manager, where he is responsible for a national wholesaling team that primarily focuses on the distribution to advisors of the Kinetics Mutual Funds, SMAs and Private Funds. Chris is the FINOP and a Principal of KBD Securities, an affiliate of Horizon Kinetics, LLC. Prior to joining the Firm, Chris was employed by Howard Investment Management as a Director, overseeing institutional and retail sales. From 1998 through 2001, Chris served as an investment advisor with Du Pasquier & Co, Inc., in Paris, France. From 1997 through 1998, he was President of USEXPAT Consulting, a French investment adviser where he had discretionary management responsibility. Chris also held advisor positions with Janney Montgomery Scott and First Albany Corporation. Chris serves as Board President of the Norwalk Symphony Orchestra in Norwalk, CT. Chris received a BA from Old Dominion University in 1984 and is a Certified Financial Planner.

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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 <https://horizonkinetics.com/products/etf/bcdf/#resources>. Read it carefully before investing.***

**FUND RISKS:** Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and may trade at a discount or premium to NAV. Shares are not individually redeemable from the Fund and may only be acquired or redeemed from the fund in creation units.

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

**Equity Market Risk.** The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. **Emerging Markets Risk.** The Fund may invest in companies organized in emerging market nations. Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, currency fluctuations or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. **Non-Diversification Risk.** The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund.

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

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