



HORIZON KINETICS ENERGY & REMEDIATION ETF

FACT-BASED SOLUTIONS TO POWERING THE GLOBE

Firm Overview



Strategy and Client Type Overview

Firmwide Assets Under Management¹

\$8.0 B

Separately Managed Accounts²

\$3.8 B

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

Kinetics Mutual Funds and Active ETF³

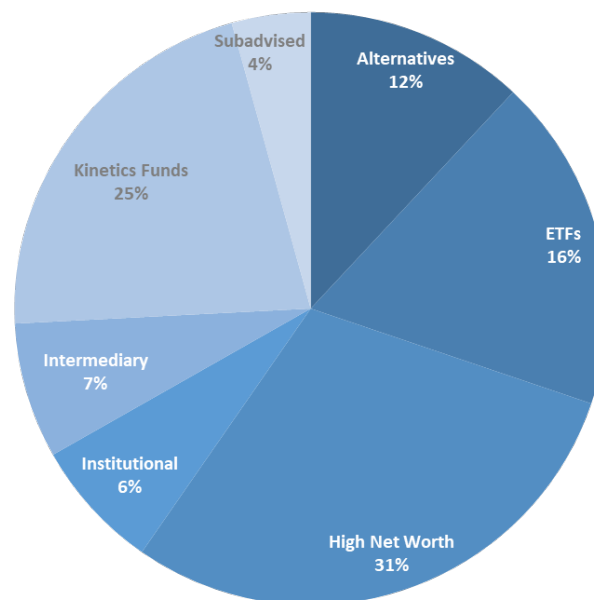
\$3.2 B

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

Alternative Investments*

\$1.0 B

Client Assets by Type¹



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

¹AUM and client type as of 12/31/2022

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

³Kinetics 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.

⁴Includes 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.

Energy & Remediation Fund (NVIR)



Investment Focus and Strategy

A broad
acknowledgement
that **carbon-based
energy is absolutely
necessary for a
successful energy
transition** in the
foreseeable future



**FACT-BASED
SOLUTIONS TO
POWERING
THE GLOBE**

A further
recognition that **critical
technologies exist that
can**, until other sources
are created,
remediate the release
of carbon into the
atmosphere

A Realistic Assessment of the Energy Landscape

Carbon-Based Energy is Necessary for the Foreseeable Future

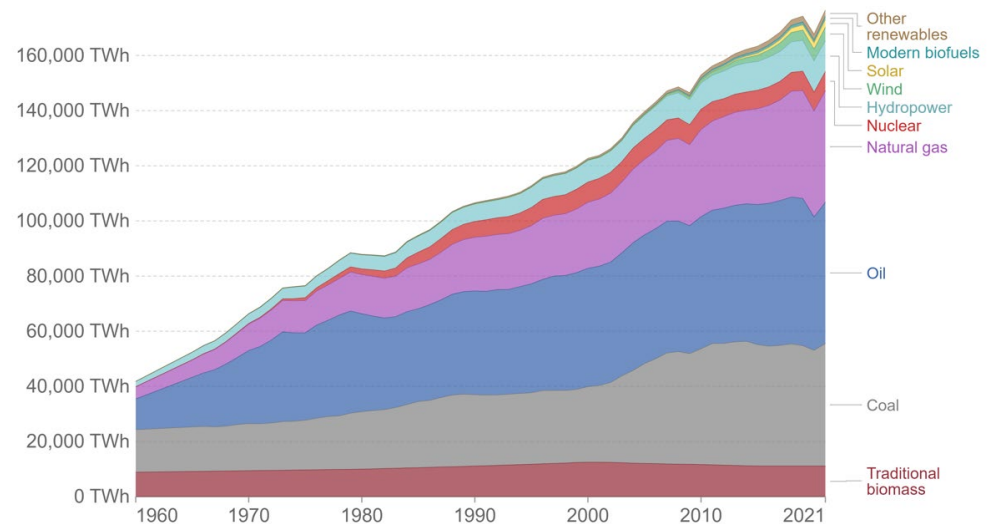
On a global basis, “renewable” energy remains a very small percentage of total energy use.

All of the global technological and quality of life progress that's taken place in the past two and a half centuries, with the start of the industrial revolution, rests on carbon based fuels.

The energy transition cannot be successful without enormously greater volumes of necessary rare-earth mineral elements. Their extraction currently entails the use of fossil fuels.

Global primary energy consumption by source

Primary energy is calculated based on the 'substitution method' which takes account of the inefficiencies in fossil fuel production by converting non-fossil energy into the energy inputs required if they had the same conversion losses as fossil fuels.



Source: Our World in Data based on Vaclav Smil (2017) and BP Statistical Review of World Energy

OurWorldInData.org/energy • CC BY

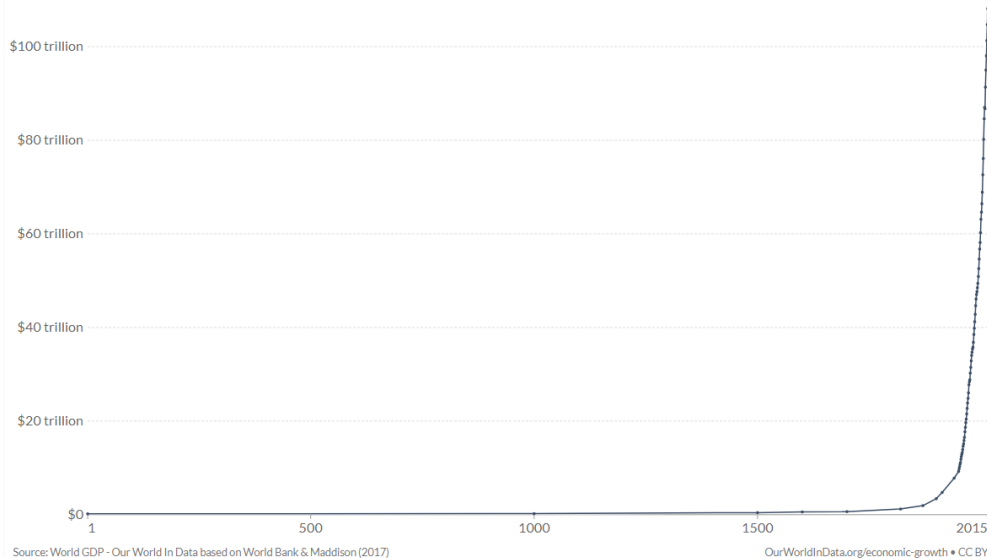
Energy and GDP

Energy allows humanity to flourish

World GDP over the last two millennia

Total output of the world economy; adjusted for inflation and expressed in international-\$ in 2011 prices.

[LINEAR](#) [LOG](#) [Relative change](#)

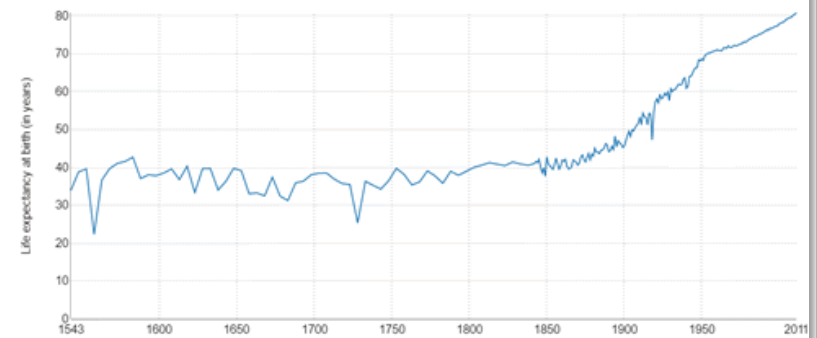


World GDP did not change much until circa 1850, which coincides with the explosive increase in industrialization and a doubling of life expectancy—all enabled by readily available and energy-dense fossil fuels. It can be tracked by the parallel increase in energy production worldwide .

Life expectancy, 1543 to 2011

Life expectancy at birth is the average number of years a child born would live if current mortality patterns were to stay the same. Shown is life expectancy at birth for both genders.

[United Kingdom](#)



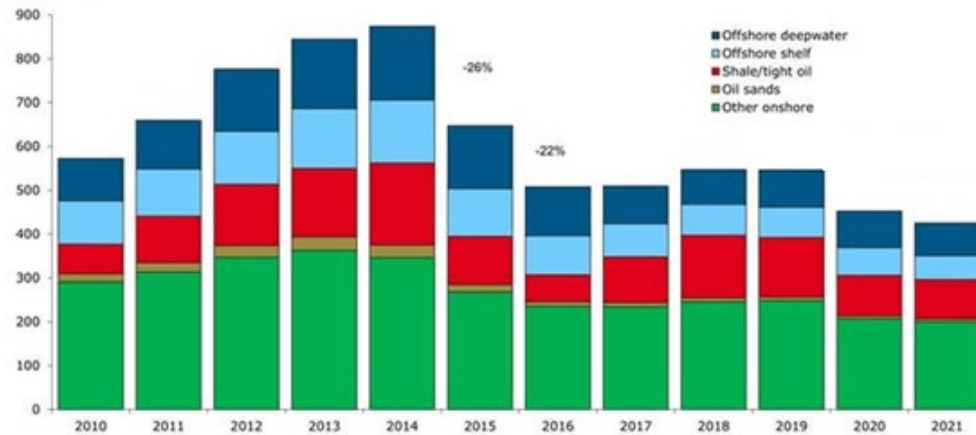
Data obtained from: Clio Infa (life expectancy both genders)
The author Max Roser licensed this visualization under a CC BY-SA license. You are welcome to share but please refer to its source where you can find more information.
OurWorldInData.org/life-expectancy/

Energy Underinvestment

Chronic Underspending on Reserves Replacement

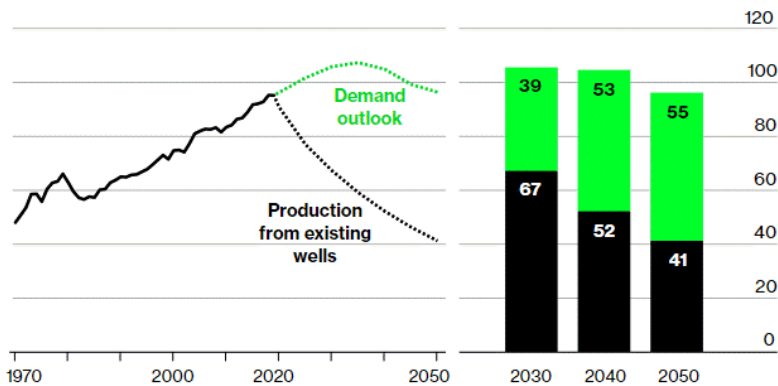
Years of Underinvestment

Global E&P investments by supply segment
Billion USD



Source: Rystad Energy UCube

Global oil production, million barrels per day



Source: BloombergNEF

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.

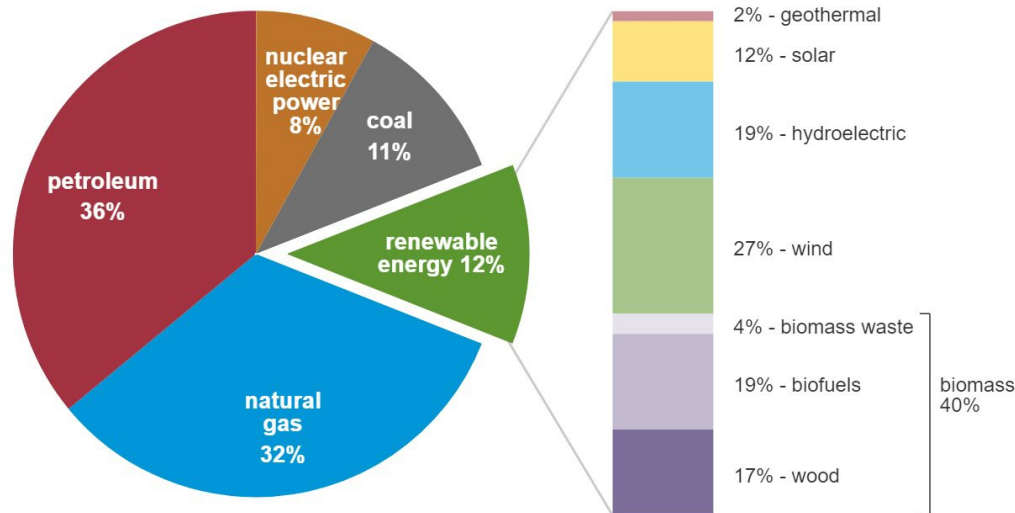
Energy Consumption

How Has Demand Actually Behaved?

U.S. primary energy consumption by energy source, 2021

total = 97.33 quadrillion
British thermal units (Btu)

total = 12.16 quadrillion Btu



Data source: U.S. Energy Information Administration, *Monthly Energy Review*, Table 1.3 and 10.1, April 2022, preliminary data



Note: Sum of components may not equal 100% because of independent rounding.

Even in the United States, renewable energy is still a small percentage of total use (wind/solar 4.2%).

Partly, intermittent renewable energy requires some level of 'always-on' backup (fossil fuels or nuclear).

Partly, electricity is only a portion of a nation's energy consumption.

Energy Consumption – How Has Demand Actually Behaved?

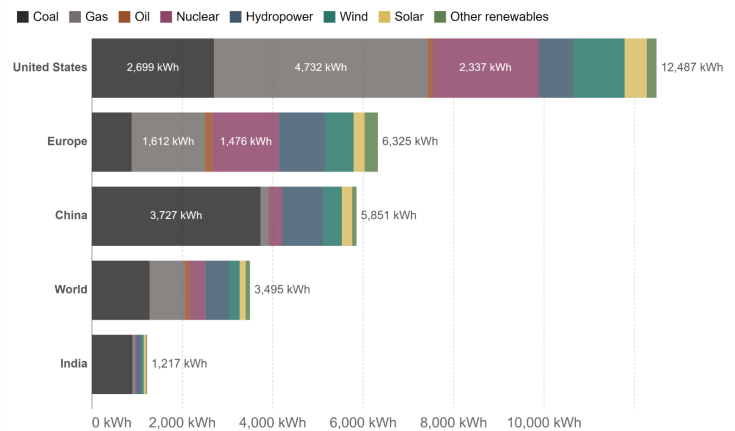
Demographically programmed rising global energy consumption

As standards of living rise and populations grow in less-developed nations, per-capita energy consumption will increase.

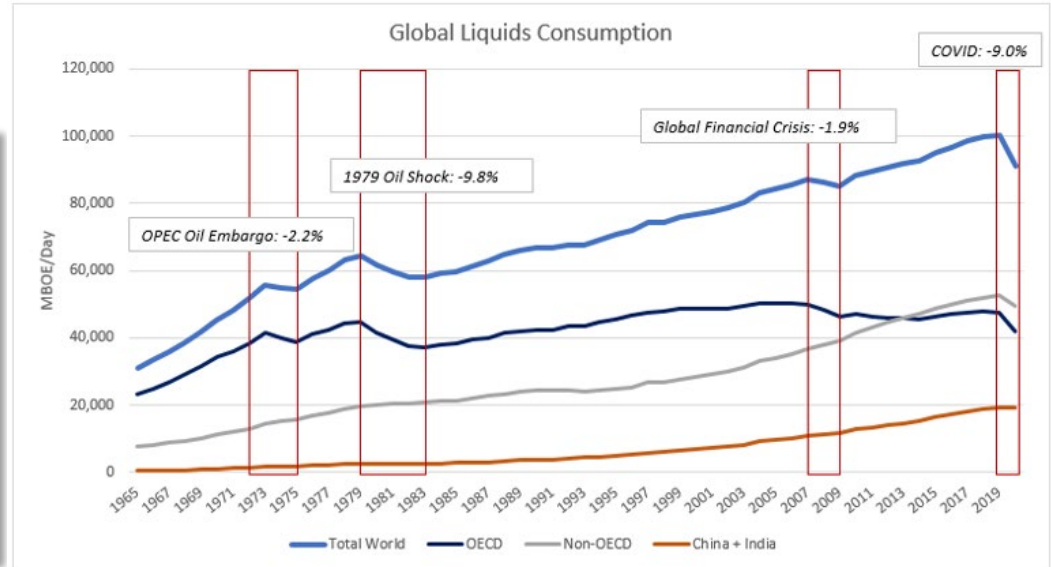
In 55 years, there were 4 instances of oil demand decline. Only one was a purely financial or economic event – the Global Financial Crisis. Notably, the combined oil and gas consumption of India and China did NOT decline during those periods.

Per Capita Electricity Consumption by Source

(2021)



Source: Our World in Data based on BP Statistical Review of World Energy & Ember



Source: BP Statistical Review www.bp.com. Horizon Kinetics.

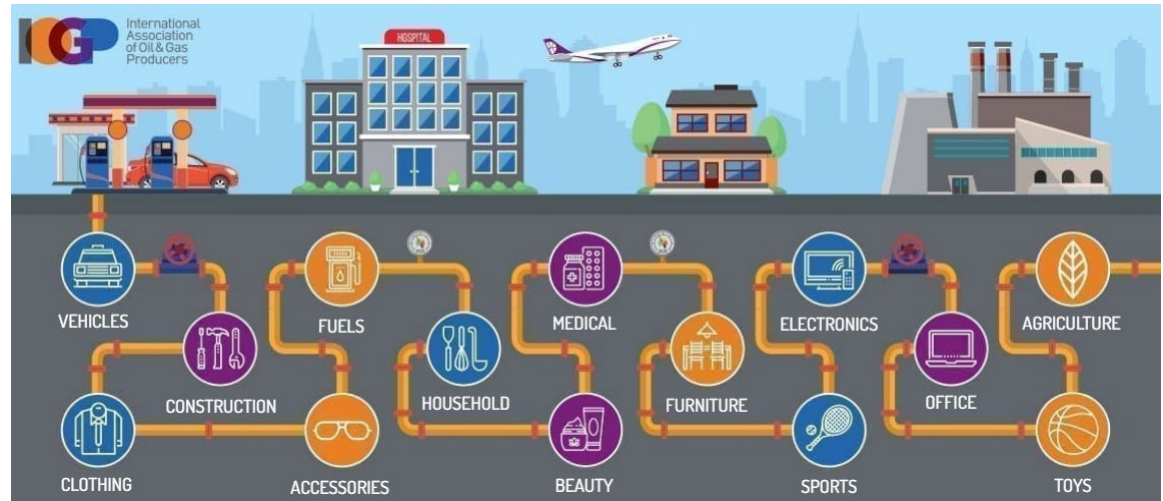
Energy Consumption - Hiding in Plain Sight

Oil in Everyday Life

Oil in Everyday Life: A partial list of products currently requiring carbon-based elements

Solvents	Tape	Heart Valves
Ink	Putty	Anesthetics
Upholstery	Roofing	Enamel
Tires	Adhesives	Dentures
Clothing	Rope	Lotions
Plastics	Dyes	Toothbrushes
Floor Wax	Linoleum	Crayons
Caulk	Candles	Golf Balls
Food Preservatives	Stockings	Aspirin
Antihistamines	Soap	Artificial Limbs
Cortisone	Rubbing Alcohol	Shaving Cream
Wax	Epoxy	Fertilizer
Nail Polish	Insect Repellent	Ammonia
Deodorant	Lipstick	...
Antiseptics	Shampoo	...
Insecticides	Antifreeze	
Perfumes	Soft contact lenses	
Shoe Polish	Sunglasses	

Most public discussion and articles about carbon-based fuels ignore a vast array of underlying products. Not least among these is nitrogen based fertilizer. Though influenced by geography and crop, 40-50% of variable costs of cropping stem from energy. Likewise, and merely within the realm of food production, there would be no pesticides, upon which the crop yields of large scale farming could not be supported.

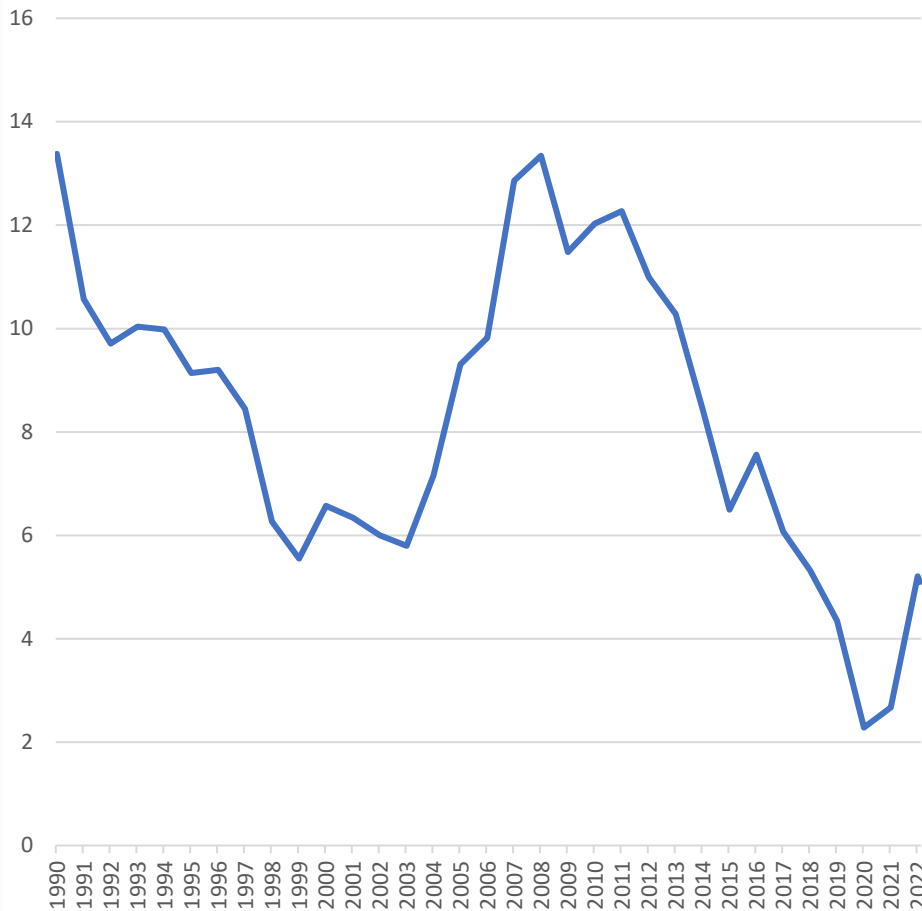


Energy Valuations

Historically Low and Still Below the Radar



S&P 500 Energy Sector Weight (%)



Source: Factset, Bloomberg, S&P Energy Select Sector Index. Data as of December 31, 2022.

Even conventional energy is still 'below the radar' as far as mainstream investment wisdom goes. After having doubled last year, the energy sector is merely 5% of the S&P 500.

The 10 Largest Energy Companies in the S&P 500 Energy Select Sector Index trade at a simple average P/E of 8.5x, or 9.0x on a weighted average basis. The remaining S&P Energy companies trade at an average P/E of 16.9x, which is overstated since it includes companies which are essentially transportation model utility companies.

With a changing narrative on hydrocarbon longevity, both earnings and P/Es could increase greatly.

The Environmental Social and Governance (ESG) movement—the pressure for active divestiture by institutional investors—has contributed to the lower valuations, as have the declining capital expenditure budgets, which have resulted in declining reserves and reduced production and a higher price for oil and gas.

Remediation is Quintessential to the Energy Transition



Reality Check: Existing Remediation Technology

There already exist critical constructive technologies that can remediate atmospheric carbon release and satisfy these needs in the most environmentally benign manner. Some examples:

- 1) Liquified Petroleum Gas (LPG) Fracturing**
- 2) Carbon Dioxide Capture and Sequestration**
- 3) Minimization of carbon emissions from fracking**
- 4) Provision of Water Gathering, Wastewater Treatment & Recycling of Used Water for Fracking**
- 5) Solar and Wind Powered Drilling Equipment**
- 6) Electricity (vs. diesel) Powered Oil Platforms and Fracking Engines**

As the marketplace begins to recognize this reality, companies producing “clean carbon” energy PLUS companies offering facilitating technology for a realistic energy transition over the coming decades may see significant growth.

FACT-BASED SOLUTIONS TO POWERING THE GLOBE



Carbon-based energy is necessary for the foreseeable future *and* essential to support the multi-decade energy transition.

Exposure to companies that produce carbon-based energy, particularly via the passive-business-model royalty companies: not merely a value-oriented growth opportunity, but also a hedge against the financial market impact of a rising price curve for the keystone commodity in every industrialized economy.



Critical technologies that can remediate atmospheric carbon release and satisfy these needs in the most environmentally benign manner.

Identification of existing and developing environmental remediation and “clean” carbon-based solutions. These include water recycling, oil rig electrification, flare gas capture, solar/wind powered drilling, and carbon sequestration, among others. The scale of future growth potential merits close attention by long-term investors

Why NVIR?

Fact-based Solutions to Powering the Globe



A hedge against commodity-scarcity based energy price shocks and portfolio impact



Hydrocarbons will continue to provide most of the world's energy needs for decades to come – a view that is not yet mainstream nor, therefore, priced into energy stocks



Demographically programmed rising global energy consumption, as standards of living rise and populations grow in less-developed nations



Counterbalances fossil fuel exposure with companies already engaged in environmentally constructive remediation solutions to support ongoing hydrocarbon production and the energy transition



Optionality to future innovative remediation technologies to facilitate a realistic energy transition over the coming decades. Successful solutions necessarily entail global-scale expansion.

A dynamic balance between hydrocarbon production and environmental remediation to recognize that access to plentiful energy benefits everyone

NVIR Overview



Horizon Kinetics Energy & Remediation ETF

FUND DESCRIPTION

Strategy:

The ETF invests primarily in the equity securities of domestic and foreign companies expected to benefit, either directly or indirectly, from the increasing focus on climate change and environmentally sensitive carbon-based energy production. A great many businesses will not.

The Fund employs a dual, reality-based mandate: (1) companies that produce carbon-based energy positioned to benefit from long-term global demand growth and developing structural supply insufficiency, and (2) remediation companies with existing and/or developing technologies that can alleviate the negative environmental impacts derived from the production and consumption of hydrocarbons.

Portfolio Managers:

Peter Doyle – 38 years of experience

Fredrik Tjernstrom, CFA® – 29 years of experience

Steven Tuen, CFA® – 34 years of experience

FUND DETAILS

Ticker/CUSIP	NVIR / 53656G514
Inception Date	February 21, 2023 (Tentative)
Expense Ratio	0.85%
Index Tracked	None (Active ETF)
Issuer	Foreside Fund Services, LLC
Stock Exchange	NYSE Arca

Portfolio Management Team



Bios

Peter Doyle

Managing Director, President of Kinetics Mutual Funds, Inc., Co-Founder

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 subgroup teams. Peter received a BS from St. John's University and an MBA from Fordham University.

Fredrik Tjernstrom, CFA®

Portfolio Analyst

Fredrik joined the Firm in 1998 and has responsibilities in both portfolio management and research. He is a Co-Portfolio Manager for several private funds and institutional separate accounts, and authors research reports produced by the Firm. Previously, he was the Director of Research for Brokerage Research Services, an independent research provider which he co-founded. Fredrik has a BSc in Electrical Engineering from Växjö University, Sweden, an MBA with a concentration in Finance and an MSc in Information Systems from Hawaii Pacific University. He also attended Harvard University for parts of his graduate work. Fredrik is a CFA® charter holder.

Steven Tuen, CFA®

Portfolio Manager, Research Analyst

Steven joined the Firm in 1996 and has responsibilities in both portfolio management and research. He is a Co-Portfolio Manager for the Global Fund and is responsible for conducting and authoring research. Steven's research responsibilities include coverage of equity and fixed income securities, with particular emphasis on high yield securities. Previously, Steven spent seven years with Bankers Trust Company as a Portfolio Manager in the Private Client Group, serving high net worth individual and trust accounts. He received a Bachelor's of Business Administration from Baruch College – City University of New York. Steven is a CFA® charter holder and a member of the CFA Institute as well as the New York Society of Security Analysts.

Contact Information



Offices:

New York, NY

*470 Park Avenue South
New York, NY 10016*

White Plains, NY

*1 North Lexington Avenue
White Plains, NY 10601*

Summit, NJ

*25 Deforest Avenue
Summit, NJ 07901*

Telephone:

646.495.7334

Fax:

646.495.0078

Email:

NVIR@horizonkinetics.com

Website(s)

www.horizonkineticsetf.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 visiting www.usglobaletfs.com. Read it carefully before investing.

While the Fund has an effective registration with the Securities Exchange Commission, it is not available for trading until 2/22/2022.

Definitions: A **P/E ratio or price to earnings ratio** is one of the most widely used stock analysis tools by which investors and analysts determine stock valuation. ESG investing is defined as utilizing environmental, social, and governance (ESG) criteria as a set of standards for a company's operations that socially conscious investors use to screen potential investments. The S&P 500 Energy Select Sector Index comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

FUND RISKS: The Horizon Kinetics Energy & Remediation ETF (Symbol: NVIR) 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 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.

Energy Sector Risk. The Fund's investments are exposed to issuers conducting business in the Energy Sector, including energy, industrial, infrastructure, and logistics companies, and is therefore susceptible to the adverse economic, environmental, business, regulatory, or other occurrences affecting the Energy Sector. Companies in the Crude Petroleum and Natural Gas Industry are affected by specific risks, including, among others, fluctuations in commodity prices; reduced consumer demand for commodities such as oil, natural gas, or petroleum products; reduced availability of natural gas or other commodities for transporting, processing, storing, or delivering; slowdowns in new construction; extreme weather or other natural disasters; and threats of attack by terrorists on energy assets. Additionally, Crude Petroleum and Natural Gas Industry companies are subject to substantial government regulation and changes in the regulatory environment for energy companies may adversely impact their profitability.

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. You may obtain additional information about HKAM at our website at www.horizonkinetics.com.

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 Energy & Remediation ETF (Symbol: NVIR) is distributed by Foreside Fund Services, LLC ("Foreside"). Foreside is not affiliated with NVIR or Horizon Kinetics LLC or its subsidiaries.