



Horizon Kinetics Launches Energy & Remediation Exchange Traded Fund (NVIR)

February 22, 2023

Horizon Kinetics LLC today launched the Energy & Remediation ETF (NVIR), an actively managed fund that began trading on the New York Stock Exchange (NYSE) today (February 22, 2023).

This active ETF applies the same proprietary research-driven philosophy – long-term, fundamentals-based and value-oriented – that has differentiated Horizon Kinetics’ other products for nearly 30 years. This fund is unique in that it has a dual, reality-based mandate. Acknowledging the existing and growing demand for carbon-based energy, a portion of the portfolio will own fundamentally attractive, carbon-based energy companies. The second portion of the portfolio will be comprised of remediation companies that employ existing technology that allows carbon-based energy to be generated in a more environmentally sensible manner. Innovative technologies in this “clean energy” space are being developed at a rapid pace. As they are brought online, NVIR will purchase them when warranted by their valuation.

NVIR will strike a careful balance between addressing the current and growing global energy needs and participating in existing remediation technology as well as innovation in the environmentally-focused space. Until new power sources and technological solutions come to fruition at scale, it will be critical to reduce and remediate atmospheric carbon emissions and satisfy the world’s energy needs in the most environmentally benign manner possible.

Ultimately, the Fund’s objective is to maintain a dynamic, fundamental research-based balance between hydrocarbon production and environmental remediation, recognizing that access to economically viable and plentiful energy to power the globe benefits everyone.

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

“Particularly given the events of the last year, the investment philosophy of the fund should resonate with a broad range of investors,” said Fredrik Tjernstrom, Co-Portfolio Manager and Research Analyst at Horizon Kinetics. “Today, it is more readily observable that the world, in terms of energy, faces structural supply/demand challenges that are not easily, certainly not rapidly, fixed. And it has become obvious that energy is a strategic asset, even as a matter of national security, since some countries can and do use energy exports as a weapon.

Yet, there is still a disconnect between the pure geological and engineering realities of the energy transition and perception. The world simply cannot quit fossil fuels cold, so to speak; there will be, and there already are the beginnings of, a process. The Fund will try to separate ‘spin’ from factual analysis, between what people think is going on and what is actually going on. Ultimately, the laws of physics can’t be denied. That’s a great obstacle to the process of phasing out, or at least meaningfully reducing dependence upon fossil fuels.”

“This Fund will have two distinct elements or functional sectors,” added Steven Tuen, Co-Portfolio Manager and Research Analyst at Horizon Kinetics. “The first is an exposure to fossil fuel producers: primarily, and importantly, royalty companies that own the land on which the exploration and production companies operate. Royalty companies act as toll roads, simply collecting fees for any activity on their



land, such as drilling wells, pipelines and access roads. Yet they come with very little operating, balance sheet, or regulatory risk. In some cases, they also earn royalties from drillers using locally-sourced water.

“The other element of the Fund is companies that provide environmentally constructive solutions to the first group. These can range from water recycling, oil rig electrification, flare gas capture, and solar/wind powered drilling, to carbon sequestration projects, among others. As time and reality unfold, both of these functional sectors are necessary, each supporting the other – for all of us.”

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 27 years ago at Bankers Trust Company. Horizon Kinetics has over 70 employees and has primary offices in New York City and White Plains, New York. For more information about Horizon Kinetics, visit 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.

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.

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