



Horizon Kinetics Blockchain Development ETF

Prepared in February 2024
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Total Addressable Market	US Wealth Management Platforms	Global 3rd Party Managed Assets	Global Wealth
Market Size	\$48.3 Trillion	\$126 Trillion	\$454 Trillion
% Assets Adding BTC Exposure	10%	10%	10%
<u>Avg % Allocation to BTC</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
BTC Market Inflows (est.)	\$48.3 Billion	\$126 Billion	\$454 Billion

Just a 0.10% allocation from US Wealth Management Platforms could add nearly **\$50 billion** to the Bitcoin market.

Source: Galaxy Digital, <https://www.galaxy.com/insights/research/sizing-the-market-for-a-bitcoin-etf/>

Data: McKinsey, UBS as of 12/31/22, Dakota (October 2023)

Digital Assets



The Bitcoin Halving

Halving Year	Reward	Blocks	Additional Supply
2009	50	210,000.00	10,500,000.00
2012	25	210,000.00	5,250,000.00
2016	12.5	210,000.00	2,625,000.00
2020	6.25	210,000.00	1,312,500.00
2024	3.125	210,000.00	656,250.00
2028	1.5625	210,000.00	328,125.00
2032	0.78125	210,000.00	164,062.50
2036	0.390625	210,000.00	82,031.25
2040	0.1953125	210,000.00	41,015.63
2044	0.09765625	210,000.00	20,507.81
2048	0.04882813	210,000.00	10,253.91
2052	0.02441406	210,000.00	5,126.95
2056	0.01220703	210,000.00	2,563.48
2060	0.00610352	210,000.00	1,281.74
2064	0.00305176	210,000.00	640.87
2068	0.00152588	210,000.00	320.43
2072	0.00076294	210,000.00	160.22
2076	0.00038147	210,000.00	80.11
2080	0.00019073	210,000.00	40.05
2084	0.00009537	210,000.00	20.03
2088	0.00004768	210,000.00	10.01
2092	0.00002384	210,000.00	5.01
2096	0.00001192	210,000.00	2.50
2100	0.00000596	210,000.00	1.25
2104	0.00000298	210,000.00	0.63
2108	0.00000149	210,000.00	0.31
2112	0.00000075	210,000.00	0.16
2116	0.00000037	210,000.00	0.08
2120	0.00000019	210,000.00	0.04
2124	0.00000009	210,000.00	0.02
2128	0.00000005	210,000.00	0.01
2132	0.00000002	210,000.00	0.00
2136	0.00000001	210,000.00	0.00
2140	0.00000000		0.00
Total Ending Supply:			21,000,000.00

Estimated

This is the entire projected history of Bitcoin Issuance.

The block reward is cut in half every 210,000 blocks, or about 4 years, until the last "satoshi" is mined.

This trend is predictable, transparent, and defined, yet completely ignored until it is perceived as a near-term catalyst.

The premise of digital scarcity may be known, but it is completely underappreciated by investors.

Tokenization

Some Updates



BLACKROCK Jan 24

ETFs were 'step one' in the financial revolution, 'step two' will be the tokenization of every financial asset

HSBC Nov 23

Plans launch of custody services for tokenized gold and interdealer tokenized gold trading

J.P.Morgan Oct 23

Launched Tokenized BlackRock Money Market Fund Shares as Collateral with Barclays through JPM's Tokenized Collateral Network (TCN)

Bank of England Aug 23

Hired Digital Currency team to plan and design a tokenized version of the Great Britain Pound (GBP)

VanEck Oct 23

Invests in L1 Advisors that is building the operating system of onchain wealth and asset management

abrdn Jun 23

Tokenizes UK money market fund on Hedera Hashgraph, utilizing Archax Tokenisation Engine (in whom Abrdn bought a minority stake in 2022)

Schroders Jun 23

Testing fund tokenization with Calastone under Singapore Monetary Authority's Project Guardian + strategic investment in Forteus to accelerate digital asset plans

FRANKLIN TEMPLETON Apr 23

Launched the OnChain U.S. Gov't Money Fund where recordkeeping is stored on proprietary blockchain-integrated system utilizing the Stellar network

T.RowePrice WELLINGTON MANAGEMENT Apr 23

Joined WisdomTree to participate on an Avalanche subnet to test blockchain-based foreign exchange and other institutional use cases

DWS Oct 22

Announces plans to launch "digital twin" funds and a Euro stablecoin

Hamilton Lane Oct 22

Hamilton Lane and Securitize to Tokenize Funds, Expanding Access to Private Markets for a Broader Set of Investors

KKR Sep 22

KKR makes its Health Care Strategic Growth Fund available on the Avalanche blockchain provided by Securitize

DTCC Digital Assets



Lending Gravitas to the Industry

The DTCC is helping bridge the gap between regulatory compliance and the robust offerings of blockchain-based digital assets.

Tokenization of private and public securities can help facilitate liquidity, authentication, creation, and issuance of capital.

Their Compliance Aware Token[®] Framework can be used to build tokenized assets in a compliant way.

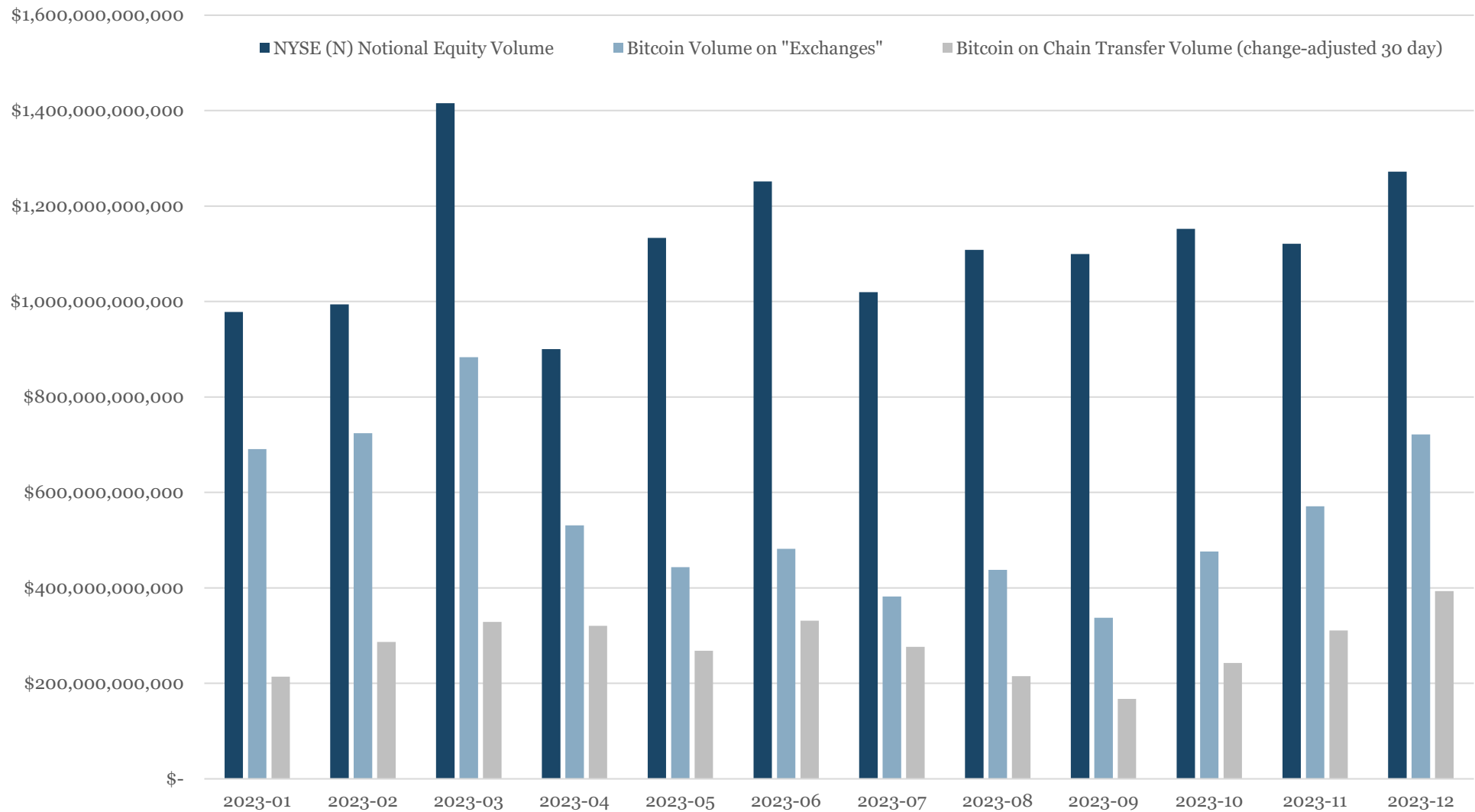


Source: DTCC

Bitcoin Volume



Bitcoin vs the NYSE



Source: Cboe, Coin Market Cap, Glassnode

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③ Building new business / Digital transformation – Creating a digital asset platform to serve institutional customers

Connecting our capabilities across the value chain and use cases



Executed in partnership with

Available today

Crypto Currency

- ✓ Brokerage
- ✓ Settlement and custody
- ✓ Cash Market ETNs/ ETPs
- ✓ Eurex Index futures and options on futures

Alternative assets / tokenised securities

- ✓ Structuring and tokenization
- ✓ Settlement and custody

Next to come ...

Crypto Currency
Multilateral Trading Facility

Global Securities Exchanges



Full-Cycle Volume Growth

Derivatives Volume During Adverse Events

Year	OCC Total Volume YoY Change	Nominal GDP YoY Change
2009	1.04%	-1.98%
2020	51.17%	-0.92%
2008	24.92%	2.04%
2016	-1.01%	2.79%
2001	7.50%	3.23%

Year	OCC Total Volume YoY Change	Corporate Profits YoY Change
2008	24.92%	-20.69%
1982	25.50%	-16.29%
2001	7.50%	-8.76%
1986	24.17%	-7.93%
1998	14.84%	-7.62%

Year	OCC Total Volume YoY Change	CPI YoY Change
1979	12.29%	13.25%
1980	50.52%	12.35%
1978	44.39%	8.99%
1981	13.11%	8.91%
2021	31.96%	7.19%

Year	OCC Total Volume YoY Change	VIX Spike (Absolute Change)
2008	24.92%	15.2
2020	51.17%	13.9
2022	4.50%	6.0
1997	20.02%	5.9
2018	21.13%	5.5

Source: OCC, St. Louis Fed, VIX : Cboe Volatility Index, CPI: Consumer Price Index

Securities Exchange Attributes

As the “croupiers” for global financial transactions and risk control activity, exchanges can provide unparalleled participation in the overall expansion of trading activity, monetary inflation and even technological innovation.

Like a royalty company, a securities exchange is a form of **financial infrastructure**, participating in throughput without the capital investment, operating or financial risks that its customers take on.

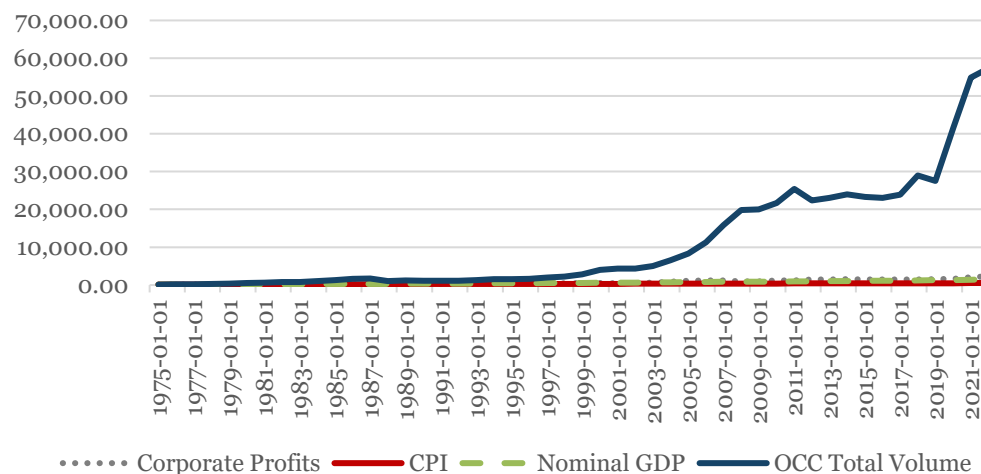
Leverage to Nominal Growth

Counter-cyclical Business Drivers

Exposure to **Digital Asset** Markets

“Financial Infrastructure”

Growth of 100 Since 1975



The Story Hasn't Changed

Digital Assets as a New Product Line

Digital Asset Adoption

Success

Securities Exchanges

- ✓ High Margins
- ✓ Reasonable Valuations
- ✓ Low Incremental Costs
 - ✓ Scalable

Securities Exchanges

- ✓ High Margins
- ✓ Reasonable Valuations
- ✓ Low Incremental Costs
- ✓ Scalable
- **New Listings**
- **New Trading**
- **New Data**

Failure

If Digital Asset Adoption Fails,
Exchanges Can Go Back to Operating Their Legacy
Business

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 – 45 years of industry experience
Steven Bregman – 38 years of industry experience
Peter Doyle – 38 years of industry experience
James Davolos – 18 years of industry experience
Brandon Colavita – 9 years of industry experience

FUND DETAILS

Ticker/CUSIP	BCDF/ 53656G209
Inception Date	August 1, 2022
Expense Ratio	0.85%
Total Net Assets	\$ 6.7 MM
Index Tracked	None (Active ETF)
Issuer	US Bank
Stock Exchange	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 12/31/2023	QTD	YTD	1-Year	Since Inception
Total Return % (Price) ¹	17.10	24.97	24.97	-1.17
Total Return % (NAV)	16.87	24.86	24.86	-1.41
NASDAQ Composite Index	13.79	44.64	44.64	15.67

¹8/1/2022 End-of-Day Price is based on NAV due to lack of transaction volume

TOP 10 HOLDINGS

Total Top 10 (%)	
DEUTSCHE BOERSE AG	6.3
CBOE GLOBAL MKTS INC	5.9
CACI INTL INC	5.7
INTERCONTINENTAL EXCHANGE INC	5.2
BAKKT HOLDINGS INC	5.1
LONDON STOCK EXCH	4.9
URBANA CORP CL A NON VTG	4.9
GALAXY DIGITAL HOLDINGS LTD	4.9
SCIENCE APPLICATIONS INTL CORP	4.7
TMX GROUP LTD	4.7

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 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.

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 frequent speaker at various industry events. He is also a member of several of the Firm's operating committees and is the Anti-Money Laundering Compliance Officer for the Firm's offshore private funds. Russ holds a BA in Legal Studies from Quinnipiac University (cum laude) and a JD from Albany Law School.

Jay Kesslen

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. Jay holds a BA in Economics from the State University of New York at Plattsburgh (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.

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 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 Blockchain Development ETF (Symbol: BCDF) 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.

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. **New Fund Risk.** The Fund is a recently organized investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision. **Cybersecurity Risk.** Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets or proprietary information, or cause the Fund, the Adviser, the Sub-Adviser and/or other service providers (including custodians and financial intermediaries) to suffer data breaches or data corruption.

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.

The Cboe Volatility Index (VIX) The VIX Index is recognized as the world's premier gauge of U.S. equity market volatility. (Cboe)

The Consumer Price Index (CPI) measures the change in prices paid by consumers for goods and services. (Bureau of Labor Statistics)

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