



June 12, 2017

Secretary Brent J. Fields  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Comments on File No. SR-NYSEArca-2017-06 (Release No. 34-79955)

Dear Mr. Fields:

Horizon Kinetics LLC ("HK") hereby submits to you the following comments in support of the proposed rule change by NYSE Arca, Inc. ("NYSEA") relating to the listing and trading of shares of the Bitcoin Investment Trust (the "BIT") under NYSE Arca Equities Rule 8.201.

HK is the parent company to Horizon Asset Management LLC, Kinetics Asset Management LLC, and Kinetics Advisers LLC, each an investment adviser ("Adviser") registered with the U.S. Securities and Exchange Commission. Through these wholly-owned subsidiary Advisers, HK has been managing investments for its clients in a value-oriented investment style via mutual funds, separately managed accounts and private investment funds for over twenty years and our co-founders have been managing client assets in the same value-oriented style for more than thirty years. Through its Advisers, HK is an investor in the BIT.

We believe there are several aspects of the BIT worth noting that distinguish it from the other proposed bitcoin-related investment products that were the subjects of recent denials by the SEC. As such, we believe the SEC should consider viewing NYSEA's proposed rule change relative to the BIT through a somewhat different lens than the preceding rule change proposals.

The BIT commenced operations, and began offering its shares to accredited investors through a private placement at net asset value, in September 2013. It listed its shares on OTCQX in May 2015 under ticker "GBTC" and its shares became available to retail investors at a market price through such listing. While the BIT's net asset value (i.e. bitcoin holdings per share) is calculated every day, as of the close on January 19, 2017 in conjunction with NYSEA's filing of the above referenced proposed rule change, it ceased offering its shares via private placement at net asset value and is currently only available for purchase at market. As of June 9, 2017 there were 1,868,700 shares of GBTC issued and outstanding. Its one-month average daily trading volume as of June 9, 2017 was just shy of 120,000 shares and its single day volume topped 448,000 shares on May 25, 2017. The BIT's assets under management as of June 9, 2017 was approximately \$490 million.

Since its listing on May 4, 2015 the BIT has consistently traded at a premium to its net asset value. Of the 531 trading days from its listing date through the close on June 9, 2017, its market price closed at a premium to its net asset value on 530 of those days, e.g. 99.8% of such days. Its average premium/discount in the same time period has been approximately +40%, its premium each day from May 25, 2017 through the close on June 9, 2017 has remained in excess of 70% and during a number of days recently, its premium has topped 130%. Stated differently, as of this writing, an investor who wishes



to obtain exposure to bitcoin through a U.S. exchange listed product must pay more than one and a half dollars for every one dollar of net asset value.

By comparison, of the 605 closed end funds currently available for purchase in the U.S. as of the date of this letter, only one currently has a premium in excess of 50%, and only seventeen currently have a premium in excess of 10%. Moreover, the average premium/discount of all 605 closed-end funds as of June 2, 2017 was -4.19%. Source: [www.cefa.com](http://www.cefa.com).

While the premium that investors are apparently willing to pay for GBTC may be attributable to a number of factors, one might reasonably conclude that the premium is at least partially the result of demand for access to bitcoin through a conventional mechanism.

The two other proposed products that were the subjects of recent denials by the SEC were just that: *proposed* products. The BIT is an existing product with a four year track record of operation.

We believe it would be appropriate and in the public interest to approve the proposed rule change by NYSEA in order to provide a mechanism through which investors may access a U.S. exchange listed bitcoin product offered at net asset value as opposed the present circumstance whereby access is afforded at only a substantial premium.

We thank you for the opportunity to comment on this matter.

Regards,

*/s/ Murray Stahl*

Murray Stahl  
Chairman, CEO, CIO  
Horizon Kinetics LLC

*/s/ Hugh Ross*

Hugh Ross  
COO  
Horizon Kinetics LLC