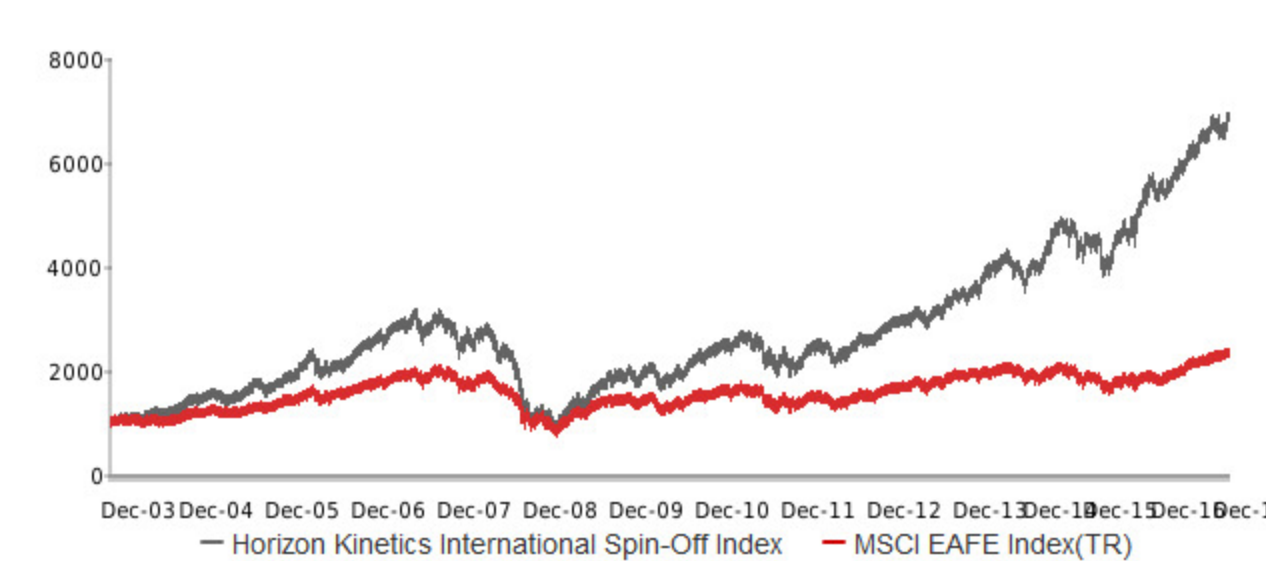


Horizon Kinetics International Spin-Off Index

Index Description

The Horizon Kinetics International Spin-Off Index provides a benchmark for investors interested in tracking the performance of Globally-listed, publicly-held spin-offs that are domiciled and trade in the Western Europe and Developed Asia. These securities generally result from large companies divesting small subsidiaries in a way that bypasses traditional analyst coverage, often resulting in a short-term valuation disconnect. In many cases, spin-off transactions may have the potential to unlock shareholder value that has been obscured by a dysfunctional corporate structure. While operating as a unit of a parent or holding company, for instance, a business unit may be subject to revenue targets and other corporate planning that incentivize short-term initiatives at the cost of long-term competitive advantage. These entities may also be saddled with excessive overhead costs from the parent organization, or cede control of their cash flow to the parent. Consequently, the true economics of the underlying business may be shrouded and even suppressed by the operations of larger business segments. A spin-off has the potential to enable management to make more rational long-term operational and financial decisions, and allows investors the freedom to invest in the portion of the business that they believe offers greater investment potential. The use of a spin-off strategy as a predictive index variable, appears to provide relative returns well in excess of the MSCI EAFE Index, while also providing diversification benefits, as measured by the correlation of their returns with those of the MSCI EAFE Index.

Performance Graph



Index Characteristics

Base Date	12/31/2003
No. of Constituents	23
Total Market Cap (\$ Mn)	141,305
Average Market Cap (\$ Mn)	6,144
Median Market Cap (\$ Mn)	3,224
Largest Constituent (\$ Mn)	32,305
Smallest Constituent (\$ Mn)	604

Sample 5 Constituents

Company Name	ISIN	Industry	Weight
Nilfisk Holding A/S	DK0060907293	Consumer Discretionary	5.15%
Idorsia Ltd	CH0363463438	Health Care	5.05%
Aker Solutions ASA	NO0010716582	Energy	4.75%
South32 Ltd	AU000000S320	Materials	4.63%
Indivior PLC	GB00BRS65X63	Health Care	4.62%

Risk & Return Statistics

Statistic	QTD	YTD	1 Year	3 Year	5 Year	Since Base Date
Annualized Return	1.30%	26.49%	26.49%	19.76%	19.89%	14.68%
Standard Deviation	-	-	6.95%	14.93%	14.23%	21.28%
Beta ¹	-	-	0.80	0.78	0.82	1.14
Correlation ¹	-	-	0.50	0.78	0.79	0.91

¹w.r.t. MSCI EAFE Index(TR)

Disclosures:

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The International Spin-Off Index contains back-tested performance, which is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes to indicate historical performance had the International Spin-Off Index been available over the relevant period. Actual performance may be materially lower than that of the International Spin-Off Index, as it does not include expenses and fees. Such results do not represent the impact that material economic and market factors might have on the investment adviser's decision making process if the adviser were actually managing client money. Back-tested performance also differs from actual performance because it is achieved through the retroactive application of portfolios designed with the benefit of hindsight. Horizon Kinetics generally employs the same methodology in its back-tested calculations as it does after officially launching the International Spin-Off Index. The information contained in this document is current as of the publication date, and is subject to change without notice. The International Spin-Off Index methodology is subject to change at the discretion of the index provider. Indxx, LLC does not accept responsibility for damages resulting from an error or omission in this document.

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