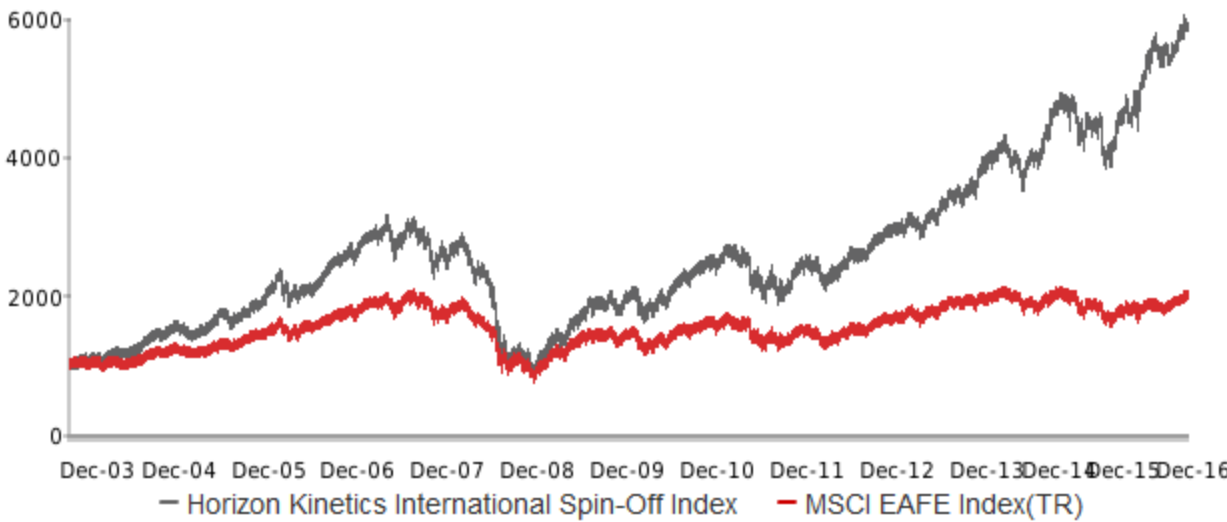


Horizon Kinetics International Spin-Off Index

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	18
Total Market Cap (\$ Mn)	86,816
Average Market Cap (\$ Mn)	4,823
Median Market Cap (\$ Mn)	2,814
Largest Constituent (\$ Mn)	25,599
Smallest Constituent (\$ Mn)	605

Sample 5 Constituents

Company Name	ISIN	Industry	Weight
Prothena Corp. Plc	IE00B91XRN20	Health Care	6.00%
Adient plc	IE00BD845X29	Consumer Discretionary	5.93%
Mallinckrodt Plc	IE00BBGT3753	Health Care	5.75%
Italgas Spa	IT0005211237	Utilities	5.75%
Allegion Plc	IE00BFRT3W74	Industrials	5.63%



Fundamentals

Price to Earnings Ratio*	28.41x
Price to Sales Ratio*	1.95x
Sharpe Ratio*	1.96
Dividend Yield*	1.27%
52 Week High/Low**	5979 / 4426

*Trailing 12 months data for current year portfolio

**Trailing 12 months

Market Cap Breakdown

Large Cap (> \$10 Bn)	10.98%
Mid Cap (\$2 Bn - \$10 Bn)	50.85%
Small Cap (\$0.1 Bn - \$2 Bn)	38.17%

Top 5 Industry Breakdown

Consumer Discretionary	22.14%
Industrials	22.10%
Health Care	17.33%
Financials	16.18%
Materials	11.19%

Risk & Return Statistics

Statistic	QTD	YTD	1 Year	3 Year	5 Year	Since Base Date
Annualized Return	8.07%	8.07%	27.29%	13.86%	18.76%	14.21%
Standard Deviation	-	-	12.73%	16.11%	15.52%	21.80%
Beta ¹	-	-	0.72	0.82	0.87	1.15
Correlation ¹	-	-	0.51	0.78	0.83	0.92

¹w.r.t. MSCI EAFE Index(TR)

Disclosures:

The Horizon Kinetics Spin-Off Index (the "Spin-Off Index") was created by Horizon Kinetics LLC ("Horizon Kinetics") in June 2013. Horizon Kinetics serves as parent holding company to registered investment advisors Horizon Asset Management LLC and Kinetics Asset Management LLC and various affiliated companies. Horizon Kinetics, its subsidiaries, and principals or employees may have positions in the securities contained in the Spin-Off Index. Past performance is not an indication of future results and the value of an investment may fluctuate over time. Indices are unmanaged and the figures shown herein do not reflect any investment management fees or transaction costs, which if included, would lower the overall returns. Investors cannot invest directly in an index. The information contained herein does not constitute investment advice and is not a solicitation to invest.

The 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 Spin-Off Index been available over the relevant period. Actual performance may be materially lower than that of the 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 Spin-Off Index. The information contained in this document is current as of the publication date, and is subject to change without notice. The 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.

Horizon Kinetics and its subsidiaries may receive compensation in connection with licensing the Spin-Off Index to third parties. Additionally, Horizon Kinetics or its subsidiaries may sponsor, endorse, sell, promote or manage investment funds or other vehicles that seek to provide an investment return that is based on the returns of the Spin-Off Index. There is no assurance that investment products based on the Spin-Off Index will accurately track the performance of or provide positive investment returns. This information should not be used as a general guide to investing or as a source of any specific investment recommendations, and makes no implied or expressed indications concerning the manner in which an account should or would be managed. Neither Horizon Kinetics, its affiliates or Indxx, LLC provide tax or legal advice to their clients and all prospective investors are strongly urged to consult with their tax and legal advisors regarding any potential strategy or investment. No part of this material may be copied, duplicated in any form or redistributed without the express written consent of Horizon Kinetics. ©