
THE SPIN-OFF REPORT COMPENDIUM

Table 4: Lithium Producers

| <i>(CAD and AUD in millions)</i> | <u>Mkt Cap</u> | <u>Cash</u> | Shareholders' <u>Equity</u> |
|----------------------------------|----------------|-------------|--------------------------------|
| Pilbara Minerals (PLS AU) | AUD 459 | AUD 80 | AUD 139 |
| Nemaska Lithium (NMX CN) | CAD 389 | CAD 56 | CAD 109 |
| Lithium Americas (LAC CN) | CAD 326 | CAD 8 | CAD 42 |
| Altura Mining (AJM AU) | AUD 216 | n/a | n/a |
| Lithium X Energy (LIX CN) | CAD 157 | CAD 14 | CAD 39 |
| Critical Elements (CRE CN) | CAD 101 | CAD 4 | CAD 17 |
| Neo Lithium (NLC CN) | CAD 106 | CAD 16 | CAD 17 |

Source: Company Reports, Bloomberg

Clearly, the new lithium firms are sufficiently small such that there is no reasonable prospect that they will alter the supply balance of lithium in the foreseeable future. Of course, if the price of lithium were to dramatically increase, anything is possible. Maybe they could raise a lot more money. There are other small firms engaged in this sector but that are not included in the table, one example being a Chinese company that trades on the Shanghai Stock Exchange, Jiangxi Ganfeng Lithium (002460 CH).

From an active manager's perspective, or even a hedge fund manager's perspective, the point is that one really can't analyze the Tesla situation, at least not deductively and not empirically, since we don't have empirical evidence. Neither can we analyze the lithium situation, because that depends upon the Tesla situation. Therefore, we can't analyze the potential competition from these small firms. True, they have very limited resources, but that might change; if the demand for lithium were sufficiently large, the market might well subsidize them.

We have a situation in which an industry is developing that is undeniably part of the economy and deserves, quite legitimately, to be represented in some index. But it is highly questionable whether or not it's a good idea to compare an active manager to such an index and, thereby, encourage the active manager to undertake investments in such securities. Is that really a good use of the manager's skill set? It is unlikely that many managers exist who have great and demonstrable expertise in electrical vehicles, or in the lithium producers sector, or in junior mining companies that aspire to one day become lithium producers.

This is only a short introduction to the subject. There is a lot to know about electric vehicle production and lithium. Most investors are unlikely to master the subject. Either these investors undertake the electric car and lithium investments, in which case one can easily see how error prone such an analysis is likely to be; or, one could avoid electric cars and lithium. The latter choice might be the more sensible, since the necessary expertise is outside most asset managers' circle of competence.

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Yet, lithium and Tesla are still in the index. The investment manager is still compared to this segment, and others as well. For example, the manager is no more likely to be an expert in biotechnology, and yet that industry is quite reasonably part of the index. The manager is not likely to be an expert in cloud computing, and yet that industry, too, is quite reasonably part of the index.

Managers can confine their activity to a narrow circle of competence, but then it is impossible to produce a diversified portfolio in the near universally accepted sense, and the manager is rejected simply because the portfolio being offered is not diversified. Also, there is not necessarily a good benchmark for a narrowly structured portfolio, even though it may well reflect the circle of competence of the manager. The problem is that the asset management industry is not well established enough to make use of the narrow competencies that the management firms actually possess.

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THE PROBLEM OF INDEX ANALYSIS

Given the large unfunded pension liabilities of various firms in the S&P 500, it should be obvious that a decline in capital markets—the bond and stock markets—impacts these companies by magnifying their pension obligations, which then affects individual securities. This in turn has an effect on the index.

There is a dangerous form of leverage in the index, and a paradox of the self-referential variety as well. Firms are trying to invest their way out of the underfunded liabilities by investing in indexes comprised of other firms that have underfunded liabilities.¹

One would imagine that if a company with an underfunded pension liability wished to invest in an equity index, it would wish to do so in an index composed of companies that have no underfunded pension obligations, because they would like to diversify away from what they actually are. But they cannot do so because of the structure of the index. Nor can the active managers do that for them, because the active managers are compared to the index of companies with the underfunded pension liabilities.

¹ See the Appendix for a table of the Funded Status of 100 Corporate Pension Funds.

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THE PROBLEM OF SECTOR WEIGHT

Does the sector weight actually reveal anything about sectoral risk exposure? If an individual suggests that the answer should be affirmative, that person would do well to reflect upon the following question: What is the energy weight of the iShares MSCI Saudi Arabia Capped ETF (KSA)?

As a technical matter, the answer is in the following information taken from the ETF's fact sheet.

Table 5: iShares MSCI Saudi Arabia Capped ETF (KSA)

| | <u>Weight</u> |
|------------------------|---------------|
| Finance | 36.20% |
| Materials | 32.86% |
| Telecommunications | 7.95% |
| Consumer Staples | 6.72% |
| Utilities | 4.34% |
| Health Care | 3.18% |
| Consumer Discretionary | 2.85% |
| Industrials | 2.34% |
| Real Estate | 1.83% |
| Energy | 0.68% |

Source: iShares

The fact sheet informs us that the energy weight of the Saudi Arabia ETF is substantially less than 1% of the index. But, in reality, could any of these firms survive, indeed, could even the Kingdom of Saudi Arabia survive without Aramco? Since Aramco is not publicly traded, it is not in the index. So, if one buys the Saudi Arabia ETF, is one actually avoiding energy exposure, because the energy weight is only 0.68%? That, it seems, is a legitimate question to ponder.

If the answer is that Saudi Arabia is clearly correlated with energy, for good or ill, then the fact that the sectoral weight is 68 basis points is irrelevant. If the 68 basis point energy sector weight is irrelevant, then so are all the other sector weights. Therefore, they are not really utilizable for analysis of what a larger sectoral exposure might be.

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Featured Companies

MSG NETWORKS INC. (MSGN)

MSG Networks has a \$1.79 billion market capitalization. This company was a spinoff from The Madison Square Garden Company in October 2015, in which the Dolan family retains a 69.6% voting interest in the company through Class B super voting shares.² It owns two regional sports networks, MSG Network, MSG Plus, and video on demand platform, MSG GO.

These networks broadcast the games of the New York Knicks, New York Rangers, New York Islanders, New Jersey Devils, Buffalo Sabres, New York Liberty (of the Women's Basketball Association), the New York Red Bulls (Major League Soccer), New York Giants, Buffalo Bills (National Football League), and the Westchester Knicks.

The company's revenue comes from distributors that pay for the right to carry the MSG programming, including DirecTV, Cablevision, and Charter Communications. There is also advertising revenue.

This business is not growing, and it has some modest cyclicity. However, the firm should be able to generate about \$250 million to \$275 million of operating income per year. The company carries about \$1.3 billion of debt, so that, after debt service of \$40 million per annum, and income taxes, MSG Networks will earn over \$145 million. It trades at about 12x earnings. This is arguably cheap; however, the profits probably won't grow or, if they do, it won't be by very much.

At present, the company cash flow is used primarily to repay debt. At the current rate, this might be accomplished in eight years. If the earnings remain constant and the company keeps paying off debt, in eight years it would have no debt. If this were accomplished, the company would save \$40 million annually of interest expense which, after taxes, adds another \$26 million of net profit. And absent any change in its enterprise value, the effacement of \$1.3 billion of debt should translate into that degree of equity market value increase; relative to a \$1.8 billion current market cap, that would be no small accomplishment.

Before the eight years elapse, MSG Networks will more likely sell itself to a much larger firm that can finance a deal entirely with debt, given the current low interest rates, and thereby pay a much higher multiple than the shares currently demand. Right now, the

² As of July 29, 2016, the Dolan family collectively owns all of the Class B common stock (entitled to ten votes per share and collectively to elect 75% of the board of directors), and approximately 2.4% of the outstanding Class A common (entitled to one vote per share and collectively to elect 25% of the board of directors). The family owns 69.9% of the total voting power of all outstanding common stock.

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It would no longer be an adequate excuse on the investment manager's part to say, "Well, you invested in the consumer sector, and that sector did poorly." The allocators who hire the specialist would not actually be looking for consumer investments; they would be looking for unique investments, because only a unique investment can provide the desired diversification. For example, the security should not behave like the consumer sector; it just happens to be *in* the consumer sector. Because, if it does behave like a typical consumer stock, then the investor might as well invest in that index: the specialist's stock might well be in the consumer sector, but the premise is that it will not behave like the average consumer stock. You want to have that investment because it is extraordinary. If it does not behave like the average consumer stock, yet it falls within the consumer sector, you have at least achieved diversification.

It would be the job of the manager to know that, given a sufficiently long period of time, one can ignore the fluctuations quarter-by-quarter or year-by-year. During, let's say, a five-year time period, sometimes it will be out of favor, sometimes not. The question to ask is, given a sufficiently long period of time, what sort of return can be produced, acknowledging that there might be some interim periods when the investment is out of favor. We will not worry about those fluctuations; we look for an absolute rate of return.

Therefore, whether it is out of favor or not is irrelevant. We are only looking at an investment that can provide diversification. If it cannot, then there is very little point in undertaking the investment. There is no point in saying, "Well, I made a consumer sector investment; it would have given 20% a year, but it did not because consumer stocks are out of favor." If the reason for undertaking an investment is for it to be judged relatively, then there would be no point in allocating to the specialist, since that faculty—the default faculty—would be available via a sector index fund. The specialist might have expertise in two, three, or four areas in an industry, a country, or anything.

Relative-return-benchmarked investments belong within the index realm. Unique investments belong within the active realm. The active manager's skill set should be used to discover unique investments, not pedestrian investments that behave more or less like the index, and with some good fortune, perhaps better and, with some bad fortune, perhaps worse.

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The Funded Status of Corporate Pension Funds

The largest corporate pension plans ranked by funding ratio (plan assets as a percentage of projected benefit obligation) as of Dec. 31, 2016, unless otherwise noted.

(USD in millions)

| Rank | Pension fund | Fair value of plan assets | Benefit obligation | Funded Status | Funded Status as % of PBO | Market Cap | Deficit to Market Cap | Ticker |
|------|-------------------------|---------------------------|--------------------|---------------|---------------------------|------------|-----------------------|---------|
| 1 | NextEra Energy | \$3,651 | \$2,474 | \$1,177 | 147.6% | \$63,179 | 1.9% | NEE US |
| 2 | BB&T | \$5,044 | \$3,939 | \$1,105 | 128.1% | \$35,489 | 3.1% | BBT US |
| 3 | Bank of America | \$18,239 | \$14,982 | \$3,257 | 121.7% | \$238,447 | 1.4% | BAC US |
| 4 | J.P. Morgan Chase | \$14,272 | \$12,216 | \$2,056 | 116.8% | \$309,449 | 0.7% | JPM US |
| 5 | BNY Mellon | \$4,906 | \$4,274 | \$632 | 114.8% | \$49,581 | 1.3% | BK US |
| 6 | Nokia | \$23,472 | \$20,823 | \$2,649 | 112.7% | \$35,775 | 7.4% | NOK US |
| 7 | Duke Energy | \$8,531 | \$8,131 | \$400 | 104.9% | \$58,034 | 0.7% | DUK US |
| 8 | WestRock Co.1 | \$4,302 | \$4,232 | \$70 | 101.6% | \$13,675 | 0.5% | WRK US |
| 9 | PNC Financial Services | \$4,617 | \$4,547 | \$70 | 101.5% | \$59,849 | 0.1% | PNC US |
| 10 | Target2 | \$3,785 | \$3,760 | \$25 | 100.7% | \$31,607 | 0.1% | TGT US |
| 11 | Travelers | \$3,387 | \$3,367 | \$20 | 100.6% | \$33,812 | 0.1% | TRV US |
| 12 | Prudential Financial | \$12,861 | \$12,917 | (\$56) | 99.6% | \$46,444 | -0.1% | PRU US |
| 13 | J.C. Penney2 | \$3,455 | \$3,473 | (\$18) | 99.5% | \$1,688 | -1.1% | JCP US |
| 14 | IBM | \$51,405 | \$52,218 | (\$813) | 98.4% | \$143,771 | -0.6% | IBM US |
| 15 | Aetna | \$5,914 | \$6,032 | (\$118) | 98.0% | \$46,955 | -0.3% | AET US |
| 16 | Macy's2 | \$3,374 | \$3,469 | (\$95) | 97.3% | \$8,750 | -1.1% | M US |
| 17 | Honeywell International | \$16,814 | \$17,414 | (\$600) | 96.6% | \$99,965 | -0.6% | HON US |
| 18 | American Electric Power | \$4,827 | \$5,086 | (\$259) | 94.9% | \$33,304 | -0.8% | AEP US |
| 19 | Goodyear Tire & Rubber | \$4,972 | \$5,285 | (\$313) | 94.1% | \$8,876 | -3.5% | GT US |
| 20 | Wells Fargo | \$10,120 | \$10,774 | (\$654) | 93.9% | \$275,052 | -0.2% | WFC US |
| 21 | Southern Co. | \$11,583 | \$12,385 | (\$802) | 93.5% | \$49,791 | -1.6% | SO US |
| 22 | Eastman Kodak | \$3,653 | \$3,908 | (\$255) | 93.5% | \$448 | -56.9% | KODK US |
| 23 | Citigroup | \$12,363 | \$13,271 | (\$908) | 93.2% | \$166,572 | -0.5% | C US |
| 24 | Kraft Heinz | \$4,788 | \$5,157 | (\$369) | 92.8% | \$108,954 | -0.3% | KHC US |
| 25 | Morgan Stanley (MS) | \$3,431 | \$3,711 | (\$280) | 92.5% | \$79,578 | -0.4% | MS US |
| 26 | Ford | \$41,252 | \$44,936 | (\$3,684) | 91.8% | \$44,320 | -8.3% | F US |
| 27 | Union Pacific | \$3,748 | \$4,110 | (\$362) | 91.2% | \$88,834 | -0.4% | UNP US |
| 28 | Bristol-Myers Squibb | \$5,831 | \$6,440 | (\$609) | 90.5% | \$90,510 | -0.7% | BMJ US |
| 29 | Merck | \$9,766 | \$10,849 | (\$1,083) | 90.0% | \$175,485 | -0.6% | MRK US |
| 30 | PSEG | \$5,193 | \$5,772 | (\$579) | 90.0% | \$22,066 | -2.6% | PEG US |
| 31 | Altria | \$7,475 | \$8,312 | (\$837) | 89.9% | \$136,587 | -0.6% | MO US |
| 32 | General Motors | \$61,622 | \$68,827 | (\$7,205) | 89.5% | \$51,265 | -14.1% | GM US |
| 33 | Coca-Cola | \$8,371 | \$9,428 | (\$1,057) | 88.8% | \$187,523 | -0.6% | KO US |
| 34 | Abbott Labs | \$7,542 | \$8,517 | (\$975) | 88.6% | \$77,532 | -1.3% | ABT US |
| 35 | Consolidated Edison | \$12,472 | \$14,095 | (\$1,623) | 88.5% | \$24,244 | -6.7% | ED US |
| 36 | U.S. Steel | \$5,482 | \$6,214 | (\$732) | 88.2% | \$3,724 | -19.7% | X US |
| 37 | Emerson Electric1 | \$4,110 | \$4,696 | (\$586) | 87.5% | \$37,779 | -1.6% | EMR US |
| 38 | United Technologies | \$30,555 | \$34,923 | (\$4,368) | 87.5% | \$97,013 | -4.5% | UTX US |
| 39 | 3M | \$14,081 | \$16,202 | (\$2,121) | 86.9% | \$118,642 | -1.8% | MMM US |
| 40 | PepsiCo | \$11,458 | \$13,192 | (\$1,734) | 86.9% | \$161,735 | -1.1% | PEP US |
| 41 | Dominion Resources | \$7,016 | \$8,132 | (\$1,116) | 86.3% | \$49,394 | -2.3% | D US |
| 42 | Textron | \$6,874 | \$7,991 | (\$1,117) | 86.0% | \$12,498 | -8.9% | TXT US |
| 43 | General Mills3 | \$5,540 | \$6,449 | (\$909) | 85.9% | \$33,070 | -2.7% | GIS US |
| 44 | Allstate | \$5,650 | \$6,591 | (\$941) | 85.7% | \$30,900 | -3.0% | ALL US |
| 45 | Schlumberger | \$3,625 | \$4,240 | (\$615) | 85.5% | \$100,348 | -0.6% | SLB US |
| 46 | PG&E | \$14,729 | \$17,305 | (\$2,576) | 85.1% | \$34,222 | -7.5% | PCG US |

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| Rank | Pension fund | Fair value of plan assets | Benefit obligation | Funded Status | Funded Status as % of PBO | Market Cap | Deficit to Market Cap | Ticker |
|------|-------------------------------|---------------------------|--------------------|---------------|---------------------------|------------|-----------------------|---------|
| 47 | Deere4 | \$11,137 | \$13,086 | (\$1,949) | 85.1% | \$35,851 | -5.4% | DE US |
| 48 | Reynolds American | \$5,648 | \$6,674 | (\$1,026) | 84.6% | \$92,594 | -1.1% | RAI US |
| 49 | Ameren | \$3,813 | \$4,518 | (\$705) | 84.4% | \$13,255 | -5.3% | AEE US |
| 50 | Johnson & Johnson | \$23,633 | \$28,116 | (\$4,483) | 84.1% | \$332,015 | -1.4% | JNJ US |
| 51 | HP4 | \$10,176 | \$12,144 | (\$1,968) | 83.8% | \$32,649 | -6.0% | HPQ US |
| 52 | MetLife | \$9,164 | \$10,960 | (\$1,796) | 83.6% | \$57,089 | -3.1% | MET US |
| 53 | The Hartford | \$4,678 | \$5,650 | (\$972) | 82.8% | \$18,137 | -5.4% | HIG US |
| 54 | Weyerhaeuser | \$5,351 | \$6,469 | (\$1,118) | 82.7% | \$25,069 | -4.5% | WY US |
| 55 | FedEx5 | \$24,271 | \$29,602 | (\$5,331) | 82.0% | \$51,098 | -10.4% | FDX US |
| 56 | CenturyLink | \$10,892 | \$13,301 | (\$2,409) | 81.9% | \$13,611 | -17.7% | CTL US |
| 57 | Eli Lilly | \$10,180 | \$12,456 | (\$2,276) | 81.7% | \$89,008 | -2.6% | LLY US |
| 58 | Cigna | \$3,977 | \$4,888 | (\$911) | 81.4% | \$4,410 | -2.2% | CI US |
| 59 | Huntington Ingalls Industries | \$4,911 | \$6,050 | (\$1,139) | 81.2% | \$8,988 | -12.7% | HII US |
| 60 | Pfizer | \$12,556 | \$15,547 | (\$2,991) | 80.8% | \$199,199 | -1.5% | PFE US |
| 61 | Northrop Grumman | \$24,384 | \$30,409 | (\$6,025) | 80.2% | \$43,493 | -13.9% | NOC US |
| 62 | Exelon | \$16,791 | \$21,060 | (\$4,269) | 79.7% | \$31,717 | -13.5% | EXC US |
| 63 | PPL | \$3,243 | \$4,079 | (\$836) | 79.5% | \$26,340 | -3.2% | PPL US |
| 64 | Edison International | \$3,388 | \$4,284 | (\$896) | 79.1% | \$25,935 | -3.5% | EIX US |
| 65 | Johnson Controls1 | \$3,293 | \$4,169 | (\$876) | 79.0% | \$39,419 | -2.2% | JCI US |
| 66 | Baxter International | \$4,501 | \$5,717 | (\$1,216) | 78.7% | \$30,282 | -4.0% | BAX US |
| 67 | Eversource Energy | \$4,076 | \$5,242 | (\$1,166) | 77.8% | \$18,937 | -6.2% | ES US |
| 68 | AIG | \$3,843 | \$4,948 | (\$1,105) | 77.7% | \$57,324 | -1.9% | AIG US |
| 69 | DTE Energy | \$4,012 | \$5,171 | (\$1,159) | 77.6% | \$18,744 | -6.2% | DTE US |
| 70 | UPS | \$31,215 | \$41,069 | (\$9,854) | 76.0% | \$93,302 | -10.6% | UPS US |
| 71 | AT&T | \$42,610 | \$56,183 | (\$13,573) | 75.8% | \$237,128 | -5.7% | T US |
| 72 | ConAgra3 | \$2,959 | \$3,903 | (\$944) | 75.8% | \$16,020 | -5.9% | CAG US |
| 73 | International Paper | \$10,312 | \$13,683 | (\$3,371) | 75.4% | \$21,859 | -15.4% | IP US |
| 74 | U.S. Bancorp | \$3,769 | \$5,073 | (\$1,304) | 74.3% | \$87,635 | -1.5% | USB US |
| 75 | Marsh & McLennan | \$4,365 | \$5,894 | (\$1,529) | 74.1% | \$38,110 | -4.0% | MMC US |
| 76 | Boeing | \$56,692 | \$76,745 | (\$20,053) | 73.9% | \$112,278 | -17.9% | BA US |
| 77 | Sysco6 | \$3,115 | \$4,285 | (\$1,170) | 72.7% | \$29,658 | -3.9% | SYU US |
| 78 | Entergy | \$5,171 | \$7,143 | (\$1,971) | 72.4% | \$13,844 | -14.2% | ETR US |
| 79 | Raytheon | \$18,605 | \$25,787 | (\$7,182) | 72.1% | \$46,461 | -15.5% | RTN US |
| 80 | Chevron | \$9,550 | \$13,271 | (\$3,721) | 72.0% | \$202,112 | -1.8% | CVX US |
| 81 | Walt Disney7 | \$10,401 | \$14,480 | (\$4,079) | 71.8% | \$176,183 | -2.3% | DIS US |
| 82 | Dow Chemical | \$21,208 | \$30,280 | (\$9,072) | 70.0% | \$76,198 | -11.9% | DOW US |
| 83 | Caterpillar | \$11,354 | \$16,218 | (\$4,864) | 70.0% | \$58,545 | -8.3% | CAT US |
| 84 | Lockheed Martin. | \$31,417 | \$45,064 | (\$13,647) | 69.7% | \$78,873 | -17.3% | LMT US |
| 85 | CBS | \$3,244 | \$4,660 | (\$1,416) | 69.6% | \$25,758 | -5.5% | CBS US |
| 86 | Verizon Communications | \$14,663 | \$21,112 | (\$6,449) | 69.5% | \$190,221 | -3.4% | VZ US |
| 87 | Unisys | \$3,452 | \$4,972 | (\$1,520) | 69.4% | \$606 | -250.7% | UIS US |
| 88 | Sears2 | \$3,567 | \$5,165 | (\$1,598) | 69.1% | \$1,130 | -141.4% | SHLD US |
| 89 | General Dynamics | \$8,980 | \$13,022 | (\$4,042) | 69.0% | \$59,230 | -6.8% | GD US |
| 90 | Motorola Solutions | \$3,195 | \$4,644 | (\$1,449) | 68.8% | \$13,664 | -10.6% | MSI US |
| 91 | DuPont | \$16,656 | \$24,831 | (\$8,175) | 67.1% | \$69,588 | -11.7% | DD US |
| 92 | Sempra Energy | \$2,459 | \$3,679 | (\$1,220) | 66.8% | \$28,053 | -4.3% | SRE US |
| 93 | Arconic | \$4,666 | \$7,026 | (\$2,360) | 66.4% | \$11,938 | -19.8% | ARNC US |

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|------|-----------------------------|---------------------------|--------------------|-------------------|---------------------------|------------|-----------------------|--------|
| 94 | Harris Corp.8 | \$4,273 | \$6,471 | (\$2,198) | 66.0% | \$13,167 | -16.7% | HRS US |
| 95 | FirstEnergy | \$6,213 | \$9,426 | (\$3,213) | 65.9% | \$12,895 | -24.9% | FE US |
| 96 | General Electric | \$45,893 | \$71,501 | (\$25,608) | 64.2% | \$252,443 | -10.1% | GE US |
| 97 | Exxon Mobil | \$12,793 | \$19,960 | (\$7,167) | 64.1% | \$351,227 | -2.0% | XOM US |
| 98 | United Continental Holdings | \$3,355 | \$5,253 | (\$1,898) | 63.9% | \$23,583 | -8.0% | UAL US |
| 99 | American Airlines | \$10,017 | \$17,238 | (\$7,221) | 58.1% | \$22,137 | -32.6% | AAL US |
| 100 | Delta Air Lines | \$10,301 | \$20,859 | (\$10,558) | 49.4% | \$35,713 | -29.6% | DAL US |
| | TOTALS/AVERAGES | \$635,100 | \$688,041 | (\$52,940) | 92.30% | | | |
| | AVERAGE FOR 2016 | | | | 84.90% | | | |
| | AVERAGE FOR 2015 | | | | 85.10% | | | |
| | AVERAGE FOR 2014 | | | | 85.70% | | | |

Notes: 1 Data are as of Sept. 30, 2016; 2 Data are as of Jan. 28, 2017; 3 Data are as of May 29, 2016; 4 Data are as of Oct. 31, 2016; 5 Data are as of May 31, 2016; 6 Data are as of July 2, 2016; 7 Data are as of Oct. 1, 2016; 8 Data are as of July 1, 2016.

Source: Pensions&Investments, *Low discount rates take toll on largest corporate DB plans*, Trilbe Wynne, April 17, 2017, www.pionline.com; Company reports; Bloomberg

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WEALTH INDEX (Ticker: RCH Index)

As of March 31, 2017

| <u>Annualized Total Return</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|--------------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| Wealth Index | 22.09% | 6.49% | 11.74% | 13.62% | 10.07% | 11.17% | 11.11% | 12.84% |
| S&P 500 | 17.17% | 10.37% | 13.30% | 12.94% | 7.51% | 7.09% | 7.86% | 10.05% |
| S&P 500 Eq. Wgt. | 17.45% | 9.59% | 14.02% | 13.63% | 8.69% | 9.35% | 10.20% | 12.14% |
| Russell 3000 | 18.07% | 9.76% | 13.18% | 12.89% | 7.54% | 7.44% | 8.11% | 10.27% |
| Russell 2000 | 26.22% | 7.22% | 12.35% | 12.27% | 7.12% | 8.38% | 8.67% | 10.89% |

| | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|-------|-------|-------|-------|
| Excess Return vs. S&P 500 | 4.92% | -3.88% | -1.56% | 0.68% | 2.56% | 4.08% | 3.25% | 2.79% |
| Excess Return vs. S&P 500 Eq. Wgt. | 4.64% | -3.10% | -2.28% | -0.01% | 1.38% | 1.82% | 0.91% | 0.69% |
| Excess Return vs. Russell 3000 | 4.02% | -3.26% | -1.44% | 0.73% | 2.53% | 3.74% | 3.00% | 2.57% |
| Excess Return vs. Russell 2000 | -4.13% | -0.72% | -0.61% | 1.35% | 2.95% | 2.79% | 2.44% | 1.94% |

*Note: Calculated Using Total Returns

| <u>Risk Adjusted Return</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|-----------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| Wealth Index | 2.08 | 0.47 | 0.88 | 0.88 | 0.49 | 0.58 | 0.50 | 0.63 |
| S&P 500 | 2.75 | 1.00 | 1.30 | 1.04 | 0.49 | 0.49 | 0.52 | 0.71 |
| S&P 500 Eq. Wgt. | 2.41 | 0.88 | 1.29 | 1.00 | 0.48 | 0.55 | 0.60 | 0.77 |
| Russell 3000 | 2.69 | 0.91 | 1.26 | 1.00 | 0.48 | 0.50 | 0.52 | 0.71 |
| Russell 2000 | 2.00 | 0.46 | 0.86 | 0.71 | 0.35 | 0.44 | 0.43 | 0.58 |

*Note: Calculated As Annualized Total Return Divided By Annualized Total Return Volatility (Uses Monthly Total Returns)

| <u>Information Ratio</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|-----------------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| Wealth Index vs. S&P 500 | 0.61 | (0.57) | (0.25) | 0.11 | 0.29 | 0.48 | 0.31 | 0.28 |
| Wealth Index vs. S&P 500 Eq. Wgt. | 0.77 | (0.42) | (0.50) | (0.00) | 0.25 | 0.32 | 0.09 | 0.08 |
| Wealth Index vs. Russell 3000 | 0.55 | (0.57) | (0.27) | 0.14 | 0.32 | 0.48 | 0.31 | 0.28 |
| Wealth Index vs. Russell 2000 | (0.63) | (0.11) | (0.11) | 0.22 | 0.39 | 0.36 | 0.22 | 0.19 |

*Note: Calculated As Annualized Excess Total Return Divided By Annualized Excess Total Return Volatility (Uses Monthly Excess Total Returns)

| <u>Wealth Index Rolling Average</u> | <u>Roll 1 Year</u> | <u>Roll 3 Year</u> | <u>Roll 5 Year</u> |
|-------------------------------------|--------------------|--------------------|--------------------|
| vs. S&P 500 | 56.91% | 63.57% | 67.19% |
| vs. S&P 500 Eq. Wgt. | 54.28% | 56.43% | 57.03% |
| vs. Russell 3000 | 59.21% | 63.57% | 72.27% |
| vs. Russell 2000 | 57.89% | 67.50% | 73.83% |

*Note: Calculated Using Total Returns

| <u>Annualized Volatility</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|------------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| Wealth Index | 10.62% | 13.82% | 13.32% | 15.47% | 20.56% | 19.39% | 22.05% | 20.28% |
| S&P 500 | 6.24% | 10.41% | 10.20% | 12.44% | 15.30% | 14.33% | 15.22% | 14.24% |
| S&P 500 Eq. Wgt. | 7.23% | 10.92% | 10.85% | 13.66% | 17.96% | 16.92% | 17.02% | 15.79% |
| Russell 3000 | 6.73% | 10.71% | 10.45% | 12.89% | 15.83% | 14.73% | 15.54% | 14.49% |
| Russell 2000 | 13.09% | 15.68% | 14.36% | 17.17% | 20.13% | 19.04% | 20.02% | 18.67% |

*Note: Calculated Using Total Returns

| <u>Annualized Tracking Error</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|----------------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| vs. S&P 500 | 8.02% | 6.76% | 6.20% | 6.12% | 8.79% | 8.52% | 10.58% | 9.97% |
| vs. S&P 500 Eq. Wgt. | 6.04% | 4.98% | 4.55% | 4.63% | 5.61% | 5.69% | 9.81% | 9.04% |
| vs. Russell 3000 | 7.26% | 5.76% | 5.31% | 5.31% | 7.91% | 7.71% | 9.75% | 9.14% |
| vs. Russell 2000 | 6.60% | 6.41% | 5.61% | 6.21% | 7.52% | 7.79% | 11.03% | 10.21% |

*Note: Calculated Using Total Returns

| <u>Wealth Index Beta</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>7 Years</u> | <u>10 Years</u> | <u>15 Years</u> | <u>20 Years</u> | <u>Since Incep. 1991 - Mar '17</u> |
|--------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------------------------|
| vs. S&P 500 | 1.12 | 1.17 | 1.17 | 1.15 | 1.24 | 1.24 | 1.21 | 1.27 |
| vs. S&P 500 Eq. Wgt. | 1.23 | 1.20 | 1.17 | 1.08 | 1.11 | 1.10 | 1.17 | 1.16 |
| vs. Russell 3000 | 1.17 | 1.19 | 1.18 | 1.14 | 1.22 | 1.23 | 1.21 | 1.28 |
| vs. Russell 2000 | 0.70 | 0.81 | 0.85 | 0.84 | 0.95 | 0.93 | 0.95 | 0.94 |

*Note: Calculated Using Total Returns

| <u>Calendar Year Total Returns</u> | <u>Wealth Index</u> | <u>S&P 500</u> | <u>S&P 500 Eq. Wgt.</u> | <u>Russell 3000</u> | <u>Russell 2000</u> | <u>ER v. SP500</u> | <u>ER v. SP500 EW</u> | <u>ER v. R3000</u> | <u>ER v. R2000</u> |
|------------------------------------|---------------------|--------------------|-----------------------------|---------------------|---------------------|--------------------|-----------------------|--------------------|--------------------|
| 1991 | 44.25% | 30.47% | 35.51% | 33.68% | 46.04% | 13.78% | 8.73% | 10.57% | -1.80% |
| 1992 | 20.20% | 7.62% | 15.63% | 9.59% | 18.41% | 12.58% | 4.56% | 10.61% | 1.79% |
| 1993 | 3.38% | 10.08% | 15.12% | 10.88% | 18.88% | -6.70% | -11.75% | -7.50% | -15.50% |
| 1994 | 0.33% | 1.32% | 0.95% | 0.19% | -1.82% | -0.99% | -0.62% | 0.14% | 2.15% |
| 1995 | 31.31% | 37.58% | 32.03% | 36.80% | 28.45% | -6.27% | -0.72% | -5.49% | 2.86% |
| 1996 | 23.09% | 22.96% | 19.02% | 21.82% | 16.49% | 0.13% | 4.06% | 1.27% | 6.59% |
| 1997 | 27.31% | 33.36% | 29.05% | 31.78% | 22.36% | -6.04% | -1.74% | -4.48% | 4.94% |
| 1998 | 24.95% | 28.58% | 12.19% | 24.14% | -2.55% | -3.63% | 12.76% | 0.81% | 27.49% |
| 1999 | 44.68% | 21.04% | 12.03% | 20.90% | 21.26% | 23.64% | 32.66% | 23.78% | 23.43% |
| 2000 | -19.16% | -9.10% | 9.64% | -7.46% | -3.02% | -10.06% | -28.80% | -11.70% | -16.14% |
| 2001 | -10.80% | -11.89% | -0.39% | -11.46% | 2.49% | 1.08% | -10.41% | 0.65% | -13.29% |
| 2002 | -15.49% | -22.10% | -18.18% | -21.54% | -20.48% | 6.61% | 2.69% | 6.05% | 4.99% |
| 2003 | 45.41% | 28.68% | 40.97% | 31.06% | 47.25% | 16.72% | 4.44% | 14.35% | -1.85% |
| 2004 | 17.97% | 10.88% | 16.95% | 11.95% | 18.33% | 7.09% | 1.02% | 6.02% | -0.36% |
| 2005 | 3.30% | 4.91% | 8.06% | 6.12% | 4.55% | -1.61% | -4.76% | -2.82% | -1.25% |
| 2006 | 22.61% | 15.79% | 15.80% | 15.71% | 18.37% | 6.81% | 6.81% | 6.89% | 4.24% |
| 2007 | 1.73% | 5.49% | 1.53% | 5.14% | -1.57% | -3.76% | 0.20% | -3.41% | 3.30% |
| 2008 | -43.67% | -37.00% | -39.72% | -37.31% | -33.79% | -6.68% | -3.95% | -6.37% | -9.89% |
| 2009 | 72.80% | 26.44% | 46.31% | 28.34% | 27.17% | 46.33% | 26.49% | 44.46% | 45.62% |
| 2010 | 31.51% | 15.04% | 21.91% | 16.93% | 26.85% | 16.45% | 9.60% | 14.58% | 4.65% |
| 2011 | 5.11% | 2.11% | -0.11% | 1.03% | -4.18% | 3.00% | 5.22% | 4.09% | 9.29% |
| 2012 | 13.53% | 16.00% | 17.65% | 16.42% | 16.35% | -2.48% | -4.13% | -2.89% | -2.82% |
| 2013 | 41.08% | 32.39% | 36.16% | 33.55% | 38.82% | 8.69% | 4.92% | 7.53% | 2.25% |
| 2014 | 7.04% | 13.69% | 14.49% | 12.56% | 4.89% | -6.63% | -7.43% | -5.50% | 2.17% |
| 2015 | -5.87% | 1.38% | -2.20% | 0.48% | -4.41% | -8.26% | -4.67% | -7.35% | -2.46% |
| 2016 | 16.85% | 11.96% | 14.80% | 12.74% | 21.31% | 4.89% | 2.05% | 4.12% | -4.45% |
| 2017 YTD | 5.30% | 6.07% | 5.42% | 5.74% | 2.47% | -0.77% | -0.11% | -0.44% | 2.84% |

*Note: Calculated Using Total Returns

Source: Horizon Kinetics LLC, International Securities Exchange, Bloomberg

See important disclosures for additional information.

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ICS LLC

PLEASE

THE SPIN-OFF REPORT COMPENDIUM

Index Constituent Changes: 1. Nuveen Investments Inc (JNC US) was delisted from the US Security Exchange effective 11/14/2007 and has been removed from the index. 2. Alliance Financial Corp (ALNC US) was delisted from US Security Exchange effective 03/11/2013 and has been removed from the index. The divisor has been adjusted accordingly for each of these changes.

Money Manager Index

From Aug 1983 to April 2017

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Yr. End | Index | Yearly return | Annualized return (since inception) |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|---------------|--|
| 1983 | | | | | | | | 1.00 | 0.81 | 0.76 | 0.87 | 0.75 | 1983 | 0.75 | (60.5)% | (50.2)% |
| 1984 | 0.75 | 0.71 | 0.70 | 0.66 | 0.67 | 0.67 | 0.61 | 0.83 | 0.79 | 0.76 | 0.67 | 0.65 | 1984 | 0.65 | (13.5)% | (26.5)% |
| 1985 | 0.92 | 0.93 | 0.99 | 0.95 | 1.20 | 1.30 | 1.32 | 1.38 | 1.28 | 1.50 | 1.86 | 2.02 | 1985 | 2.02 | 211.8% | 33.7% |
| 1986 | 2.46 | 2.78 | 2.47 | 2.31 | 2.36 | 2.33 | 2.03 | 2.23 | 1.98 | 2.37 | 2.34 | 2.34 | 1986 | 2.34 | 15.9% | 28.2% |
| 1987 | 3.21 | 3.27 | 3.16 | 2.55 | 2.37 | 2.30 | 2.39 | 2.47 | 2.22 | 1.56 | 1.44 | 1.52 | 1987 | 1.52 | (35.0)% | 9.9% |
| 1988 | 1.80 | 1.87 | 1.78 | 2.01 | 1.69 | 1.94 | 1.92 | 1.96 | 2.01 | 1.97 | 1.95 | 2.07 | 1988 | 2.07 | 36.0% | 14.3% |
| 1989 | 2.42 | 2.37 | 2.54 | 2.63 | 2.64 | 2.64 | 2.93 | 3.12 | 3.07 | 3.05 | 3.23 | 3.26 | 1989 | 3.26 | 57.8% | 20.2% |
| 1990 | 3.12 | 3.15 | 3.53 | 3.06 | 3.47 | 3.45 | 3.30 | 2.70 | 2.68 | 2.40 | 2.52 | 3.02 | 1990 | 3.02 | (7.3)% | 16.1% |
| 1991 | 3.08 | 3.49 | 3.70 | 3.68 | 3.71 | 3.61 | 3.86 | 4.05 | 4.07 | 4.69 | 4.47 | 5.72 | 1991 | 5.72 | 89.4% | 23.0% |
| 1992 | 5.76 | 5.61 | 5.30 | 5.12 | 4.98 | 4.99 | 5.93 | 6.06 | 6.19 | 6.56 | 7.25 | 7.36 | 1992 | 7.36 | 28.6% | 23.6% |
| 1993 | 8.06 | 8.04 | 8.20 | 7.94 | 8.15 | 8.57 | 9.05 | 10.00 | 9.99 | 9.31 | 8.97 | 8.90 | 1993 | 8.90 | 21.0% | 23.4% |
| 1994 | 9.52 | 8.73 | 8.05 | 7.85 | 7.81 | 7.53 | 7.66 | 8.31 | 8.15 | 8.52 | 7.88 | 7.95 | 1994 | 7.95 | (10.6)% | 19.9% |
| 1995 | 7.74 | 8.38 | 8.72 | 8.77 | 9.20 | 9.35 | 9.93 | 10.78 | 11.22 | 10.53 | 10.89 | 10.40 | 1995 | 10.40 | 30.8% | 20.8% |
| 1996 | 11.12 | 11.50 | 11.33 | 11.62 | 11.86 | 12.53 | 11.91 | 12.36 | 13.32 | 14.03 | 14.42 | 15.02 | 1996 | 15.02 | 44.4% | 22.4% |
| 1997 | 16.04 | 16.81 | 15.32 | 17.27 | 18.42 | 20.29 | 22.28 | 21.39 | 25.31 | 24.95 | 24.95 | 25.50 | 1997 | 25.50 | 69.8% | 25.2% |
| 1998 | 25.67 | 29.00 | 29.89 | 30.60 | 28.90 | 30.44 | 27.67 | 21.33 | 21.74 | 25.16 | 27.27 | 25.41 | 1998 | 25.41 | (0.4)% | 23.3% |
| 1999 | 26.00 | 23.71 | 23.92 | 26.77 | 28.94 | 29.74 | 28.78 | 26.74 | 25.89 | 27.73 | 28.54 | 30.55 | 1999 | 30.55 | 20.2% | 23.2% |
| 2000 | 31.07 | 31.19 | 36.01 | 35.60 | 35.20 | 40.32 | 43.58 | 45.75 | 45.62 | 48.69 | 44.05 | 49.84 | 2000 | 49.84 | 63.1% | 25.2% |
| 2001 | 50.23 | 46.41 | 44.27 | 46.96 | 48.90 | 49.98 | 50.67 | 49.70 | 46.47 | 44.81 | 48.04 | 51.91 | 2001 | 51.91 | 4.2% | 23.9% |
| 2002 | 53.62 | 53.74 | 55.11 | 52.52 | 52.83 | 50.48 | 42.58 | 44.92 | 41.54 | 42.66 | 45.78 | 43.17 | 2002 | 43.17 | (16.8)% | 21.4% |
| 2003 | 42.72 | 41.18 | 42.36 | 45.98 | 49.02 | 50.71 | 53.47 | 53.97 | 53.46 | 56.12 | 55.83 | 58.49 | 2003 | 58.49 | 35.5% | 22.1% |
| 2004 | 64.38 | 65.08 | 64.63 | 61.68 | 60.86 | 62.30 | 58.71 | 64.08 | 65.73 | 68.86 | 73.53 | 78.16 | 2004 | 78.16 | 33.6% | 22.6% |
| 2005 | 76.46 | 77.94 | 74.06 | 72.83 | 77.02 | 80.25 | 83.59 | 83.07 | 86.03 | 89.19 | 96.58 | 97.35 | 2005 | 97.35 | 24.6% | 22.7% |
| 2006 | 107.62 | 111.44 | 110.75 | 111.88 | 101.89 | 100.61 | 100.62 | 104.98 | 114.61 | 116.64 | 113.78 | 118.05 | 2006 | 118.05 | 21.3% | 22.6% |
| 2007 | 125.73 | 123.77 | 122.62 | 127.58 | 133.57 | 134.68 | 126.61 | 124.07 | 133.57 | 148.09 | 135.13 | 135.56 | 2007 | 135.56 | 14.8% | 22.3% |
| 2008 | 127.53 | 115.76 | 115.94 | 121.58 | 130.51 | 115.68 | 119.94 | 120.55 | 109.69 | 72.70 | 62.95 | 67.91 | 2008 | 67.91 | (49.9)% | 18.1% |
| 2009 | 57.51 | 51.76 | 65.63 | 79.49 | 85.67 | 90.79 | 99.97 | 101.69 | 107.32 | 107.36 | 110.94 | 115.01 | 2009 | 115.01 | 69.4% | 19.7% |
| 2010 | 106.84 | 110.32 | 118.13 | 114.91 | 100.18 | 88.17 | 97.65 | 89.64 | 103.59 | 108.29 | 108.64 | 119.58 | 2010 | 119.58 | 4.0% | 19.1% |
| 2011 | 122.80 | 128.28 | 127.94 | 127.97 | 126.06 | 121.03 | 115.49 | 104.25 | 91.32 | 102.44 | 103.79 | 103.98 | 2011 | 103.98 | (13.1)% | 17.8% |
| 2012 | 109.46 | 120.12 | 125.37 | 121.64 | 108.44 | 114.12 | 113.56 | 118.33 | 123.18 | 127.91 | 131.76 | 135.00 | 2012 | 135.00 | 29.8% | 18.1% |
| 2013 | 151.20 | 155.13 | 165.52 | 166.55 | 174.89 | 164.20 | 179.01 | 168.47 | 176.12 | 192.14 | 197.16 | 208.44 | 2013 | 208.44 | 54.4% | 19.2% |
| 2014 | 194.17 | 196.87 | 203.88 | 196.24 | 195.40 | 206.41 | 194.00 | 207.06 | 201.07 | 205.28 | 212.28 | 215.25 | 2014 | 215.25 | 3.3% | 18.6% |
| 2015 | 203.96 | 217.70 | 215.97 | 218.17 | 217.01 | 211.12 | 203.85 | 184.77 | 175.53 | 195.50 | 198.54 | 181.68 | 2015 | 181.68 | (15.6)% | 17.4% |
| 2016 | 165.64 | 164.85 | 183.47 | 190.06 | 194.22 | 177.37 | 187.78 | 190.19 | 185.87 | 173.66 | 194.88 | 199.52 | 2016 | 199.52 | 9.8% | 17.2% |
| 2017 | 196.14 | 209.63 | 205.70 | 207.52 | | | | | | | | | | 207.52 | 4.0% | 17.1% |

| S.No. | Ticker | Name | Amount Invested | Shares Purchased | Date of Investment | Current Index Value |
|-------|----------------|-----------------------------|-----------------|------------------|--------------------|---------------------|
| 1 | AMG US Equity | Affiliated Manager | \$22,947 | 1,377 | 11/30/1997 | \$ 227,986 |
| 2 | BLK US Equity | BlackRock | \$23,205 | 1,658 | 9/30/1999 | \$ 637,430 |
| 3 | WDR US Equity | Waddell & Reed | \$27,513 | 1,587 | 3/31/1998 | \$ 29,286 |
| 4 | EV US Equity | Eaton Vance | \$2,641 | 3,998 | 1/31/1986 | \$ 172,771 |
| 5 | TROW US Equity | T. Rowe Price | \$2,423 | 2,014 | 4/30/1986 | \$ 142,762 |
| 6 | BEN US Equity | Franklin resources | \$908 | 1,263 | 4/30/1985 | \$ 163,361 |
| 7 | LM US Equity | Legg Mason | \$1,000 | 462 | 8/31/1983 | \$ 17,277 |
| 8 | FII US Equity | Federated Inv | \$26,381 | 2,206 | 5/31/1998 | \$ 59,167 |
| 9 | FIG US Equity | Fortress Investment Group | \$102,249 | 3,389 | 2/28/2007 | \$ 27,248 |
| 10 | PZN US Equity | Pzena Investment Management | \$122,426 | 6,317 | 10/31/2007 | \$ 65,193 |

THE SPIN-OFF REPORT COMPENDIUM

Index Constituent Changes: 1. New Star Asset Management (NSAM LN) was delisted from the London Security Exchange effective 03/10/2009 and has been removed from the index. 2. Australia Wealth Management (AUW AU) was delisted from Australian Security Exchange effective 05/18/2009 and has been removed from the index. 3. Bluebay Asset Management/UNI (BBAY LN) was delisted from the London Security Exchange effective 12/20/2010 and has been removed from the index. 4. Everest Financial Group Limited (EFG AU) was delisted from the Australian Security Exchange effective 7/19/2011 and has been removed from the index. 5. RAB Capital Plc (RAB LN) was delisted from the London Security Exchange effective 9/2/2011 and has been removed from the index. 6. Invista Real Estate (INRE LN) was delisted effective 8/13/2012 and has been removed from the index. 7. F&C Asset Management Plc (FCAM LN) was delisted effective 5/8/2014 and has been removed from the index. 8. Charlemagne Capital Ltd (CCAP LN) was delisted effective 12/14/2016 and has been removed from the index. The divisor has been adjusted accordingly for each of these changes.

International Money Manager Index

From Nov 1986 to April 2017

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Yr. End | Index | Yearly return | Annualized return (since inception) |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------|---------------|-------------------------------------|
| 1986 | | | | | | | | | | | | | 1986 | 1.02 | 10.0% | 10.0% |
| 1987 | 1.25 | 1.37 | 1.48 | 1.48 | 1.37 | 1.33 | 1.39 | 1.40 | 1.33 | 0.81 | 0.76 | 0.73 | 1987 | 0.73 | (27.7)% | (23.3)% |
| 1988 | 0.75 | 0.92 | 1.02 | 0.95 | 0.80 | 0.89 | 0.88 | 0.82 | 0.86 | 0.88 | 0.89 | 0.93 | 1988 | 0.93 | 26.4% | (3.4)% |
| 1989 | 1.03 | 1.02 | 1.06 | 1.17 | 1.19 | 1.18 | 1.25 | 1.16 | 1.17 | 1.20 | 1.21 | 1.28 | 1989 | 1.28 | 37.8% | 8.1% |
| 1990 | 1.24 | 1.24 | 1.18 | 1.19 | 1.22 | 1.24 | 1.26 | 1.26 | 1.23 | 1.24 | 1.25 | 1.33 | 1990 | 1.33 | 3.7% | 7.0% |
| 1991 | 1.34 | 1.52 | 1.56 | 1.58 | 1.57 | 1.47 | 1.52 | 1.64 | 1.81 | 1.89 | 1.94 | 1.92 | 1991 | 1.92 | 44.8% | 13.5% |
| 1992 | 2.01 | 1.93 | 1.88 | 2.14 | 2.19 | 2.13 | 2.08 | 1.99 | 1.95 | 1.77 | 1.76 | 1.96 | 1992 | 1.96 | 1.9% | 11.5% |
| 1993 | 1.98 | 2.03 | 2.20 | 2.39 | 2.42 | 2.45 | 2.54 | 3.05 | 3.01 | 3.07 | 3.01 | 3.30 | 1993 | 3.30 | 68.7% | 18.1% |
| 1994 | 3.72 | 3.39 | 3.17 | 3.04 | 2.99 | 2.89 | 3.01 | 3.14 | 3.13 | 3.19 | 3.15 | 3.15 | 1994 | 3.15 | (4.7)% | 15.1% |
| 1995 | 3.07 | 3.12 | 3.28 | 3.41 | 3.56 | 3.59 | 3.87 | 3.76 | 3.76 | 3.77 | 3.70 | 3.73 | 1995 | 3.73 | 18.6% | 15.4% |
| 1996 | 3.76 | 3.85 | 3.70 | 3.79 | 3.96 | 3.90 | 3.75 | 3.96 | 4.16 | 4.47 | 4.90 | 4.86 | 1996 | 4.86 | 30.3% | 16.8% |
| 1997 | 5.11 | 5.37 | 4.99 | 4.96 | 5.43 | 5.94 | 6.57 | 6.32 | 7.45 | 7.24 | 6.80 | 7.19 | 1997 | 7.19 | 47.9% | 19.3% |
| 1998 | 7.12 | 8.05 | 8.78 | 9.25 | 8.95 | 8.74 | 8.91 | 6.67 | 6.08 | 7.01 | 7.51 | 7.71 | 1998 | 7.71 | 7.3% | 18.3% |
| 1999 | 7.99 | 8.21 | 8.68 | 9.07 | 8.71 | 8.61 | 8.63 | 8.43 | 8.47 | 8.79 | 9.80 | 10.79 | 1999 | 10.79 | 39.9% | 19.8% |
| 2000 | 11.23 | 12.27 | 13.95 | 13.50 | 13.73 | 15.39 | 15.85 | 16.82 | 17.07 | 16.31 | 14.43 | 16.76 | 2000 | 14.43 | 33.8% | 20.7% |
| 2001 | 17.42 | 15.88 | 13.46 | 15.14 | 15.84 | 15.15 | 14.21 | 13.61 | 10.77 | 11.43 | 13.90 | 14.12 | 2001 | 14.12 | (2.2)% | 19.1% |
| 2002 | 14.74 | 13.78 | 15.09 | 15.11 | 16.38 | 14.14 | 12.92 | 12.10 | 11.23 | 11.06 | 11.33 | 10.50 | 2002 | 10.50 | (25.6)% | 15.7% |
| 2003 | 10.18 | 9.52 | 9.69 | 10.62 | 12.17 | 13.04 | 13.98 | 15.38 | 16.67 | 17.88 | 18.16 | 18.07 | 2003 | 18.07 | 72.1% | 18.4% |
| 2004 | 20.00 | 22.41 | 29.98 | 35.46 | 26.68 | 30.80 | 25.37 | 25.20 | 23.67 | 23.34 | 27.56 | 31.48 | 2004 | 31.48 | 74.2% | 20.9% |
| 2005 | 32.19 | 32.57 | 31.88 | 27.79 | 27.36 | 29.05 | 30.38 | 31.49 | 33.39 | 32.24 | 32.95 | 37.18 | 2005 | 37.18 | 18.1% | 20.8% |
| 2006 | 41.01 | 40.97 | 43.69 | 46.45 | 42.39 | 41.58 | 40.60 | 43.32 | 43.55 | 43.70 | 44.58 | 49.38 | 2006 | 49.38 | 32.8% | 21.3% |
| 2007 | 50.95 | 51.18 | 53.59 | 56.09 | 58.16 | 56.37 | 53.90 | 48.65 | 50.96 | 57.03 | 48.21 | 45.75 | 2007 | 45.75 | (7.3)% | 19.8% |
| 2008 | 38.71 | 39.71 | 38.59 | 40.18 | 39.25 | 35.10 | 34.59 | 33.33 | 26.09 | 18.72 | 14.50 | 15.79 | 2008 | 15.79 | (65.5)% | 13.3% |
| 2009 | 14.62 | 13.24 | 14.96 | 19.63 | 22.82 | 23.73 | 26.14 | 27.05 | 28.41 | 28.53 | 28.69 | 29.83 | 2009 | 29.83 | 89.0% | 15.8% |
| 2010 | 28.50 | 27.58 | 29.90 | 29.58 | 25.53 | 24.72 | 27.82 | 26.74 | 30.36 | 33.68 | 31.85 | 34.52 | 2010 | 34.52 | 15.7% | 15.8% |
| 2011 | 34.91 | 36.17 | 36.51 | 39.63 | 37.86 | 35.31 | 35.83 | 32.76 | 29.28 | 32.04 | 31.23 | 30.59 | 2011 | 30.59 | (11.4)% | 14.56% |
| 2012 | 32.12 | 34.36 | 35.67 | 35.08 | 31.03 | 32.92 | 32.66 | 34.17 | 36.33 | 37.28 | 38.11 | 40.73 | 2012 | 40.73 | 33.1% | 15.22% |
| 2013 | 43.61 | 42.58 | 44.42 | 49.29 | 50.40 | 47.75 | 50.58 | 49.32 | 52.49 | 55.65 | 55.41 | 58.88 | 2013 | 58.88 | 44.6% | 16.19% |
| 2014 | 55.35 | 58.98 | 61.86 | 59.92 | 59.05 | 59.89 | 57.84 | 58.64 | 55.47 | 54.37 | 55.77 | 54.31 | 2014 | 54.31 | (7.8)% | 15.24% |
| 2015 | 52.77 | 58.87 | 58.99 | 62.11 | 62.25 | 60.43 | 60.71 | 56.91 | 55.46 | 60.65 | 60.93 | 59.48 | 2015 | 59.48 | 9.5% | 15.04% |
| 2016 | 55.01 | 53.65 | 59.90 | 61.89 | 61.45 | 55.81 | 58.56 | 58.48 | 60.83 | 60.64 | 58.86 | 59.91 | 2016 | 59.91 | 0.7% | 14.53% |
| 2017 | 63.15 | 64.71 | 65.79 | 71.50 | | | | | | | | | | 71.50 | 19.3% | 15.03% |

| S.No. | Ticker | Name | Initial Amount Invested | Shares Purchased | Date of Investment | Current Index Value |
|-------|-----------------|-----------------------------------|-------------------------|------------------|--------------------|---------------------|
| 1 | IGM CN Equity | IGM Financial Inc | \$1,000 | 73 | 31/11/1986 | \$ 2,203 |
| 2 | IVZ US Equity | Invesco Plc (Previously Amvescap) | \$1,357 | 1,153 | 1/31/1991 | \$ 18,982 |
| 3 | SDR LN Equity | Schroders Plc | \$1,208 | 505 | 3/31/1991 | \$ 20,818 |
| 4 | RAT LN Equity | Rathbone Brothers Plc | \$1,208 | 736 | 3/31/1991 | \$ 22,715 |
| 5 | ADN LN Equity | Aberdeen Asset Mgmt Plc | \$1,208 | 1,827 | 3/31/1991 | \$ 6,596 |
| 6 | CIX CN Equity | CI Financial Corp. | \$2,585 | 3,224 | 6/30/1994 | \$ 63,226 |
| 7 | EMG LN Equity | Man Group Plc | \$2,862 | 6,344 | 10/31/1994 | \$ 9,814 |
| 8 | AGF/B CN Equity | AGF Management Ltd-CI B | \$3,343 | 1,346 | 1/31/1996 | \$ 6,793 |
| 9 | 8739 JP Equity | Sparx Group Co Ltd | \$11,762 | 108 | 12/31/2001 | \$ 20,213 |
| 10 | HGG LN Equity | Henderson Group Plc | \$14,447 | 8,666 | 12/31/2003 | \$ 20,701 |
| 11 | AZM IM Equity | Azimut Holding Spa | \$21,908 | 4,977 | 7/31/2004 | \$ 97,125 |
| 13 | PGHN SW Equity | Partners Group-Reg | \$36,848 | 578 | 3/31/2006 | \$ 349,444 |
| 14 | ASHM LN Equity | Ashmore Group Plc. | \$36,688 | 9,873 | 10/31/2006 | \$ 44,424 |