



OPERATIONAL POLICIES

This following document outlines Horizon Asset Management LLC's and Kinetics Asset Management LLC's (hereinafter referred to as "Horizon Kinetics") policies with respect to the timing of processing new account fundings, contributions, withdrawals, terminations and other client requested transactions. "Written notification" is defined as an email, fax or letter that clearly describes the client request and is acknowledged as received by Horizon Kinetics. "Business day" is defined as any day in which the major US stock exchanges (New York Stock Exchange, NASDAQ, etc.) are open.

New Accounts / Account Transfers / Style Changes / Account Number Changes

Accounts will generally commence investing within two business days of receiving properly completed account paperwork and receiving a written notification from the client or the client's adviser/representative that the account is ready to trade. Horizon Kinetics will not invest accounts when required paperwork is incomplete or if it is not in receipt of written notification that the account is ready to trade. New accounts that fund with amounts less than stated minimums may be subject to greater per share frictional trading costs than accounts meeting stated minimums as a result of odd-lot trading costs. Unless otherwise directed in writing by the client, Horizon Kinetics will use its discretion to invest contributions over time.

Cash Contributions & Withdrawals

Horizon Kinetics requires prompt written notification, subject to confirmation by Horizon Kinetics, of cash contributions and withdrawals. Horizon Kinetics will not be responsible for un-invested or erroneously invested deposits that have not been confirmed in writing. Cash contributions and withdrawals will generally be processed within two business days of the confirmation day. Unless otherwise directed in writing by the client, Horizon Kinetics will use its discretion to invest contributions over time.

Security Contributions & Withdrawals

Horizon Kinetics requires prompt written notification, subject to confirmation by Horizon Kinetics, of securities contributions and withdrawals. Horizon Kinetics will not rebalance an account, nor be responsible for unbalanced accounts, that have not been confirmed in writing. Rebalances resulting from securities contributions and withdrawals will generally be processed within ten business days of the confirmation day. Unless otherwise directed in writing by the client, Horizon Kinetics will use its discretion to invest contributions over time.

Termination & Liquidation

Clients may request to have an account: (i) terminate and liquidate, or (ii) terminate but not liquidate. A request to "terminate and liquidate" will result in discretionary management of the account ceasing and all securities positions being liquidated. A request to "terminate but not liquidate" will result in discretionary management of the account ceasing and should be accompanied by instructions regarding whether / where the securities should be transferred in kind.

Horizon Kinetics requires prompt written notification, subject to confirmation by Horizon Kinetics, of all such termination / liquidation requests. Horizon Kinetics will generally process such requests within two business days of the confirmation day. Horizon Kinetics does not time the market when processing such requests. If a request is made to liquidate and hold the cash proceeds from the liquidation, the client may be required to execute an amendment to its existing Horizon agreement acknowledging the account is holding cash.

Tax Related Requests

We generally engage in tax related activities (tax loss selling or tax gain selling) in an account only pursuant to a specific written client request. We require written notification, subject to confirmation by Horizon Kinetics, of requests for tax loss selling or tax gain selling. While Horizon Kinetics accepts tax related requests throughout the year, all requests received after December 15th will be processed on a best efforts basis only. Any tax related requests must state the maximum desired dollar amount of losses or gains the client wishes to seek to realize. Horizon Kinetics will use its discretion in an effort to realize up to the desired amount. The proceeds of tax loss selling will generally remain in cash at the discretion of Horizon Kinetics for at least 31 days (the 'wash sale period') unless specifically directed by the client otherwise. After the wash sale period, the proceeds of tax loss selling may be re-balanced in accordance with the investment strategy or continue to remain in cash at the discretion of Horizon Kinetics unless specifically directed by the client otherwise. Horizon Kinetics does not accept short term/long term specific tax related requests nor requests to combine tax related trading with withdrawal or liquidation requests. Requests for tax loss selling will generally be processed within three business days of the confirmation day. Requests that do not meet these criteria may result in significant delays in processing such requests. Clients should carefully consider the timing of tax loss selling requests vis-à-vis withdrawal requests as withdrawal requests generally may result in a rebalancing of the account and could create wash sales. Tax related requests may also cause performance dispersion from the strategy composite returns.

Other Tax Considerations

Horizon Kinetics does not provide tax advice to its clients and all clients are strongly encouraged to consult with their tax advisors regarding any potential strategy, investment or transaction. Clients should be aware that tax treatment is subject to change in the future or retroactively. Horizon Kinetics generally manages taxable and non-taxable accounts similarly and without specific regard to individual client tax status. To the extent any investment strategy results in the generation of unrelated business taxable income ("UBTI"), Horizon Kinetics shall bear no liability in connection with same as it relates to tax-exempt clients' tax status.