

Asia Opportunity - Institutional Composite



As of 9/30/2017

Investment Approach

- The strategy seeks long term capital appreciation by investing in undervalued stocks in Asia.
- Our investment process involves bottom-up, fundamental research to identify mispriced securities. We conduct face to face meetings with managements and competitors as well as analysis of business models and balance sheets. The strategy emphasizes management quality, with a preference for owner-operator companies.
- Returns are often generated by identifying businesses that cater to local economies, e.g. infrastructure, consumer, financial services, etc. Although the majority of the holdings are equities, the portfolio may invest in other parts of the capital structure when the research process identifies unique opportunities.

Investment Time Horizon:

5+ Years

Representative Benchmark:

MSCI All Country Asia

Assets Under Management:

Horizon Kinetics (\$bln) 5.3

Horizon Institutional (\$bln) 2.5

Inception Date:

January 2008

Portfolio Manager:

Murray Stahl
39 yrs investment experience

Aya Weissman

34 yrs investment experience

(1) Horizon Kinetics LLC is the parent company to Horizon Asset Management LLC, Kinetics Asset Management LLC, and Kinetics Advisers, LLC, each of which is an SEC-registered investment adviser.

(2) Horizon Institutional is defined as the traditional, long only separate accounts and private investment fund assets managed by Horizon Asset Management LLC. Horizon Institutional excludes separately managed, non-direct accounts and other accounts that either are serviced by wrap/dual contract sponsors or utilize a wrap or bundled fee structure. Please refer to Important Disclosures on the following page.

Portfolio Construction

- Horizon maintains a long-term investment perspective and seeks to avoid significant portfolio turnover. Consistent with our historical experience, we expect turnover to be in the 20% to 25% range per annum over an extended period.
- Portfolio typically invests in 30 to 40 securities and position sizes generally range from 0.5% to 10.0%
- The portfolio seeks to manage co-dependency across business models and does not measure risk versus a specific benchmark.

Performance Statistics

	MTD	QTD	YTD	1 Yr	3 Yrs	5 Yrs	ITD
Total Return (gross)	0.8	0.7	11.3	5.6	4.6	9.2	8.0
Total Return (net)	0.7	0.4	10.5	4.5	3.5	8.2	6.9
MSCI All Asia NR	0.8	5.5	23.1	18.8	7.9	8.9	2.8
Excess Return (gross)	0.0	-4.8	-11.8	-13.2	-3.4	0.3	5.3
Standard Deviation (%)	—	—	—	7.0	10.0	11.1	14.9
Tracking Error (%)	—	—	—	3.9	8.5	7.9	10.4
Sharpe Ratio	—	—	—	0.7	0.5	0.8	0.6
Information Ratio (arith)	—	—	—	-3.4	-0.4	0.0	0.5
Beta	—	—	—	0.8	0.6	0.7	0.7
UpMkt Capture Ratio (%)	—	—	—	51	53	82	81
Down Capture Ratio (%)	—	—	—	148	51	66	55

Top 10 Holdings*

	% Port
Galaxy Entertainment Group Limited	6.7%
transcosmos Inc.	5.5%
Minor International Public Co., Ltd.	5.0%
Pola Orbis Holdings Inc.	4.9%
Pigeon Corporation Un-sponsored ADR	4.9%
SoftBank Technology Corp.	3.9%
Mahindra & Mahindra Ltd. Un-sponsored GDR RegS	3.7%
Unicharm Corporation	3.5%
Genting Hong Kong Limited	3.3%
Ayala Corp Un-sponsored ADR	3.2%

*The top ten holdings are not necessarily representative of the entire portfolio and may exclude cash and cash equivalents, including ETFs used as a cash substitute.

Strategy Characteristics

Number of Positions	33
Av g. Market Cap. (B)	6.4
P/E ⁽¹⁾	24.3
Price/Book ⁽¹⁾	2.1
Dividend Yield	1.8%
Turnover (1 Year) ⁽²⁾	4.7%
Active Share ⁽³⁾	100.0%

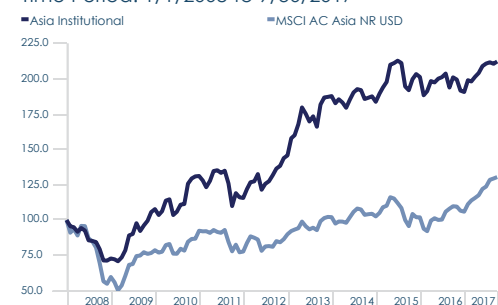
⁽¹⁾ Weighted Harmonic Average

⁽²⁾ Based on Model Portfolio

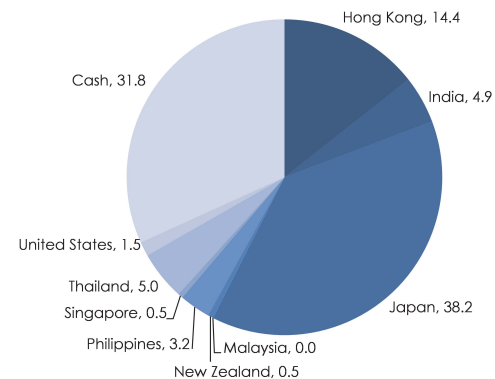
⁽³⁾ Calculated as of the most recent quarter-end using the MSCI AC Asia Index as a benchmark.

Cumulative Growth of \$100 (gross)

Time Period: 1/1/2008 to 9/30/2017



Country Allocation* (%)



*Tax considerations may have led certain accounts in the composite to temporarily hold index ETFs. Such ETFs, which are not part of the composite, are included for performance purposes, but are not included in the chart above.

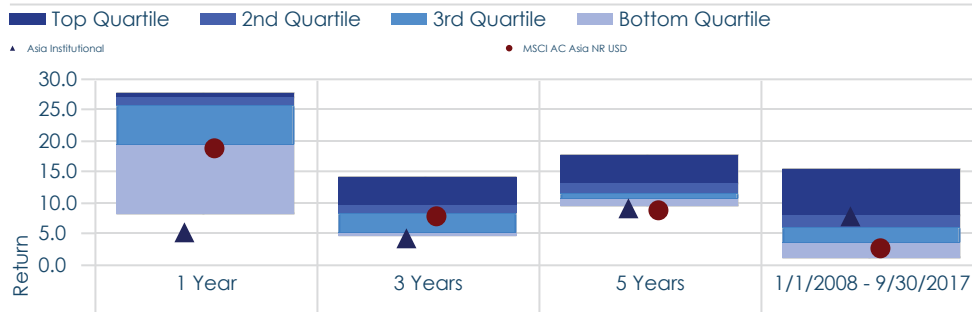
Asia Opportunity - Institutional Composite



As of 9/30/2017

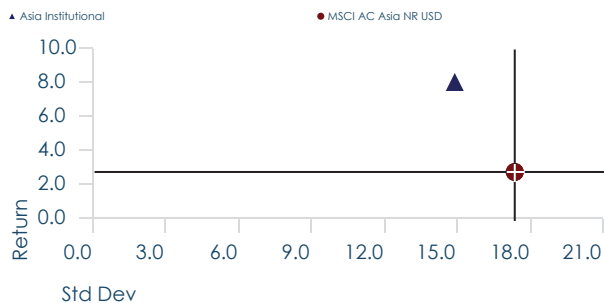
Performance Relative to Peer Group (gross)

As of Date: 9/30/2017 Peer Group (5-95%): Separate Accounts/CITs - U.S. - Diversified Pacific/Asia



Risk/Reward (gross)

Time Period: 1/1/2008 to 9/30/2017



Monthly Performance (gross)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index
2017	4.4	-0.5	1.7	1.3	2.4	0.9	0.4	-0.5	0.8				11.3	23.1
2016	-6.4	1.5	3.7	-0.5	1.4	0.5	1.3	-4.9	3.7	-0.8	-3.9	-0.5	-5.3	3.9
2015	3.2	2.3	2.0	6.2	0.5	0.8	-0.8	-7.9	-1.4	4.1	1.8	-1.0	9.6	-0.7
2014	-2.7	1.5	-1.2	-2.0	3.2	2.7	1.2	-0.4	-3.3	0.5	0.5	-2.1	-2.2	0.5
2013	8.4	1.4	4.9	7.1	-2.5	-3.1	2.2	-4.3	9.5	2.8	0.2	0.3	28.8	13.4
2012	5.5	4.0	0.5	4.0	-8.4	3.4	1.5	3.3	3.6	1.4	4.0	1.3	26.0	15.8
2011	-2.5	-3.7	3.6	5.5	0.4	-1.4	1.1	-6.7	-12.7	8.3	-2.5	-0.4	-11.9	-15.9
2010	-3.9	2.6	7.0	0.8	-9.7	2.2	4.7	0.4	12.9	2.9	1.1	0.2	21.8	17.6
2009	-0.8	-1.9	3.9	6.8	13.4	1.1	8.5	-5.7	4.2	3.5	6.2	2.0	48.0	31.7
2008	-4.4	-0.7	-3.4	2.9	-1.9	-7.5	-0.5	-0.9	-6.0	-10.1	-0.2	2.1	-27.2	-40.3

Source: Morningstar Direct

Definitions: Historical Statistics

- **Excess Return** is the measurement of a portfolio's return minus the return of the representative index.
- **Standard Deviation** is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.
- **Tracking Error** is the standard deviation of a portfolio's return relative to a benchmark.
- **Sharpe ratio** is a statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. Morningstar chooses a risk-free benchmark based on the portfolio's domicile, e.g. the 3-month Treasury bill for portfolios based in the United States.
- **Information Ratio** is a ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns.
- **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.
- **Up-Market Ratio** is the statistical measure of an investment manager's overall performance in up-markets. The ratio is calculated by dividing the manager's returns by the returns of the index during the up-market.
- **Down-Market Ratio** is the statistical measure of an investment manager's overall performance in down-markets. The ratio is calculated by dividing the average manager's returns by the average returns of the index during the down-market.
- **Turnover** is the lower of total buys or total sells divided by the average market value of the account. Turnover ratio is calculated by Fiserv APL.
- **Active Share** is a measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the strategy's primary benchmark.

Important Disclosures

Horizon Asset Management Institutional ("Horizon Institutional" or "the Firm") is defined as the traditional long only separate accounts and private investment fund assets of Horizon Asset Management LLC ("Horizon" or the "Firm"), an SEC-registered investment adviser and a wholly owned subsidiary of Horizon Kinetics LLC. Horizon Institutional excludes separately managed, non-direct accounts and other accounts that either are serviced by wrap/dual contract sponsors or utilize a wrap or bundled fee structure. Horizon Institutional claims compliance with the Global Investment Performance Standards (GIPS®). A GIPS® compliant presentation and/or a list of composite descriptions are available upon request by contacting CSBD@horizonkinetics.com.

The Horizon Asia Opportunity Composite ("Strategy") seeks above market long-term returns by investing primarily in a focused portfolio of common stocks of Asian issuers. Performance is expressed in USD. Past performance does not guarantee future results and the value of the investments and the income derived from them may increase or decrease. Note that indices are unmanaged and the figures shown herein do not reflect any investment management fee or transaction costs. Investors cannot directly invest in an index. References to market or composite indices, benchmarks or other measures of relative market performance (a "Benchmark") over a specific period are provided for your information only. Reference to a Benchmark may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, correlation, concentrations, volatility or tracking error targets, all of which are subject to change over time. The Strategy is a total return strategy and the benchmark is provided for illustrative purposes only. It is not our intention to state, indicate or imply in any manner that our future results will be profitable or equal past results.

On February 29th 2012 the benchmark for the Horizon Institutional Asia strategy was changed retroactively from the S&P Asia 50 index to the MSCI All Country Asia Index, as we believe that the regional coverage within the MSCI All Country Asia Index better reflects the universe of the strategy (The MSCI All Country Asia is an equity index drawn from eleven major Asian markets – Japan, Hong Kong, Singapore, Korea, Taiwan, China, Philippines, Malaysia, India, Indonesia, and Thailand.) It is designed for investors seeking broad market exposure through an index that is efficient to replicate. The underlying prices for the MSCI All Country Asia are collected in local currencies and index levels are released in U.S. dollars and calculated on a real-time basis).

Unless otherwise noted, the portfolio characteristics shown above relate to the composite as of the date noted above. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) market prices of individual securities at the time of investment; (iii) and individual client circumstances. On August 1st 2014, the name of this composite was changed from the Horizon Asia Institutional Composite to the Horizon Asia Opportunity Composite, in order to better reflect the Firm's strategy of investing in companies and regions in which potential, long-term growth opportunities have been identified. The Firm reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. This Strategy may invest in both equity and fixed income securities without regard to market capitalizations or issue size. Horizon does not necessarily fully invest portfolios immediately after an account is funded. There can be no assurance that any securities discussed herein will remain in an account. The securities discussed may not represent an entire account and in the aggregate may represent only a small percentage of an account's holdings.

The following applies to all of the indices used in this document: Indices are presented merely to show general trends in the markets for the period and are not intended to imply that the strategy is benchmarked to the indices either in composition or level of risk. The indices are unmanaged, may or may not be investable, have no expenses and reflect reinvestment of dividends and distributions. Index data is provided for comparative purposes only. A variety of factors may cause an index to be an inaccurate benchmark.

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