

Research Select Strategy

As of 11/30/2017



Investment Approach

- The Research Select strategy leverages Horizon's in-house research to identify investments including catalyst-driven and event-driven opportunities, hidden assets and corporate restructurings. The strategy may invest in less mature companies in the process of developing a superior product or market niche.
- Generally, the strategy's holdings are small to mid capitalization companies.
- The strategy may invest in non-US companies and, on a limited basis, participate in special situation opportunities.

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 25 to 50 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.

Investment Time Horizon:

5+ Years

Representative Benchmark:

S&P 500

Assets Under Management:

Horizon Kinetics (\$bln) 5.4

Strategy (\$mm) 44

Inception Date:

January 1998

Portfolio Manager:

Steven Bregman
32 yrs investment experience

Performance Statistics	MTD	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Total Return (net)	0.5	0.6	16.0	18.0	2.2	9.2	2.0	11.8
S&P 500 Return	3.1	5.5	20.5	22.9	10.9	15.7	8.3	7.2
Excess Return (net)	-2.6	-4.9	-4.5	-4.9	-8.7	-6.5	-6.3	4.6
Standard Deviation (%)	—	—	—	6.8	12.8	13.3	21.1	18.3
Tracking Error (%)	—	—	—	8.5	9.0	9.0	10.9	12.2
Sharpe Ratio	—	—	—	2.4	0.2	0.7	0.2	0.6
Information Ratio (arith)	—	—	—	-0.6	-1.0	-0.7	-0.6	0.4
Beta	—	—	—	-0.4	0.9	1.0	1.2	0.9
UpMkt Capture Ratio (%)	—	—	—	80	79	93	108	113
Down Capture Ratio (%)	—	—	—	—	152	160	147	93

Cumulative Growth of \$100 (net)

Time Period: 1/1/1998 to 11/30/2017

■ Research Select Strategy ■ S&P 500 TR USD



Top 10 Holdings*

Top 10 Holdings*	% Port
Texas Pacific Land Trust	24.7%
Howard Hughes Corporation	7.2%
Icahn Enterprises L.P.	5.7%
Onex Corporation	4.2%
BGC Partners, Inc. Class A	4.2%
Cheniere Energy, Inc. 4.25% 15-mar-2045	3.7%
Clarkson PLC	3.4%
GAUMONT SA	3.3%
DREAM Unlimited Corp. Class A	3.0%
Live Nation Entertainment, Inc.	3.0%

*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 ⁽¹⁾	29
Avg. Market Cap. (B)	4.3
P/E ⁽²⁾	20.3
Price/Book ⁽²⁾	2.4
Dividend Yield	1.8%
Turnover (1 Year) ⁽³⁾	10.9%
Active Share ⁽⁴⁾	100.0%

⁽¹⁾ Calculated such that all securities issued by one issuer are counted as a single position.

⁽²⁾ Weighted Harmonic Average

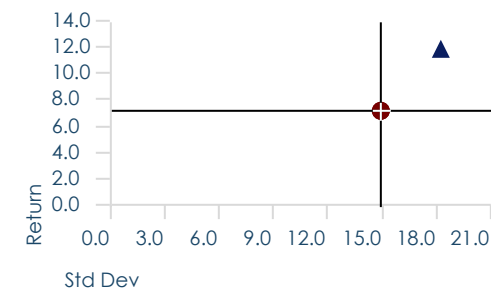
⁽³⁾ Based on Model Portfolio

⁽⁴⁾ Calculated using the iShares Core S&P 500 ETF as a benchmark.

Risk/Reward (net)

Time Period: 1/1/1998 to 11/30/2017

■ Research Select Strategy ■ S&P 500 TR USD



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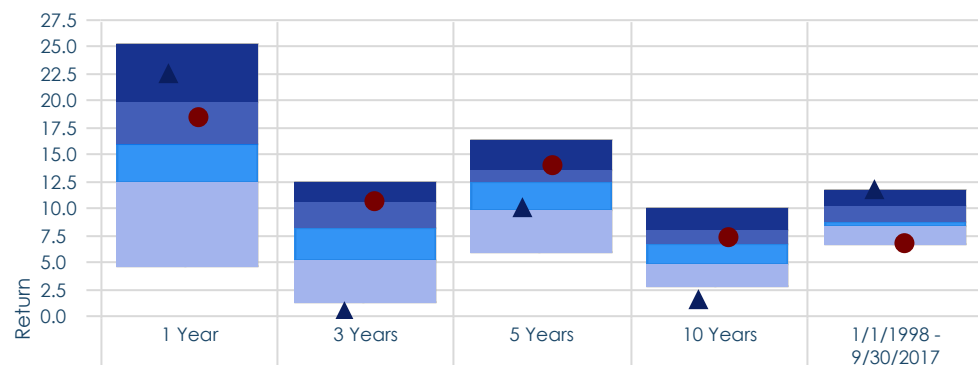


Performance Relative to Peer Group (net)

As of Date: 9/30/2017 Peer Group (5-95%): Morningstar Institutional - All Cap

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ Research Select Strategy ● S&P 500 TR USD



Monthly Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index
2017	3.1	-0.6	-1.5	2.6	-1.0	1.6	4.1	4.4	1.8	0.1	0.5		16.0	20.5
2016	-6.8	7.4	5.2	2.1	-0.8	0.3	1.1	1.4	4.6	-0.3	4.8	1.7	15.7	12.0
2015	-3.8	1.9	-1.7	1.4	1.2	-4.3	-5.3	-5.6	-2.8	6.0	-1.5	-6.9	-15.6	1.4
2014	-3.0	6.8	-1.3	-0.3	2.2	2.8	-2.9	4.5	-6.4	-1.4	-2.9	-5.8	-8.2	13.7
2013	8.3	4.2	3.2	5.2	5.8	-3.3	2.6	-3.3	6.3	6.6	3.6	-0.2	45.8	32.4
2012	10.9	7.4	1.4	-0.3	-10.9	4.8	-0.5	4.4	2.7	2.8	2.8	2.6	30.2	16.0
2011	0.5	5.1	2.0	1.5	-1.4	-2.1	1.4	-11.5	-15.1	15.5	-3.1	-4.1	-13.7	2.1
2010	-3.1	4.0	4.6	3.1	-10.2	-6.7	7.3	-3.5	11.6	5.1	1.3	6.3	19.1	15.1
2009	-1.5	-11.0	8.6	10.9	13.3	2.6	4.5	2.0	5.4	-7.1	4.5	5.8	41.6	26.5
2008	-8.3	-3.1	-5.2	6.9	2.7	-8.1	-8.5	-1.6	-19.2	-23.1	-12.4	1.2	-57.8	-37.0
2007	5.3	-0.7	3.6	3.1	4.4	1.0	-4.9	-0.3	6.3	8.0	-9.2	0.9	17.5	5.5
2006	5.7	3.2	4.4	-0.8	-3.7	1.2	3.2	3.5	-2.6	6.1	9.8	0.6	34.2	15.8
2005	-1.4	4.2	-0.8	-3.0	5.8	5.7	6.5	2.3	4.8	-7.3	-0.2	0.8	17.7	4.9
2004	2.7	-2.7	0.6	-4.6	1.9	2.0	-0.1	1.1	1.0	3.0	10.0	3.5	19.2	10.9
2003	-0.8	-2.6	2.6	9.3	9.6	1.2	-0.1	3.1	4.6	5.3	2.0	5.5	46.8	28.7
2002	0.5	-0.9	2.9	-1.7	0.9	-2.9	-6.6	1.1	-1.6	-0.3	5.2	-1.8	-5.5	-22.1
2001	5.7	1.8	2.2	4.7	6.9	5.7	6.1	-0.9	-3.2	0.4	2.7	3.2	40.8	-11.9
2000	0.0	2.7	6.4	-9.6	-6.0	9.7	-3.4	3.3	-0.8	-1.3	-0.5	2.1	0.9	-9.1
1999	9.2	1.9	4.0	9.4	-2.2	0.4	2.6	-1.6	-2.5	5.9	5.7	9.5	50.0	21.0
1998	0.0	3.7	5.8	1.0	-1.6	6.3	0.4	-9.8	3.0	-0.5	8.6	-0.3	16.6	28.6

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.

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The performance shown herein is net of fees and expenses and includes the reinvestment of dividends. The calculation of the net performance information contained herein will not include fees for accounts where the management fees are not paid directly from those managed accounts. Past performance does not guarantee future results and the value of the investments and the income derived from them may increase or decrease. Returns are estimates only. These estimates have not been independently verified and are subject to change. 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. This 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.

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