

High Yield Institutional Composite

As of 6/30/2017



Investment Approach

- Horizon's High Yield Opportunity strategy focuses on investments in below investment grade and distressed debt, preferred stock and convertible bonds.
- The investment process does not constrain security selection through specific maturity, duration or credit quality parameters, but has historically focused on short to intermediate maturities in distressed situations.
- The portfolio will invest in government securities or cash alternatives in periods where investment opportunity appears limited.

Portfolio Construction

- Returns are typically produced through long-term, capital appreciation and the compounding of interest and dividends.
- Portfolio typically holds 30 to 80 securities.
- 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:

BoA ML High Yield

Assets Under Management:

Horizon Kinetics (\$bln) 5.0
Horizon Institutional (\$bln) 2.4

Inception Date:

January 2000

Portfolio Manager:

Murray Stahl
39 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.

Performance Statistics	MTD	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Total Return (gross)	0.4	2.4	5.3	14.0	5.7	6.2	6.4	12.1
Total Return (net)	0.3	2.2	4.8	12.9	4.6	5.2	5.3	11.0
BoA ML High Yield	0.1	2.1	4.9	12.8	4.5	6.9	7.5	7.2
Excess Return (gross)	0.3	0.3	0.4	1.3	1.2	-0.7	-1.2	4.9
Standard Deviation (%)	—	—	—	3.4	5.4	4.8	8.5	9.5
Tracking Error (%)	—	—	—	1.7	2.5	2.5	5.6	8.2
Sharpe Ratio	—	—	—	3.7	1.0	1.3	0.7	1.1
Information Ratio (arith)	—	—	—	0.7	0.5	-0.3	-0.2	0.6
Beta	—	—	—	0.9	0.8	0.8	0.7	0.6
UpMkt Capture Ratio (%)	—	—	—	103	90	85	80	107
Down Capture Ratio (%)	—	—	—	-36	67	78	77	59

Top 10 Holdings

	% Port
Wells Fargo & Company 7.5% Non Cum Perp Conv Pfd	5.3%
Webmd Health Corp. 2.5% 31-jan-2018	4.5%
Fairfax Financial Holdings Limited	4.0%
Bunge Ltd 4 7/8 % Cum Conv Perp Pref Shs	3.4%
Cliffs Natural Resources Inc. 8.25% 31-mar-2020	3.1%
Alexandria Real Estate Equities Inc Cum Conv Pfd Shs Series D	3.0%
Lexington Realty Trust 6 1/2 % Cum Conv Pfd Shs Series C	2.8%
DoubleLine Income Solutions Fund	2.6%
PIMCO Income Strategy Fund II	2.5%
Cheniere Energy, Inc. 4.25% 15-mar-2045	2.4%

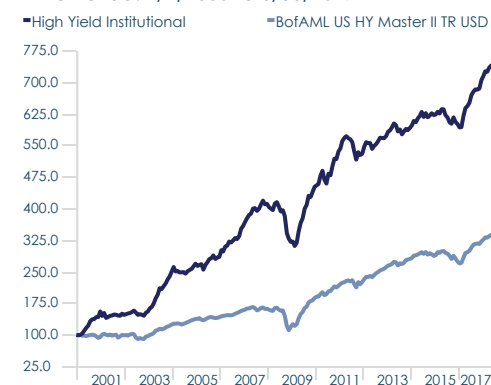
Strategy Characteristics

Number of Positions ⁽¹⁾	72
Average Duration (yrs)	1.1
Current Yield	4.01

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

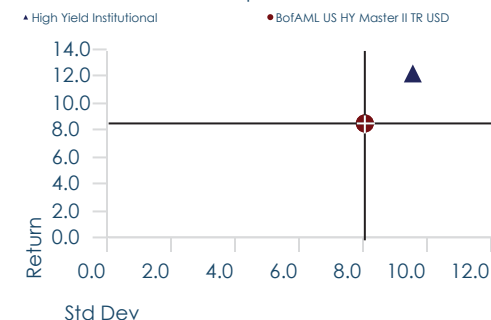
Cumulative Growth of \$100 (gross)

Time Period: 1/1/2000 to 6/30/2017



Risk/Reward (gross)

Time Period: Since Inception to 6/30/2017



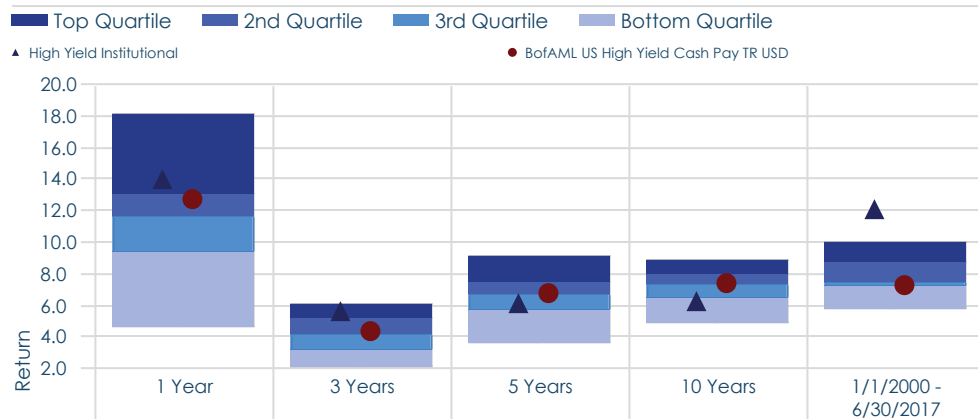
High Yield Institutional Composite



As of 6/30/2017

Performance Relative to Peer Group (gross)

As of Date: 6/30/2017 Peer Group (5-95%): Separate Accounts/CITs - U.S. - High Yield Bond



Monthly Performance (gross)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index
2017	1.4	1.6	-0.2	1.4	0.7	0.4							5.3	4.9
2016	-1.3	0.1	4.5	3.0	0.8	1.2	2.8	1.2	0.8	-0.1	0.4	2.9	17.4	17.5
2015	0.2	1.0	-0.7	1.6	0.0	-2.2	-0.9	-1.9	-0.6	2.5	-1.7	-0.9	-3.4	-4.6
2014	1.1	1.7	-0.5	1.5	1.0	1.5	-1.9	1.5	-1.6	0.7	0.9	-0.7	5.2	2.5
2013	1.9	0.5	1.3	1.5	-0.7	-2.5	0.8	-2.0	1.2	1.1	-0.5	0.9	3.4	7.4
2012	3.2	1.9	-0.4	0.0	-2.5	1.3	0.8	1.3	1.4	-0.1	-0.1	0.8	7.9	15.6
2011	1.5	3.1	1.3	0.8	-0.8	-0.4	-1.2	-4.0	-3.6	3.4	-1.3	0.6	-0.9	4.4
2010	0.7	0.8	4.3	2.4	-4.4	-1.9	5.1	-0.8	4.5	3.6	-0.2	3.4	18.5	15.2
2009	0.2	-3.3	2.4	8.5	5.9	2.9	6.1	2.3	5.3	-0.7	2.8	2.8	40.8	57.5
2008	-1.9	-0.9	-0.9	3.9	0.9	-2.5	-3.0	0.8	-3.5	-10.6	-3.9	-2.3	-22.0	-26.4
2007	2.8	2.2	2.1	0.9	3.1	0.3	-1.6	1.2	2.5	2.3	-2.1	0.3	14.6	2.2
2006	5.6	-1.1	3.9	0.7	3.2	-0.7	1.6	1.7	-0.8	2.1	5.2	2.0	25.9	11.8
2005	-1.9	0.8	0.8	-4.9	4.3	2.4	2.8	0.9	2.3	-2.9	1.2	0.6	6.0	2.7
2004	4.3	-4.1	0.5	-1.4	0.0	0.3	-1.5	2.3	1.1	1.1	2.3	2.4	7.4	10.9
2003	4.9	1.9	5.1	7.0	4.6	7.8	-1.0	3.4	2.9	4.4	3.1	4.8	61.0	28.1
2002	1.2	1.0	0.8	1.6	2.1	-2.9	-3.6	1.0	-0.7	-1.7	4.8	2.1	5.5	-1.9
2001	-6.9	5.0	-7.8	1.5	2.1	0.4	1.6	-0.4	-1.2	-0.5	3.4	-1.9	-5.3	4.5
2000	-1.0	1.2	3.1	6.7	6.0	4.7	8.6	3.3	0.4	3.5	-0.1	9.4	55.8	-5.1

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.

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 High Yield Institutional Composite ("Strategy") seeks positive above market long-term returns by investing primarily in a focused portfolio of high yielding investments in below investment grade and distressed corporate debt, preferred stock and convertible bonds.

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.

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