Horizon Asia Opportunity

Q2 2018 Commentary

August 2018

In the second quarter of 2018, the Horizon Asia Opportunity Institutional Composite (the "Strategy") gained 1.1%, net of fees, compared to the MSCI All Country Asia Index (the "Index"), which declined 4.3%. The strategy's holdings in Japanese internet companies and consumer staples companies contributed to the return. Exposures in Macau gaming companies and a hospitality and restaurant operator in Thailand detracted from performance.

We would like to update our investors on the trade war that the Trump administration started earlier this year. Trade tensions between the United States and China escalated significantly in March, when President Trump ordered the U.S. government to plan strong action on tariffs, World Trade Organization disputes, and investment restrictions, to protect America's leadership with respect to its economy, technology, and innovation from China's unfair trade practices and industrial policies. The United States Trade Representative (USTR) announced an additional duty of 25% on approximately $50 billion worth of Chinese imports. The first line of tariffs, on approximately $34 billion worth of goods, became effective on July 6th, and the second set of tariffs, on approximately $16 billion of imports, will be imposed on August 23rd. When China responded with counter-tariffs on the U.S. goods, the USTR immediately announced that he is preparing an additional 10% of tariffs on about $200 billion worth of Chinese goods to offset China's action, and he subsequently increased the potential additional tariff rate to 25%.

Adding pressure on China, which had only $130 billion of imports from the U.S. in 2017, the US government is imposing various measures, including new export limitations and investment restrictions, to confront potential threats to national security and technological superiority, and to limit the transfer of emerging and critical technologies to Chinese competitors.

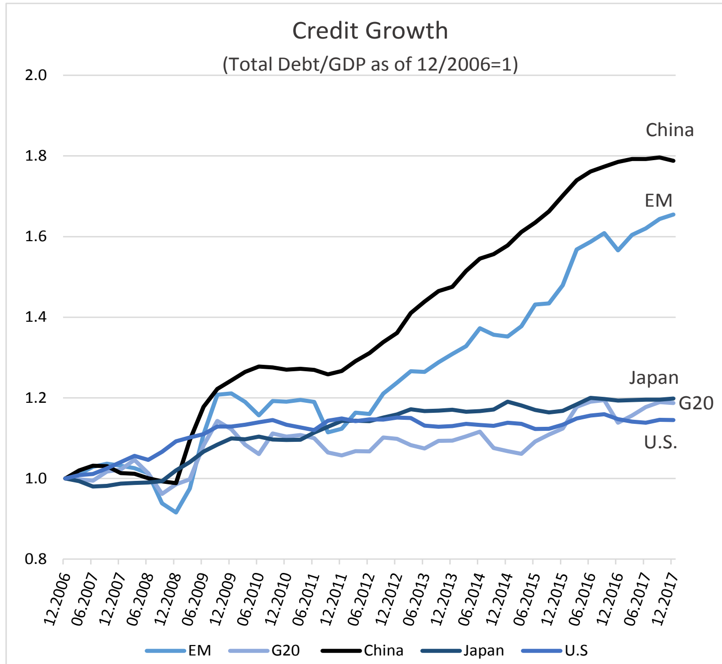
Against this backdrop, the Shanghai Shenzhen CSI 300 Index (CSI 300) declined by 22.4% from its peak in January this year[1]. We are seeing some signs of an economic slowdown in China; both the Caixin China Manufacturing Purchasing Managers' Index (PMI) and the China Non-manufacturing PMI fell in July from the beginning of this year, from 51.5 to 50.8 and from 55.3 to 54, respectively, where a number below 50 suggests contraction. The above 10% growth of total retail sales of consumer goods in the last 3 years has fallen below 10% this year since April[2]. The Chinese government's clear shift from tightening/deleveraging to loosening monetary and fiscal policies during Q2 confirms their changing view of the economic outlook; however, the degree of the deterioration in those numbers is not yet significant, and it is still too early to ascertain the real impact of the trade war.

As of this writing, both the U.S. and China have agreed to start a new round of trade negotiations at the end of August; an escalating trade war is not their goal. We need to acknowledge the fact that the Trump

[1] As of 8/10/2018. The index consists of 300 A-share stocks listed on Shanghai or Shenzhen stock Exchanges in China.

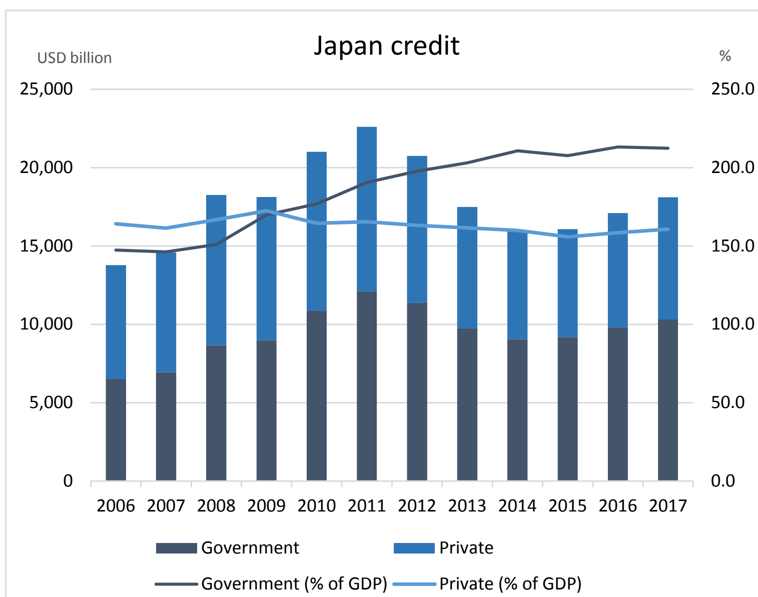
[2] Source: National Bureau of statistics of China, China Federation of Logistics and Purchasing, Markit, Bloomberg.

Administration used public communications, including comments on Twitter, as part of their negotiating tools, and the process of reaching an agreement may cause the situation to appear much worse than the actual settlement they will eventually reach at the end.



Source: the Bank for International Settlements

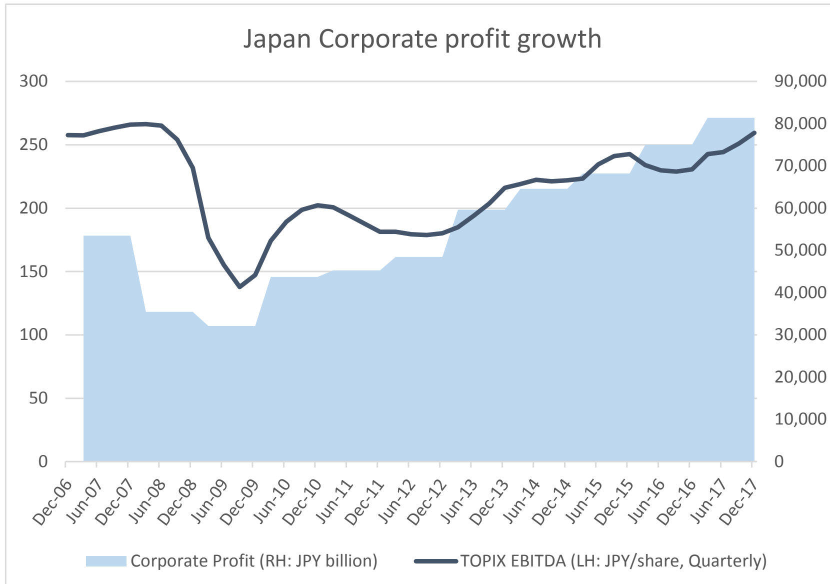
The global economic expansion that started in 2009, after the global financial crisis, is one of the longest since World War II. This was engineered by the group of advanced economies' central banks. They have employed unprecedented measures, such as quantitative easing, to provide much needed liquidity to the troubled global financial system. Asia was no exception, as the Bank of Japan (BOJ) and the Peoples Bank of China (PBOC) provided ample liquidity to their financial systems, and economic recoveries followed, which are still in place today. The low interest rate environment around the world encouraged both private and public sectors to borrow, and created debt levels previously not seen globally.



Source: the Bank for International Settlements

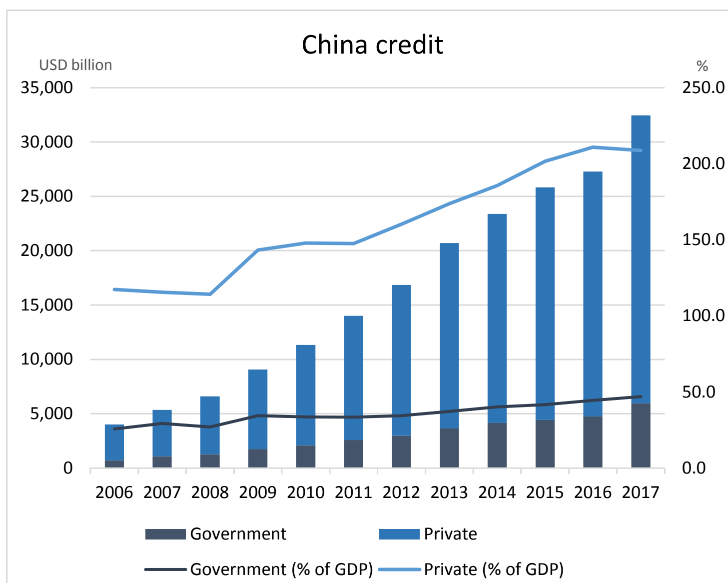
Two of the largest Asian nations, China and Japan, evidence the same symptoms. In the case of Japan, it is public sector debt, which now stands at 212% of GDP as of December 2017, which could pose a major threat to the stability of their economy. Their debt service already consumes about 40% of their tax revenues, even though the interest rates on the debt are at historically low levels (the 10 year Japanese government bond yields 0.1%). The private sector debt level is better contained, and corporate cash generation is still running at a very high level.

The most positive factor regarding the Japanese debt situation is that most of this debt is held by domestic investors. Several times in the past, a sovereign debt crisis was started by a run on the currency of a nation, as foreign investors withdrew their investments from that nation by selling financial assets— especially public debt instruments. In the case of Japan during the global financial crisis of 2008, that scenario never materialized. One factor that could change the outcome could be a major decline or disappearance of the current account surplus.

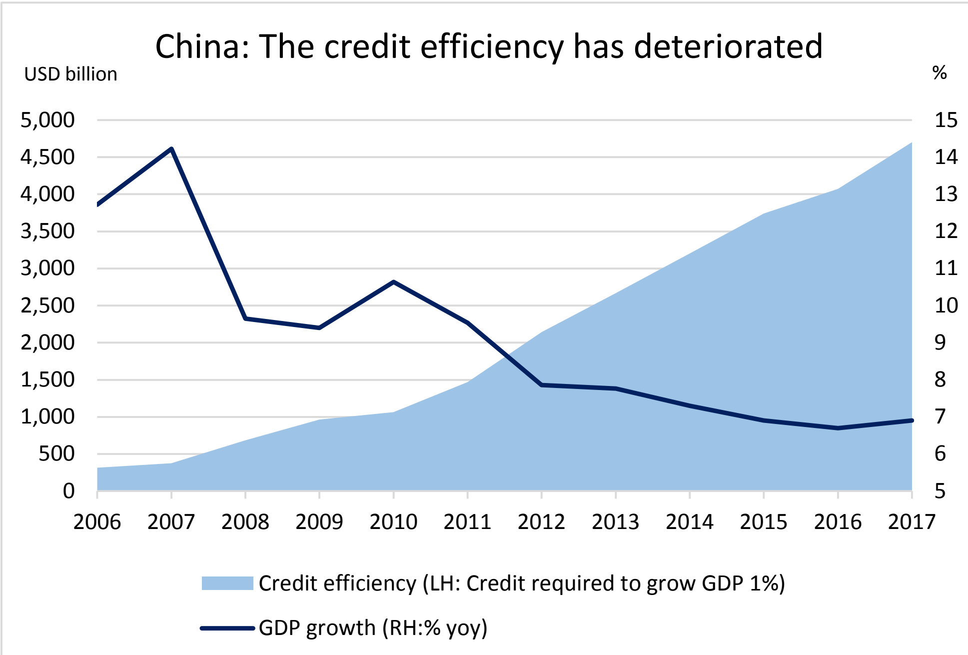


Source: Japan Ministry of Finance, Bloomberg.

In China, the composition of debts is a mirror image of that of Japan, but is similar to Japan in that the majority of the debt is held by domestic investors. Public sector debt rose during the recovery period to about 47% of GDP. But unlike that of Japan, private sector non-financial debt rose rapidly, and now stands at 208% of GDP as of 2017. The more troubling sign is that the efficiency of the debt (how much debt is needed to create a unit of growth) declined in this credit cycle (see the chart below). This might be attributed to the fact that borrowing by state-owned enterprises increased disproportionately. These tend to operate in the heavy industrial and mining sectors, where profitability is low and a relatively larger number of people are employed.



Source*: the Bank for International Settlements*



Source: the Bank for International Settlements, National Bureau of Statistics of China, Bloomberg

At the moment, the Chinese economy is still growing at the very healthy rate of 6.7% (as of Q2 2018), and there are no signs of debt problems in the system. However, the unusually high level of debt and declining efficiency leave very little margin for error and could pose a serious problem in the future, if unexpected external events were to trigger a new global financial crisis.

We believe that China has several positive attributes that might help avoid serious financial dislocation in the near future. The most important one is the country's sizable current account surpluses, which stood at $165 billion in 2017. Second, very low public debt levels, unlike those of their Western counterparts, (officially 47% of GDP) will give the Chinese government plenty of flexibility to support its economy during any major financial disturbances. Third, its high domestic savings and low loan-to-deposit ratio should mean that the probability of a funding crisis remains very low. These Chinese specific factors alone cannot prevent a globally induced financial crisis from affecting China's domestic economy, but surely they can lessen such a crisis' impact on China, as China has a lot more flexibility left to combat a potential crisis.

The Asian markets as a whole still enjoy relatively attractive valuation levels (see Global Valuation Comparison table below) and earnings growth continues. But the risk level has increased due to the length of this credit cycle, extremely high levels of debt globally, and the fact that the Federal Reserve Bank (FRB) has started its tightening cycle (albeit, very gently). We have ample liquidity in our portfolio as a result of rising stock markets in Asia and difficulties in finding attractive ideas at the right prices. This bodes very well for our ability to act on attractive investment ideas in a timely manner in the future, if and when opportunities arise.

Global Valuation Comparison

	P/E FY18e	PE FY19e	P/B FY18e	EV/EBITDA FY18e	ROE FY18e	Div Yield FY18e	10yr Bond Yield Current
Japan	13.1	12.2	1.3	8.3	7.7	2.2	0.1
China	11.9	10.3	1.6	10.4	13.1	2.4	3.6
Asia ex-Japan	12.4	11.2	1.5	8.9	13.2	2.7	NA
US	17.6	16.0	3.4	11.7	18.4	1.9	2.9
Europe	14.2	12.8	1.7	8.6	9.4	3.4	0.7

Japanese universe is TSE 1. Chinese universe is MSCI China Index. US universe is S&P 500. European universe is STOXX Europe 600. Asia ex Japan universe is MSCI AC Asia ex-Japan Index. As of 08/17/2018.
Sources: Bloomberg

DISCLOSURES

Past performance is not indicative of future returns. This information should not be used as a general guide to investing or as a source of any specific investment recommendations, and makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives. This is not an offer to sell or a solicitation to invest.

This information is intended solely to report on the investment strategies of Horizon Kinetics LLC. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. There are risks associated with purchasing and selling securities and options, and investments can lose money.

This commentary references cryptocurrencies. Horizon Kinetics' subsidiaries manage products that seek to provide exposure to cryptocurrencies. Cryptocurrencies represent a relatively new asset class and carry substantial risks. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, you may lose money.

The MSCI All Countries Asia Index® captures large and mid-cap companies represented across 3 Developed Markets countries and 8 Emerging Markets countries in Asia. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The Shanghai Shenzhen CSI 300 Index is a capitalization-weighted stock market index designed to replicate the performance of top 300 stocks traded in the Shanghai and Shenzhen stock exchanges.

Note that indices are unmanaged, and the figures shown herein do not reflect any investment management fees 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, correlations, 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 to past results.

Horizon Kinetics LLC is the parent company to several US-registered investment advisers, including Horizon Asset Management LLC ("Horizon") and Kinetics Asset Management LLC ("Kinetics"). Horizon and Kinetics manage separate accounts and pooled products that may hold certain of the securities mentioned herein. Horizon is the *investment manager to the strategy referenced herein. For more information on Horizon Kinetics, you may visit our website at www.horizonkinetics.com.*

Asia Opportunity - Institutional Composite

As of 6/30/2018

HORIZON KINETICS

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.

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.

Investment Time Horizon:
5+ Years

Representative Benchmark:
MSCI All Country Asia

Assets Under Management:

Horizon Kinetics ($bln)	5.8
Horizon Institutional ($bln)	2.8

Inception Date:
January 2008

Portfolio Manager:
Murray Stahl
40 yrs investment experience

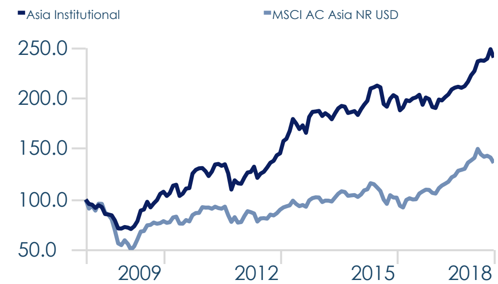
Aya Weissman
35 yrs investment experience

(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 Asset Management Institutional ("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	ITD
Total Return (gross)	-3.3	1.3	5.9	14.1	4.2	7.2	8.7
Total Return (net)	-3.4	1.1	5.3	13.0	3.1	6.1	7.6
MSCI All Asia NR	-3.8	-4.3	-3.6	10.1	6.7	7.8	3.0
Excess Return (gross)	*0.5*	*5.6*	*9.5*	*4.0*	*-2.6*	*-0.6*	*5.7*
Standard Deviation (%)	—	—	—	7.2	10.0	10.1	14.5
Tracking Error (%)	—	—	—	8.7	9.2	7.7	10.3
Sharpe Ratio	—	—	—	1.7	0.4	0.7	0.6
Information Ratio (arith)	—	—	—	*0.5*	*-0.3*	*-0.1*	*0.6*
Beta	—	—	—	0.4	0.5	0.6	0.7
UpMkt Capture Ratio (%)			—	62	48	68	81
Down Capture Ratio (%)			—	-6	42	54	52

Cumulative Growth of $100 *(gross)*

Time Period: 1/1/2008 to 6/30/2018



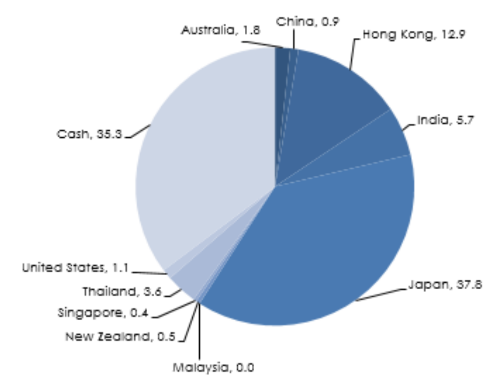
Top 10 Holdings*	% Port
Galaxy Entertainment Group Limited	6.4%
Pigeon Corporation Unsponsored ADR	6.3%
GMO Internet Inc.	5.2%
Mahindra & Mahindra Ltd. Sponsored GDR RegS	4.6%
Pola Orbis Holdings Inc.	4.0%
Kakaku.com, Inc.	3.8%
Minor International Public Co., Ltd.	3.6%
Digital Garage, Inc.	3.6%
Wynn Macau Ltd.	3.0%
Unicharm Corporation	2.8%

**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	37
Avg. Market Cap. (B)	8.2
P/E [1]	21.1
Price/Book [1]	2.5
Dividend Yield	1.6%
Turnover (1 Year)[2]	10.2%
Active Share[3]	99.5%

[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.

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.*

Source: Morningstar Direct

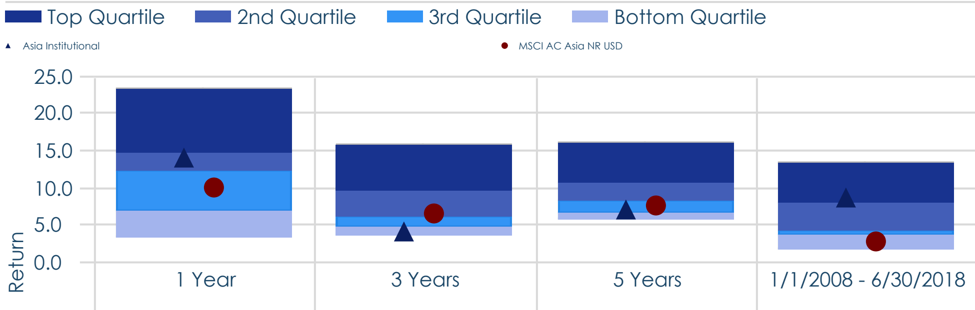
Asia Opportunity - Institutional Composite

HORIZON KINETICS

As of 6/30/2018

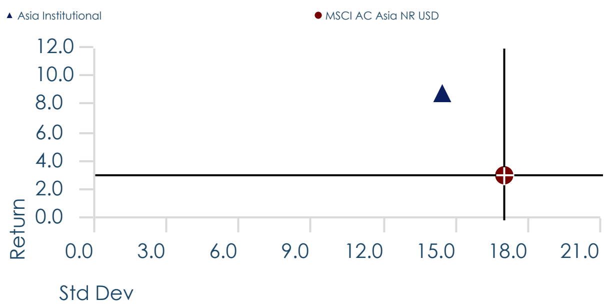
Performance Relative to Peer Group *(gross)*

As of Date: 6/30/2018 Peer Group (5-95%): Separate Accounts/CITs - U.S. - Diversified Pacific/Asia



Risk/Reward *(gross)*

Time Period: 1/1/2008 to 6/30/2018



Monthly Performance *(gross)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index
2018	4.2	0.4	-0.2	0.9	3.9	-3.3							5.9	-3.6
2017	4.4	-0.5	1.7	1.3	2.4	0.9	0.4	-0.5	0.8	2.1	3.0	1.9	19.2	33.4
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 Kinetics LLC (the "Firm") is parent company to three investment advisers registered with the U.S. Securities and Exchange Commission ("SEC"), including Horizon Asset Management LLC, Kinetics Asset Management LLC and Kinetics Advisers, LLC.

Past performance is not a guarantee of future returns and you may lose money. Opinions and estimates offered constitute our judgment as of the date made and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. This information should not be used as a general guide to investing or as a source of any specific investment recommendations. This material makes no implied or expressed recommendations concerning the way an account should or would be handled, as appropriate investment strategies depend on specific investment goals of investors.

This is not an offer or solicitation to any person in any jurisdiction in which such action is not authorized or to any person to whom it would be unlawful to make such offer or solicitation. Horizon Kinetics does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

GIPS CLASSIFICATION EXPLANATION:

Under the Horizon Asset Management LLC legal entity, only a subset of accounts are eligible to claim compliance with the Global Investment Performance Standards (GIPS®). We call this subset of accounts Horizon Asset Management Institutional, and refer to it herein as its own separate firm.

Horizon Asset Management Institutional is defined as the traditional, long-only separate accounts and private investment funds managed by Horizon Asset Management LLC. This means that our GIPS firm, Horizon Asset Management Institutional, specifically excludes other accounts that are either serviced by wrap/dual contract sponsors or which utilize a wrap or bundled fee structure.

This material contains performance information for accounts that fall under the Horizon Asset Management Institutional classification.

Horizon Asset Management Institutional claims compliance with the Global Investment Performance Standards (GIPS®).

Our composites represent a subset of a larger strategy. As such, the performance for our GIPS composites are expected to be materially different than the performance for each corresponding strategy. Importantly, regardless of whether an account falls under the GIPS classification or not, it is managed pursuant to the same investment objective and investment strategy as all other accounts in the strategy.

The Firm maintains a complete list and description of composites, which along with our GIPS compliant presentation, are available upon request by emailing us at csbd@horizonkinetics.com.

INVESTMENT STRATEGY AND RISKS:

The investment objective of the Horizon Asia Opportunity-Institutional Composite Strategy (the "Strategy" or "Composite") seeks above market long-term returns by investing primarily in a focused portfolio of common stocks of Asian issuers.

The Strategy combines qualitative and quantitative financial measures to identify fundamentally superior businesses trading below their intrinsic value. Returns are often created by distinguishing between permanent and transitory problems and having the patience to allow transitory issues to be resolved. The bottom-up process often leads to thematic exposures. However, carefully attention is given to ensure that underlying earnings or sector concentrations are understood and limited. Positions may be sold when the research team identifies changes to the investment thesis.

The Strategy typically holds approximately 30-50 securities, however it may hold more or less. The portfolio's cash position may vary across time and accounts depending on the availability of attractive opportunities. We do not strictly follow a portfolio model and as a result dispersion among client portfolios may be experienced. Portfolio turnover typically averages 20% per annum over time. Although the focus of the Strategy is equities, it may invest in other parts of the capital structure when the research process identifies opportunities that may offer superior risk/return. The portfolio manager also has discretion to utilize derivatives opportunistically when the research process identifies superior risk/return of such positions. The Strategy may also opportunistically invest in countries outside of the benchmark.

The Strategy is appropriate for investors who have a long investment time horizon of approximately 5 years or longer. The Firm reserves the right to modify the Strategy and associated techniques based on changing market dynamics or client needs. The Strategy may invest in both equity and fixed income securities without regard for market capitalizations or issue size. The Firm does not necessarily fully invest a client account immediately after it is funded. There can be no assurance that any securities mentioned herein or otherwise will remain in an account. The securities discussed herein may not represent the entirety of an account and in the aggregate may only represent a small percentage of an account's overall composition.

There are risks associated with the Strategy, which may include, but are not limited to, the account: (1) at times being highly concentrated and thus susceptible to a greater degree of loss than if otherwise diversified in a larger amount of holdings; (2) holding securities that are speculative, illiquid and for which there may not be an active market, thus exhibiting a greater degree of volatility than non-speculative and more liquid securities; (4) investing in products that are sponsored or managed by third parties, which may impose their own underlying fees, thereby reducing an investor's overall return; (5) investing in non-investment grade debt securities (i.e., junk bonds) which are subject to greater credit risk, price volatility and risk of loss than investment grade securities; (6) holding options, which carry special risks including the imperfect correlation between the value of the option and the value of the underlying asset; (7) investing in foreign securities, which generally involve more risk than U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards; and (8) investing in small and medium sized companies, which may experience higher degrees of volatility and price fluctuations than larger companies. This list of risks is not exhaustive, investors should review additional potential risks with their client relationship manager prior to investing. As always, you should consider the investment objective, strategy, risks, fees and expenses carefully before investing.

DIFFERENCES IN PERFORMANCE BETWEEN ACCOUNTS AND THE COMPOSITE ITSELF:

The Firm manages its separate accounts with an emphasis on current stock price valuations and reducing unnecessary trading costs. As such, our strategy accounts are not "model driven" in the sense that we maintain a dynamic list for new buys, sells, and holds, which updated on a weekly basis. At Horizon Kinetics, it is acceptable for accounts that follow the same strategy to experience materially different returns over various periods of time. In fact, it is understood that accounts invested in same strategy may have materially different holdings and weightings from one another. Similarly, the aggregate returns of all accounts in a strategy is expected to be materially different than the returns of the corresponding GIPS composite. Not every client's account will have similar returns as that of the Composite based on a number of factors that includes but is not limited to: (i) the size of the account; (ii) the inception date of the account; (iii) the market prices of individual securities at the time of investment; (iv) individual client guidelines or other restrictions including those of the client's custodian; and (iv) the degree of investor activity (subsequent investments or withdrawals) within the account.

By investing in accordance with a "dynamic model," we strive to consider current stock price valuations and reduce unnecessary trading costs. In contrast to other asset managers, we will not necessarily rebalance an account based solely on the dispersion between the account and the strategy "model." For example, we would not typically trim exposure to a security in a client account simply because it had become overweight relative to the model. In our opinion, rebalancing in that regard means a client account will purchase or sell securities regardless of valuation changes that might have occurred in between rebalancing periods and may also lead to higher transaction costs. Thus, certain accounts within the same strategy are expected to be significantly different from one another. Historical performance of the Composite is illustrative of the track record of the portfolio manager within the strategy but it should not be used as a proxy for individual account returns, or as a predictor of future account returns. Each client should consult with their client portfolio manager or other professional adviser about whether the Strategy is appropriate for them.

FEES & EXPENSES:

Accounts invested in accordance with the Strategy will pay certain fees and expenses. Net Returns stated herein include trading expenses, but do not include advisory or custodian fees paid to third parties other than our firm. Such additional fees or expenses, if applicable would lower the overall return. The gross returns stated herein are not inclusive of investment management fees, but do include trading expenses. If investment management fees were included in the gross returns, the overall return would be lower. The net returns of the Strategy are calculated using the highest applicable annual management fee of 1%, applied monthly.

PERFORMANCE CALCULATIONS:

This material contains performance information for the Horizon Asia Opportunity – Institutional Composite, which, as referenced above, relates to that portion of accounts under Horizon Asset Management Institutional.

Performance is expressed in USD and includes reinvestment of dividends and other earnings. It is important to note that Composite returns contained herein are calculated using the unofficial (non-custodial) returns of numerous underlying accounts, as generated by the adviser's use of third party software. Such estimates are subject to change. While the information contained herein has been obtained from sources believed to be reliable, no representation is made regarding its accuracy or completeness. For purposes of calculating performance of the Composite, accounts are included as of the first day of the month after which they are established with the Firm.

Performance and other statistics relating to indices are provided for your information only. They are not intended to reflect the manner in which an account will be constructed in relation to expected or achieved returns, portfolio guidelines, correlation, concentration, volatility or tracking error targets, all of which are expected to be materially different from that of any index. Indices do not have expenses or fees and investors cannot invest in an index.

Horizon Asset Management LLC is the SEC-registered investment adviser for the Strategy. Additional information about Horizon is also available on the SEC's website at www.adviserinfo.sec.gov.