

Wealth Index Strategy



June 30th, 2012

Investment Approach

- The Wealth Index Strategy attempts to track the performance of the Horizon Kinetics ISE Wealth Index ("Index"), which consists of U.S.-listed companies managed by some of the wealthiest individuals in the United States.
- In most cases, the wealthy individual has invested a substantial portion of his or her net worth in the common equity of the constituent company.
- Since the Index constituents are primarily company founders and/or owner-operators, we believe these executives emphasize the creation of long-term shareholder value and, as a result, tend to outperform the broader markets.

Index Methodology¹

- Index constituents must have a wealthy individual in a control position (e.g., Chief Executive Officer, Chairman of the Board). A wealthy individual is defined as a person whose personal assets generally exceed US\$500 million.
- Index constituents must be listed on a U.S. exchange and, in the case of initial public offerings, must have been publicly listed for at least two years.
- Index constituents are reviewed quarterly for eligibility and are weighted equally at the beginning of each quarter².

Investment Time Horizon:

5+ Years

Representative Benchmark:

S&P 500

Strategy Inception:

January 2012

Back-Tested Data Since:

January 1991

Portfolio Manager:

Murray Stahl
34 yrs investment
experience

Matthew Houk
7 yrs investment
experience

Please refer to Important Disclosures
on the following page.

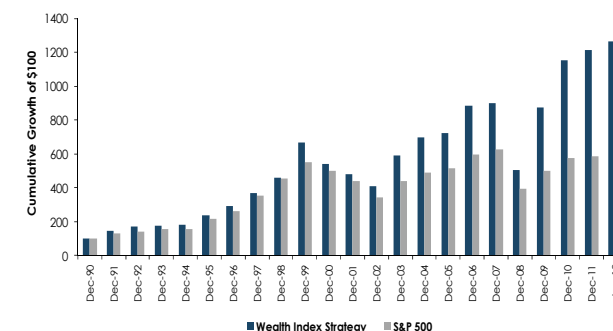
Performance Statistics	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Jan-91
Total Return (net)*	2.4	-7.7	4.2	-1.7	25.1	5.9	11.6	12.5
S&P500*	4.1	-2.8	9.5	5.4	16.4	0.2	5.3	9.0
Excess Return (net)*	-1.7	-4.9	-5.3	-7.1	8.7	5.7	6.3	3.5
Standard Deviation (%)*	-	-	-	22.4	20.6	26.3	21.8	21.6
Tracking Error (%)*	-	-	-	6.2	7.6	10.7	9.4	10.6
Risk Adjusted Return (net)*	-	-	-	-0.1	1.2	0.2	0.5	0.6
Information Ratio (net)*	-	-	-	-1.1	1.2	0.5	0.7	0.3
Beta	-	-	-	1.2	1.2	1.3	1.3	1.3
Up Mkt Capture Ratio (net)	-	-	-	100%	132%	142%	142%	134%
Down Mkt Capture Ratio (net)	-	-	-	129%	114%	118%	118%	127%
Batting Average ⁽¹⁾ (net)*	-	-	-	62%	63%	77%	100%	-

*Annualized for periods greater than 1 year. (%) See definitions on page 2.

Sample Holdings	Chairman
Air Lease Corp	Steven F. Udvar-Hazy
AMC Networks	Charles Dolan
BOK Financial Corp	George B. Kaiser
Berkshire Hathaway Inc	Warren E. Buffett
Colfax Corp	Mitchell P. Rales
Colony Financial Inc	Thomas J. Barrack
Dell Inc	Michael S. Dell
DISH Network Corp	Charles William Ergen
Federal-Mogul Corp	Carl C. Icahn
Google Inc	Lawrence E. Page

Sample Holdings	Chairman
IAC/InterActiveCorp	Barry Diller
Loews Corp	Andrew H. Tisch
Liberty Global Inc	John C. Malone
Las Vegas Sands Corp	Sheldon Gary Adelson
Microsoft Corp	William Henry Gates III
News Corp	Keith Rupert Murdoch
Sears Holdings Corp	Edward S. Lampert
Swisher Hygiene Inc	H. Wayne Huizenga Jr.
Viacom Inc	Sumner M. Redstone
Vornado Realty Trust	Steven Roth

Cumulative Growth of \$100 (net)



Strategy Characteristics⁽³⁾

Number of Positions	106
Avg. Market Cap. (B)	23.1
P/E ⁽⁴⁾	18.0
Price/Book ⁽⁴⁾	2.1
Dividend Yield	1.9%

⁽³⁾ Based on the model account
⁽⁴⁾ Weighted Harmonic Average

Performance is back-tested prior to January 2012. Please refer to Important Disclosures on page 2 for back-tested performance data.

¹For additional information on the Index go to http://www.ise.com/webform/options_product_indexDetails.aspx?categoryID=96&symbol=RCH

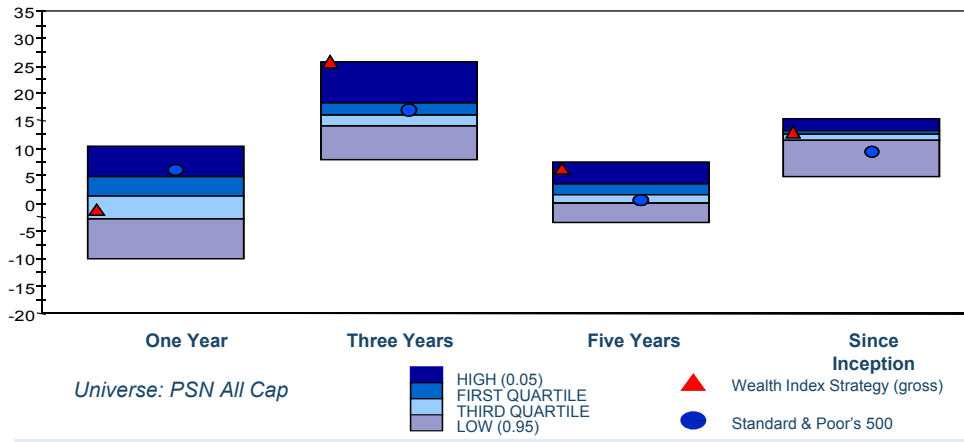
²Note that in the case where there are multiple, publicly-traded companies representing substantially similar assets, such as with master limited partnerships (i.e., GPs, LPs, LLCs), for the purposes of determining the appropriate weights, such a group of securities is treated as one component in the above equation. The group weight is then distributed equally among each of the underlying constituents of the group.

Wealth Strategy

June 30th, 2012



Peer Universe Comparison – 2nd Quarter 2012



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.
- Risk Adjusted Return is a measure of how much an investment returned in relation to the amount of risk it took on; specifically, it is the ratio of strategy return over its volatility.
- 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, and multiplying that factor by 100.
- 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, and multiplying that factor by 100.
- 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.
- Batting Average is the percentage of rolling periods above the benchmark.

Important Disclosures

Past performance is not an indication of future results and the value of the investments and the income derived from them may increase or decrease. Returns 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. The Portfolios are total return strategies 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. The S&P 500 Index is property of Standard & Poor's.

Back-tested performance is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes to indicate historical performance had the index been available over the relevant period. Actual performance may be materially lower than that of the index, as they do not include expenses and fees. Such results do not represent the impact that material economic and market factors might have on the investment adviser's decision making process if the adviser were actually managing client money. Back-tested performance also differs from actual performance because it is achieved through the retroactive application of portfolios designed with the benefit of hindsight. Horizon Kinetics generally employs the same methodology in its back-test calculations as it does when the actual index was officially launched. Anyone interested in better understanding the methodology for the Index, including details on the manner in which the Index is rebalanced, the timing of such rebalancing, the criteria used in determining additions and deletions to the Index as well as other Index calculations may contact Horizon Kinetics at info@horizonkinetics.com or (646) 495-7333.

Horizon Kinetics ISE Wealth Index (the "Index") was created in conjunction with the International Securities Exchange, LLC ("ISE"), which operates a leading U.S. options exchange and offers option trading on over 2,000 underlying equity, EFT, index, and FX products. Any returns or performance provided in this presentation is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results. It is not possible to invest directly in the Index. Exposure to the Index is only available through investable instruments. Horizon Kinetics, its subsidiaries and ISE may receive compensation in connection with licensing the Index to third parties. Horizon Kinetics or its subsidiaries may sponsor, endorse, sell, promote or manage investment funds or other vehicles that seeks to provide an investment return based on the returns of the Index. There is no assurance that investment products based on the Index will accurately track Index performance or provide positive investment returns.

Except as noted, the portfolio characteristics shown for separate accounts 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 and (iii) individual client circumstances. Horizon Kinetics LLC 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 Kinetics LLC does not necessarily fully invest portfolios immediately after an account is funded. There can be no assurance we will ever fully invest an account. There is no assurance that any securities discussed herein will remain in an account. The securities discussed might not represent an entire account and in the aggregate may represent only a small percentage of an account's holdings.

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Monthly Performance

Composite (Gross)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P 500
2012	6.8	4.3	1.3	-2.0	-8.0	2.4							4.2	9.5
2011	3.0	5.4	-1.6	4.5	0.2	-0.3	-0.4	-6.8	-8.9	13.9	-1.5	-0.5	5.1	2.1
2010	-3.2	5.1	9.2	3.9	-7.2	-5.8	9.0	-4.1	11.7	5.8	1.0	4.6	31.5	7.1
2009	-5.8	-9.1	13.3	25.3	5.1	-0.4	10.7	6.9	10.1	-5.9	5.2	5.5	72.8	26.5
2008	-6.2	-2.4	-1.3	4.0	5.8	-7.7	-1.7	2.4	-10.1	-22.9	-14.1	2.3	-43.7	-37.0
2007	3.6	-1.1	0.5	3.1	1.4	-0.6	-4.3	1.5	4.2	3.1	-6.9	-2.2	1.7	5.5
2006	6.2	1.0	3.5	1.5	-3.7	0.3	-5.1	3.3	2.3	6.8	4.7	0.4	22.6	15.8
2005	-4.3	0.4	-1.4	-5.1	4.3	2.2	6.2	-2.7	2.0	-1.3	6.0	-2.1	3.3	4.9
2004	2.0	1.1	-0.3	-4.3	2.6	0.9	-5.4	1.2	5.2	4.9	4.8	4.6	18.0	10.9
2003	-1.9	-1.3	3.1	9.7	9.6	2.8	2.8	4.5	-1.8	7.5	0.7	3.3	45.4	28.7
2002	-0.7	-5.2	7.1	-4.2	-0.8	-8.9	-8.9	-1.2	-7.8	11.2	15.1	-8.8	-15.5	-22.1
2001	13.0	-19.2	-10.8	13.0	-1.8	0.0	-5.9	-10.9	-18.3	14.5	20.0	5.0	-10.8	-11.9
2000	-5.5	1.3	10.2	-7.8	-7.6	2.3	-1.8	10.1	-4.2	-4.3	-13.0	1.9	-19.2	-9.1
1999	6.0	-3.9	6.8	9.2	-1.7	6.6	-3.6	-2.4	-2.1	7.0	4.0	13.3	44.7	21.0
1998	-0.1	9.0	8.3	0.0	-2.8	5.3	-4.9	-17.9	8.3	6.7	6.5	7.7	24.9	28.6
1997	3.0	0.0	-3.3	-0.1	12.8	6.0	5.5	-2.3	6.5	-6.5	2.0	2.1	27.3	33.4
1996	0.1	0.5	2.0	3.7	2.4	-0.4	-6.6	6.3	8.0	-0.5	6.7	-0.5	23.1	23.0
1995	-1.1	3.9	4.5	1.9	2.0	3.1	4.3	1.5	4.1	-3.0	4.9	1.8	31.3	37.6
1994	3.9	1.1	-4.8	1.6	0.1	-2.7	3.6	3.1	-4.8	2.5	-4.5	1.9	0.3	1.3
1993	1.9	-3.0	3.5	-5.5	3.4	-3.3	0.1	5.9	-0.9	2.8	0.5	-1.5	3.4	10.1
1992	4.7	1.4	-2.3	-0.9	0.7	-4.0	4.5	-0.2	3.5	2.8	5.6	3.3	20.2	7.6
1991	12.1	10.8	4.3	0.9	5.1	-5.7	3.1	4.5	-2.1	-0.3	-3.7	10.0	44.2	30.5