

Notes to Financial Statements — (Continued)

June 30, 2017 (Unaudited)

5. Income Taxes

At December 31, 2016, the components of accumulated earnings (losses) on a tax basis were as follows:

	<u>Internet</u>	<u>Global</u>	<u>Paradigm</u>	<u>Medical</u>
Net Unrealized Appreciation	\$ 37,973,570	\$ 1,045,546	\$ 256,738,996	\$ 6,098,201
Undistributed Ordinary Income	—	17,088	—	25,066
Undistributed Long-Term Capital Gains	6,573,853	—	—	599,153
Total Distributable Earnings	<u>\$ 6,573,853</u>	<u>\$ 17,088</u>	<u>\$ —</u>	<u>\$ 624,219</u>
Other Accumulated Loss	(437,435)	(1,088)	(540,604,523)	(35,461)
Total Accumulated Gain (Loss)	<u>\$ 44,109,988</u>	<u>\$ 1,061,546</u>	<u>\$ (283,865,527)</u>	<u>\$ 6,686,959</u>

	<u>Small Cap Opportunities</u>	<u>Market Opportunities</u>	<u>Alternative Income</u>	<u>Multi- Disciplinary Income</u>
Net Unrealized Appreciation (Depreciation)	\$ 1,292,420	\$ 8,923,941	\$ 180,935	\$ (1,010,154)
Undistributed Ordinary Income	—	—	13,786	77,449
Undistributed Long-Term Capital Gains	—	—	—	—
Total Distributable Earnings	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,786</u>	<u>\$ 77,449</u>
Other Accumulated Loss	(94,863,275)	(9,121,119)	(5,373,367)	(2,081,555)
Total Accumulated Loss	<u>\$ (93,570,855)</u>	<u>\$ (197,178)</u>	<u>\$ (5,178,646)</u>	<u>\$ (3,014,260)</u>

At December 31, 2016, the Feeder Funds had accumulated net realized capital loss carryforwards expiring in the following years:

	<u>2018</u>	<u>2017</u>	<u>Total</u>
The Internet Fund	\$ —	\$ —	\$ —
The Global Fund	—	—	—
The Paradigm Fund	(115,786,082)	(422,440,169)	(538,226,251)
The Medical Fund	—	—	—
The Small Cap Opportunities Fund	(8,224,702)	(82,550,372)	(90,775,074)
The Market Opportunities Fund	(2,108,533)	(6,623,055)	(8,731,588)
The Alternative Income Fund	(2,203,647)	(3,175,804)	(5,379,451)
The Multi-Disciplinary Income Fund	—	—	—

As a result of the Regulated Investment Company Modernization Act of 2010 (the "Modernization Act"), losses incurred in this fiscal year and beyond retain their character, short-term or long-term, have no expiration date and are utilized prior to capital loss carryforwards accumulated before the enactment of the Modernization Act.

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At December 31, 2016, the Multi-Disciplinary Income Fund had \$37,407 in short-term capital loss carryforwards without expiration and \$2,020,967 in long-term capital loss carryforwards without expiration.

For the year ended December 31, 2016, the following Feeder Funds utilized capital loss carryforwards:

	<u>Capital Loss Carryforward</u>
The Internet Fund	\$ —
The Global Fund	27,489
The Paradigm Fund	68,024,114
The Medical Fund	—
The Small Cap Opportunities Fund	3,401,434
The Market Opportunities Fund	2,274,754
The Alternative Income Fund	948,174
The Multi-Disciplinary Income Fund	—

At December 31, 2016, the following Feeder Funds deferred, on a tax basis, post-October losses:

	<u>Late Year Ordinary Loss Deferral</u>	<u>Post-October Capital Loss Deferral</u>
The Internet Fund	\$ (221)	\$ —
The Global Fund	—	—
The Paradigm Fund	(1,659,349)	—
The Medical Fund	—	—
The Small Cap Opportunities Fund	(3,290,280)	—
The Market Opportunities Fund	(201,031)	—
The Alternative Income Fund	—	—
The Multi-Disciplinary Income Fund	—	—

The tax components of dividends paid during the six-month period ended June 30, 2017, and the year ended December 31, 2016, are:

	<u>The Internet Fund</u>		<u>The Global Fund</u>	
	<u>Ordinary Income Distribution</u>	<u>Long-Term Capital Gains Distribution</u>	<u>Ordinary Income Distribution</u>	<u>Long-Term Capital Gains Distribution</u>
2017	\$ —	\$ —	\$ —	\$ —
2016	\$ —	\$ 9,112,438	\$ —	\$ 30,474

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	The Paradigm Fund		The Medical Fund	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2017	\$ —	\$ —	\$ —	\$ —
2016	\$ —	\$ —	\$ 155,355	\$ 1,030,327

	The Small Cap Opportunities Fund		The Market Opportunities Fund	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2017	\$ —	\$ —	\$ —	\$ —
2016	\$ —	\$ —	\$ —	\$ —

	The Alternative Income Fund		The Multi-Disciplinary Income Fund	
	Ordinary Income Distribution	Long-Term Capital Gains Distribution	Ordinary Income Distribution	Long-Term Capital Gains Distribution
2017	\$ —	\$ —	\$ 1,259,123	\$ —
2016	\$ 20,871	\$ —	\$ 3,636,014	\$ —

Each Feeder Fund designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Feeder Fund related to net capital gain to zero for the tax year ended December 31, 2016.

6. Tax Information

The Global and Medical Funds designated 100% and 92%, respectively, of dividends declared after December 31, 2016, from net investment income as qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The Global, Medical, Alternative Income, and Multi-Disciplinary Income Funds designated 100%, 13%, 100% and 100%, respectively, as ordinary income distributions and 100% and 87%, respectively, for the Internet and Medical Funds as long-term capital gain distribution for the purposes of the dividends paid deduction, which include earnings and profits distributed to shareholders on redemptions of Fund shares.

For corporate shareholders in the Global and Medical Funds, the percentage of ordinary dividend income distributed for the year ended December 31, 2016, which was designated as qualifying for the dividends-received deduction, is 2%