

Top 15 Utility

Growth & Income Strategy

As of December 31, 2024

Inception Date: 10/31/2011
Number of Equity Holdings: 15
Benchmark: S&P 1500 Utility Sector Index

Strategy Description: The Top 15 Utility strategy is an all-equity portfolio consisting of Horizon's favorite 15 utility stocks, as well as MLPs when appropriate, that Horizon believes have the best mix of valuation and growth potential.

Strategy Methodology: For the initial investment selection, Horizon selects an equal-weighted basket of 15 utility stocks designed to produce yield in line with the S&P 1500 Utility Sector Index. The S&P 1500 Utility Sector Index represents the utility sector portion of the S&P Composite 1500. The S&P Composite 1500 is an investable U.S. equity benchmark, which combines the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. Given that the portfolio consists of just 15 stocks from the same sector and typically will be fully invested at all times, investors could see above-average volatility with this portfolio. Because the portfolio focuses exclusively on limited sectors of the market, investors should view the portfolio strategy as a supplement to a well-diversified portfolio of investments.

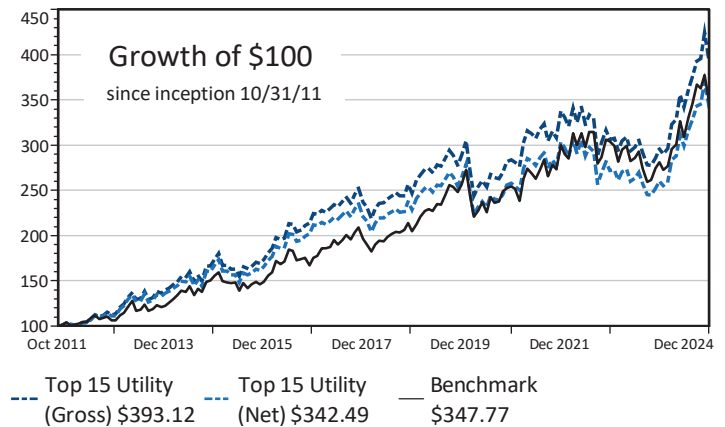
Portfolio Allocations

Sector	% Equity Assets	Market Capitalization	% Equity Assets
		Large Cap	53%
Communication Services	12%	Midcap	41%
Energy	7%	Small Cap	6%
Utilities	81%		

Performance Summary

	----- Annualized -----				Cum.	Cum.
	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Incept.	Since Incept.
Top 15 Utility (Gross)	33.0%	5.2%	6.4%	8.5%	11.0%	293.1%
Top 15 Utility (Net)	31.8%	4.1%	5.3%	7.4%	9.8%	242.5%
Benchmark	23.6%	5.0%	6.3%	8.4%	9.9%	247.8%

Cumulative Return History



Annualized Statistics (since inception)

	Standard Deviation	Sharpe Ratio
Top 15 Utility (Gross)	14.0%	0.68
Top 15 Utility (Net)	14.0%	0.60
Benchmark	14.7%	0.58

Risk Analysis (vs. Benchmark since inception)

	Alpha	Beta	R ²	Up Capture	Down Capture
Top 15 Utility (Gross)	1.9%	0.90	89%	93%	88%
Top 15 Utility (Net)	0.8%	0.90	89%	90%	90%
Benchmark	0.0%	1.00	100%	100%	100%

An investment in this strategy involves the risk of loss. Investment return and principal value will fluctuate so that the investment, when redeemed, may be worth more or less than the original investment.

As a fiduciary adviser, Horizon is legally and ethically bound to act in the best interests of their clients.

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"Number of Equity Holdings" and "Portfolio Allocations" are based on the equity holdings of an actual representative client account invested in the Top 15 Utility strategy. The remainder of the account is comprised of fixed-income and money market funds. Other account holdings may differ as a result of market conditions, client restrictions, and any number of other factors.

Portfolio Allocations (Sector and Market Capitalization) may not add up to 100% due to rounding.

Informa Investment Solutions/Zephyr StyleADVISOR is a software program that uses returns-based style analysis to quickly seek to ascertain a manager's style and creates a unique style benchmark that seeks to reflect that style. Source: www.styleadvisor.com. StyleADVISOR annualized returns may differ immaterially from Horizon Fact Sheet returns due to rounding.

Glossary of Statistics

Alpha measures nonsystematic return, or the return that cannot be attributed to the market. Thus, it can be thought of as how the manager performed if the market has had no gain or loss. In contrast, beta measures the return that is attributable to the market and is a measure of the portfolio's overall volatility. If the market's return as measured by an index was equal to the risk-free rate, the manager's expected excess return would be alpha.

Beta measures the risk level of the manager. Beta measures the systematic risk, or the return that is attributable to market movements. In contrast, alpha measures the nonsystematic return of the portfolio, and standard deviation measures the volatility of a portfolio's returns compared to the average return of the portfolio. A beta equal to one indicates a risk level equivalent to the market. Higher betas are associated with higher risk levels, while lower betas are associated with lower risk levels. Beta is estimated by the slope of the best fit line based on the ordinary least squares regression using the market's quarterly return less the risk-free rate as the independent variable and the manager's quarterly return less the risk-free rate as the dependent variable.

Down Capture is a measure of how badly the manager was affected by phases of negative benchmark returns.

R-Squared (R²) is a statistic that measures the reliability of alpha and beta in explaining the return of a manager as a linear function of the market. It is produced by regression analysis. If you are searching for a manager with a particular style, for example a growth manager, you would expect that manager to have an R-Squared that is high relative to a growth index if the manager has a diversified portfolio. If the manager's return is explained perfectly, the R-Squared would equal 100, while an R-Squared of 0 would indicate that no relationship exists between the manager and the linear function. Higher R-Squared values indicate more reliable alpha and beta statistics and are useful in assessing a manager's investment style.

Sharpe Ratio is one of two alternative, yet similar, methods of measuring excess return per unit of risk. In the case of the Sharpe Ratio, risk is measured using the standard deviation of the returns in the portfolio. The Sharpe Ratio relates the difference between the portfolio return and the risk-free rate to the standard deviation of that difference for a given time period.

Standard Deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager.

Up Capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns.

Horizon Investment Services, LLC Top 15 Utility GIPS® Composite Report

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results				3 Yr. Standard Deviation	
		(USD) (millions)	Number of Accounts	Benchmark	Gross Composite	Net Composite	Composite Dispersion	Benchmark	Composite
2024	316.0	1.6	11	23.6%	33.0%	31.8%	2.6%	17.7%	16.6%
2023	258.2	1.5	14	(7.5%)	(3.5%)	(4.4%)	0.6%	17.7%	15.8%
2022	224.0	2.5	18	1.4%	(9.4%)	(10.3%)	0.5%	19.2%	17.9%
2021	281.2	2.8	18	17.9%	18.9%	17.7%	0.6%	16.2%	15.2%
2020	215.3	2.4	18	(0.9%)	(1.5%)	(2.5%)	1.0%	13.5%	13.6%
2019	198.8	3.3	20	25.2%	16.8%	15.7%	1.1%	9.8%	9.9%
2018	193.9	3.2	22	4.4%	4.4%	3.3%	1.1%	11.9%	10.8%
2017	295.5	4.1	29	12.2%	5.6%	4.5%	1.3%	12.9%	11.6%
2016	265.7	4.3	30	17.7%	29.2%	27.9%	0.8%	13.8%	13.7%
2015	320.0	3.2	25	(4.5%)	(0.5%)	(1.6%)	0.4%	13.9%	14.6%

Top 15 Utility Composite contains fully discretionary Top 15 Utility commission and bundled fee-paying accounts and, for comparison purposes, is measured against the S&P 1500 Utility Sector Index.

The Top 15 Utility strategy is an all-equity portfolio consisting of Horizon's favorite 15 utility stocks, as well as MLPs when appropriate, that Horizon believes have the best mix of valuation and growth potential. For the initial investment selection, Horizon selects an equal-weighted basket of 15 utility stocks designed to produce yield in line with the S&P 1500 Utility Sector Index. Given that the portfolio consists of just 15 stocks from the same sector and typically will be fully invested at all times, investors could see above-average volatility with this portfolio. Because the portfolio focuses exclusively on limited sectors of the market, investors should view the portfolio strategy as a supplement to a well-diversified portfolio of investments. The S&P 1500 Utility Sector Index represents the utility sector portion of the S&P Composite 1500 Index. The S&P Composite 1500 Index is an unmanaged total-return index which combines the performance of the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600 indexes to cover approximately 90% of the U.S. market capitalization.

Horizon Investment Services, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Horizon Investment Services, LLC has been independently verified for the periods September 1, 2000 through December 31, 2024. A copy of the verification report is available upon request.

A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis.

Verification does not provide assurance on the accuracy of any specific performance report.

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Horizon Investment Services, LLC is a registered investment adviser with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. The firm maintains a complete list of composite descriptions, which is available upon request.

The composite performance returns include all fully discretionary active and terminated commission and bundled fee-paying accounts for the strategy and exclude any accounts with significant client-imposed investment restrictions.

The U.S. Dollar is the currency used to express performance. All composite performance returns include the reinvestment of all income. Gross composite performance returns are asset-weighted total-return figures. Beginning in October 2019, gross composite performance returns reflect accounts that do not pay any brokerage commissions. Prior to October 2019, gross composite performance returns were after brokerage commissions paid or the highest asset-based brokerage fee of 0.20%, applied monthly; which include brokerage commissions and custodial service fees, but do not reflect the payment of management fees. Net composite performance returns are further reduced by the highest applicable annual management fee ranging from 1.00% to 1.80% if bundled fees are applicable, applied monthly. Prior to October 2019, bundled accounts paid a fee based on a percentage of assets under management which includes all charges for trading costs, portfolio management, custody, and other administrative fees. The annual composite dispersion presented is equal-weighted standard deviation of gross returns calculated for the accounts in the composite the entire year. The 3-year standard deviation is the equal-weighted ex-post standard deviation of gross returns annualized over three years. Policies for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request.

The investment management fee schedule for the composite is 1.00% of assets under management. The investment management fee schedule for the bundled program is 2.00%. Actual investment advisory fees incurred by clients may vary depending on fee schedule and portfolio size. Management fee schedules are available upon request or may be found in Part 2A of Horizon Investment Services' Form ADV.

The Top 15 Utility Composite was created and inception October 31, 2011.

Past performance is no guarantee of future results.