



Stock Market Outlook 2025

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The Dow Theory

DOW JONES INDUSTRIAL AVERAGE



DOW JONES TRANSPORTATION AVERAGE



January 1, 2024 through January 10, 2025

Dow Jones Industrial Average: Invented by Charles Dow in 1895, the Dow Jones Industrial Average is a price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and the Nasdaq.

Dow Jones Transportation Average: is a price-weighted average of 20 U.S. transportation stocks.



INTERMEDIATE POTENTIAL RISK THROUGH 1-10-25



The Intermediate Potential Risk chart reflects the percentage of stocks on the New York Stock Exchange trading above their 200-day moving average. When more than 70% of the stocks on the NYSE are trading above their 200-day moving average, stocks are said to be in “higher risk” territory and due for a correction. Conversely, when less than 40% of the stocks on the New York Stock Exchange are trading above their 200-day average, stocks are in low-risk territory.

Avoid What We Believe Are Investment Traps For 2025

- 1. Expecting a down year because we've had two good years.**
- 2. Ignoring what we believe really matters — Dow Theory, Inflation, Interest Rates, and Corporate Profits.**
- 3. Trying To Avoid Pain By Trading.**
- 4. Allowing The Noise To Influence Your Investment Program.**

Forms Of Diversification

- **Across Asset Class**
- **Within Asset Class**
- **Across Time**
- **Across Investment Style/Strategy**
- **Across Asset Managers**

5 Stocks For 2025

- **Alphabet (\$190; *GOOGL*)**
- **Amazon (\$219; *AMZN*)**
- **Meta (\$607; *META*)**
- **Esquire Financial (\$78; *ESQ*)**
- **DocuSign (\$90; *DOCU*)**

Horizon Investment's clients and/or employees may hold positions in these stocks.

3 Income Stocks For 2025

- **NiSource (\$36; NI)**
- **National Fuel Gas (\$64; NFG)**
- **Northern Trust (\$100; NTRS)**

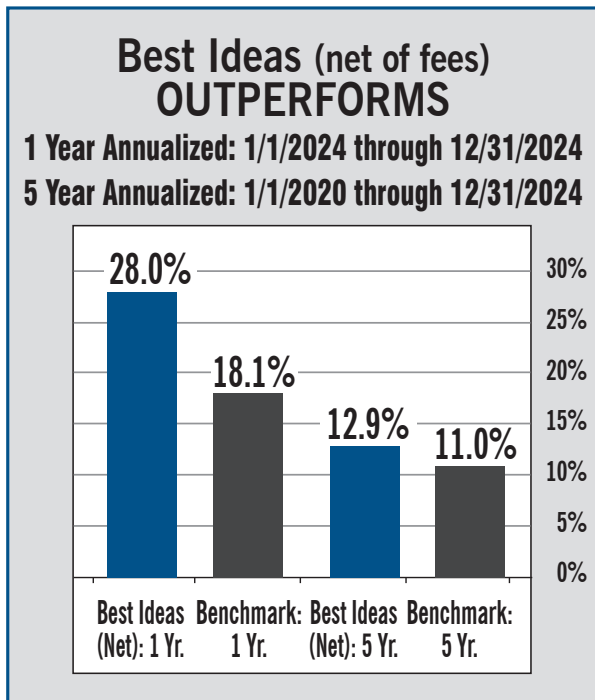
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Horizon Investment Services

Best Ideas Strategy

Inception Date: 7/31/2003

Benchmark: 50/50 Blend — Russell 1000/Russell 2000 Indexes



Performance Summary

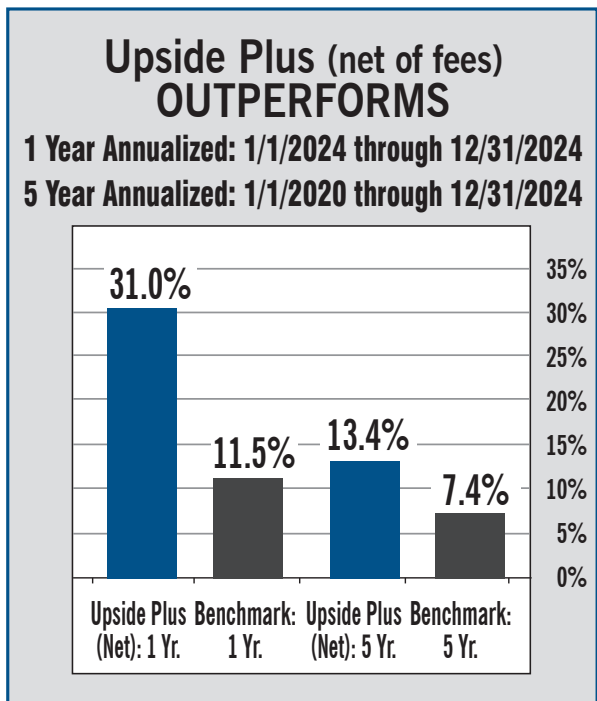
-----Annualized-----

	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Best Ideas (Net)	28.0%	5.6%	12.9%	8.4%	8.9%
Benchmark	18.1%	4.9%	11.0%	10.5%	10.0%

(Benchmark: 50/50 Blend Russell 1000/Russell 2000 Indexes)

Horizon Investment Services Upside Plus Strategy

Inception Date: 11/30/2003
Benchmark: Russell 2000 Index



Performance Summary

-----Annualized-----

	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Upside Plus (Net)	31.0%	6.8%	13.4%	7.5%	8.2%
Benchmark	11.5%	1.2%	7.4%	7.8%	8.3%

(Benchmark: Russell 2000 Index)

Horizon Investment Services

1-800-711-7969

Call to receive a
FREE Portfolio Review
(\$200,000 minimum)
or visit

HorizonInvestment.com

Disclosures

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Horizon Investment Services claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of Horizon Investment Services and/or a presentation that complies with the GIPS standards, contact Tom Hathoot at 1-219-852-3215, or write Horizon Investment Services, 7412 Calumet Ave., Hammond, IN 46324, or email thathoot@horizoninvestment.com.

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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.

Past performance is no guarantee of future results. No formula or other device being offered can, in and of itself, be used to determine which securities to buy or sell.

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— with color modifications made.

Horizon Investment Services, LLC
Best Ideas Composite
GIPS® Composite Report

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results				3 Yr. Standard Deviation	
		(USD) (millions)	Number of Accounts	Custom Blended Benchmark	Gross Composite	Net Composite	Composite Dispersion	Custom Blended Benchmark	Composite
2023	258.2	30.9	50	21.9%	22.9%	21.4%	1.4%	18.6%	17.5%
2022	224.0	27.2	55	(19.7)%	(23.2)%	(24.2)%	0.9%	23.2%	21.2%
2021	281.2	40.7	54	20.7%	34.3%	32.6%	1.6%	20.0%	18.0%
2020	215.3	31.3	49	20.8%	18.7%	17.3%	1.9%	21.9%	19.8%
2019	198.8	28.6	54	28.5%	30.5%	28.9%	1.5%	13.5%	13.9%
2018	193.9	27.2	66	(7.9)%	(19.1)%	(20.2)%	0.8%	13.0%	12.9%
2017	295.5	47.3	87	18.2%	23.4%	21.9%	1.0%	11.4%	11.2%
2016	265.7	39.0	82	16.7%	1.2%	(0.1)%	1.0%	12.7%	12.4%
2015	320.0	48.1	97	(1.7)%	(0.9)%	(2.2)%	0.6%	11.7%	12.0%
2014	259.5	41.3	76	9.1%	14.9%	13.5%	0.7%	10.7%	11.6%

Best Ideas Composite contains fully discretionary Best Ideas commission accounts and, for comparison purposes, is measured against a custom blended benchmark of 50/50 Russell 1000 and 2000 Indices, as calculated monthly by Horizon. The Best Ideas strategy is an all-equity portfolio consisting of Horizon's favorite stocks that Horizon believes offer the best total-return potential over the next 12 months. The portfolio is typically 40% to 65% large-cap stocks and 35% to 60% small and midcap stocks. Initial individual positions are approximately equal-weighted and typically are not allowed to account for more than 5% of an investor's portfolio. Certain sectors are overweighted or underweighted in the portfolio based on opportunities available in individual stocks, although it is unlikely that one sector will account for more than 40% of the total portfolio. While the portfolio may be 100% invested in stocks, cash and fixed income investments may be held depending on macro market conditions and the availability of attractive stock opportunities. The Russell 1000 Index is an unmanaged total-return index designed to measure the performance of the largest 1,000 companies in the Russell 3000 Index of the 3,000 publicly held U.S. companies in terms of market capitalization. The Russell 2000 Index is an unmanaged total-return index designed to measure the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 publicly held U.S. companies in terms of 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, 2023.

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.

The Best Ideas composite has had a performance examination for the periods July 31, 2003 through December 31, 2023. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 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 of 1.25%, 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. Beginning in October 2019, the asset-based brokerage fee portion of the bundled accounts only impact the billable mutual fund holdings in the strategy which make up an immaterial part of the strategy. 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 1.25% on the first \$2 million, 1.10% on the next \$2 million, 0.95% on the next \$2 million and 0.80% on the remainder. 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 Best Ideas Composite was created and incepted July 31, 2003.

Past performance is no guarantee of future results.

Horizon Investment Services, LLC

Upside Plus Composite 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
2023	258.2	6.8	10	16.9%	24.8%	23.2%	1.0%	21.1%	21.5%
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2021	281.2	10.7	11	14.8%	39.3%	37.7%	2.0%	23.4%	21.5%
2020	215.3	6.7	9	19.9%	13.0%	11.6%	0.9%	25.3%	23.3%
2019	198.8	6.9	13	25.5%	29.8%	28.2%	1.6%	15.7%	16.3%
2018	193.9	5.8	16	(11.0)%	(23.8)%	(24.8)%	0.4%	15.8%	14.8%
2017	295.5	13.4	60	14.7%	17.9%	16.4%	0.7%	13.9%	12.4%
2016	265.7	11.8	59	21.3%	7.3%	5.9%	0.9%	15.8%	13.6%
2015	320.0	14.3	79	(4.4)%	(5.9)%	(7.2)%	0.6%	14.0%	13.4%
2014	259.5	11.3	33	4.9%	11.2%	9.8%	0.6%	13.1%	13.2%

Upside Plus Composite contains fully discretionary Upside Plus commission and bundled fee-paying accounts and, for comparison purposes, is measured against the Russell 2000 Index. The Upside Plus strategy is an all-equity portfolio consisting of Horizon's favorite small and midcap stocks that Horizon believes offer the best total-return potential over the next 12 months. Initial individual positions are approximately equal-weighted and typically are not allowed to account for more than 5% of an investor's portfolio. Certain sectors are overweighted or underweighted in the portfolio based on opportunities available in individual stocks, although it is unlikely that one sector will account for more than 40% of the total portfolio. While the portfolio may be 100% invested in stocks, cash and fixed-income investments may be held depending on macro market conditions and the availability of attractive stock opportunities. The Russell 2000 Index is an unmanaged total-return index designed to measure the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 publicly held U.S. companies in terms of market capitalization.

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The Upside Plus composite has had a performance examination for the periods November 30, 2003 through December 31, 2023. The verification and performance examination reports are available upon request.

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The Upside Plus Composite was created and incepted November 30, 2003.

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