

FACTSHEET - AS OF 25-Aug-2020

Horizon Defined Risk Index

INDEX KEY FACTS

- The Index tracks a portfolio consisting of a systematic option strategy and a U.S. Large Cap equity portfolio.
- The goal of the systematic option strategy is to capture a majority of U.S. Large Cap equity returns with less downside risk than a direct investment in equities.
- Uses both long and short option positions in an effort to dampen index losses in a cost efficient manner.
- Incorporates multiple option maturities in an effort to smooth the returns of the option overlay and reduce the sensitivity of the strategy to large changes in the equity portfolio.
- Historically exhibits a low correlation to bond returns and interest rates.

INDEX DESCRIPTION

The Horizon Defined Risk Index (HZIDR Index) is a risk management strategy designed to provide U.S. Large Cap equity market exposure with less volatility than direct exposure to U.S. Large Cap equities. The index uses a systematic put spread collar option strategy that purchases a series of out of the money (OTM) put options, and finances a portion of these purchases by simultaneously selling OTM call and put options on a monthly basis. The index rules use option deltas to determine the option strikes on each rebalance date in an effort to reduce the option methodology's sensitivity to fluctuations in equity exposure as volatility and interest rate dynamics change over time.

INDEX METHODOLOGY DETAILS

Index Universe: Large-Cap U.S. stocks represented by the SPDR S&P 500 ETF Trust.

Option Universe: SPDR S&P 500 ETF Trust call and put options.

Call Options: The strategy sells OTM call options to provide regular cash flow. This cash flow reduces the fund's volatility, is an important source of long-term return, and helps mitigate the cost associated with purchasing put options. Selling call options may also limit upside exposure to increases in the equity portfolio.

Put Options: This strategy buys OTM put options and sells further OTM put options (put spreads) in an effort to buffer the index from significant market declines in a cost efficient manner.

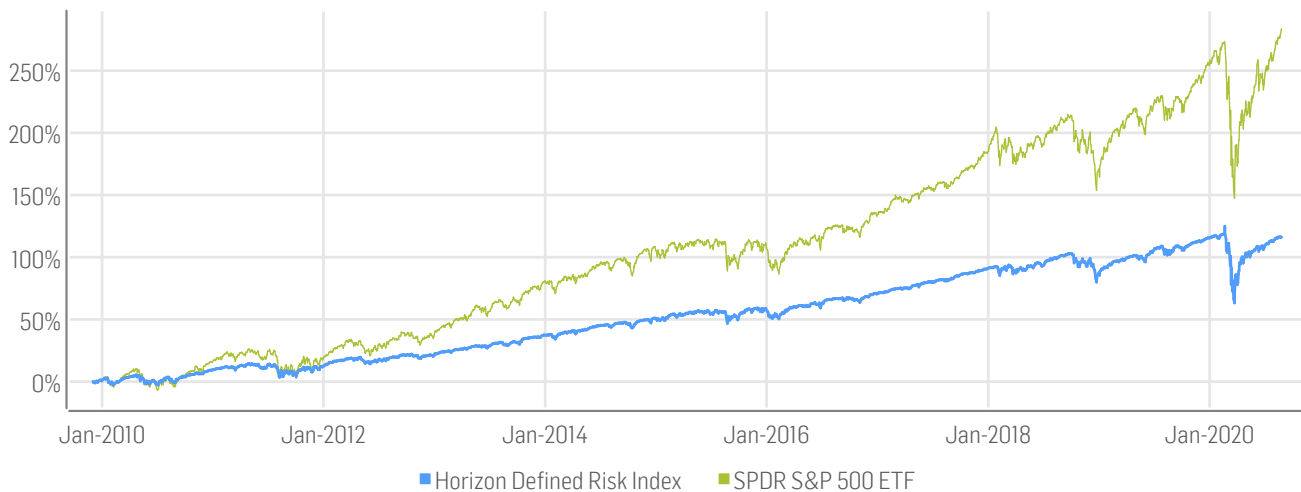
Option Strikes: The index strategy uses option deltas to determine option strikes.

Option Maturities: Call and put options are held over a range of expirations in an effort to avoid concentration risk associated with a single maturity date, to reduce option turnover, and to reduce the sensitivity of the strategy to large fluctuations in the equity portfolio.

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HISTORICAL TOTAL RETURN PERFORMANCE¹



ANNUAL PERFORMANCE¹

| Total Return | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------|--------|--------|-------|--------|--------|--------|-------|--------|--------|--------|
| Horizon Defined Risk Index | 0.46% | 8.68% | 2.45% | 8.11% | 13.68% | 9.36% | 4.79% | 8.17% | 11.98% | -1.96% |
| SPDR S&P 500 ETF | 0.66% | 15.06% | 1.89% | 15.99% | 32.31% | 13.46% | 1.23% | 12.00% | 21.70% | -4.56% |
| Total Return | 2019 | YTD | | | | | | | | |
| Horizon Defined Risk Index | 15.07% | 0.43% | | | | | | | | |
| SPDR S&P 500 ETF | 30.90% | 8.31% | | | | | | | | |

¹From Bloomberg as of August 25, 2020. Data for simulated total return performance, historical return volatility, and portfolio composition are from December 01, 2009 to August 25, 2020. The Index has been rebased at 100 as of December 01, 2009. The data for all simulated statistics of the Index is pro forma and is derived by using the Index's calculation methodology with historical prices. A modeled index history is a mathematical determination of how a given index would have performed if such index had existed during the period in question. The modeled index history does not represent an actual track record for the total return of the Index. Past performance is no guarantee of future results and may be lower or higher than current performance. Index returns are no guarantee for any returns of financial products linked to the index. Any performance information regarding financial products linked to the index can reflect temporary waivers of expenses and/or fees and does not include insurance/annuity fees and expenses. The Index is calculated and distributed by Solactive AG. Solactive AG makes no representation or warranty, express or implied, regarding the advisability of investing in securities generally or the ability of the Index to track general stock market performance.

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RISK: ANNUAL MAXIMUM DRAWDOWN (MDD) AND RELATIVE RISK¹

| Maximum Drawdown | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|-------|--------|--------|-------|-------|-------|--------|-------|-------|--------|
| Horizon Defined Risk Index MDD | -1.3% | -7.8% | -9.7% | -4.6% | -2.1% | -3.2% | -6.8% | -3.8% | -1.3% | -11.5% |
| SPDR S&P 500 ETF MDD | -1.5% | -15.7% | -18.6% | -9.7% | -5.6% | -7.3% | -11.9% | -9.2% | -2.6% | -19.3% |
| Horizon Defined Risk Index Beta | 0.80 | 0.54 | 0.52 | 0.43 | 0.42 | 0.47 | 0.56 | 0.49 | 0.46 | 0.55 |
| Maximum Drawdown | 2019 | 2020 | | | | | | | | |
| Horizon Defined Risk Index MDD | -3.5% | -27.5% | | | | | | | | |
| SPDR S&P 500 ETF MDD | -6.6% | -33.7% | | | | | | | | |
| Horizon Defined Risk Index Beta | 0.49 | 0.74 | | | | | | | | |

KEY STATISTICS¹

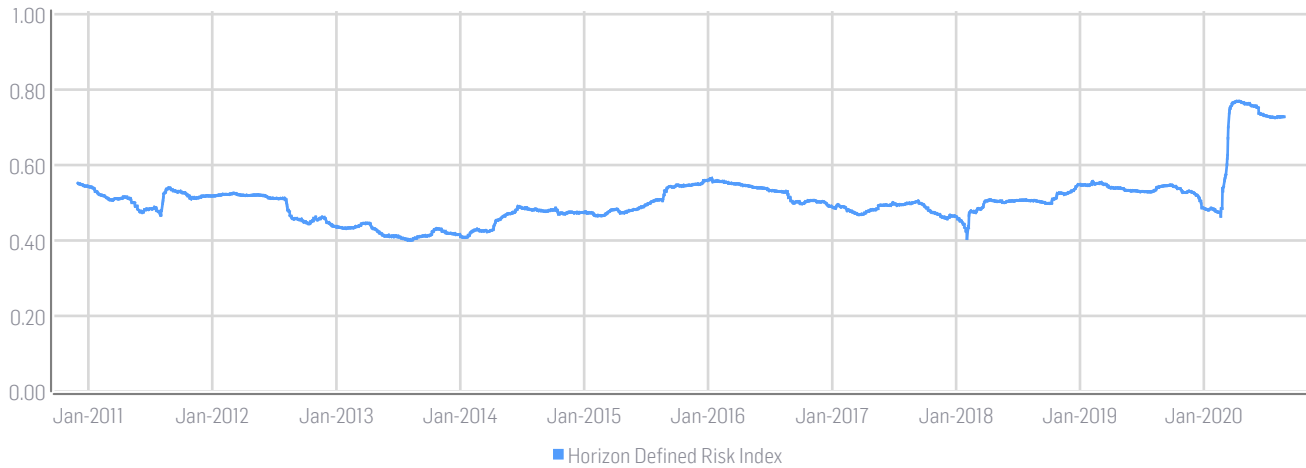
| Total Return | Compounded Annual | Historical Volatility | Historical Beta | Sharpe Ratio |
|----------------------------|-------------------|-----------------------|-----------------|--------------|
| Horizon Defined Risk Index | 7.45% | 10.72% | 0.58 | 0.69 |
| SPDR S&P 500 ETF | 13.35% | 17.25% | | 0.77 |

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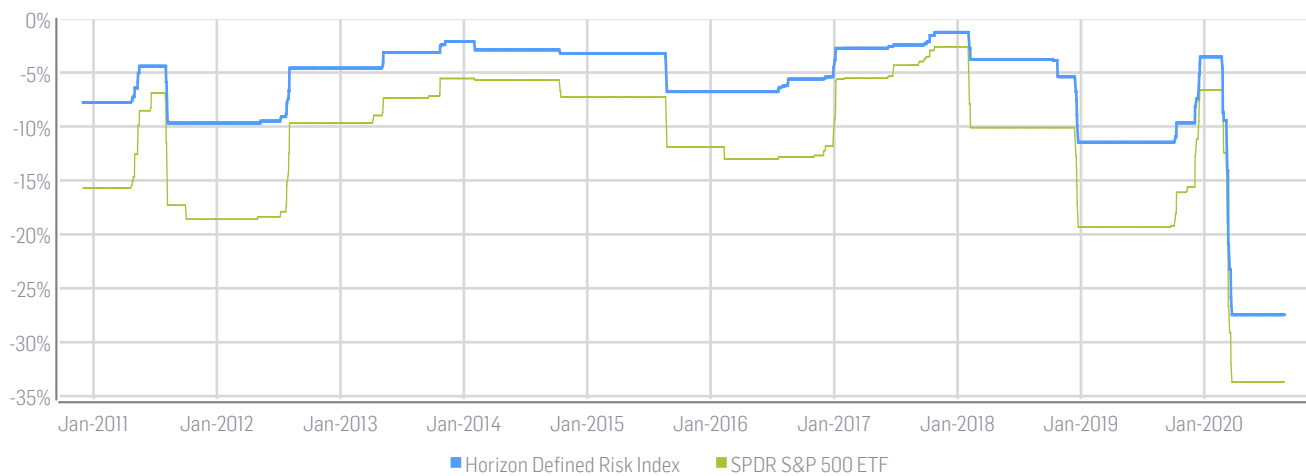
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ROLLING ANNUAL RELATIVE BETA¹



ROLLING ANNUAL MAXIMUM DRAWDOWN¹



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