

# FACTSHEET - AS OF 31-Mar-2025

## Horizon Real Spend Domestic Index

### INDEX KEY FACTS

- A quantitative strategy for retirement income.
- Investment processes and allocations designed to support inflation-adjusted withdrawals equal to 5% of the initial portfolio value.
- Investment allocations to equities are generally larger than traditional or typical retirement income portfolios.
- Includes an algorithmic risk management component to help preserve retirement capital during sudden and severe market downturns.
- The algorithmic risk mitigation component contributes to a higher betas to U.S. large cap equities during up markets and relatively lower betas to U.S. large cap equities during down markets.

### INDEX DESCRIPTION

The Real Spend strategy consists of three main components and a rebalancing rule designed to promote longevity and mitigate the risk that an investor taking systematic withdrawals runs out of money before the end of a fixed time horizon. The first component is an investment portfolio designed to generate returns and growth sufficient to replenish inflation-adjusted withdrawals. The second component is a multi-year spending reserve of liquid assets used to buffer short-term losses and provide liquidity for both current and short-term withdrawals. The third component is an overlay of the Horizon Risk Assist algorithm, an active risk mitigation strategy that allocates dynamically between the investment portfolio and a less risky asset. The goal of the Risk Assist algorithm is to prevent the Index from experiencing losses in excess of a pre-determined maximum over certain rolling periods of time. Finally, on a quarterly basis, a rebalancing mechanism adjusts the allocation between the investment portfolio and the spending reserve in a dynamic manner.

### INDEX METHODOLOGY DETAILS

**Investment Portfolio:** Large-Cap U.S. stocks represented by the SPDR S&P 500 ETF Trust and broad U.S. investment grade bonds.

**Spending Reserve:** Short-term U.S. Treasury or related securities.

**Default Index Allocation:** 85% allocated to the investment portfolio and 15% to the spending reserve. In aggregate these allocations equal 68% in Large-Cap U.S. stocks, 17% in U.S. investment grade bonds, and 15% in short-term U.S. Treasury or related securities.

**Hedging Allocation:** The Index rules define hedging decisions as the purchase of U.S. Treasury or related securities and the sale of the Index investment portfolio.

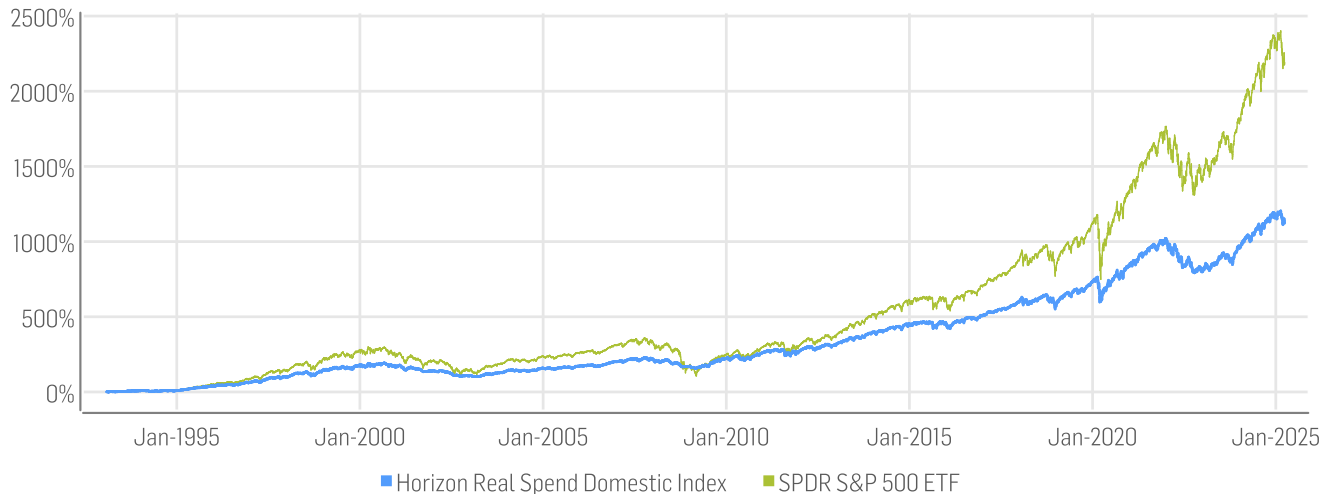
**Un-Hedging Allocation:** The Index rules define un-hedging decisions as the sale of U.S. Treasury or related securities and the purchase of the Index investment portfolio.

**Intelligent Rebalance:** Following negative quarterly returns, 1.25% less is allocated to the spending reserve with a minimum allocation of 5%. Following positive quarterly returns, 1.25% more is allocated to the spending reserve with a maximum allocation of 15%.

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### HISTORICAL TOTAL RETURN PERFORMANCE<sup>1</sup>



### ANNUAL PERFORMANCE<sup>1</sup>

Total Return	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Horizon Real Spend Domestic Index	7.53%	0.28%	29.26%	16.52%	24.62%	21.24%	14.39%	-4.20%	-11.14%	-13.63%
SPDR S&P 500 ETF	8.71%	0.40%	38.05%	22.56%	33.48%	28.69%	20.39%	-9.74%	-11.76%	-21.58%
Total Return	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Horizon Real Spend Domestic Index	16.03%	8.15%	3.92%	12.00%	5.82%	-15.33%	18.74%	12.50%	2.42%	11.69%
SPDR S&P 500 ETF	28.18%	10.70%	4.83%	15.85%	5.15%	-36.79%	26.35%	15.06%	1.89%	15.99%
Total Return	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Horizon Real Spend Domestic Index	21.05%	10.18%	1.24%	8.67%	15.13%	-2.61%	22.41%	13.64%	18.33%	-19.17%
SPDR S&P 500 ETF	32.31%	13.46%	1.23%	12.00%	21.70%	-4.56%	31.22%	18.37%	28.75%	-18.17%
Total Return	2023	2024	YTD							
Horizon Real Spend Domestic Index	18.35%	17.89%	-2.55%							
SPDR S&P 500 ETF	26.19%	24.89%	-4.27%							

<sup>1</sup>From Bloomberg as of March 31, 2025. Data for simulated total return performance, historical return volatility, and portfolio composition are from January 29, 1993 to March 31, 2025. The Index has been rebased at 100 as of January 29, 1993. 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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## Horizon Real Spend Domestic Index

### RISK: ANNUAL MAXIMUM DRAWDOWN (MDD) AND RELATIVE RISK<sup>1</sup>

Maximum Drawdown	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Horizon Real Spend Domestic Index MDD	-3.0%	-6.7%	-1.8%	-5.1%	-7.6%	-12.8%	-8.1%	-10.7%	-16.2%	-17.3%
SPDR S&P 500 ETF MDD	-4.7%	-8.5%	-2.6%	-7.6%	-11.2%	-19.0%	-11.7%	-17.1%	-28.8%	-33.0%
Horizon Real Spend Domestic Index Beta	0.70	0.74	0.72	0.72	0.69	0.65	0.70	0.67	0.48	0.28
Maximum Drawdown	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Horizon Real Spend Domestic Index MDD	-4.3%	-5.2%	-4.7%	-5.0%	-5.9%	-15.9%	-5.4%	-10.5%	-12.0%	-6.2%
SPDR S&P 500 ETF MDD	-13.7%	-7.5%	-7.0%	-7.6%	-9.9%	-47.1%	-27.1%	-15.7%	-18.6%	-9.7%
Horizon Real Spend Domestic Index Beta	0.44	0.68	0.68	0.69	0.65	0.15	0.33	0.68	0.65	0.66
Maximum Drawdown	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Horizon Real Spend Domestic Index MDD	-4.5%	-4.5%	-8.2%	-5.8%	-1.5%	-12.8%	-4.1%	-19.3%	-3.7%	-20.3%
SPDR S&P 500 ETF MDD	-5.6%	-7.3%	-11.9%	-9.2%	-2.6%	-19.3%	-6.6%	-33.7%	-5.1%	-24.5%
Horizon Real Spend Domestic Index Beta	0.70	0.66	0.68	0.67	0.66	0.67	0.65	0.54	0.68	0.52
Maximum Drawdown	2023	2024	2025							
Horizon Real Spend Domestic Index MDD	-7.8%	-5.7%	-7.1%							
SPDR S&P 500 ETF MDD	-10.0%	-8.4%	-10.0%							
Horizon Real Spend Domestic Index Beta	0.68	0.72	0.72							

### KEY STATISTICS<sup>1</sup>

Total Return	Compounded Annual	Historical Volatility	Historical Beta	Sharpe Ratio*
Horizon Real Spend Domestic Index	8.11%	10.63%	0.51	0.76
SPDR S&P 500 ETF	10.22%	18.62%		0.55

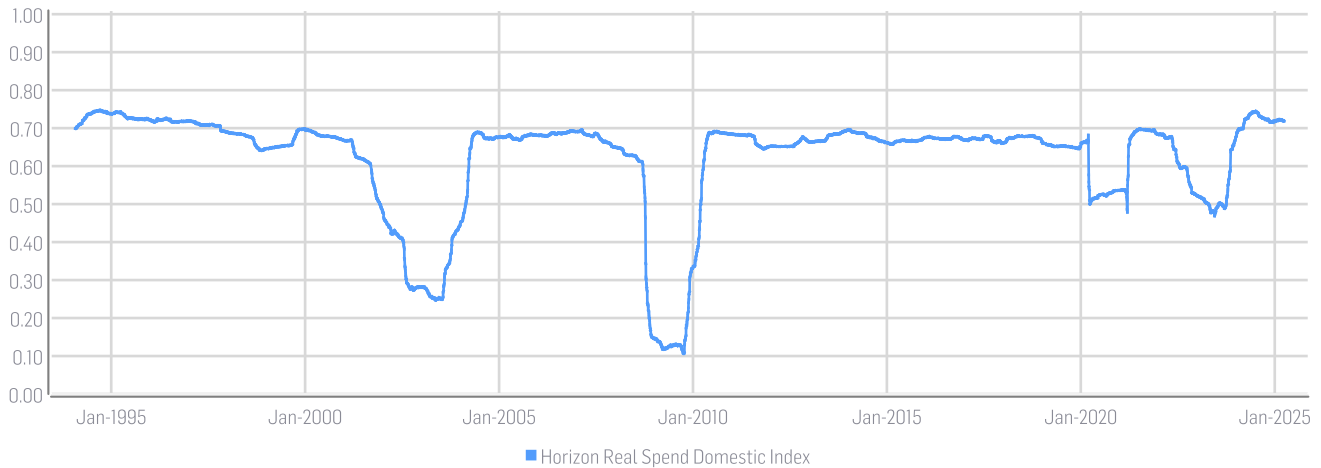
\* Up to 31 December 2021, ex-post Sharpe ratios use as input for the risk free rate term the London Inter-Bank Offered rates in the respective currencies of the index and at a term equal to the observation period. From 3 January 2022 onwards, Sharpe ratios will be / are calculated using as reference risk free rate input the overnight replacement rate for these currencies, namely SONIA (for GBP), SOFR (for USD) and EURIBOR Overnight (for EUR).

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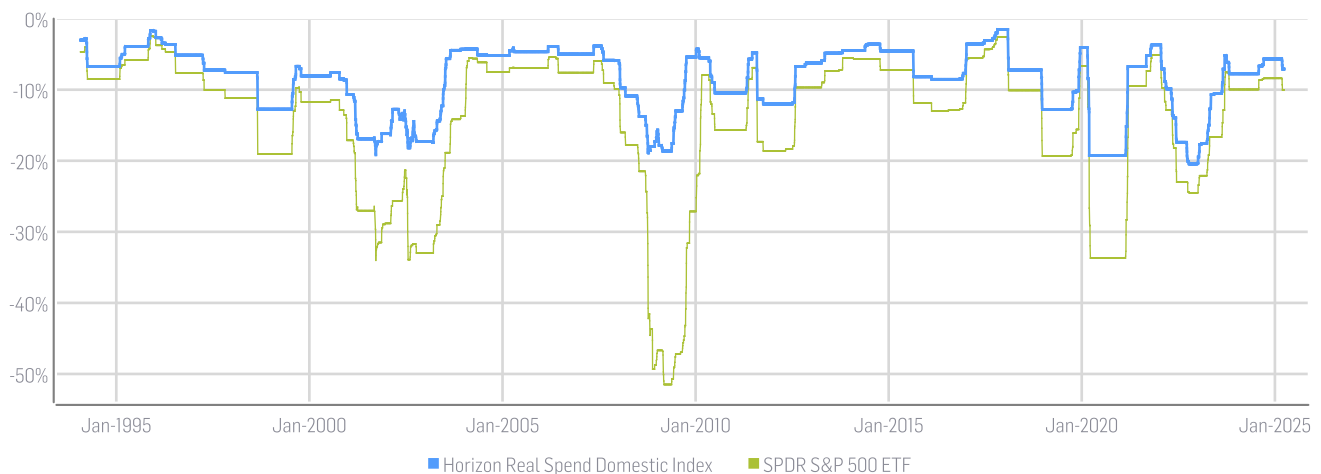
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### ROLLING ANNUAL RELATIVE BETA<sup>1</sup>



### ROLLING ANNUAL MAXIMUM DRAWDOWN<sup>1</sup>



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