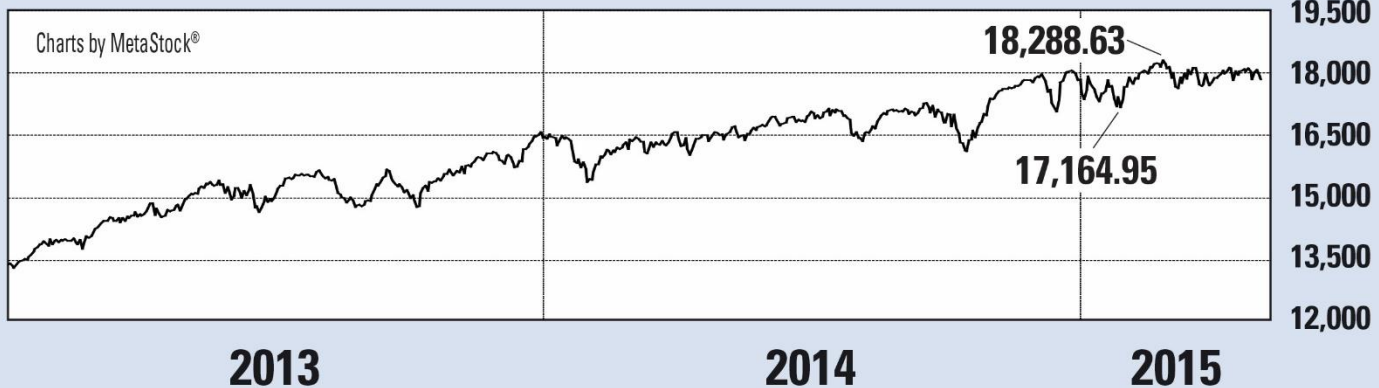


Dividend Investing

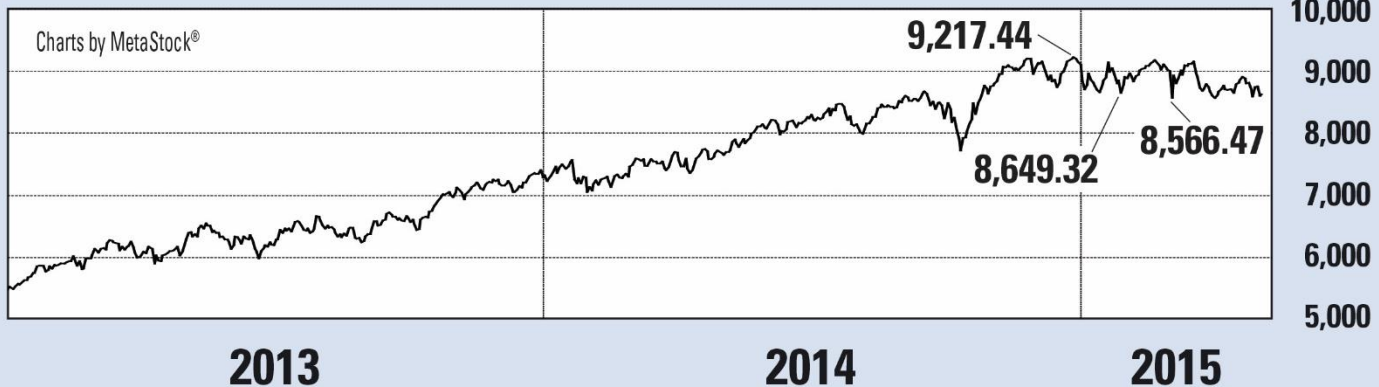
Chuck Carlson, CFA
Chief Executive Officer



DOW JONES INDUSTRIAL AVERAGE



DOW JONES TRANSPORTATION AVERAGE

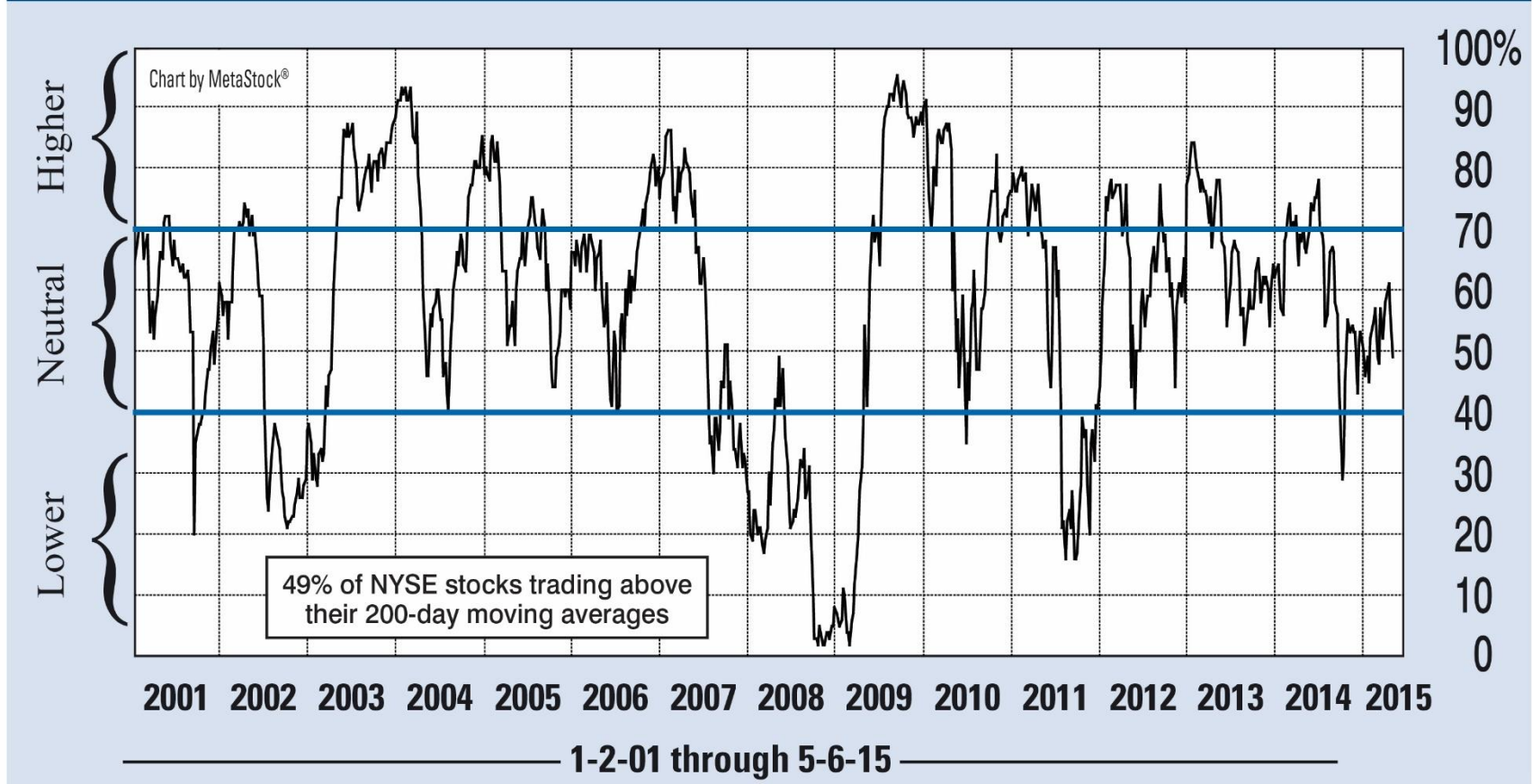


January 1, 2013 through May 6, 2015

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 5-6-15

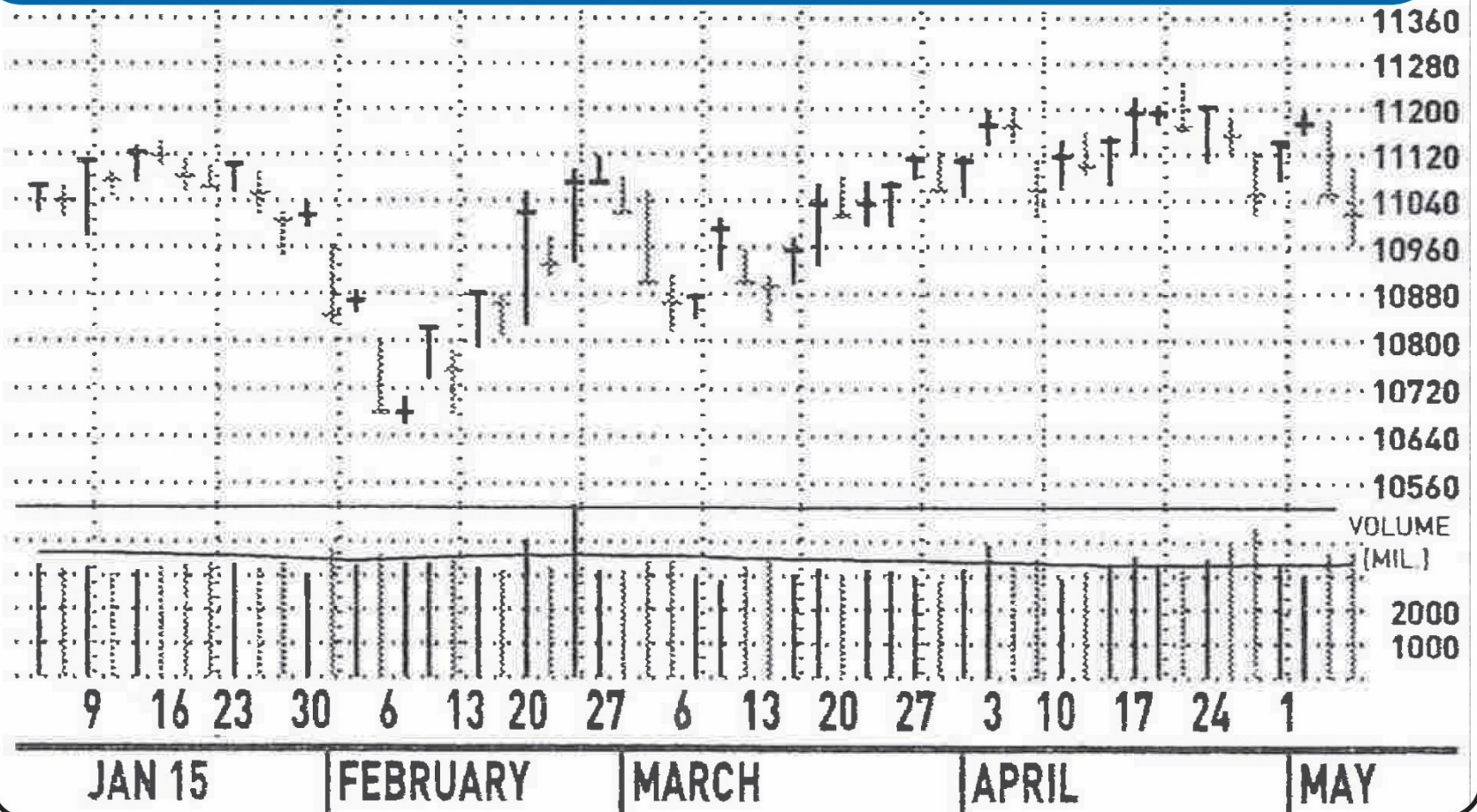


The Intermediate Potential Risk chart reflects the percentage of stocks on the New York Stock Exchange trading above their 200-day moving average. When more than 70% of the stocks on the NYSE are trading above their 200-day moving average, stocks are said to be in “higher risk” territory and due for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

N.Y.S.E. Comp Close 11016-33.36 (-0.3%)

Since Jan 1, +1.63%

49% of NYSE stocks are above their 200 day moving average price line



Source: *Investor's Business Daily*
As of May 6, 2015

VALUATIONS EXPENSIVE BUT NOT EXTREME

Breakdown of indexes by P/E range

———— % Of Stocks With Trailing P/E Ratio: ————
Below 12 12 To 16 16 To 20 Over 20 Or NM

S&P 500 (large-cap)

Recent	9%	17%	23%	50%
20-year norm	16	21	20	43

S&P MidCap 400

Recent	10	13	23	54
20-year norm	14	21	19	45

S&P SmallCap 600

Recent	6	15	20	58
20-year norm	16	19	18	48

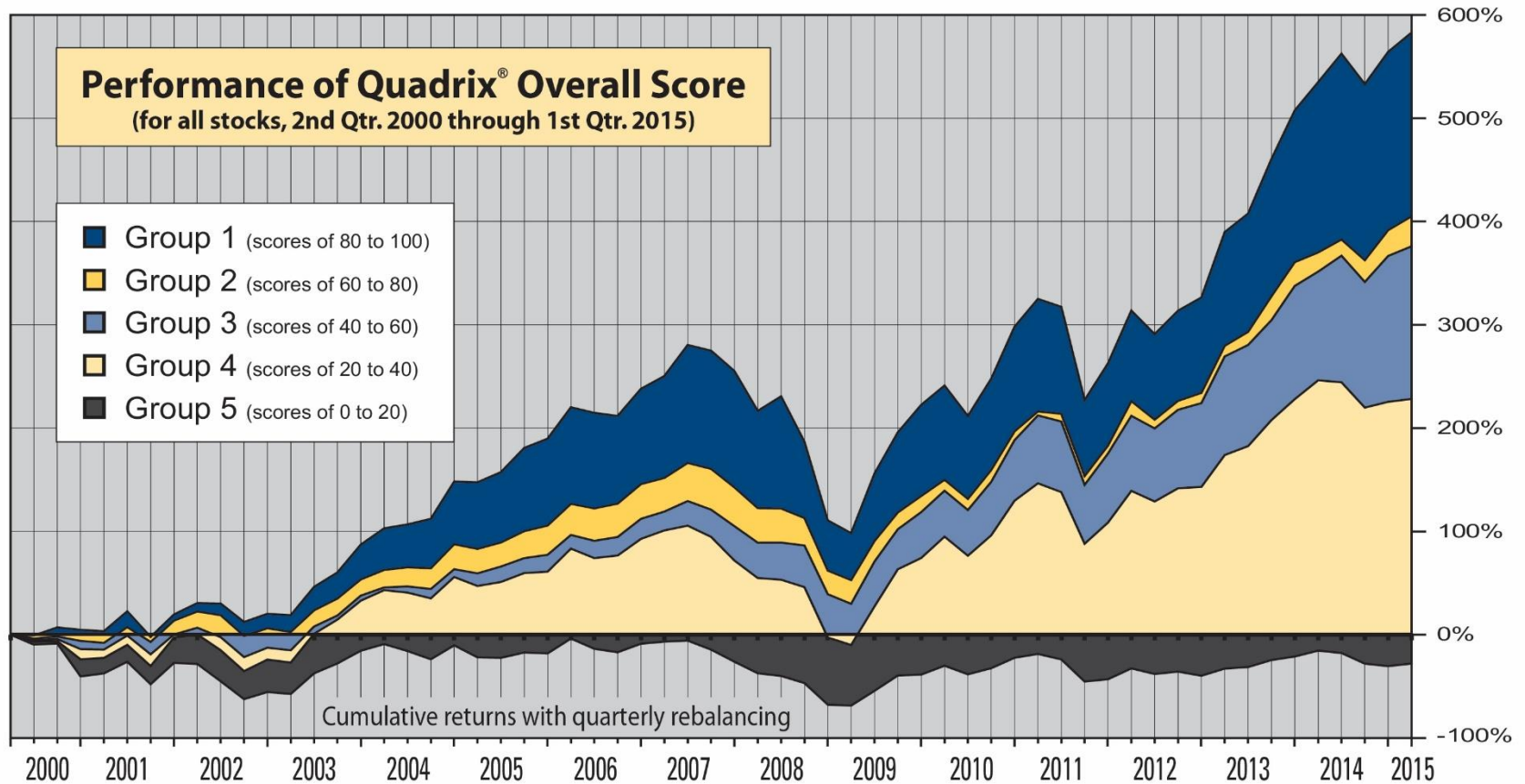
Current P/E ratios vs. 20-year norms

	<i>S&P 500 (Large-Cap)</i>		<i>S&P MidCap 400</i>		<i>S&P SmallCap 600</i>	
	<i>Average</i>	<i>Median</i>	<i>Average</i>	<i>Median</i>	<i>Average</i>	<i>Median</i>
Recent trailing P/E	22.0	20.0	23.3	20.5	24.4	21.1
20-year norm	20.8	18.1	21.4	18.1	21.6	18.2
Recent as % of norm	106%	110%	109%	113%	113%	116%
% of months lower since April 1995	70	82	83	89	90	93

Notes: P/E ratios above 75 or below 0 excluded.

Power of Quadrix® — Cornerstone of Our Research

- **Quadrix is a proprietary quantitative stock-rating system developed by Horizon Investment Services Chief Investment Officer Rich Moroney.**
- **Quadrix ranks roughly 5,000 stocks based on over 90 different variables. Breadth of Quadrix provides us with a big opportunity set from which to find what we believe are attractive stocks.**
- **Quadrix scores are percentile rankings (0-100). For example, a stock with an Overall score of 97 means the stock scores better than 97% of all stocks in the Quadrix universe. Overall scores depend on six category scores – Financial Strength, Value, Quality, Momentum, Earnings Estimates, and Performance.**
- **Stocks carrying Quadrix Overall scores of 80 and above (top quintile – Group 1) have historically outperformed stocks with Quadrix Overall scores of 60 to 80 (Group 2). Stocks in Group 2 stocks have consistently outperformed stocks in Group 3, and so on. (Please see the chart on the next page for the real-time performance of Quadrix since 2Q 2000.)**
- **Quadrix has been used in “real time” since 2000.**



Horizon Investment Services, LLC is an independent registered investment advisor. The firm manages equity, mutual fund, income, balanced, and ETF portfolios for U.S. investors.

The information above reflects the performance of our proprietary Quadrix system and does not reflect the performance of any client account or composite. The information is calculated as follows: Quadrix ranks roughly 5,000 stocks based on over 90 different variables. Each stock in the Quadrix system is then assigned a percentile ranking from 0-100 – for example, a score of 90 means that the stock scored better in our Quadrix system than 90% of the other stocks Quadrix analyzes. We then separate the stocks into deciles, and view the quarterly performance of each of the deciles. The decile scores are then averaged to arrive at quintile scores, which are reflected on the chart. We then track the performance of each stock contained in the quintile on a quarterly basis, starting over again each quarter to reflect a quarterly rebalancing of the stocks contained in each quintile. The returns for each quarter are linked to the previous quarter. The Quadrix returns reflect the reinvestment of dividends and other earnings.

There are no transaction costs or HIS management fees reflected in the calculation of Quadrix performance, and the performance does not reflect HIS' management of a client account or composite. Because Horizon client portfolios hold a significantly smaller number of stocks, performance of HIS client accounts may be materially different than performance portrayed in the Quadrix chart. The Quadrix performance also does not reflect the impact that material economic and market factors might have had on HIS' decision-making if HIS were actually managing client assets. From time to time HIS may change the weightings of the various metrics that go into computing Quadrix scores.

The Quadrix® stock-rating system is a proprietary product wholly-owned by Horizon Publishing Company, Horizon Investment Services' sister company. Horizon Investment Services has contracted with Horizon Publishing Company to use the Quadrix stock-rating system for its stock-screening processes.

An investment in securities 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.

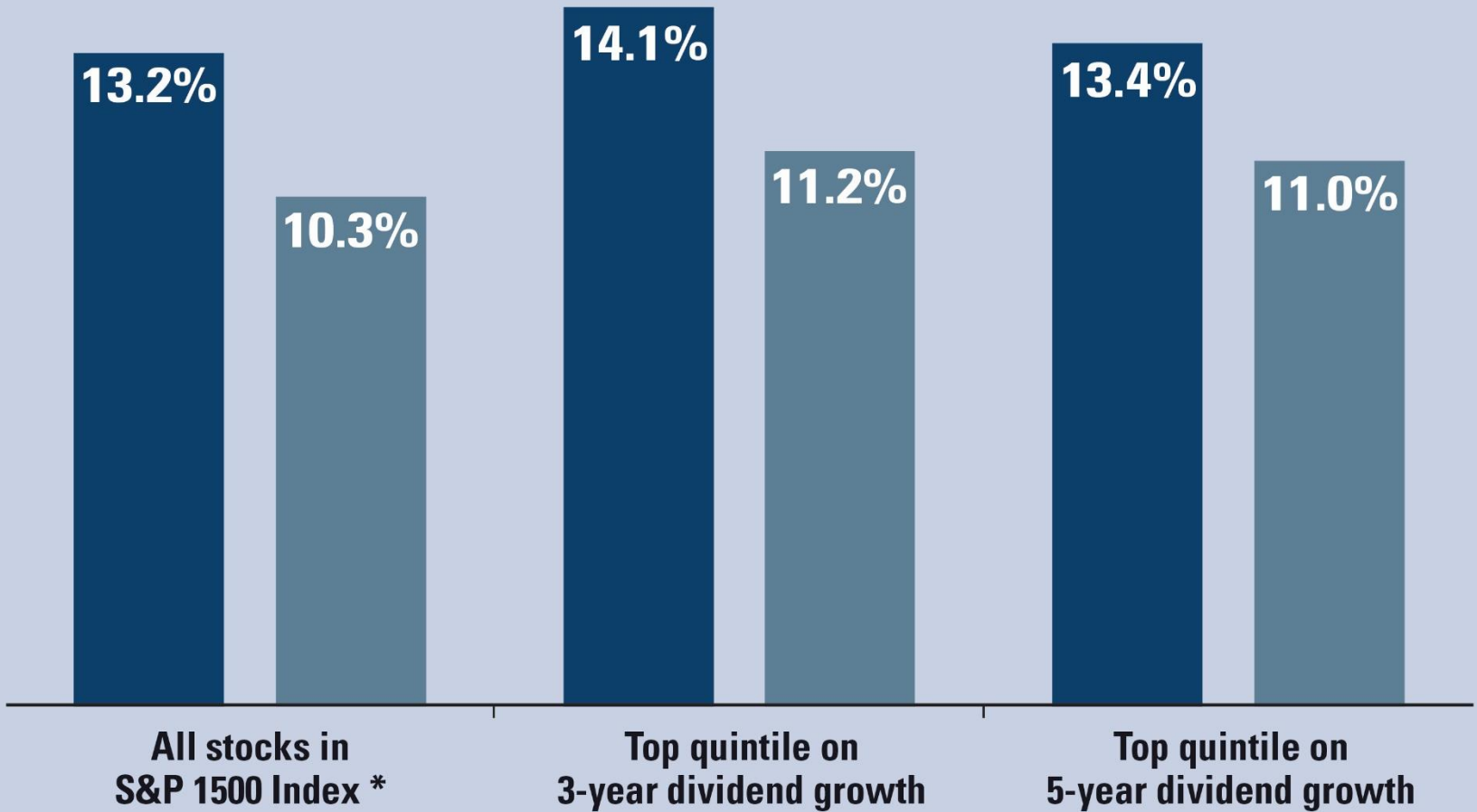
Past performance is no guarantee of future results.

RISING DIVIDENDS, ROBUST RETURNS

 Average return

 Median return

**Average 12-month return
12/31/1994 through 3/31/2015**



** Excludes companies that lack three-year dividend-growth data.*

DIVIDEND-GROWTH LEADERS

<i>Company (Price; Ticker)</i>	<i>Dividend</i>	<i>Yield</i>	<i>— Dividend Growth —</i>			
			<i>— Annualized —</i>			
			<i>1</i>	<i>3</i>	<i>5</i>	<i>10</i>
			<i>Year</i>	<i>Years</i>	<i>Years</i>	<i>Years</i>
Comcast (\$58; CMCSa)	\$1.00	1.7%	15%	26%	25%	NM
CVS Health (\$99; CVS)	1.40	1.4	24	30	30	24%
Disney (\$110; DIS)	1.15	1.0	34	23	27	17
Macy's (\$64; M)	1.25	2.0	25	50	43	16
Shire (\$237; SHPG)	0.69 ^e	0.3 ^e	18	16	16	28
Southwest Airlines (\$41; LUV)	0.24	0.6	50	137	68	30

Notes: As of 5-6-2015. Growth considers trailing 12-month dividends relative to similar periods one, three, five, and 10 years ago. NM Not meaningful because company didn't pay dividends in historical period. ^e Estimated.

Dividend Plus Strategy

Performance Since Inception: 7/31/2006 — 3/31/2015

Benchmark: Russell 1000

	----- Annualized -----			----- Since Incept.	Cum. Since Incept.
	1 Yr.	3 Yr.	5 Yr.		
Dividend Plus (Gross)	17.9%	18.6%	15.8%	8.8%	108.5%
Dividend Plus (Net)	16.4%	17.0%	14.4%	7.6%	88.6%
S&P 500	12.7%	16.1%	14.5%	8.0%	95.0%
Benchmark	12.7%	16.4%	14.7%	8.3%	99.6%

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.

The S&P 500 Index is presented solely because it is a widely followed index. The S&P 500 Index is an unmanaged index that measures the performance of 500 large company stocks weighted by market capitalization.

Dividend Plus Strategy

Annualized Statistics & Risk Analysis

(vs. Benchmark since inception — supplemental information)

Analysis Since Inception: 7/31/2006 — 3/31/2015

Benchmark: Russell 1000

	Standard Deviation	Sharpe Ratio	Beta	R Squared
Dividend Plus (Gross)	15.1%	0.52	0.91%	92%
Dividend Plus (Net)	15.1%	0.43	0.91%	92%
S&P 500	15.7%	0.45	0.98%	100%
Benchmark	15.9%	0.46	1.00%	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.

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For more information

please call

Chuck Carlson

1-800-711-7969

Disclosures continued

Horizon Investment Services, LLC Dividend Plus Composite Annual Disclosure Presentation

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results				3 Yr. Standard Deviation	
		(USD) (millions)	Number of Accounts	% Bundled Fee Assets	Benchmark	Gross Composite	Net Composite	Composite Dispersion	Benchmark	Composite
2014	259.5	4.7	22	37.5%	13.2%	18.9%	17.3%	0.3%	9.1%	10.4%
2013	205.4	3.3	10	37.0%	33.1%	35.7%	34.0%	1.5%	12.3%	12.3%
2012	140.1	2.1	8	43.8%	16.4%	9.4%	8.0%	0.0%	15.4%	13.8%
2011	137.7	0.6	5 or fewer	100.0%	1.0%	8.1%	6.8%	N.A.	19.3%	17.1%
2010	145.1	0.7	5 or fewer	100.0%	16.9%	10.9%	9.7%	N.A.	22.6%	20.2%
2009	143.9	0.5	5 or fewer	100.0%	28.3%	21.6%	20.4%	N.A.	20.3%	19.0%
2008	119.6	0.6	5 or fewer	100.0%	(37.3)%	(33.0)%	(33.7)%	N.A.		
2007	133.7	1.0	5 or fewer	100.0%	5.1%	7.4%	6.3%	N.A.		

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Dividend Plus Composite contains fully discretionary Dividend Plus commission and bundled fee-paying accounts and, for comparison purposes, is measured against the Russell 1000 Index. The Dividend Plus strategy is an all-equity portfolio that focuses primarily on large company dividend-paying stocks and utilities that Horizon believes offer the best total-return potential. Horizon's Dividend Plus strategy attempts to find attractive stocks using a process that focuses on dividend-paying stocks that score well in Horizon's Quadrix stock-rating system. 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. Russell 1000 Index is an unmanaged index that measures the performance of the largest 1,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization. Prior to January 1, 2012, the Dividend Plus composite was measured against the Russell 3000 index due to the strategy's increased exposure to small-cap securities.

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, 2014.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Dividend Plus composite has been examined for the periods July 31, 2006 through December 31, 2010. The verification and performance examination reports are available upon request.

Horizon Investment Services, LLC is an independent registered investment adviser. 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. Prior to January 1, 2010 composite policy required the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 30% or more of portfolio assets. Beginning January 1, 2010, there has been no significant cash flow removal policy where accounts are re-valued in instances of a 30% or more large flow.

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 reduced by 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 management fee ranging from 1.05% to 1.75% if referral fees are applicable, applied monthly. Bundled accounts pay 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 calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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. Prior to January 1, 2012, the investment management fee schedule for the composite is 1.05% on the first \$2 million, 0.90% on the next \$2 million, 0.75% on the next \$2 million and 0.60% on the remainder. Actual investment advisory fees incurred by clients may vary depending on solicitation fees, 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 Dividend Plus Composite was created July 31, 2006.

Past performance is no guarantee of future results.

Disclosures continued

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Glossary of Statistics

Annualized Return is the geometric mean of the returns with respect to one year.

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

R-Squared 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.