

HORIZON FUNDS

Information Regarding 2023 Estimated Year-End Distributions As of December 12, 2023 *(subject to change)*

Estimated Record Date: December 21, 2023

Estimated Ex-Date, Reinvestment and Payable Date: December 21, 2023

Fund Name	Short-Term Capital Gain (per share)	Long-Term Capital Gain (per share)	Income (per share)
Horizon Active Asset Allocation Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.0780 Institutional Class – \$0.1106 Investor Class – \$0.0980</i>
Horizon Equity Premium Income Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.2302 Investor Class – \$0.2587</i>
Horizon Active Income Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.1255 Institutional Class – \$0.1307 Investor Class – \$0.1281</i>
Horizon Active Risk Assist Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.1358 Institutional Class – \$0.2291 Investor Class – \$0.2065</i>
Horizon Multi-Factor U.S. Equity Fund	<i>All Classes – \$0.3997</i>	<i>All Classes – \$0.19703</i>	<i>Advisor Class – \$0.1135 Investor Class – \$0.1397</i>
Horizon Defined Risk Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.0589 Investor Class – \$0.1372</i>
Horizon Defensive Core Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.1732 Investor Class – \$0.2200</i>
Horizon Tactical Fixed Income Fund	<i>All Classes – None</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.9713 Investor Class – \$0.9829</i>
Horizon Multi-Factor Small/Mid Cap Fund	<i>All Classes – \$0.1383</i>	<i>All Classes – None</i>	<i>Advisor Class – \$0.0692 Investor Class – \$0.0764</i>

Year End Distribution FAQs

What is a Capital Gain?

When an investor sells a capital asset — such as a stock or a bond — for more than the purchase price, the investor experiences a capital gain, or, in other words, makes a profit. For example, if a stock is purchased for \$100 and later sold for \$120, the capital gain is \$20.

When a mutual fund sells securities at a profit, the sale also creates a capital gain. There are two types of capital gains — short-term and long-term. Net short-term capital gains are distributed to investors as income dividends and are subject to ordinary income taxes. The maximum tax rate on long-term capital gain distributions is 20%. This rate does not include the 3.8% surtax applicable to net investment income for higher income taxpayers.

Why do mutual funds pay capital gain distributions?

Mutual funds are required by law to distribute virtually all gains to their shareholders in capital gain distributions. These distributions, which often occur once or twice a year, are made primarily for tax reasons.

If distributions are reinvested, are they still subject to taxes?

Yes, mutual fund distributions are considered taxable income, and shareholders must pay taxes on their gains even if they reinvest them into the mutual fund for more shares.

Why does the fund value drop when a capital gain distribution is paid?

Fund managers buy and sell securities throughout the year, sometimes at a profit, sometimes at a loss. When profits outweigh losses, they accumulate and contribute to the rise of the net asset value (NAV), or share price, of the fund's shares. When that profit is paid out to shareholders as a capital gain distribution, its NAV will be reduced by the amount of the distribution.

However, this doesn't mean that investors are losing money. Investors can either take capital gain distributions in cash or reinvest them, as most investors do. If capital gains are reinvested, the number of shares in the account will increase, leaving the total value of the account unaffected by the distribution.

If a mutual fund's Net Asset Value (NAV), or share price, has fallen this year, why would it distribute a capital gain?

Even if a mutual fund's NAV has fallen during the year, it is still possible that securities sold by the mutual fund within the year resulted in a capital gain. For example, if a stock is purchased for \$100 and later sold for \$120, the capital gain is \$20.

Does a fund's dividend or capital gain distribution affect its total return?

Total return includes distributions (capital gains and dividends) as well as capital appreciation (rise or fall in Net Asset Value NAV) or share price). Positive dividend and capital gain distributions will have a positive effect on the total return. An investor's total return will also vary depending on whether the distributions are reinvested or kept as cash.

INVESTMENT PRODUCTS: NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Past performance does not guarantee future results. This table provides estimates of the Funds' distribution sources at the time of payment and should not be relied upon or used for tax planning or tax reporting purposes. The above information represents estimated distributions only, and may change prior to the final 2023 payment date.

Shareholders with tax-advantaged accounts such as IRAs, 401(k) plans and other retirement vehicles may not be required to report distributions on their tax returns. Please contact your tax advisor for specific instructions.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Future distributions may be different.

Mutual fund investing involves risk. Principal loss is possible. In addition to the costs, fees, and expenses involved in investing in ETFs, ETFs are subject to additional risks including the risks that the market price of the shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Fund's ability to sell its shares. The Horizon Defensive Multi-Factor Fund and Horizon Multi-Asset Income Fund are new with no operating history and there can be no assurance that the Funds will grow to or maintain an economically viable size, in which case the Trust's Board of Trustees ("Board of Trustees") may determine to liquidate the Funds. A Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater in emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by a Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Small and Medium capitalization companies tend to have limited liquidity and greater price volatility than large capitalization companies. Investments in Real Estate Investment Trusts (REITs) involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. MLPs are subject to certain risks inherent in the structure of MLPs, including complex tax structure risks, the limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates. Investments in mortgage backed securities (MBS) include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. A Fund may also use options, which have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. There is no guarantee that the Funds' objectives will be achieved. The investment in options is not suitable for all investors. Diversification does not assure a profit or protect against loss in a declining market.

INVESTORS SHOULD CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. THE PROSPECTUS OR THE SUMMARY PROSPECTUS CONTAIN THIS AND OTHER INFORMATION ABOUT A FUND. TO OBTAIN A FREE PROSPECTUS, PLEASE CONTACT YOUR FINANCIAL ADVISOR OR VIEW THE PRODUCT SPECIFIC PAGE ON WWW.HORIZONMUTUALFUNDS.COM. AN INVESTOR SHOULD READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

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