

Horton Capital Management, LLC - Form CRS Relationship Summary
June 30, 2020

Horton Capital Management, LLC (Horton) is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

We offer investment advisory and portfolio management services to retail investors. We only manage investment accounts on a discretionary basis, which allows us to buy and sell investments for clients without asking for approval in advance. Separately managed accounts offered to retail investors typically require an initial investment of at least \$500,000, although investments for a lesser amount may be accepted at our discretion. As part of your portfolio management services, we will continuously monitor your investments and provide advice. Our advisory services are limited to small- and micro-cap securities and securities used to hedge certain risks related to particular industries or specific activities.

For additional information, please see our Form ADV Part 2A, Items 4, 7, 13 and 16.

Conversation Starters:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

What fees will I pay?

Advisory clients pay a quarterly advisory fee. Separately managed accounts are billed each quarter in an amount up to 0.50% (2% annualized) of the value of the assets under management. Separately managed accounts are typically billed in arrears, as of the first calendar day of the subsequent quarter; however, both the fee rate and timing of billing (advance/arrears) may be negotiable at Horton's discretion. Separately managed account fees are invoiced to clients and not deducted from separately managed account assets. Horton reserves the right to reduce or waive the advisory fee for or with respect to any calendar quarter or part thereof; provided, however, that any such reduction or waiver shall not preclude Horton from increasing or reinstating the fee (but not in excess of the amount negotiated) at such later time as appropriate.

Horton may be entitled to receive from clients a performance allocation not more than twenty percent (20%) of any net profit earned, in some cases subject to a "high water mark" and/or a hurdle rate. Performance-based fees can only be assessed to 1) persons who have at least \$1,000,000 under the management of the Firm, including investments in Funds advised by the Firm, or 2) persons who the Firm (and any person acting on the Firm's behalf) reasonably believes has a net worth (together in the case of a natural person with assets held jointly with a spouse) of more than \$2,100,000 at the time of engagement or investment.

The more assets there are in your account, the more you will pay in fees, so we have an incentive to encourage you to increase the assets in your account. Clients may pay other expenses in addition to the fees paid to us. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and taxes charged to accounts and securities transactions, which are unrelated to the fees collected by us. Mutual funds, partnerships, REITS and other collective investment vehicles also charge internal management fees, which are disclosed in the vehicle's offering documents.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, please see our Form ADV Part 2A brochure Items 5 and 6.

Conversation Starter:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide you. Here are some examples to help you understand what this means.

- Proprietary Products: We offer proprietary private funds for which we serve as investment adviser. We receive fees from these funds and therefore have an incentive to recommend them to you.
- Performance Fees. The fact that certain clients may pay higher performance fees may create an incentive for us to allocate more favorable investment opportunities to those clients.

More detailed information can be found on our Form ADV Part 2 Items 11, 12, and 18.

Conversation Starter:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professionals are primarily compensated with a fixed annual salary plus an annual discretionary performance bonus. Performance bonuses may be based on individual and firm client performance in the year. Most of our professionals also have equity interests in the General Partner of the firm.

Do your financial professionals have legal or disciplinary history?

No. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information For additional information about our services or to request a copy of Form CRS, please contact us at: 1717 Arch Street, Suite 3920, Philadelphia, PA 19103, Phone: (215) 399-5402 or visit us on our website at www.thehortonfund.com.

Conversation Starter:

- Who is my primary contact person? Is he or she a representative of an investment-adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?