



# Client Relationship Summary

## Form CRS / ADV Part 3

March 29, 2023

**Horizons Sustainable Financial Services, Inc.** (“Horizons”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a Registered Investment Advisor (“RIA”). As an RIA, our services and fees differ from those offered by brokerage firms, and it is important that you understand the differences.

Free and simple tools you can use to research Horizons, other firms, and financial professionals are available online at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides important educational materials about broker-dealers, investment advisers, and investing in general.

### *What investment services and advice can you provide me?*

Horizons specializes in incorporating principles of Sustainable, Responsible, Impact investing (“SRI”) and/or Environmental, Social, and Governance investing (“ESG”) principles into our business. Horizons provides personalized service that considers your values, lifestyle, goals, and current financial situation — to anyone seeking to support SRI principles as a way of aligning their money with their values.

Horizons can provide both **investment management** and **financial planning** services to individual investors (also described by the SEC as “retail investors”) and institutional investors.

Clients can access our **investment management** services either directly, by establishing a relationship with one of our Investment Advisor Representatives, or indirectly, through a relationship established with another investment advisor or broker-dealer who is independent of Horizons but offers access to some of our services.

For each investment management client, we create a written Investment Policy Statement (“IPS”) to formalize the client’s basic investment strategy and SRI policies; we will not change a client’s IPS without consultation. We provide investment management services on a *discretionary* or *non-discretionary* basis, according to the authority clients provide in their Investment Advisory Agreement. When we have discretionary authority, we can determine the investments to buy and sell in an account, in accordance with the client’s IPS — and we maintain this authority until and unless the client revokes it. When we do not have discretionary authority, we will make recommendations and the client will have the final decision regarding all transactions. We monitor all advisory accounts, as well as the specific investments within the accounts, on an ongoing basis to align with our clients’ goals.

We also provide **financial planning** services, in which we may provide advice and recommendations regarding your personal investment goals and objectives, tax planning, risk management, retirement, education, cash flow, and investment planning. When providing only financial planning services, we do not monitor any investments and do not have discretion over client assets.

Horizons does not require minimum income levels, minimum asset levels, or other conditions for its services.

*Additional information regarding our services and types of clients can be found in our Disclosure Brochure (ADV Part 2), Items 4 and 7.*

#### *Conversation Starter*

- Given my financial situation, should I choose an investment advisor 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?*

Horizons charges an ongoing annual fee to manage your investments. The fee is billed from your account in advance of every quarter-year, and is calculated as a percentage of the total investment amount that we manage for you. The fee you pay depends on the nature of the services being provided, but since it is a percentage, this means generally that fees will be in proportion to the assets you have in your account.

We have a fiduciary duty to minimize and eliminate fees where possible and prudent, but the broker/dealer (custodian) that holds client assets can charge fees of various sorts. Examples of the most common fees and costs applicable to retail investors include account maintenance fees, fees related to mutual funds, and other transactional fees and product-level fees. These fees are in addition to our fee for advisory services, and are not shared with Horizons.

We charge hourly and fixed fees for financial planning. Hourly or fixed fees will not include fees for implementing any recommendations made.

*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. Additional information regarding our fees can be found in our Disclosure Brochure (ADV Part 2), Items 5, 6, and 12.*

#### *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 can affect the investment advice we provide you. Here are some examples to help you understand what this means.

A conflict of interest exists when providing investment management services, as we have an incentive to recommend that our clients increase the assets under our management — the more assets a client has in their accounts, the more they will pay us in fees.

A conflict of interest exists when providing financial planning services, as we have an incentive to recommend our own investment management services, for which we would receive additional compensation.

Horizons allows our affiliates to purchase or sell the same securities that may be recommended to and purchased for clients. This presents a potential conflict of interest which we must disclose and mitigate through our policies and procedures.

Horizons holds itself to a *fiduciary standard*, which means it has a duty to put the client's interest first — which includes, but is not limited to, duties of care, loyalty, obedience, and utmost good faith. Horizons believes that its business methodologies, ethics rules, and policies are appropriate to minimize, perhaps even eliminate, most potential material conflicts of interest, and to appropriately manage any material conflicts of interest that remain. No set of rules can possibly anticipate or relieve all potential material conflicts of interest.

*Additional information regarding our legal obligations and fiduciary duties can be found in our Disclosure Brochure (ADV Part 2), Items 4, 5, 8, 10, 11, and 12.*

*Conversation Starter*

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

***How do your financial professionals make money?***

For their investment advisory services, our advisors are paid a portion of the fee charged to the client, and receive no other form of compensation. This conflict of interest is similar to the firm's, in that advisors benefit from having more assets under management.

For their financial planning services, our advisors are paid a portion of the fee charged to the client, and receive no other form of compensation. This conflict of interest is similar to the firm's, in that advisors benefit from working on more financial plans, and also have an incentive to recommend our own investment management services.

Horizons' Home Office staff are compensated on a salary and bonus basis, and are not paid commissions or other compensation based on the client fees generated by their work.

We receive no product sales commissions.

***Do you or your financial professionals have relevant legal or disciplinary history?***

No. Registered investment advisors are required to disclose legal or disciplinary events that would be material to a client's evaluation of an investment advisor. Horizons, its management, and its investment advisor representatives do not have applicable legal or disciplinary events to disclose.

*Free and simple search tools are available to retail investors who visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) to research our firm and financial professionals. Additional information regarding our disciplinary history can be found in our Disclosure Brochure (ADV Part 2), Item 9.*

*Conversation Starter*

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

***For more information about our investment advisory services, or to request a copy of this relationship summary, please contact us:***

Johann Klaassen, CEO and Chief Investment Officer, or  
Aarón Garza, VP for Operations & Compliance

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Additional information about Horizons Sustainable Financial Services and our investment adviser representatives also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*Conversation Starter*

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