

Heron

FINANCE

Form CRS – Client Relationship Summary

440 N Barranca Ave, #7870
Covina, CA 91723
www.heronfinance.com

March 30, 2024

INTRODUCTION

Heron Finance (“Adviser”) 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. There are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS which also provides educational materials about investment advisers, broker-dealers and investing.

RELATIONSHIP AND SERVICES

What types of investment services and advice can you provide me?

Heron Finance provides internet-based advisory services through the use of an investment algorithm, and will, from time to time, conduct rebalance transactions and buy, sell, and transfer of certain private credit assets. The advisory services that Heron Finance provides is limited to private credit. If you open an account with us, you will be required to provide us with information about your current financial situation, goals, and risk tolerance. Based on what we learn, we’ll recommend a portfolio strategy that is monitored and managed on a continuous basis. We will conduct an internal review of your account on at least a quarterly basis and, if necessary, rebalance to meet changing needs.

All client accounts are managed on a discretionary basis, which means we don’t need to call you when buying or selling in your account. Additional information about our advisory services is located in Item 4 of our Firm Brochure which is available upon request or online at <https://adviserinfo.sec.gov/>.

Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?

You should only choose an investment advisory and brokerage service if you're ready to start investing in the first place. For most people, this will be once you’ve covered basic needs and built a reasonable

emergency fund. Heron Finance only provides robo-advisory services in private credit, which is a very niche offering. We do not provide brokerage services. Heron Finance is probably not the most appropriate service for someone who wants frequent feedback from a human advisor.

How will you choose investments to recommend to me?

To provide our investment advisory services and make decisions tailored to your specific needs, Heron Finance collects information from you about your financial situation, risk tolerance, and investment goals. We then recommend a strategy based on that information.

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

When we act as your investment adviser, we have a fiduciary duty to place the interest of our clients ahead of our own and the firm. At the same time, the way we make money creates some conflicts with your interests. The firm's revenue is from the advisory fees we collect from your accounts each month. You should understand and ask us about these conflicts because they can affect the investment advisory and management services we provide you. Additional information about our conflicts of interest can be found in our Firm Brochure under Item 11 which is available upon request or online at <https://adviserinfo.sec.gov/>.

FEES

What fees and costs will I pay?

We charge clients an annualized asset-based fee equal to two percent (2.00%) of the total value of their portfolio (the "Management Fee"). The value of your portfolio is determined by the sum of (i) the amount of USDC held in the account, plus (ii) the par value of the Heron Tokens held by you. In calculating the Management Fee, we use the average daily balance of your portfolio to determine the fees due at the end of each month. We automatically deduct fees on a monthly basis from USDC interest payments you receive in respect of the Heron Tokens you hold. Remember, 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 about our fees is located in Item 5 of our Firm Brochure. Our Firm Brochure is available upon request or online at <https://adviserinfo.sec.gov/>.

DISCIPLINARY HISTORY

Neither Heron Finance nor any of its employees or affiliates have been the subject of any criminal, civil, administrative, or self-regulatory organization proceedings.

ADDITIONAL INFORMATION

You can find more information about our investment advisory and management services and obtain a copy of this Form CRS at www.heronfinance.com or by emailing support@help.heronfinance.com.