

**ITEM 1**  
**COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**HORIZON CAPITAL MANAGEMENT, INC.**

**January 1, 2015**

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Horizon Capital Management, Inc.  
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*This brochure provides information about the qualifications and business practices of Horizon Capital Management, Inc. (the "Investment Adviser"). If you have any questions about the contents of this Brochure, please contact us at (337) 983-0676 or [www.LIONX.net](http://www.LIONX.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.*

*The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*Additional information about Horizon Capital Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**ITEM 2**  
**MATERIAL CHANGES**

We are required to identify and discuss any material changes made to our Brochure since the last annual update. This Brochure is the Horizon Capital Management, Inc.'s ("Horizon" and "us") first Form ADV Part 2A submitted to the SEC following certain amendments to the disclosure rules promulgated under the Investment Advisers Act of 1940 and to the form formerly known as Form ADV Part II. We previously provided our clients a Form ADV Part II dated January 19, 2010, which was used as a basis for certain disclosures contained in this Brochure. As of 2/27/14 Mark A. Thomas, Sr. has resigned from all positions and ownership at Horizon and as Chief Compliance Officer (CCO). Dexter P. Lyons is now the sole owner of Horizon and CCO. The HCM Freedom Fund was terminated on 4/1/14. Dexter P. Lyons launched the Issachar Fund and Horizon serves as its advisor.

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#### **ITEM 4**

#### **ADVISORY BUSINESS**

Horizon Capital Management, Inc. (“Horizon,” “we” or “us”) provides investment advisory services to a registered investment company. Horizon was organized in 2004 as a corporation under the laws of Louisiana. We act as the advisor to the Issachar Fund. Our investment objective is long-term capital appreciation. The principal owner of Horizon is Dexter Philip Lyons.

We provide investment advice to a registered investment company and offer advice on: exchange-listed securities; securities traded over-the-counter; foreign issues; corporate debt securities; commercial paper; certificates of deposit; municipal securities; United States government securities; options contracts on securities and commodities; and futures contracts on tangible and intangibles.

We tailor our advisory services to the needs of our client, which is a registered investment company as described above. We manage the assets in a manner consistent with the investment strategies stated in the Fund’s prospectus.

As of December 31, 2014, we manage \$13,000,000 of client assets on a discretionary basis and \$0 on a non-discretionary basis.

#### **ITEM 5**

#### **FEES AND COMPENSATION**

We offer investment advisory services for a deducted percentage of assets under management (AUM). Horizon receives an advisory fee of 1.4% (annualized) of the fund’s average daily net assets for assets managed in the Issachar Fund.

Horizon agreed to waive its fees and/or reimburse operating expenses (excluding, as applicable, among other expenses, taxes, leverage interest, dividends or interest on short positions, other interest expenses, brokerage commissions, expenses incurred in connection with any merger or reorganization, acquired Fund fees and expenses, and extraordinary expenses such as litigation) to the extent that the Fund’s total annual fund operating expenses exceeded 2.3% of average daily net assets for the period ended April 30, 2016.

#### **ITEM 6**

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

This Item is not applicable.

#### **ITEM 7**

#### **TYPES OF CLIENTS**

We provide investment advisory services to a registered investment company. The minimum initial investment is \$1,000.00, but we have the discretion to open accounts of any size depending on the client's circumstances.

## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The investment strategies used to implement any investment advice given to clients include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), and short sales. Making both "long" and "short" investments and using derivative instruments, primarily swaps and futures, produces economically "leveraged" investment results. Leveraging generates returns that are more pronounced, both positively and negatively, than what would be generated on the invested capital without leverage.

We employ a dynamic asset allocation strategy pursuant to which the Issachar Fund invests in a broad range of U.S. and foreign equity and fixed income securities. We invest in equity securities of domestic and foreign issuers, directly and indirectly, through sponsored or unsponsored American Depositary Receipts ("ADRs"), exchanged-traded funds ("ETFs") and other investment companies. Additionally, the equity securities in which the Fund may invest include large, small, and medium capitalization companies and issuers in emerging markets countries. The Issachar Fund is a "non-diversified" Fund, meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities. We employ an aggressive management strategy that typically results in high portfolio turnover. The Fund also invests in high yield securities, like "junk bonds," because they generally provide high income in an effort to compensate investors for their higher risk of default. The Fund may invest in fixed income securities directly or indirectly through ETFs and other investment companies, and in fixed-income securities with varying maturities and credit qualities.

We attempt to identify and profit from market trends, making long investments in areas of the market that have risen somewhat and appear to offer additional upside, and short investments in areas of the market which have begun to decline and appear likely to decline further. We also attempt to identify changing market conditions based on proprietary technical analysis of trends, relative strength of various sectors of the markets, as well as seasonal considerations. The portfolio is positioned in response to movements by particular indexes, market segments or even particular securities in an attempt to participate in a developing trend. We may attempt to anticipate market moves and initiate appropriate action in advance of actual market movements. When we have not identified to our satisfaction areas of the market in which we feel comfortable investing, whether long or short, we may invest portions or all of the Fund's assets in cash or cash equivalents for capital preservation. Investing in securities involves risk of loss that clients should be prepared to bear.

An investment in the Fund entails risks. The Fund could lose money, or its performance could trail that of other investment alternatives. We cannot guarantee that the Fund will achieve its objective. Turbulence in financial markets and reduced liquidity in equity, credit and fixed income markets could negatively affect many issuers worldwide, including the Fund. There is the risk that you could lose all or a portion of your money on your investments in the Fund. Investments in publicly-issued equity securities in general are subject to market risks that may cause their prices to fluctuate over time and cause the Fund's net asset value to fluctuate. While the sub-adviser seeks to take advantage of investment opportunities for the Fund that will maximize its investment returns, there is no guarantee that such opportunities will ultimately benefit the Fund. Below are additional risks.

The Advisers' asset allocation strategy may not be successful. The Advisers may not know whether a particular signal is the start of a major or minor market move in either direction or if it will prove to be a false signal. There is a non-diversification risk. A non-diversified fund invests a high percentage of its assets in a limited number of securities, exposing the Fund to fluctuations in net asset value and total return. The Fund uses investment techniques that may be considered aggressive. Risks associated with the use of futures contracts and swap agreements include potentially dramatic price change in the value of the instruments. There is also a credit risk. The Fund could lose money if the issuer of a debt security is unable to meet its financial obligations or goes bankrupt. Debt securities have varying levels of sensitivity to changes in interest rates. The longer the maturity of a security, the greater the impact a change in interest rates could have on the security's price. The Fund may invest in financial instruments involving counterparties for the purpose of attempting to gain exposure to a particular group of securities or asset class without actually purchasing those securities or investments. The Fund may enter into swap agreements with a limited number of counterparties, and this may increase the Fund's exposure to counterparty credit risk. The Fund invests in derivatives and investments in derivatives in general are subject to market risks that may cause their prices to fluctuate over time and increase the Fund's volatility. Accordingly, the use of derivatives may result in larger losses or smaller gains than otherwise would be the case.

Investments in foreign securities involve greater risks than investing in domestic securities. As a result, the Fund's returns and net asset values may be affected to a large degree by fluctuations in currency exchange rates, political, diplomatic or economic conditions and regulatory requirements in other countries. The Fund also may invest in depositary receipts, which are subject to many of the risks associated with investing directly in foreign securities. Investments in emerging markets instruments involve greater risks than investing in foreign instruments in general. Risks of investing in emerging market countries include political or social upheaval, nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets and risks from an economy's dependence on revenues from particular commodities or industries.

The Fund may experience high portfolio turnover, which would involve greater expenses to the Fund, as well as potentially adverse tax consequences, to the Fund's shareholders from distributions of increased net short-term capital gains, and may adversely affect the Fund's performance. The Fund also may hold cash positions when the market is not producing returns greater than the short-term cash investments in which the Fund may invest. There is a risk that the sections of the market in which the Fund invests will begin to rise and fall rapidly and the Fund will not be able to sell stocks quickly enough to avoid losses, or reinvest its cash positions into areas of the advancing market quickly enough to capture the initial returns of changing market conditions.

The Fund may invest up to all of its assets in securities rated below investment grade or "junk bonds." Junk bonds may be sensitive to economic changes, political changes, or adverse developments specific to a company, and they generally involve greater risk of default or price changes than other types of fixed-income securities and the Fund's performance may vary significantly as a result.

Another investment technique, leverage, can magnify the effects of changes in the value of the Fund and make them more volatile. This could cause investors in the Fund to lose more money in adverse environments. Shoring securities entails risk because short positions are designed to profit from a decline in the price of particular securities, baskets of securities, or indices. The Fund will lose value of and when the instrument's price rises. This is the opposite result from what happens in traditional mutual funds. Investing in the securities of small-capitalization and mid-capitalization companies involves greater risks and the possibility of greater price volatility than investing in larger capitalization and more-established companies. Investments in mid-cap companies involve less risk than investing in small-cap companies. Small and medium size companies often have narrower markets for their goods and/or

services and more limited resources than more established companies. Mid-cap companies often have narrower markets and more limited managerial and financial resources than larger, more established companies.

## **ITEM 9 DISCIPLINARY INFORMATION**

There are no disciplinary matters to report.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This Item is not applicable.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

In our efforts to ensure that we develop and maintain a reputation for integrity and high ethical standards, it is essential that we comply with relevant federal and state securities laws, and that we maintain high standards of personal and professional conduct. Our Code of Ethics is designed to help ensure that we conduct our business consistent with these high standards. As a registered investment adviser, Horizon and its employees owe a fiduciary duty to the clients. This duty requires each of us to place the interests of our clients ahead of our own interests. A critical component of our fiduciary duty is to avoid potential conflicts of interest. Accordingly, we must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of fund shareholders and our other advisory clients. Please bear in mind that a conflict of interest can arise even if there is no financial loss to our clients, and regardless of the employee's motivation. Many potential conflicts of interest can arise in connection with employee personal trading and related activities.

The Code of Ethics is designed to address and avoid potential conflicts of interest relating to personal trading and related activities and is based on three underlying principle: (1) We must at all times place the interests of our shareholders first, and ahead of our own; (2) We must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflicts of interest or any abuse of the individual's position of trust and responsibility; and (3) Investment company personnel should not take inappropriate advantage of their positions. The receipt of investment opportunities or gifts from people seeking business with the Fund or Horizon could call into question the exercise of our employees' judgment. So, employees are not allowed to receive gifts from anyone seeking business with the Fund or Horizon.

## **ITEM 12 BROKERAGE PRACTICES**

This Item is not applicable.

**ITEM 13  
REVIEW OF ACCOUNTS**

Holdings in the Issachar Fund are reviewed daily by Mr. Lyons. Written annual and semi-annual reports are delivered with respect to the Fund.

**ITEM 14  
CLIENT REFERRALS AND OTHER COMPENSATION**

This Item is not applicable.

**ITEM 15  
CUSTODY**

This Item is not applicable.

**ITEM 16  
INVESTMENT DISCRETION**

We provide investment advisory services on a discretionary basis. Please see Item 4 for a description of any limitations clients may place on our discretionary authority. Prior to assuming discretion, we enter into an investment agreement or other agreement that sets forth the scope of our discretion.

**ITEM 17  
VOTING CLIENT SECURITIES**

HCM serves as investment adviser to certain investment companies under the Northern Lights Fund Trust. These funds invest in other investment companies and exchange traded funds that are not affiliated (“Underlying Funds”) and are required by the Investment Company Act of 1940, as amended (the “1940 Act”) to handle proxies received from Underlying Funds in a certain manner. Notwithstanding the guidelines provided in these procedures, it is the policy of HCM to vote all proxies received from the Underlying Funds in the same proportion that all shares of the Underlying Funds are voted. After properly voted, the proxy materials are placed in a file maintained by the Chief Compliance Officer for future reference. The fundamental purpose of the Proxy Policies is to ensure that each vote will be in a



manner that reflects the best interest of the Fund and its shareholders, taking into account the value of the Fund's investments. Clients may obtain a copy of our proxy voting policies and procedures upon request.

**ITEM 18**  
**FINANCIAL INFORMATION**

This Item is not applicable.