

**NorthStar Asset Management, Inc.**  
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Fiscal Year 2014

This brochure provides information about the qualifications and business practices of NorthStar Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at (617) 522-2635. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NorthStar Asset Management, Inc. is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

NorthStar Asset Management, Inc., founded in 1990, is an SEC registered investment advisory firm specializing in socially responsible investing. We invest in publically traded securities and private investments to balance our clients' social and political concerns with their financial objectives. One of our primary goals is to help our clients become comfortable with and empowered by their financial knowledge. Through an educational process, the client and the financial manager examine the financial and social impact of each investment and then take action through investment, divestment, shareholder activism, and strategic charitable giving.

NorthStar manages assets for numerous clients and organizations. In 2014, assets under management are approximately 200 million. The founder and

CEO of NorthStar Asset Management, Inc. is Julie Goodridge. She has been a social investment professional in the Boston area since 1985, and a financial advisor since 1983.

## **Types of Clients**

NorthStar manages assets for individuals, families, trusts, and not-for-profit organizations who are interested in socially responsible investing. Many of our individual clients have inherited wealth, and consequently particular tax planning and estate planning needs. We prefer to accept clients with portfolios greater than \$1,000,000.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Each client at NorthStar Asset Management, Inc. has a personalized portfolio with tailored allocations. The percentage of investment in stocks, bonds, cash and alternative investments is based on a combination of the individual needs of the client and our market outlook. Once the percentage in equities is established for the client, we average into the stock market as well as average into individual stock and bond positions. We use different asset classes to both grow your investment and minimize downside risk to your portfolio. We believe balancing investments between different vehicles (stocks, bonds, and cash) help clients reduce downside risk and protect principal. We adjust an individual's asset allocation based on our current economic analysis and a client's liquidity needs and investment horizon.

NorthStar has always focused on socially responsible investing (SRI). NorthStar portfolios avoid investing in companies with poor track records in human rights, the environment, employee relations, and corporate citizenship. We do not invest in gaming, tobacco, gambling, weapons manufacture or nuclear energy or in companies with a track record of funding right wing, oppressive organizations through their philanthropy. We have used shareholder activism to address executive compensation, predatory lending practices, discrimination policies, and environmental impact and other "social" concerns.

We use both quantitative and qualitative processes for stock selection. We focus on companies with low debt and adequate capital to survive economic volatility and to thrive over the long run. We believe strongly that the market

is driven in part by fundamentals that can be calculated, and in part by psychology, which can be gauged but not computed.

We buy bonds in clients' portfolios to provide them with safe sources of steady income. Depending on client needs, we may purchase federal agency bonds, certificates of deposit, treasuries, inflation protected treasuries, municipal bonds or corporate bonds.

While we do our best to create positive returns in our client portfolios, all investments involve risk of loss. A clear understanding of your tolerance for risk is essential before choosing to work with any asset manager. We do not guarantee returns and cannot eliminate risk in any portfolio under our management. In addition, while we do our best to create portfolios that meet our social criteria, we can not guarantee compliance of our social guidelines by the companies in client portfolios.

In 2013 we added an integrated capital specialist to our team who is available to assess the strategic impact of individual client portfolios for those clients seeking opportunities in venture capital, local funding initiatives, and other forms of impact investment vehicles outside of the realm of publicly traded securities. This type of investing may involve greater risk than that of the investment portfolios mentioned above and is not necessarily suitable for all clients.

### **Working with other financial professionals**

At NorthStar we incorporate, to the best of our ability, legal and tax information from your other financial advisors including accountants, lawyers, outside trustees, financial planners and real estate advisers. Our hope is that by maintaining contact with your outside advisers, the investing and allocation in your NorthStar account will reflect the entirety of your financial goals. We have close working relationships with a number of lawyers and accountants and can provide our clients with referrals if necessary. We do not receive any referral fees or compensation of any kind for our recommendations.

Each year we consolidate 1099's, charitable giving records, fee reports, capital gains, etc. for our clients, mail this information to the client's tax advisor, and consult with the advisor until the return is filed as necessary.

## **Code of Ethics**

Social responsibility is NorthStar's core value. We not only place our client's assets in socially responsible investments, we practice social responsibility in all aspects of our work. As a result, staff members are expected to take full responsibility for all aspects of their job with wisdom and integrity while exhibiting superior judgment and respect for confidentiality in all company matters. Acceptable standards of behavior include but are not limited to conducting all business in a respectful, responsible and careful manner with regard to client contact, mailings, phone contact, computer contact and interpersonal office relations. Our primary responsibility is to effectively serve the financial needs of each individual client. However, our client's interests, be they of a financial or personal nature, always come first. NorthStar employees are expected to maintain the highest level of personal integrity and responsibility in performing their jobs.

Employees of NorthStar Asset Management, Inc. are required to understand clearly the values of the company and to follow rules created by the Securities and Exchange Commission to protect our clients and our reputation as an investment company charged with overseeing and investing our client's assets.

All employees are considered to be "supervised persons". One of our principle responsibilities to our clients as supervised persons is to respect and maintain their privacy regarding their holdings under our management as well as our knowledge of holdings outside of our management. Confidentiality in all matters, including, but not limited to client names, contact information, social security information, tax status, familial relationships, proprietary information shared by the client with various staff members, etc. is not to be discussed outside of the office, with other clients, with clients family members, or other financial professionals without the explicit consent or at the request of each client by any supervised person.

Many of our clients are members of family groups: husband and wife, sibling, child, cousins, etc. Under no circumstances are supervised persons allowed to share any information, even if it is apparently of joint knowledge among both parties, with any other related party without explicit permission from all parties. This includes and is not limited to conversations about tax

status, estate planning, charitable giving, cash flow analysis, investment goals or casual conversation about other, non financial matters.

If a supervised person is having difficulty understanding or adhering to the above guidelines, she must confer immediately with the Chief Compliance Officer (CCO) for clarification. Relying on the advice of other supervised persons to clarify these rules is unacceptable. Any violations of the NorthStar Code of Ethics will result in the dismissal of the employee.

NorthStar employees are committed to social responsibility in selecting investments and providing service. A high level of personal responsibility ensures that clients receive the best possible service. Our clients interests, be they financial or of a personal nature, always come first. We expect that supervised persons will attend to client needs with precision and confidence, and report and remedy errors in a timely manner. Any self-dealing on the part of any staff member will not be tolerated.

All supervised persons are required to act within the boundaries of applicable federal, state, and local securities laws. Standards of professional conduct as defined in the code of ethics and standards of professional conduct of the CFA institute, to the extent relevant to each individual's job within the company must be maintained.

An access person is a supervised person who has access to nonpublic information regarding any purchase or sale of securities in a clients account or any nonpublic information regarding the portfolio holdings or who is involved in making securities recommendations to clients or who has access to such recommendations.

NorthStar access persons must use reasonable care and independent, professional judgment when making investment decisions for clients. The potential interaction between personal and professional investment decisions of access persons must be fully transparent and is subject to the following requirements:

Each access person must submit to our chief compliance officer all securities holdings outside of management at NorthStar on an annual basis. Each report must include the name of broker/custodian with a full list of securities held in the account outside of NorthStar management, if the assets are greater than \$1000. These reports must be submitted quarterly. The report

may be in digital or paper form. This report must include a list of annual transactions occurring in the outside account and must also include accounts over which the access person has control or trading authority, so that we may be certain that front running is not an issue.

Any access person, who takes a position in a security in an initial public offering or a limited offering either for herself or a client outside of NorthStar, must submit approval from the NorthStar CCO, prior to taking such a position. Insider trading or self-dealing is unethical and illegal and will not be tolerated.

### **Directed Brokerage, Custody**

Most of our clients have their assets held at Morgan Stanley, and the majority of trading occurs at the custodian. Many clients opt for a “wrap-fee” arrangement with Morgan Stanley, which eliminates transaction fees. NorthStar has negotiated a favorable wrap-fee arrangement of .25% of assets held in managed accounts at Morgan Stanley.

In placing trades in our client accounts, we primarily transact through the custodian. Occasionally we will opt to purchase a security from an outside source. This is rare, and only done if the desired security is not available for purchase through the custodian. We are open to clients choosing their own custodian, and do our best to negotiate favorable fees with that custodian. Should a client choose to have their account held at a different brokerage firm, the custodial/trading fees of that custodian will apply.

When we are placing trades at a custodian, for client accounts, we tend to bundle trades to receive best execution. For example if we are buying 100 shares of a stock in one account, 1000 shares in another, and 5 shares in a third account, we will submit an order with the trader to buy 1105 shares of the stock. We will then split the executed buy up between the 3 clients. This allows the client who is buying 5 shares to receive the same price as the client buying 1000 shares. If we enter a bulk order at a limit price that is not fully executed, we will allocate the shares proportionately to each client, based on the percentage of the overall trade that their desired shares represent. In this way, we do not give preferential treatment to any one client. We will then reenter the trade the next day and the next until all shares have been executed.

## **Account Reviews, Investment Discretion, Proxy Voting**

We review each account at least quarterly. Client accounts are grouped together and reviewed by the portfolio management team. The portfolio management team is comprised of the CEO and the Investment Analysts. Our Research Analyst may also attend reviews. Asset allocation, including cash positions, is evaluated based on the client's individual needs (income needs, charitable giving, taxes, etc.), reallocated, and transactions are placed. We also adjust our buy list periodically, and this may necessitate trimming partial or entire positions of one security and replacing that security with another. These decisions are made separate from the quarterly review process and tend to occur as a result of changing market conditions, risk analysis or a fundamental shift in our economic outlook or conditions at the company.

We hold a "limited power of attorney" over our client accounts. We have the authority to journal funds between each client's own personal accounts within the custodian, to select investments, to direct the custodian to mail checks to the client and to vote our client's proxies. All transactions are reported to the client monthly on the custodians reports with the exception of proxy voting, which is available on our website and updated annually. If a client has a particular interest in a proxy issue facing a holding in their portfolio, we encourage them to communicate directly with us so that we can discuss and vote the shares according to the client wishes.

## **NorthStar's Portfolio Management Team**

Our Portfolio managers include our CEO and Investment Analysts who are required to have experience of 10 years or more as an investment advisor, stockbroker or related financial experience or advanced education in finance. Each manager must exhibit thorough understanding of the complex client relationship including, but not limited to, budgeting, investment selection, risk tolerance, social criteria as well as strength in responding to the interrelationship between client's financial and emotional matters. We also invite our research analyst to participate in our portfolio review process.

Julie N.W. Goodridge, DOB 7/14/57  
1990-current CEO NorthStar Asset Management, Inc.,

CCO NorthStar Asset Management, Inc.  
 1987-1990 Assistant Vice-President, Dean Witter  
 1984-1987 Account Executive, EF Hutton  
 1983-1984 Account Executive Trainee, Merrill Lynch  
 1983 Harvard University, Ed.M.; 1979 Boston University, BA

Leslie E. Christian, DOB 9/15/47

2012-current Investment Advisor, Northstar Asset Management, Inc.  
 Integrated Capital Specialist, Northstar Asset Management, Inc.  
 1996-2012 CEO, Portfolio21 Investments  
 University of California, Berkeley, MBA; University of Washington, BA;  
 Chartered Financial Analyst.

Christine Jantz, DOB 10/15/56

2008-current Investment Analyst, NorthStar Asset Management, Inc.  
 2014-current Portfolio Manager/Principle, Jantz Managment LLC  
 2002-2014 Portfolio Manager/Principle, JantzMorgan LLC  
 2000-2002 US Portfolio Manager, Grantham May and Van Otterloo  
 1999-2000 Assistant Vice-President, Putnam Investments  
 1999 MIT, MBA; 1981 University of Iowa, MS; 1978 Bethel College, BA;  
 Chartered Financial Analyst.

## **Supervised Persons**

At NorthStar, several employees in addition to the portfolio management team work together to help manage research, client relationships, asset allocation, and cash flow.

## **Research**

Xinyi Wan, DOB 11/23/85

2011-current Research Analyst, NorthStar Asset Management, Inc.;  
 2011 Clark University, MBA; 2008 Southwestern University of Finance and Economics, BS, Financial Engineering

Ms. Wan is responsible for in depth research and daily monitoring of individual securities on the NorthStar “buy list.” Ms. Wan uses Bloomberg, company announcements, company reporting and internet research to create



a broad understanding of each security alone, and within the context of industry group analysis.

## **Client Relationship Management**

Clare Ciervo, DOB 4/26/87

2011-current      Client Service Coordinator

2009-2011    Field Organizer/Volunteer Coordinator

2009 Vassar College, BA;

Ms. Ciervo has completed the course work for her Certified Financial Planner designation. She interfaces with clients, brokerage firms, accountants as necessary to keep the portfolio management team apprised of client concerns, tax issues and liquidity needs.

Carolina Samudio-Ortega, DOB 5/26/81

2013-current      Marketing and New Initiatives

2007-2013      Sales and Marketing, State Street Global Advisors

2004-2007      Fund Accountant, State Street Corporation

2007 Sawyer School of Management, Suffolk University, MBA; 2003 University of Massachusetts, BA in Finance; Series 7

Ms. Samudio-Ortega works with potential clients to discuss their needs, coordinates outreach to NGO's, corporations, and interested individuals about our work in the area of philanthropic giving, shareholder activism and financial planning on behalf of clients and interfaces with the greater community to design financial literacy curriculum.

## **Shareholder Activism**

Shareholder engagement is a very important part of the work we do at NorthStar. As our focus is on socially responsible investing, we seek to examine ways in which the companies in which we invest behave in a responsible manner. We use the assets in our company pension plans, which are mirror images of our client portfolio investments, to engage with the companies on our buy list through conversation, negotiation, and the filing of shareholder resolutions. All NorthStar employees participate in our shareholder activism in one way or another.

Mari Schwartz, DOB 6/6/63

2008-current            Coordinator of Shareholder Activism  
2008 Simmons College, MA; 2005 University of Central Florida, BA

Ms. Schwartzer coordinates all of the members of the shareholder activism team and votes client proxies. She is responsible for drafting resolutions, engaging legal counsel and working with corporations and the media when applicable.

### **Fees and Compensation:**

NorthStar charges 1% for assets up to 1,000,000; .9% for additional assets up to 5,000,000; and .75% for remaining assets. Fees are assessed at the end of each calendar quarter in arrears.

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NorthStar fees are directly deducted from client accounts, as designated by the client. When a new account is opened, fees are prorated for the portion of the quarter that the assets were managed by us. We do not collect fees on transactions.

### **Wrap Fee Brochure**

Most of our clients participate in a “wrap fee” program sponsored by Morgan Stanley Smith Barney. Morgan Stanley Smith Barney is responsible for providing each client with a wrap fee brochure, and any updates to that brochure on an annual basis.

