



NORTHSTAR
COMPANY, LLC

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Form ADV Part 2A – Firm Brochure

March 29, 2024

This Brochure provides information about the qualifications and business practices of Northstar Company, LLC. If you have any questions about the contents of this brochure, please contact us at (612) 371-5700. 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 Company, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Northstar Company, LLC is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) pursuant to the Investment Adviser Act of 1940, as amended (the “Advisers Act”). Registration of an investment advisor does not constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, expertise or training.

Item 2 – Material Changes

The following material changes have been made to our firm brochure since our most recent annual updating amendment dated March 31, 2023:

- Northstar received an invitation letter from the U.S. Small Business Administration (“SBA”) to file a formal license application for its second SBIC license.
- Northstar initiated fund raising for Northstar Mezzanine Partners SBIC II L.P.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary based on changes or new information or at your request, at any time, without charge. Currently, our Brochure may be requested by contacting Tim Duffy, Chief Compliance Officer, at tduffy@northstarcapital.com or (612) 371-5719.

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Item 4 – Advisory Business

Northstar Company, LLC (“Northstar”) was established in 1993 to provide investment management and advisory services to private investment funds making junior capital investments and equity co-investments in lower middle-market companies. The owners of Northstar are Douglas Mark, Brian Schneider and Christopher Kocourek. Seidler Capital, Inc. (“SCI”), which is controlled by the estate of Peter Seidler, has an interest in Northstar.

Northstar provides investment management services to the following private investment funds: (i) Northstar Mezzanine Partners V, L.P. (“NMP V”), (ii) Northstar Mezzanine Partners VI, L.P. (“NMP VI”) (iii) Northstar Mezzanine Partners VII, L.P. (“NMP VII”), (iv) Northstar Mezzanine Partners VIII, L.P. (“NMP VIII”), (v) Northstar Mezzanine Partners SBIC, L.P. (“SBIC LP”) and (vi) ITS/Sprinturf Investment, LLC (“ITS”) (collectively the “Northstar Clients”). SBIC LP operates as a leveraged small business investment company (an “SBIC”) under the Small Business Investment Act of 1958, as amended, and the rules and regulations thereunder and interpretations thereof promulgated by the SBA, as in effect from time to time (the “SBIC Act”). The Client’s General Partners, in their discretion, can invite Investors to participate individually in Portfolio Company investments alongside the Northstar Clients (“Co-Investment”). ITS/Sprinturf Investment, LLC was a private investment Client established to allow co-investment along with NMP VII in one of NMP VII’s portfolio company investments.

The Northstar Clients are closed-end private investment funds (in this Brochure, investors may also be referred to as Limited Partners). The Northstar Clients, together with any other investment Clients or vehicles sponsored or managed by Northstar in the future, are referred to in this Brochure as (“Clients”).

In connection with providing investment advisory services to each Client, the Client’s General Partner appoints Northstar as investment manager pursuant to an investment management agreement between Northstar and the Client (the “Management Agreement”). The General Partner of NMP V is Northstar Capital, LLC (“NCL”), the General Partner of NMP VI is Northstar VI G.P., LLC (“VI GP”), the General Partner of NMP VII is Northstar VII G.P., LLC (“VII GP”), the General Partner of NMP VIII is Northstar VIII G.P., LLC (“VIII GP”) and the General Partner of SBIC LP is Northstar SBIC GP, LLC (“SBIC GP”). Hereinafter NCL, VI GP, VII GP, VIII GP and SBIC GP each individually, or together as a group, will be referred to as “Collective GP’s”. ITS is a member managed LLC and has not entered into an investment management agreement with Northstar. The Collective GP’s are not required to register as an investment adviser with the SEC because they rely on Northstar’s registration with the SEC. Further, all persons acting on behalf of the Collective GP’s are subject to the supervision and control of Northstar and are deemed “persons associated with” Northstar as that term is defined in the Advisers Act. Consequently, the Collective GP’s advisory activities are subject to the Advisers Act, and subject to examination by the SEC.

Northstar generally offers advice on portfolio investments that fall within each respective Client’s investment strategy and objectives as described in its private placement memorandum, limited partnership agreements (“LPA’s”), limited liability company agreements, subscription agreements or other documents. All such documents, either individually or collectively, will be referred to as Governing Documents. With respect to the Clients, Northstar generally seeks to make investments in junior capital or subordinated debt instruments purchased in conjunction with equity instruments in growth-oriented, niche-dominant, lower middle market companies with stable cash flows and strong historical financial results (“Portfolio Companies”). These investments will normally be made to support buyouts, recapitalizations, acquisitions or internal growth. The investments for certain Clients incorporate sustainable investing principles as described in the Governing Documents for the respective Client. Northstar does not offer any other type of advisory services other than management of investments for the Northstar Clients and providing Co-Investment opportunities.

Northstar has full discretionary authority with respect to the investment decisions of its Clients; however, it provides advice in accordance with the investment objectives and guidelines set forth in each Client's Governing Documents. Northstar does not have discretion with respect to Co-Investments.

Client investments are subject to certain diversification and geographic limitations, as well as restrictions on acquiring interests in pooled investment vehicles, and making investments in Portfolio Companies operating in specified industries. The Collective GP's, as General Partners of the Clients, may enter into side letters with certain Investors that impose, for example, further investment restrictions or reporting requirements. A Collective GP, at its discretion, will decide if a side letter is reasonable and appropriate.

The Collective GP's invest capital in an amount equal to at least 1% of the total capital commitments of the Limited Partners of the Client as mandated in each Limited Partnership Agreement ("LPA").

As of December 31, 2023, Northstar's regulatory assets under management are \$917,326,636 with \$916,147,600 managed on a discretionary basis and \$1,179,036 managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Management and Incentive Fees

The GP of each Client generally receives a management fee ("Management Fee") and incentive fee ("Incentive Fee") for the advisory services it provides. The Management Fee is paid to Northstar on behalf of the respective Client GP. During the Client's investment period, the Management Fee is typically a percentage of the fund's committed capital, invested capital, or a combination of both. After the investment period, the Management Fee is typically a percentage of the fund's invested capital (minus investments totally written off). Management Fees are typically paid on a quarterly basis at the beginning of each calendar quarter. The Incentive Fee is typically a percentage of the profits earned on the Client's investments and is normally subject to a hurdle rate of return. The Incentive Fee is computed separately for each Client and is reduced by realized losses on investments.

Certain investors in Clients managed by Northstar may have different terms (including Management Fees and Incentive Fees). Different terms are generally determined based on the total Commitment or negotiated through side letters or other similar documents. Therefore, some investors pay less in fees than other investors and may also benefit from other more favorable terms. The specific payment terms and other conditions of the Management Fee and Incentive Fee paid to the respective Client GP's or Northstar, in the case of Management Fees which it receives on behalf of the GP's, are set forth in the applicable LPA or side letters of each Client. Northstar nor any of its affiliates charge investors Management Fees or Incentive Fees on Co-Investments.

In connection with Client investments, Northstar or its affiliates may receive break-up fees, transaction fees, advisory fees, consulting fees, management fees, director fees and other related fees with respect to actual or potential Portfolio Companies ("Other Fees"). The Management Fee will be reduced by 100% of Other Fees received by Northstar or its affiliates.

The LPA for each Client will generally provide that capital may be called by the General Partner of the Client to pay Management Fees and investors are required to contribute their pro-rata share of capital at the time specified in the capital call notice.

Each Management Agreement with a Client may be terminated for malfeasance or if a specified percentage of Investors vote to remove the Collective GP as General Partner or dissolve the Client.

Expenses

Organizational Expenses

The Clients also bear, through reimbursement to Northstar, organizational expenses up to a specified amount as set forth in the respective Client Governing Documents. Organizational expenses could include legal, travel, accounting and other direct costs of setting up the Client. Organizational expenses in excess of the amount specified in a Client's Governing Documents will be borne by Northstar.

Operating Expenses

In addition to Management Fees, the Clients generally bear all expenses relating to their operations, direct or indirect, including but not limited to:

- All expenses (including, without limitation, travel and out-of-pocket travel related expenses, commissions, brokerage fees, finders' fees, investment banking fees, lender's counsel fees, direct calling or similar charges, transfer taxes, title premiums and other closing costs and expenses) incurred in connection with the origination, sourcing, discovery, identification, development, evaluation, investigation, negotiation, structuring, documentation, acquisition, purchase, holding or disposition of Investments (including potential Investments that are not consummated)
- All third-party costs, fees and expenses incurred in connection with the performance of due diligence investigations, acquisition, ownership or realization of any Investment;
- Expenses of attending, hosting or participating in general industry conferences, panels and events;
- Marketing, advertising and sponsorship costs, including, without limitation, costs associated with advertising in industry publications and the development of marketing and branding materials;
- Fees for legal, accounting, custodial, registration, appraisal and other professional services fees
- Costs of printing and circulating reports, opinions and notices, including costs of related software applications,
- Third-party expenses associated with the preparation of the Partnership's reports, financial statements and, tax returns;
- Expenses associated with hosting annual or special meetings of investors and Client Advisory Board meetings;
- Insurance premiums (including an allocation of directors and officers and errors and omission insurance);
- Taxes, fees or other governmental charges levied against a Client;
- Expenses incurred in connection with making any filings with any governmental or regulatory authority;
- Expenses incurred in connection with financing Investments, including any subscription line expenses;
- Expenses related to the retention of companies and individuals, which may include former employees of the Northstar, affiliates of Northstar, portfolio companies of a Client, third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals – however, not including any expenses associated with Northstar employees),
- Litigation, indemnification costs and any other extraordinary expenses.

Allocation of Client Expenses

Expenses relating directly to a Client will be charged to that Client. If expenses are associated with two or more Clients, subject to Governing Documents and any applicable legal or other restrictions, such expenses will be allocated to each Client in a fair and reasonable manner based on Northstar's good faith judgment considering such

factors it deems relevant and consistent with its fiduciary duties. Expenses allocated to Clients may differ with respect to some Clients such as SBIC LP, where, in accordance with the SBIC Act, certain expenses are deemed covered by the Management Fee and not charged directly to the Client. Such expenses, rather than charged to SBIC LP, are charged to Northstar.

All investors and prospective investors should review the Governing Documents for each Client fund in conjunction with this Brochure for complete information on the fees and compensation payable with respect to a particular Client fund. The information contained herein is a summary only.

Item 6 – Performance-Based Fees and Side-By-Side Management

As described in Item 5 above, the Collective GP's, affiliates of Northstar, are entitled to receive performance based compensation (Incentive Fee) from the relevant Client. The Incentive Fee is based on a percentage of the profits with respect to aggregate portfolio investments.

Incentive Fees may create an incentive for Northstar to make investments on behalf of Clients that are riskier or more speculative than it might otherwise make in the absence of such performance-based compensation. Further, if Northstar were to serve as investment manager to future Clients that were charged a higher Incentive Fee, Northstar could be incentivized to allocate investment opportunities to such Clients. Client Investors are provided with Governing Documents for each Client which explain how Incentive Fees are determined and also the risks associated with performance based compensation. The Client designates authority within the LPA for conflict situations to be resolved through the applicable Advisory Committee for the Client(s) involved. All Incentive Fee payments to Northstar, and/or the Collective GP's will be made in a manner consistent with the requirements of Section 205-3 of the Advisers Act

Neither Northstar nor the Collective GP's receive any direct compensation in connection with Co-Investments.

Item 7 – Types of Clients and Investors

Northstar generally provides investment advice to its Clients.

Conditions for investing in each Client, such as the minimum investment amount, are stated in each Client's Governing Documents. Client investors include insurance companies, financial institutions, high net worth individuals, fund of funds, private foundations and public and private pension funds.

Investors participating in each Client are generally required to meet certain suitability and net worth qualifications. For example, in certain cases, the investor must be (i) an "accredited investor" within the meaning of Rule 501 of Regulation D and (ii) a "qualified purchaser" as defined in Section 2(a) (51) of the Investment Company Act of 1940. The Governing Documents for each Client generally provides the criteria for satisfying each of the Investor terms referenced above.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Objective:

Northstar's investment objective is to generate attractive risk-adjusted returns through a disciplined approach that emphasizes safety of principal, income and equity upside. This primary objective is to be realized by investing in growth-oriented, niche-dominant lower middle-market companies with stable cash flows and strong historical financial results.

In seeking to satisfy its safety, income and total return objectives, Northstar will invest primarily in privately negotiated, structured mezzanine or subordinated debt instruments that produce current interest payments, carry a priority in income and repayment over equity, and include upside potential through equity co-investment.

Northstar's investment instruments will normally have intermediate-term maturities intended to produce systematic recoveries of capital over time rather than one-time realizations from externally driven exit events. In many cases, Northstar will purchase equity-type securities, including preferred stock and common stock, and in some cases, Northstar may purchase senior debt in conjunction with its subordinated debt investments. The equity component may also consist of warrants, profit participations, or similar equity or equity based rights. Northstar may also invest in limited amounts of senior debt, preferred stock, or common stock not acquired in conjunction with its subordinated debt investments. In some instances, Northstar may effect its equity investment by investing through a limited partnership structure.

Focus on Small and Underserved Market

Northstar will target Portfolio Company investments in the \$5 million to \$40 million range and focus primarily on opportunities in the lower middle-market, defined as companies with revenue of \$20 million to \$300 million and EBITDA of \$3 million to \$20 million. Northstar's investment strategy is designed to take advantage of the relatively large and stable volume of transactions requiring \$5 million to \$30 million of subordinated debt. Within this market, well-managed companies are often able to realize significant financial improvements by focusing on certain key business fundamentals, including strategic planning, operational processes, working capital management, infrastructure development, financial systems and capital structure optimization. In addition, the growth from lower middle-market businesses to larger companies often results in the expansion of exit multiples relative to initial acquisition multiples.

Investment Strategy

Northstar's investment strategy is founded upon the following principles:

- Investing in Portfolio Companies with motivated managers who have demonstrated their competence, energy and vision over a significant period.
- Approaching transactions in a disciplined and patient manner that allows for extensive investment analysis which includes detailed due diligence about the company, its market and its management.
- Generating deal flow through disciplined sponsors that often have industry experience and committed sources of capital. While a quality management team is a key element, a strong equity sponsor provides leadership,

additional insight and an element of accountability without interfering in management of the day-to-day operations.

- Emphasizing sound capital structures to manage risk which allows Portfolio Companies ample flexibility to weather economic uncertainties.
- Employing structured portfolio management processes which includes participation in Portfolio Company board meetings, requiring management and or equity sponsors to regularly forecast covenant compliance and revolving credit availability and monitoring historical and projected financial performance.

Additional investment objectives and strategies are set forth in the Client Governing Documents.

Northstar's investment strategies involve significant risk of loss. The specific risks associated with the investment strategy for each Client are described in that Client's Governing Documents.

Investment Risks

The following risks are generally applicable to Northstar's investors:

Nature of Investments

While junior capital investments offer the opportunity for current return and capital appreciation, they may also involve a high degree of risk. As a holder of subordinated debt, a Client generally would not be entitled to receive any payments in bankruptcy or liquidation until senior creditors were paid in full. As a holder of equity or equity-like rights, a Client would not be entitled to payments until all creditors are paid. In addition, the remedies available to holders of subordinated debt are normally limited by restrictions benefiting senior creditors. Some loans made by a Client will be secured, but any security interests will usually be subordinated to senior security interests, and few, if any, of such loans will be fully secured. Although senior subordinated debt may have more contractual protection than junior subordinated debt and preferred stock, all subordinated and preferred stock investments involve greater risk than senior debt. However, to compensate investors for the higher risk, subordinated debt and preferred stock typically offer higher potential returns.

In addition, most Portfolio Companies will have some leverage. Recessions, operating problems, and other general business and economic conditions could have more pronounced effects on the profitability or survival of leveraged companies. Moreover, rising interest rates may increase Portfolio Company interest expense. If an investment cannot generate adequate cash flow to meet debt service, a Client may suffer a partial or total loss of the investment.

Limited Diversification

Northstar may invest in a limited number of portfolio investments, and consequently, could be substantially and adversely affected by the unfavorable performance of a small number of investments. In addition, a significant portion of a Client's portfolio investments may be concentrated in a few industries and/or geographical regions. Concentration in a few select industries may involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns.

Competition for Investments

The activity of identifying, acquiring and successfully disposing of portfolio investments is highly competitive and involves a high degree of uncertainty. Northstar competes for attractive investments with many other investors. The availability of investment opportunities generally will also be subject to market conditions. Changes in market conditions, including changes in the availability and cost of debt financing, could cause certain types of investments to not be available to

Northstar and some Clients on terms that are as attractive as the terms on which opportunities were available to other Clients.

Unspecified Investments

Investors will not have the opportunity to evaluate personally the relevant economic, financial, and other information that Northstar will use to select investments. Investors also cannot rely on a prior Client's performance as an indicator of the a future Client's performance due, in part, to changes to the Client Investment Committee's over time. Investors must rely upon Northstar's ability to identify, structure, implement, and exit investments consistent with a Client's investment objectives and policies.

Time Required to Maturity of Investment

Northstar may require up to five years or more to complete its investments, and each investment may require five to eight years to mature fully. Consequently, while a Client expects to receive systematic payments of interest and principal, it is not likely to realize the full benefit of certain of its investments until five and possibly up to ten or more years from a Client's final closing.

Investments Longer Than Term of Client

Northstar may make investments that cannot be advantageously disposed of prior to the date that a particular Client's stated term is reached or otherwise dissolved. In such cases, The Client's General Partner will seek an extension of the Client's term from the required majority of investors as stated in the Client's LPA. There is no guarantee that an extension, when requested, will be approved by the required majority of investors. Although Northstar expects that investments will either be disposed of prior to dissolution or be suitable for in kind distribution at dissolution, a Client may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution of the Client.

Illiquidity

Investments in the Clients are not redeemable, and there will be no public market for them. In addition, the transfer of interests is subject to restrictions in the Governing Documents and applicable securities laws. Consequently, an investment is essentially illiquid and suitable only for those investors who do not need liquidity and who have the financial resources to bear the economic risk of investment for a substantial period. All or most of a Client's investments will also be illiquid because of contractual and legal restrictions on disposition. In addition, practical limitations may inhibit Northstar's ability to liquidate certain investments since the Portfolio Company will be privately held, and a Client may own a relatively large percentage of the Portfolio Company's equity securities. Market conditions may inhibit sales of securities of particular Portfolio Companies or Portfolio Companies in particular industries. These limitations on liquidity of the investments could prevent a successful disposition, result in a delay of any disposition, or limit the amount of proceeds that might otherwise be realized.

Illiquid and Long-Term Investments

There most likely will be little or no near-term cash flow available to the investors in a Client. Many of the investments made by the Northstar will be highly illiquid and there can be no assurance that a particular Client will be able to realize on such investments in a timely manner or at all. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to investors. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made.

Reliance on Management

Northstar will make all investment decisions for the management of a Client. A Client's success will largely depend on Northstar's ability to identify and consummate suitable investments and to exit them on the pre-structured terms or

otherwise on favorable terms. There is no assurance Northstar will succeed. In addition, the loss of one or more of the Northstar's senior investment professionals could also adversely affect a Client's ability to realize its investment objectives. Investors have no right or power to take part in the management of the Client and will not receive the detailed Portfolio Company information available to Northstar.

Need for Follow-On Funding

Clients may be called upon to provide follow-on funding for their Portfolio Companies or may have the opportunity to increase its investment in Portfolio companies. There can be no assurance that a Client will wish to make such follow-on investments or have available capital to do so. The inability to make such follow-on investments could have a substantial negative impact on a Portfolio Company in need of capital or may diminish such Client's ability to influence the Portfolio Company's future development.

Investing in Leveraged Companies

Private investments in highly leveraged companies involve a high degree of risk. Some of a Client's investments in companies may involve leverage, which in turn will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their respective industries. In the event any such company cannot generate adequate cash flow to meet debt service, a Client may suffer a partial or total loss of capital invested in the company, which, depending on the size of such investments, could adversely affect the return on the capital of such Client.

Uncertain Exit Strategies

Due to the illiquid nature of many of the positions which a Client is expected to acquire, as well as the uncertainties of the reorganization and active management process, Northstar is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Indemnification

The LPA requires that each Client indemnify Northstar and Advisory Committee members, as well as their respective affiliated entities and personnel, with respect to liabilities incurred in connection with the Client's affairs. These liabilities could be material and have an adverse effect on a Client's investment performance. For example, in their capacity as directors of portfolio companies, the partners or affiliates of Northstar may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Partnership would be payable from the assets of the Partnership, including the undrawn Commitments of the Limited Partners. If the assets of the Partnership are insufficient, the General Partner may recall distributions previously made to Client Limited Partners (subject to certain limitations set forth in respective Client's LPA).

Third Party Litigation

Northstar's investment activities, particularly its relationships with Portfolio Companies (including participation on boards of directors), will subject it to the risk of becoming involved in litigation brought by Portfolio Companies, their stockholders, their creditors and others. Generally, a Client would bear the expense of defending against claims by such parties and paying amounts necessary to satisfy any settlements or judgments.

Changes in Laws, etc.

Legal, tax and regulatory developments could adversely affect a Client, Northstar and/or the Collective GP's, the investors and a Client's Portfolio Companies.

Taxation in Non-U.S. Jurisdictions

If the Client makes investments in a jurisdiction outside the U.S., the Client or the Limited Partners may be subject to income or other tax in that jurisdiction. In addition, withholding tax or branch tax may be imposed on earnings of the Client from investments in such jurisdictions. In addition, local tax incurred in non-U.S. jurisdictions by the Client or vehicles through which it invests may not be creditable to or deductible by the Client's investors in their respective jurisdictions, including the United States.

Asset Valuations

Generally, there will be no readily available markets for a substantial number of Northstar's investments; hence, many of the investments will be difficult to value. With certain limited exceptions, Northstar will determine asset valuations, and its determinations will be final and conclusive to all investors. Valuations are only estimates of future results that are based upon assumptions made at the time that the valuations are developed as well as information provided to the GP by the Portfolio Companies. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory and market conditions and the actual operations of the portfolio companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

Projections

Northstar may make investments relying upon projections concerning a company's future performance and cash flows that are developed by Northstar, a prospective Portfolio Company or other sources. Projections are inherently uncertain and are subject to factors that may be beyond the control of the party preparing them. The inaccuracy of certain assumptions and the occurrence of unforeseen events could impair the ability of a Portfolio Company to realize projected values and/or cash flows.

ERISA Considerations

Depending on the extent of participation in a Client by ERISA plans, a Client may be required to use its reasonable best efforts to qualify as a "venture capital operating company" in order to avoid holding "plan assets" within the meaning of ERISA. In that event, Northstar could be restricted or precluded from making certain investments. In addition, these efforts could require that a Northstar liquidate investments at a disadvantageous time.

Board Participation

Northstar may be represented on the boards of some Portfolio Companies. While such representation may be important to Northstar's investment philosophy and will be necessary if a Client seeks to qualify as a "venture capital operating company" under ERISA, it could also impair Northstar's ability to sell the related securities when, and upon the terms, it might otherwise desire.

Diverse Investor Group

Investors may have diverse investment, tax, regulatory and other interests and concerns with respect to their investments in a Client. With respect to a particular investor, these diverse interests may relate to or arise from, among other things, the nature of the investor, the nature of investments, the nature of co-investments, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the Northstar or the GP's, including with respect to the nature or structuring of investments that may be more beneficial for one investor or Client than for another investor or Client. In selecting and structuring investments, will consider the investment and tax objectives of a Client and its investors as a whole, not the objectives or concerns of any investor individually. In addition, a Client may take action as a major investor in a Portfolio Company that could be disadvantageous to an investor who had made a Co-Investment in that company.

Liabilities Upon Disposition

In disposing of an investment, Northstar or the collective GP's may provide representations on behalf of a Client about the business and financial affairs of a portfolio company typical of those made in connection with the sale of any business or asset and may be responsible for the content of disclosure documents under applicable securities laws. Northstar or the collective GP's may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities that will be borne by the Client, and a Client's investors may be required to return amounts distributed to them to pay for the Client's obligations, including indemnity obligations, subject to certain limitations set forth in the respective LPA's.

Recourse to the Partnership's Assets

A Client's assets, including its investments and capital, are available to satisfy all Client liabilities and other obligations, including the indemnification obligations referred to above. Parties to which a Client is liable may have recourse to its assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Cybersecurity Risks

Northstar, the Clients, each Client's portfolio companies and other market participants increasingly depend on information technology systems and communication systems to conduct business operations. Northstar and its Client's information technology systems may be vulnerable to penetration or interruption from several sources including computer viruses, ransomware, network failures, security breaches, phishing attempts and other unauthorized access. If systems designed to manage and mitigate such risks are compromised or become inoperable it may require significant time and expense by Northstar, a Client and/or a Client portfolio company to repair or replace the affected systems. The breach or failure of these systems could cause significant interruption to Northstar, the Client's and/or Client portfolio company operations and could compromise the security, confidentiality or privacy of sensitive data including personal information relating to Client investors.

Public Health Risks

As was demonstrated by Covid 19, epidemics and pandemics may have a materially adverse effect on the global economy and the performance of a Client and its investment portfolio. The magnitude and duration of the effect of such risks on a Client, its portfolio companies their performance and financial positions cannot be predicted with any certainty.

Sustainable or ESG Investing Risk

Sustainable investing strategies may reduce or increase a Client's exposure to certain companies or industries and the Client may forego certain investment opportunities as a result. Northstar considers sustainable or ESG characteristics with the goal of enhancing long-term performance, but investors may differ in their views of what constitutes positive or negative characteristics.

Additional risk factors relating to each Client are set forth in the Client's Governing Documents.

Item 9 – Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Northstar, its affiliates and its personnel. Northstar will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Certain inherent conflicts of interest arise from the fact that: (i) Northstar will provide investment management services to more than one Client; (ii) Clients may have similar investment programs, objectives, and strategies; (iii) the investment strategies employed by Northstar for some Clients could conflict with the strategies employed by Northstar for other current and future Clients and (iv) Northstar, its affiliates, and certain of its personnel may invest either directly or indirectly in the Clients.

Clients generally have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Client that has available capital. Nonetheless, Northstar may give advice or take action with respect to investments of one or more Clients that may not be given or taken with respect to other Clients. In such cases, participation in investment opportunities will be allocated pursuant to Northstar's allocation policy and procedures. Allocations of certain investments among the Clients may be made on other than an equal basis. While Clients may have similar strategies, they may not hold the same investments or achieve the same performance. Given that Northstar manages Clients with overlapping investment strategies, this may adversely affect the availability of investments held by or potentially considered for one or more Clients.

No Client may acquire securities or other interests in a Portfolio Company already held by another Client unless the Advisory Committee of each Client has consented. Northstar will provide to the Advisory Committees of the applicable Clients a memorandum explaining the rationale for the investment decision. The ultimate decision will be documented in minutes from the Advisory Committee meetings.

NMP VII, which completed making new Portfolio Company investments in 2023, and SBIC LP were organized as "parallel funds". As such the two Clients generally invested in Portfolio Companies at the same time and under the same terms and conditions. However, SBIC LP operates under the SBIC Act and not all investments qualify under the terms of the SBIC Act. Accordingly, NMP VII had the ability to invest in a Portfolio company without a parallel investment by SBIC LP. Upon NMP VII's completion of making new Portfolio Company investments, NMP VIII continued the parallel investment strategy with SBIC LP. Qualifying investments are allocated between NMP VIII and SBIC LP at the discretion of Northstar, taking into account SBIC LP's remaining available capital to be held in reserve as support for existing investments as well as timing for SBIC II LP receiving its SBIC License, if it receives a license. When SBIC LP has completed acquiring new investments, SBIC II LP will continue the parallel investment strategy with NMP VIII. SBIC II LP will also operate under the SBIC Act and if an investment does not qualify under the terms of the SBIC Act, NMP VIII may invest in such Portfolio company without a parallel investment by SBIC II LP.

Investing together as "parallel funds" in a new portfolio company, at the same time and under the same terms and conditions, is not the same as acquiring securities or other interests in a Portfolio Company already held by another Client. Accordingly, investments under the parallel fund strategy do not typically require Advisory Committee approval from the respective Advisory Committees.

Northstar, and/or its affiliates may make investments, on behalf of itself, that would be appropriate for, are held by, or may fall within the investment guidelines of a Client. These activities may adversely affect the availability of investments held by or potentially considered for, one or more Clients. Potential conflicts also may arise due to the fact that Northstar, its affiliates, the Collective GP's and/or employees may have investments in some Clients, but not others or may have different levels of investments in various Clients and that Clients may pay different levels of Management and Incentive Fees.

The existence of the Management Fee creates a potential conflict of interest for Northstar in valuing investments. Since Management Fees payable after the expiration of the investment period are based on invested capital (reduced by portfolio investments written off entirely), Northstar could have an incentive to avoid such total write-offs because they reduce Northstar's Management Fee.

Northstar may have ongoing relationships with Portfolio Companies whose securities have been acquired by, or are being considered for investment by, a Client. From time to time, Northstar may acquire securities or other financial instruments of a Portfolio Company for one Client that are senior or junior securities, or financial instruments of the same Portfolio Company that are held by, or acquired for, another Client (e.g., one Client may acquire senior debt while another Client may acquire subordinated debt). In the event the Portfolio Company enters bankruptcy, the Client holding securities that are senior in bankruptcy preference may have the right to aggressively pursue the Portfolio Company's assets to fully satisfy the issuer's indebtedness to the Client, and as a fiduciary, Northstar would have an obligation to pursue such remedy on behalf of the Client. As a result, a Client holding securities of the same Portfolio Company that are more junior in the capital structure may not have access to sufficient assets to completely satisfy its bankruptcy claim and may suffer a loss. Northstar recognizes that conflicts may arise under such circumstances and will endeavor to treat all Clients fairly and equitably.

Unless a specified majority of the investors of an existing Client consent, neither Northstar nor its affiliates may form a new private investment Client (a "Subsequent Client") until certain conditions have been met. These conditions are addressed in each Client's LPA. During the investment period of the Subsequent Client, Northstar is generally required to present to that Client all private investment opportunities presented to Northstar that are suitable for the Subsequent Client (taking into account various suitability factors stated in the Client's LPA), except for (i) investment opportunities contemplated by Northstar to an existing Client in order for it to complete its investment program; (ii) follow-on investment opportunities in any prior Client; and (iii) when the Advisory Committee reviews the potential opportunity and determines that it need not be so offered. The launch of a Subsequent Client may create certain other conflicts of interest for Northstar. For example, if the prior or existing Client has had a negative return on its investments and is not expected to generate an Incentive Fee, Northstar would be incentivized to allocate attractive investment opportunities to the Subsequent Client.

Conflicts of interest could arise because Northstar's investment professionals serve as directors of certain Portfolio Companies. In addition to any fiduciary duties that the investment professionals owe to the Clients, these investment professionals, as directors of Portfolio Companies, owe fiduciary duties to the shareholders or members of the Portfolio Companies and persons other than the Clients. In general, such director positions are often important to the Client's investment strategy and normally enhance Northstar's ability to manage investments. In addition, such positions may be required if a Client seeks to qualify as a "Venture Capital Operating Company" and thereby avoid certain requirements under ERISA that may otherwise apply. However, such positions may have the effect of impairing Northstar's ability to sell the investments in the Portfolio Company when, and upon the terms, it may otherwise desire. In addition, such positions may place investment professionals in a position where they must make a decision that is either not in the best interests of the Clients or not in the best interests of the shareholders or members of the Portfolio Company. Should an investment professional make a decision that is not in the best interests of the

equity owners of a Portfolio Company, such decision may subject Northstar and any applicable Client to claims to which they would not otherwise be subject as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, Clients will indemnify Northstar and its investment professionals against such claims. In addition, because of potential conflicting fiduciary duties, Northstar may be restricted in choosing investments for Clients, which could negatively impact returns received by the Clients.

Northstar must determine whether to allocate costs and expenses to Clients, on the one hand, or Northstar on the other, and/or whether certain costs and expenses should be allocated between or among Clients. Certain costs and expenses may be related only to one Client and borne only by such Client, but other costs and expenses are also allocated among Clients. Northstar faces a conflict of interest when making such cost and expense allocations and seeks to manage such conflicts by implementing procedures designed to reasonably allocate such costs and expenses, consistent with its disclosure in Item 5 above.

Co-Investment Allocations

The Collective GP's, in their discretion, may invite selected Client's investors to participate in Portfolio Company investments alongside a Client. Such co-investments may be appropriate because, for example, a Client cannot make the entire investment for one or more reasons, including the size of the investment in relation to the Client's diversification requirements, the Client's unfunded commitments and/or other factors as determined by either Northstar or the Collective GP's. Such investors in these Co-Investments will not pay Management Fees or Incentive Fees to Northstar, the Collective GP's or any affiliates. Due to the nature of the relationship between the Collective GP's, Northstar and the investors in such transactions, the Collective GP's and/or Northstar could be incentivized to allocate attractive investment opportunities to such investors disproportionately.

Entities related to or controlled by SCI and or the estate of Peter Seidler may be investors in the Clients. The Clients may also make Portfolio Company investments through vehicles related to or controlled by SCI and or the estate of Peter Seidler.

With respect to cross trades and principal transactions, please see Item 11 for applicable disclosures.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Northstar has adopted a Code of Ethics (the "Code") designed to ensure compliance with applicable Advisers Act Rules. It is Northstar's policy to adhere to the highest legal and ethical standards in the conduct of its business. The Code applies to all Partners, officers, employees and any other individuals defined as Access Persons of Northstar. The Code requires, among other things:

- Complying with all applicable laws and regulations, including federal securities laws;
- Being mindful of the Firm's fiduciary duties at all times;
- Appropriately reporting and managing actual and potential conflicts of interests;
- Refraining from entering into transactions, including personal securities transactions, that are inconsistent with Fund interests; and
- Promptly reporting violations of the Code.

Personal Trading Restrictions.

The Code requires that Access Persons' personal investment activities comply with all applicable laws and regulations. Before completing any personal securities transactions, Access Persons will confirm that such transaction does not involve a company on Northstar's Restricted List. It is Northstar's policy that trading approval will not be granted for securities of companies on the Restricted List. In the event that an exception to this policy is granted, the Chief Compliance Officer will make and maintain a record of the basis for the exception.

The Code provides an exception from the pre-clearance requirement in instances where an Access Person has a direct or indirect interest in a managed account (i.e., a discretionary account managed by a third party manager). In such instances, the Access Person must certify annually that he or she has not exercised any type of investment discretion over transactions made in the account and must provide written notice to the account manager that he or she does not intend to exercise any investment discretion with regards to any purchase or sale of the account's assets.

Investments in all private placements and initial public offerings must be pre-cleared by the Chief Compliance Officer. Sales of, or withdrawals from, private placements must also be pre-cleared by the Chief Compliance Officer.

Personal Securities Holdings and Transaction Reports.

The Code provides that, subject to limited exceptions, each Access Person must submit to the Chief Compliance Officer a report of the holdings in the accounts in which they have a direct or indirect beneficial ownership interest, including managed accounts, or exercise any investment control, influence or discretion.

The holdings reports must contain specific information with respect to each asset held by an Access Person, the name of any broker, dealer or bank where the account is maintained, if applicable or if the securities are held other than with a broker or bank, the location of the securities, and the date that the Access Person submits the report to the Compliance Officer.

Each Access Person must also send to the broker-dealer(s) or financial institution(s) carrying each account a letter authorizing and directing that it forward duplicate monthly statements, as well as any other information or documents Northstar's Chief Compliance Officer may request, directly to Northstar.

The Code requires each Access Person to prepare or certify on at least an annual basis, a securities holdings report (Holdings Report). The Holdings report must contain information including the title and type of security including a ticker symbol or CUSIP number and the name of the institution maintaining such account. In lieu of providing detail on the Holdings Report, Access Persons may submit monthly duplicate account statements containing the required information and attesting on the Holdings Report that all holdings required to be provided have been provided through duplicate account statements.

Each Access Person must also complete on a quarterly basis, securities transactions reports no later than 30 days after the end of each calendar quarter containing information regarding transactions in his/her employee-related accounts. The transaction reports will include, at a minimum, all transactions during the quarter as well as information regarding the nature of the transaction, the price of the security, the broker-dealer or bank that effected the transaction, and the number and principal amount of each reportable security involved. In lieu of providing specific transaction details in the quarterly report, Access Persons may submit monthly account statements instead.

Material, Non-Public Information.

The Code includes policies and procedures concerning “inside information” (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information. Although Northstar and its Access Persons normally do not expect to obtain material non-public information in connection with their investment advisory activities, Northstar has adopted policies and procedures to (i) ensure the propriety of trading activity by Access Persons, and (ii) protect and isolate the flow of material, non-public information and other confidential information.

The Insider Trading Policies prohibit Northstar and Access Persons from trading for themselves, or recommending trading in securities of a company while in possession of material, non-public information (“Inside Information”) about the company, and from disclosing such information to any person not entitled to receive it.

Other Provisions of the Code.

Access Persons are subject to additional standards of conduct relating to the use of Clients and property, conflicts of interest and opportunities belonging to Clients, managing investments of related parties, and general standards of conduct including the conduct expected when dealing with Clients and the investors. Access Persons are required to certify periodically that they have complied with the terms of the Code. Violations of the Code are subject to the imposition of sanctions, up to and including termination.

The Collective GP’s invest directly in Clients and may have indirect investments in Clients through, for example, Incentive Fees. In addition, Northstar’s Managing Partners, officers and employees may have their own indirect investments in the Clients. As noted in Item 10 above, conflicts of interest may arise in connection with personal investing by Northstar personnel or when investments suitable for more than one Client are allocated between Clients.

Subject to applicable Client investment guidelines and restrictions, Northstar may direct one Client to sell an investment in a Portfolio Company to another Client through an internal cross transaction. Cross trades may be viewed as principal transactions due to the ownership interest in the Clients by Northstar.

Conflicts of interest may also arise with cross trades and principal transactions. For example, a Client could be disadvantaged in the event that the investment being exchanged is not priced in a manner that reflects the fair value. In addition, Northstar, acting as principal, could use its investment authority to transfer unappealing or appealing investments from one Client to another. Northstar has policies and procedures that are reasonably designed to address such conflicts, such as review and approval by the Advisory Committees of each Client involved in the transaction.

Northstar will comply with the Advisers Act Rules and ensure that any transaction deemed to be a cross trade or principal transaction is completed in accordance with the applicable requirements. Investment professionals must provide notice to and obtain the approval of the Chief Compliance Officer prior to participation in any cross trade or principal transaction. The Chief Compliance Officer will confirm (i) that such a transaction is allowed by the Client’s investment guidelines, (ii) that Northstar’s valuation procedures were followed, and (iii) that notice of the specific transaction was provided to the Client(s) Advisory Committee(s) and consent from the Client(s) Advisory Committee(s) were obtained.

A copy of the Code will be provided to any investor or prospective investor upon request.

Item 12 – Brokerage Practices

Generally, Northstar only effects transactions in securities through privately negotiated purchases and sales, and the regulatory best execution requirements are satisfied through the negotiation process in such transactions. Northstar does not conduct open market trades.

Item 13 – Review of Accounts

Northstar's Managing Partners, along with the investment professionals monitor the performance and operations of each of the Portfolio Company holdings in the Clients on a continuous and regular basis.

Investors in the Clients will receive annual audited financial statements and generally quarterly unaudited financial statements, annual unaudited management fee calculations and tax preparation reporting, plus annual and quarterly operating information about each Portfolio Company.

Item 14 – Client Referrals and Other Compensation

Northstar may enter into written agreements to engage placement agents to market and sell interests in the Clients to prospective Investors. Any agreement entered into with a placement agent will require either the agent or Northstar to provide disclosures to prospective investors in accordance with the requirements of Rule 206(4)-1. This includes (i) identifying whether the agent is an investor in an existing Client (ii) whether cash or non-cash compensation was provided for the agent's endorsement and identifying material terms of the compensation arrangement (iii) a description of any material conflicts of interest on the part of the agent. Northstar requires placement agents to have all appropriate licenses and registrations in the jurisdictions under which they operate to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and members of the Financial Industry Regulatory Authority ("FINRA"). For placement agents registered as broker dealers with the SEC the disclosures identified in (i) through (iii) will not apply. The Clients reimburse Northstar for placement agent fees paid to any agents and the Management Fee paid by the Client is reduced by 100% of the amounts reimbursed to Northstar.

Item 15 – Custody

Northstar is deemed to have custody of Client assets because it may directly or indirectly hold funds or securities and has authority to obtain possession of them. The Custody Rule provides an exemption from the requirement to provide notice, issue account statements and conduct surprise audits of Client funds and securities if all assets are subject to an annual audit and each Client, and investor in a Client, receives a copy of the annual audited statements within 120 days of the Client's fiscal year end. Northstar has engaged auditors who will prepare audited financial statements within the required time on an annual basis. Northstar will provide audited financial statements to all Client investors on an annual basis as well.

In addition, Northstar has developed supervisory procedures that are intended to help ensure compliance with the Custody Rule. In this connection, all funds and eligible securities will be maintained with a qualified custodian

such as a bank, broker dealer or other qualified custodian engaged by Northstar. The Chief Compliance Officer is responsible for reconciling assets on a periodic basis and ensuring that eligible assets are properly custodied at all times.

Item 16 – Investment Discretion

Northstar has full discretionary authority with respect to investment decisions, and its advice with respect to each Client is provided in accordance with the investment objectives and guidelines set forth in the Governing Documents. The LPA's of each Client may impose additional restrictions on this authority, including: (i) the size of individual portfolio investments in relation to committed capital, (ii) investment in marketable securities, (iii) investments in companies not domiciled inside of the United States or Canada, (iv) investments within the same four-digit standard industrial classification code published by the NAICS Association, (v) the dollar amount of investments not exceeding specified thresholds within any 12-month period and (vi) investment in businesses engaging in specified activities. Investors may also negotiate provisions in side letter agreements with the respective GP. Northstar is delegated authority to consummate investments on behalf of its Clients by the terms of the LPA's or other Governing Documents of the Clients and the Management Agreements.

Northstar does not have discretionary authority over Co-Investment assets nor private Clients established in connection with Co-Investment assets.

Item 17 – Voting Client Securities

Northstar does not normally receive or vote proxies because it does not invest in publicly traded securities. If Northstar were to receive proxies, Northstar may have conflicts of interest where it has a substantial business relationship with the Portfolio Company and the failure to vote in favor of company management could harm Northstar's relationship with management. In the event that Northstar receives a proxy voting matter in the future, it will adopt and implement procedures to mitigate any potential conflicts of interest as well as comply with its fiduciary obligations and relevant SEC Rules.

Item 18 – Financial Information

Northstar is not required to include a balance sheet for its most recent financial year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.