

NORTHERN ASSET MANAGEMENT, INC.

A Registered Investment Adviser

Information Brochure

(Form ADV Part II)

This Brochure contains important information about Northern Asset Management, Inc. ("NAM") and its investment advisory activities. By law, this Brochure contains information about certain privately offered funds managed by NAM (the "Funds"). Such information, however, may not be considered an offer to sell or a solicitation of an offer to purchase interests in the Funds. Interests in the Funds may be purchased only by qualified investors and can be offered solely pursuant to each Fund's offering memorandum. This Brochure is not, and does not purport to offer, a complete description of the Funds and their risks. The information about the Funds contained in this brochure is qualified in its entirety by the information appearing in each Fund's offering memorandum and related documents. Potential Fund investors should request an offering memorandum and read it carefully before investing.

FORM ADV**Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number: 3235-0049
Expires: July 31, 2008
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hours per response 9.402

Name of Investment Adviser:					
Northern Asset Management, Inc.					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
104 W. Superior Street,		Duluth,	MN	55802	(218) 722-3112

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.**

Applicant:

Northern Asset Management, Inc.

SEC File Number:

801-64835

Date:

03/10/2008

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|--|-----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 100 | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | | % |
| <input type="checkbox"/> | (6) Issues, not as part of any services described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | | % |
| <input type="checkbox"/> | (8) Provides a timing service | | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

- B. Does the applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No

- C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other |

- D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

- 2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those |
| <input type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page1).

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Equity Securities | <input type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.**A.** Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?
(If yes, describe these standards on Schedule F.)

Yes No

☒ ☐**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply) **N/A**

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice. (For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Our Portfolio Manager, Gerald S. Dodd, a Chartered Financial Analyst (C.F.A.) and Certified Public Accountant (C.P.A.), maintains constant oversight over our Funds portfolios, reviewing them constantly during and after business hours. We also have analysts who participate in the review of particular securities from time to time. The Compliance Officer, Colin Anderson, C.P.A., also reviews all trading activity on a daily basis and monitors the portfolios to assure compliance with investment management agreements.

- B. Describe the nature and frequency of regular reports to clients on their accounts.

Our Funds furnish reports to their investors on a monthly basis. The Firm reserves the right to provide other reports to Fund investors as requested. Separately managed account clients receive reports as described or requested in their investment advisory agreements with the Firm.

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4), or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the product, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |

(For each yes, describe the arrangements on Schedule F.)

☐ ☒**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Northern Asset Management, Inc.

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03/10/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Northern Asset Management, Inc.		IRS Empl. Ident. No.: 41 1697095
Item of Form (identify)	Answer	
1.D, 1.C & 2.G	<p><u>Advisory Services and Fees</u></p> <p>Northern Asset Management, Inc. (the “Firm,” “NAM” “we” or “us”) manages private investment funds (i.e., hedge funds) directly or through a wholly owned affiliate, as well as separately managed accounts for certain high net worth clients. As of the date of this Form, the Firm acts as investment adviser to the Northern Asset Management Hedge Utility, L.P. (the “Hedged Utility Fund”), and the Lakeside Partners, L.P. (the “Lakeside Fund”) (each a “Fund”, and collectively the “Funds”). The Firm also advises three separately managed accounts (also included as part of “Funds”). In the future, the Firm may act as adviser to other funds or separately managed accounts for certain clients. In this document, any reference to “Client” means the Funds, their investors and any other advisory client of the Firm.</p> <p>We manage our Funds in accordance with the particular investment objectives and restrictions specified in each Fund’s offering documents. The investment objectives of our Funds, however, are generally to invest primarily in electric utility, energy and gas utility common stocks. The Funds’ investment objectives are to produce returns that are above money market rates.</p> <p>Our Funds’ fee schedule consists generally of an advisory fee based on assets under management of up to one and a half (1.5%) percent annually, charged quarterly in arrears, plus a performance based fee of up to 20% of the Fund’s net profits for each fiscal year. Currently, one of the managed accounts is charged a management fee of 1.5% of assets under management and 20% of net profits. The other managed accountss are charged 30% of net profits. These fee schedules may vary according to each Fund’s offering memorandum.</p> <p>Performance-based compensation may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.</p> <p>The Firm does not purport to offer investment advice that is suitable to the particular situation of each Fund investor. Rather, we provide suitable investment advice to the Funds in accordance with their offering memorandum. Each investor must consult their own adviser regarding the suitability of an investment in our Funds. For these reasons, Fund interests are offered to a limited number of individual or institutional investors that qualify as “accredited investors” and meet certain other requirements.</p>	

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Item of Form (identify)	Answer
4.A (2)	<p><u>Methods of Analysis, Sources of Information, and Investment Strategies</u></p> <p>The Firm specializes in managing hedged long-short utility portfolios. This hedged strategy employs both long and short positions in utility equities. The Firm purchases stocks it believes to be undervalued and simultaneously sells short stocks it believes to be overvalued. Investment decisions will be made based on a valuation model developed specifically for the analysis of utility and energy common stocks. The model relies on fundamental variables such as earnings and dividend growth rates, balance sheet quality, nuclear risk, regulatory development, and other factors to arrive at a targeted valuation for each company. This, combined with objective data based on historical valuations of each company relative to the utility industry is used to arrive at a fair value for each company. The Firm makes daily investment decisions by comparing the fair value of the stock to the current market price. Undervalued securities are purchased while overvalued securities are sold.</p>
5.	<p><u>Education and Business Standards</u></p> <p>Persons involved in determining or giving investment advice to Clients must have at least an undergraduate degree in business or a related field, or several years of experience in the financial services industry.</p>
6.	<p><u>Education and Business Background</u></p> <p>Gerald S. Dodd. Born in 1958, Mr. Dodd is a Chartered Financial Analyst (C.F.A.) and Certified Public Accountant (C.P.A.), and has managed utility portfolios since 1987. Mr. Dodd began his career in 1980 as a financial analyst in the oil and gas industry prior to serving as a controller for a private energy and transportation company from 1983 through 1987. From September 1987 through February 1990, Mr. Dodd was employed in the investment department of Minnesota Power, a diversified electric utility company, and was responsible for managing its common stock investment portfolio, long portfolio and hedged long-short utility portfolios. From February 1990 through May 1991, Mr. Dodd was a Vice President of George Weiss Associates, Inc., an investment advisor specializing in management of both long and long-short utility portfolios. He actively managed the utility fund on a daily basis. Mr. Dodd is a 1980 graduate of the University of Minnesota with B.S. in Business Administration (accounting major).</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
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Item of Form (identify)	Answer
6. Continued	<p><u>Education and Business Background</u></p> <p>Jeff Scissons. Born in 1976, Mr. Scissons joined the Firm full time in the spring of 2002. Mr. Scissons completed an internship with the General Partner while attending the University of Minnesota, Duluth in 1999 and 2000. He spent two years playing professional hockey in the U.S. and Europe before returning to Northern Asset to start his career as an Investment Analyst. During his 3 years at Northern Asset, Jeff began in the investment research and has since become a portfolio manager and trader. Scissons graduated summa cum laude in 2000 from the University of Minnesota, Duluth with a Bachelor of Science in Business Administration. He received the Finance Student of the Year honor, WCHA Academic Player of the Year and was a 1st Team NCAA Academic All-American while attending University of Minnesota, Duluth.</p> <p>Colin Anderson. Born in 1976, Mr. Anderson is a C.P.A. and acts as the Firm Chief Compliance Officer (CCO). He joined the Firm in July 2004. Mr. Anderson graduated magna cum laude in 2000 from the University of Minnesota, Duluth with a Bachelor's Degree in Business Administration. From May 2001 to July 2004, he began his career working as a financial statement auditor for Ernst & Young LLP in Minneapolis. During that time he also attended the University of Notre Dame, where he earned a Masters Degree in the Science of Accountancy, graduating magna cum laude. Since joining the Firm, Mr. Anderson has served in a back office role working with Morgan Stanley & Co., Inc. to reconcile account values to brokerage statements and create monthly financial statements. Along with the back office function, he also assists with the research for the investment strategy. Going forward, he will take on the role of Chief Compliance Officer, setting up the proper policies and procedures to comply with SEC registration requirements under the Investment Advisers Act of 1940, as amended.</p>
8.D	<p><u>Other Financial Industry Activities or Affiliations</u></p> <p>The Firm or an affiliate will act as general partner or managing member in each Fund. Each Fund is organized as a limited partnership or limited liability company and relies on exemptions from registration as an investment company provided by Sections 3(c)1 of the Investment Company Act of 1940.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer
9.	<p><u>Code of Ethics</u></p> <p>The Firm has adopted a Code of Ethics imposing on each associated person a duty to place the interests of clients first, to report to the Firm any actual or potential conflict of interest. The Code of Ethics requires each officer and employee of the Firm with access to the investments or portfolio information of the Firm's clients (each an "Access Person") to report quarterly and annually theirs and their immediate family member's securities holdings and transactions to the Firm's Chief Compliance Officer. In addition, each Access Person must pre-clear any trades in initial public offerings or private placements with the Firm's Chief Compliance Officer. The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information. All clients and prospective clients may obtain a copy of the Firm's Code of Ethics by writing to the Firm or calling (218) 722-3112.</p> <p><u>Conflicts of Interest</u></p> <p>The Firm may provide services similar to those provided to the Funds to other hedge funds with similar objectives. The Firm has a policy whereby the Chief Compliance Officer periodically reviews purchases and sales in the market by its employees of securities of the same kind as are held in the Funds.</p> <p>NAM may purchase or sell securities for the accounts of clients in which its employees or affiliates have a position. In addition, NAM's employees may invest in the pooled investment vehicles with respect to which NAM or its affiliates serve as general partner or investment manager.</p>
10.	<p><u>Conditions for Managing Accounts</u></p> <p>The Funds have a minimum subscription amount of US\$5,000,000, subject to the discretion of the Firm to accept lesser amounts. Interests in the Funds may be purchased only by investors who qualify as "accredited investors" as defined in Regulation 501(a) of Regulation D under the Securities Act of 1933 and "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act of 1940. Except as otherwise consented to by the Firm, investors must meet all of the eligibility criteria set forth in the offering and subscription documents. The Firm reserves the right to reject any subscriptions.</p>

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Item of Form (identify)	Answer
12. A(1)(2)(3)(4)	<p><u>Investment or Brokerage Discretion</u></p> <p>Subject to each Fund's established guidelines, limitations or restrictions, the Firm generally has the authority to determine for each Fund:</p> <ul style="list-style-type: none">(a) Which securities are to be bought or sold;(b) The total amount of securities to be bought or sold;(c) Through which broker(s) or dealer(s) those securities are to be bought or sold; and(d) The commission rates or spreads to be paid for each transaction. <p>Best Execution. In placing orders for purchase and sale of securities and selecting broker-dealers to effect these transactions, NAM's primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable. In doing, NAM considers a number of factors, including, without limitation, the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage and research services. NAM has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities.</p> <p>Aggregation of Trades. The Firm may aggregate orders for two or more Clients (a "Aggregated Trade"). The Firm currently manages the Hedged Utility Fund and the 3 Managed Accounts pari passu to each other and therefore aggregates all trades pro rata based on the size of each account. Aggregated Trades filled at different intervals or prices during the day will be allocated at the average price obtained. Where necessary, trades will be allocated according to a rotation system that results in a fair and equitable distribution of opportunities throughout the year.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Item of Form (identify)	Answer
12. A(1)(2)(3)(4) Continued	<p>Selection of Broker-dealers. In selecting broker-dealers for client transactions, NAM considers a number of factors, including, for example, reputation, financial strength, stability, efficiency of execution and error resolution, access to research and qualified personnel, and the ability to execute difficult transactions. From time to time, NAM may also obtain certain research services in exchange for commission payments in excess of what other broker-dealers might charge for effecting the same transaction. This is known as a "soft dollar" arrangement. The research products or services could be, for example, fundamental investment research reports, technical and portfolio analyses, or any other product or service that assists NAM with its investment decision making.</p> <p>Before using "soft dollar" arrangements, NAM will determine in good faith whether the excess commission payments are reasonable in relation to the value of the products or services received. Certain of the brokerage and research services received may benefit some or all of the accounts under NAM's management, but not necessarily the account generating the soft dollar credits. NAM believes that its receipt of brokerage and research services will, over time, benefit all of its clients. All commissions paid, regardless of whether the executing broker-dealer provides research services, are generally within a competitive range for full service brokers.</p>
	<p><u>Proxy Voting</u></p> <p>NAM has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act, designed to ensure that proxies are voted prudently and solely in the best interest of our clients. Generally, NAM will not vote proxies unless deemed to be significant and in the best interest of the client. If deemed significant, NAM will normally vote in accordance with management's recommendations in order to support the ability of management to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. In the unlikely event of a conflict of interest, the conflict will be resolved in the best interests of clients. NAM reserves the right to vote proxies against management's recommendations.</p> <p>Our designated "Proxy Officer," currently Colin Anderson, is responsible for monitoring and reviewing all proxies received by NAM. The Proxy Officer will vote all proxies according to our Proxy Voting Policies and Procedures. Clients may obtain a copy of NAM's Proxy Voting Policies or a record of NAM's proxy votes free of charge by calling (218) 722-3112.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:

**Northern Asset
Management, Inc.**

SEC File Number:

801-64835

Date:

03/10/2008

Item of Form
(identify)

Answer

Privacy Policy

The Firm takes precautions to maintain the privacy of personal information concerning the current and prospective individual Fund investors. These precautions include the adoption of certain procedures designed to maintain and secure all nonpublic personal information from inappropriate disclosure to third parties.

The Firm collects nonpublic personal information about Fund investors from the following sources:

- Information the Funds receive from investors in Subscription Documents or other related documents or forms;
- Information about an Investor's transactions with the Funds, its affiliates, or others; and
- Information the Funds may receive from a consumer reporting agency.

The Firm does not disclose any nonpublic personal information about its prospective, existing or former clients to anyone, except as permitted by law and regulation. The Firm restricts access to nonpublic personal information about its Fund investors to those employees and agents of the Firm or the Funds who need to know that information in order to provide services to its investors. The Firm may also disclose such information to its affiliates and to service providers and financial institutions that provide services to the Funds. The Firm will require such third party service providers and financial institutions to protect the confidentiality of the investors' nonpublic personal information and to use the information only for purposes for which it is disclosed to them. The Firm maintains physical, electronic, and procedural safeguards that comply with federal standards to safeguard investors' nonpublic personal information and which the Firm believes are adequate to prevent unauthorized disclosure of such information.

If you have any questions concerning this privacy policy, please contact Colin Anderson at (218) 722-3112.

Complete amended pages in full, circle amended items and file with execution page (page 1).