

Item 1 – Cover Page

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[August 17, 2011](#)

This Form ADV, Part 2; “Disclosure Brochure” or “Brochure” is required by the Investment Advisers Act of 1940. This is a very important document between Clients¹ and prospective Clients (together “you,” or “your”) and Northern Lights Capital Group, LLC (“Northern Lights,” “NLCG,” or “us,” “we,” or “our”). This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this Brochure, please contact Christopher Fosse, Chief Financial Officer and Chief Compliance Officer at 206.965.8720 or via email at cfosse@nlcg.com.

Please note: The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Regulatory Authority. We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training.

The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to initially hire us and retain us as your investment adviser.

Additional information about our firm (and our employees) is available to you for free, by using a Securities and Exchange Commission “public disclosure” website. This site is called “Investment Adviser Public Disclosure” and is available at www.adviserinfo.sec.gov. To use Public Disclosure, click the link, select firm, type in our name or CRD number which is: 157976 and then click “search.”

¹ The term Clients as used throughout this Disclosure Brochure is defined as the Funds we manage and the Members / Limited Partner investors in each Fund.

Item 2 – Material Changes

1. We are a newly registered investment adviser, as a result, this Part 2 A or Brochure is the first brochure for our firm (and is brand new).
2. In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.
3. We may, at any time, update this Brochure and either sends you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

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Item 4 – Advisory Business

Description of Northern Lights Capital Group and Principal Owners / Officers

Northern Lights Capital Group, LLC is a newly registered investment adviser with the US Securities and Exchange Commission (SEC). We are also a notice filer with the States of Washington and Colorado (a notice filing is required of SEC registered advisers who have a place of business in a State). As of the date of this Part 2 A brochure, Northern Lights has two offices; our primary office, as indicated on the cover page of this brochure, Seattle, and Denver, Colorado. The address in Denver is:

Northern Lights Capital Group
44 Cook Street, Suite 1020
Denver, CO 80206
303.321.9900

Organizational Background:

Northern Lights Capital Partners, LLC (“NLCP”) is a private equity fund with multiple unit holders. Northern Lights Ventures, LLC (“NLV”) was formed in October, 2006 as the Managing Member to NLCP. In May, 2010, Northern Lights reorganized its structure, including a name change of its Managing Member to Northern Lights Capital Group, LLC. NLCP became a wholly owned subsidiary of NLCP at the time of this reorganization. At the time of the reorganization, a newly formed holding company named Northern Lights Ventures, LLC (“New NLV”) was created. New NLV holds rights of certain NLCP employees and NLCP unit holders to carried interest from NLCP.

NLCP is a limited liability company, which provides management, administrative and advisory services to our parent entity, NLCP.

We are also part of the General Partner and the Investment Adviser (defined as the portfolio manager / asset manager) to a newly formed Private Fund,² the Accelerator Fund, LP as described below.

Our specific focus is on the asset management industry. There are no shareholders (investors) holding 25% or more of the total interests in NLCP (the parent of NLCP).

² Section 202(a)(29) of the Advisers Act defines the term — Private Fund as — an issuer that would be an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3), but for section 3(c)(1) or 3(c)(7) of that Act.

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Our principal executive officers are:

Andrew Turner, Chairman
Christopher Fosse, Chief Compliance Officer, Chief Financial Officer
Jack Swift, Managing Director
John Zimmerman, Managing Director
Timothy Carver, Managing Director
Paul Greenwood, Managing Director

Assets under Management as of July 31, 2011:

Classification	Accts.	% of Total	AUM
Discretionary	1	100	\$48,230,000.00
Totals	1	100%	\$48,230,000.00

Advisory Business / Services

Portfolio Management Services to Hedge Fund of Funds / Private Equity Funds

1. **Northern Lights Capital Partners, LLC** (the parent of NLCP): Pursuant to a written LLC agreement with NLCP, we provide all inclusive services to NLCP, including but not limited to the following:
 - a. Continuous management and supervision over NLCP and the investments made by NLCP in other investment advisers (registered or not registered);
 - b. Identification, assessment (due diligence) and research on targeted companies for NLCP to consider as investment candidates
 - c. Negotiation of investment terms and structure
 - d. Portfolio management across a portfolio of private investments made by NLCP
 - e. Certain management consulting services to enhance the return on investment (success) of “NLCP Portfolio Companies”, including but not limited to providing sales, marketing and other services to Portfolio Companies
 - f. Other services as may be required by NLCP and / or the NLCP Portfolio Companies

As a Private Fund, NLCP is restricted to only qualified investors who subscribe to interests directly with NLCP (through its Managing Member).

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2. **The Accelerator Fund, LP:** The Accelerator Fund, LP, a Delaware limited partnership (the US based “feeder”), will carry out its investment objective through a master-feeder structure by investing substantially all of its assets in the Accelerator Fund Master, LP a Cayman Islands exempted limited partnership (the “Accelerator Fund”).

Pursuant to the Accelerator Fund’s limited partnership agreement, NLCG is the investment adviser to the Accelerator Fund. In addition, NLCG is a member of The Accelerator GP, LLC, the general partner to the Accelerator Fund (“General Partner”).

- a. Duties of the General Partner includes the following:
 - i. Overall management and governance of the Accelerator Fund
 - ii. Appointing and monitoring co-managers
 - iii. Appointing the Fund’s vendors / service providers: Administrator, Auditor, Counsel
 - iv. The General Partner is managed by the Board of Directors (four members) comprised of members of NLCG and Hermes BPK Partners, (“HPBK,” or “Hermes BPK”)
- b. The Accelerator Fund is managed in partnership between NLCG and Hermes BPK Partners, headquartered at Lloyds Chambers, 1 Portsoken Street, London E1 8HZ).
 - i. HBPK is authorized and regulated by the Financial Services Authority (FSA) in the United Kingdom and is also a registered investment adviser with the US Securities and Exchange Commission (CRD Number: 153364).
- c. The goal of the Accelerator Fund is to capture the return premium of investing with talented, early stage hedge fund managers and participate in the economics of the hedge fund managers’ growth through a share of their revenues.
 - i. The Accelerator Fund invests acceleration and/or seed capital into hedge funds early in their growth cycle (“Portfolio Investments”). In consideration for being an early investor in the hedge funds, the Accelerator Fund will receive “Special Economics,” generally in the form of a share of the revenues paid to the management companies and/or general partnerships that manage the selected hedge funds.
 - ii. When making investments in target companies, the Accelerator Fund endeavors to “accelerate” the manager’s / fund’s growth through the expertise provided by NLCG and HBPK.
 - iii. NLCG is experienced in the identification of target companies, the due diligence and evaluation necessary to determine if an investment should be made and in the negotiation of the terms of the private equity investment.
- d. Once the investment is made, NLCG is then responsible for the monitoring of portfolio companies across a number of areas.

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- e. Depending upon the physical location of the targeted manager / fund, HBPK may take the primary role and / or assist NLCG in the performance of its services to the Accelerator Fund.
- f. The Accelerator Fund is targeting the raising, from Limited Partnership Investors (LPs), of \$750 million with a cap of \$1 billion. A minimum investment by a LP Investor is \$10 million. NLCG expects to make approximately 10-12 investments ranging from \$50 to \$75 million each.
- g. Interests in Accelerator Fund will be offered to US Investors through a Delaware limited partnership (the “US Feeder Fund”).
- h. Interests in Accelerator Fund will be offered to Off-Shore (non-US investors) and certain US tax exempt investors through a Cayman Island exempted limited partnership (the “Cayman Feeder Fund”).

As a private fund, Accelerator Fund is restricted to only qualified investors who subscribe to interests directly with the Accelerator Fund or a Feeder Fund (and its general manager / partner).

Item 5 – Fees and Compensation

Northern Lights Capital Partners, LLC

For the services provided to NLCP (our parent), NLCG is not paid an advisory or management fee, per se. However, NLCP is obligated through its agreement with NLCG to fund NLCG’s operations up to a stated maximum level on an annual basis (fiscal year ended April 30).

This charge is conducted pursuant to the written management agreement between the entities. This fee option is not available to any other Client of NLCG.

The Accelerator Fund, LLC

For the services to the Accelerator Fund (as General Partner and Investment Adviser), NLCG is paid as follows:

Base or Management Fee

Management Fee is charged quarterly, in advance, at the annual rate of 150 basis points of the net present value of the Portfolio Investments.

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No Management Fee is charged to the value of the Special Economics (see Private Offering Memorandum for detail).

Incentive Fee

The general partner is allocated 15% of Accelerator Fund distributions, including a “GP Catch Up” described in line 3 below, *after* the fund has returned to its Limited Partner investors their funded capital plus the LP Preferred Return as described in the Private Offering Memorandum and summarized here. Distributions will be made in the following order of priority:

1. To the LP until cumulative amount distributed to the LP equals the LP funded commitment
2. To the LP until cumulative amount distributed to the LP equals the LP Preferred Return
3. To the LP and GP on a 15%/85% pro rata basis until cumulative amount distributed to the GP equals 15% of aggregate distributions to date
4. To the LP and GP on an 85%/15% pro rata basis

General Information on Services and / or Fees

- Fees (Management Fee or Incentive) may be negotiated or waived at the discretion of the Management Company or General Partner.
- Fees due to the Management Company, Investment Adviser or General Partner (as the case may be) are deducted from each Limited Partner’s capital account by the administrator of the Accelerator Fund upon presentation of a debit request to the Custodian of Fund assets.
- Termination of an advisory agreement, management agreement or General Partnership agreement with the Accelerator Fund and NLCP are specified in the agreements between NLCG as adviser or managing member to the Accelerator Fund and NLCP, respectively (please see the Accelerator Fund, LP Private Offering Memorandum and/or the NLCP Limited Liability agreement for explicit detail).

The fees paid to us for our portfolio management services do not include the following. (All of these fees or charges are borne by the Accelerator Fund and NLCP investors (together “NLCG Investors”); we do not participate directly in any of these items, however, as the parent (sole owner) of NLCG Distributors, LLC (“NLCGD”), our affiliated broker dealer, we may indirectly participate in the following expenses paid by the Accelerator Fund or NLCP and the underlying NLCG Investors in these Funds:

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- Brokerage commissions, if any
- Transaction fees, if any
- Other related costs and expenses; and,
- Charges imposed by custodians, brokers, third party investment and other third parties, including but not limited to:
 - Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
 - Advisory fees charged by sub-advisers (if any);
 - Custodial Fees;
 - Sub-agent transfer fees, if any
 - Deferred sales charges (on MFs), if any
 - Odd-Lot differentials, if any;
 - Transfer taxes;
 - Wire transfer and electronic fund processing fees;
 - Commissions or mark-ups / mark-downs on security transactions;
 - Among others that may be incurred.

Other Items in this Brochure provide additional information and disclosure related to “other costs” you may incur. Please see Item 12.

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

NLCG is the investment adviser to NLCP, a private equity fund, and is a member of the General Partner to the Accelerator Fund. All NLCG Investors are qualified investors. Each NLCG Investor is charged performance-based fees. Performance-based fees are charged and payable from each NLCG Investor’s capital account consistent with the documents governing the particular NLCG Fund.

We do not currently manage assets for Clients (Funds) that are not charged performance based fees.

NLCP and the Accelerator Fund have two different investment focuses as indicated below.

NLCP invests “operating capital” into the management entities of asset management firms. In consideration for this investment NLCP receives an interest in the management company. NLCP typically invests in traditional (long-only) managers, private equity managers, and real estate managers.

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The Accelerator Fund invests “seed capital” in to the investment vehicles managed by asset management firms. In consideration for this investment the Accelerator Fund receives a preferred interest in the investment vehicle. The Accelerator Fund will primarily invest in hedge funds. Although NLCP and the Accelerator Fund make different types of investments and typically target different types of investment strategies and managers, there are potential conflicts of interest present related to actual and potential investment opportunities.

We anticipate situations where a targeted company can benefit from investments from both NLCP and the Accelerator Fund. This is a potential conflict of interest between the interests of NLCP (and its investors) and the Accelerator Fund (and its investors). Should this situation arise the following process is followed (designed to manage (mitigate) the potential conflict of interest in a fair and equitable manner):

Northern Lights will establish an Advisory Board of select Limited Partners of the Accelerator Fund. On the occasion where NLCP proposes an investment in a hedge fund managed by an entity with economic ties to an affiliate of NLCP, the consent from a majority of the Limited Partner members of the Advisory Board is required.

Item 7 – Types of Clients

Services are provided to Private Funds (see footnote 2, above) only, for whom we are the designated Managing Member (in the case of NLCP), or, for whom we are the Investment Adviser and member of the General Partner (in the case of the Accelerator Fund).

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

Analysis and Information

For NLCP: As described under Item 4, above, NLCP, on behalf of NLCP (parent) provides services to NLCP which include, but are not limited to the following, pursuant to a written agreement between the parties:

- Identification of target Portfolio Companies
- Analyzing the viability of a private investment in Portfolio Companies
- Due diligence and assessment

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- Structuring the private investment in a targeted Portfolio Company
- Monitoring and managing the portfolio of invested Portfolio Companies, and
- Providing sales, marketing and other professional / business related services to Portfolio Companies to enhance cash flow and long-term appreciation of the investments in Portfolio Companies

NLCP Investment Process Overview:

Sourcing

Our team's extensive industry experience, strong relationships and complementary networks ensure broad access throughout the industry. Our principals actively engage a network of over 1000 industry contacts each year. We divide our origination network into five major categories and actively source opportunities from each category. They include (1) institutional investment managers including affiliates of Northern Lights, (2) industry consultants, (3) investment banks and service providers, (4) private equity firms, and (5) thought leaders from the investment management industry. Our complementary backgrounds enable us to attract opportunities from distinct networks and in multiple geographies. All investment opportunities are captured in a web-based log and communications are tracked through a customer relationship management (CRM) system. Origination activities are supported by public relations and media outreach efforts designed to enhance awareness of Northern Lights' activities and brand.

By sampling from both a broader and better universe of opportunities, we mitigate the risk of adverse selection.

Theory Directed Manager Research

Pioneered by Andy Turner and Paul Greenwood while at Russell, Northern Lights' Theory Directed Research approach to manager evaluation is the single most important aspect of our business. This approach to identifying great managers is distinctive in the market. Rather than employing quantitative screens for performance and risk, our approach seeks to systematically evaluate qualitative characteristics that we believe are the drivers of, not the results of success in investment management. Characteristics such as character, work ethic, perspective, and intelligence are four of over 60 qualitative factors that we quantify in our manager evaluation process. These factors have been developed through our observation of thousands of managers over decades of evaluation. From these manager meetings, we have observed these

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factors as being more predictive of future performance than the simple use of quantitative screening tools.

Moreover, an astute mix of our proprietary qualitative approach with intrinsically related quantitative analysis can yield exceptionally powerful predictive results. Thus, we use active quantitative analysis to confirm what we would expect based on our fundamental research. This quantitative confirmation should match our qualitative judgment.

Private Equity Due Diligence and Analysis

Our manager research is the first step of a multi-disciplinary approach to due diligence. It is followed by a deep private equity research process that incorporates extensive business due diligence. Our private equity analysis includes the following key components:

Business Analysis – An outgrowth of Theory Directed Research, we perform extensive qualitative and quantitative business analysis including in-depth management review, competitive review, and client review.

Economic Forecasting – We perform extensive quantitative analysis using Monte Carlo simulation to build financial projections to understand the range of potential future outcomes, tail events, key risk factors, and the economic sensitivity to the manifestations of such risks. Unlike other businesses, asset management companies have a significant growth driver in market returns, and market-driven growth (or deflation) in revenue brings with it substantial operating leverage. Accordingly, a more sophisticated modeling system, including probabilistic modeling of revenue is required to better appreciate the risks and potential outcomes of owning asset management businesses.

Reference Calls – Because this is a business where success is largely dependent on the people running the business, we perform extensive reference checking, both from a management provided list of references, and “off-list” industry references. Our extensive reach in the industry provides us opportunities to find off-list references that most investors would have trouble identifying.

Compliance and Systems Reviews – We utilize outside vendors to perform compliance and operational reviews of the business. Our preferred list of vendors has been honed over more

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than a decade of use, enabling us to utilize experts in specific target areas within our due diligence process that other firms might not be able to access.

Finance and Accounting Reviews – We perform an on-site due diligence review of all accounting systems and controls before any investment is made, and have an active ongoing dialogue with all of our affiliates.

Transaction Structure

Having researched a potential investment, we take a thoughtful approach to structuring in order to manage risk, enhance returns, and most importantly create alignment among all key constituents. Key elements of our investment structuring include:

Minority Investments - We believe that investment teams should control investment firms. Therefore, we are always a minority owner of the firms we partner with. By taking minority stakes in businesses, we also help mitigate the risk of adverse selection.

Preferred Securities - We endeavor to be at the top of the capital structure in all investments we make.

Revenue Shares - We will often negotiate revenue participations coupled with an interest in the eventual sale of a business instead of traditional equity stakes. This both aligns interests and drives current income to the Company more quickly.

Contractual Capacity Rights - We occasionally endeavor to contractually obtain capacity in the underlying funds on behalf of our investors and/or distribution partners.

Side-by-Side Rights - We occasionally endeavor to obtain rights for the Company's investors to make direct investments alongside the Company.

Governance Rights - We negotiate protective provisions to ensure the economic and structural integrity of the securities we purchase.

Non-Competition/Non-Solicitation Provisions - We have developed a proprietary approach to non-competition and non-solicitation agreements that we believe achieves the critical goal of encouraging key employees to stay at the company, protecting the value of the firm in the

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event a key person leaves, while maintaining enforceability. Our employment-related agreements are unique in the industry and we believe are a key differentiator in our approach.

For the Accelerator Fund: NLCG shares certain responsibilities with our partner, HBPK. The allocation of responsibilities is broken down as follows:

HBPK

- Qualitative Analysis
- Operational Analysis
- Investment Risk Assessment and Analysis
- Investment Risk Monitoring

NLCG

- General management of the Accelerator Fund
- Qualitative Analysis
- Commercial Assessment
- Transaction Structuring and Negotiation
- Portfolio Management

Accelerator Fund Investment Process Overview:

NLCG and HBPK combine in-depth qualitative and quantitative manager research with a disciplined business and marketing evaluation tailored to the investment management industry. The process includes the following. Each item is described in more detail below:

1. Sourcing investment targets
2. Qualitative assessment of the investment management team and process
3. Quantitative assessment of the investment portfolio
4. Assessment of operational proficiency
5. Assessment of commercial viability
6. Evaluation, negotiation and structuring of Special Economics

Sourcing

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Complementary backgrounds and geographies enable Hermes BPK and Northern Lights to attract opportunities from multiple networks and geographies. All sourcing activity will be coordinated through Art Zaske at Northern Lights and Tommaso Mancuso at Hermes BPK Partners. Mr. Zaske and Mr. Mancuso conduct regular weekly calls to discuss new opportunities, and coordinate Hermes BPK and Northern Lights activities. Mr. Zaske and Mr. Mancuso must agree on general initial attractiveness of potential investments before allocating resources and personnel to conduct a series of initial reviews, including qualitative and quantitative assessment of the manager and strategy, a commercial assessment of the hedge fund strategy and indicative terms of the Special Economics transaction. These findings are presented in a series of reports to a formal Sourcing Committee.

The Sourcing Committee meets on a regular monthly basis but may be called on an ad hoc basis given the time frame of a potential investment. Mr. Zaske coordinates and leads the Sourcing Committee agenda. The Sourcing Committee is made up of representatives of both Northern Lights and Hermes BPK Partners, including Northern Lights Managing Director Paul Greenwood and Hermes BPK Partners Co-CIOs Mark Barker and Gregory Knott. Mr. Zaske and Mr. Mancuso, as proxies for Northern Lights and Hermes BPK Partners, respectively, each carry one vote on the Sourcing Committee. Unanimity is required to move a potential investment to full due diligence.

Qualitative Review

The qualitative review process will be coordinated by Mr. Zaske and conducted by a Hermes BPK analyst with a specialization relevant to the prospective strategy. The process is designed to identify hedge fund managers with a clear “edge” in their particular field. This edge generally comes from three sources:

- 1) Better and/or more timely information;
- 2) Better use of that information; and/or
- 3) Better execution.

Rather than employing quantitative screens for performance and risk, the Manager seeks to systematically evaluate qualitative characteristics that it believes are the drivers of success in

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investment management and provide a manager its edge. Characteristics such as character, work ethic, perspective and intelligence are examples of multiple qualitative factors reviewed in the manager evaluation process.

The Manager seeks to understand a series of universal questions:

Is the investment proposition economically intuitive?

Is the investment proposition sustainable?

Is the process employed by the manager suitable for the investment proposition?

What are the key drivers of performance for this proposition and process?

What are the key drivers of risks?

Does the manager recognize and manage these drivers?

Does the experience and skill set of the investment professionals fit the investment process?

What is the manager's edge?

Is this edge sustainable?

Quantitative Review

The Manager believes that an astute mix of qualitative evaluation with intrinsically related quantitative analysis can yield powerful predictive results. Thus, the Manager uses quantitative analysis to confirm what it would expect based on its qualitative analysis. If the qualitative assessments are predictive, the results should bear out in the performance and activity of the hedge fund manager's strategy. For example, the Manager believes that harsh objectivity is an important factor for successful long/short equity managers focused on rapidly growing companies. The Manager assesses this quality through a series of questions that help it determine objectivity. The Manager can test its conclusions by looking historically to see how dispassionately the hedge fund manager has adhered to its "sell discipline." This quantitative confirmation should match the Manager's qualitative judgment. The Manager looks for various portfolio characteristics that suggest ongoing manifestation of these success factors, such as higher portfolio turnover.

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Operational Review

The operational review is conducted by Vincent Vandenbroucke at Hermes BPK. The objective of this review is to identify all non-investment-related risks, including business, operational and fraud risk, ensure the fund/manager conforms to expected levels of governance and ensure the fund/manager conforms to Hermes BPK's operational standards. Mr. Vandenbroucke will conduct an on-site interview with the target manager to ensure the viability, capability and robustness of the manager. This process is supported by independent investigator background checks. Mr. Vandenbroucke will also verify services rendered by prime brokers/custodians, administrators, valuation agents and auditors. He will present his findings to the Sourcing Committee and ultimately to the Investment Committee.

Risk Assessment and Transparency

The risk assessment is conducted by Tommaso Sanzin at Hermes BPK. The objective of this review is to ensure the target manager meets HBPK's transparency principles with regard to access to data, frequency of reporting, timeliness of data, and consistency through risk systems and the risk manager. The Manager has a heightened focus on counterparty, liquidity, business and operational risk. Mr. Sanzin will work with the hedge fund manager to define the risk management framework (position limits, strategy boundaries, risk budgeting and liquidity analysis) with a focus on establishing clear and robust left-tail risk management. Mr. Sanzin will present his findings to the Sourcing Committee and ultimately to the Investment Committee.

Commercial Assessment

The Manager will perform extensive qualitative and quantitative business analysis, including an in-depth review of management, review of competition and a review of fund-raising prospects. This process is led by Michael Daley at Northern Lights, and includes input from the Northern Lights sales professionals and institutional investor network. The process is designed to assess the likely growth of a target manager by analyzing total allocations to the target's asset class, competitive strengths and weaknesses, institutional investor viability, value proposition, marketing materials, sales process and personnel, and other aspects that affect the growth of

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AUM. Mr. Daley will consolidate and report his findings to the portfolio manager, and present them to the Sourcing Committee and finally to the Investment Committee.

Special Economic Structuring

On behalf of the Fund, generally the Manager will seek to structure a share in the revenue paid to the general partner and/or manager of the hedge fund in which it invests. Timothy Carver at Northern Lights leads the transaction structuring. The Manager will propose initial terms of an economic partnership based upon the previously completed commercial assessment. Monte Carlo simulations are used to evaluate the likely impact of adjustments to the terms of the transaction and varying growth assumptions. The combination and scale of the revenue participation will vary depending on the Manager's analysis of future business growth. The Manager will also seek to secure certain rights and covenants to protect the rights of the Fund's securities. Mr. Carver will coordinate the negotiation of terms with the portfolio manager and ultimately work with outside counsel to produce final documentation. Mr. Carver will make his recommendation to the portfolio manager, and present his findings to the Sourcing Committee and finally the Investment Committee.

Investment Committee

The final investment decision is made by the Investment Committee. Investment Committee meetings are held on the 15th of each month in conjunction with the Sourcing Committee meeting. Mr. Zaske is responsible for coordinating all components of the presentation to the Investment Committee, and the team members responsible for each section.

The Investment Committee is made up of representatives of both Northern Lights and Hermes BPK, including Northern Lights Managing Director Paul Greenwood and Hermes BPK Co-CIOs Mark Barker and Gregory Knott. Tommaso Mancuso and Art Zaske, as proxies for Hermes BPK and Northern Lights, respectively, each have one vote with unanimity required for investment.

Investment Committee meetings will also include a portfolio and existing manager review, and a top-down-strategy discussion and other topics impacting near-term Fund activities led by Mr. Zaske.

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The overall Portfolio Manager (coordination and sponsorship) is Mr. Zaske, the Accelerator Fund Portfolio Manager.

Sources of Information:

- Financial industry publications
- Inspection of corporate activities (we visit the issuers of securities)
- Third party research materials
- Corporate rating services
- Annual reports, prospectus, filings with the SEC
- Company press releases, and
- Personal and professional contacts within our industry to facilitate gaining additional insight and information
- Reference calls

Investment Strategies:

As private equity investors, NLCP is governed by the subscription agreements, and private and confidential offering memorandum and limited liability or limited partnership agreement for NLCP and the Accelerator Fund respectively.

NLCP

NLCP primarily invests operating capital into asset management companies (Portfolio Companies). Currently, NLCP holds investment in a number of asset management firms. These firms manage strategies ranging from traditional U.S. long-only equities to alternative strategies such as renewable energy infrastructure financing in India.

NLCP is a perpetual life vehicle.

The Accelerator Fund

The Accelerator Fund will focus on strategies that are economically intuitive with managers that have a clear “edge” in their particular field.

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The Accelerator Fund will be selecting from the entire hedge fund universe across strategy and geographic dimensions. The Accelerator Fund will target early stage funds employing strategies including but not limited to:

- Credit – Distressed
- Credit – Long/Short Credit
- Equity – Long/Short Equity
- Equity – Event Driven
- Trading – Macro
- Trading – CTA
- Trading – Relative Value

In consideration for being an early investor in the hedge funds, the Accelerator Fund will receive a security entitling it to a share of economics in the management companies and/or general partnerships that manage the hedge funds. We refer to these securities as Special Economics.

Special Economics will typically entitle the Accelerator Fund to a share in revenues paid to the underlying hedge fund managers.

Additionally, the Accelerator Fund will obtain additional rights, for example:

- Future capacity rights
- Co-investment rights, or
- Exclusive geographical distribution rights
- Among others

The Accelerator Fund is expected to be in effect for up to 12 years.

Risk of Loss:

Investments in securities always carry the potential for the risk of loss of your invested assets.

To be clear: Your decision to invest in securities, including Private Funds (Private Equity or Hedge Funds or Funds of Hedge Funds) carry the potential for a loss of your invested assets (your principal amount) or appreciation of your holdings. In addition, most investments made by NLCP or the Accelerator Fund are not liquid. The ability to “access” invested assets is also restricted (as described in the relevant private offering memorandums, limited liability

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company agreements and limited partnership agreements). Before making an investment in any NLCG Fund, please read the appropriate documents carefully.

Losses in an investor's capital account are a potential event you should be prepared to bear.

We do not represent to any Investor, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to your contributed capital. We use commercially reasonable best efforts as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases.

Please see the specific governing and offering documents for NLCP or the Accelerator Fund for full investment risk detail.

Item 9 – Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NLCG or any of our management persons (as identified above).

We do not have any current or pending legal or disciplinary action related to NLCG, our management persons or any employee.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Entities

As previously stated, Northern Lights Capital Partners are the sole owner of Northern Lights Capital Group. Northern Lights Capital Group is the sole owner of an affiliated broker-dealer, NLCP Distributors, a limited purpose securities broker-dealer. NLCD is registered³ with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA), and a member of the Security Investors Protection Corporation (SIPC).

³ As of the date of this Brochure, the application with FINRA for NLCD is "pending". It is anticipated this application will become "effective" by 12/31/2011; at that time, this Form ADV Part 2 A Brochure will be updated to reflect the active status of NLCD.

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As a result, certain individuals are members or employees of NLCP, of NLCG and of NLCGD. As employees of NLCGD, certain individuals are licensed as Registered Representatives and Designated Principals (supervisors) with NLCG Distributors.

Due to our corporate organization and multiple affiliations, there are conflicts of interest related to the allocation NLCG's executives' and employees' time. In effect, 100% of NLCG's executives' and employees' time may not be dedicated to the services described under Item 4, above.

In addition, a potential conflict of interest may exist between the financial and economic interests of our affiliated entity (NLCGD) through the recommendation (and distribution) of LP interests in NLCP and the Accelerator Fund and our receipt (as NLCGD) of sales or distribution commissions from NLCP or the General Partner to the Accelerator Fund.

Distribution of Mutual Fund Shares: NLCGD as a securities broker dealer (which is not yet active as of the date of this brochure) may receive, directly or indirectly, additional compensation in the form of 12b-1 fees from money market mutual funds or other mutual funds with whom NLCGD has a selling and distribution agreement (currently Monarch Funds and Foreside Distributors, the broker dealer distributor of the Monarch Funds).

Additional compensation may flow to NLCGD from other brokers or dealers consistent with NLCGD's registration as a limited purpose broker dealer. Such additional compensation may be in the form of commissions or other compensation, such as sub-agent transfer fees.

Generally, this compensation is not disclosed or specifically identified to the underlying NLCG Investors. All positions are identified in the table, below:

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Name	Position with NLCP (Parent of NLCG)	Position with NLCG (Investment Adviser and Parent of NLCGD)	Position with NLCGD (Broker Dealer Affiliate)
Timothy Carver	Member	Managing Director	NA
Paul Greenwood	Member	Managing Director	NA
John “Jack” Swift	Member	Managing Director	Director, Chief Compliance Officer, Registered Representative, Series 24 Principal
Andrew Turner	Member	Chairman	NA
John Zimmerman	Member	Managing Director	Director, Chief Executive Officer, Registered Representative, Series 24 Principal
Steve Coppess	Member	Director	NA
Richard (Mike) Daley	Member	Director	NA
Steve Ford	NA	Director	Business Development / Registered Representative
Chris Fosse	Member	Chief Financial Officer, Chief Compliance Officer	NA
Michael Hillman	Member	Director	NA
John Krick	NA	VP, Operations	NA
David Swift	Member	Director	Business Development / Registered Representative
Bernie Norton	NA	Director	Business Development / Registered Representative

ALPS Distributors, LLC – Securities Broker Dealer (Not Affiliated with NLCG or NLCGD)

In addition, as of the date of this Brochure, the following individuals are licensed as registered representatives (RR) of ALPS Distributors, Inc. a securities broker dealer located in Denver, Colorado. ALPS Distributors, Inc. (ALPS) is a broker dealer registered with the U.S. Securities and Exchange Commission, FINRA and a member of SIPC. As a result, the individuals listed below receive commission compensation for sales or distribution services provided to Third

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Party Investment Advisers, General Partners or Managing Members through selling agreements between ALPS and these third parties.

Private Partnership Interests:

Each individual listed below receives 100% of the commissions paid to ALPS for the “introduction of prospective limited partners or investors in the third party private funds”. Compensation is negotiated with each GP or Private Fund for whom ALPS acts as distributor and for which the individual RR is involved. Payments continue for the full time period that an “introduced” investor remains an investor in the private fund that is purchased.

Fees range from 10% to 40% of the “management fee revenue” received by the General Partner / Sponsor of the Private Fund.

Mutual Fund Interests:

ALPS has entered into a selling / distribution agreement with the distribution broker dealer, Foreside Fund Services, LLC (a securities broker dealer), for the mutual funds managed by del Rey Global Investors through the del Rey Global investors Funds; the del Rey Monarch Fund.

Pursuant to a distribution agreement between ALPS and Foreside Fund Services, ALPS is paid commission compensation in the form of 12b-1 fees, loads or other compensation for the introduction of investors to the Fund. The del Rey Monarch Fund commenced operations on June 1, 2011. Fees paid to intermediaries such as ALPS include up to 5% on retail investments of \$100,000 or under and 12b-1 fees on both retail and institutional share classes.

NLCG Employees who are RRs of ALPS distributors include:

Steven Ford (6/2008 to present)

Meredith Mertens (10/2010 to present)

Bernie Norton (7/2011 to present)

David Swift (5/2008 to present)

John Swift (2/2008 to present)

John Zimmerman (1/2008 to present)

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The receipt of the additional compensation by each of these individuals is a conflict of interest in their activity as a RR of ALPS and the distribution of third party Private Partnerships interests.

Upon approval of NLCG Distributor's FINRA application as a limited purpose broker dealer, each of these individuals will be terminated with ALPS Distributors and "registered" with NLCGD. At that time, NLCGD will obtain its own selling agreements with affiliated (NLCP, Accelerator Fund) and un-affiliated GP / Managing Members of Private Partnerships.

NLCP's Portfolio Companies:

NLCG is wholly owned by NLCP (the Parent). NLCP is a Private Equity Fund that invests in other investment advisers (registered or not registered). As a result of the ownership interest of these third parties, NLCG is an "affiliate" (under common control and ownership) because we share the same parent (NLCP) with NLCP's portfolio companies.

Consulting Services (no investment advice or recommendation):

Due to the experience of the officers, directors and employees of NLCG, we are, from time-to-time, requested to provide our expertise and industry knowledge to third party entities. These consulting services include but are not limited to:

- Business development
- Market assessments
- Competitor assessments
- Growth strategies
- Among other business and operational consulting services

Each consulting agreement is negotiated with the requesting entity to address their specific needs with the fees for such services (and payment schedules) negotiated on a case-by-case basis.

Consulting services are not (directly or implied) "Investment Advice" as defined under the Investment Advisers Act of 1940.

Item 11 – Code of Ethics

As required by regulation (SEC Rule 204A-1), NLCG has adopted a Code of Ethics (“Code”) to oversee potential and actual conflicts of interest associated with the investment advice we provide to our Clients (Funds).

Our Code is comprised of the following sections:

1. Policies and procedures governing the prohibition on our use of material, inside, non-public information related to securities or other non-public information
2. Policies and procedures related to personal trading of all of our employees, their family members, or accounts or securities to which the employee has direct or indirect beneficial interest or control
3. Policies and procedures related to the receipt of gifts or gratuities (and our providing gifts or gratuities), and
4. Limitations on the providing of political contributions to political figures / candidates that could be construed to earn advisory services for NLCP, the Accelerator Fund or other funds to which we provide advisory and management / administrative services); called “pay-to-play”.

The Code generally reminds each of our employees that there is personal responsibility associated to individuals as we identify and mitigate (manage) the potential conflicts of interest when we allow our employees to purchase or sell the same securities we recommend to customers or that our portfolio companies purchase or sell for their funds or Clients (stocks, bonds, mutual funds, exchange traded funds, etc.). As a result, we focus on a number of issues, including but not limited to the following within our Code:

- Our high standard of professional / business conduct
- Our fiduciary obligations (Client interests first)
- Confidentiality of Client non-public and personal information
- Prohibitions on insider trading
- Prohibition of rumor mongering
- Restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items
- Personal trading pre-clearance and reporting requirements

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- We require both pre-clearance and holding periods for certain (defined as “reportable” securities)
 - We monitor personal trading for each employee’s beneficial accounts and the reportable transactions under the Code, among others
- Initial (upon hire) and annual disclosure of all brokerage accounts, all securities holdings in those accounts, members of an employee’s household, all other beneficial ownership accounts and all non-custodied securities, among others
- Quarterly reports of all transactions (required to report) under the Code on at least a quarterly basis, and
- Recertification of the Code (and compliance with the Code) on at least an annual basis and whenever the Code is materially updated
- As we do not, per se, “trade” securities as a typical money manager, we do not aggregate block employee or family trades with those of the Funds (as they are private equity Funds).

To obtain a copy of Northern Light Capital Group’s Code of Ethics, please contact Christopher Fosse, Chief Compliance Officer at 206-965-8720 or via email at cfosse@nlcg.com.

Item 12 – Brokerage Practices

We do not have brokerage discretionary authority (or responsibility) for the NLCG Funds.

As a private equity manager and investment adviser, we identify and evaluate target portfolio companies for the NLCG Funds to invest in and support the funds through the sale / distribution of Limited Partnership Interests (See Item 4, above).

We typically do not place individual security transactions for either fund; transactions are typically private security transactions negotiated with each targeted portfolio company upon agreement with the relevant NLCG Fund and the management teams / investment committee of the NLCG Fund.

Item 13 – Review of Accounts

Reviews of Accounts

On a continual basis we manage each of the NLCG Funds for whom we act as adviser / manager and member of the General Partner. We continually monitor subscriptions into the NLCG Funds and make decisions to invest (or not invest) into targeted portfolio companies.

In addition, we provide management and consulting expertise to each of the portfolio companies in the NLCG Funds; as a result we have an intimate knowledge of the performance of each portfolio company.

More frequent reviews may be triggered by dramatic changes in world markets, political or economic events or upon request by NLCP or the Accelerator Fund.

Reviews are conducted by the NLCP Investment Board, currently comprised of the five NLCG Managing Directors; those individuals have Part 2 B Brochure supplements that are attached to this Part 2 A.

Reports

NLCP: Reports are provided to the investors in NLCP at least quarterly from NLCG reflecting capital account, contributions, withdrawals, credits and debits including fees paid to all third parties, including NLCG.

In addition, a financial audit, prepared by a PCAOB registered and supervised public accounting firm, is conducted on Northern Lights Capital Partners (coordinated by NLCG) with a copy of the report provided to each investor in NLCP. (Please see Item 15, below for additional detail)

Accelerator Fund: Reports are provided to the investors in the Accelerator Fund by the Administrator to the Fund, reflecting the capital account, contributions, withdrawals, payments, credits and debits including fees paid to all third parties, including NLCG as investment adviser and allocations to members of the GP to the fund.

In addition, a financial audit, prepared by a PCAOB registered and supervised public accounting firm, is conducted on the Accelerator Fund (coordinated by the General Partner to the Fund) with a copy of the report provided to each investor in the Accelerator Fund. (Please see Item 15, below for additional detail).

Item 14 – Client Referrals and Other Compensation

NLCG utilizes the services of a third party solicitor for the capital formation of the NLCG Funds (and any additional investor relations services that may be provided in the future). NLCG on behalf of the Accelerator Fund has entered into an agreement with Perenne Capital, LLP (“Perenne”) based in London, England to represent the Accelerator Fund in Europe, the Middle East and Asia and additional geographic regions in exchange for a portion of the fees paid by investors introduced to NLCG by Perenne (“Perenne Investors”)

Perenne is an independent party (acting as independent contractor) and is not affiliated with NLCG or our affiliated⁴ entities.

Compensation payable to Perenne is based upon a monthly agreed “draw” (or advance) on selling commissions (at \$10,000 per month) off-set by actual performance expectations and compensation earned consistent with the executed solicitation agreement between NLCG and Perenne.

Fees charged to Perenne Investors are the same (or negotiated the same) as the fees charged to any investor secured directly by NLCG. Fees are not increased to compensate Perenne.

Item 15 – Custody

As the Manager of NLCP, NLCG “has” custody of client funds and securities.

As adviser and member of the GP to the Accelerator Fund, NLCG “has” custody of the funds and securities of the Accelerator Fund.

For the NLCG Investors in these funds, we remind you of the following:

1. NLCG Investors will receive at least quarterly statements from NLCG or the Administrator of the Accelerator Fund reflecting your capital account, contributions, withdrawals, credits and debits into and from your capital account, including the advisory fees (management and incentive) paid to NLCG and / or the General Partner (in the case of the Accelerator Fund)

⁴ Affiliated entities with NLCG are those entities under common control and ownership with NLCG. These entities include (as described under Item 4 of this brochure) the following:

- Northern Lights Ventures
- Northern Lights Capital Partners (the parent of NLCG)
- NLCG Distributors (a broker dealer) and wholly owned subsidiary of NLCG

2. Each NLCG Investor will receive (annually) a K-1 on their investment in either NLCG Fund
3. Each NLCG Fund is required to undergo a financial audit, conducted by a public accounting firm registered with and supervised by the Public Company Accounting Oversight Board (PCAOB); a copy of the financial audit will be provided to each NLCG Investor within 120 days of Fund's Fiscal Year End.

Item 16 – Investment Discretion

NLCG has the investment discretionary authority as the Investment Adviser of NLCP to purchase or sell private equity interests in targeted companies without the specific consent of NLCP or its members (investors). This investment discretionary authority is documented in the NLCP Limited Liability Company Agreement.

Investors in NLCP may not impose investment or other restrictions on NLCP or NLCG as the Manager of NLCP in addition to the investment guidelines and restrictions documented in the NLCP Limited Liability Company Agreement. All decisions are made pursuant to NLCP's fiduciary obligation to NLCP and its investors.

NLCG, as the Investment Adviser to the Accelerator Fund has the investment discretionary authority to purchase or sell interests in targeted entities without the specific consent of the Accelerator Fund or the General Partner or its investors. This investment discretionary authority is documented in the advisory agreement between the Accelerator Fund and NLCG. Investors in the Accelerator Fund may not impose investment or other restrictions on NLCG as the Investment Adviser to the Fund in addition to the investment guidelines and restrictions documented in the Accelerator Fund's Private Placement Memorandum and Limited Partnership Agreement. All investment decisions made for the Accelerator Fund are pursuant to NLCG's fiduciary obligations to the Accelerator Fund, its joint venture partner and the investors in the Accelerator Fund.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Proxy voting is not applicable to NLCG; as a result, we do not have or maintain proxy voting policies or procedures. Proxy voting is applicable only to those publicly traded securities which utilize proxies pursuant to issues which require shareholder voting (from a corporate governance perspective). As a result, private investments into non-public companies do not create proxy voting responsibilities. Therefore:

For NLCP, proxy voting is not applicable due to the private investment nature of the Fund's business and advisory services

For the Accelerator Fund, the General Partner delegates' proxy voting responsibilities to the third party advisors who manage the assets of the funds in which the Accelerator Fund invests. Such investments by these third parties can include publicly traded securities that issue proxy materials which the third party advisor receives and votes on the Client's behalf.

Item 18 – Financial Information

NLCG is required in this Item to provide you with certain financial information or disclosures about our financial condition if a financial condition is present that impairs our ability to meet contractual and fiduciary commitments to you, including a bankruptcy proceeding. As of the date of this Brochure, there are no such issues to disclose to you regarding NLCG or any of our Principals / Partners.