

# NORTHSTAR ASSET MANAGEMENT



Progressive Wealth Management Since 1990

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## **Fiscal Year 2020**

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

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

## Item 2. Material Changes

We have made no material changes since the last version of our ADV2 that we sent out.

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## Item 4. Advisory Business

NorthStar Asset Management, Inc. is an SEC registered investment advisory firm specializing in socially responsible investing. The firm was founded in 1990 and is owned by Julie N.W. Goodridge.

At NorthStar, we have created a unique approach to investing for social change. We examine potential opportunities in multiple asset classes to be included in our portfolios, with the goal of allowing our clients to invest assets to achieve their financial objectives with a deep awareness of their social impact.

Our client base falls into four categories:

- 1. Investment Management Clients** are those for whom we use traditional investments in public stocks, bonds, and money market funds combined with alternative or “Outside” investments.
- 2. Legacy Management Clients** come to us via our colleague Robert Zevin. These client portfolios invest in public stocks, bonds, ETFs, REITs, mutual funds, and short-term cash instruments and include holdings which are unique to Robert Zevin’s legacy management style and investment parameters. As such, Robert selects all of the investments for Legacy accounts, and these investments may differ from the NorthStar Investment Management “buy list” of approved securities and method of asset allocation, allocation size, and portfolio management style. These accounts are further described in Section 4(b) (Legacy Management clients) below.

**3. Outside Investing Clients** are those for whom we manage direct, non-public, Outside Investments exclusively. Our Outside Investing division provides this service.

**4. Consulting Clients** are those who desire project-based consulting services geared toward integrating their current portfolios (outside of NorthStar) with their values.

In the course of all of our work with clients, we provide a broad range of financial advice including discussions about budgeting, charitable contributions, generational gifting, alternative lending, estate concerns, tax concerns, and other financial planning concerns brought to our attention by our clients.

**(a) Investment Management clients** at NorthStar have individually tailored asset allocations integrating equity, fixed income, cash, and Outside Investments. We use our discretionary authority to create portfolios for our clients using publicly traded, global equity to grow the portfolio, and fixed income holdings (including cash) to provide income and liquidity. In certain limited cases, we also provide non-discretionary advisory services with respect to similar investments. Outside Investments in alternative asset classes outside of public equity, fixed income and cash may be suggested (depending on the clients' risk tolerance and financial needs) to enhance the social impact of a client's portfolio, without necessarily enhancing expected financial performance.

Our Investment Management allocation strategy is based on a combination of NorthStar's current economic forecast and a client's financial needs, investment horizon, and tolerance for risk. This asset allocation is reviewed annually and otherwise when required due to changing market conditions or client need.

The equity portion of a client portfolio consists, in most cases, of a "buy list" of approximately 45 global companies, selected to provide risk diversification across market capitalization size and industry sectors relative to a global benchmark, with the goal of adding alpha<sup>1</sup> through idiosyncratic stock performance. With a long-term horizon, we purchase stocks with the intention of holding them for five to ten years.

Our "buy list" of fixed income investments are selected from a pool of individual federal agency bonds, certificates of deposit, treasuries, inflation protected treasuries, municipal bonds, and corporate bonds. We select bonds that mature within a time horizon with which we feel comfortable given current bond yield curves, with the goal of holding them until maturity. We match bond selections with the individual needs of each Investment Management client.

Often Investment Management clients choose to add outside, non-publicly traded investments to their existing portfolios. These Outside Investments in NorthStar client portfolios may consist of private equity investments, real estate investment trusts, private limited partnerships, community loan funds, micro-lending products, private loans and certificates of deposit (see the full description below in Section 4(c), Outside Investing clients). These investments may be made in response to a particular client's desire to have a more direct relationship with an organization or impact on a project in their community or area of interest. While these investments are made with input from NorthStar as to client suitability relative to risk and client objectives, they are either held in custody by the client or by the issuing organization. NorthStar monitors and facilitates transactions related to these investments as part of the management process, providing

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<sup>1</sup> Defined as the excess return of the fund relative to the return of the benchmark index

recordkeeping, funding capital calls, depositing interest and dividends and return of principal, all with written authorization from the client.

The asset allocation of each NorthStar portfolio is client specific, and we are also able to modify each client portfolio to include or exclude specific investments based on the individual client's wishes and history. Our priority is to have each client portfolio reflect the desires of the client with respect to their social concerns and financial needs.

**(b) Legacy Management clients** have equity, fixed income, and cash allocations based on Robert Zevin's economic outlook and are individually tailored to clients' specific financial needs. As our Legacy Account Investment Advisor, Mr. Zevin creates portfolios primarily composed of publicly traded, global equities and REITs to grow the portfolio and to provide dividend income, along with a variety of fixed income holdings (including cash) to provide income and liquidity as desired.

Mr. Zevin's style is to invest primarily in equities and to hold positions until his economic forecast, or a company performance outlook changes based on his research. Investments in tax-free or taxable fixed income bonds, mutual funds, ETFs or cash are added to provide income, balance or liquidity as the client's individual situation dictates. The asset allocation of each Legacy portfolio is client specific and may include or exclude specific investments based on the individual client's wishes and history.

**(c) Outside Investing clients** work with our Outside Investing division to invest in alternative asset classes outside of publicly traded equity and fixed income. The goal of this type of investing is to enhance the social impact of a client's portfolio, with financial performance measured by the degree to which the investment returns the anticipated income, growth, impact, and liquidity as defined in the offering documents or loan agreements (as compared to public market metrics).

The allocation strategy is based on a combination of NorthStar's current economic forecast and analysis of social, ecological, political challenges; strategic assessment of a client's perspective on these issues; and the client's financial needs, investment horizon, and tolerance for risk. This asset allocation is reviewed annually and when otherwise required due to changing market conditions or client need.

Outside Investments in NorthStar client portfolios may consist of investments such as private equity, mission investments, real estate investment trusts, private limited partnerships, community loan funds, micro-lending products, private loans and certificates of deposit. These investments may be made in response to a particular client's desire to have a more direct relationship with an organization or impact on a project in their community or area of interest. Investments in private companies and socially significant projects focused on such priorities as renewable energy, clean water, healthy foods, and sustainable farming, ranching and forestry are evaluated on a case by case basis and integrated into a client's full investment portfolio where appropriate. These evaluative services are offered to clients who are able to shift portions of their portfolios to higher levels of illiquidity with a focus on regenerative investments. The investments are directed and authorized by the client, with input from NorthStar as to client suitability relative to risk and client objectives. Any securities associated with these investments are held in custody by the client or the issuing organization, and NorthStar will not have custody. NorthStar will monitor the transactions related to these investments and provide administrative assistance with record-keeping, capital calls, interest and dividends received, and return of principal. The client directs the issuer to provide NorthStar with copies of all correspondence from the issuers.

While the asset composition of each NorthStar portfolio is based on our “buy list”, we are able to, and accustomed to, modify each client portfolio to include or exclude specific investments based on the individual client’s wishes. Our priority is to have each client portfolio reflect the desires of the client with respect to their social concerns and financial needs.

**(d) Consulting Clients** are interested in evaluating their current portfolios with an integrated capital focus combining an analysis of social, ecological, and political challenges of our time and how each investment holding may or may not support the client’s personal vision and values. Projects include an assessment of public equity and debt as well as investments in private companies and funds. Project specifications are determined on a case by case basis depending on the needs of the client.

As of December 31, 2019, NorthStar’s total discretionary client assets were \$589,057,253, and NorthStar’s total non-discretionary client assets were \$36,996,634. NorthStar does not have any assets under management with respect to its Consulting Clients.

## **Item 5. Fees and Compensation**

**Investment Management and Outside Investing** NorthStar clients are charged a NorthStar management fee of a maximum of 1% of assets under management. Our fee schedule for assets up to \$1,000,000 is 1%; .9% for additional assets up to \$5,000,000; and .75% for the remaining assets. Fees are assessed at the end of each calendar quarter in arrears and are calculated based on the *entire value* of the client’s investment account managed or advised by NorthStar. NorthStar clients receive custody, trading, monthly statements, and transaction reports directly from their custodian.

Outside Investments in Investment Management accounts do not necessarily appear on the custodial monthly statements. The accounting for these assets is still incorporated in the client’s NorthStar account and appears in the client’s NorthStar quarterly reports.

**Legacy Management clients** are billed quarterly based on their historic legacy fee. Legacy Management clients came to NorthStar with their own brokerage or custodial relationship. We do our best to negotiate favorable fees with a client’s existing custodian. When clients have their accounts held at a different brokerage firm, the custodial/trading fees and trading strategies appropriate for best execution will apply.

**Consulting Clients** are billed quarterly based on project specific fees negotiated at the beginning of the project.

**Outside Investing Clients’** assets are held in the client’s name either by the client and/or at the outside custodian legally responsible for each investment and thus do not incur custody or trading fees.

Fees for charitable institutions and aggregated accounts of a family may be negotiated. Consulting Client fees (specific to each client) are determined, disclosed and agreed to in the Consulting Agreement executed between NorthStar and the client at the beginning of the relationship.

### **Payment of Fees**

NorthStar fees are directly deducted from Investment Management Client, Legacy Client, and Outside Investing Client accounts, as designated by the client on a quarterly basis. Direct debit of fees must be authorized by the client in writing at the beginning of the relationship and updated periodically. When

a new account is opened, fees are prorated for the portion of the quarter that the assets were managed by us. We do not collect fees on transactions.

### **Wrap Fee Brochure**

As stated above, **Investment Management Clients** who participate in a “wrap fee” program sponsored by a custodian should receive a wrap fee brochure directly from that custodian on an annual basis.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

NorthStar does not charge performance-based fees and does not engage in side-by-side management.

## **Item 7. Types of Clients**

NorthStar manages assets for individuals, families, trusts, and not-for-profit organizations who are interested in socially responsible investing. Many of our individual clients have inherited wealth, and consequently they have particular tax planning and estate planning needs. We prefer to accept Investment Management clients with portfolios greater than \$5,000,000.

## **Item 8. Methods of Analysis, Investment Strategies, Risk of Loss**

**Investment Management, Legacy Management, and Outside Investing** clients of NorthStar Asset Management, Inc. have a personalized portfolio with tailored allocations. The percentage allocation to each investment is based on a combination of the individual needs of the client and our market and strategic outlook. We adjust a client’s asset allocation based on our current economic analysis and their liquidity needs and investment horizon.

### **Responsible Investing**

Since its inception, NorthStar has always focused on socially responsible investing (SRI). NorthStar’s mission is to provide the most integrative and effective portfolio management available by connecting social concerns to stock selection, asset allocation, and activism. Our goal is to engage along the whole spectrum of financial activity, from equities, to loans and loan guarantees, to supporting local businesses, to finding private alternatives, and finally through philanthropy, in order to effect change.

We believe that creative shareholder engagement, local investing, financial literacy, and targeted giving are positive forces for change. We also believe that intentionally and purposefully perpetuating the wealth gap and income inequality is wrong. When NorthStar portfolios include public equities, we use a fundamental analysis approach for social and environmental issues in order to avoid investing in companies with poor track records by screening potential investments in light of five important criteria: race and gender, economic inequality, human rights, corporate governance, and environmental justice, health, and safety.

We also use shareholder activism to address a variety of issues such as executive compensation (economic inequality), predatory lending practices, inequity in nondiscrimination policies, the human right to water, environmental impact, and other social and environmental concerns.

### **The Decision-making Process for Investment Management Accounts**

Steps in the investment decision-making process are as follows:

## Step 1: Asset Allocation

Each Investment Management client at NorthStar has tailored allocations. We set an overall asset allocation for each account based on a combination of the individual needs of the client, legacy considerations and our market outlook. Our priority is to have each portfolio reflect the desires of the client with respect to their social concerns and financial needs. We control risk by evaluating asset allocation on a periodic basis. We adjust an individual's asset allocation based on our current economic forecast, combined with that client's liquidity needs and investment horizon.

The overall asset allocation for each account is reviewed annually. Changing market conditions, client needs, and changes in the client's situation or ability to tolerate risk, may require additional adjustments to asset allocation.

### a. Risks to Asset Allocation

Although we use asset allocation strategies to attempt to reduce risk, adverse changes in general economic conditions, inflation or deflation, interest rate changes, monetary policy changes, legislative actions, tax law changes, market volatility, and other risks could cause financial loss.

## Step 2: Public Equities

The public equity portion of our client portfolios consists of approximately 45 companies from around the globe, selected to provide risk diversification across market capitalization, size, and industry sectors relative to a global benchmark, with the goal of adding alpha<sup>2</sup> through idiosyncratic stock performance. With a long-term horizon, we purchase public equity with an intended holding period of five to ten years. The equity portion of our client portfolios is comprised of individual stock holdings, which we call our "buy list." These stocks range in market capitalization from under \$1 billion to over \$150 billion. We use an equity benchmark of 70% of the S&P 1500 and 30% EAFE.

We believe that prioritizing short-term financial returns to shareholders can compromise the fair and equitable treatment of a company's employees, suppliers, and customers; it can compromise a company's long-term planning, research, and development; and it can be at the expense of the environment. Rather than expecting companies to minimize expenses in order to leave a higher profit for shareholders, we rearrange the financial equation so that all constituents, including shareholders, are on the same side. This encourages us and the companies with which we engage to consider what a fair allocation of business revenues would look like rather than trying to minimize expenses, externalize costs, and defer capital outlays in order to increase the residual (return to shareholders).

We do not invest in gaming, tobacco, gambling, weapons manufacture or nuclear energy or in companies with a track record of funding right wing, oppressive organizations through their philanthropy. No investment is perfect, and this is particularly true of public equity. We screen companies on their performance relative to Race and Gender, Economic Inequality, Human Rights, Environment and Safety, and Corporate Governance. We engage with companies on our public equity "buy list" through targeted shareholder activism to address their behavior in these areas. While there are some publicly traded stocks that NorthStar would never hold, there are also companies that perform important social functions that impact the lives of stakeholders throughout the globe. From time to time, NorthStar makes a strategic decision to place a company on our "buy list" that meets our financial criteria but merits improvement from our socially responsible perspective.

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<sup>2</sup> Defined as the excess return of the fund relative to the return of the benchmark index

As a client's risk and time horizon varies, we will adjust the overall asset allocation to equities. A change in the percentage allocated to equities adjusts the target for the absolute size of the positions but not the number of stocks included or the target percentage of each stock in the equity portion of the portfolio.

#### **a. Shareholder Activism and Corporate Engagement**

Across our portfolio of investee companies, environmental, social, and governance issues require the attention of active investors. These concerns are ever-evolving as companies react to public policy changes, political environments, worldwide human rights and environmental developments, and much more. We regularly update our [Proxy Voting Guidelines](#) to present our perspectives on these issues as related to both investment screening and proxy voting decisions.

As long-term investors, NorthStar views shareholder activism as a tool to protect our clients' public equity investments, as well as a fiduciary duty to address social, environmental, and governance issues that concern our clients. Shareholder activism remains integral to our core purpose as a company – to effect social change. Learn more on our [Creating Change](#) webpage.

#### **b. Risks of Public Equity Investing**

Investing in stocks involves the risk of loss that clients should be prepared to bear. Equity investment risks include, but are not limited to, changes in revenue, margins, earnings, dividends, cash flow, balance sheet, leverage, liquidity, solvency, legal matters, negative publicity, brand image, and general market volatility.

### **Step 3: Fixed income**

Our fixed income investments are selected from a pool of individual federal agency bonds, certificates of deposit, treasuries, inflation protected treasuries, municipal bonds, and corporate bonds. We select bonds that mature within a time horizon with which we feel comfortable given current bond yield curves, with the goal of holding them until maturity. We match bond selections with the specific needs of each Investment Management client.

For some clients we include fixed income investments such as community loan funds, micro-lending corporate bonds, and other "outside" investments.

We regularly seek out fixed income opportunities that have stated social or environmental benefits, such as green bonds, social bonds, or women-focused bonds.

#### **b. Risks of Fixed Income Investing**

The safety of bonds, CD, and money market accounts cannot be taken for granted. Adverse changes include credit risk, interest rate changes and the yield curve, inflation, default, monetary policy changes, government instability, and other risks.

### **Step 4: Cash and Cash Management**

We periodically review each client's cash flow needs in light of the interest rate environment and the client's risk tolerance in order to recommend an appropriate target percentage for cash held in the portfolio.

#### **a. Risks of Investing in Cash:**



Although often thought of as safe, the risk to investing in cash includes currency valuation, interest rates, inflation, institutional default and other risks.

## **Step 5: Outside Investing**

Often, based on individual risk tolerance as determined on a case by case basis with an Investment Advisor, clients add non-publicly traded investments to their existing portfolios. These “outside investments” in NorthStar client portfolios may consist of private equity investments, real estate investment trusts, private limited partnerships, community loan funds, micro-lending products, private loans and certificates of deposit. These investments are made in response to a client’s desire to have a more direct relationship with an organization or impact on a project in their community or area of interest. These investments are often in the form of community loan funds, micro-lending corporate bonds, and innovative private equity investments that align with client and NorthStar values. NorthStar monitors and facilitates transactions related to these investments as part of the management process, providing recordkeeping, funding capital calls, and depositing interest, dividends and return of principal, all with written authorization from the client.

### **a. Risks of Outside Investing:**

Outside Investments are privately placed with various types of entities, as described above. In addition to the risks of equity, (which include, but are not limited to, changes in revenue, margins, earnings, dividends, cash flow, balance sheet, leverage, liquidity, solvency, legal matters, negative publicity, brand image, and general market volatility) and the risks of fixed income investing (such as credit risk, interest rate changes and the yield curve, inflation, default, monetary policy changes, government instability, and other risks), Outside Investments are typically illiquid.

## **Portfolio Risk**

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

## **The Decision-making Process for Legacy Management Clients**

### **Step 1: Economic Outlook**

Legacy client portfolios include stock holdings across regions of the world and economic sectors. Individual stocks are selected with a preference for firms that are likely to perform as forecasted for their sector and regions, along with a preference for stocks that are large, stable, pay meaningful dividends, and are likely to continue doing so. However, sometimes participating in a young industry, like solar and wind power, means buying smaller, less established companies in order to support businesses making important contributions to the struggle against global warming. Our belief is that incorporating these companies into the portfolio will add value.

### **a. Risks to Economic Outlook**

Unanticipated adverse changes in general economic conditions, inflation or deflation, interest rate changes, monetary policy changes, legislative actions, tax law changes, market volatility, and other risks could cause financial loss.

## **Step 2: Public Equities**

The Legacy Management investment approach is designed to take full advantage of investing in public equities over a long period of time. While Legacy Management accounts traditionally favor an allocation to stock based on the needs of the client, when there are clear indicators of a possible extraordinary decline in stock prices, we may sell stocks to reduce total stock exposure well below the target level for each client. The purchase or sale of individual equities in a client account is determined by an examination of the holdings of the client's accounts taken as a whole. This means that the purchase or sale of one equity holding may appear in one of the client's accounts, and not appear in the client's other accounts, but when the client's assets are combined, an appropriate level of an individual holding is established.

As a client's time horizon changes, the Legacy Account Manager may adjust the overall asset allocation to equities. A change in the percentage allocated to equities may reduce allocations to specific stock positions or eliminate positions, thereby reducing the equity portion of the portfolio. We use an equity benchmark of 70% of the S&P 1500 and 30% EAFE.

### **a. Risks of Public Equity Investing**

Investing in stocks involves the risk of loss that clients should be prepared to bear. Equity investment risks include, but are not limited to, changes in revenue, margins, earnings, dividends, cash flow, balance sheet, leverage, liquidity, solvency, legal matters, negative publicity, brand image, and general market volatility.

## **Step 3: Fixed income**

Our fixed income investments may include ETFs, Mutual Funds, or direct positions in federal agency bonds, certificates of deposit, treasuries, inflation protected treasuries, municipal bonds, and corporate bonds. We select bonds that mature within a time horizon with which we feel comfortable given current bond yield curves, with the goal of holding them until maturity. ETFs and Mutual Funds are purchased when a higher return to money market funds, liquidity, is desired or when the client's specific need for income is not sufficiently met by current bond offerings. The allocation to fixed income is based on creating sufficient income and liquidity to meet spending needs over several years without the need to sell stocks.

### **b. Risks of Fixed Income Investing**

The safety of bonds, CD, Bond ETFs and mutual funds, and money market accounts cannot be taken for granted. Adverse changes include credit risk, interest rate changes and the yield curve, inflation, default, monetary policy changes, government instability, and other risks.

## **Step 4: Cash and Cash Management**

We periodically review each client's cash flow needs in light of the interest rate environment and the client's need for liquidity in order to maintain an appropriate target percentage for cash held in the portfolio.

### **b. Risks of Investing in Cash:**

Although often thought of as safe, the risk to investing in cash includes currency valuation, interest rates, inflation, institutional default and other risks.

## **Portfolio Risk**

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

## **Decision-making Process for Asset Classes in Outside Investing Accounts**

### **Step 1: Asset Allocation**

The asset allocation process for Outside Investing accounts is based on a combination of the individual needs and risk tolerance of the client. Each Outside Investing client at NorthStar has tailored allocations. We control risk by evaluating asset allocation on a periodic basis. We adjust an individual's asset allocation based on our current economic forecast, combined with a client's liquidity needs and investment horizon.

The overall asset allocation for each account is reviewed annually based on changing economic conditions, client needs, and changes in the client's situation or ability to tolerate risk.

Unlike publicly traded securities, Outside Investments include private securities and other holdings that are generally illiquid and exempt from public financial reporting and filing. Within the category of Outside Investments, there is a wide range of risk profiles depending on whether the investment is a diversified fund, a non-diversified fund, a single holding in a company or other enterprise, or a cash equivalent holding in a loan fund, lending organization, or community bank.

#### **a. Risks to Asset Allocation**

Although we use asset allocation strategies to attempt to reduce risk, adverse changes in general economic conditions, inflation or deflation, interest rate changes, monetary policy changes, legislative actions, tax law changes, market volatility, and other risks could cause financial loss. Outside Investing usually involves a heavy concentration in small companies and enterprises, which can increase the overall risk of the portfolio.

### **Step 2: Decision-Making Framework**

We work with clients to build a decision-making framework based on the client's point of view and perspective in light of ecological limits and social/political imbalances, values and vision, and financial circumstances. The framework includes a statement of priorities that is unique to each client. Priorities are stated in terms of geographic focus, industry and sector concentration, and areas of interest.

Prospective investments are initially evaluated qualitatively in view of the client's framework and scope of interest. For those that meet the initial criteria, the next step is a due diligence process involving research and analysis of the fund or company's philosophy and management approach, business and sector, key personnel, and prospects for successful execution of plans and intentions. We place high value on direct, personal, and transparent relationships and avoid complexity, anonymity,

and opacity. All investments are evaluated in the context of the client's statement of global givens and values.

Our Outside Investing Division primarily works with clients who wish to focus on investments in North America and who are drawn to products and sectors that offer essential and beneficial goods and services.

## **b. Portfolio Risk**

Investments in private securities and other vehicles require careful diversification among private funds (limited partnerships, limited liability companies, etc.), individual companies, and cash equivalents. While there are some clear distinctions between highly liquid cash equivalents and highly illiquid private partnerships or companies, for example, there is a high level of risk associated with these investments, whether equity or fixed income, due to the generally smaller profile of the companies and their stage of development. Diversification cannot assure against loss in value of the portfolio.

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

## **Process for Consulting**

Our consulting approach is rooted in a comprehensive view of the role that finance plays in the world and in our lives and requires a significant commitment of time in order to develop a decision-making framework that is uniquely suited to each client. With this framework in place, we then work together to design a portfolio strategy that will meet the client's needs and goals. While offering our full expertise and guidance at each step of the way, the process is fundamentally collaborative.

The consulting process begins with a conversation to determine whether our services and approach are consistent with the client's expectations. We then provide a project proposal that includes goals and intentions, process description, timeline, and fees. In general, the consulting process is time-limited and project-specific. Fees are generally quoted as a total project fee. Details are provided in the project proposal.

Consulting projects include the following five elements in varying proportions depending on the specific needs of the client:

- 1) Clarity and grounding (understanding all aspects of the client's current investments and other finances;
- 2) Clearing the decks (identifying what is needed and what is overly complex);
- 3) Designing a decision-making process;
- 4) Planning an implementation process; and
- 5) Evaluating and affirming or changing professional relationships.

## **Item 9. Disciplinary Information**

NorthStar and its employees have not been involved in any legal or disciplinary events.

## **Item 10. Other Financial Industry Activities and Affiliations**

We do not have any material financial industry or affiliations that would pose material conflicts of interest.

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

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

## **Item 11. Ethical Principles, Fiduciary Statement, and Impartial Conduct Standard**

To avoid any potential conflicts of interest involving personal trades, NorthStar has adopted a formal Code of Ethics, which includes formal Personal Securities Trading policies and reporting procedures. If you would like to review the full Code of Ethics for NorthStar, please let us know, and we will send that section of our compliance manual to you upon request and free of charge.

### **Ethical Principles**

In addition to NorthStar's formal Code of Ethics, we require, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of NorthStar above one's own personal interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect positively on themselves and on NorthStar;
- Promote the integrity of, and uphold the rules governing capital markets;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals;

- Employees are expected to take full responsibility for all aspects of their jobs with wisdom and integrity while exhibiting superior judgment and respect for confidentiality in all company matters;
- Employees of NorthStar Asset Management, Inc. are required to understand clearly the values of the company and to follow rules created by the Securities and Exchange Commission to protect our clients and our reputation as an investment company charged with overseeing and investing our clients' assets.
- Many of our clients are members of family groups: spouses, husband and wife, siblings, parents and children, cousins, etc. Under no circumstances are supervised persons allowed to share any information, even if it is apparently of joint knowledge among both parties, with any other related party without explicit permission from all parties. This includes and is not limited to conversations about tax status, estate planning, charitable giving, cash flow analysis, investment goals or casual conversation about other, non-financial matters.

## **Fiduciary Statement**

With respect to any investment advice (as defined in 29 CFR §2510.3-21) provided to an employee benefit plan ("employee benefit plan") (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) or to an individual retirement account ("IRA") (as defined in Section 408 of the Internal Revenue Code of 1986, as amended) (collectively, an employee benefit plan and IRA to be referred to herein as the "Retirement Investor"), NorthStar and its advisers acknowledge that it will act as a fiduciary, as defined in Section 3(21) of ERISA, with respect to the Account.

## **Impartial Conduct Standard**

NorthStar and its advisors will provide investment advice that is in the best interest of the Retirement Investor and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise with a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances and needs of the client, without regard to the financial or other interests of NorthStar and its advisors. NorthStar and its advisors will not receive, directly or indirectly, compensation for its services that is in excess of reasonable compensation (as determined under ERISA and the Code) and will not make any materially misleading statements regarding the applicable fees, material conflicts of interest or any other matters relevant to the Retirement Investor's investment decision.

## **Item 12. Brokerage Practices**

### **Brokerage Practices for Investment Management Clients**

Ideally, Investment Management clients have their assets held either at Morgan Stanley (opting for a "wrap-fee" arrangement), or at Charles Schwab.

In placing trades in our Investment Management client accounts, we primarily transact through the custodian, but occasionally we will opt to purchase a security from an outside source. For accounts transitioning from Legacy Management to Investment Management, with long-term custody and trading arrangements, we will, for a period of time, work to maintain this history if it is in the best interest of the client. When a client chooses to have their account held at a custodian other than Morgan Stanley or Charles Schwab, the custodial/trading fees of that custodian will apply.

## **Brokerage Practices for Legacy Management Clients**

Legacy Management clients have their assets held either at Morgan Stanley, Charles Schwab, Fiduciary Trust or UBS. In placing trades in Legacy Management client accounts, we primarily transact through the custodian. Occasionally, we will opt to purchase a security from an outside source. Legacy trading fees differ based on each custodian and the type of transaction.

## **Brokerage Practices for Investment Management and Legacy Management Clients**

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

NorthStar attempts to minimize trade errors by promptly reconciling confirmation with intended orders. Trading errors are corrected with no cost to the client.

We do not have any “soft dollar” arrangements.

## **Item 13. Review of Investment Management, Legacy Management, and Outside Investing Accounts**

We review each account at least quarterly. Client accounts are grouped together and reviewed by the portfolio management team. Our Research Analyst and other investment personnel may also attend reviews. Asset allocation, including cash positions, is evaluated based on the client’s individual needs (income needs, charitable giving, taxes, etc.).

### **Investment Management Account Reviews**

We adjust our “buy list” periodically, and this may necessitate trimming partial or entire positions of one security and replacing that security with another. These decisions are made separate from the quarterly review process and tend to occur as a result of changing market conditions, risk analysis or a fundamental shift in our economic outlook or conditions at the company.

Clients receive printed or electronic quarterly reports consisting of account statement and a letter from NorthStar Staff. The client may consult with the CEO and/or their Investment Advisor at any time regarding their account status. The NorthStar account statements list individual holdings by category, including individual and aggregate values. The quarterly letter includes NorthStar’s general economic and investment outlook and a comparison of NorthStar’s overall client composite performance to the appropriate benchmarks.

### **Legacy Management Account Reviews**

Mr. Zevin, the Legacy Portfolio Manager, adjusts his “buy list” periodically, and this may necessitate trimming partial or entire positions of one security and replacing that security with another. Legacy holdings and new additions to the portfolio may or may not overlap with NorthStar’s Investment

Management buy list. Decisions to buy or sell positions are made periodically based on economic or stock-specific conditions and tend to occur as a result of changing market conditions, risk analysis, or a fundamental shift in economic outlook or conditions at the company. Accounts are reviewed quarterly.

Clients receive quarterly reports consisting of a printed or electronic account statement and a letter from Robert Zevin. The client may consult with Mr. Zevin or any member of our team at any time regarding their account status. The NorthStar account statements list individual holdings by category, including individual and aggregate values. Client's account performance is provided relative to the appropriate benchmarks by asset class.

### **Outside Investing Reviews** (including Outside Investments in **Investment Management** and **Legacy Management** Accounts)

Outside Investments are monitored and assessed each quarter. Clients receive quarterly reports consisting of a printed or electronic account statement and a letter from NorthStar Staff. The client may consult with NorthStar at any time regarding their account status. The NorthStar account statements list individual holdings, the amount that has been invested, and the current valuation of each investment (as provided by the issuer). The quarterly letter includes NorthStar's general economic and investment outlook and a comparison of NorthStar's overall Investment Management composite performance to the appropriate public market benchmarks. Outside Investing account holdings vary widely from client to client and are not priced in public markets. NorthStar does not maintain composites for Outside Investing assets under management.

## **Item 14. Payment for Client Referrals and Other Compensation**

We do not pay for Client Referrals.

## **Item 15. Custody**

At this time, Investment Management and Legacy Management clients hold their stock, bond, and money market assets at a qualified custodian outside of NorthStar. The choice of a custodian is determined with the client at the beginning of their relationship with NorthStar. All clients with investments in community loan funds or other non-traditional equity or debt investments (Outside Investments) will either hold securities themselves or the securities will be held by the issuer based on the client's election. NorthStar does not have custody over these securities but will track and report these securities.

Under SEC Rule 206(4)-2, NorthStar may be viewed for regulatory purposes as having custody of certain client assets, if we or any of our personnel serves as trustee for an account, or if we have transactional access to an account, such as in the case of some managed Fidelity Giving Accounts where grants are made on behalf of a client.

Clients will receive monthly account statements directly from the custodian and quarterly statements from Fidelity Giving Accounts. If a client has a different custodian, they are required to send statements at least quarterly, and NorthStar receives duplicates of these statements. These statements will be sent to the address provided by the client and will be made available electronically upon request. Clients are encouraged to carefully review all statements promptly when they receive them. We also urge clients to compare these account statements with the quarterly reports they will receive from us. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities. Because of the number of clients using Morgan Stanley as a



custodian, we have opted to use Morgan Stanley monthly prices on all NorthStar quarterly reports. All custodial statements will generally exclude non-publicly tradable securities.

Should clients have any questions about discrepancies, they should notify us and/or their custodian as soon as possible. All accounts for which we are deemed to have custody are subject to an annual surprise audit by an independent accounting firm.

## **Item 16. Investment Discretion**

We hold a “limited power of attorney” over most of our Investment Management and Legacy Management client accounts. That gives us the authority to journal funds between each client’s personal accounts within the custodian, to select investments, to direct the custodian to mail checks to the client and to vote client’s proxies. This authority is granted to NorthStar through the client’s execution of the NorthStar Client Agreement and custodian paperwork. Outside Investing, non-discretionary, and Consulting Clients must authorize us via a formal letter to gather information on their assets. Outside Investing and non-discretionary clients authorize purchases and sales of investments each time a transaction is made.

## **Item 17. Voting Client Securities**

We vote proxies on behalf of our Investment Management Clients. It is the firm’s policy to monitor events affecting the issuers as required to cast informed votes and to exercise its voting authority in a manner consistent with the best interest of the client, including aligned with firm and client social and environmental goals. Unless otherwise instructed by the client, NorthStar votes all client proxies in-house, according to its [Proxy Voting Guidelines](#) which are updated regularly as new issues arise. Proxy voting records are available on our website and updated annually. If a client has a particular interest in a proxy issue facing a holding in their portfolio, they should communicate directly with us so that we can discuss and vote the shares according to the client wishes.

## **Item 18. Financial Information**

NorthStar is an S Corporation registered with the State of Massachusetts. NorthStar has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## ADV Part 2 B.

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

### Portfolio Managers and Investment Advisors

#### **Julie N.W. Goodridge**, DOB 7/14/57

1990-Current CEO NorthStar Asset Management, Inc.; CCO NorthStar Asset Management, Inc.  
1987-1990 Assistant Vice-President, Dean Witter  
1984-1987 Account Executive, EF Hutton  
1983-1984 Account Executive Trainee, Merrill Lynch

#### **Education:**

Harvard University, Ed.M.  
Boston University, BA

Portfolio Manager and Investment Advisor, Julie provides financial planning expertise, drives major investment decisions manages client portfolios, is a member of the Investment Committee and the Shareholder Activism Committee and is the final word for all shareholder activism activities.

#### **Leslie E. Christian**, DOB 9/15/47

2012-Current Senior Investment Advisor, NorthStar Asset Management, Inc., Integrated Capital Specialist, NorthStar Asset Management, Inc.  
1996-2012 CEO, Portfolio 21 Investments

#### **Education:**

University of California, Berkeley, MBA  
University of Washington, BA

#### **Industry Designations:** Chartered Financial Analyst (CFA)\*

Leslie is focused on the development of Integrated Capital, a new foundation and framework for portfolio management that accounts for the global risks of our time as well as the personal vision, values, and aspirations of each client. For NorthStar clients seeking to invest outside of the public stock and bond markets, Leslie researches private companies, non-profits, and funds with socially responsible missions. Leslie is a member of the Investment Committee.

#### **Robert Brooke Zevin**, DOB 12/1/36

2018-Current Senior Investment Advisor, Legacy Portfolio Manager, NorthStar Asset Management, Inc.  
1997-2018 Founder, President, CEO, Chairman, Zevin Asset Management, LLC.  
1975-1997 Portfolio Manager, Walden Asset Management

#### **Education:**

Harvard University, Ph.D.  
Ohio State, MS  
Antioch College, BA

Robert monitors the global economy and financial markets and acts as both portfolio manager and investment advisor to clients. Robert is a member of the Investment Committee.

## Investment Analysts

### Ivy Jack, DOB 7/1/76

2015-Current Head of Equity Research, NorthStar Asset Management, Inc.  
2013-2015 Principal, J&R Advisory  
2011-2013 Corporate Planning Manager, TJX Companies  
2010-2011 Principal, IMB LLC  
2004-2010 V.P. Equity Research, Barclay's Bank PLC  
1998-2001 Financial Analyst, Morgan Stanley Dean Witter

#### Education:

Harvard University, MBA, MPA  
Spelman College, BA

Ivy is a Global Investment Research Analyst. She helps synthesize and expand our investment research process and enhance the work of the portfolio management team. Ivy works with the Julie, Christine Leslie and Mari on incorporating management's vision of SRI into investment ideas and supervises the Research Analyst.

### Xinyi Wan, DOB 11/23/85

2011-Current Senior Financial Metrics Research Analyst, NorthStar Asset Management, Inc.

#### Education:

Clark University, MSF  
Southwestern University of Finance and Economics, BS, Financial Engineering

**Industry Designations:** Chartered Financial Analyst (CFA)\*

Ms. Wan is responsible for in depth research and daily monitoring of individual securities on the NorthStar "buy list." Ms. Wan uses Bloomberg, company announcements, company reporting and internet research to create a broad understanding of each security alone, and within the context of industry group analysis.

## Shareholder Activism

### Mari Schwartzer, DOB 6/6/83

2018-Current Director of Shareholder Activism and Engagement, NorthStar Asset Management, Inc.  
2016-2017 Assistant Director of Shareholder Activism, Engagement, and Social Research, NorthStar Asset Management, Inc.  
2011-2016 Coordinator of Shareholder Activism, NorthStar Asset Management, Inc.  
2008-2011 Coordinator of Shareholder Activism and Client Services, NorthStar Asset Management, Inc.

#### Education:

Simmons College, MA  
University of Central Florida, BA

Ms. Schwartzer coordinates all of the members of the shareholder activism team and votes Investment Management client proxies. She is responsible for drafting resolutions, engaging legal counsel and working with corporations and the media when applicable. She attends and contributes to our equity research team meetings. She serves on the Investment Committee and chairs the Shareholder Activism Committee.

## Client Relationship Management

### Elizabeth Sanderson, DOB 1/4/92

2017-Current Client Services Coordinator, NorthStar Asset Management, Inc.  
2014-2017 Client Services Assistant, NorthStar Asset Management, Inc.

#### Education:

Spelman College, BA

Ms. Sanderson interfaces with clients, brokerage firms, accountants as necessary to keep the portfolio management team apprised of client concerns, tax issues and liquidity needs.

**Julie Barthelemy, DOB 1/26/88**

2019-Current	Client Services Coordinator, NorthStar Asset Management, Inc.
2016-2019	Client Service Associate, Zevin Asset Management, LLC.
2014-2016	Administrator, Zevin Asset Management, LLC.
2013-2014	Administrative Assistant, Zevin Asset Management, LLC.

**Education:**

University of Massachusetts Boston, BA

Ms. Barthelemy interfaces with clients, brokerage firms, accountants as necessary to keep the portfolio management team apprised of client concerns, tax issues and liquidity needs.

\* The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.