



North Castle Partners, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of North Castle Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 862-3210 or by email at: alyse@northcastlepartners.com. 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 North Castle Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. North Castle Partners, LLC's CRD number is: 158213

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

There have been no material updates to North Castle's brochure since the last annual update dated March 29, 2019.

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Item 4: Advisory Business

A. Description of the Advisory Firm

North Castle Partners, LLC is a Delaware limited liability company that is sometimes referred to as “North Castle” or “NCP” in this Firm Brochure. North Castle was organized on May 2, 1997 and is an investment advisory firm headquartered in Greenwich, Connecticut. North Castle’s main business is to provide advisory services for the investment of private equity capital primarily by private funds affiliated with North Castle (the “NCP Funds”). The NCP Funds are our advisory clients; therefore, all references and discussions in this Firm Brochure to “clients” mean and refer to the NCP Funds. The NCP Funds are generally formed as Delaware limited partnerships in which investors are the limited partners and an affiliate of North Castle serves as the general partner. The limited partners of the NCP Funds are qualified investors. Investors or limited partners of the NCP Funds are not our advisory clients and are referred to in this Firm Brochure as “investors” or “limited partners.”

North Castle clients, the NCP Funds, are pooled investment vehicles (“Pooled Fund”) each of which invests in a portfolio of multiple companies. The NCP Funds may invest directly, through a blocker corporation, or through or alongside of special purpose vehicles (“SPVs”) formed by North Castle. In some cases, SPVs are established for the purpose of acquiring securities. The SPVs are sometimes referred to as co-investment funds and typically invest in one portfolio company alongside a Pooled Fund that invests in the same portfolio company. Co-investment opportunities, either through direct interests in the portfolio company or through limited partnership interests in SPVs, may be offered to the limited partners of the NCP Funds as well as third party investors, including employees and other designees of North Castle (“Co-investors”). Co-investors are considered to be non-advisory investors. Co-investors, including SPVs, are not considered clients as NCP does not have discretionary authority over the accounts nor does North Castle provide continuous and regular supervisory and management services. Co-investment opportunities are discussed in more detail in Item 7.

The NCP Funds generally make control investments in small cap consumer companies within the healthy, active, and sustainable living (“Healthy Living”) sectors.

The firm was founded by Charles F. Baird, Jr., the principal owner.

B. Types of Advisory Services

North Castle provides investment supervisory services to the NCP Funds pursuant to separate management agreements between North Castle and each NCP Fund in which the general partner of the Fund delegates certain duties to North Castle to the extent permitted under the NCP Funds’ partnership agreements. North Castle’s services are considered investment supervisory services because we give continuous advice based on the individual needs of each of our clients. Our services to the NCP Funds include screening and evaluating investment proposals including proactively identifying emerging trends and market dynamics and targeting attractive companies in a given segment; evaluating investment proposals including a detailed due diligence process,

including but not limited to management meetings, risk and opportunity assessments of the company and industry as well as financial and business analyses, engaging consultants to supplement due diligence efforts in the areas of legal, tax, insurance, accounting and consumer research; submitting such proposals to the NCP Funds; assisting the general partner in negotiating and finalizing transactions in which the NCP Funds have made a decision to invest; and monitoring the management and operations of such portfolio companies once an investment is made.

North Castle supervises the entire investment process for its Clients, the Pooled Funds, and makes recommendations to buy, hold and sell investments. However, we do not make the final investment decisions. In other words, we do not have investment discretion. The ultimate responsibility for managing and conducting the activities of each NCP Fund rests with the general partner of the particular NCP Fund, and all final decisions relating to the selection and disposition of investments are made exclusively by the general partner of each NCP Fund.

C. Client Tailored Services and Client Imposed Restrictions

North Castle services are designed to achieve the investment objective of each of the NCP Funds to realize capital gains primarily from equity investments in “healthy, active and sustainable living” companies. NCP will only make investment recommendations that are consistent with the stated objectives, strategy and investment guidelines of the particular NCP Fund as set forth in the applicable NCP Fund’s private placement memorandum, limited partnership agreements and applicable side letters with limited partners, if any.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. North Castle does not participate in any wrap fee programs.

E. Amounts Under Management

NCP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
	\$1,118,253,708	12/31/2019

AUM includes the estimated fair market value of the assets, cash on hand, and remaining capital commitments of the NCP Funds, our clients, as well as the estimated fair market value of the assets held by non-advisory NCP Co-investors, whether through the SPVs or directly, as of December 31, 2019.

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

With respect to NCP Funds that are Pooled Funds, North Castle typically receives a management fee equal to a fixed percentage of the assets of each Pooled Fund during the term of the Pooled Fund. The assets on which the fee is based during the Pooled Fund's investment period (usually 5 years) is equal to the Pooled Fund's full committed capital attributable to the limited partners regardless of how much has been actually contributed by investors during the investment period. After the investment period, a reduced percentage-based fee is applied to a reduced asset base typically to equal the outstanding amount of capital of the Pooled Fund attributable to the limited partners that remains invested in portfolio companies (typically at cost), subject to certain caveats. The specific fee arrangements for each NCP Fund are described in the applicable private placement memorandum and are set forth in the NCP Fund's limited partnership agreement.

Management fees are paid quarterly in advance and are reduced or offset by certain fees that North Castle receives directly from portfolio companies as described in each NCP Fund's limited partnership agreement. This is discussed in more detail in item 5.C.

North Castle or its affiliates may enter into side letters or other written agreements with any limited partner of an NCP Fund without the consent of any other person, including any other limited partner. Side letters may give special rights under, or change or add to the terms of, the NCP Fund's limited partnership agreement or offering materials with respect to that limited partner. However, neither North Castle nor its affiliates will enter into any side letter with a limited partner that materially and adversely affects the rights of another limited partner without the written consent of such other limited partner. In addition, all side letters are disclosed to comparable limited partners in the applicable NCP Fund. North Castle reserves the right to alter its fee arrangements applicable to a particular limited partner by entering into a side letter with that limited partner. In addition, the NCP Fund's general partner and affiliates do not pay fees to North Castle, and the capital invested by the NCP Fund's general partner and affiliates are not counted toward the amount of assets on which fees are charged.

B. Payment of Fees

Payment of Investment Supervisory Fees

Management fees, if any, are paid quarterly in advance by the NCP Funds. The NCP Funds draw capital from their limited partners in order to pay the North Castle management fees. Prior to each payment of management fees, each limited partner in the NCP Fund is sent a capital draw down notice that shows the limited partner's share, if any, of the management fee. Once the limited partner pays the amount stated in the capital draw down notice, the NCP Fund's general partner authorizes and makes payment of the management fee, if any, to North Castle. The

calculation of the management fee payable, if any, is disclosed to the limited partners in the NCP Fund's financial statements and capital call notice.

The NCP Funds' general partners or other North Castle affiliates may receive a share of the profits generated by NCP Funds. This share of profits is often referred to as a "carried interest." Carried interest payments, if any, typically are paid periodically when a portfolio company is sold from cash that otherwise would be distributed to limited partners of the particular NCP Fund pursuant to the NCP Fund's limited partnership agreement. The carried interest is discussed in more detail in Item 6.

C. Other Fees and Expenses

North Castle may receive fees directly from or related to portfolio company investments or potential investments, including transaction fees, investment banking fees, advisory, monitoring, consulting and other similar fees as well as director fees and broken deal fees, that are related to Client and non-advisory Co-investor capital. For example, monitoring fees paid pursuant to a consulting agreement between a portfolio company and North Castle are compensation for ongoing financial and advisory services provided to the portfolio company in which NCP Clients and non-advisory client Co-investors have invested. In limited circumstances, North Castle may receive fees from or related to a non-advisory co-investor invested through a SPV or directly in a portfolio company.

Additionally, North Castle may receive organizational and syndication fees from its Clients. A portion of these fees and a portion of the fees related to portfolio company investments or potential investments may reduce or offset the management fees that would otherwise be payable to North Castle by the NCP Fund that made an investment in the particular portfolio company. The portion of portfolio company fees that will reduce or offset management fees is determined in accordance with the limited partnership agreement of the particular NCP Fund. For example, a percentage of advisory, consulting and monitoring fees paid to North Castle by a portfolio company will reduce the management fees payable to North Castle from the NCP Fund that has an investment in that portfolio company. Typically, 100% of break-up fees (e.g., fees paid by a company if an investment transaction falls through) will reduce North Castle's management fees payable by the NCP Fund that had that investment under review. Although portfolio company fees will not generally reduce NCP Fund management fees below zero, in certain NCP Funds, there are provisions that require North Castle to return any unused fee offsets that remain outstanding at the end of the life of a Fund.

North Castle makes private equity investments and as such provides advice with respect to private securities, not publicly traded securities. As such, brokerage fees are generally not applicable. This is discussed in more detail in item 12.

Each NCP Fund is responsible for paying its own costs, expenses and liabilities that are incurred or arise out of the business and operations of the particular Pooled Fund. Such costs, expenses and liabilities include but are not limited to: expenses related to the purchase or sale of consummated and unconsummated investments to the extent not reimbursed, including the evaluation, acquisition, holding and disposition, and all related travel expenses; direct or prorata share of insurance, legal, accounting/audit, custody, consulting, appraisal, technology, tax

preparation and advice, litigation and indemnification costs; reimbursement of the expenses related to the Advisory Committee; prorata share of expenses related to the Operating Advisors as well as subscriptions and conferences, including NCP investor meetings and portfolio company management conferences; and taxes or other governmental charges.

Generally, the investors of an SPV, including a participating NCP Fund, pays for the direct costs associated with the legal, accounting, filing and other expenses incurred in connection with organizing and establishing the SPV, as well as fees, costs and expenses of any administrators, custodians, attorneys and accountants; and taxes and other governmental charges. Expenses related to consummated transactions are generally shared prorata by all investors in the transaction whereas broken-deal expenses and other preliminary costs are borne by the Client as the co-investors, whether direct or through a SPV, are generally not committed until a transaction closes.

North Castle is responsible for paying its own normal operating overhead, including employee compensation, rent and other expenses incurred in maintaining its principle place of business ("NCP Overhead"). North Castle and/or the NCP Funds' general partner will be reimbursed for all expenses paid for or on behalf of the NCP Funds except for NCP Overhead.

D. Refund of Prepaid Fees

NCP receives management fee payments quarterly in advance from the NCP Funds. To the extent that the management agreement is terminated or the NCP Fund is dissolved, North Castle will return any unearned fees or unused fee offsets, if any, as required under the terms of the NCP Fund's limited partnership agreement.

E. Outside Compensation for the Sale of Securities to Clients

Neither NCP nor its supervised persons accept compensation for the sale of securities or other investment products. However, North Castle may receive fees directly from or related to a portfolio company investment or potential investment, including transaction fees, investment banking fees, advisory, monitoring, consulting and other similar fees as well as director fees and broken deal fees. A portion of such fees as determined pursuant to the limited partnership agreement of the particular NCP Fund may offset the management fees that would otherwise be payable by the investors of the NCP Fund. This is discussed in more detail in item 5.C.

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

The NCP Funds' general partners or other North Castle affiliates may be entitled to a "carried interest," a share of the profits generated by NCP Funds and in limited circumstances from a SPV. Because of North Castle's relationship with the NCP Funds' general partners, the carried interest may be considered performance based compensation that benefits North Castle. Carried interest payments, if any, are typically paid upon the sale or disposition of a portfolio company from cash that otherwise would be distributed to limited partners of the particular NCP Fund or SPV pursuant to the NCP Fund's or SPV's limited partnership agreement. Carried interest payments are generally calculated as a percentage of the gain earned by the NCP Fund from a portfolio investment after paying expenses and returning limited partner capital plus, in some cases, a preferred return on limited partner capital. Carried interest allocations, if any, are separately negotiated for each NCP Fund and SPV.

Carried interest payments are governed by the limited partnership agreement for the particular NCP Fund, and are in part dependent upon the valuations of the NCP Fund's portfolio investments, as a whole and individually. The limited partnership agreements govern how securities are to be valued and the valuations of private securities are prepared in conformity with US Generally Accepted Accounting Principles ("GAAP"). However, since there is no readily available market pricing for private securities, the valuation methodologies employed involve a significant degree of judgment by the NCP Fund general partner and estimated fair values may differ significantly from the values that would have been used had readily available market pricing existed for such investments. Since carried interest distributions are dependent in part on valuations of portfolio investments that have not been sold, this could create an incentive for the NCP Fund general partner to use higher valuations. However, this risk is somewhat mitigated because carried interest is only paid on realized investments and there is an obligation by recipients of carried interest payments to return any excess carried interest distributions if actual returns upon final disposition, or at an interim testing date is less than prior valuations. The timing of the testing and the requirement to return previously paid carried interest is based on the provisions of the limited partnership agreement of the particular NCP Fund.

Additionally, the carried interest could give North Castle or the NCP Funds' general partners an incentive to make more speculative investments or take more risk than otherwise would be the case. However, this conflict is mitigated by adherence to the NCP Fund's investment guidelines and potential that risk of loss would impact the NCP Fund's performance and carried interest calculation.

Item 7: Types of Clients

North Castle provides investment advice and portfolio management services to the NCP Funds. The NCP Funds are related to us because there is common ownership and control between North Castle and the general partners of the NCP Funds. All of our current NCP Funds are closed-end investment partnerships that do not accept additional capital after a stated offering period nor offer redemption rights or periodic liquidity to limited partners. Capital committed by limited

partners to the NCP Funds is drawn down and contributed over time to purchase portfolio investments or pay expenses, including NCP fees. The majority of capital held by the NCP Funds' limited partners is attributable to institutional investors, including pension plans and insurance companies, other pooled investment vehicles and family offices/high net worth individuals. We do not manage separate advisory accounts for individual or institutional accounts; however, we may in our discretion provide co-investment and/or financing opportunities to limited partners and other third party investors (including employees and other designees of North Castle) directly in an NCP portfolio investment or through a SPV. North Castle does not have investment discretion with respect to co-investment opportunities. With respect to co-investment opportunities, the investor makes the decision of whether or not to invest. North Castle merely presents the opportunity to the investor. Once the initial investment is made, the asset is held till sold or otherwise disposed. As such, since the investor does not receive continuous and regular supervisory or management services, such co-investors are not deemed to be clients.

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

A. Methods of Analysis and Investment Strategies

North Castle advises the NCP Funds regarding private equity investments in consumer market companies focused on healthy, active and sustainable living with revenue generally ranging from \$10 million to \$200 million that are organized and operate principally in the United States and Canada. Target markets often include industries that are highly fragmented providing opportunities to build market leaders and create value through leveraged buyouts, growth capital infusions, turnarounds, and strategic acquisitions. NCP Funds' investment strategy is to drive returns by acquiring underdeveloped, entrepreneurial small cap, high-growth consumer-driven product, service and retail businesses that benefit from healthy, active and sustainable living trends.

North Castle proactively identifies emerging trends and market dynamics and targets attractive companies in a given segment. Once a new business opportunity is identified, North Castle's value creation process begins with a detailed due diligence process, including but not limited to management meetings, risk and opportunity assessments of the company and industry as well as financial and business analyses. NCP also utilizes its extensive network and outside consultants to supplement due diligence efforts in the areas of legal, tax, insurance, accounting and consumer research. During this process, North Castle, NCP Fund's general partner and management jointly develop a vision for a company's full value potential and combine this vision with a "reverse engineering" of what assets and capabilities would be most valuable to logical strategic buyers at the time of investment sale. North Castle, NCP Fund's general partner and management then agree to an "operating blueprint" for an investment that outlines the key organizational changes, strategies, and initiatives to achieve "Full Potential Partnership". We seek to maximize financial performance metrics in terms of sales, earnings, and cash flow growth, while providing merger and acquisition support and putting in place the appropriate capital structure to allow the company to properly invest in its future. North Castle makes

recommendations to each NCP Fund whether to invest in, hold and/or sell an investment. The final investment decisions rest with each NCP Fund's general partner.

B. Material Risks Involved

NCP Funds seek investment opportunities that offer the possibility of attaining capital appreciation but also involve risk of loss. There can be no possibility of profit without risk of loss. Investing in securities involves a risk of loss that investors should be prepared to bear.

The business of the NCP Funds is highly competitive. Although North Castle's focused values-based approach has been successful in identifying suitable investments in the past, North Castle may be competing with others who may have greater financial and human resources. If competition for investment opportunities increases, the number of opportunities available to the NCP Funds may decrease, which can have a negative impact on the terms upon which investments can be made. Additionally, investment analyses and decisions may be required to be undertaken on an expedited basis to take advantage of an investment opportunity. In such cases, the information available at the time of an investment decision may be limited. Although North Castle conducts in depth due diligence, analysis and review, there can be no assurance that North Castle has knowledge of or access to all relevant information that may adversely affect an investment. Accordingly, there can be no assurance that the Fund will be able to realize the value of its investments or that it will be able to invest its committed capital.

In addition, certain events particular to each industry in which NCP Fund's invest, as well as general economic and political conditions, may have a significant negative impact on the investment's operations and profitability. Such events are beyond North Castle's control, and the likelihood that they may occur cannot be predicted. Furthermore, investments are made in private companies for which there are generally no public markets for these securities. The ability of the NCP Funds to liquidate these investments and realize value is subject to significant limitations and uncertainties. Past or projected performance of North Castle investments is not necessarily indicative of future results, and there can be no assurance that projected returns or comparable results will be achieved. Risks specific to each NCP Fund are identified in the NCP Funds' offering documents which are provided to each investor prior to making an investment decision. Some of the risk factors that apply generally to the NCP Funds and their investors are summarized below:

Lack of Liquidity; Restrictions on Transfer and Withdrawal: The NCP Funds typically invest in private companies that cannot be readily sold. As a result, there most likely will be little or no near-term cash flow available to investors. In addition, dispositions of such investments may result in distributions in kind to the investors of securities that may or may not be marketable. Consequently, investment in the NCP Funds by investors requires a long-term commitment, with no certainty of return. The investors' interests in the NCP Funds generally are not registered under any federal or state securities laws and are not freely transferable. There is no public market for the interests and none is expected to develop. In addition, the interests are not transferable except with the consent of the NCP Fund general partner, which it may generally withhold in its sole discretion. Limited partners generally may not withdraw capital from the NCP Fund. Consequently, limited partners may not be able to liquidate their investments prior to the end of the NCP Fund's term.

Nature of Fund Investments; Risk of Limited Number of Investments: The NCP Funds intend primarily to make control private equity and equity-related investments in small-cap companies, including in under-performing leveraged or financially stressed or distressed companies. Such investments will necessarily have significant risks as a result of business, financial or legal uncertainties. There can be no assurance that the nature and magnitude of the various factors that could affect the value of such investments will be evaluated correctly. Certain of the NCP Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. In addition, certain of the NCP Funds' investments may be in businesses with little or no operating history. It is also possible that the NCP Funds will hold non-controlling interests in companies and, therefore, may have a limited ability to protect its position in such companies, although, as a condition of investment in a company, it is expected that appropriate shareholder rights generally will be sought to protect the NCP Funds' investment. Since the NCP Funds may only make a limited number of investments and since the NCP Funds' investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Limited Partners.

Diverse Membership of pooled funds: The Limited Partners may have conflicting tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of Fund investments, the structuring or the acquisition of investments and the timing of disposition of Fund investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner or the Manager, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the General Partner and the Manager will consider the investment and tax objectives of the Fund and its Partners as a whole, and not the investment, tax or other objectives of any Limited Partner individually.

Small and Medium Size Companies: North Castle intends to focus on small and medium-sized companies. Investments in such companies, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Some of such companies may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Further, these companies may have more limited product lines, distribution channels, markets and financial resources, a more concentrated customer base, and may be dependent on a smaller management group. Companies with new or relatively new products could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products and may be adversely affected by purely local events. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative

illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for the NCP Funds to react quickly to negative economic or political developments. Lastly, such companies may be relatively small participants in their respective industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Investments in Troubled and Leveraged Companies: The NCP Funds may invest in securities of financially troubled companies and securities of highly leveraged companies. While these investments are likely to be particularly risky, they also may offer the potential for correspondingly high returns. Under certain circumstances, payments to the NCP Funds and distributions by the NCP Funds to the Limited Partners may be reclaimed if any such payment is later determined to have been a preferential payment.

Additional Investments in Existing Portfolio Companies: Following its initial investment in a given portfolio company, the NCP Funds may determine to provide additional funds or otherwise increase its investment in such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that the NCP Funds will make any follow-on investments or that the NCP Funds will have sufficient funds to make all or any of such investments. Any determination by the NCP Funds to not make a follow-on investment or its inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for the NCP Funds to increase its participation in a successful portfolio company or the dilution of the NCP Funds' ownership in a portfolio company to the extent that a third party invests in such portfolio company.

Bridge Financings: From time to time, the NCP Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security. However, for reasons not always in the NCP Funds' control, such long-term securities may not be issued, and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the NCP Funds.

Use of Leverage: The NCP Funds' investments are expected to include portfolio companies whose capital structures may have significant leverage. Although the NCP Funds' general partners will seek to use leverage in a prudent manner, the leveraged capital structure of such portfolio companies increases risk of adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. If a portfolio company defaults on secured indebtedness, the lender may foreclose and the NCP Fund could lose its entire investment in such portfolio company.

Risks Arising From Provision of Managerial Assistance: The general partner of the NCP Funds may structure the NCP Funds' investments so that the Fund will be a "venture capital operating company" within the meaning of regulations promulgated under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This would require the NCP Funds to obtain

rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the NCP Fund's portfolio companies. Regardless of whether the NCP Funds structure its investment so that the NCP Fund is a venture capital operating company, the NCP Funds may designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the NCP Funds to claims by a portfolio company, its security holders and its creditors, including claims that such NCP Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the NCP Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose the NCP Fund to claims that it has interfered in management to the detriment of a portfolio company. While North Castle intends to manage the NCP Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded. In addition, operating a NCP Fund as a venture capital operating company could restrict the level of investment the NCP Funds can make in entities that do not qualify as "operating companies" within the meaning of regulations promulgated under ERISA, or in which the Fund is unable to obtain rights to participate substantially in or influence the conduct of management.

Reliance on Management of Portfolio Companies; Dependence on Key Personnel: The success of a business is dependent, in part, on the skill and expertise of its professionals. While the NCP Funds generally seek to invest in companies with a proven operating management team in place or to supplement management teams with the appropriate skills, knowledge and experience, there can be no assurance that any particular management team will operate its portfolio company successfully. Although North Castle will monitor the performance of each investment, the NCP Fund will rely upon the management teams to operate the portfolio companies on a day-to-day basis. Additionally, conflicts of interest may arise in allocating services, management time, business opportunities, or functions of certain North Castle personnel between the NCP Funds and its portfolio companies. Finally, there can be no assurance that the portfolio company management team or the North Castle professionals will continue to be employed throughout the investment. The loss of key personnel could have a material adverse effect on the NCP Funds.

Directors and Officers of Portfolio Companies: Employees and officers of North Castle may serve as directors and/or officers of portfolio companies of the Funds. Accordingly, such employees and members may have a conflict where their fiduciary duty to the portfolio company may conflict with their fiduciary duty to the Fund. In such circumstances, any such employee or member will act in accordance with his or her fiduciary duty to the portfolio company rather than any fiduciary duty such person may have to the Fund.

Certain Regulatory Considerations: The NCP Funds expect to make investments in a number of different industries, some of which are or may become subject to regulation by one or more US federal agencies and by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies which operate in these industries.

Business, Terrorism and Catastrophe Risks: The NCP Funds are subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on NCP Funds' portfolio company investments and the NCP Funds' overall returns and performance.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. Catastrophic events, such as COVID-19, could have a material adverse effect on the NCP Funds' investments in its underlying portfolio investments and as such the overall performance of the NCP Funds. Quarantines, labor shortages or other disruptions to a portfolio companies' underlying operations, or those of their customers or suppliers, may adversely impact such company's revenues, ability to provide its services or sell its products resulting in poor operating performance and liquidity concerns. In addition, such events, such as COVID-19, may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for a company's products or services, the opportunities to acquire or sell investments as well as the ability for existing portfolio companies to obtain debt or equity financing.

Cyber Security: The information technology systems of North Castle, the NCP Funds and/or the NCP Funds' portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events (including fires, tornadoes, floods, hurricanes and earthquakes). Although North Castle has implemented various measures designed to manage risks relating to these types of events, if such a system is compromised, becomes inoperable for an extended period of time or ceases to function properly, North Castle, the NCP Funds and/or a portfolio company may be required to spend time and/or incur expenses seeking to fix or replace such system or otherwise remedy the effects of such issues. The failure of such a system and/or disaster recovery plan may cause significant interruptions in North Castle's, the NCP Funds' and/or a portfolio company's operations and may result in a failure to maintain the security, confidentiality or privacy of sensitive data (including information relating to Limited Partners and/or the beneficial owners of Limited Partners).

Conflicts of Interest: Due to the relationship between North Castle and the NCP Funds' general partners, there may be occasions in which North Castle, the NCP Funds' general partners and their respective affiliates will encounter potential conflicts of interest in connection with the NCP Funds. The following discussion enumerates certain potential conflicts of interest:

Management Fee; Carried Interest. The annual management fees payable by the NCP Funds to North Castle and the carried interest that the NCP Funds' general partners will receive have not been established on the basis of an arm's-length negotiation among the NCP Funds, the general partners and North Castle. However, North Castle believes that the management fees and the terms of such carried interest generally reflect customary market terms. In addition, the existence of the carried interest may create an incentive for North Castle to recommend and the NCP Funds' general partners to approve and cause the NCP Funds to make more speculative

investments than it would otherwise make in the absence of such performance-based compensation.

Allocation of Investment Opportunities. North Castle manages certain existing NCP Funds, which may make follow-on acquisitions that would otherwise be suitable for another NCP Fund. In addition, the NCP Funds may make investments in companies in which one or more of the existing NCP Funds has invested. Additionally, certain investment opportunities may be offered to a portfolio company rather than to the NCP Funds. North Castle may also, from time to time, permit one or more NCP Fund limited partners and/or third party investors to co-invest alongside the NCP Funds in certain investments for amounts which are determined by North Castle. Such co-investors may invest on different terms from those applicable to other NCP Fund limited partners including with respect to management fees and carried interest.

Allocation of Expenses to Co-Investors. North Castle seeks to fairly allocate expenses amongst its Funds and co-investors. In some circumstances, it is not always possible or reasonable to allocate expenses to a co-investor depending upon the circumstances surrounding the potential investment. As a result, there may be occasions where co-investors do not bear a proportionate share of expenses. In addition, where a co-investment was contemplated but ultimately not consummated, the potential co-investor, if identified, generally does not share in the expenses and the full costs associated with the potential investment are borne by the Fund.

No Separate Counsel. The General Partner, the Fund, and its affiliates are represented by the same law firm. The Fund does not have counsel separate and independent from counsel to the General Partner. Independent counsel is not retained to represent investors in the Fund.

C. Risks of Specific Securities Utilized

Risks specific to each NCP Fund are described more fully in the particular NCP Fund's offering materials, including any private placement memorandum, limited partnership agreement and subscription materials.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that each Fund should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of North Castle's advisory business or integrity of North Castle's management team.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither NCP nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither NCP nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Officers, members and managers of North Castle are also officers, members and managers of the NCP Funds' general partners. These relationships present potential conflicts of interest. North Castle always strives to exercise its good faith judgment in the best interests of the NCP Funds and their limited partners and consistently with its fiduciary duties. In addition, most of the NCP Funds establish an advisory committee comprised of representatives of limited partners of the NCP Fund. North Castle often consults with the advisory committee on matters involving an NCP Fund when a conflict of interest may arise.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

North Castle does not utilize nor select other advisers or third party managers.

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

A. Code of Ethics

North Castle is committed to a "value - values" approach, which we believe enhances the probability of achieving our mission - to partner with accomplished, entrepreneurial management teams to build great companies that contribute to health, wellness and quality of life. We strive to accomplish our mission with integrity in our process and balance in our lives. If

we achieve our mission, we will create extraordinary value for these companies, their employees, clients, investors, communities, and the North Castle team. North Castle has developed a clearly defined set of values, which govern our interactions with all members of the North Castle community, including employees of North Castle, NCP Fund investors, portfolio companies and advisors as well as the healthy, active & sustainable living consumer and community.

We have adopted a written Code of Ethics that is designed to promote compliance with SEC rules and regulations, support our “value-values” approach to private equity investing and ensure that we fulfill our fiduciary duties to our clients. In general, the North Castle team commits to:

- Placing the interest of the clients first and never benefit at the expense of advisory clients;
- Acting in an honest and ethical manner, including in connection with, and the handling and avoidance of, actual or potential conflicts of interest between personal and professional relationships;
- Maintaining the confidentiality of information concerning the identity of security holdings and financial circumstances of clients and investors;
- Complying with all applicable laws, rules and regulations of federal, state and local governments and other applicable regulatory agencies; and
- Proactively promoting ethical and honest behavior with North Castle including, without limitation, the prompt reporting of violations of, and being accountable for adherence to, this Code of Ethics.

Specifically, our Code of Ethics sets forth the policies and procedures established to address conflicts of interest and set standards of conduct with respect to confidential information, personal securities transactions and other areas. North Castle’s personal securities policy contains certain restrictions and sets procedures to mitigate potential conflicts of interests with respect to personal security transactions. North Castle requires employees to file an initial security holdings report detailing non-exempt securities holdings and make monthly submissions of non-exempt security transactions. Employees are prohibited from purchasing securities listed as “restricted securities,” and are not permitted to acquire securities in an initial public offering or private placement without prior approval. Additionally, North Castle prohibits any employee from acting upon, misusing or disclosing any material non-public information regarding a public company, or a company about to become public. A full copy of our policy is available to investors upon request.

B. Recommendations Involving Material Financial Interests

North Castle advises NCP Funds regarding private equity investments. North Castle, its affiliates and members of its team may have material financial interests in each NCP Fund that generally aligns their interests with limited partners. Although not typical, it is possible that North Castle could have an interest in a portfolio company in which an NCP Fund has an investment. Where conflicts may arise, procedures are in place to identify and mitigate the conflict as well as promote the interests of the NCP Fund. Personal financial interests owned by North Castle professionals may create the potential for conflicts of interest. As such, employees are required to grant our CCO and delegate access to a complete listing of their securities and personal security transactions on a monthly basis. Although NCP Funds generally do not invest in publicly traded securities; at times, we may become aware of non-public information with respect to certain

public companies in the course of our business. To avoid any impropriety or appearance of impropriety, we maintain a list of “restricted securities” that North Castle deems to present the potential for a conflict of interest and our employees are prohibited with limited exceptions from trading in such restricted securities.

C. Investing Personal Money in the Same Securities as Clients

Members of the North Castle team make personal commitments to the general partners of the NCP Funds and share in the investments of the NCP Funds on a pro rata basis with the limited partners. Such investments are made on substantially the same terms as the NCP Funds and limited partners. North Castle employees do not cherry pick investments. Investors in the general partners of the NCP Funds do not pay a management fee nor carried interest.

During an NCP Fund’s investment period, as defined in the limited partnership agreement of the NCP Fund, any investment opportunity that is presented to North Castle or its affiliates that we believe in good faith is suitable and appropriate for the NCP Fund or qualifies under its investment guidelines will be offered to the NCP Fund subject to certain exceptions for follow on investments by another NCP Fund or NCP portfolio company. Where there is a potential conflict of interest, North Castle strives to exercise its good faith judgment in the best interests of the NCP Funds and their limited partners and to act consistently with its fiduciary duties. In addition, most of the NCP Funds establish an advisory committee comprised of representatives of limited partners of the NCP Fund. North Castle often consults with the advisory committee on matters involving an NCP Fund when a conflict of interest may arise.

D. Trading Securities At/Around the Same Time as Clients’ Securities

Since NCP Funds generally do not invest in publicly-held securities, it is unlikely that such a conflict would arise. However, should there be a circumstance in which a NCP Fund would invest in a publicly-held security, North Castle employees would be precluded from investing in such securities as it would be a prohibited transaction under our Insider Trading Policy. A full copy of our policy is available to investors upon request.

Item 12: Brokerage Practices

A. Selection of Broker/Dealers

North Castle makes private equity investments and as such provides advice with respect to private securities, not publicly traded securities. As such, we generally do not transact business through broker-dealers. If NCP needed to recommend a broker-dealer, we would evaluate and select a broker-dealer based on its prominence in the financial services industry and our ability to obtain the best price and execution for our clients.

1. Research and Other Soft-Dollar Benefits

North Castle does not participate in soft dollar arrangements.

2. Brokerage for Client Referrals

North Castle receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

The NCP Funds do not require North Castle to use a specific broker-dealer to execute transactions. If needed, North Castle would evaluate and choose a broker based on the best interests of its clients.

B. Aggregating (Block) Trading for Multiple Client Accounts

North Castle does not engage in traditional trading of public securities and therefore, no block trading occurs.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

North Castle employs an active hands-on approach to investment monitoring. The North Castle team, including investment and finance professionals, meets periodically to review each investment's status and progress. Operating results and overall financial performance are compared to the "operating blueprint" developed at the time of investment, as updated and revised over time, to determine if the investment is performing as expected, including implications on valuation of the portfolio company. Additionally, members of the investment team attend regular board meetings with company management and have additional periodic meetings to ensure the appropriate strategic direction of each portfolio company. Each portfolio company provides North Castle with consistent and regular reporting regarding financial and operational metrics. Such information is communicated to the other North Castle team members at regular staff meetings. Additionally, the financial statements of the NCP Funds are reviewed at least quarterly by the finance team and the CFO/CCO and audited annually. Finally, the NCP Funds are periodically reviewed to ensure that investments are consistent with investment guidelines and risk tolerance levels.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Additional reviews may be triggered by material market, economic or political events, or by changes in the NCP Funds' or the portfolio companies' financial situations, including potential acquisition or disposition of investments.

C. Content and Frequency of Regular Reports Provided to Clients

Generally, NCP Fund investors receive written financial reports at least quarterly from the NCP Fund detailing the value of its assets and liabilities as well as the net profit or loss of the entity. Additionally, investors receive at least annually a full descriptive report providing qualitative and quantitative analysis with respect to each portfolio company investment. Copies of this brochure, tax information, investment memorandum and other communications are provided to investors as required or requested.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

North Castle does not receive any economic benefit, directly or indirectly from any third party for advice rendered to NCP clients. However, North Castle may receive fees directly from or related to a portfolio company investment or potential investment, including transaction fees, investment banking fees, advisory, monitoring, consulting and other similar fees as well as director fees and broken deal fees. A portion of such fees as determined pursuant to the limited partnership agreements of the respective fund may offset the management fees that would otherwise be payable by the investors of the NCP Funds. See item 5.C.

B. Compensation to Non-Advisory Personnel for Client Referrals

North Castle or an NCP affiliate has periodically entered into placement agreements to facilitate fundraising efforts related to particular NCP Funds. Such agreements are with U.S. broker-dealers that are registered with the SEC and are members of FINRA and provide for compensation to the placement agent that is generally based on a percentage of commitments received by the NCP Fund. These agreements are disclosed in the NCP Fund's private placement memorandum.

Item 15: Custody

By virtue of the relationship between North Castle and the general partners of the NCP Funds, North Castle is considered to have custody of the NCP Funds' assets. This relationship is also detailed in each NCP Fund's limited partnership agreement as well as the applicable private placement memorandum. North Castle will retain a qualified custodian to hold any funds and securities of the NCP Funds to the extent required by applicable law. The NCP Funds satisfy the Privately-Offered Securities Exception as provided by the 2013 IM Guidance Update in that the private fund is subject to an audit and such audited financial statements are distributed to the investors within the time period required by applicable law; the securities are non-transferrable and the certificate of the security can only be used to effect a transfer with the prior consent of the issuer or holders of the outstanding securities; ownership of the security is recorded on the books of the issuer; there is a legend restricting transfer; and the certificate can be replaced upon loss or destruction. North Castle maintains appropriate safeguards with respect to its securities by holding the certificates in the NCP safe or in a locked file cabinet, which only the CCO and her delegate can access. The NCP Funds call capital from investors as needed to support investments and other expenses, including management fees. To the extent that the NCP Funds hold cash for future expenses, investment fundings or for subsequent distribution to investors, such cash is held in one or more bank accounts by a qualified custodian and such cash balances and transactions are subject to an annual audit and included in the audit financial statements distributed to investors of the NCP Funds.

Item 16: Investment Discretion

At the present time, North Castle does not maintain discretionary authority over the NCP Fund accounts.

Item 17: Voting Client Securities (Proxy Voting)

North Castle does not have discretionary authority with respect to investments of the NCP Funds. Rather, the ultimate responsibility for the management and the conduct of the activities of the NCP Funds rest with the particular general partner. If and when such voting practices occur, it is North Castle's policy to cast all proxy votes in the best interests of the NCP Funds and its limited partners and in a manner consistent with the investment objectives of the NCP Fund. A copy of our proxy voting policy is available to investors upon request.

Item 18: Financial Information

A. Balance Sheet

As a registered investment advisor, North Castle does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither North Castle nor its management is aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

North Castle has not been the subject of a bankruptcy petition in the last ten years.