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ADV Part2 Schedule A

Effective: *February 24, 2020*

DISCLAIMER:

This Brochure provides information about the qualifications and business practices of Northstar Financial Companies, Inc. (hereafter "Northstar"). If you have any questions about the contents of this Brochure, please contact us at 800-220-2161 or at www.nstarfinco.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 our firm is available on the SEC's website at www.adviser.info.sec.gov (the CRD number for Northstar is 119396).

NOTE: Please be aware that registration with the SEC does not imply a certain level of skill or training of any firm



MATERIAL CHANGES:

Material changes are any changes an average client would consider important to making an investment decision. Since the last version of our Brochure, dated September 1, 2020 Northstar has made the following material changes;

Under **FEES AND COMPENSATION** the following language was **removed**;

In this case, Northstar agrees that it will send you a copy of the invoice sent to the Custodian itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

TABLE OF CONTENTS:

Cover Page.....	1
Material Changes.....	2
Table of Contents	3
Advisory Business	4
Fees and Compensation	6
Performance-Based Fees and Side-By-Side Management	7
Types of Clients.....	7
Methods of Analysis, Investment Strategies and Risk of Loss	8
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics	10
Brokerage Practices	11
Review of Accounts	12
Client Referrals and Other Compensation	12
Custody	12
Investment Discretion	12
Voting Client Securities.....	13
Financial Information.....	13
Brochure Supplement(s)	

ADVISORY BUSINESS:

Northstar Financial Companies, Inc. is a fee-based investment adviser offering comprehensive Financial Planning and Investment management services since 1995. Steven B. Girard is sole-owner and President of the firm and Principal of the Registered Investment Adviser.

Initial Consultation

Prior to rendering any service, Northstar offers an Initial Consultation to discuss your situation, goals and concerns. As a potential client, you will receive questionnaires designed to clarify your planning needs, as well as screen for investment risk tolerances, in preparation for consultation. You may also receive an analysis of current investments as a part of your consultation. The consultation and any analysis presented are free and there is no obligation to proceed with any of our services upon completion.

Financial Planning

Northstar offers Financial Planning services, which begin with the Strategic Plan which is customized to your goals and includes, at a minimum, a family net worth statement, an investment portfolio analysis, and illustrations of needs/risks.

The Strategic Plan forms the basis for our recommendations, as well as any ongoing services. There is no obligation for you to proceed with any service offering upon delivery of a Strategic Plan, and you may choose to implement the Strategic Plan, or any part thereof, through any other financial professional.

Financial Planning services are designed to help you relate the management of money to the achievement of goals. This type of service may include tax planning, estate planning, business planning, protection and insurance planning, retirement planning, education funding, cash flow, and/or employee benefits analysis, depending upon your needs.

You may retain Northstar to address a specific issue(s) or evaluate a specific investment via a limited Financial Planning agreement alongside a separate investment services agreement, or you may engage Northstar for Comprehensive Wealth Services, which is a long-term engagement providing full, ongoing financial planning and our Asset Management Program

Investment Management

Northstar offers two levels of investment management for a single, annual fee based on the value of the assets in your account. We offer Managed Services, for which client accounts may be held under our wrap fee Asset Management Program or through a separate custodian and which include;

- an annual consultation regarding your investment and access to our advisors for questions as needed

- investment manager due diligence and research, quarterly asset allocation and rebalancing, quarterly reporting and the cost of any transactions that may be executed.

Clients with accounts under our wrap-fee Asset Management Program may also elect to participate in Comprehensive Wealth Services, which include;

- comprehensive, ongoing financial planning including, but not limited to, retirement, education funding, insurance, executive/employee benefit analysis, business succession, estate and gift planning. and tax planning
- investment management services including, but not limited to, consulting, portfolio construction and monitoring, investment manager due diligence and research, ongoing asset allocation and rebalancing, reporting and quarterly analysis, and the cost of any transactions that may be executed.

Northstar's Asset Management Program is a wrap-fee program. Please see our Wrap Program Brochure (ADV Part 2A Appendix 1) for more information about the wrap fee program.

Recommendations/trades for either service may involve exchange listed stocks, mutual funds, exchange-traded funds, stock options, municipal or Government securities, corporate debt, partnership interests and warrants. In rare instances, Northstar may recommend investment in private placement offerings. You may impose restrictions as to the types of investments/securities held in your accounts.

If you elect Investment management services you may provide Northstar with written authorization to deduct fees directly from your investment accounts (discussed in detail under [FEES AND COMPENSATION](#), below).

In our wrap fee Asset Management Program, you may also grant us limited trading authority which will allow us to enter securities transactions on your behalf, determining which securities and the amount to buy or sell. Most of our investment management services are rendered through the wrap fee program on this kind of discretionary basis and, as of December 31, 2020, we had approximately \$200,033,000 of assets under management in discretionary accounts.

Non-discretionary Investment management services are also available. As of December 31, 2020, Northstar had approximately \$5,163,000 of assets under management in non-discretionary accounts. For these accounts, we will prepare recommendations as we do for our discretionary accounts but will send them to you for execution.

You may request that Northstar execute transactions that are recommended on your behalf in any non-discretionary account by providing specific instructions in writing or by telephone prior to each transaction. Note that this may delay the purchase or sale of securities, and in the case of price sensitive securities or an inactive market, may cause a recommendation to go unimplemented.

FEES AND COMPENSATION:

All fees are subject to negotiation and all agreements may be cancelled within the first five business days of the agreement with a full refund of any pre-paid fees. After five business days, either party may terminate agreements for ongoing services with 30 days written notice.

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Fees may vary from client-to-client, and your specific fee schedule will be included in your Agreement for service. Existing clients may have different service agreements / fee schedules than are currently being offered.

Fees for Comprehensive Wealth Services are based on the value of your total managed portfolio, or per account size. Fees may be a flat fee ranging from 1.10% to .50% of managed assets or may be tiered in accordance with the outline below.

BASIC FEE TIERS

FROM	TO	MAXIMUM FEE TIER
\$0	\$1,000,000	1.10%
\$1,000,001	\$1,500,000	.75%
\$1,500,001	and higher	.50%

Fees for Managed Services are 0.25% per year.

Northstar will generally bill Investment management fees in advance on a quarterly basis. You may elect to be billed directly or, with written authorization to your custodian, allow Northstar to automatically deduct fees from your accounts. You should verify the accuracy of all fees paid by reviewing your custodian's statements.

Investment management fees shall not be prorated for capital contributions or withdrawals made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged/refunded a prorated fee, (refunds will cover the unused portion of any prepaid advisory fee, from the date we receive your written notice to terminate to the end of the quarterly period).

If you choose Managed Services, or only want financial planning, any fees for Financial Planning services are billed directly to you, on either an ongoing or limited basis, at an hourly rate of \$300 (Principal) or \$180 (staff). All hourly fees are billed upon delivery of services and are due within 30 days of invoice. Billing hours accrue in 15-minute increments. Upon termination, any earned, unpaid fees will be due and payable.

Investment management and/or Financial Planning fees outside of our wrap fee program do not cover custody and security execution fees, which may be charged by your account Custodian, or transaction-related fees that may be charged by a Broker, such as deferred sales

charges, odd-lot, differentials, transfer taxes, wire transfer and electronic fund fees. Please see the [BROKERAGE PRACTICES](#) (page 11) for more information.

You are also responsible for any investment product expenses in addition to Investment Management or Financial Planning fees, such as internal fees charged by mutual funds or money market funds, exchange-traded securities and REITs or LPs. Specific charges are disclosed in each product's prospectus, and generally are used to pay management as well as administration and distribution costs for that fund/security.

The Advisory representatives of Northstar are also licensed insurance professionals. Implementation of recommendations for insurance products through these individuals will result in their receiving commission compensation. You are not obligated to purchase any insurance products through these individuals in their in these separate capacities, and you may choose to effect transactions through other insurance agents or brokers. This is a conflict of interest in that these individuals have an incentive to recommend insurance products to advisory clients.

To mitigate this conflict as much as possible, all Advisors and associated persons at Northstar earn a salary that is not contingent on the level of insurance commissions or advisory fees generated. Bonus compensation, however, may be paid based on annual revenue growth, profitability, and client retention rates.

We also train our associated persons to choose strategies and products based not just on your needs and goals, but also on the tax/cost efficiency of the strategy or product recommended. Comparative information about different strategies and products – including cost, if applicable – is presented to you prior to implementing a strategy or effecting a transaction.

You may negotiate to exclude a specific asset from fee billing.

PERFORMANCE BASED FEES & SIDE BY SIDE MANAGEMENT:

Compensation for the firm or any Advisory representative is never based on a share of the capital gains upon, or capital appreciation of, the funds in any account.

TYPES OF CLIENTS:

Individuals

The majority of our clients are goal-oriented individuals who seek comprehensive planning and investment advice. Most of our clients' financial situations are diverse but usually somewhat

complex and require a comprehensive plan to deal with issues such as options strategies, gifting strategies, business succession planning, estate planning, and tax-aware investing.

Our Financial Planning service is suited to executives, professionals and small business owners, or people who are financially independent and who draw an income from investment assets. Financial Planning services can be provided regardless of account size or management.

Our Asset Management options are ideal for individuals who want active investment management and monitoring without having to monitor the market themselves. The minimum investment for individuals seeking Asset Management services is \$ 10,000.

Trusts & Foundations

Northstar may also provide Asset Management services to Charitable Trusts, Foundations and Endowments established by existing clients as a separate service. The minimum investment for organizations/entities seeking this service is \$ 25,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS:

Northstar's overall management philosophy is goals-based. Investment strategies utilized will reflect your needs and goals and will differ from strategies used for different clients. Strategies may include short as well as long-term purchases of equities, debt instruments, mutual funds, and options. If you have a low risk tolerance, or if capital preservation is a primary objective, emphasis will be on more passive, fixed-income strategies. For more aggressive or growth-oriented objectives, strategies will generally be more active and equity-based.

Active investment strategies may carry more risk than passive strategies due to a greater frequency of transactions, which may involve additional costs such as transaction or exchange fees and taxes. Strategies involving options carry additional risk, as losses incurred may exceed losses on the underlying stock and covered calls may make the underlying equity illiquid for the duration of the contract.

NOTE: Investing in securities involves risk of loss, which you should be prepared to bear. There is no guarantee that you will be able to meet your investment goals.

For Financial Planning services, we will analyze your goals and financial condition, including income and spending, savings and investments, and insurance/protection needs. This analysis is a pre-requisite to comprehensive Planning. We also evaluate the impact of any existing or proposed plans and strategies on estate plans and taxation.

For Asset Management services, we use fundamental analyses. Fundamental analysis is applied to equities to determine fair value of a stock and some exchange-traded funds by evaluating

earnings, price and dividends paid, as well as key information from a company's balance sheet, income statement and overall financial condition. As applied to debt securities, credit history, duration and yield are all evaluated. Fundamental, fair value analysis may be applied to individual companies or industry sectors.

For mutual funds, which represent our typical investment and form the bulk of our client portfolios, fundamental analysis involves the evaluation of the fund manager against a specific set of criteria such as manager experience, methodology and personal investment (does the manager invest in their own fund). Additionally, we measure overall cost and past performance relative to a peer group of similar managers. We will also evaluate and monitor Modern Portfolio Theory statistics such as Beta (risk) Alpha (reward) and Standard Deviation (volatility).

Despite our analyses, any investment in mutual funds carries risks that are particular to the underlying securities held in the fund. For example, bond funds may be prone to interest rate and credit risks, stock funds are exposed to market risks and, if holding foreign securities, exchange-rate risks. Investments in both stock and bond funds may result in a loss of principal.

DISCIPLINARY INFORMATION:

In March of 2015, Northstar Financial Companies, Inc. reported to the State of Florida's Office of Financial Regulation that the firm had been providing financial advice to more clients in the state than the current de minimis of five (5). As such, we self-reported our own violation of Florida regulatory statute, at which time the state opened administrative proceedings against our firm. We worked with the state to disclose all relevant information and, upon paying a fine of \$13,000, Northstar became registered as an advisor in the State of Florida in 2016.

We have subsequently retained the services of an independent Compliance Consultant/attorney to assist in developing policies to prevent such violations from occurring in the future.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS:

Steven B Girard is an independent insurance agent and works with various insurance companies whose products he is licensed to sell. Mr. Girard may recommend insurance products and, as agent, sell the products he recommends to you. A conflict of interest exists as there will be compensation for these transactions, which creates an incentive to recommend those products.

You are not obligated to purchase insurance products through Northstar's Advisory representatives in this separate capacity.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL SECURITIES:

Northstar has a Code of Ethics that reflects the fiduciary principles that govern our conduct, highlights the importance of trust and communication as the foundations of our relationship and establishes policies and procedures to ensure that Northstar and all its associated persons place your best interests above all else.

The Code of Ethics also requires Northstar and its associated persons to follow industry “best practices” involving the handling of confidential information, insider trading, personal trading on the part of the Adviser or its representatives and the disclosure of conflicts of interest, among other things. All associates at Northstar must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of our Code of Ethics is available upon request.

Participation or Interest in Client Transactions And Personal Trading

While Northstar Financial Companies Inc. does not execute principal trades (trades from our own account to yours) and has no proprietary interest in your transactions, our associated persons may have a financial interest in recommended transactions that involve the purchase of insurance. As explained in [OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS](#), Advisory representatives are independent licensees of various insurance companies.

As such, recommended insurance may also be sold to you through our Advisory representatives’ separate licenses. When this happens a conflict of interest exists, as he/she will be compensated based on these transactions, which may create an incentive to recommend those products. Northstar requires that all Advisory representatives disclose this conflict of interest when such recommendations are made, and that you may purchase the recommended products through other agents not associated with Northstar if you wish.

Additionally, associated persons may from time to time buy or sell securities for themselves that are also recommended to you. This represents a potential conflict of interest, as we may benefit from an increase in price due to subsequent purchases by you.

To address this potential conflict, Northstar requires that all transactions made on behalf of its associated persons are recorded, and that any similar trades for clients are placed ahead of Northstar or its representatives. Northstar’s Principal will review these trades quarterly to ensure your interests are given the utmost priority and importance. Additionally, all associated persons are prohibited from participating in any Initial Public Offering or trading any public company for which we may have an *Insider* client, as well as any private placement or other illiquid offerings that are made to you.

BROKERAGE PRACTICES:

Northstar currently recommends both TD Ameritrade (TDA) and Charles Schwab as the custodian for Asset Management accounts.

You have no obligation to use any recommended custodian. Non-discretionary management is possible for accounts held at any broker-dealer/custodian, so long as you authorize Northstar to have 3rd party access to your account information and agree to execute any recommendations yourself.

Research and Other Soft-Dollar Benefits

TDA and Schwab provide Northstar with products and services that may only indirectly benefit your accounts. These include software and other technology that provide access to Client account data (such as trade confirmation and account statements); facilitate trade execution; provide research on securities (primarily stocks and bonds), pricing information and other market data; facilitate payment of our fees from your accounts; and assist with back-office functions such as recordkeeping and reporting. Most of these services are used to service all or a substantial number of Northstar's client accounts, regardless of whether they are subject to fees as part of our Asset Management service.

Directed Brokerage and Aggregated Orders

Brokerage may be allocated to other firms from time to time on the basis of special execution capabilities or the ability to obtain superior net price. The value of products, research or services provided by brokers is not currently a factor in brokerage allocation for any client utilizing Asset Management services.

Northstar will review alternative custodians in the marketplace annually, to ensure current custodians are meeting Northstar's duty to provide best execution for your accounts. The review will include an evaluation of criteria such as quality of execution, overall expertise, cost competitiveness and financial condition.

We may make the same recommendation for other clients that are similarly situated to you, but we generally only block trades associated with rebalancing or changing a security across a wide number of client portfolios. Most assets we manage are mutual funds, which trade at the closing NAV regardless of the order or manner in which trades are placed. In the case of securities with an inactive market or private placements, orders will be executed on a "first-come, first-serve" basis and Northstar cannot guarantee that your order will be filled.

REVIEW OF ACCOUNTS:

Account holdings for Comprehensive Wealth Services clients are monitored on a regular and continuous basis by Steven Girard and/or Julia Randall. You will receive a report and analysis of your entire portfolio on a quarterly basis, including accounts that are not managed by Northstar (with your permission and assistance). Additionally, we are available to meet with you at your convenience, whenever you have a concern.

Additionally, Advisory representatives review all Comprehensive Wealth Services and Managed Services underlying holdings, including non-discretionary accounts, on a quarterly basis in conjunction with calculating the fee or generating reports. We will rebalance/recommend adjustments to your holdings at this time, but we will also schedule a full review of accounts at least annually to ensure your portfolios still match your stated goals and risk tolerances.

CLIENT REFERRALS AND OTHER COMPENSATION:

Northstar Financial Companies Inc. currently does not, directly or indirectly, pay compensation for referrals or solicitation of Advisory clients, nor do we receive any direct or indirect compensation for referring our clients to other professionals or firms.

CUSTODY:

You will engage an independent broker-dealer and custodian to maintain your accounts, so Northstar will not have physical custody of your assets, monies or securities. However, since you may authorize us to withdraw advisory fees directly from your accounts (as described in [FEES AND COMPENSATION](#)), Northstar is considered to have custody in a limited capacity.

Since Northstar's custody is due solely to the direct withdrawal of fees, it does not entail all of the same legal and regulatory requirements as an investment adviser with physical custody of your assets, monies or securities. Accordingly, though we will send quarterly performance analyses and account summaries, you should only expect regular account statements from your broker-dealer or custodian.

INVESTMENT DISCRETION:

Northstar will have investment discretion only if you choose discretionary our Asset Management Program (as described in [ADVISORY BUSINESS](#)). In this case, discretion pertains to the authority to determine the securities to be purchased or sold and the price and amount thereof, the broker-dealer to be used and the commission to be paid.

You will have the opportunity to choose between discretionary and non-discretionary Asset Management services when you execute your Investment Management Agreement. A trading authorization filed with your broker-dealer/custodian will also be required.

Even if you grant discretionary authority to Northstar, you may still place restrictions on our trading, such as a prohibition on investing in certain companies, industries or markets. In all cases, discretion is exercised with your stated risk tolerance and financial objectives in mind.

VOTING CLIENT SECURITIES:

For any security that entails a voting right in the underlying company, Northstar will not have or accept authority to vote on your behalf. All voting issues, proxies, and solicitations will be communicated to you through your broker-dealer/custodian. Upon request, however, we may help explain or answer questions regarding a given voting issue.

FINANCIAL INFORMATION:

Northstar does not bill for services more than six (6) months in advance, in any amount. However, registered investment advisers with discretionary authority who take custody, even in a limited capacity, are required to provide you with certain financial information or disclose their financial condition.

Northstar, its controlling owners, and its associated persons have no financial commitment that impairs its ability to meet contractual and fiduciary commitments to you, and nor has the firm or its associated persons been the subject of a bankruptcy proceeding.