



**Navigation Capital Partners, Inc.**

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**Part 2A of Form ADV: Firm Brochure  
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This brochure provides information about the qualifications and business practices of Navigation Capital Partners, Inc. If you have any questions about the contents of this brochure, please contact us at 404-504-4072. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about Navigation Capital Partners, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Future material changes will be summarized in this Item 2.**

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### **Item 4. Advisory Business**

#### General Information

Navigation Capital Partners, Inc., a Delaware corporation (“Navigation Capital”), was organized in December 2006 and provides investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”) (each, a “Fund”, and collectively, the “Funds”). As the investment adviser of each Fund, Navigation Capital, identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Fund.

Prior to June 2020, the primary focus of Navigation Capital’s investment advisory activity was researching and advising on private equity investments in a wide variety of industries. Such investments took the form of privately negotiated investment instruments including unregistered equity securities. The only private equity fund currently advised by Navigation Capital is Navigation Capital Partners, II, LP (the “PE Fund”). The PE Fund is past its investment period and therefore is no longer investing in new investment transactions. Accordingly, Navigation Capital is focused on managing the PE Fund’s existing portfolio of companies as they prepare for eventual

sale and exit transactions. The PE Fund is expected to liquidate, distribute the proceeds of its investments, and dissolve after the sale of its last portfolio investment.

In June 2020, in addition to advising the PE Fund with respect to its private equity portfolio, Navigation Capital began activities relating to researching and advising with respect to investments in Special Purpose Acquisition Companies (“SPACs”). A SPAC is a publicly traded company that raises trust-protected cash through an initial public offering (IPO) led by sponsor/founders for the purpose of acquiring or merging with one or more existing operating companies. Through Navigation Capital’s SPAC Operations Group, certain of Navigation Capital’s personnel manage SPAC Opportunity Partners, LLC (the “SPAC GP Fund”) a privately offered investment vehicle which provides start-up and operating capital for a yet-to-be formed investment fund focused on making various kinds of investments in SPACs and sponsors to SPACs. The SPAC GP Fund has also made certain investments directly in SPACs in contemplation of the launch of the yet-to-be formed SPAC fund.

#### *Discretionary Services*

All of Navigation Capital’s investment advisory services are provided on a discretionary basis. As of December 31, 2020, Navigation Capital had approximately \$ 219,000,000 in assets under management in the PE Fund and approximately \$55,800,000 in the SPAC GP Fund.

#### *Principal Owners*

Lawrence E Mock Jr. is the sole owner of Navigation Capital.

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

Navigation Capital receives a fee for managing the PE Fund from the PE Fund’s 98% limited partner as further described in the PE Fund’s limited partnership agreement (the “Management Fee”). The Management Fee is based on an agreed upon budget at the start of each year, reduced by budgeted fees it expects to receive from portfolio companies held by the PE Fund. The Management Fee is intended to result in fee revenue sufficient to fund the operations of the management company. The Management Fee is paid quarterly in advance directly to Navigation Capital by the PE Fund’s 98% limited partner.

To the extent Navigation Capital or its affiliates provide and are compensated for any services not covered by the Management Fee, such payments may be offset from the Management Fee, as described in the PE Fund’s governing documents. In the event of a termination of the PE Fund’s investment advisory agreement, the Management Fee will be prorated. Any paid but unearned Management Fees will be promptly refunded to the PE Fund, and any fees due to Navigation Capital from the PE Fund will be invoiced or deducted from the PE Fund’s account prior to termination.

An affiliate of Navigation Capital is entitled to receive carried interest distributions from the PE Fund. Additional information related to such carried interest is set forth below under “*Performance-Based Fees and Side-By-Side Management*” and “*Brokerage Practices*”.

With respect to the SPAC GP Fund, Navigation Capital and its affiliates are not entitled to receive a management fee, but it is reimbursed for various operating and start-up costs incurred by Navigation Capital’s SPAC Operations Group in connection with organizing the SPAC GP Fund and the yet-to-be formed SPAC fund and researching and conducting diligence on potential SPAC investments. In addition, the SPAC GP fund reimburses the SPAC Operations Group for certain administrative and operating costs associated with the operation of the SPAC Operations Group, including, without limitation, payroll and employee benefits costs of staff assigned to the SPAC Operations Group. Other expenses related to the operation and administration of the SPAC GP fund are paid directly by the SPAC GP Fund. Under the terms of the SPAC GP fund’s governing documents, up to 20% of the aggregate subscriptions to the SPAC GP Fund can be used to fund start up and organizational expenses associated with the SPAC GP fund, the yet-to-be formed SPAC fund and the general partner entity thereof.

Certain affiliates or persons associated with the SPAC Operations Group are entitled to receive carried interest distributions from the SPAC GP Fund. Additional information related to such carried interest is set forth below under “*Performance-Based Fees and Side-By-Side Management*” and “*Brokerage Practices*”.

In addition, each of the Funds is also responsible for certain of its operating expenses including, without limitation, legal, accounting, tax, auditing, and administrative fees, as outlined in their respective governing documents.

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

For the PE Fund, certain affiliates of Navigation Capital may receive distributions of carried interest equal to between 15% and 20% of the distributable cash after a return of capital and the receipt of a preferred return to each limited partner in the PE Fund. While the PE Fund has a long-term investment strategy, and offer investors preferred returns and “clawback” protections, investors should note that a carried interest arrangement may nonetheless provide an incentive for Navigation Capital to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement.

For the SPAC GP Fund, certain affiliates of Navigation Capital or persons associated with the SPAC Operations Group may receive carried interest distributions after a return of investor capital in respect of future distributions from the SPAC GP Funds’ interest in the general partner of the SPAC fund. Such distributions are not currently operative, but upon the commencement of the SPAC fund’s activities would entitle such persons to 90% distributions from the general partner of the SPAC fund following a return of capital to the investors in the SPAC GP Fund. The presence of such distributions may present a conflict of interests which incentivizes Navigation Capital and its’ affiliates to manage the SPAC fund in a manner that is more speculative than would be the case in the absence of such an arrangement.

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

Navigation Capital and its affiliates currently provide investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations and other business entities.

The minimum investment in the SPAC GP Fund is \$ 500,000. However, the SPAC GP Fund may accept investments that are less than such amount. The PE Fund is not accepting any new investors.

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

### **Methods of Analysis and Investment Strategies**

Navigation Capital attempts to achieve the PE Fund’s investment objective by generally targeting middle market companies (i.e., companies with an enterprise value between \$10 and \$75 million) that operate in higher-growth industry segments in the southeastern United States. The PE Fund’s value-oriented approach relies on investment opportunities that are sourced through targeted processes, and that can be acquired for attractive valuations given the nature of their management

(often founder-run and without key functional area leaders) or their size. Once invested, Navigation Capital seeks to add value by upgrading and expanding management teams, establishing operational best practices, and developing strategic plans to accelerate growth and diversify service offerings, often through strategic add-on acquisitions. Navigation Capital believes that this process leads to equity value creation in its portfolio companies and the potential for attractive returns for its investments.

Navigation Capital's SPAC Operations Group focuses on making investments in SPACs, which raise trust-protected cash through an initial public offering (IPO) led by sponsor/founders for the purpose of acquiring or merging with one or more existing operating companies. Generally, these investments are anticipated to be structured in one of three types of transactions:

- A Sponsor/Founder Investment in which investments are made in the sponsors of a SPAC by paying for the initial public offering expenses or a portion thereof, in return for a portion of the sponsor/founder promote.
- An Anchor Investment in which significant investments are made in an attractive SPAC IPO in return for a portion of the SPAC/Founder's promote interest.
- A PIPE (Private Investment in Public Entity) in which investments provide capital support to an existing SPAC to backstop against shareholder redemptions in return for a portion of the SPAC/Founder's promote interest.

In assessing current and potential investments, Navigation Capital may, without limitation, use one or more of the following investment approaches:

- *Value-oriented investment philosophy*

The PE Fund focuses on opportunities pursuant to internally developed investment themes. Accordingly, the Navigation Capital team may source opportunities in accordance with these themes from their extensive networks of personal and professional contacts, from targeted industry searches, and through Navigation Capital's Executive-In-Residence (EIR) Program, whereby seasoned executives assist Navigation Capital in seeking investment opportunities where the executives have prior operating experience and where they will assume a leadership role in conjunction with the PE Fund's investment.

Navigation Capital's SPAC Operations Group focuses on partnering with strong management teams with excellent track records to identify operating companies with significant growth potential and take them public through a SPAC. The SPAC Operations Group may also source opportunities with existing SPACs as an anchor investor and/or through a PIPE transaction.

- *Operational focus*

Navigation Capital targets companies that generally enjoy strong reputations in their respective markets but are challenged in scaling due to a lack of resources, infrastructure or management. In a process that begins before a transaction closes, Navigation Capital works with its portfolio companies to develop long-range strategic and operational plans focused on enhancing management team capabilities, diversifying service offerings and accelerating sales growth.

#### Risk of Loss

While Navigation Capital seeks to diversify each Fund's investment portfolio by investing in multiple companies, all investment portfolios are subject to risks. Accordingly, there can be no assurance that a Fund will be able to fully meet its investment objectives and goals, or that investments will not lose money. Below is a description of several of the principal risks that each Fund faces.

*Management Style Risks.* While Navigation Capital manages each Fund's investment portfolio based on Navigation Capital's experience, research and proprietary methods, the value of a Fund's investment portfolio will be subject to fluctuations based on the performance of the underlying companies and securities in which the Fund is invested. Accordingly, Funds are subject to the risk that Navigation Capital's investment style is out of favor in the market.

*Investments in Middle Market Companies.* The PE Fund is focused on harvesting the value of its existing portfolio of middle market companies. While certain middle market companies may offer greater potential for capital appreciation than larger companies, this potential for greater capital appreciation is accompanied by a greater risk of loss.

*Investments in Special Purpose Acquisition Companies.* The SPAC Operations Group will be focused on investing alongside individuals with strong operating company track records as well as the capability to raise a SPAC in the public markets and complete a business combination with operating companies with significant growth potential. The SPAC Operations Group will also be focused on investments in existing SPACs as an anchor investor and/or a PIPE investor.

*Undervalued Companies.* Navigation Capital may invest the Funds' assets in companies that Navigation Capital considers to be "undervalued". The value of an undervalued company may be depressed due to factors including, but not limited to, disappointments in recent earnings, diminished expectations regarding earnings, current or expected adverse economic or industry conditions, or a lack of sufficient investor interest. Investments in companies that Navigation Capital believes are undervalued are accompanied by a substantial risk of loss because Navigation Capital may be mistaken regarding whether particular companies are undervalued when purchased, and prices for the companies may fall, resulting in material losses for a Fund on those investments.



*Leverage.* The PE Fund may allow Navigation Capital or one of its affiliates to borrow money on behalf of the PE Fund and to invest the proceeds thereof for the PE Fund's investment portfolio. While the use of leverage may increase potential gains, it also entails greater risk of loss if investments acquired with borrowed money decline in value.

*Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While Navigation Capital performs due diligence on the companies in which it invests, economic conditions are not within the control of Navigation Capital and no assurances can be given that Navigation Capital will anticipate adverse developments.

*Geographic Concentration Risk.* The Funds may focus their investments on geographic regions and therefore will be particularly vulnerable to events affecting companies in the region. The economy of a particular region in which a Fund may focus its investments is influenced by financial and market considerations in the relevant region. The performance of a Fund focused on a particular region may be worse than the performance of other funds that invest more broadly geographically.

*Lack of Diversification.* A Fund may not have a diversified portfolio of investments at any given time. While investing large amounts of assets in a very small number of companies will allow Navigation Capital to more easily monitor the performance and operations of portfolio companies, a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

*Market Risks.* Subject to the terms of each Fund's governing documents, Navigation Capital may invest Fund assets into publicly traded equity securities, such as common stocks or preferred stocks. Investments in stocks and other equity securities are subject to the risks of declines in these equity markets.

*Illiquidity of Investments.* The Funds' investments may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, a Fund will not be able to sell these securities publicly in the U.S. without the expense and time required to register the securities under the Securities Act or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. In addition, practical limitations may inhibit a Fund's ability to liquidate certain of its investments in the portfolio companies since the issuer will be privately held and the Fund may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of a Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

**Item 9. *Disciplinary Information***

Navigation Capital has no disciplinary events to disclose.

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

The principal of Navigation Capital is also a principal of NCP General Partner II, LLC, the general partner of the PE Fund.

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

Code of Ethics. Under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Navigation Capital and its principals and employees (“Supervised Persons”) owe fiduciary duties to their clients. Consistent with these duties, Navigation Capital has adopted a Code of Ethics (“Code”) that, among other things, requires that its Supervised Persons reflect the professional standards expected of investment advisers and comply with federal and state securities laws and regulations pertaining to Navigation Capital. Under the Code, Supervised Persons are required to place the interests of clients first, ahead of their own personal interests, and generally seek to treat clients fairly. In addition, Supervised Persons are prohibited from engaging in any practice that defrauds or misleads any client or investor, or engaging in any manipulative or deceitful practice with respect to clients, investors or securities.

The Code also includes provisions addressing personal trading by Supervised Persons, as summarized below:

Personal Trading. Under the Code, Supervised Persons are generally required to submit information about their personal trading activities to Navigation Capital’s chief compliance officer (“CCO”) or the CCO’s designee for review. In addition, Supervised Persons are generally required to notify the CCO and obtain advance approval of certain personal trades in securities that may be traded by Navigation Capital for client accounts. Violations of the Code may result in disciplinary action up to and including dismissal.

Participation or Interest in Client Transactions. Under the Code, Supervised Persons are prohibited from trading in securities on the basis of material, non-public information or generally from communicating material, non-public information about the issuer of any security to any person outside of Navigation Capital.

Navigation Capital will provide a copy of the Code to clients or prospective clients upon request.

**Item 12. *Brokerage Practices***

Although Navigation Capital does not generally utilize the services of broker-dealers for transaction related services, in the event it chooses to use a broker-dealer, Navigation Capital seeks

to obtain best execution of transactions. To the extent Navigation Capital aggregates orders for purchase and sale, Navigation Capital will aggregate such orders as it deems appropriate and in accordance with each Fund's documents and in the best interest of each Fund.

### **Item 13. *Review of Accounts***

#### *Oversight and Monitoring*

Mr. Mock, Navigation Capital's managing director, reviews Fund accounts not less than quarterly. These reviews focus on appropriateness of the Fund's investments for the Fund's portfolio and the performance of the Fund's investments.

#### *Reporting*

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of the Fund. In addition, investors in each Fund will typically receive unaudited summary financial information regarding the Fund following the end of each fiscal quarter. Investors in the Funds may also receive regular reporting updates through quarterly letters and investor meetings.

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

Navigation Capital may engage solicitors who refer investors to Navigation Capital consistent with the requirements of Rule 206-4(3) under the Advisers Act. In addition, Navigation Capital or its affiliates may, in certain instances, receive discounts on products and services provided by portfolio companies, or receive compensation for services provided to portfolio companies.

### **Item 15. *Custody***

Navigation Capital is deemed to have custody of the Funds' assets pursuant to Advisers Act Rule 206(4)-2.

In seeking to comply with the requirements of Advisers Act Rule 206(4)-2, investors in the Funds are provided audited financial statements within 120 days of the end of the relevant Fund's fiscal year.

The cash and securities (which may consist of certificates evidencing ownership) of the Funds are generally maintained with a qualified custodian, although Navigation Capital may rely on an exception from the qualified custodian requirement with respect to certain privately offered securities. The qualified custodians utilized by Navigation Capital in respect of the Funds are disclosed in Navigation Capital's Form ADV Part 1.

### **Item 16. *Investment Discretion***

Navigation Capital has discretion to determine the investments to be bought or sold and the amounts to invest for the Funds. In the case of the PE fund, such discretion has been delegated to Navigation Capital pursuant to the investment advisory agreement between the PE Fund and Navigation Capital. In the case of the SPAC GP Fund, Navigation Capital serves as SPAC GP Fund's manager under its governing documents.

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

As a policy, Navigation Capital votes proxies related to securities held in Fund accounts in a manner that serves the best interests of its clients. In voting securities held in a Fund account, Navigation Capital will attempt to resolve any conflict of interest between the Fund and Navigation Capital's business interests in the way that will most benefit the Fund. Navigation Capital maintains a detailed Proxy Voting Policy and a record of how Navigation Capital has voted proxies, each of which is available to clients upon request.

**Item 18. *Financial Information***

Navigation Capital does not require or solicit prepayment of fees six months or more in advance, and Navigation Capital currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.