



# NORTHSTAR ASSET MANAGEMENT

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Progressive Wealth  
Management Since 1990

Social Change Report

| 2017 |

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Letter from the CEO on Creating Change



In 2017, NorthStar began its 28<sup>th</sup> year of business and 17<sup>th</sup> year of engaging directly with corporations through the Shareholder Proposal Rule. NorthStar’s mission is to integrate social activism with asset protection and growth. We seek to use our leverage as investors to make real social change that benefits many stakeholders – employees, communities, the environment, as well as shareholders. **We hold companies accountable.**

When we first conceived of this report way back in 1994 to help NorthStar clients vote their own proxies, we pioneered the notion that active socially-conscious investors needed to scrutinize their company proxies to vote in line with their ethics and goals for their portfolio companies as a whole (financially, as well as on social, environmental, and governance issues). Shortly thereafter, NorthStar began voting proxies on behalf of our clients, evolving this document to contain our proxy voting report and a report to our clients on our annual activism work. After almost two decades of filing shareholder proposals, NorthStar has developed a robust activism and engagement program that is grounded in deep research of potential and current buy list companies combined with significant economic, political, and social analysis of our world and social ills. For this reporting year (2017), **NorthStar engaged over 70% of its eligible domestic buy list companies on issues that affect real people** in the communities where our portfolio companies do business, as well as more global issues like racial justice and gender equality on company boards.

In those same decades, NorthStar has doggedly pursued a portfolio of investment opportunities that exist outside the traditional public equity markets. These investments come in many forms, such as innovative private debt and equity, community loan funds, and worker coops. Some of our clients have been invested in particular funds for almost 30 years. New this year, we’ve dedicated a section of this document to these vital and exciting investments.

This year has also brought many political and humanitarian challenges to our country, as well as other regions around the globe. In the face of obstacles that seek to limit our rights to protect and enhance the lives and livelihoods of stakeholders affected by our portfolio companies, it is our responsibility as socially-conscious shareholders to push harder and aim higher.

- Julie Goodridge, CEO



## Using Shareholders' Rights to Create Social Change

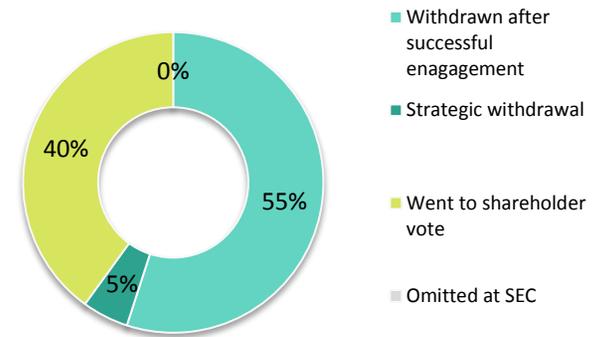
The Securities and Exchange Commission (SEC) rules allow any shareholder who has owned \$2,000 worth of a stock for a full year the right to present a shareholder proposal to the company's stockholders. Nonprofit groups, pension funds, religious groups, socially responsible investment companies and individuals owning shares of stock in the company can submit shareholder resolutions.

As one of the oldest and most socially-active investment firms dedicated to socially responsible investing, NorthStar has a long history of pushing companies to use their power, influence, and policies to improve the well-being of employees, communities, and the environment while continuing to bring shareholders financial value.

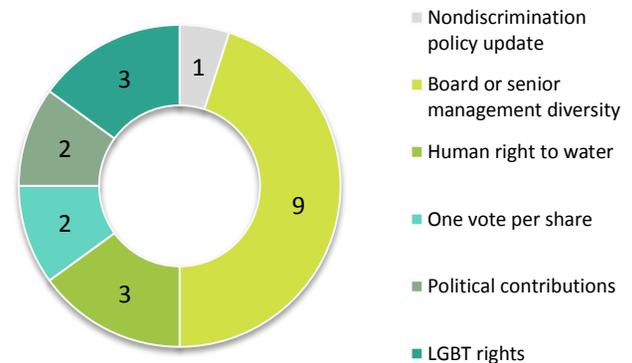
In 2017, NorthStar filed 20 shareholder proposals with companies in our client portfolios. Of those 20, eleven were successfully withdrawn after engagement with the company led to a policy change or other agreement that satisfied the requests of our proposal. Eight proposals were brought to a vote of shareholders at the annual meeting, and one was withdrawn due to legal challenges. None were omitted by the SEC.

As you will read later, NorthStar measures success both by withdrawals and when a proposal goes to a vote of shareholders. It's difficult to quantify industry-wide data on how many proposals are withdrawn fruitfully, so we often battle a misunderstanding that only getting "majority vote" (over 50%) is a success. NorthStar has a high rate of garnering agreements from companies, but we are comfortable letting a proposal go to a vote. We view these opportunities as educational for both the company and shareholders. At particular companies where a majority vote is impossible (due to the company's voting structure), it's that exact impossibility that makes it that much more important that shareholders get the opportunity to read our proposal and weigh in by voting.

2017 Company Engagements by Outcome



2017 Company Engagements by Proposal Topic



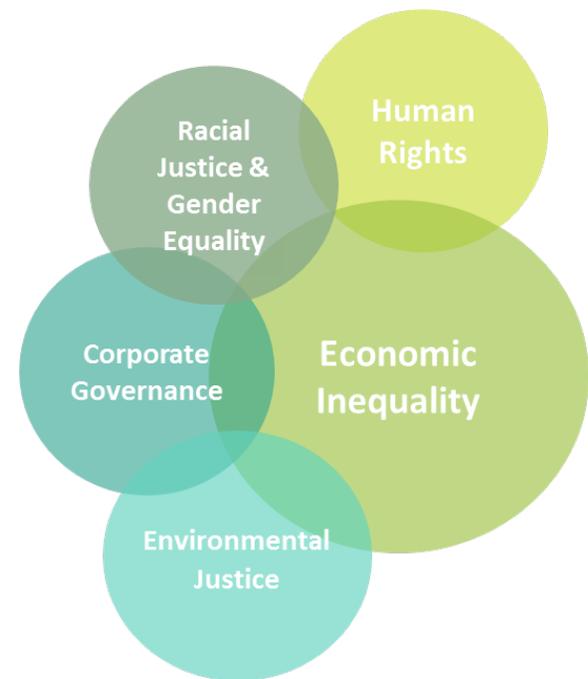
## Economic Inequality is at the Core of Nearly Every Engagement We Undertake

NorthStar focuses our work on seeking solutions to social problems within our five core focus areas (pictured below), and **economic inequality** connects to each issue and concern.

For example, our work in **environmental justice** has historically focused around the human right to water (which you can read about in the following pages). This topic is complex and has multiple interrelated issues that touch on all of our focus areas. By convincing a company to adopt a policy in support of the human right to water, this **environmental justice** issue also:

1. Improves **corporate governance** of human rights issues by encouraging companies to use an ethical lens for business decisions related to water;
2. Addresses **economic inequality** by obtaining companies' commitments to considering their effect on water affordability;
3. Relates to **racial justice and gender equality** because environmental crises, water contamination, and non-payment shutoffs disproportionately affect communities of color and low-income communities;
4. Is at its core a **human rights** issue, related to the absolute right of every person to have access to safe, sufficient, acceptable, physically accessible, and affordable water.

In another example, NorthStar has partnered with governance activists for several years to push for “equal shareholder voting” at big tech companies in our clients’ portfolios where insider shareholders (such as the founders) have outsized voting rights. While this proposal appears as a straightforward governance issue in the proxy, in reality we are steadfastly supporting all “social and environmental” proposals that are filed at these companies. Due to the voting structures at these companies, shareholders concerned about any social or environmental issue are unable to make their voices heard through the proxy voting process when insider shareholders can use their outsized voting rights to approve or block whatever proxy item on the ballot.



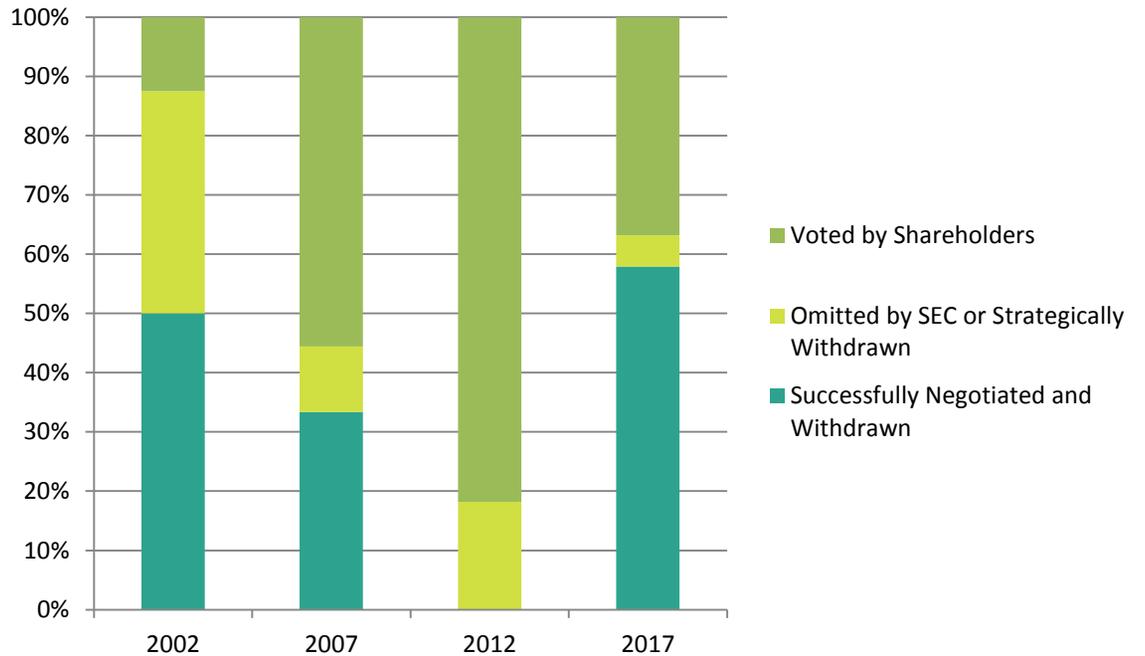
### Greater Success at Negotiating with Companies

NorthStar has been filing shareholder proposals since 2000, when we first pushed Household International to consider the risks related to its predatory lending practices. Since that time, we have initiated over 180 engagements at companies in our clients’ portfolios. Companies that receive our shareholder proposals have the opportunity to engage in dialogue with NorthStar, attempt to exclude it from the proxy statement, or simply allow the matter to go to a vote at the company’s annual meeting.

At NorthStar, we measure success both by **successful withdrawals** (in which the company agrees to our requests or otherwise comes to an agreement with NorthStar) *and* when the proposal goes to a **vote of shareholders**. As with that famous quote that “sunlight is said to be the best of disinfectants,” NorthStar believes that using the company proxy to force an issue into the light of public scrutiny is often an effective way to begin to change our cultural conversation about a crucial issue. Requiring a company to respond publicly in the proxy about an issue that it is unwilling to address in shareholder dialogue offers an educational opportunity for stakeholders at large while also allowing shareholders to weigh in through their votes at the annual meeting.

Through an analysis of the past decade of engagements, we see that NorthStar’s overall success rate has greatly increased, indicating improvements in NorthStar’s strategy, execution of the Shareholder Proposal Rule, and negotiation skills with companies.

The following sections of this document detail our engagements in 2017, as well as our proxy voting trends and developments in our outside investment opportunities for clients.



**In 2017, Two More Water Utilities Adopted a Human Right to Water Policy**

NorthStar filed its first shareholder proposal on the human right to water in 2007, asking companies to adopt a comprehensive policy supporting the United Nations’ declaration that access to **safe, sufficient, acceptable, physically accessible, and affordable water** is a human right. Since that first engagement, 9 companies in the NorthStar portfolio have adopted policies that commit each company to prioritizing individuals’ access to water.

**Water scarcity is a serious modern day reality.** One out of every six people in the world lacks access to safe drinking water. Dehydration claims the lives of nearly 2 million children every year. This is compounded by the fact that water is being turned into a profitable commodity to be bottled and sold to individuals who can afford the product. Effectively, billions of people are being left without safe water.

In 2013, the Independent Expert on the issue of human rights obligations related to access to safe drinking water and sanitation at the United Nations compiled a set of “good practices” on the topic of worldwide access to safe, sufficient water for drinking and sanitation. Among many responsibilities, it is the job of this expert to interact with public and private stakeholders to assess the content of human rights obligations, including non-discrimination obligations, in relation to access to safe drinking water and sanitation.

Use the below links to view each company’s commitment on water:

**Connecticut Water’s** [Corporate Responsibility Charter](#)

**PepsiCo’s** [Guidelines on the Human Right to Water](#)

**Intel’s** [Water Policy](#)

**Procter & Gamble’s** [Policy on the Human Right to Water](#)

**Keurig Green Mountain’s** [Human Right to Water Policy](#)

**Johnson & Johnson’s** [Statement on the Human Right to Water](#)

**Mead Johnson Nutrition’s** [Water Policy](#)

**American States Water (2017):** [Commitment on the Human Right to Water](#)

**California Water Services Group (2017):** [Proclamation on the Human Right to Water](#)



“Now, therefore be it resolved by this Board, that **the Company hereby adopts the policy of providing access to safe, clean, affordable, and accessible water** adequate for human consumption, cooking, and sanitary purposes...”

- California Water Service Group’s “Proclamation”

## The Ability to Work Free from Harassment is a Human Right

It is still legal in twenty-eight states to fire employees simply because they are gay or lesbian; in thirty-two states (64% of the nation), it is legal to fire someone simply because he or she is transgender. State and local laws remain inconsistent with respect to employment discrimination of gay and lesbian employees. In an effort to end workplace discrimination, NorthStar and other SRI colleagues have been filing shareholder proposals with companies to add the words “sexual orientation and gender identity or expression” to the company’s nondiscrimination policies for decades.

According to the HRC’s 2017 Corporate Equality Index, 92% of *Fortune 500* companies have adopted policies including non-discrimination based upon sexual orientation and 82% also protect their employees against discrimination based upon gender identity, but only 61% offer domestic partner benefits and a lackluster percentage (50%) offer transgender-inclusive benefits. Federal and state protections are spotty at best, so corporations and their employees are best served by company-wide policies protecting their employees from discriminatory treatment.

Past readers of this document will be interested to know that longtime holdout Exxon Mobil recently made the step forward to add (or, rather, *add back*) “sexual orientation and gender identity” to its non-discrimination provisions. Prior to the merger of Exxon and Mobil in 1999, Mobil had a comprehensive non-discrimination policy; however Exxon Mobil removed that policy following the merger. New York State Comptroller Thomas P. DiNapoli, who fought Exxon for years on this issue through the shareholder activism process, explained it well: “All of us who have fought to have Exxon adopt comprehensive equal rights owe thanks to President Obama, whose executive order motivated Exxon’s change of heart. We commend Exxon for joining its many *Fortune 500* peers and investors in the 21st Century where LGBT rights are synonymous with civil rights.”

**On an annual basis, NorthStar reviews all the nondiscrimination policies of companies on our buy list, seeking to ensure that all have “sexual orientation” and “gender identity and expression” included in those policies.** For our 2017 review, we identified just one company that needed updates to its policies. At **Johnson Outdoors**, we negotiated the addition of “gender identity or expression” to the nondiscrimination policy, as well as clarity on better terminology for the preexisting language protecting sexual orientation.



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NorthStar has engaged 23 companies on their nondiscrimination policies since we started filing shareholder proposals

## Discriminatory Legislation Affects Employees, Communities, and Shareholder Value

When the Defense of Marriage Act (DoMA) was overturned in 2013, LGBT allies breathed a sigh of relief. However, our firm became concerned that the world would assume that LGBT rights and dignities no longer needed active support and protection. Our concerns have come to fruition as an onslaught of overtly anti-LGBT legislation has flooded the nation. At least 21 states have enacted a version of the Religious Freedom Restoration Act, including several states in which our portfolio companies’ employees live and/or work. These laws open the doors for businesses and public facilities to discriminate against employees by allowing anyone to do so by claiming a religious justification.

To combat this discrimination, NorthStar recently began asking certain companies to evaluate their lack of response to state-sponsored discrimination laws, such as the notorious “bathroom bill” in North Carolina (HB2) that famously required transgender individuals to use public facilities (including bathrooms) associated with the sex documented on their birth certificates, rather than their outwardly displayed gender. Our proposal seeks a report evaluating the risk to the company that could conceivably come from these various laws that have begun to spread across the United States.

We see risks to the company such as loss of sales or productivity when events and building plans are cancelled in protest of the discriminatory state law. However, we also believe it’s important that companies realize that an inclusive nondiscrimination policy, while vital, is only a starting point to protecting the company and its employees from discrimination.

While the companies argue that they foster an inclusive workplace, we believe that discrimination against employees while outside of company bounds or work hours can affect employee morale and productivity, or potentially create an opportunity for litigation against the company should it fail to prepare in advance for these risks. We engaged **Western Union**, **FedEx**, and **Procter & Gamble** on this issue in 2017.

### NorthStar Strategy



## NorthStar is a Leader for Engagements on Board Diversity

Since 2014, NorthStar has been pursuing a sea change at corporations in which the boards of directors acknowledge that diversity on the board matters. We believe that the only way to truly increase board diversity is through a substantive commitment by the board to include women and diverse individuals in the candidate pool for each search the board undertakes for board of director nominees. For this reason, NorthStar specifically files shareholder proposals asking companies to commit to exactly that – women and people of color/candidates with racial and ethnic diversity *in each board search*. **NorthStar has 100% success rate at negotiating for concrete commitments to increase diversity on company boards of directors.**

Our perspective on this issue is that if the board is genuinely committed to greater diversity, then the “pipeline” will be forced wider by ensuring that:

1. Executive search companies are required to seek out more diverse candidates including from non-CEO positions;
2. Diverse employees are routed to management training as demand increases at management level in preparation for corporate “on-boarding”;
3. Motivated management will be encouraged to hire women and people of color to positions that may eventually lead to a management track.

This year, NorthStar engaged with 6 companies (**A.O. Smith, IDEX Corporation, IBM, Johnson & Johnson, Badger Meter, and CVS Health**) to add specific language to governing documents to commit the company to seeking women and diverse candidates for each board search it undertakes. Additionally, NorthStar conducted follow up engagements with two companies to push those companies to answer questions about why their boards of directors had remained at the same level of low diversity since our original engagement years before. One of those companies agreed to a board refreshment policy as a potential solution for its diversity issues, while the other agreed to long-term engagement as its board sought to improve its diversity and widen its pipeline.

The Board believes that maintaining a diverse membership with varying backgrounds, skills, expertise and other differentiating personal characteristics promotes inclusiveness, enhances the Board’s deliberations and enables the Board to better represent all of the Company’s constituents.

Accordingly, the Board is committed to seeking out highly qualified women and minority candidates as well as candidates with diverse backgrounds, skills and experiences as part of each Board search the Company undertakes.

~ excerpt from IDEX Corporation’s revisions to its Board Membership Criteria in the Corporate Governance Guidelines

## NorthStar Holds Companies Accountable for How Political Contributions Affect Stakeholders

In 2010, the Supreme Court made a historic decision that opened the floodgates for companies to pour millions of dollars into U.S. electioneering campaigns. In the crucial *Citizens United vs. Federal Election Commission* case, it was determined that the First Amendment prohibited the federal government from restricting electioneering communication expenditures by corporations and unions, which has allowed for greater breadth of corporate political spending. Federal law still restricts how much individuals and organizations may contribute to political campaigns, political parties, and other FEC-regulated organizations, but companies are now permitted to spend unlimited company (i.e. shareholder) money on “electioneering communications,” without a requirement to disclose these expenditures.

Since 2011, NorthStar has engaged companies on whether the diligence process for making political contributions includes a holistic view of the intended political recipient, including how that candidate’s policy stances align or contrast with the company’s policies, values, and goals.

**For example, in 2017 NorthStar engaged a company that listed climate change as a risk to the business, but that also gave to 51 Members of Congress who have been identified as climate change deniers.**

NorthStar has found that this disconnect -- between what the company espouses as values or critical internal policies and goals and how the company makes political contributions -- is a rampant issue that crosses industries as well as all major issue areas.



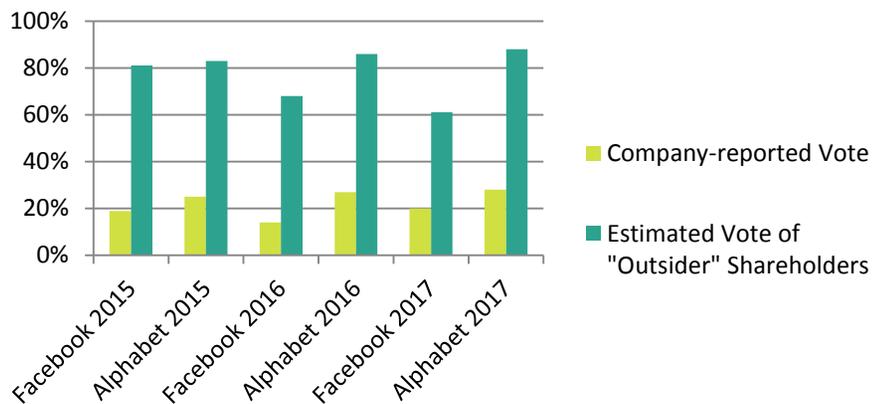
Our firm engages corporations on their political giving in order to encourage well-researched and well-reasoned decisions about where contributions go. Not only do poorly-informed decisions pose reputational risks to the business (as evidenced by news-worthy scandals), but they may easily cause morale and productivity risks should employees feel unsupported by their company. Given that members of Congress are particularly likely to incite scandal lately, NorthStar believes that close scrutiny and more thoughtful investigation of potential recipients of funds are warranted.

For 2017, NorthStar engaged **Home Depot** and **Intel Corporation** on this issue. Both proposals went to a shareholder vote, and we look forward to re-filing.

## NorthStar Continues to Push for Better Governance at Facebook and Alphabet

It is every shareholder's responsibility to vote on the proxy for each annual and special meeting of a corporation in which they are invested. However, at several companies (especially tech firms), company governance is structured so that shareholders cannot actually have a meaningful say on any proxy item. The purpose of proxy votes is to give shareholders equal votes with management, and because management is the driving force behind pay disparity and economic inequality within the company, NorthStar views the issue of unequal shareholder voting through the lens of economic inequality.

This year, NorthStar and two colleagues, James McRitchie and John Chevedden, filed shareholder proposals regarding equal voting rights at **Alphabet** and **Facebook**. This proposal is particularly important at these companies as each has a class of shareholders which has *ten*



*votes* per share of stock, significantly limiting the power of other shareholders. While company insiders control over 50% of the vote, each company's insiders' economic stake in the company is dramatically lower.

Special voting classes such as these are particularly challenging for shareholder activists like NorthStar because it essentially means that few shareholder proposals will be able to garner enough votes to reach the resubmission thresholds. Company insiders essentially guarantee that votes go their way regardless of how the majority of shares are actually voted.

For example, we believe that should a board member ignore his or her duties to the detriment of shareholder value, stockholders would be mathematically incapable of voting against that board member to the majority vote level.

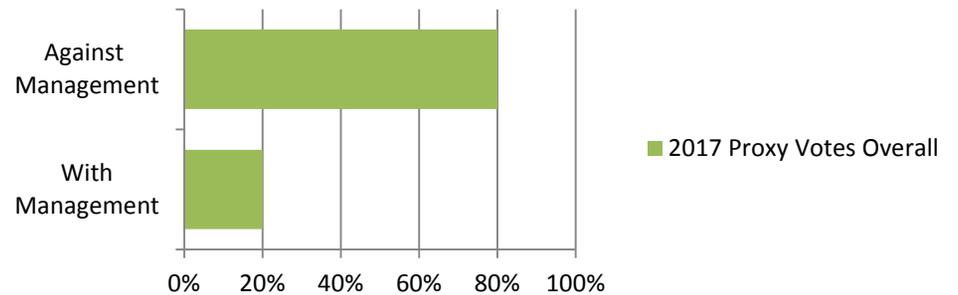
In another example, despite the fact that almost 1.5 billion shares of Facebook stock voted **against** the creation of the non-voting class in 2016, the CEO's voting power alone was able to vote in the creation of the class. In fact, only threat of a lawsuit "by shareholders who claimed that conflicts of interest and other behind-the-scenes discussions tainted a board decision to approve the creation of a new class of shares" was able to cause a recent reversal of the restructuring plan.

## NorthStar Votes All Client Proxies with Guidelines that Align with our Activism Goals

Each year, companies that are registered with the SEC hold an annual meeting and issue a proxy statement to all stockholders. NorthStar votes every proxy that its clients receive using our internally created [Proxy Voting Guidelines](#).

This year, NorthStar voted on over 117,000 individual ballot items at annual and special meetings for companies in its clients’ portfolios. Overall, NorthStar intends to take a contrarian stance to proxy voting. **We seek to counter the “rubber stamping” approval of proxy votes** that many institutional investment firms make by taking the perspective that we need a valid and clear reason to vote in favor of management’s request. As a result, NorthStar’s rate of voting in agreement with management is fairly low (shown at right). In general, NorthStar votes in favor of certain board members (see a discussion on that on a following page) and certain governance reforms that would heighten shareholder rights (which have usually been brought to shareholders by a shareholder resolution before the company brings forward a binding resolution of its own).

### 2017 Proxy Voting Statistics

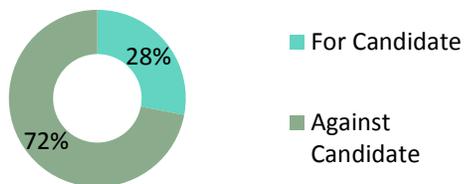


In addition to the ballot items of typical issues such as board of director elections, executive pay, and ratification of the auditor, many company proxies include one or more shareholder proposals on issues that stockholders have deemed worthy of fellow shareholder input. Just as with NorthStar’s activism, we take voting proxies very seriously. We believe that Corporate Democracy allows us to provide input to company management on behalf of our clients while also using our votes to help push forward a variety of social, environmental, and governance issues.

The following segments of this document discuss NorthStar’s overall proxy voting philosophy, certain specific votes at various companies, and voting trends. Our detailed Proxy Voting guidelines can be found on the [Creating Change page](#) of our website and are updated regularly as voting issues evolve.

## Voting on Boards of Directors Reinforces Our Activism Work

NorthStar Votes For/Against Board Candidates (2017)

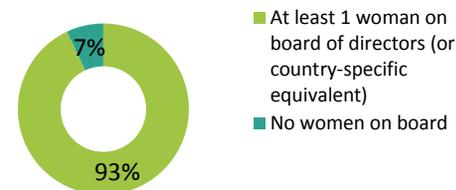


In addition to NorthStar’s work of engaging companies to improve board diversity, NorthStar uses its proxy voting opportunities to make a statement about the overall poor diversity in Corporate America. When voting NorthStar client proxies, our staff adheres to a strict policy of calculating diversity as one of the first screens when considering voting for or against the board slate. **In order to consider voting for the entire board slate, we require a minimum of 30% women on the board, as well as 30% people of color/racial and ethnic diversity.** Lacking those minimums, we only consider voting for the women and diverse candidates (voting against non-diverse, non-female candidates), based upon individual characteristics and suitability.

Board diversity has become a hot topic in recent years, though gains for women and people of color are slow. As of early 2017, women and people of color had made modest gains on boards of directors – up to 31% of all directors in the Fortune 500<sup>1</sup> – but the Alliance for Board Diversity points out that “with the current rate of progress, we aren’t likely to see the number of minorities and women increase to our target of 40 percent representation until the year 2026.”<sup>2</sup> As a result, boards of directors remain primarily white and male, and we vote in favor of a low percentage of candidates (as pictured in the figure above).

Despite low levels of diversity across publicly traded companies as a whole, NorthStar’s portfolio reflects greater diversity than typical. In 2017, 97% of the entire NorthStar buy list had at least one woman on the board. For NorthStar’s U.S. domestic investee companies, only one had an all-male board. (That company onboarded its first female board member in late 2017.) It certainly illustrates the poor diversity in Corporate America when NorthStar, a firm that was all-female for the first 27 years of its existence, feels it necessary to report on achieving such a low bar milestone, yet it also speaks to our overall success in building a socially responsible equity portfolio.

NorthStar Buy List Companies (2017) By Status of Women on Board



<sup>1</sup> <https://www.nytimes.com/2017/02/05/business/dealbook/fortune-500-board-directors-diversity.html?mcubz=0>

<sup>2</sup> <https://www.nytimes.com/2017/02/05/business/dealbook/fortune-500-board-directors-diversity.html?mcubz=0>

## Oversized CEO Pay Packages Have Heightened Economic Inequality for Much of the Country

According to an [inequality.org](https://inequality.org) study:

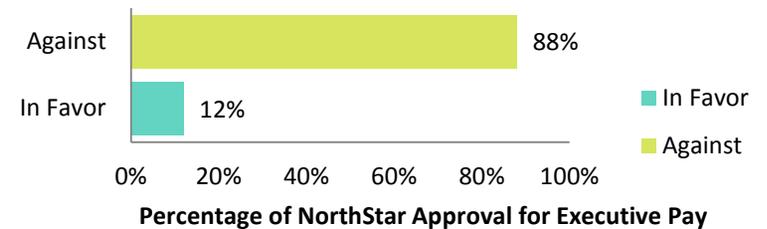
Earning a middle-class income does not guarantee middle-class economic security. White households in the middle-income quintile (those earning \$37,201-\$61,328 annually) own nearly eight times as much wealth (\$86,100) as middle-income Black earners (\$11,000) and ten times as much wealth as middle-income Latino earners (\$8,600). This disconnect in income earned and wealth owned is visible across the entire income spectrum between these groups ... The accelerating decline in wealth over the past 30 years has left many Black and Latino families unable to reach the middle class.<sup>3</sup>

Much of NorthStar’s work seeks creative opportunities to lessen income inequality -- from our currently-underway research on prison labor and excessive incarceration, and our “outside investments” that often have a goal of improving the financial situations of small businesses, communities, and families, to our proxy voting policies related to compensation or other pay-related proxy items. As such, we vote for a low percentage of executive pay packages (illustrated at right).

According to a recent *Vox* article, “CEOs for the 350 largest US companies earned an average pay of \$18.9 million in 2017, a sharp 17 percent increase from the previous year... **Meanwhile, wages for the average US worker grew a paltry 0.2 percent during that time.**”<sup>4</sup> Executive pay has been escalating for decades, enabled by board members and institutional investors that support these packages.

Shareholder activists have been raising concerns related to out-of-control CEO pay for decades. We use a ratio system to determine packages that we will support – namely 100x the pay of the average American worker as analyzed by the AFL-CIO Executive Paywatch and therefore votes down the majority of pay packages that are presented in our client proxies. Our Proxy Voting Guidelines share more details about how we determine an appropriate executive pay guideline.

NorthStar Votes on Executive Pay Packages (2017)



<sup>3</sup> [https://inequality.org/wp-content/uploads/2017/09/The-Road-to-Zero-Wealth\\_FINAL.pdf](https://inequality.org/wp-content/uploads/2017/09/The-Road-to-Zero-Wealth_FINAL.pdf)

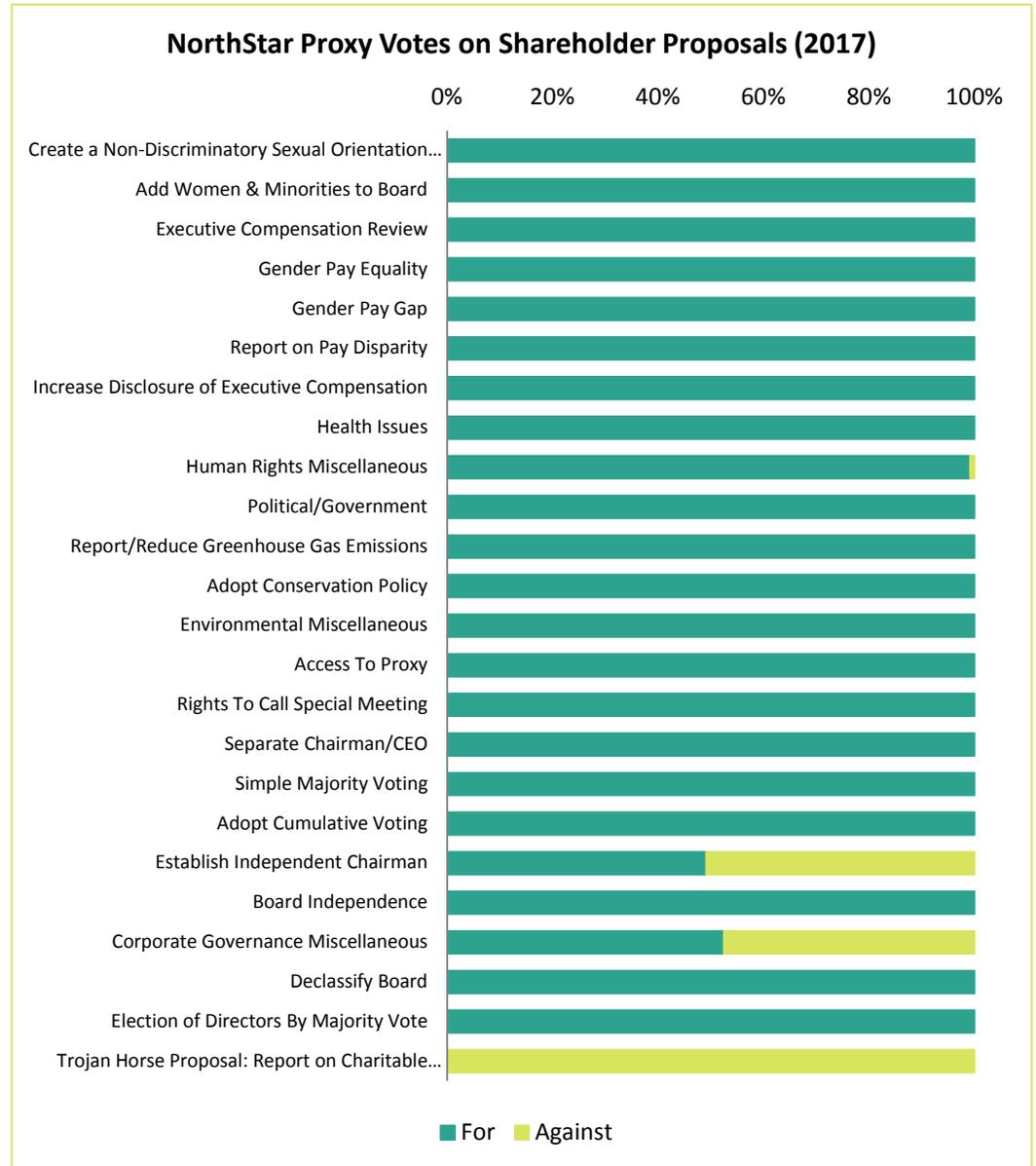
<sup>4</sup> <https://www.vox.com/policy-and-politics/2018/8/16/17693198/ceo-pay-gap-income-inequality>

## An Overview of NorthStar’s 2017 Proxy Votes on Shareholder-Sponsored Proposals

For 2017, NorthStar voted on 591 proxies on a variety of items filed by shareholders. Corporate governance issues showed up in client proxies most often (at several dozen companies), while political contributions and lobbying followed close behind (at over 20 companies). Gender pay gap issues and climate change-related proposals also had a strong showing in corporate proxies this year.

In general, NorthStar focuses on ensuring that shareholder rights are being protected, that other stakeholders (communities, employees, the environment) are being prioritized, and that the NorthStar focus areas are translated to how we vote our clients’ proxy votes.

We consider a corporation responsible for the actions of its employees, its subsidiaries, and any suppliers over which it has significant influence. As such, we generally support shareholder proposals that nudge companies forward on environmental, social, and good governance issues of all kinds. We pay close attention for “Trojan horse” proposals that seek to undo progressive progress or confuse shareholders.



## Investing in Community Loan Funds and Social Change-Oriented Private Debt and Equity Allows NorthStar to Direct our Resources to Investments with a Clear and Positive Impact

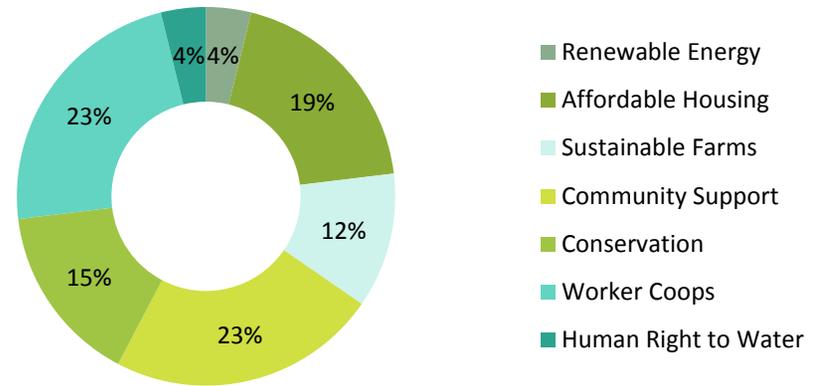
NorthStar rounds out its multi-faceted approach to integrated investing by pursuing investments outside the public equity and fixed income markets that can have direct impact on a variety of stakeholders. For decades, NorthStar has been vetting community loan funds and private equity investment opportunities in order to form relationships with organizations that are often able to have much more direct, measurable impact on vulnerable populations, small businesses, local economies, and the environment.

Clients who join NorthStar typically join us in expressing concern about the concentration of wealth and power in our world. NorthStar rejects the presumption that those of great wealth should be the most powerful in economics, politics, and social policy and believes that wealth should be distributed fairly and equitably based on the contributions of all stakeholders (including the environment) to the success of an enterprise. Outside investing allows us to select and recommend opportunities in which there are clearly delineated commitments to collaboration and distributed wealth and power.

In 2017, NorthStar clients had an aggregated investment of **\$47 million in a total of 26 different outside investments** that touched on a wide variety of issue areas and community needs. These investments range from supporting worker coops and community loan funds focused on getting families back in their foreclosed homes to responsible forestry and sustainable farms. We also include certain “green bonds” and socially-driven fixed income in this category.

Some of our clients have been invested in certain loan funds for more than 27 years, and NorthStar is constantly seeking out and vetting new investment opportunities. Beginning in our 2018 edition of this document, we look forward to reporting specific new investments that we’ve added each year.

NorthStar Outside Investments by Type





*Signatory of:*



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