

For Immediate Release
Contact: Angel Romero 303.321.9900

NORTHERN LIGHTS CAPITAL AND HERMES BPK PARTNERS TO LAUNCH NEW VENTURE TARGETING EARLY STAGE HEDGE FUND MANAGERS

Two firms to combine skills in manager identification and strategic business support

SEATTLE/LONDON, (September 6, 2011) – Northern Lights Capital Group, LLC (Northern Lights) and U.K.-based Hermes BPK Partners LLP (Hermes BPK) are to join forces with the intention to launch a new investing platform designed to identify and provide access to early stage hedge fund managers for global institutional investors and pensions funds, it was announced today. The agreement will bring together Northern Lights’ demonstrated ability to identify and support outstanding asset managers with Hermes BPK’s expertise in the alternative investing and fund of hedge funds marketplace.

The joint venture will provide an investing framework which incorporates operations, risk management, strong governance and transparency required by institutional investors. The partners will invest “acceleration capital” to hedge fund managers early in their growth cycle or seed capital into new hedge funds, and seek to capture the return premium associated with investing in talented, early stage fund managers, while also participating in the economics of the growth of the management firms. The partnership will provide strategic resources to hedge funds, including sales and marketing.

“As a firm, our expertise lies in finding great investment teams and engaging with them to create outstanding investment organizations,” said John Zimmerman, Managing Director, Northern Lights Capital Group LLC. “We believe this focus on investment talent and our willingness to roll-up our sleeves to support these firms’ growth sets us apart from other seeders.”

Based in London and New York, Hermes BPK is an alternative advisory boutique and fund of hedge funds with US\$1.6billion* in assets under management. Seattle-based Northern Lights is a private equity firm focused on investing in the asset management industry. Northern Lights’ portfolio companies have combined AUM of approximately US\$11 billion*.

The joint venture will bring together a highly complementary set of capabilities. The skills includes substantial experience in sourcing and selecting exceptional investment teams, identifying and evaluating drivers of risk, actively engaging with managers to ensure operational efficiency, and facilitating growth through marketing and distribution services.

“Following the financial crisis, there has been a tremendous shortage of capital available to support new alternative managers,” said Paul Greenwood, Managing Director, Northern Lights Capital Group LLC. “Yet history has shown that it is often these early-stage firms that deliver the best returns. Moreover, many established managers are in need of acceleration capital to support the ongoing growth of their businesses, driven in part by expectations of the institutional investor community for more sophisticated infrastructure and risk management capabilities.”

“The landscape for start-up managers is rapidly evolving. Infrastructure and risk control are given higher priority by institutional investors, and are becoming mandatory for new firms,” said Vincent Vandembroucke, Partner and Head of Operational Due Diligence, Hermes BPK Partners. “It is no longer sufficient just to find and fund great talent. We go further by engaging with managers and offering strategic solutions to help them reach the highest level of institutional standards.”

Matteo Dante Perruccio, Chief Executive Officer, Hermes BPK Partners, said, “Over the past few years, Hermes BPK has established itself as a leader in the alternative solutions space, with a key commitment to strong corporate governance and investor alignment lying at the heart of our ethos. Northern Lights Capital Group shares our commitment to investor alignment and partnering with Northern Light Capital Group will bring together combined expertise to launch an innovative and new acceleration seeding strategy focused on active management. Furthermore, this unique approach to seed/accelerator funding looks to enhance returns and mitigate business risk for institutional investors over the long term.”

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*Hermes BPK Partners AUM in USD as of June 30, 2011

*Northern Lights Capital Group LLC AUM in USD as of July 31, 2011

No guarantee or representation is made that the Fund will achieve its investment objective or that Investors will not suffer loss. An investment in the Fund is highly speculative and involves certain risks, potential conflicts of interest and tax considerations that prospective Investors should consider before subscribing.

About Northern Lights Capital Group, LLC

Northern Lights Capital Group is dedicated to identifying and collaborating with leading boutique asset managers exhibiting exceptional investment skill with client-oriented business cultures. We apply our strategic resources, including operating capital, institutional distribution, access to seed capital, and operational expertise to help our partner companies excel. Northern Lights: Boundless Opportunities. Enlightened Investments. For more information please visit www.nlcg.com.

Hermes BPK Partners LLP (Hermes BPK)

- Hermes BPK Partners is an Alternative Advisory Boutique and Fund of Hedge Funds established as a partnership with Hermes Fund Managers, an asset manager 100% owned by the BT Pension Scheme ("BTPS"), the largest private pension scheme in the UK.
- Centred around a new model of alignment, our focus is on providing alternative investment solutions and market-leading client service to institutional clients and family offices based on the highest degree of transparency, governance, engagement and fee alignment with our investors.
- With some US\$1.6bn assets under management across a range of portfolios with differing risk/return and liquidity profiles, we provide both commingled and segregated discretionary solutions as well as advisory services.
- Through BTPS' cornerstone investment, we have real insight into the needs and constraints of sophisticated investors and the fiduciary duty we hold to over 300,000 pension fund end clients. In addition, the long term nature of these investments means we are able to take a long term approach to our business and ensure alignment with the interests of the investor.

Hermes Fund Managers

Hermes is a unique fund manager – we have been an industry leader in Responsible Investing for over thirty years and offer clients the unparalleled combination of:

- Our **Multi-Boutique Structure** gives institutional and pension fund clients globally the benefit of access to a broad range of specialist, high conviction investment teams operating within an established and robust operating platform.
- Our **Investment Office** is a crucial function, acting as a performance risk 'radar' for all boutiques' investment activity and is central to our mission to deliver Sustainable Risk-Adjusted Alpha to all our clients.

- Our commitment to behaving as a **Responsible Asset Manager**, not merely by being a 'Responsible Investor' in quoted companies but also by applying these principles across all asset classes and by behaving as a 'good fiduciary' on behalf of our clients.

Hermes' investment solutions include:

- **Alternatives:** Commodities, Fund of Hedge Funds, Real Estate, Private Equity, Infrastructure
- **Equities:** Global, Emerging Markets, Small Cap, Europe, Japan
- **Government Bonds:** Inflation-Linked, Investment Grade, High Yield

Hermes manages assets on behalf of over 170 clients* across these investment areas with £22.6 billion* assets under management. Additionally, we support pension funds and other global institutional investors worldwide in meeting their ESG responsibilities through our market leading Hermes Equity Ownership Services, which takes on a stewardship role engaging globally on more than £85 billion* of assets.

With a thirty year history of being owned by and the principal fund manager of the largest pension fund in the UK**, Hermes Fund Managers has a growing global presence. Supported by our head office in London we also have established offices in Boston, New York and Sydney.

* As of June 30, 2011

**Pension Funds and Their Advisors 2010

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Northern Lights Capital Group - Seattle, WA Office

818 Stewart Street, Suite 910

Seattle, WA 98101

(206) 965-8879

info@nlcg.com

Northern Lights Capital Group - Denver, CO Office

250 Steele Street, Suite 325

Denver, CO 80206

(303) 321-9900