



## **Firm Brochure**

(Part 2A of Form ADV)

### **PERIGON WEALTH MANAGEMENT, LLC**

**55 Second Street, Suite 1900**

**San Francisco, CA 94105**

**(415) 430-4140**

**(415) 430-4160**

**[www.perigonpartners.com](http://www.perigonpartners.com)**

**[inquiries@perigonpartners.com](mailto:inquiries@perigonpartners.com)**

This brochure provides information about the qualifications and business practices of PERIGON WEALTH MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at: (415) 430-4140, or by email at: [INQUIRIES@PERIGONPARTNERS.COM](mailto:INQUIRIES@PERIGONPARTNERS.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 PERIGON WEALTH MANAGEMENT, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 24, 2011

## Material Changes

---

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

---

### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

---

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (415) 430-4140 or by email at: [INQUIRIES@PERIGONPARTNERS.COM](mailto:INQUIRIES@PERIGONPARTNERS.COM).

# Table of Contents

<b>Material Changes.....</b>	<b>i</b>
Annual Update .....	i
Material Changes since the Last Update .....	i
Full Brochure Available .....	i
<b>Advisory Business .....</b>	<b>1</b>
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Types of Agreements.....	1
Financial Planning Services.....	2
Wealth Advisory Services .....	2
Investment Management Services.....	3
Investment Management Sub-Advisor Services .....	4
<b>Fees and Compensation.....</b>	<b>4</b>
Description .....	4
Other Fees.....	5
Fee Billing for Investment Management Services .....	5
Fee Billing for Wealth Advisory Services .....	6
<b>Performance-Based Fees .....</b>	<b>6</b>
Description .....	6
<b>Types of Clients.....</b>	<b>6</b>
Description .....	6
Account Minimums.....	6
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>7</b>
Methods of Analysis.....	7
Investment Strategies .....	7
Risk of Loss .....	10
<b>Disciplinary Information .....</b>	<b>11</b>
Legal and Disciplinary.....	11

<b>Other Financial Industry Activities and Affiliations .....</b>	<b>11</b>
Affiliations .....	11
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>11</b>
Code of Ethics .....	11
Participation or Interest in Client Transactions.....	11
Personal Trading.....	11
<b>Brokerage Practices.....</b>	<b>11</b>
Selecting Brokerage Firms.....	11
Best Execution .....	12
Soft Dollars .....	13
Order Aggregation .....	13
<b>Review of Accounts .....</b>	<b>14</b>
Periodic Reviews .....	14
Review Triggers .....	14
Regular Reports.....	14
<b>Client Referrals and Other Compensation .....</b>	<b>15</b>
Incoming Referrals.....	15
Referrals Out .....	15
Other Compensation.....	15
<b>Custody .....</b>	<b>15</b>
Account Statements.....	15
Performance Reports.....	15
Portfolio Appraisals .....	15
<b>Investment Discretion.....</b>	<b>15</b>
Discretionary Authority for Trading.....	15
<b>Voting Client Securities .....</b>	<b>16</b>
Proxy Votes .....	16
<b>Financial Information .....</b>	<b>17</b>
Financial Condition .....	17
<b>Business Continuity Plan .....</b>	<b>17</b>
General .....	17

Disasters .....	18
Alternate Offices .....	18
Loss of Key Personnel .....	18
<b>Information Security Program.....</b>	<b>18</b>
Information Security .....	18
Privacy Notice .....	18
<b>Brochure Supplement (Part 2B of Form ADV) .....</b>	<b>19</b>
Education and Business Standards .....	19
Professional Certifications .....	19

# Advisory Business

---

## Firm Description

PERIGON WEALTH MANAGEMENT, LLC, ("Perigon") was founded in 2004.

Perigon provides investment management, wealth advisory and financial planning to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, small businesses and other investment advisory firms. We provide advice through consultation with the client that includes: determination of financial objectives, identification of financial issues, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Perigon is a fee-only investment management, wealth advisory and financial planning firm. We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities.

---

## Principal Owners

Philip A. Hart is a 40% equity partner. Joseph H. Caballero is a 40% equity partner. Jennifer P. Harding is a 20% equity partner.

---

## Types of Advisory Services

Perigon provides discretionary and non-discretionary investment management, financial planning services and wealth management advice. Our primary method of furnishing these services is by consultation with individual clients; during face-to-face meetings, telephone calls or email.

We also can provide consulting on wealth management issues. When providing consulting services we consider the client's personal situation, income needs, time horizon, liquidity needs, legal and tax constraints, risk tolerance, family issues, philanthropy, special needs and circumstances. These services may include personal tax and cash flow planning, tax compliance, estate planning, retirement planning, educational funding, insurance planning, compensation and benefits planning and the preparation of financial analyses and personal financial statements reflecting net worth, cash flow and income tax projections.

As of December 31, 2010 Perigon managed approximately \$108 million in assets for 33 clients. Of this amount, approximately \$105 million is managed on a discretionary basis, and \$3 million is managed on a non-discretionary basis.

---

## Types of Agreements

Perigon provides five types of written client agreements; Financial Planning Agreement, Discretionary Investment Management Agreement (includes

Investment Policy Statement), Non-Discretionary Investment Management Agreement, a Wealth Advisory Agreement; and Investment Manager Sub-Advisor Agreement.

---

### **Financial Planning Services**

Perigon Financial Planning services include goal and objective setting, assessment of the client's current situation, development of specific strategies designed to help the client achieve the goals, presentation of a written plan, implementation of the recommendations and continued monitoring and adjusting of the plan as needed.

1. Perigon begins by determining the scope of the services to be provided, define responsibilities between us, and agree on the fees.
2. Perigon gathers the necessary information to determine client's personal and financial goals, values, risk tolerances and time frames for results.
3. Once the goals have been established Perigon analyzes and evaluates the client's current financial situation to determine what the client's next steps should be. Depending on what services the client asks for, this could include analyzing the client's assets, liabilities and cash flow, current insurance coverage, investments, estate planning or tax strategies.
4. Perigon develops strategies and presents financial planning recommendations. We go over the recommendations with the client to help the client understand them so that the client can make informed decisions. Perigon listens to the client's concerns and revises the recommendations as appropriate.
5. Perigon implements the financial plan and investment management recommendations. The client and the planner agree on how the recommendations will be carried out. The client may choose to retain Perigon (via an *Investment Management Agreement*) to implement and monitor the client's investment portfolio or the client may choose to have another advisor or broker help the client implement the investment plan.
6. Perigon continues to monitor the financial planning recommendations. The client and Perigon should agree on who will monitor the client's progress towards the client's goals. If Perigon is in charge of the process, we report to the client periodically to review the client's situation and adjust the recommendations, if needed, as the client's life changes.

---

### **Wealth Advisory Services**

We provide wealth advisory planning based on a client's specific personal and financial objectives. Our service is custom tailored to provide solutions that combine trust, estate, and philanthropic strategies. Our planning includes discussions regarding the uses of revocable trusts, irrevocable trusts, Delaware Dynasty Trusts, Qualified Domestic Trusts (QDOTS), charitable trusts, retirement plans (IRA, 401(k), 403(b), and other qualified

plans), Grantor Retained Annuity Trusts, Qualified Personal Residence Trusts, Blind Trusts, and private foundations. Our wealth advisory service may include multi-family office functions.

---

### **Investment Management Services**

Perigon offers discretionary and non-discretionary investment management services to high net-worth individuals, trusts, estates, non-profits, retirement plans and other investment companies. In order to offer our services effectively, we meet with our clients and work with them to determine and evaluate their financial circumstances and investment objectives. We then recommend a customized investment management strategy tailored to their needs. Our service is implemented on a discretionary or non-discretionary basis, managed by us and through separate investments in equities, mutual funds, bonds, cash-equivalents, and other instruments, including options, and alternative investments such as limited partnerships (for example, fund of funds). As part of our service, we monitor performance and changing market conditions, and will reallocate clients' assets among funds and separate investments, as we deem appropriate based on our client's investment objectives.

If appropriate we prepare strategic plans for our clients by determining, our clients' long-term and short-term financial needs and objectives, risk tolerance or risk-aversion, and tax status. The strategic plans are based on information provided to us by our clients, their advisers (C.P.A.'s, Attorney's, etc.), financial records, responses to our questionnaires and personal interviews. We design each client's investment portfolio based on a thorough evaluation of the individual goals and objectives of each client entity.

After analyzing a client's financial situation and understanding their investment objectives, we formulate an Investment Policy Statement for each client entity.

As part of the process, we may evaluate, select, and oversee other investment managers to manage a portion of the client's account. We will monitor manager performance and various investment markets to determine if the allocation among investment options is appropriate or if changes to those options are necessary due to changes in macro-economic indicators, interest rates, fiscal policy, geo-political or other factors.

The money managers we recommend will have full investment discretion and trading authority. They will have sole responsibility for the implementation of the investment program with respect to the client's account. We will not place orders for transactions in the client's account or otherwise exercise trading authority over the account at any time when the account is being managed by an investment manager. Money managers considered for our clients will be subjected to a rigorous due diligence process. Factors considered will include, but not be limited to: reputation, performance record, philosophy, continuity of management, service to clients, awareness of after tax

performance objectives, minimum dollar investment requirement and fees. Information with respect to money managers (e.g., performance figures, investment style, etc.) will be obtained from tracking organizations, business publications, money managers, personal interviews and other sources which we believe are reliable. We may also consider other criteria, including, but not limited to, the administration, recordkeeping and reporting services provided by a manager. We may retain outside consultants to assist in preparing money manager search lists. If we hire an outside consultant, we will make the final determination regarding which money managers we will make available to our clients.

---

### **Investment Management Sub-Advisor Services**

Perigon has been retained by other investment advisory firms to make available to their clients our investment advisory services. Perigon manages the investment and reinvestment of account assets allocated to Perigon by such managers in accordance with the investment objectives and guidelines set between the manager and the client.

## **Fees and Compensation**

---

### **Description**

The compensation for our services, which include developing and implementing an investment policy and objectives, formulating a quantitatively driven asset allocation analysis and recommendation, monitoring a client's investment results, and reporting to the client on an as needed basis.

Discretionary Investment Management fee schedules:

- *Equity & Balanced Accounts*  
Annual account fee:  
1.20% on the first \$5 million;  
1.00% on the next \$10 million;  
0.65% on the next \$15 million;  
After negotiable.  
Minimum fee: \$12,000.
- *Fixed Income Accounts*  
Annual account fee:  
0.45% on the first \$20 million;  
0.25% on the next \$20 million;  
After negotiable.  
Minimum fee: \$13,500.
- *Cash Management Accounts*  
Annual account fee:  
0.35% on the first \$20 million;  
After negotiable.

Minimum fee: \$10,500.

Non-Discretionary fees are based on the client mandate.

---

## Other Fees

- Wealth Advisory

Depending on the volume and complexity of each client's situation, we offer two wealth advisory fee arrangements that are pre-negotiated and billed in advance:

- One time project consulting: \$400/hr. with a \$1,200 minimum;
- Annual retainer: 0.25% initial plus 0.25% ongoing billed monthly and may be credited towards investment management services.

- Financial Planning

*Initial planning period*

- The client's fee will be based on the complexity of the client's personal financial situation and the size and complexity of the client's current investment portfolios. We will negotiate a fee to provide services during the term of the "initial planning period" which is typically three (3) months.
- Our minimum fee for the "initial planning period" is \$7,000. A minimum of \$2,000 is due on the signing of the agreement.

*Ongoing planning, monitoring and updating*

- For clients who have signed an *Investment Management Agreement* with Perigon, all fees for monitoring and updating a Financial Plan are included as part of that agreement.

---

## Fee Billing for Investment Management Services

Perigon bills its clients as a percentage of assets under management, quarterly in advance, and normally collects the advisory fees immediately following the last day of each calendar quarter. Accounts are billed based on their calendar quarter end market value as reported by each client's custodian. A pro-rated fee will also be charged according to the schedules listed above for additional investments greater than \$10,000. No fee adjustments will be made for partial withdrawals. No additional fees for special reports, services or meetings, except in extraordinary circumstances. Client will be notified of any extraordinary circumstance(s). All investment management and wealth advisory fees above exclude bank custodial fees, trustee fees, tax preparation fees, and brokerage commissions. Perigon collects its advisory fees by directly debiting its clients' custodial accounts. Perigon recognizes that engaging in this billing process requires it to follow

certain procedures to avoid inadvertent constructive custody over client accounts.

Investment advisory services begin with the delivery of the assets to the custodian. For that calendar month, fees will be adjusted pro rata based on the number of calendar days in the calendar quarter. We or the client may terminate the agreement at any time. Notice of termination must be given in writing. The client is responsible to pay for services rendered until five days after the termination of the agreement. The client can cancel the agreement without penalty within the first five days after the signing of the agreement.

If we invest clients' assets in shares of mutual funds or other investment advisors, clients will pay both us and the investment adviser or the mutual funds for management of the same assets.

Fees may vary from the applicable schedule above due to particular circumstances of the client or as otherwise negotiated with particular clients.

---

**Fee Billing for Wealth Advisory Services**

Fee billing for wealth advisory and financial planning is project specific, pre-negotiated and detailed in Other Fees section.

## Performance-Based Fees

---

**Description**

Perigon does not use performance-based fees.

## Types of Clients

---

**Description**

Perigon provides investment advice to individuals, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or business entities.

---

**Account Minimums**

The minimum account size for equity and balanced portfolios is \$1,000,000 which equates to a minimum annual fee of \$12,000. The minimum account size for fixed income and cash management portfolios is \$3,000,000 which equates to a minimum annual fee of \$13,500 for fixed income and \$10,500 for cash management portfolios.

Perigon may waive the account minimum. Accounts that are below the minimum may be set up when the client and the advisor anticipate the client will add additional funds to the accounts within a reasonable time. Other exceptions will apply to employees of Perigon and their relatives, or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## Methods of Analysis, Investment Strategies and Risk of Loss

---

### Methods of Analysis

Perigon's security analysis methods include fundamental analysis, technical analysis, valuation analysis and management stewardship.

The main sources of information that Perigon uses may include financial newspapers and magazines, corporate rating agencies, annual reports, prospectuses, filings with the SEC, company press releases and research reports and materials offered by major banking and brokerage institutions.

Other sources that Perigon uses include data bases provided by Advent, Argus, Bloomberg, Morningstar and Thomson Baseline.

---

### Investment Strategies

The primary investment strategy employed by Perigon is growth at a reasonable price. Perigon selects investment grade individual equity and fixed income securities that it believes are at attractive valuations. Our security selection focuses primarily on issues traded on the US stock market; this includes international firms who trade via American Depositary Receipts (ADR). Our equity strategy compares the current S&P 500 broad sector weightings to a client portfolio. By over or under weighting these sectors, Perigon aims to position a client portfolio to outperform the S&P 500. Our fixed income strategy focuses on minimizing default, rating, interest, and inflation risk by diversifying a client's holdings by issuer, geography, and maturity (bond ladder). For clients who have taxable accounts, Perigon applies a tax loss harvesting strategy to manage recognition of capital gains whenever possible.

We have specific investment expertise in a number of asset classes. We offer seven core investment management styles to our private clients which are as follows:

- *Core Equity Tax-managed Portfolio*

Our core investment strategy focuses on customizing a portfolio of U.S. domestic companies and foreign companies traded as American Depositary Receipts (ADRs). The process begins with computerized screening using proprietary inputs to narrow a list of 10,000+ companies down to a smaller group of between 100-200 companies. Then we take a series of steps to identify fundamental, technical and valuation characteristics of each company within a pre-determined set of benchmarks that is monitored from both a strategic and tactical perspective. Combined with our own proprietary research and bottom-

up analysis, we build a unique and customized portfolio at a given point in time. We benchmark our performance to the S&P 500. This portfolio is suitable for portfolios with taxable status such as for individuals, families, and corporations.

- *Core Equity Portfolio*

This strategy is identical to our Tax-Managed strategy except it excludes the tax managed disciplines and turnover may be somewhat higher. We benchmark this performance to the S&P 500 and find it suitable for tax-free portfolios such as retirement accounts, foundations, and endowments.

- *Core Equity Income*

Our core equity income strategy focuses on customizing a portfolio of U.S. domestic companies and foreign companies traded as American Depositary Receipts (ADR's) with particular emphasis on dividends. These stocks have both capital growth and dividend income characteristics. We benchmark our performance to the S&P 500. This portfolio is suitable for individuals, families and corporations with higher expectations for current income.

- *U.S. Small Cap. Equity Portfolio*

Cost-effective vehicles for participation in U.S. small capitalization companies are exchange traded funds (ETFs) for allocations of \$5 million or less. For clients with needs above \$5 million, we employ sub-advisers to assist us in managing a portfolio of smaller domestic companies.

We seek out sub-advisors with a skilled management team that can demonstrate a long-term, above average record of delivering solid investment results with a sound investment process. These companies tend to be less correlated to the general equity market than our Large-Cap Core Equity portfolios. The benchmark for performance is the Russell 2000 Small Cap Index.

Due to increased volatility and risk to principal, this portfolio strategy is suitable within the context of a broadly diversified portfolio.

- *International Equity Portfolio*

As with the Small Cap Equity strategy, we see the most efficient, cost-effective venue for participation in international equities to be exchange traded funds (ETFs) for allocations of \$5 million dollars or less. For clients with needs above \$5 million, we employ sub-advisers to assist in portfolio management. We seek out sub-advisors with a skilled management team that can demonstrate a long-term, above average record of delivering solid investment results with a sound investment process. International stocks tend to have higher volatility than domestic equities and have additional elements of risks, including currency and political.

This portfolio strategy is suitable for inclusion within a broadly diversified portfolio or separately if part of a larger asset allocation program.

- *Tax-Exempt Bond Portfolio*

We are uniquely positioned to manage high quality municipal portfolios either as separate portfolios or in combination with our Tax Managed Equity strategy. When used with our tax-managed strategies, we actively manage the performance divergences between the fixed income and equity markets to improve overall portfolio after-tax returns. Our active management approach provides tax-free current income with a focus on attractive after-tax total return. Portfolios are constructed in an optimized ladder of maturities with adjustments made to anticipate interest rate trends or to take advantage of beneficial trading opportunities. The security selection process includes a fundamental analysis of the issuer, a review of the bond's characteristics including call features, coupon, maturity and yield, reserve position, credit enhancement and investment grade ratings by at least one of the major rating agencies.

- *Taxable Bond Portfolio*

The objectives of our taxable fixed income portfolios are to generate current income and to add stability to an overall asset allocation program. We analyze each client's portfolio within the context of their unique objectives and structure portfolios taking into consideration credit risk, the shape of the yield curve and call structure. We construct an optimized ladder of maturities with adjustments to anticipate interest rate trends or to take advantage of beneficial trading opportunities. The security selection process includes a fundamental analysis of the issuer, a review of the bond's characteristics including call features, coupon, maturity and yield, reserve position, credit enhancement and investment grade ratings by at least one of the major rating agencies. To minimize default risk, only investment grade bonds are allowable for purchase.

Perigon's alternative asset allocation strategy is the development of a broadly diversified portfolio utilizing a core and satellite approach. This means we use passively-managed index and exchange-traded funds or notes as the core investments and then add actively-managed funds where there are greater opportunities for out-performance. These portfolios are globally diversified both in equities and fixed income to control the risk associated with the US economy.

The selection of which strategy to employ is driven by client circumstances and is developed more fully in an individual's Investment Policy Statement.

---

## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the inflation rate.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Disasters/War:* Asset prices may fluctuate regionally or worldwide following natural and man-made disasters or war.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

---

### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

---

### Affiliations

Perigon has no other financial industry affiliations.

## Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

---

### Code of Ethics

The employees of Perigon have committed to a Code of Ethics that is available for review by clients and prospective clients on request. The firm will provide a copy of the Code of Ethics to any client or prospective client on request.

### Participation or Interest in Client Transactions

Perigon and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Perigon *Compliance Manual*.

### Personal Trading

The Chief Compliance Officer of Perigon is Joseph H. Caballero. He reviews all employee trades each quarter. His trades are reviewed by Philip A. Hart, Chief Investment Officer. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## Brokerage Practices

---

### Selecting Brokerage Firms

Perigon does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Perigon recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Perigon recommends brokerage firms and trust companies (qualified custodians), such as Fidelity, Schwab, BNY Convergenx, Deutsche Bank, Citibank and Wilmington Trust.

Perigon does not receive fees or commissions from any of these arrangements other than soft dollar arrangements discussed under “Soft Dollars” section.

---

## **Best Execution**

### *Policy*

As an investment advisory firm, Perigon has a fiduciary and fundamental duty to seek best execution for client transactions.

Perigon, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

### *Background*

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the clients’ total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an adviser must consider the full range and quality of a broker-dealer’s services, including execution capability, commission rates, the value of any research, financial responsibility and responsiveness, among other things.

### *Responsibility*

Our securities traders have the responsibility for the implementation and monitoring of our best execution policy, practices, disclosures and recordkeeping.

### *Procedure*

Perigon has adopted written procedures to implement the firm’s policy and conducts reviews to monitor and ensure the firm’s policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- Perigon has established a Brokerage Committee (or designated an individual or officer).
- The Brokerage Committee (or designated officer) has responsibility for monitoring our firm’s trading practices, gathering relevant information, periodically reviewing and evaluating the services provided by broker-dealers, the quality of executions, research, commission rates, and overall brokerage relationships, among other things.
- Perigon may also maintain and periodically update an "Approved Broker-Dealer List" based on the firm's reviews.

- Perigon Wealth Management, LLC also conducts periodic reviews of the firm's brokerage and best execution policies and documents these reviews.
- A Best Execution file is maintained for the information obtained and used in Perigon's periodic best execution reviews and analysis and to document the firm's best execution practices.

---

### **Soft Dollars**

Perigon has the option to use "soft dollars" generated by our clients to pay for the research related services. The term "soft dollars" refers to us receiving products or services provided by brokers, without any cash payment from us, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the clients. We are specifically authorized to direct brokerage to firms which furnish or pay for quotation and/or office equipment, recordkeeping, research, research-related services, and other services within the "safe harbor" provided by Section 28(e) of the United States Securities Exchange Act of 1934.

We use soft dollars to pay for newswire and quotation equipment and services (Bloomberg and Baseline), periodical subscription fees, computer equipment used for brokerage or research purposes and related technical support (Advent) and other reasonable expenses as determined by us.

The use of brokerage commissions to obtain investment research services and to pay for our research related costs creates a conflict of interest between us and our clients. To the extent that we are able to acquire these products and services without expending our own resources, our use of soft dollars would tend to increase our profitability. In addition, the availability of these non-monetary benefits may influence us to select one broker rather than another to perform services for our clients.

Broker-dealer fees vary and may be greater than those for similar investments if we determine that the research, execution and other services rendered by a particular broker merit greater than typical fees. In certain instances, we may execute over-the-counter securities transactions on an agency basis, that may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market makers mark-up or mark-down.

---

### **Order Aggregation**

Transactions for each client account generally will be executed independently, unless we decide to purchase or sell the same securities for a number of client accounts simultaneously. Orders for the same security may

be combined or “batched” to facilitate best execution when possible. We batch transactions in a manner designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account.

We may increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. If we are unable to fully execute a batched transaction and we determine that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, we may allocate such securities in a manner determined in good faith to be a reasonable and fair allocation. When we transact securities for more than one account, the investment opportunities and trades are allocated in a manner consistent with our fiduciary duties. The Advisor takes into account cash availability and need, suitability, investment objectives and guidelines and other factors deemed appropriate in making investment allocation decisions.

## **Review of Accounts**

---

### **Periodic Reviews**

Account reviews are performed at least annually by Perigon’s Chief Investment Officer. Account reviews are performed more frequently when client or market conditions dictate.

---

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

---

### **Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The written updates may include a portfolio appraisal, portfolio statement and a summary of objectives and progress towards meeting those objectives.

## Client Referrals and Other Compensation

---

### Incoming Referrals

Perigon has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm compensates referring parties if a referral agreement is in place and is disclosed to our client.

---

### Referrals Out

Perigon does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

---

### Other Compensation

None

## Custody

---

### Account Statements

All assets are held at qualified custodians. The custodians provide account statements directly to clients at their address of record at least quarterly.

---

### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Perigon.

---

### Portfolio Appraisals

Clients are frequently provided portfolio appraisals and portfolio graphs that are generated from our client relationship management system. Portfolio appraisals may contain approximations of portfolio balances provided by the custodians.

## Investment Discretion

---

### Discretionary Authority for Trading

Accounts we manage on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non discretionary basis due to the fact that we must receive client authorization before placing a trade order.

In the course of providing our services, we will execute trades for our clients through broker-dealers. When a client has given us broker discretion, there is no restriction on the brokers we may select to execute client transactions.

Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, we consider a number of factors, including the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

## Voting Client Securities

---

### Proxy Votes

Perigon offers to vote proxies for its clients. Perigon will generally vote with management unless the Proxy Voting Committee deems otherwise in its sole discretion.

Our policy is to vote the client's proxies in the interest of maximizing shareholder value. To that end, we will vote in a way that we believe, consistent with our fiduciary duty, will cause the issue to increase the most or decline the least in value. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

We have currently identified no conflicts of interest between our client interests and our own within our proxy voting process. Nevertheless, if we determine that we are facing a material conflict of interest in voting the client's proxy, our procedures provide for a Proxy Voting Committee to convene and to determine the appropriate vote. Decisions of the Committee must be unanimous. If a unanimous decision cannot be reached by the Committee, a competent third party will be engaged, at our expense, who will determine the vote that will maximize shareholder value. As an added protection, the third party's decision is binding.

Our complete proxy voting record is available to our clients and only to our clients. Please contact us if you have any questions or if you would like to review these documents. If we do not exercise proxy-voting authority over Client securities then the obligation to vote Client proxies shall at all time rest with the Client. Client may contact us for advice or information about a particular proxy vote. However, we shall not be deemed to have proxy-voting authority solely as a result of providing such advice to Client.

Should we inadvertently receive proxy information for a security held in the Client's account, we will immediately forward such information on to the Client. We will not take any further action with respect to the voting of such proxy. On termination of our Agreement with the Client, we shall make a good faith and reasonable attempt to forward proxy information inadvertently

received by us on behalf of the Client to the forwarding address provided by the Client to us.

To assist Perigon and to maintain compliance with our Proxy Voting Policy Perigon subscribes to Broadridge ProxyEdge electronic voting services that help simplify the management of institutional proxies. The system manages the process of meeting notifications, voting, tracking, mailing, reporting, record maintenance and even vote disclosure rules enacted by the SEC. It does all of this for tens of thousands of publicly traded securities custodied at more than 800 North American banks and brokers and 17 major global custodians.

ProxyEdge allows Perigon to manage, track, reconcile and report proxy voting through electronic delivery of ballots, online voting, and integrated reporting and record keeping to help us satisfy SEC requirements. The recent integration of vote recommendations provided by Glass Lewis (a leading independent governance analysis and proxy voting firm) provides greater efficiency and control over the timing and method of vote execution. ProxyEdge provides proxy information through an automated electronic interface based on share positions provided directly to Broadridge by the client's custodian bank/broker. For positions not held at Broadridge banks/brokers, Broadridge can take holdings directly from the institution to provide a comprehensive view on ProxyEdge of all positions for that institution.

## **Financial Information**

---

### **Financial Condition**

Perigon does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Perigon does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

## **Business Continuity Plan**

---

### **General**

Perigon has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

---

**Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

---

**Alternate Offices**

Perigon has a Hawaii office to support ongoing operations if the main office is unavailable. We intend to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

---

**Loss of Key Personnel**

Perigon intends to sign a Business Continuation Agreement with another financial advisory firm to support Perigon in the event of serious disability or death of key Perigon personnel.

## **Information Security Program**

---

**Information Security**

Perigon maintains an information security program to reduce the risk that the client's personal and confidential information may be breached.

---

**Privacy Notice**

Perigon is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from the client may include information about the client's personal finances, information about the client's health to the extent that it is needed for the financial planning process, information about transactions between the client and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help the client determine the client's personal financial goals.

With the client's permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom the client have established a relationship. The client may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With the client's permission, we share a limited amount of information about the client with the client's brokerage firm in order to execute securities transactions on the client's behalf.

We maintain a secure office to ensure that the client's information is not placed at unreasonable risk. We employ a firewall barrier, secure data

encryption techniques and authentication procedures in our computer environment.

We do not provide the client's personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to the client's personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and the client's personal records as permitted by law.

Personally identifiable information about the client will be maintained while the client is a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify the client in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to the client annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

---

### Education and Business Standards

Perigon requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

---

### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
  - Successful completion of all three exam levels of the CFA Program.
  - Have 48 months of acceptable professional work experience in the investment decision-making process.
  - Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
  - Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.
- 

**Philip A. Hart born in 1956.**

Mr. Hart is a Managing Director and the Chief Investment Officer of Perigon Wealth Management. Mr. Hart was a Senior Vice President at Bishop Street Capital Management from February 2002 until April 2004 where he served as a Senior Portfolio Manager for high-net-worth clients and developed the Bishop Street Tax-managed Equity Fund. From July 1997 until February 2002, he worked at JP Morgan Private Bank where he served as a Vice President & Western Regional Manager for the investment management division. Mr. Hart has also served as a Senior Portfolio Manager at Northern Trust Bank from February 1993 until July 1997 and President of Western Capital Management from 1990 to 1993. Mr. Hart is a member of the San Francisco Society of Security Analysts. Mr. Hart holds a BA in Finance from the University of Oregon.

**Joseph H. Caballero born in 1966.**

Mr. Caballero is a Managing Director and Chief Compliance Officer of Perigon Wealth Management. Mr. Caballero was Senior Vice President at Bishop Street Capital Management from February 2002 until April 2004 managing services for high-net-worth clients. Additionally, from October 1997 until February 2002 he served as a Vice President of JP Morgan Private Bank where he was responsible for building relationships with high-net-worth individuals, foundations and corporate clients. Mr. Caballero has also held portfolio management positions at JP Morgan Chase, Northern Trust Bank (10/1996 – 10/1997), and Santa Barbara Bank & Trust (06/1995 – 10/1996). Mr. Caballero holds a BA from University of California at Santa Barbara, and

also completed PhD level coursework in Political Science at UC Santa Barbara's Graduate Division.

**Jennifer P. Harding born in 1960.**

Ms. Harding is a Vice President with Perigon Wealth Management. Ms. Harding was a Wealth Advisory Associate at JPMorgan Private Bank from June 2000 to May 2003 and has worked at law firms including Cooley Godward (06/1995 – 09/1998), Crosby Heafey Roach & May (12/1989 – 05/1995) and Greene, Radovsky, Maloney and Share (03/1998 – 05/2000). She specializes in estate planning and trust and estate administration. Ms. Harding also focused on wealth transfer structures such as establishing nonprofit foundations, family limited partnerships and Delaware perpetual trusts. Ms. Harding received a BA from the University of Wisconsin, Madison and an MS in Taxation from Golden Gate University. Currently, Ms. Harding is completing coursework in the Personal Financial Planning Certificate Program offered through U.C. Berkeley.

**Peter Fisher born in 1950.**

Mr. Fisher is responsible for developing and monitoring comprehensive financial plans for Perigon's clients. He is a member of the Investment Committee with a focus on the use of ETFs and mutual funds as diversification tools. Prior to joining Perigon Wealth Management, Mr. Fisher was Operations Manager for a company in Napa that served the U.S. wine industry. He was responsible for day-to-day operations and researched, implemented and managed the company's 401(k), health insurance, and benefit plans. Previously, Mr. Fisher worked in Boston as a Senior Consultant for two prominent international management consulting firms. Mr. Fisher holds a B.S. from Harvard University and an M.B.A. from The Columbia University School of Business. Mr. Fisher has completed coursework in the Personal Financial Planning Certificate Program offered through U.C. Berkeley.

**E. Kanoe Cazimero born in 1950.**

Ms. Cazimero is a Client Services Associate and Perigon's Honolulu Office Manager in Hawai'i. She is instrumental in coordinating key client meetings and events in the Hawaii marketplace. As a Native Hawaiian, Ms. Cazimero's acumen in Hawaiian and Hawaii culture, as it relates to doing business in Hawaii, enhances Perigon's wealth management style. Previously, Ms. Cazimero worked in the same capacity for JPMorgan Chase Private Bank Honolulu. When owner of NOE Concepts Inc., she was Community Liaison for Papa Ola Lokahi Native Hawaiian Health Organization working with Hawaiian communities to coordinate their health initiatives through integrated health and cultural events; Coordinator for Girl Scout of America Hawai'i Council; the Salvation Army Hawaiian & Pacific Islands Division; the March of Dimes Hawai'i Chapter WalkAmerica Events and Governor's Ball; and the

Hawaii Theatre Foundation. Ms. Cazimero brings to the Perigon team decades of experience in the Hawai'i not-for-profit sector. She is a volunteer for the March Of Dimes Hawaii Pacific Chapter; State Commission for the development of the Hawaiian Music and Dance Museum; the State of Hawaii Adult Mental Health Clubhouse Program; and various Native Hawaiian Projects. Ms. Cazimero is a graduate of Kamehameha Schools and holds a B.A. from the University of Hawaii.

**Michal Skowronski, CFP® born in 1983.**

Mr. Skowronski is responsible for trading, portfolio management systems, and client reporting. He is a member of the Investment Committee and helps develop strategies for implementing and improving investment programs. Mr. Skowronski has previously worked as an English teacher at a private school in Poland. Additionally, Mr. Skowronski co-founded an internet based wholesale reselling business. Mr. Skowronski holds a B.A. in Economics and Communications from the University of Washington, and also completed coursework at Jagiellonian University in Krakow, Poland. Mr. Skowronski is a CERTIFIED FINANCIAL PLANNER™.

**Brian L. Stone born in 1975.**

Mr. Stone is an Associate and Office Manager for Perigon Wealth Management. Mr. Stone was an Associate and Office Manager of Bishop Street Capital Management's San Francisco office where he was responsible for all aspects of office management and the administration of private client investment accounts. He has also held office administration positions for the legal department at Gap, Inc. and the Law Offices of Pinatelli & Jackson. Mr. Stone is Certified Notary Public with the State of California.