

Perimeter Capital Partners, LLC

Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Perimeter Capital Partners, LLC (dba Perimeter Capital Management) herein referred to as “Perimeter”. If you have any questions about the contents of this brochure, please contact us at (770) 350-8700. 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 Perimeter is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Perimeter’s business activities have not changed materially since the last Form ADV filing.

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Advisory Business

Perimeter currently provides discretionary investment advisory services to separately managed accounts, the Perimeter Small Cap Growth Fund, a registered investment company as well as sub advisory services to the Transamerica Partners Small Growth Portfolio, John Hancock Funds II Smaller Company Growth Fund and John Hancock Trust Smaller Company Growth Trust, which are all unaffiliated registered investment companies (collectively “Clients”). Perimeter Concourse Capital, LLC (“Concourse”) is an investment adviser jointly owned by Perimeter and Joseph L. Mathias, Lead Portfolio Manager and President of Concourse. Concourse provides investment advisory services to Concourse Capital Partners, LP, a private pooled investment vehicle (“Fund”).

Perimeter and Concourse operate in the same office facilities and both share back office staff and administrative personnel. Perimeter’s Clients and the Fund managed by Concourse are hereunder collectively referred to as Client(s). In providing such services, Perimeter and Concourse (collectively “Perimeter”) direct and manage the investments of Client accounts based on the objectives identified in the Client’s management agreements and/or offering documents.

On occasion, Perimeter and Concourse may have opposing views on the same securities, markets or investment instruments. As such, it is possible that Perimeter recommends or has recommended the purchase of a security (long) in which Concourse has recommended a short position or implemented an investment strategy expressing an opposing outlook for the same or similar securities. The portfolio managers of Perimeter and Concourse have discretion to independently implement portfolio recommendations. The Company monitors instances where

opposing positions have been implemented to ensure that clients are not unduly disadvantaged by such opposing positions.

Perimeter was founded in 2006 and is 100% employee owned. As of March 25, 2012 Perimeter managed \$1.33 billion on a discretionary basis on behalf of approximately 26 clients.

Fees and Compensation

Perimeter directs and manages the investments of Client accounts based on the objectives identified in the Client's management agreements and/or offering documents.

The Fund pays Concourse a management fee of 1.5% calculated on the net asset value of the Fund as of the first day of each calendar quarter. Perimeter Concourse Capital, LLC, an affiliated entity of Perimeter acts as the general partner to the Fund. In addition to the management fee the Fund pays the general partner 20% of net realized and unrealized portfolio gains.

Compensation received for management of separate accounts is based on a percentage of assets under management according to the following schedules:

Small Cap Growth

1.00% per annum for the first \$25 million in a Client's account; (ii) 0.90% per annum for any amount more than \$25 million but less than \$100 million in a Client's account; and (iii) 0.80% per annum for any amount more than \$100 million in a Client's account.

Extended Small Cap Growth

.90% per annum for the first \$25 million in a Client's account; (ii) 0.80% per annum for any amount more than \$25 million but less than \$100 million in a Client's account; and (iii) 0.70% per annum for any amount more than \$100 million in a Client's account.

Fees are assessed against all assets in a Client's account. Perimeter reserves the right to adjust this fee schedule for Client accounts depending on the size and type of account, and the services required to be rendered. In some cases, the negotiation of fees may result in different fees being charged for similar services and may be less than the above-stated fee schedule. Should assets fall below a tier minimum due to investment loss, the annual fee would remain at the lower rate previously established.

The basic annual fee is typically payable in arrears on a quarterly basis. Such fee is payable as of the last day of the calendar quarter based on the market value of the assets under management as of that day. The fee is typically prorated for contributions and withdrawals during the quarter. Pursuant to a Client's investment advisory agreement, the fee may be debited directly from the Client's brokerage/custodial account.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, Concourse charges performance based fees which are fees based on a share of capital gains on or capital appreciation of the client's

assets. The fact that the Concourse is compensated based on the trading profits may create an incentive for Concourse to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Concourse is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that clients may never realize.

Types of Clients

Perimeter primarily provides customized investment management services to investment companies, associated trusts, estates, charitable organizations, pension and profit sharing plans, and corporations or business entities.

Perimeter requires separately managed accounts to have a minimum account balance of \$10,000,000. However, this amount may be waived from time to time at Perimeter's discretion.

In addition, Concourse provides investment advice to a private pooled investment vehicle, Concourse Capital Partners, LP ("Fund"). The Fund relies on the exemption from registration of Section 3(c)-7 under the Investment Company Act. Investments in the Fund are limited to "accredited investors" as defined in Regulation D of the Securities Act of 1933, as amended and, "qualified purchasers" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and the rules thereunder.

The Fund has a minimum required investment amount of \$1,000,000. Investors in the Fund may generally not partially redeem their interest or shares if, after such redemption, the net asset value of their investment in the Fund would be less than the minimum investment amount described above. The foregoing investment minimums may be waived or modified at the sole discretion of Perimeter.

Investments in the Fund can be made the beginning of each calendar month. All new investments are subject to a 3% redemption fee if redeemed within the first 12 months. All new investments, including additions, in the Fund are subject to a 12 month lock up period. Investors may redeem capital from the Fund quarterly, with 45 days advance notice, after the initial 12 month lock up period. For complete details of subscription requirements, fees, redemption policies and other important information regarding investments in the Fund, please refer to the Fund's offering documents.

Methods of Analysis, Investment Strategies and Risk of Loss

Perimeter conducts fundamental and technical analysis on all securities recommended for client accounts.

Perimeter Capital Management - Investment Process Overview

At Perimeter, we employ a bottom-up, fundamental investment process that seeks to invest in U.S. small cap stocks that are exhibiting the strongest relative earnings growth momentum (with a quality bias) across any and all market sectors.

The following is a brief outlined of Perimeter's investment process:

Universe Screening

A universe screening is the initial step of the investment process.

Quantitative Ranking

The initial screening process yields a working universe of companies that are ranked quantitatively based on the following metrics; earnings growth momentum, earnings estimate revisions/expectations, relative price strength / momentum and valuation.

Senior Team Review

The investment team focuses on the top ranked companies in the universe for potential new idea candidates, prioritizing the top stock ideas.

Fundamental Research

Perimeter considers fundamental analysis to be the critical element of our stock selection process. Fundamental analysis is also the key determinant of the sustainability of earnings trends. A multitude of elements are included in this analysis, such as;

- *Earning Trends* - Earnings growth and momentum and the sustainability of these trends are the most important factors in our analysis of the Small Cap Growth universe.
- *Earnings Quality* - Balance sheet and income statement relationships are used to identify those companies with earnings that we consider to be high quality.
- *Profitability Momentum* - The profitability trends of a company are determined by analyzing gross margin, operating margin, return on equity and cash flow return on investment.
- *Business Fundamentals* - It is incumbent on the analyst team to uncover and understand the key dynamics of a company's business model. The goal of the analyst team is to identify those companies that have a defensible, competitive advantage, since the strength of such an advantage is one of the key determinants of the sustainability of strong growth trends going forward.
- *Valuation* - Our approach to valuation is a fluid process that does not use strict guidelines, but rather makes a determination as to whether a company's current trend in earnings growth and fundamentals can support the current valuation. Specific valuation thresholds are not used.
- *Intangibles Analysis* - As a final step in building the investment mosaic on a company, Perimeter's investment team evaluates additional factors, or "intangibles", such as: evaluation of management, insider ownership, dilution, capital allocation strategy, institutional ownership, Wall Street, etc.

Buy Decision

Equity security selection is made as a team by Mark Garfinkel, CFA (CIO), Portfolio Manager and Jim Behre, Director of Research.

Sell Discipline

The sell discipline is an emphasis for the Perimeter investment team. We believe that successful stock selection is dependent on an effective sell discipline.

Concourse Capital Partners - Investment Process Overview

Concourse Capital Partners, L.P. is a fundamental, long/short equity fund with global emphasis in Technology, Media, Telecom and Healthcare. Our investment process was developed through business career experience and the desire to manage capital with a long term perspective. With regard to long investments, we focus on investing in what we view as quality businesses experiencing compounding growth. We apply a private equity approach, investing as buyers of companies; as opposed to traders in stocks. As for short investments, we typically seek shorter term trading opportunities in what we believe to be fundamentally flawed companies where we can benefit before a company's management can improve its business. In summary, we seek to make profitable investments on both sides of the market - both long and short.

Disciplinary Information

Perimeter and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Perimeter currently is the primary investment adviser to the Perimeter Small Cap Fund, a publicly offered registered investment company. The fund is administered and distributed by PNC Global Investment Services and its affiliates ("PNC"). PNC is an independent third party and is not affiliated with Perimeter. The Perimeter Small Cap Fund makes up a significant amount of Perimeter's assets under management.

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

At times Perimeter's employees may buy or sell securities for their own account which are also recommended to Client accounts. To avoid any potential conflicts of interest involving personal trades, Perimeter requires all employees to strictly comply with a Code. Perimeter's Code of Ethics requires, among other things, that employee:

- Act within an ethical manner with the public, Clients, prospective Clients and investors;
- Place the interests of Clients above their own personal interests;
- Not take inappropriate advantage of their position;
- Avoid actual or potential material conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;

- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Uphold the rules governing, capital markets;
- Comply with applicable provisions of the federal securities laws.

Perimeter's Code of Ethics also requires employee to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Perimeter with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employee have a direct or indirect beneficial interest.

A copy of Perimeter's Code of Ethics shall be provided to any investor upon request.

Brokerage Practices

Although Perimeter seeks competitive brokerage arrangements, Clients will not necessarily pay the lowest brokerage rates available. The compensation paid to any one broker-dealer may be greater than the amount charged by another firm for executing the same transactions if Perimeter determines in good faith that such compensation is reasonable in relation to the value of the brokerage and research services provided. Selecting brokers on the basis of considerations which are not limited to commission rates may result in higher transaction costs.

Perimeter seeks to allocate investment opportunities among Clients in a fair and equitable manner taking into account Clients' best interests. Perimeter's investment personnel routinely review investment allocations to ensure that allocations do not unduly favor any one Client or group of Clients. Perimeter manages numerous accounts that have investment objectives that are substantially similar. Accounts that have substantially similar investment objectives generally do not have identical investment portfolios due to the dynamic nature of capital markets and/or Perimeter's portfolio management implementation processes. Differing investment portfolios can be expected to result from several factors including, but not limit to: regulatory constraints that apply to certain accounts but not to others; investment constraints imposed by Clients; the amount of cash available for investment at various times; rapidly moving markets; different weightings between accounts based on the portfolio manager's professional judgment and discretion. In addition, there may be circumstances that warrant one account to sell a security, while another account to purchase the same security, on the same day. As a result of such factors, among others, performance results between managed accounts differ even though such accounts have identical or substantially similar investment objectives.

On occasion, a Client may direct Perimeter to execute securities transactions for the their account through a specific broker-dealer. This instruction shall be construed as a "directed brokerage arrangement." In such circumstances, the Client is responsible for negotiating the terms of the directed brokerage arrangement. Perimeter will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the Client's transactions with orders for other Client accounts for execution through other broker-dealers. As a result, Clients may or may not pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions than would otherwise be the case.

In order to facilitate directed brokerage arrangements, Perimeter may elect to conduct “step-out” trades. In such cases, Perimeter will instruct the executing broker dealer to allocate a portion of an intended transaction to a second broker-dealer. Each broker-dealer would receive a commission or brokerage fee with respect to their designated portion of the transaction.

Orders for the same security entered on behalf of more than one Client will generally be aggregated if the aggregation is in the best interests of all participating Clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Filled orders may be allocated separately from subsequent orders or in instances where the market price of the security has not materially changed, subsequent orders may be aggregated with filled orders. Clients participating in an aggregated order shall receive the average price and pay a pro rata portion of commissions subject to any applicable broker dealer minimum ticket charges.

The allocation of securities across Client accounts will be based on various factors including: account size, diversification, cash availability, as well as round lot considerations, where appropriate. If an order is partially filled, the allocation shall be made in the best interests of all the Clients participating in the order, taking into account all relevant factors including, but not limited to, the size of each Client’s allocation, each Client’s liquidity needs, and previous allocations. Perimeter may purchase certain securities for some accounts and not for others. Perimeter uses its professional judgment and discretion to manage all portfolios in a manner that it feels best suits the Client’s objectives and risk tolerances.

Broker dealers provide Perimeter with research products or services that fall within the “safe harbor” established by Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) permits the use of soft dollars to obtain brokerage and research services that provide lawful and appropriate assistance to an adviser with its investment decisions. Soft dollar arrangements are generally understood to be situations in which products or services other than the mere execution of securities transactions are obtained by an investment adviser from a broker-dealer in exchange for the direction of client brokerage transactions by the investment adviser to such broker-dealer. Soft dollars are the portion of brokerage commissions that exceed the lowest rate available from that broker-dealer for basic execution services. Payment of this excess amount is frequently referred to as “paying up.”

If a research product or service received from a broker dealer under a soft dollar arrangement has both, a research and non-research use, Perimeter will pay for the non-research portion. The allocation of the cost of the product or service will be made according to the component that provides assistance to Perimeter in its investment decision-making. The allocation of cost will generally be made based on the percentage of time devoted to Perimeter’s use of the product for research or non-research applications.

Investment research and brokerage services received through soft dollar arrangements may be used by Perimeter in servicing various Clients. Not all such services will benefit all Clients. Relationships with broker-dealers providing soft dollar services to Perimeter may influence Perimeter’s judgment in allocating brokerage business, and may create a conflict of interest in

using the services of such broker-dealers to execute securities transactions for Clients. Selecting broker-dealers on the basis of considerations other than applicable commissions may at times result in higher transaction costs than would otherwise be the case. Perimeter derives substantial direct and indirect benefit from these services, particularly to the extent soft dollars are used to pay expenses which Perimeter would otherwise pay.

Review of Accounts

Generally, accounts are reviewed on a continuous basis by the lead portfolio manager assigned to the account. These reviews are designed to monitor and analyze securities positions, cash levels, and total portfolio performance. In addition, the securities activity in each client account is reviewed regularly for compliance with account investment objectives, guidelines, and restrictions. Currently there are no more than 30 accounts assigned to each portfolio manager.

Clients are provided with at least quarterly appraisals that include cost basis and current market values. An accompanying letter summarizes Perimeter's investment performance results. Investors are provided with at least quarterly appraisals of the Fund's performance for the period and investor's capital balance.

Client Referrals and Other Compensation

Other than the previously described products and services that Perimeter receives from a broker, Perimeter does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Perimeter does not directly or indirectly compensate any person for client referrals.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks. Perimeter is deemed to have custody since its affiliate serves as the General Partner of the Fund. The Fund is audited annually and the audited financial statements are distributed to each limited partner. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Fund's fiscal year end.

Investment Discretion

Perimeter has discretionary authority to determine which securities or instruments to buy or sell, the total amount of securities or instruments to buy or sell, the executing broker or dealer for a transaction and the commission rates or commission equivalents paid for transactions.

Voting Client Securities

Perimeter shall vote Client proxies in a way that it believes will cause securities to increase the most, or decline the least, in value in order to maximize shareholder value. Consideration will be given to both the short- and long-term implications of the proposal to be voted on. Perimeter has retained Glass, Lewis & Co. to assist in the due diligence process related to proxy decisions. Perimeter's complete proxy voting policy and procedures are memorialized in writing and

available to Clients upon request. In addition, Perimeter maintains a record of all proxy votes cast on behalf of Clients, which is also available to Clients upon request.

Financial Information

Perimeter is not aware of any financial condition that is expected to affect its ability to manage client accounts.