



Peregrine Capital Management, Inc.

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This Brochure provides information about the qualifications and business practices of Peregrine Capital Management, Inc. (Peregrine). If you have any questions about the contents of this Brochure, please contact us at (612) 343-7600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Peregrine is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Peregrine also is available on the SEC's website at www.adviserinfo.sec.gov.



Item 2 – Material Changes

Peregrine has not made any material changes to the Brochure since our last annual update, which was dated March 31, 2013.

Peregrine will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Peregrine's Brochure may be requested by contacting Christine Mullady, CCO, at (612) 343-7613 or Christine.Mullady@Peregrine.com.

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Brochure Supplement(s)



Item 4 – Advisory Business

Peregrine Capital Management, Inc. was established as an SEC-registered investment advisor in 1984. The firm has one office located in Minneapolis, Minnesota.

Peregrine is a wholly-owned subsidiary of Wells Fargo & Co. (Wells Fargo). Peregrine operates autonomously from Wells Fargo. Peregrine does not share client information with, or offer any products in conjunction with, Wells Fargo or its affiliates (other than funds Peregrine subadvises on behalf of a certain affiliate) or transact through affiliated brokers. As of 12/31/13, Peregrine managed approximately 2.4 billion dollars in assets.

Peregrine provides investment supervisory services to client portfolios, offering three specialty investment products managed by three distinctly separate investment teams: Small Cap Growth; Small Cap Value; and Growth Equity. Typically, Peregrine has full investment discretion over all accounts.

Each equity style is limited to a maximum number of clients. Due to liquidity constraints, Peregrine's two small cap equity styles also limit total assets under management, regardless of the number of clients. Portfolio managers are actively involved in client relationships from the sales process forward. The firm's marketing efforts focus on investment consultants and direct calling on sophisticated institutional prospects. Peregrine's business model has been consistent since the firm's inception, and any deviation from these practices would require approval by Peregrine's Managing Principals Group (MPG).

While Peregrine strives to obtain a complete understanding of each client's individual needs and background information relating to the client's investment objectives, such information is not always divulged by the client. In these circumstances, often by client directive, portfolios are managed without such a comprehensive understanding. Thus, the funds and securities holdings and the establishment of individual needs are determined by the client, based on the client's own appraisal of the nature and amount of the client's other assets, investments, insurance and obligations.

Item 5 – Fees and Compensation

Small Cap Growth

Annual Fee Rate	Assets Under Management
1.00%	First \$50 million
.75%	Next \$50 million
.65%	Balance

Small Cap Growth offers a discount to eleemosynary clients.

Small Cap Value

Annual Fee Rate	Assets Under Management
1.00%	First \$50 million
.90%	Next \$50 million
.80%	Next \$50 million
.70%	Next \$50 million
.60%	Balance

Growth Equity

Annual Fee Rate	Assets Under Management
.75%	First \$25 million
.50%	Next \$125 million
.35%	Balance

Peregrine's accounts are billed in arrears. The fee calculation is defined by contract. The majority of Peregrine's accounts are invoiced based on assets under management at calendar quarter-end. Other methodologies include the average of the month-end asset values in each quarter, the month-end of the prior quarter, or average daily asset values over a specified period. Some accounts are billed monthly. Peregrine does not deduct fees from client accounts.

Peregrine generally requires prior written notification by either party to terminate an advisory agreement (typically 10 days).

In accounts with special circumstances, such as sub-advisory agreements under which Peregrine does not service the end-client (for example, a mutual fund) or clients who were clients of the predecessor company, Peregrine's fee may be negotiated.



For cash management purposes, Peregrine may invest in exchange-traded funds (ETFs). ETFs have an embedded fee that flows to the ETF management company. In these circumstances, clients pay two levels of management fees: one to the ETF management company and an additional fee to Peregrine.

Peregrine's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment advisors and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Peregrine's fee, and Peregrine does not directly receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Peregrine considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). Item 12 also discusses the indirect benefit of soft dollars.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based compensation arrangements may be negotiated with clients of substantial size. Peregrine will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the Advisers Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Peregrine shall include realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Peregrine has procedures designed and implemented to ensure that all clients are treated fairly and equitably and to prevent this conflict from influencing the allocation of investment opportunities among clients. Actual fees paid under such agreements may be more or less than the fee schedules listed under Item 5 above.

Item 7 – Types of Clients

Peregrine provides investment advisory services to corporate and public pension plans, profit sharing plans, savings-investment and 401(k) plans, Taft-Hartley plans, private and public foundations and endowments, corporate accounts, large trust accounts, and registered investment companies (Wells Fargo Funds Management, LLC serves as advisor).

Peregrine reserves the right to impose minimum account sizes in its sole discretion. Peregrine generally requires a minimum account size of \$10 million for its Small Cap Growth style, \$25 million for its Growth Equity style and \$10 million for its Small Cap Value style. Peregrine generally does not accept non-discretionary accounts, although reserves the right to accept smaller accounts or non-discretionary accounts based on special circumstances.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Peregrine's three styles invest primarily in U.S. equity securities or securities convertible into equities traded on a U.S. exchange or over-the-counter. Investments may include foreign securities traded in the U.S. and exchange-traded funds used for cash management purposes. Securities issued by clients may be purchased within client portfolios, except when prohibited by client guidelines or regulations.

All three equity styles have a research intensive, company-specific approach to stock selection. The fundamental research is achieved through meeting with company managements, analyzing financial statements, reading press releases and newspapers, charting, meeting with analysts and reading their research reports in order to find the best investment opportunities.

Turnover is not managed to a particular level but is a function of each style's disciplines. Total transaction costs are directly related to portfolio turnover and cash flows.



Investing in securities involves risk of loss that clients should be prepared to bear. Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than larger company stocks. Peregrine's small capitalization strategies are broadly diversified across economic sectors consistent with their benchmarks. Peregrine's Growth Equity strategy is more concentrated than its benchmark, both across companies and economic sectors.

Item 9 – Disciplinary Information

Peregrine is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Peregrine or the integrity of Peregrine's management. Peregrine has no reportable legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Peregrine provides investment advice to the Wells Fargo Funds Trust and the Wells Fargo Master Trust, registered investment companies, pursuant to a sub-advisory agreement with Wells Fargo Funds Management, LLC.

Peregrine furnishes investment supervisory services to Wells Fargo & Co., and provides investment services to clients for which Wells Fargo Bank, N.A. is a trustee. Additionally, Wells Fargo affiliates serve as custodians for certain other clients of Peregrine. Peregrine clients select their custodian and receive statements directly from that custodian. Peregrine is operationally independent from any affiliated custodian.

Peregrine does not use affiliated broker-dealers. Peregrine does not receive any compensation from affiliates other than investment advisory fees described in item 5.

Item 11 – Code of Ethics

Peregrine has adopted a Code of Ethics for all persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading and reporting procedures, among other things. All supervised persons at Peregrine must acknowledge the terms of the Code of Ethics annually and



when amended.

Peregrine may from time to time recommend the purchase or sale of (or purchase or sale for the account of a client) securities or other investment products in which Peregrine or related persons may have some financial interest. Peregrine is an affiliate of Wells Fargo which owns a number of banks, a venture capital firm, and other financial service companies whose activities may from time to time conflict with those of Peregrine's clients. Peregrine's affiliates are actively engaged in transactions in the same securities and instruments in which Peregrine's clients may be invested. Peregrine is, in general, not apprised by Wells Fargo or its affiliates of their holdings and such holdings are not a factor in Peregrine's recommendations or investment decisions.

Peregrine has a policy of prohibiting any employee from engaging in any securities transactions which would create a conflict of interest with any clients of Peregrine. Employees are prohibited from making any transaction in a security which is contrary to the action taken (except such actions required to accommodate contributions/withdrawals) on behalf of any client with respect to that security. Such prohibition is applicable for 5 business days after transactions are made on behalf of customers. Peregrine also prohibits any employee from purchasing securities under consideration for purchase or in the process of being purchased for its customers (or selling any security which is under consideration for sale or in the process of being sold) until such time as all intended transactions on behalf of customers as to which the employee is aware have been completed. Peregrine requires its employees to receive written preclearance from management and/or a compliance officer prior to making any securities transactions. Employees are also required to disclose any holdings they may have in securities under consideration for purchase of which they may be aware. Peregrine requires all employees to report monthly all personal transactions in securities in which the employee has direct or indirect ownership. Under appropriate circumstances Peregrine may grant exceptions to the restrictions on employee securities transactions outlined above. A complete copy of Peregrine's Code of Ethics is available upon request.

Peregrine occasionally makes contributions to certain clients that are charitable organizations.

Item 12 – Brokerage Practices

Peregrine, in effecting purchases and sales of portfolio securities for the accounts of clients, places the orders with broker-dealer firms giving consideration to execution

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capability, financial responsibility, and responsiveness of the firm and market, statistical and other research information provided to Peregrine and its clients. All of these factors are taken into account in the allocation of brokerage and thus lowest price is not necessarily the determining factor. Peregrine pays for research through client commissions as disclosed above. In the absence of these "soft dollar" commission arrangements, Peregrine would be directly required to purchase these services. Peregrine believes that it is to the overall benefit of its clients to receive these benefits from broker-dealers. It is quite possible that the research benefits received from any one order will not inure to the direct benefit of the client placing the order, but Peregrine believes that the aggregate benefits of information received from all orders will benefit all of its clients. Services and products provided by brokers directly or through third-party arrangements include: research reports, advice and/or technical analyses on individual securities, specific industries and economic/market sectors, economic and market trends, and portfolio strategy; and databases, statistical services, and software used for research, portfolio management and trade execution and a variety of other "research" and analytical tools including performance measurement/attribution reports and systems. Peregrine also utilizes so-called "mixed-use" arrangements for products and services where Peregrine determines the "research" portion to be paid through client trading activity and the "non-research" portion to be paid directly by Peregrine. The allocation between research and non-research presents a potential conflict of interest for Peregrine. Peregrine generally determines the allocation based on actual usage and, in the process, identifies the proportion utilized in investment decision-making. The allocation is approved by both compliance and senior management.

Peregrine believes that aggregating orders for the purchase or sale of securities on behalf of clients may aid in obtaining best execution for those clients participating in the trade. In order to eliminate the possibility that any client might be advantaged or disadvantaged when trades are aggregated, Peregrine has adopted a policy expressly addressing allocation of aggregated securities trades. The overriding objective in the process is to treat all clients fairly and equitably. All transactions including aggregated trades are allocated to participating accounts on or prior to the entry of an order. New issue securities are allocated on the day of the underwriter's allotment and before trading commences whenever feasible. Trades will ordinarily be allocated to all accounts using the average share price for all transactions in the security occurring on the same day and will generally be divided pro-rata based on the market value of the specific accounts involved. A portfolio manager may depart from a strict pro-rata allocation when any of a number of factors may have an influence on an individual allocation. A departure from a strict pro-rata allocation may thus be appropriate depending on such factors as the market capitalization of the security

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involved, the total number of shares transacted, the cash flows into or out of the involved accounts, the cash position of the account, the relative magnitude of a security holding in an account in comparison to the targeted amount, relative industry/sector weightings for each account, client and style constraints, allocations which fall below specified minimums and/or other factors which the portfolio manager determines would be fair and equitable for all accounts in a particular management style. Because of the limited share allotment, which Peregrine is likely to receive on initial public offerings, trades cannot always be allocated pro-rata to all accounts managed in a particular style. Peregrine rotates participation in public offerings among all accounts managed in a particular style in an attempt to achieve fair and equitable treatment.

At their request, Peregrine also allows clients to direct a portion of their trading activity to pay for items such as services beneficial to the plan/account and commission rebate programs on their behalf. In these instances where a client directs Peregrine to utilize a particular broker-dealer firm, Peregrine may be prevented from obtaining the lowest commissions and the client accordingly may incur higher execution costs.

Peregrine's trades are executed within the national best bid and offer (NBBO) with no differentiation between listed and over-the-counter (OTC) trades. Bid and offer spreads are generally minimal and an explicit commission is assigned to trades.

Peregrine does not receive referral fees from brokers.

Item 13 – Review of Accounts

Peregrine employs a trade order management system and its pre-trade compliance functionality. All portfolios are reviewed continuously by the portfolio manager(s) assigned to them. All portfolio managers devote a substantial majority of their time to managing portfolios. The portfolio managers function as small teams, focused on their individual styles. Each portfolio is formally reviewed quarterly by a portfolio manager and compliance to ensure that each portfolio's holdings are consistent with the goals and objectives and limitations imposed by each client.

Peregrine sends quarterly written letters to clients which include performance numbers and a discussion of market events from the quarter. Ad-hoc reports are distributed as requested.



Item 14 – Client Referrals and Other Compensation

Peregrine does not pay for client referrals and does not receive any fees other than as described under Item 5 above.

Peregrine purchases products and services from some investment management consultants with whom Peregrine may share clients/prospects, creating a potential conflict of interest between these consultants and shared clients/prospects. Examples of products and services purchased include index information, performance attribution, manager universes, etc. Clients/prospects are encouraged to request information from their consultants regarding revenue received from other activities. Specific information regarding investment management consultant products and services purchased by Peregrine is available upon request.

Item 15 – Custody

Peregrine does not custody assets. Clients select their custodians and may select an affiliate of Peregrine to act as their custodian. Peregrine is operationally independent of any affiliated custodian. Clients receive quarterly statements from their qualified custodian. Peregrine urges clients to carefully review such statements and compare such official custodian records to the account statements that Peregrine provides. Peregrine statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Peregrine generally does not accept non-discretionary accounts, although reserves the right to accept non-discretionary accounts based on special circumstances.

Item 17 – Voting Client Securities

Peregrine votes proxies for shares held in client accounts for the sole or exclusive benefit of the client. The investment agreement defines whether Peregrine has the authority to vote proxies. In evaluating a proxy proposal, Peregrine's objective centers on protecting the financial investment of the shareholder (or participant in a qualified employee benefit plan). Therefore, Peregrine reviews each proposal to determine its financial implications for the shareholder. In a number of proxy proposals, the financial interests of the beneficiary clearly dictate support for or a vote against a proposal. For example, Peregrine supports management on routine, noneconomic proposals. However, Peregrine must exercise discretion in determining

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how to best protect the financial investment of the shareholder while providing the support to management in the operation of the business.

Common stocks are purchased for Peregrine accounts based upon an evaluation that the stocks have an attractive return potential over a reasonable time horizon. Peregrine's purchase and retention of a stock inherently projects confidence that management will operate the company in a manner consistent with earning a reasonable return. As a result, Peregrine will normally support management's stance on proxy proposals.

Peregrine sends quarterly letters to clients disclosing how proxies were voted. A copy of Peregrine's complete proxy voting policies and procedures is available upon request.

Item 18 – Financial Information

Peregrine has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.