



**Form ADV Part 2A**

**Timpani Capital Management LLC**  
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This brochure provides information about the qualifications and business practices of Timpani Capital Management LLC ("Timpani"). If you have any questions about the contents of this brochure, please contact us at 847-509-1140. 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.

Timpani is an SEC-registered investment adviser. Registration of an adviser with the SEC does not imply a certain level of skill or training.

Additional information about Timpani also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2            Material Changes**

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This annual update to Part 2A of Form ADV contains one material change since the firm's last annual update on March 19, 2018.

As of January 16, 2019, Timpani Capital Management LLC and Calamos Advisors LLC entered into a definitive agreement for Calamos Advisors LLC to acquire 100% of Timpani Capital Management LLC. The transaction is anticipated to close following applicable regulatory and customary closing conditions, including mutual fund shareholder approval, on or about May 31, 2019. This material change is referenced in Items 4 and 10.

In Item 4, Timpani's discretionary regulatory assets under management were updated to \$507,316,343 as of February 28, 2019.

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## Item 4      Advisory Business

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Timpani Capital Management LLC ("Timpani") is an independent investment management firm providing investment advisory services to high net worth individuals, investment companies and other institutional clients. We specialize in small capitalization growth equity ("Small Cap Growth") and small/mid-capitalization growth equity ("SMID Cap Growth") investing for our clients. Timpani also manages a Style-Enhanced Alpha Large Cap strategy ("Enhanced Alpha").

Timpani is majority owned by our employees through two holding companies: Growth Investment Managers LLC and Frontier One LLC. Brandon M. Nelson, Timpani's Chief Investment Officer and President, owns over 25% of Growth Investment Managers LLC, and William D. Forsyth III, Timpani's Vice President, owns over 25% of Frontier One LLC. Growth Investment Managers LLC owns 75% of Timpani and is the majority and controlling shareowner.

As of January 16, 2019, Calamos Advisors LLC entered into a definitive agreement to acquire 100% of Timpani. The transaction is anticipated to close following applicable regulatory and customary closing conditions, including mutual fund shareholder approval, on or about May 31, 2019.

We have been providing discretionary portfolio management services since 2008. While we have full discretion to make all investment decisions on behalf of our clients, we do permit clients to impose restrictions on certain securities, industries, cash balances or other mutually agreed upon limitations unless we determine such limitations fundamentally alter our investment strategies.

All accounts are subject to a written investment management agreement which describes our discretionary authority, any investment limitations, investment objectives, fees and other matters. A client may remove Timpani as the investment manager upon written notice to Timpani of such removal. Termination of an advisory agreement by a client will not affect transactions we have initiated on the client's behalf prior to the effective date of such termination. If Timpani chooses to terminate its relationship with a client, we must give the client 60 days' written notice.

Additionally, Timpani also provides model portfolio recommendations to investment managers for a fee. Specifically, Timpani provides the investment manager with model portfolio recommendations that represent the securities Timpani holds for a particular strategy (the "Model Portfolio"). Timpani does not provide these investment managers with all of the services it commonly provides to discretionary accounts, such as trading securities, proxy voting, and reporting. In these arrangements, the investment manager receiving the Model Portfolio will make all actual decisions to purchase, hold or sell assets of their advisory account, and Timpani is not authorized to place orders for the execution of securities or other transactions for or on behalf of the investment manager's advisory account. Other than Timpani's responsibilities to make the recommendations contained in the Model Portfolio, to deliver the Model Portfolio, and to provide such other information, reports, records or advice expressly requested by the investment manager, Timpani has no authority or responsibility to manage the assets of the advisory account.

As of January 31, 2019, Timpani has six (6) Model Portfolio agreements in place for its Small Cap Growth strategy and one (1) agreement for its SMID Cap Growth strategy with \$83,578,684 and \$50,684,879 in client assets attributable to those agreements, respectively. These assets are not included in Timpani's Regulatory Assets Under Management.

As part of its advisory services, Timpani does not file class action suits on behalf of its clients.

Regulatory Assets Under Management as of February 28, 2019

Discretionary: \$507,316,343

Non-Discretionary: \$0

## **Item 5            Fees and Compensation**

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### **Fees**

We typically charge clients based on a percentage of the account's market value. In cases where we are responsible for billing our client, we bill accounts quarterly in arrears and pro-rate for partial quarters. We send our clients an invoice each quarter. Fees may be negotiable based on account size, service requirements, and other factors. Clients separately incur custody, brokerage, and transaction costs. Please see Item 12 for information on our brokerage practices.

In some cases, we have qualified clients that pay a fee based on the performance of their account. Please see Item 6 below for further information.

Because clients pay different fees based on differing fee schedules and/or the size of the account, we may have an incentive to favor those accounts where we earn the highest fees. We maintain procedures designed to address any conflicts of interest presented by this incentive. We regularly review performance discrepancies between accounts and attempt to minimize such dispersion.

### **Valuation**

When we are responsible for calculating our management fee and billing our client, we base our management fee on the value of client portfolios at the end of each quarter. We also use these market values in our performance calculations. Therefore, it is important that we maintain policies, procedures and controls around our asset valuation practices.

We obtain security prices daily from a third-party security pricing vendor, ICE Data Pricing & Reference Data, LLC. Rarely do we encounter a situation requiring us to fair value a security as the securities in which we invest are generally liquid securities traded on a national exchange. If a situation occurred where we had to rely on fair valuation, we would refer to the fair valuation policies and procedures of the Frontier Timpani Small Cap Growth Fund, (the "Fund"). See Item 10 for information regarding this fund.

### **Model Portfolio / Portfolio Emulation Services**

Timpani also provides model portfolio recommendations to investment managers for a fee. In these arrangements, Timpani is compensated by the investment manager based on the percentage of the account's market value that is attributable to the recommendations of the model portfolio provided by Timpani. This amount is calculated by the investment manager receiving the service.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

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In some cases, Timpani has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such qualified client. Timpani will structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940,

as amended, 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, Timpani includes realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for Timpani to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. Such fee arrangements also create an incentive to favor performance fee paying accounts over other accounts in the allocation of investment opportunities. We have established procedures designed to address such conflicts, including trading and brokerage policies that monitor and provide guidance when allocating investments to our various clients' accounts.

Please see Item 12 for information on our brokerage and trading practices.

## **Item 7           Types of Clients**

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Timpani provides investment advisory services to high-net worth individuals and institutional clients, including registered investment companies, corporations, trusts and foundations, endowments and charitable organizations, ERISA and Taft-Hartley plans, state and municipal government entities, and other investment advisers. Timpani also provides model portfolio recommendations to other investment managers.

For separate account clients, we require an initial investment of \$10 million; however, this minimum is negotiable.

## **Item 8           Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Investment Strategies**

Timpani manages a Small Cap Growth, SMID Cap Growth, and an Enhanced Alpha Large Cap strategy in client portfolios. All portfolios under the Small Cap Growth, SMID Cap Growth, and Enhanced Alpha Large Cap strategies are managed similarly, subject to individual client restrictions or limitations. It is expected that there is some overlap of securities held in the Small Cap Growth strategy and the SMID Cap Growth strategy.

Timpani uses fundamental research with an analysis of estimate revisions, to identify and take advantage of the perception gap that exists between a company's business strength and the market's expectation of that strength. We focus on companies with superior management and whose business models have a high potential for profitability.

We invest our client portfolios in domestic small cap stocks for the Small Cap Growth strategy, domestic small and mid-cap stocks for the SMID Cap Growth strategy, and domestic large cap stocks for the Enhanced Alpha Large Cap strategy. All strategies may also invest in foreign securities traded on a U.S. exchange and American Depositary Receipts.

### **Methods of Analysis**

#### **Small Cap Growth**

When determining what equities in which to invest on behalf of our clients under the Small Cap Growth

strategy, we seek out companies that have a market capitalization less than or equal to the total market capitalization of the largest company included in the Russell 2000® Growth Index. We apply minimum growth requirements and rigorous, proprietary earnings revisions requirements to pare down this list of candidates for investment from approximately 2,000 companies to a list of 200. From this investment candidate list, we then perform a final bottom-up fundamental analysis to determine the sustainability of a company's growth rate, likelihood of exceeding expectations and market sentiment. Once this analysis is complete, we invest in approximately 70 to 100 stocks in client portfolios. The benchmark for the Small Cap Growth strategy is the Russell 2000 Growth Index.

#### **SMID Cap Growth**

Timpani's SMID Cap Growth strategy combines the criteria of the Small Cap Growth strategy with additional investments in certain mid cap stocks. When determining what equities in which to invest on behalf of our clients under the SMID Cap Growth strategy, we seek out companies that have market capitalization less than or equal to the total market capitalization of the largest company included in the Russell 2500® Growth Index. The benchmark for the SMID Cap Growth strategy is the Russell 2500 Growth Index.

#### **Style-Enhanced Alpha Large Cap**

The investment objective of the Enhanced Alpha Large Cap strategy is capital appreciation. Timpani forms an investment decision based on the fundamental, quantitative, and market sentiment characteristics on individual securities and an assessment of the market's perception appetite for risk using our proprietary style research. The firm also invests in stocks it believes to be undervalued and have the potential for mean reversion. Under normal market conditions, the Strategy invests between 20%-80% in securities of large cap-market capitalization companies that Timpani believes have defensive characteristics considering, low volatility, dividend yield, and defensive business models. The Strategy invests 20-80% in securities of large cap-market capitalization companies that have strong company fundamentals defined by positive earnings revisions, sustainability of growth and price momentum. Timpani defines a large capitalization company as any company with a market capitalization greater than or equal to the total market capitalization of the smallest company included in the Russell 1000® Index. The benchmark for the Enhanced Alpha Large Cap strategy is the Russell 1000 Index.

#### **Sources of Information**

We refer to various sources during our investment process. At the outset of our process, we conduct various screens using databases such as FactSet and PANARAY to determine the initial list of available stocks. When narrowing down this initial list, we employ traditional fundamental analysis on companies. In doing so, we endeavor to interview company management, read annual/quarterly public filings and review company press releases. We also rely on information provided to us by brokers and analysts, whether it be a broker's proprietary research on a company or ideas shared at a broker-sponsored conference. We have numerous relationships with such entities that provide information to us. We may transact with these brokers as well; however, the receipt of such research is not the only factor in choosing such brokers when determining with whom we trade. Please see Item 12 for more information on our broker selection process.

#### **Risks of Investing**

Investing in securities involves risk of loss which clients should be prepared to bear. We do not guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products.

The risks inherent in our investment strategies are as follows:

*Small and Mid Capitalization Risks.* Securities of companies with small and mid market capitalizations are often more volatile, less liquid and more susceptible to market pressures than securities of larger companies.

*Growth Investing Risks.* Growth companies are generally more susceptible than established companies to market events and sharp declines in value. Additionally, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns.

*Market Risks.* Investments are subject to market risks, which may cause the value of a client's account to be worth more or less than the client's initial investment. The market value of a client's account is expected to fluctuate. Furthermore, the stocks selected may decline in value or not increase in value when the stock market in general is rising.

*Foreign Securities Risks.* The strategy's foreign investments involve risks, including less liquidity, currency-rate fluctuations, political and economic instability and differences in financial reporting standards and securities market regulation.

*American Depositary Receipts Risks.* The risks of ADRs include many of the risks associated with investing directly in foreign securities, such as currency-rate fluctuations and political and economic instability.

*Portfolio Turnover Risks.* We may engage in frequent trading as part of our investment strategy and thus may experience a high portfolio turnover rate. When a portfolio experiences a high portfolio turnover rate you may realize significant taxable capital gains as a result of frequent trading, and the portfolio will incur transaction costs in connection with buying and selling securities, which may lower the portfolio's return.

*Liquidity Risks.* Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time and price that Timpani would like to sell. Timpani may have to accept a lower sales price, sell other securities instead or forego an investment opportunity.

*Management Risks.* Timpani's judgments about the attractiveness, value and potential appreciation of particular asset class or individual security in which a strategy invests may prove to be incorrect and there is no guarantee that the Timpani's judgment will produce the desired results.

## **Item 9            Disciplinary Information**

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We have no disciplinary events to disclose.

## **Item 10           Other Financial Industry Activities and Affiliations**

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Timpani serves as an investment adviser to the Frontier Timpani Small Cap Growth Fund, a portfolio of the Frontier Funds noted below.

Timpani has an affiliated broker-dealer, Frontegra Strategies, LLC, which is retained by the Fund to act as its principal distributor pursuant to a distribution agreement. Frontegra Strategies does not provide brokerage services to the Fund. Certain officers of Timpani are registered representatives of Frontegra Strategies.



Timpani is an affiliate of Frontegra Asset Management, Inc. ("Frontegra"), a registered investment adviser that provides, directly and indirectly through subadvisory agreements, discretionary investment advisory services to the Frontegra Small Cap Core Fund (a collective trust fund), and the following portfolios of the Frontier Funds:

- Frontier Phocas Small Cap Value Fund
- Frontier MFG Global Equity Fund
- Frontier MFG Global Plus Fund
- Frontier MFG Core Infrastructure Fund
- Frontier MFG Select Infrastructure Fund

Timpani is affiliated with Frontier Partners, Inc. ("Frontier"), an SEC-registered investment adviser. Frontier is also registered with the Municipal Securities Rulemaking Board as a municipal adviser. As part of its marketing activities, Frontier may solicit government investments for its investment adviser clients. Certain officers of Timpani are also employees and officers of Frontier.

Timpani's Chief Compliance Officer performs multiple roles with our affiliates, including serving as Chief Compliance Officer of Frontier and Frontegra Strategies. These various roles may present conflicts of interest when fulfilling his compliance responsibilities for Timpani. We maintain policies and procedures reasonably designed to address such conflicts of interest and do not believe these conflicts result in unfair treatment.

As of January 16, 2019, Calamos Advisors LLC entered into a definitive agreement to acquire 100% of Timpani. The transaction is anticipated to close following applicable regulatory and customary closing conditions, including mutual fund shareholder approval, on or about May 31, 2019. Upon the closing of the transaction, Timpani will no longer be affiliated with Frontegra, Frontegra Strategies, or Frontier.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Standards of Conduct**

Timpani maintains a Code of Ethics and Personal Trading Policy ("Code"), which applies to all employees, directors and officers of our firm as well as any employee or partner of an affiliate who the Chief Compliance Officer has determined to be an access person because he or she has access to nonpublic information regarding any of the Fund's: (i) purchases or sales of securities; (ii) security recommendations; or (iii) portfolio holdings.

As a fiduciary, we have a duty of utmost good faith to act solely in the best interests of each of our clients, which is the core principal underlying our Code. Our core belief is that ethical conduct is premised on the fundamental concepts of openness, integrity, honesty and trust.

Our Code describes the standards of conduct expected of access persons and includes limitations on personal trading, entertainment, giving and accepting gifts, serving on a board of an outside public or private company and engaging in outside business activities. In addition, access persons are prohibited from trading on nonpublic information related to the Fund or any publicly traded security. All access persons are also required to abide by our policies and procedures regarding political contributions. All

access persons are required to report promptly any violation of the Code (including any discovery of any violation committed by another employee).

### **Personal Trading**

Except for certain exempt transactions, we require all access persons to pre-clear personal securities transactions, including transactions in the Fund or any mutual fund for which Timpani serves as an adviser or subadviser ("Reportable Funds"), with our Chief Compliance Officer. In addition, the Code requires all access persons to report certain security holdings initially upon becoming an access person and on an annual basis thereafter. Finally, all access persons are required to report personal transactions to the Chief Compliance Officer on a quarterly basis.

Access persons are permitted to invest in Reportable Funds. This may create an incentive for us to put the interests of Reportable Funds in which we have a financial interest ahead of other clients. However, our Code requires access persons to put clients' interests ahead of their own and to report personal transactions and holdings in Reportable Funds to the Chief Compliance Officer in accordance with the reporting requirements described above.

A copy of our Code is available upon request.

## **Item 12      Brokerage Practices**

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### **Broker Selection**

Timpani maintains relationships with numerous brokers. When determining with whom to trade, we consider various factors including the broker's coverage of the security, access to the broker's analysts, access to a company's management and invitations to broker-sponsored conferences. Timpani maintains a qualitative scorecard to track the performance of each of its brokers using factors it deems important in its broker selection process.

Timpani's policy is to seek the best price and favorable execution of client transactions considering all circumstances. However, there can be no assurance that best execution will in fact be achieved in any given transaction. We define best execution as the best security price available (including the commission) with respect to each transaction, in light of the overall quality of brokerage and research services provided. Subject to Timpani's overall policy, in selecting brokers to execute transactions, Timpani considers the broker's reputation, the full range, quality, and reliability of its services, its relationship and responsiveness to Timpani, commission rates, and any other factors that Timpani, in its sole discretion, deems relevant, without having to demonstrate that any such factor is of a direct benefit to any particular client. In addition to execution, the services provided by brokers include supplemental research, statistical information, and objective performance evaluation. We regularly review commissions paid to brokers for reasonableness, taking into consideration the quality of trade execution and research provided.

Timpani will not always place brokerage transactions on the basis of the lowest commission rate available for a particular transaction. That is, Timpani uses certain brokers in return for services that are useful to Timpani's research process and/or causes clients to pay commissions higher than those charged by other brokers in return for products and services that are useful to Timpani's research process. Timpani makes a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage and other services provided. The payment of such services with brokerage commissions is commonly referred to as "soft dollar arrangements." Timpani only enters into soft dollar arrangements that

are covered by the safe harbor provided under Section 28(e) of the Securities Exchange Act of 1934.

We do not direct transactions to any broker for client referrals.

#### **Client Directed Brokerage**

When a client desires that a particular broker is to be used, the client is required to specifically direct Timpani in writing. For example, certain institutional clients may direct Timpani to place all or a portion of their brokerage with minority-owned and/or local brokers, or brokers who provide the client with certain services, such as performance monitoring and commission recapture. Where the client directs Timpani to use a specified broker, the client should understand that (i) Timpani will not negotiate commissions on the client's behalf and that, as a result, the client may pay materially different commissions than paid by other clients of Timpani depending on the client's commission arrangement with such broker and upon other factors, such as the number of shares, round and odd lots, and the market for security purchased or sold; (ii) the client's securities trades may not be included in Timpani's aggregated orders (i.e., orders for the purchase or sale of the same security for more than one account of Timpani) executed through such broker and, therefore, the client may pay a different brokerage commission than other clients of Timpani participating in such aggregated orders; (iii) the client's transactions may not be executed until after Timpani executes transactions for accounts that do not direct brokerage; (iv) if Timpani was not directed to use such broker, the client may pay less in commissions, and; (v) for the foregoing reasons, Timpani may not obtain best execution in certain transactions in the client's account.

#### **Research and Soft Dollars**

We utilize certain broker-dealers who provide us with research services ("soft dollar" arrangements) in exchange for brokerage commissions. It is our policy to operate within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") when using client commissions to pay for research services that assist in our management of client accounts. To the extent we use client transactions to obtain research services that we could otherwise purchase with cash, Timpani benefits because we do not have to produce or pay for such services. As a result, soft dollar arrangements have the potential to create a conflict of interest between us and a client.

Research services received from broker-dealers include some or all of the following: oral or written reports on the economy; forecasts of future economic activity; performance of specific companies or securities; access to broker-sponsored conferences and company management meetings; proprietary or third party research services obtained through client commission arrangements (as discussed below); and other financial and investment information. Trades generated by the brokers involved in these soft dollar arrangements are trades conducted on an agency basis (resulting in a commission payment to the broker-dealer). The brokerage commission rates paid to brokers for proprietary and third party research are typically higher than commissions paid to obtain execution only. Research received will not be used solely for the accounts that generated the brokerage commission but will generally be used in managing all of our client accounts. Timpani does not seek to allocate soft dollar benefits to clients' accounts proportionately to the soft dollar credits the accounts generate. Timpani uses soft dollar benefits to service all of its clients' accounts, not only those that paid for soft dollar services through their brokerage commissions.

Timpani receives certain brokerage and research products and services that provide both research and non-research ("mixed-use") benefits. In these instances, Timpani uses client brokerage commissions, soft dollars, to pay for the research portion and pays the non-research portion out of its own resources. Although the allocations between research and non-research portions will be made in accordance with Timpani's overall fiduciary responsibilities, clients should be aware of the potential conflicts of interest created by the use and allocations of soft dollar arrangements.

Soft dollar arrangements have the potential to create a conflict of interest between us and a client as we may agree to pay a higher commission on a transaction than what may be charged by another broker who has not provided us with research. However, we will only engage in soft dollar transactions when we determine the commission paid is reasonable in relation to the value of the research services provided by the broker-dealer. In addition, we monitor these potential conflicts through regular evaluation of brokers using our qualitative scorecard process.

Timpani may obtain proprietary and third party research through client commission arrangements. In a client commission arrangement, Timpani agrees with a broker effecting trades for our client accounts that a portion of the commissions paid by the accounts will be credited to purchase research services either from the executing broker or another broker as directed from time to time by Timpani. The client commission arrangements, as well as the research provided in connection with such arrangements, are intended to comply with Section 28(e) of the Exchange Act and the SEC's related interpretative guidance. Participating in client commission arrangements enables Timpani to consolidate payments for research services through one or more channels using accumulated client commissions. Such arrangements also help to facilitate Timpani's receipt of research services and ability to provide best execution in the trading process. We also believe such research services are useful in our investment decision-making process by, among other things, providing access to resources that might not be available to us absent such arrangements.

Timpani attempts to address the potential conflicts of interest through oversight of soft dollar usage by Timpani's Chief Compliance Officer. All soft dollar arrangements are initially approved and annually reviewed by Timpani's Chief Compliance Officer.

#### **Allocation of Investment Opportunities**

Investment opportunities are allocated similarly across client portfolios so that each account is treated fairly over the long term. We have established portfolio management policies to assist us in this endeavor and to adequately mitigate potential or actual conflicts of interest.

When Timpani participates in an initial public offering (IPO) for clients with relevant mandates who do not have IPO restrictions, allocations are made proportionally based on assets under management. The only time this may not be the case is when allocations are so small as to make it costly and impractical to do so. In such cases, Timpani will allocate IPO shares at its own discretion in the most practical way possible.

#### **Aggregation and Allocation of Trades**

When practical, client trades will be aggregated in a single order (a "block") in an effort to obtain best execution. We will only aggregate trade orders when we believe it is in our clients' best interests.

If a block order is executed (fully or partially) at several prices through multiple trades or with multiple brokers throughout the day, Timpani will calculate an average price for all trades, all participants in the block trade will receive the average price and the trade will be allocated pro rata to the clients participating in the trade. If a block order is partially executed with one broker, the trade will be allocated pro rata to the clients participating in the trade.

#### **Cross Transactions**

On occasion we may effect trades between two client accounts ("cross trade") when it is in the best interest of each client participating in the transaction, we can achieve best execution and no client is disadvantaged by the trade. However, we will not engage in cross trades with our ERISA clients. All cross trades will be done in accordance with our Cross Trading Policy. To the extent a cross transaction involves a

mutual fund client, the transaction will comply with the fund's Rule 17a-7 procedures.

#### **Trade Errors**

It is Timpani's policy for clients to be made whole following a trade error. If a trade error results in a loss, Timpani will make the client whole and absorb the loss. If a trade error results in a gain, the client will generally keep the gain. Our Chief Compliance Officer reviews all trade errors to ensure clients are made whole.

### **Item 13      Review of Accounts**

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#### **Nature and Frequency of Reviews**

Timpani's Chief Investment Officer continually reviews the performance of accounts taking into consideration the client's investment objectives, policies and restrictions. On a regular basis, we compare an account's performance to a relevant benchmark index and may also consider such factors as movements in the securities markets, including particular securities in which an account's assets are invested, sector exposure and asset allocation in connection with any such review. We also review the change in net asset value for the Fund.

#### **Client Reports**

We provide customized reports to our clients based on their requests.

### **Item 14      Client Referrals and Other Compensation**

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Neither Timpani nor its employees receive compensation from third parties for client referrals. Timpani engages Frontier, an affiliate, to solicit clients on its behalf. Timpani does not pay any other third party to solicit on its behalf.

### **Item 15      Custody**

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We do not have custody of client funds or securities. Therefore, this item is not applicable. All client assets are maintained with qualified custodians.

### **Item 16      Investment Discretion**

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We provide portfolio management services on a discretionary basis. All discretionary accounts are subject to a written investment management agreement which describes our discretionary authority, any investment limitations, investment objectives, fees and other matters.

## **Item 17      Voting Client Securities**

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For those clients who have engaged us to vote proxies on their behalf, we have contracted with a third party vendor, Institutional Shareholder Services (“ISS”), to vote proxy statements based on ISS’ voting guidelines. ISS also maintains all proxy records including statements received, records of votes cast and documentation supporting the decision-making process.

Timpani’s Chief Compliance Officer oversees Timpani’s relationship with ISS which is subject to ongoing review, at a minimum annually, or more frequently as deemed necessary. Such a review of the independence and impartiality of the proxy voting service includes obtaining annual proxy voting guidelines and other information from the proxy voting service to enable Timpani to make such an assessment.

The Chief Compliance Officer will monitor any new SEC interpretations regarding the voting of proxies and the use of third party proxy voting services and revise Timpani’s policies and procedures as necessary.

We consider any material conflicts of interest that we may have as a result of voting client proxies are adequately mitigated by relying upon ISS to vote proxies on behalf of our clients. In addition, ISS monitors its own conflicts of interest in voting proxies and has provided us a written summary of its due diligence compliance process. There may be instances when Timpani deviates from ISS guidelines: for example, if requested by a client to vote in a particular way on a particular matter. Any votes cast differently than an ISS recommendation will be noted, with reasons for the change documented. However, conflicts of interest may arise in cases where we provide a vote recommendation. In such cases, Timpani will follow ISS’ proxy voting recommendation on the matter. With respect to separate account clients, in the event of a conflict, we may obtain direction from our client to vote the proxy. With respect to a mutual fund client, in the event of a conflict, we may obtain direction from the fund’s Board of Directors to vote the proxy.

A copy of our proxy voting policy and procedures, as well as a record of how we voted a client’s proxies, will be furnished free to our clients upon request.

## **Item 18      Financial Information**

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We have no financial conditions to disclose which would impair our ability to meet our contractual commitments to our clients.

## Other Information

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### **Business Continuity Plan**

Timpani has a business continuity plan that provides for meeting the goal of recovering its critical business functions in the event of a significant business disruption.

We plan to quickly recover and resume business operations as soon as possible after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and third-party impact; regulatory reporting; and procedures to help ensure that our customers have prompt access to their funds and securities if we are unable to continue our business.

A copy of Timpani's Business Continuity Plan is available upon request.

### **Operational Risk**

Timpani and its service providers may be negatively impacted due to operational risks arising from, among other problems, systems and technology disruptions or failures, or cyber incidents. The occurrence of any of these problems could result in a loss of information, regulatory scrutiny, reputational damage and other consequences, any of which could have a material adverse effect on Timpani and its clients. Timpani, through its monitoring and oversight of third party service providers, endeavors to determine that service providers take appropriate precautions to avoid and mitigate risks that could lead to such problems. However, it is not possible for Timpani or its service providers to identify all of the operational risks that may affect clients or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

### **Global Investment Performance Standards ("GIPS®")**

Timpani claims compliance with the Global Investment Performance Standards ("GIPS"). Timpani has been independently verified for the periods April 1, 2008, through December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Timpani has obtained performance examinations for all of its marketed composites. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

## **Privacy Notice**

Protecting the privacy of our clients is important to us. This notice describes the practices and policies through which we maintain the confidentiality and protect the security of your non-public personal information.

### **What Information We Collect**

In the course of providing services to you, we may collect the following types of “non-public personal information” about you:

- Information we receive from you on applications or other forms, such as your name, address and social security number, the types and amounts of investments and bank account information, and
- Information about your transactions with us, our affiliates and others, as well as other account data.

“Non-public personal information” is non-public information about you that we obtain in connection with providing a financial product or service to you, such as the information described in the above examples.

“Affiliates” include companies related to Timpani Capital Management LLC, through common control or ownership. Affiliates include Frontegra Asset Management, Inc., Frontier Funds, Inc., Frontier Partners, Inc., a consulting/marketing firm, and Frontegra Strategies, LLC.

### **What Information We Disclose**

We do not disclose non-public personal information about you or any of our former clients to anyone, except as permitted by law. We are permitted by law to share any of the information we collect, as described above, with our affiliates. In addition, in the normal course of serving clients, information we collect may be shared with companies that perform various services such as transfer agents, custodians and broker-dealers. These companies will use this information only for the services for which we hired them and as allowed by applicable law.

### **Confidentiality and Security Procedures**

To protect your personal information, we permit access only by authorized personnel. We maintain physical, electronic and procedural safeguards to protect the confidentiality, integrity and security of your non-public personal information.

We will continue to adhere to the privacy policies and practices in this notice even after your account is closed or becomes inactive.

### **Client Notifications**

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

### **Additional Rights**

You may have other privacy protections under applicable state laws. To the extent those state laws apply, we will comply with them with respect to your non-public personal information.

For questions about our policy, please contact Christopher Currie at 847-509-1140 or Timpani Capital Management LLC, 400 Skokie Boulevard, Suite 500, Northbrook, IL 60062.



**Form ADV Part 2B Brochure Supplement**

**Brandon M. Nelson**

**Timpani Capital Management LLC**

Two Park Plaza, Suite 1020  
10850 West Park Place Milwaukee, WI 53224  
Telephone: 847-509-1140  
Facsimile: 847-509-9845  
[bnelson@timpanicapital.com](mailto:bnelson@timpanicapital.com)

March 28, 2019

This Brochure Supplement provides information about Brandon M. Nelson that supplements Timpani Capital Management LLC's ("Timpani") Brochure (the "Brochure").

You should have received a copy of the Brochure. Please contact Timpani's Chief Compliance Officer or email [curre@timpanicapital.com](mailto:curre@timpanicapital.com) if you did not receive the Brochure or if you have any questions about the contents of this supplement.

## **Brandon M. Nelson**

### **Biographical Information**

#### **Educational Background and Business Experience**

##### ***Education***

- University of Wisconsin, Madison, WI – Finance, BBA – 1994
- University of Wisconsin, Madison, WI – Finance, MS – 1996

##### ***Professional Designation***

- Chartered Financial Analyst (CFA)

##### ***Year Born***

- 1971

##### ***Business Background***

<u>Name &amp; Address of Firm</u>	<u>Kind of Business</u>	<u>Position</u>	<u>Dates</u>
Timpani Capital Management LLC	Investment Adviser	President, Chief Investment Officer, Director, and Portfolio Manager	2008 to Present
Wells Capital Management	Investment Adviser	Managing Director	2005 to 2008

##### **Minimum Qualifications for Professional Designations**

The Chartered Financial Analyst (“CFA”) designation is a professional designation awarded by the CFA Institute to qualified candidates. To earn the CFA charter, candidates must pass three sequential, six-hour examinations, which typically takes most candidates between two and five years to complete. The three levels of the CFA Program test a wide range of investment topics including: Ethical and Professional Standards; Quantitative Methods (such as the time value of money, and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.); Portfolio Management and Analysis (asset allocation, portfolio risk, performance measurement, etc.). In addition, CFA charterholders must have at least four years of qualified investment work experience and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. More information on the CFA charter is available at [www.cfainstitute.org](http://www.cfainstitute.org).

##### **Disciplinary Information**

Brandon M. Nelson has not been involved in any legal or disciplinary events that would be material to a client’s evaluation of Mr. Nelson or Timpani.

**Other Business Activities**

Brandon M. Nelson is not actively engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Timpani.

**Additional Compensation**

Brandon M. Nelson does not receive economic benefits from any person or entity other than Timpani Capital Management LLC in connection with the provision of investment advice to Timpani Capital Management LLC's clients.

**Supervision**

Brandon M. Nelson, as the President, Chief Investment Officer, Portfolio Manager, and Director, makes all final investment decisions and maintains responsibility for Timpani's operations. Mr. Nelson does not report to a supervisor.

**Form ADV Part 2B Brochure Supplement**

**Ryan B. Isherwood**

Timpani Capital Management LLC

Two Park Plaza, Suite 1020  
10850 West Park Place Milwaukee, WI 53224  
Telephone: 847-509-1140  
Facsimile: 847-509-9845  
[bnelson@timpanicapital.com](mailto:bnelson@timpanicapital.com)

March 28, 2019

This Brochure Supplement provides information about Ryan B. Isherwood that supplements Timpani Capital Management LLC's ("Timpani") Brochure (the "Brochure").

You should have received a copy of the Brochure. Please contact Timpani's Chief Compliance Officer or email [ccurrie@timpanicapital.com](mailto:ccurrie@timpanicapital.com) if you did not receive the Brochure or if you have any questions about the contents of this supplement.

## **Ryan B. Isherwood**

### **Biographical Information**

### **Educational Background and Business Experience**

#### ***Education***

- University of Wisconsin, Madison, WI – Risk Management, BA – 1999
- University of Notre Dame, South Bend, IN – Finance, MBA – 2005

#### ***Professional Designation***

- Chartered Financial Analyst (CFA)

#### ***Year Born***

- 1977

#### ***Business Background***

<u>Name &amp; Address of Firm</u>	<u>Kind of Business</u>	<u>Position</u>	<u>Dates</u>
Timpani Capital Management LLC	Investment Adviser	Senior Equity Analyst, Co-Portfolio Manager for SMID Cap Growth Strategy, Portfolio Manager for Timpani Style Enhanced Alpha Large Cap Strategy, Vice President, Director	2008 to Present
Wells Capital Management	Investment Adviser	Senior Equity Analyst	2005 to 2008

### **Minimum Qualifications for Professional Designations**

The Chartered Financial Analyst (“CFA”) designation is a professional designation awarded by the CFA Institute to qualified candidates. To earn the CFA charter, candidates must pass three sequential, six-hour examinations, which typically takes most candidates between two and five years to complete. The three levels of the CFA Program test a wide range of investment topics including: Ethical and Professional Standards; Quantitative Methods (such as the time value of money, and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.); Portfolio Management and Analysis (asset allocation, portfolio risk, performance measurement, etc.). In addition, CFA charterholders must have at least four years of qualified investment work experience and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. More information on the CFA charter is available at [www.cfainstitute.org](http://www.cfainstitute.org).

**Disciplinary Information**

Ryan B. Isherwood has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Isherwood or Timpani.

**Other Business Activities**

Ryan B. Isherwood is not actively engaged in any other investment related business activity outside of Timpani.

**Additional Compensation**

Ryan B. Isherwood does not receive economic benefits from any person or entity other than Timpani in connection with the provision of investment advice to Timpani's clients.

**Supervision**

Ryan B. Isherwood's activities are overseen by Brandon M. Nelson, President and Portfolio Manager of Timpani. Mr. Nelson makes all final investment decisions and maintains responsibility for Timpani's operations. Mr. Nelson can be reached by calling 847-509-1140.