



Peridot Investment Research

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Form ADV part 2A

January 15, 2024

Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Peridot Investment Research, Inc. If you have any questions about the contents of this Brochure, please contact us at (480) 665-7706 and/or thaddeus.cornell@peridotfunds.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Peridot Investment Research, Inc. is registered as an investment adviser with the U.S. Securities and Exchange Commission; however such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Peridot Investment Research, Inc. is also available on the SEC’s website at: <https://adviserinfo.sec.gov>.

Item 1: Cover Page

Please refer to the previous page

Item 2: Material Changes

This Brochure dated November 12, 2023, represents Peridot Investment Research, Inc's initial publishing of its Brochure filing of Form ADV Form 2A.

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Item 4 Advisory Business

Background:

Peridot Investment Research, Inc. (“Peridot” or the “firm”) is a Privately Held Investment Adviser specializing in alternative investments. Peridot was founded in 2023 and offers advisory services to two primary audiences: 1) as a discretionary investment adviser to Peridot-sponsored private funds, and 2) as an investment adviser to individuals and institutions. The company was founded by Thaddeus A Cornell, who is the CEO and Principal Investment Manager with experience as an Institutional Equities and Options Trader, Securities Analyst, Credit and Margin Analyst, and Private Portfolio Manager spanning more than 26 years.

Private Funds:

The firm offers investment advice to a variety of single-strategy, multi-strategy and direct investment private funds sponsored by Peridot. The firm provides discretionary advice to broad multi-strategy funds covering many asset classes and investment approaches, and focused multi-strategy funds based on specific investment approaches (private equity, venture capital, private credit, real estate, equity long/short with options, event-driven strategies, etc). The firm’s principal leverages his expertise in alternative investments to build funds within the private equity, venture capital and hedge fund universes. Most multi-strategy funds are relatively concentrated and invest only in what Peridot’s principal view as top investment ideas.

Individual and Institutional Clients:

The firm also offers investment advice (both discretionary and nondiscretionary) to individual and institutional clients in the form of asset allocation and portfolio construction recommendations as well as recommendations regarding specific investment managers.

Interests in Peridot’s private funds are privately offered only to eligible investors pursuant to exemptions available under the Securities Act of 1933, as amended (the “Securities Act”), and the regulations promulgated thereunder. Such investment vehicles are not registered with the Securities and Exchange Commission (“SEC”) as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended (the “Investment Company Act”). Typically, interests in such investment vehicles are offered primarily to high net worth individuals as well as to institutional investors. Employees of Peridot and its affiliates may invest alongside other investors and advisory clients. Other qualified individuals who may not be employees or advisory clients of Peridot, but who have preexisting business relationships with the firm or its affiliates or industry expertise in the sector in which a fund may be investing, also may participate alongside other investors.

Peridot will utilize a third-party administrator to assist in the preparation of offering materials with respect to each fund that contain more detailed information, typically including a description of the investment objective and strategy or strategies employed and any related restrictions. These offering materials serve as a limitation on the scope of Peridot’s investment management of the fund. Clients and investors must consider whether an investment in a particular fund or establishing an advisory relationship with Peridot is appropriate to their own circumstances based on all relevant factors including, but not limited to, the client’s or investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective clients and investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for the funds or the documents relating to the proposed investment program for the separate account and the additional details about the firm’s investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

Item 5 Fees and Compensation

Funds Fees

Peridot Investment Research will receive management and/or administration fees in connection with Peridot sponsored funds and may also receive performance based fees and/or profit sharing from advisory clients and investors in such funds (such as a private equity or venture capital fund investing in a portfolio of privately held companies with the objective of improving the financial outlook and scalability through technology and strategic management to multiply the valuation). The specific legal and/or organizational documents of the related advisory client or the investment management agreement between the firm and such advisory client describe the basic fee structure relevant to the advisory clients and investors. Management and administration fees charged by Peridot may be paid in advance or in arrears depending on the fund type (private equity, venture capital or hedge fund). Each fund's private placement memorandum or other offering document describes its fee structure in detail.

Fee Schedule

Hedge Fund:

Hedge Fund management fees are 1.69% per annum on capital under management to Peridot-sponsored private funds, unless otherwise noted in the fund's private placement memorandum or other offering documents. The management and/or administration fee is collected with the initial capital commitment, then every 90 days (quarterly) and are deducted from the client's assets. Peridot will also collect a performance based fee of 20% of each fund's calendar year-end performance. These fees are calculated and collected in the January after the end of the year and are typically subject to high water marks and are deducted from accounts in the relevant fund.

Private Equity:

Private Equity Fund administration fees are 2.00% per annum on capital committed to Peridot-sponsored private funds, unless otherwise noted in the fund's private placement memorandum or other offering documents. The management and/or administration fee is collected with the initial capital commitment, then are typically paid annually by or on behalf of an advisory client by requiring investors in firm-sponsored funds to make capital contributions in respect of such fees or withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such advisory client. Peridot will also participate in the profit sharing, through either common stock ownership – typically controlling between 20-30% common stock issued and outstanding, or through carried interest which can range from 20-30% with the successful disposition of each private company. Carried interest allocations are typically deducted from investment proceeds that would otherwise be distributable to the investors in the fund. The manner of calculation and application of the management fee, administrative services fee and the carried interest allocations are disclosed in the offering documents for each such fund which may include an audit from an independent Top-25 accounting firm.

Venture Capital:

Venture Capital Fund administration fees are 2.50% on the capital committed to Peridot-sponsored private funds, unless otherwise noted in the fund's private placement memorandum or other offering documents. The management and/or administration fee is collected with the initial capital commitment. Peridot will also participate in the profit sharing, through common stock ownership, typically controlling between 10-25% common stock issued and outstanding. The administration fees will cease with the successful public offering, merger or acquisition of each company, based on the weighting of initial investment from the fund (if the fund invests 20% of investor capital in company A, which subsequently has a successful public offering, then the administration fees will cease for that particular company). Peridot will cease their financial advisory services of a company within a fund, with the successful public offering, merger or acquisition of such company. Peridot and the investors may decide to sell or maintain their stock ownership, and are subject to the offering, merger or acquisition conditions.

Management fees and carried interest or similar profit allocations are subject to modification, or reduction in connection with an investment in one or multiple investment vehicles. Furthermore, Peridot, and certain of their respective professionals typically invest in or alongside investment vehicles sponsored by the firm. Other qualified individuals who typically are not employees of Peridot, but who have business relationships with Peridot or industry expertise in the sector in which a particular investment fund may be investing, also may invest in or alongside investment vehicles sponsored by the firm. The minimum level of investment for accounts participating in the firm's

alternative investment funds are set forth in each fund's governing documents. Minimum investment levels are subject to waiver at the discretion of Peridot or one of its affiliates. Additionally, all investors in this area must meet specific suitability requirements in order to invest, as described above. Specific opportunities may require higher levels of investment. Servicing arrangements such as reporting may also vary among clients.

Separately Managed Accounts:

Peridot charges its separately managed account clients a management fee and occasionally, a performance fee. The advisory fees typically range between 0.40% to 1.00% of assets under management per year, and in some cases a tiered fee schedule may be implemented. Typically, fees are computed and payable quarterly in advance or on such other basis as mutually agreed with each client.

Other Expenses:

Clients may incur other expenses separate and apart from the firm's investment management fees, administration fees, and any performance fees. With respect to Peridot-sponsored investment funds, these expenses typically include organizational and offering based expenses including the costs and expenses of custodians, administrators, attorneys, tax advisors, consultants, data providers, and other professionals, trading and brokerage service fees, and/or other expenses associated with an underlying fund or investment or the type of services being performed, including without limitation, insurance, indemnity, litigation or extraordinary expenses and any taxes, fees or other governmental charges levied.

Investors in advisory client funds will pay all of the operating expenses of such funds, including but not limited to: (i) any sales taxes or other taxes, fees, penalties or government charges of any kind which may be assessed against the funds and all expenses incurred in connection with any tax audit, investigation, settlement or review of the funds; (ii) commissions or brokerage fees or similar charges incurred in connection with the purchase or sale of securities (including any fees payable to third parties and whether or not any such purchase or sale is consummated); (iii) interest on and fees and expenses arising out of all permitted borrowings made by the funds; (iv) all costs and expenses (including legal fees, judgments and amounts paid in defense and settlement) relating to litigation and threatened litigation involving the funds, including, without limitation, settlements of claims and indemnification expenses; (v) expenses incurred in connection with distributions made by the funds; (vi) expenses associated with preparation and distribution of financial statements, tax returns and filings and the funds' (and any qualified custodian's) reports to their investors; (vii) expenses incurred in connection with the purchase, holding, sale or proposed sale of any investment (whether or not consummated); (viii) all fees and expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, third-party administration, auditing, appraisal, legal, custodial, registration services, and valuation services provided to the funds; (ix) premiums for insurance to protect the fund, the general partner of the fund, the officers, directors and members of the general partner and any of their respective partners, members, stockholders, officers, directors, managers, trustees, employees, agents, consultants and affiliates in connection with the activities of the funds; (x) fees and expenses associated with any federal or state securities law filings incurred in connection with the ongoing operations of the funds; (xi) out-of-pocket expenses of members of any advisory committee; (xii) liquidation expenses; (xiii) auditors' expenses; and (xiv) any other reasonable out-of-pocket expenses related to the business of the funds, as determined by the firm in its sole discretion. Each fund's share of the aggregate operating expenses is determined by the firm in a manner it deems equitable.

In addition, Peridot engages fund administrators and other service providers to perform certain functions for firm-sponsored investment funds, including but not limited to fund administration, custody, execution, record keeping, investor correspondence, performance reporting, capital calls and distributions, data collection for various regulatory reporting, and tax filings. These expenses are borne by the advisory client investment funds.

The firm, its affiliates, and other funds sponsored by the firm and its affiliates may engage common service providers, such as administrators, lenders, attorneys, and custodians, from time to time. In such circumstances, there may be a conflict of interest between the firm and its affiliates, on the one hand, and the investment fund it sponsors, on the other hand, in determining whether to engage such service providers, including the possibility that the firm or its affiliates will favor the engagement or continued engagement of such persons if they receive a benefit from such service providers, such as lower fees or continuity of services, that it would not receive absent the engagement of such service provider by the sponsored funds. In addition, the firm and its personnel, as well as investment funds it sponsors, may have investments in certain service providers. In such cases, the firm may be incentive to engage the

service provider in order to benefit its investment. In certain circumstances, service providers, or their affiliates, charge different rates or have different arrangements for services provided to the firm or its affiliates, including other funds sponsored by the firm and its affiliates, which may result in the firm or its affiliates receiving more favorable rates or arrangements with respect to services provided to it by a common service provider than those payable by the advisory client funds. In most cases, the funds' allocable share of the costs and expenses of these service providers will be borne (directly or indirectly) by the funds and their respective investors (and not the firm).

Advance Billing:

With respect to the Peridot-sponsored funds, the management or administrative fee is payable in advance or in arrears as reflected in the fund documents and is calculated and paid in US Dollars.

Sales Based Compensation:

We may compensate employees for business development activity, including the attraction or retention of client assets. Certain employees may be eligible to receive performance-based compensation for certain transactions initiated and executed by the Private Equity and the Venture Capital teams or may receive compensation based on a share of the profits on a pooled investment vehicle sponsored by the firm. These compensation arrangements have the potential to incentivize members of the Private Equity and Venture Capital investment teams to pursue certain transactions or to pursue a higher risk investments. To ameliorate this risk, as part of the due diligence process, certain recommended Private Equity investments by firm sponsored funds are discussed with various firm-level investment committees prior to investment.

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

Peridot currently acts as investment adviser or manager to advisory clients. The firm charges performance fees, i.e., a fee based on a share of capital gains on or capital appreciation of the client's assets under management. The incentive fees are typically 20% of each fund's yearly performance and are calculated annually, are typically subject to high water marks and are deducted from accounts in the relevant fund. As discussed in Item 5, Peridot may receive carried interest allocations and management or administration fees or other performance based fees, as applicable. With respect to Peridot, known or reasonably anticipated conflicts of interest involving Peridot are disclosed in the offering documents of the applicable advisory client provided to potential investors prior to their investment.

The Portfolio Manager has the discretion to construct what, in his or her business judgment, constitutes an appropriate investment portfolio for the particular advisory client. As such, in determining what they believe to be an appropriate portfolio for a particular advisory client, they may give consideration to factors concerning the clients investment objectives. As a result, it may not be desirable for an advisory client to participate in an investment opportunity or acquire all of an investment opportunity. From time to time, certain investment opportunities may be appropriate for more than one advisory client, and also may be appropriate for investment by a fund or pooled investment vehicle managed by the firm or one of its affiliates. These investment opportunities are allocated in accordance with the firm's written policies and procedures, taking into account a range of factors, including the timing, complexity and size of the opportunity, the investment objectives and risk profile of the advisory client or relevant fund and the specific characteristics and requirements of the investment opportunity.

In allocating investment opportunities, there could be incentives to favor a fund or other Peridot sponsored investment vehicle over advisory clients that have lower advisory or management fees. Additionally, carried interest allocations may create an incentive for the general partner (or similar managing fiduciary) of a Peridot-sponsored investment vehicle to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

Peridot is permitted to offer co-investment opportunities in its sole discretion to advisory clients, including its pooled investment vehicles, employees and investors who do not have advisory relationships with Peridot or its affiliates. In making such allocation decisions, the general partner will be entitled to consider any interests and factors as it desires. The allocation of co-investment opportunities will in many or all cases involve a benefit to Peridot including, without limitation, the receipt of fees or allocation of carried interest from the co-investment opportunity, and capital commitments to advisory clients. Peridot may or may not charge management fees and/or carried interest in respect of co-investments, as it determines in its sole discretion. Investing in a pooled investment vehicle sponsored by Peridot or one of its affiliates typically does not give investors any rights, entitlements or priority to co-investment opportunities.

As a general principle, Peridot requires that potential conflicts of interest be addressed by placing client interests before personal or proprietary interests. As a control, the firm has adopted a policy pursuant to which it seeks to allocate investment opportunities among advisory clients, including its funds, in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, mandate or policies, risk tolerance, return targets, projected hold periods, diversification considerations, permissible and preferred asset classes, and liquidity needs of each advisory client. The firm's policies prohibit the allocation of investment opportunities based on anticipated compensation to Peridot. Each advisory client typically has its own investment guidelines, governing agreements, and geographical and industry focus that will be taken into account when making investment allocation determinations. Final allocation decisions are under the assessment of the firm.

Item 7 Types of Clients

Peridot provides discretionary and non-discretionary investment advisory services to institutional separate account clients and private investment funds organized and sponsored by the firm (the “funds”). The funds are typically organized as limited partnerships, limited liability companies, or similar legal entities. The funds are not considered “investment companies” as defined under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to definition exemptions under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act.

Our clients and fund investors may include high-net worth individuals, pension funds, insurance companies, private banks, foundations, endowments, trusts, family offices and other institutions.

The minimum dollar amount of assets ordinarily required to invest in the funds varies and is set forth in their respective governing documents. Investment minimums are subject to waiver at the firm’s discretion. The minimum dollar amount of assets ordinarily required for the establishment of a separately managed account is \$5,000,000. Smaller accounts may be accepted on an accommodation basis or when it is deemed likely that the minimum dollar size will be achieved within a reasonable period of time.

Employee and clients of affiliates of Peridot are typically subject to lower minimums.

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

Methods of Analysis and Investment Strategies

Peridot's Principal Investment Manager is responsible for sourcing and managing the firm's alternative investment strategies. These strategies cover a broad range of asset classes and investment approaches, including venture capital, private equity, private credit, real estate and hedge funds. The firm will employ a third party fund administration group that oversees the administration of Peridot sponsored investment vehicles.

Private Equity: Methods of Analysis

Multi-strategy Portfolio Construction:

Given that many of the firm's advisory relationships involve the creation of multi-strategy portfolios—either for multi-strategy fund offerings, or for the customized portfolios of individual and institutional clients—Peridot employs a robust portfolio construction process designed to ensure that portfolios align with stated return, and risk and volatility targets. The essential ingredient to portfolio construction is customization—each fund and each individual or institutional client has a distinct set of return targets, risk constraints, liquidity preferences and other considerations, and the investment team devotes heavy attention to understanding these specific client targets and building tailored portfolios for each unique situation. Initial portfolio construction is followed up by an ongoing review process, which monitors significant changes in the characteristics of underlying investments, as well as any material changes in client requirements and preferences. This process guides ongoing decisions about adjusting portfolio allocation, or modifying a client portfolio.

Peridot believes that the primary aim of risk management is to protect capital, and has directed the quantitative and qualitative assessment of fund and portfolio risk. The firm defines risk management as the ability to identify, evaluate and then monitor risk exposures that are at work both at the strategy/market level as well as at the underlying fund level. With this multi-dimensional perspective it is possible to actively evaluate the risks within an investment portfolio.

Peridot seeks to mitigate risks using the following methods:

- A due diligence methodology applied by an experienced team that seeks to ensure the firm does not invest in funds with inadequate operational controls.
- The due diligence performed informs the operational due diligence review process whereby the operational due diligence team has the authority to veto an investment recommendation in cases where it determines that the operational risk presented by a hedge fund manager is deemed to be unacceptable.
- A due diligence process that is designed to identify managers and firms with inadequate risk controls or inappropriate use of leverage, or excessive concentration risks.
- Close communication with transparency requirements from hedge fund managers.
- Frequent examination of portfolio allocations informed by exposure analysis that includes gross and net exposures by region and asset class (where available) as well as by overall strategy.
- Ad hoc stress testing and back testing on a simulated basis.
- Dedicated risk and Compliance teams with policies and standards within which Peridot manages portfolios.

Investment Risks:

All investments in securities or funds include a risk of loss of the principal invested amount and any profits that have not been realized. There is a risk that clients could lose all or a portion of their investment in any of the securities or funds. An investment in a fund or strategy is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Financial markets fluctuate substantially over time. As recent global and domestic economic events have indicated, performance of any investment is not guaranteed. We cannot guarantee any level of performance or that clients will not experience a loss in their account assets.

Material Risk Relating to Methods of Investment Analysis:

Peridot seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, and to identify

possible risks associated with that investment. When conducting due diligence and making an assessment regarding an investment, the firm relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations.

As a result, the due diligence process may at times be subjective. Accordingly, Peridot cannot be certain that due diligence reviews of an investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities.

Lack of Operating History:

Each Peridot-sponsored investment vehicle initially will be a newly formed entity which has not commenced operations and therefore will have no operating history upon which an investor may evaluate its performance. The prior experience of the investment team, the performance of other investment vehicles or the performance of the underlying investments does not provide assurance of future investment performance or returns.

Successor Funds and Previous Investments:

The firm is typically not restricted from investing in, sponsoring, managing or advising investment vehicles which in some cases may compete with existing Peridot-sponsored funds. In addition, certain pooled investment vehicles sponsored by Peridot and its affiliates may invest in underlying funds and investments, and in the affiliates and predecessor funds offered by such underlying funds and investments, on terms and conditions that may be more favorable than those on which its other advisory clients may invest. These earlier investments may have been on terms and conditions that are more favorable than the terms and conditions offered to advisory client funds making subsequent investments or investments in later vintage funds offered by the underlying manager. In addition, the firm and its affiliates may give advice and recommend the purchase of securities and other investments to other funds and clients it manages which may differ from the advice given to or the purchases and sales made on behalf of its other advisory clients, even though their investment strategies may be the same or similar.

Uncertainty in the U.S. and Global Financial Markets:

The upheavals in the United States and global financial markets that began in 2008, then again with the COVID-19 Global Pandemic illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of an advisory client's portfolio companies or other investments, its access to capital or leverage, or its overall performance.

Continuation of Trends and Conditions:

The investment strategies of advisory clients and the availability of opportunities satisfying advisory clients' risk-adjusted return parameters may rely in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. There can be no assurances that the assumptions made or the beliefs and expectations currently held by Peridot will prove correct and actual events and circumstances may vary significantly.

Market Conditions and Financial Market Fluctuations:

General fluctuations in the market prices of securities may affect the value of the investments held by an advisory client. Instability in the securities markets may also increase the risks inherent in an advisory client's investments.

Highly Competitive Market for Investment Opportunities:

The business of identifying, structuring, and implementing investments in private equity and alternative transactions is highly competitive. Peridot-sponsored funds compete for investments against other groups with substantial resources and experience, including institutional investors, investment managers and industrial groups owned by large and well-capitalized investors. Many investors, including funds-of-funds, may seek to invest in many of the same underlying funds in which firm-sponsored funds may also seek to invest. There can be no assurance that a firm-sponsored fund will be successful in its efforts to identify attractive investment opportunities, and it is possible that any capital committed to our funds will not be fully utilized if sufficient attractive investments are not identified and consummated.

Illiquid and Long-Term Investments:

Investment in an advisory client fund may require a long-term commitment with no certainty of return. Many of an advisory client's investments will be highly illiquid, and there can be no assurance that an advisory client will be able to realize on such investments in a timely manner. An advisory client's ability to realize an investment can be dependent on the public equity markets (e.g., demand for new public offerings and security sales) and investments in publicly traded securities are subject to restrictions under relevant securities laws (e.g., Section 16 of the Securities Exchange Act of 1934, as amended). Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment typically will occur only upon the partial or complete disposition or refinancing of such investment.

Investments Longer than Term:

A Peridot-sponsored investment vehicle may make investments which may not be advantageously disposed of prior to the date such investment vehicle will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Risk of Limited Number of Investments:

An advisory client may participate in a limited number of investments and, as a consequence, the aggregate return of such advisory client may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable advisory client's governing documents (or investment management agreement in the case of a separately managed account), investors have no assurance as to the degree of diversification of an advisory client's investments, either by geographic region, industry or transaction type.

Absence of Regulatory Oversight:

Notwithstanding that Peridot is registered as an investment adviser under the Advisers Act, and that the firm-sponsored investment vehicles advised by Peridot may be considered similar in some ways to an investment company, such investment vehicles are not required and do not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Limited Access to Information:

Investors' rights to information regarding a Peridot-sponsored investment vehicle will be specified, and strictly limited, in such investment vehicle's governing documents.

No Market for Interests; Restrictions on Transfers:

Interests in the firm-sponsored investment vehicles advised by Peridot have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in such investment vehicles and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of such applicable investment vehicle, which consent may be given or withheld in accordance with the governing documents of such applicable investment vehicle.

Risk of Investments in Less Established Companies:

An advisory client may invest a portion of its assets in less established companies. Investments in such companies may involve greater risks than are typically associated with investments in more established companies. To the extent there is any public market for the securities held by the advisory client, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

Cybersecurity Risks:

The firm's technology systems, and those of its affiliates and third parties who provide services to advisory clients, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, floods, tornadoes, hurricanes and earthquakes. Although Peridot has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable or cease to function properly, the firm and its affected advisory clients may have to make a significant investment to fix or replace them. The failure of these systems and/or of a disaster recovery plan for any reason could cause a significant interruption in the operations of the firm and its advisory clients and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors and their beneficial owners. Such a failure could harm a person's reputation and subject the firm and its funds to legal claims and impair business and financial performance.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN AN OFFERING. POTENTIAL INVESTORS SHOULD READ THE OFFERING MEMORANDUM(S) IN ITS ENTIRETY BEFORE DETERMINING WHETHER TO INVEST IN THE PARTNERSHIP OR PRIVATE FUND.

Item 9 Disciplinary Information

Neither Peridot nor any of our supervised persons have been involved in any legal or disciplinary events (i.e., criminal or civil action in a domestic, foreign or military court, administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or self-regulatory organization) that are material to evaluating our advisory business or the integrity of the management.

Item 10 Other Financial Industry Activities and Affiliations

Thaddeus A. Cornell is affiliated with USI Insurance Services in Phoenix, AZ as a Vice President and Producer of Commercial Mid-Market Property and Casualty Insurance and Risk Management. There is no conflict of interest with this affiliation.

Item 11 Code of Ethics, Participation or Interests in Client Transactions, and Personal Trading

Overview of Our Code of Ethics:

We are committed to maintaining the highest standards of professional conduct and ethics in order to discharge our legal obligations to our clients, to protect our business reputation and to avoid even the appearance of impropriety in our investment activities on behalf of clients. While we strive to avoid conflicts, we are cognizant that conflicts will nevertheless arise, and it is our policy to fully and fairly disclose known material conflicts to our clients.

Our Code of Ethics details certain minimum expectations that we have for our employees. All personnel, regardless of role, are expected to conduct the firm's business in full compliance with both the letter and the spirit of the law and any other policies and procedures that may be applicable. On an annual basis, we require that each employee certify in writing that he or she has read, understands and complies with the policies and procedures of the Code of Ethics. Any violations regarding the Code of Ethics must be brought to the attention of the Chief Compliance Officer. If it is determined that an employee has violated the Code of Ethics, we will take such remedial action as is deemed appropriate. Sanctions will vary but may include censure, limitation or prohibition of personal trading, suspension or termination of employment.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Personal Trading:

Since we recognize that our employees should have an opportunity to develop investment programs for themselves and their families, our Code of Ethics does not prohibit personal trading by employees. As a result, we, our affiliates or related personnel may purchase or sell the same or similar securities for our own accounts that we purchase, sell or recommend for client accounts.

Potential conflicts that could arise as a result include but are not limited to:

- Employees engage in unethical behavior.
- Personal trading of employees misuses material nonpublic information.
- Personal trading of employees is not supervised.
- Clients receive less favorable trading terms than our advisory employees.
- Abusive trading on the part of our advisory employees, including market timing.

While advisory personnel are permitted to trade within their own brokerage accounts, we have several policies and procedures in place designed to ensure that their personal trading does not violate our fiduciary obligations to clients, including any related mutual fund clients. Our Code of Ethics sets forth standards of conduct expected of employees and addresses conflicts that arise from personal trading by employees. It provides policies and procedures designed to ensure that employees conduct their personal securities transactions in a manner that complies with the securities laws, rules and regulations and that does not raise the appearance of impropriety. In addition, it sets forth controls designed to avoid actual or potential conflicts of interest between clients and our employees. Controls in place include blackout periods for certain employees, pre-clearance of employee trades, holdings disclosure and other trading restrictions.

We will provide clients with a copy of our complete Code of Ethics upon request. Clients may request a copy by contacting us at the address, telephone number or email on the cover page of this document.

Participation or Interest in Client Transactions:

We, our affiliates or related personnel may recommend to clients, or purchase or sell for client accounts, securities in which we, our affiliates or related personnel have a material financial interest. These include situations in which we, our affiliates or related personnel act as general partner in a partnership in which we solicit client investments and/or act as an investment adviser to an investment company that we recommend to clients.

Potential conflicts that could arise include but are not limited to:

- Officer, Director and Advisory Board Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which one of the officers, directors or advisory board members of an affiliated entity has a financial interest;
- Shareholder Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which a shareholder has a financial interest;
- Client Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which a client has a financial interest; and
- Situations where employees engage in unethical behavior and misuse material inside information.

To address these potential conflicts and protect and promote the interests of clients, we employ the following policies and procedures:

- We have adopted trading practices designed to address potential conflicts of interest inherent in proprietary and client discretionary trading, including bunching and pro-rata allocation.
- To further protect and promote the interests of clients, the Board of Directors of Brown Advisory Incorporated has established a Corporate Governance and Conflicts Committee that assists it in its oversight of potential material conflicts of interest. The members of the Corporate Governance and Conflicts Committee are chosen by the independent members of the Board of Directors.
- If we enter into a transaction on behalf of our clients that presents either a material or non-material conflict of interest, the conflict should be disclosed to the client prior to the consummation of such transaction.
- Employees must comply with our policy on the handling and use of material inside information. Employees are reminded that they may not purchase or sell, or recommend the purchase or sale, of a security for any account while they are in possession of material inside information. In addition, employees may not disclose confidential information except to other employees who “need to know” that information to carry out their duties to clients.
- Employees are required to report to our Compliance team outside business activities. These include board/committee memberships and obligations, employment commitments, non-profit commitments, government commitments and other outside business commitments.
- To ensure that there is not intentional or unintentional front-running of purchasing securities in client accounts, we may restrict trading stocks of companies in which we are actively performing due diligence as potential candidates for purchase in our portfolios.

Peridot or its affiliates may organize funds of funds or other products which may be managed, in whole or in part, by managers affiliated with us. Those products may have investment objectives substantially similar to those in which our Clients invest. Those products may also purchase or sell the same securities as our Clients, thus in effect be competing for the same investment opportunities. The Firm’s investment allocation policies are designed to provide a fair allocation of limited investment opportunities among all our clients. The purpose of these policies is to avoid favoring one client over another. Peridot will, to the best of its ability, treat all clients fairly and equitably regardless of the size of the account or the fee structure.

Section 206 of the Investment Advisers Act of 1940 (as amended, the “Advisers Act”) regulates principal transactions between and adviser and its clients. Principal transactions are transactions where Peridot (or one of its affiliates) is deemed to be acting for its own account by buying a security from, or selling a security to, an advisory client, including one of its funds.

As a general matter, Peridot does not engage in principal transactions. However, occasionally, to facilitate an investment opportunity prior to the initial closing of a fund, Peridot or one of its affiliates may warehouse an investment temporarily. Details of any such transactions typically would be disclosed in the offering documents of the fund. Peridot has established policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including providing any required disclosures and obtaining prior consents to the transaction.

Conflicts of Interest:

Personal interests both inside and outside of Peridot Investment Research Inc., that could be placed ahead of our obligations to clients could be the source of actual or potential conflicts of interest. Employees must remain aware

that just the opportunity to act improperly may create the appearance of conflict and that 24 / Brown Advisory Investment Solutions Group / Form ADV Part 2A Brochure conflicts may exist even in the absence of wrongdoing. Employees are required to make a full and timely disclosure of any situation that could result in a potential conflict or the appearance of a conflict of interest. To identify potential sources of conflicts of interest and to assess how those conflicts are addressed by our compliance program, we perform regular reviews. The three primary categories of potential conflicts of interest evaluated are (1) potential conflicts between the firm and our clients, (2) potential conflicts between our employees and our clients, and (3) potential conflicts between different clients.

Item 12 Brokerage Practices

Selection of Broker-Dealers:

Not Applicable

Soft-Dollars Arrangement:

Not Applicable

Brokerage for Client Referrals:

Not Applicable

Directed Brokerage:

Not Applicable

Aggregation (Bunching) of Transactions:

Transactions in investment advisory accounts and on behalf of the Funds are implemented on a consistent basis across client portfolios. Aggregation of transactions may occur where the investment into a particular manager meets the investment criteria for clients with similar investment objectives and strategies. Peridot maintains a policy of fair allocation between portfolios where transactions are entered into on behalf of multiple clients.

From time to time, certain Peridot strategies may invest in private investments or limited investment opportunities. The allocation of these investments across client portfolios invested in these strategies is typically executed on a pro rata basis, while also considering investor suitability, account size, risk tolerance, as well as other factors. Our processes are designed to equitably and appropriately allocate these limited investment opportunities across clients invested in the strategy while also balancing the additional risk with the client's investment profile and investor suitability. In this regard, some private investments or limited investment opportunities may not be appropriate to allocate to some accounts, depending on factors such as minimum investment size, account size, risk profiles, relationship investment history with a particular manager, and diversification requirements. Accordingly, an account may not be allocated such investments. Clients who do not pay an account-level fee (e.g., private equity-only accounts) may not receive an allocation in capacity constrained situations. If an investment cannot reasonably be allocated on a pro rata basis, it may be allocated based on an alternate approach, including selection based on relationship size with Peridot, or another methodology deemed fair and equitable.

There are no additional costs to clients where transactions are aggregated. Funds managed by the Firm may consist of multiple portfolios/classes, each with its own subscription document and private placement memorandum. Although the composition of each distinct portfolio or class that comprises an entity fund could vary depending on the investment guidelines outlined in its corresponding private placement memorandum, the allocation of investments, income, and distributions within each distinct portfolio/ class are executed on a pro rata basis.

From time to time depending on requested redemptions from existing investors, inflows from new investors and other trading activity, there could be internal transfers of fund investments between different portfolios/classes of an entity fund. In these cases, documentation is retained with all changes occurring prior to the beginning of a new calendar month to ensure that the transfers are occurring in a manner that is consistent and that does not systematically advantage or disadvantage one investor or portfolio/class over another.

Item 13 Review of Client Accounts

Client Account Reviews:

Portfolio managers review their accounts on a regular basis. Reviews are undertaken to confirm that the portfolio conforms to client suitability standards as well as to determine if any security changes need to occur. Portfolio managers review investments to confirm that they are consistent with the outlined investment objectives. Although the portfolio manager of an account may recommend a particular investment, the client typically exercises ultimate investment discretion with respect to alternative investments. In addition, our Chief Investment Officers are responsible for overseeing portfolio managers, research analysts and related functions. In this role, the Chief Investment Officers are charged with investment and risk oversight for the group, independent of the portfolio managers and other policy decision makers.

Client Reports:

Typically, separately managed accounts will receive monthly or quarterly reports from their custodians. Private Fund investors may receive annual audited reports and may receive unaudited reports and updates from Peridot on a monthly or quarterly basis. Underlying investors in private funds that do not receive GAAP-basis annual audited financial statements, receive quarterly partnership level statements from the qualified custodian that maintains custody of the assets. Depending on the contractual details of a client engagement, the Firm may provide performance reports, holding reports and market commentary on a regular basis.

Item 14 Client Referrals and Other Compensation

The Firm may enter into written solicitation arrangements with third parties (each a “Solicitor”). Under a solicitation arrangement, the Firm may pay a referral fee to Solicitors when the Solicitor successfully introduces a client or fund investor to the Firm. The amount of compensation is based on a negotiated percentage of the management fee and performance fee received by the Firm from each client. The solicitation arrangement does not affect the amount of fees paid by each client.

Peridot has entered into agreements with certain private placement agents with respect to the Funds and separately managed accounts for which it acts as investment manager. These agreements provide for Peridot compensating the private placement agents for investors referred to the Firm by paying a percentage of the fees received by Peridot. Employees of the Firm may receive compensation for investor referrals. Peridot may also enter into side letter agreements with specific investors affecting the nature and timing of the payment of fees and other contractual matters.

In addition, employees of other affiliates may be compensated for business development activity, including the attraction or retention of client assets. In these situations, employees receive any eligible compensation after the prospective client meeting has occurred and been approved by appropriate personnel. For employees additional compensation for business development activity could also result in additional equity in the firm.

From time to time, we may receive indirect compensation from service providers or third-party vendors in the form of entertainment, tickets to sporting events and gift cards. When received, these occasions are evaluated to ensure they are reasonable in value and customary in nature to ensure their occurrence does not present any conflicts of interest.

Item 15 Custody

Although we do not maintain direct custody of client assets, we act as the general partner or managing member of certain private investment vehicles and therefore are deemed by the SEC to have custody of those assets because we serve in a capacity that provides us with access to the assets.

In order to avoid any potential conflict of interest that indirect custody of client assets may cause, private vehicles as described above are either maintained with a “qualified custodian” or audited annually by an independent auditor who is a member of and subject to inspection by the Public Company Accounting Oversight Board (“PCAOB”), with such audits delivered to investors in compliance with the SEC’s Custody Rule.

Where assets are held by a qualified custodian, we will notify clients in writing of the qualified custodian’s name, address and the manner in which the assets are maintained at the time of investment and promptly following any changes to this information. To the extent that a private investment vehicle does not provide investors with annual, audited financial statements, such investors will instead receive quarterly account statements from the qualified custodian. Additionally, we undergo an annual surprise examination for that vehicle conducted by an independent auditor. The surprise auditors’ procedures for the examination may include confirmation of the vehicle’s assets as well as confirmation of contributions and withdrawals (or capital calls/distributions or subscriptions/redemptions).

Non-discretionary or segregated accounts are held in custody by the clients directly or by a custodian of the client’s choosing. Peridot does not provide custodial arrangements for segregated account assets.

Item 16 Investment Discretion

The Firm manages client assets on a discretionary and non-discretionary basis. Typically, Peridot manages the assets of private clients on a non-discretionary basis. For certain of the funds where Peridot serves as a general partner, we exercise investment discretion with respect to the applicable fund. Typically, this discretion is subject only to the investment guidelines set forth in the governing documents of the applicable fund.

Item 17 Voting Client Securities

Peridot understands and appreciates the importance of proxy voting and will typically manage the receipt of incoming proxies, maintain a log of all proxies, and place votes based on established policies and guidelines with respect to public company securities held by a client. In the course of exercising discretion to vote a proxy for public company securities, Peridot will vote any such proxies in the best interests of advisory clients and in accordance with the procedures outlined below (as applicable).

Prior to voting any proxies, Peridot's Investment Committee will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Investment Committee will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the Investment Committee will, following discussion with the Firm's investment personnel, make a decision on how to vote the proxy in question.

Peridot also has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of investors. Please let the Firm's Chief Compliance Officer know if you have any questions about these procedures or if you would like detailed information of how any proxies were actually voted. The Chief Compliance Officer can be contacted at (480) 665-7706.

Client Proxy Voting Authority

Peridot operates a policy of exercising proxy votes for clients with respect to any holdings of public company securities as permitted within client agreements. Voting policy is undertaken at all times in the best interests of clients and for their benefit. Clients who do not grant the Firm discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. Peridot does not provide any proxy related information, or advice as to how to vote proxies, to such clients.

Item 18 Financial Information

We have never been the subject of a bankruptcy petition and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to our clients.

Item 19 Requirement for State Registered Advisers

Not Applicable