



TYGH CAPITAL MANAGEMENT

Tygh Capital Management
Form ADV - Part 2A - Disclosure Brochure
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This Brochure provides information about the qualifications and business practices of Tygh Capital Management, Inc. ("TCM"). If you have any questions about the contents of this Brochure, please contact us toll free at 1-800-972-0150 or info@tyghcap.com. 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.

TCM refers to itself as a "registered investment adviser" in materials distributed to current and prospective clients. As an investment adviser registered with the SEC, TCM is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration as an investment adviser is not an indication that TCM or its directors, officers, or employees have attained a particular level of skill, ability or training.

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



Item 2 - Material Changes

Material changes to TCM's brochure dated March 12, 2015:

Due to its low level of assets, the TCM Small-Mid Cap Growth Fund was liquidated in November 2015.

Material changes to TCM's last brochure dated March 17, 2016:

Item 14 pertaining to client referrals has been revised.



Item 3 - Table of Contents

Item 1 - Cover Page	Page 1
Item 2 - Material Changes	Page 2
Item 3 - Table of Contents	Page 3
Item 4 - Advisory Business	Page 4
Item 5 – Fees and Compensation	Page 4
Item 6 – Performance-Based Fees and Side-By-Side Management	Page 5
Item 7 – Types of Clients	Page 6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	Page 6
Item 9 – Disciplinary Information	Page 7
Item 10 – Other Financial Industry Activities and Affiliations	Page 8
Item 11 – Code of Ethics, Participation or Interest In Client Transactions and Personal Trading	Page 8
Item 12 – Brokerage Practices	Page 9
Item 13 – Review of Accounts	Page 12
Item 14 – Client Referrals and Other Compensation	Page 12
Item 15 – Custody	Page 12
Item 16 – Investment Discretion	Page 12
Item 17 – Voting Client Securities	Page 13
Item 18 – Financial Information	Page 15
Additional Supplemental Information	Page 15
Privacy Policy	Page 15
TCM Small Cap Growth Fund Privacy Notice	Page 16
Brochure Supplement - Richard J. Johnson, CFA	Page 17
Brochure Supplement - Mitchell S. Brivic, CFA	Page 19
Brochure Supplement - Michael C. Coyne, CFA	Page 21
Brochure Supplement - Scott W. Haugan, CFA	Page 23
Brochure Supplement - Dayton E. Rodegerdts, CFA	Page 25



Item 4 - Advisory Business

The Company

Tygh Capital Management, Inc. ("TCM" or the "firm" or "we") is an independent, employee-owned investment advisor that specializes in investing in small cap and small-mid cap growth stocks for institutions. The firm was founded in July 2004 by Richard J. Johnson and Jeff B. Curtis, former senior executives of a large investment management firm in Portland, Oregon. Messrs. Johnson and Curtis are the two principal owners of TCM, and all other investment professionals have equity in the firm.

Investment Services

TCM provides discretionary investment management services primarily to institutional accounts, including corporate pension and profit-sharing plans, Taft-Hartley plans, trusts, estates, charitable institutions, foundations, endowments, municipalities, corporations and registered mutual funds. A majority of TCM's clients are tax exempt entities. TCM offers two equity investment strategies that invest in small cap and small-mid cap growth stocks. The small cap growth strategy is available through separately managed accounts or a mutual fund. The small-mid cap growth strategy is available to institutions through separately managed accounts. See Item 8 for more information on TCM's investment strategies. All the accounts in the same strategy are managed in a substantially similar manner rather than tailoring investment services to individual client needs. However, clients may impose investment restrictions on managed separate accounts by, for example, restricting the purchase of certain securities (e.g., "sin" stocks). See "Item 12 – Brokerage Practices" and "Item 16 – Investment Discretion" for additional information.

Assets under Management

As of December 31, 2015, TCM had \$367,751,887 in assets under management. All of these assets were discretionary assets.

Item 5 – Fees and Compensation

Separate Accounts

TCM calculates its fees based on the fair market value of the assets under management. TCM's standard fee schedules for separate accounts are:

Small Cap Equity

0.90% on the first \$25 million
0.75% on the next \$25 million
0.65% on all assets over \$50 million

Small-Mid Cap Equity

0.85% on the first \$25 million
0.70% on the next \$25 million
0.60% on all assets over \$50 million

The minimum account size is \$10 million but TCM may waive this minimum at its discretion. Under TCM's standard advisory contract, client fees are payable quarterly in advance based on the value of the account on the last day of the quarter. Fees for partial periods are prorated based on the number of days the account was open during the period. Upon termination of any account, any unearned fees will be promptly refunded, and any



earned, unpaid fees will be due and payable. Clients direct TCM on how fee statements are billed and paid – under TCM’s standard agreement either (i) the fee statement is sent directly to the clients and paid by its terms or (ii) the client may instruct TCM to send the fee statement to both the client and the client’s custodian bank and the client authorizes its custodian bank to pay TCM. TCM may be deemed to have custody of those client accounts under the arrangement described in (ii) of the preceding sentence. See “Item 15 – Custody.”

TCM may negotiate advisory contracts with terms and fee arrangements differing from those in its standard agreement.

TCM Small Cap Growth Fund

TCM also acts as an investment adviser to a registered mutual fund -- the TCM Small Cap Growth Fund (the “TCM Fund”). The TCM Fund pays TCM a monthly advisory fee at an annual rate of 0.80% of the average daily net assets of the Fund. For an indefinite time period, TCM has agreed to waive its fee or absorb expenses of the TCM Fund to ensure that the Fund’s total annual operating expenses do not exceed 0.95%.

TCM may serve as an investment adviser or subadviser to other unaffiliated mutual funds and TCM’s fees are disclosed in the offering documents for those funds.

Other Fees or Expenses

Clients may pay other expenses in addition to the advisory fees paid to TCM. For example, clients pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage accounts and on securities transactions, which are unrelated to the advisory fees collected by TCM. Fees for client or custodial assets invested in the TCM Funds are charged by the respective fund and reflected in the value of your investment.

See “Item 12 – Brokerage Practices” for additional information on the factors that TCM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Other mutual funds or exchange traded funds (“ETFs”) may be included in clients’ portfolios, and money market mutual funds may be used to ‘sweep’ cash balances until they can be appropriately invested. All fees paid by clients to TCM for investment advisory services are separate and distinct from the fees and expenses, including investment management fees, charged by those mutual funds, ETFs or money market funds, which are described in the prospectus for those funds. Typically, each client is responsible for selecting the investment vehicle at the client’s custodian for investing cash in the portfolio.

Other than its advisory fees or possible research or execution services described in “Item 12 - Brokerage Practices,” TCM does not receive any other fees or compensation from clients or any other entity (e.g., broker/ dealers, custodians, mutual funds).

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

TCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of client assets).



Item 7 – Types of Clients

TCM provides discretionary investment management services primarily to institutional accounts, including corporate pension and profit-sharing plans, Taft-Hartley plans, trusts, estates, charitable institutions, foundations, endowments, municipalities, corporations and registered mutual funds. Client accounts may be taxable or non-taxable. The minimum account size for a separately managed account is \$10 million, but TCM may waive this minimum at its discretion for a variety of reasons (e.g., when a new account is expected to grow rapidly in size, a relationship exists with a present client of TCM).

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

Investment Strategy

Small Cap Growth. The small cap growth strategy seeks to outperform the Russell 2000 Growth® Index by investing primarily in stocks of companies with market capitalizations generally between \$300 million and \$2 billion at the time of initial purchase.

Small-Mid Cap Growth. The small-mid cap growth strategy seeks to outperform the Russell 2500 Growth® Index by investing primarily in stocks of companies with market capitalizations generally between \$500 million and \$10 billion at the time of initial purchase.

For both strategies, we use fundamental research to identify companies with the potential for superior earnings growth and sustainable valuations. Our intensive bottom-up, fundamental research drives stock selection, which we believe is key to generating excess returns over a full market cycle. The investment process utilizes a team-oriented approach, where members of the team leverage the expertise of their colleagues in an environment that facilitates the exchange of ideas and insights. There are four primary steps to the investment process:

- **Idea Generation.** Investment candidates are first screened for specific growth characteristics regarding revenue and earnings, valuation, and expected price appreciation. We believe that previously owned companies are a source of ideas that leverage prior experience and knowledge base, and that conferences and meetings with company management offer opportunities to monitor existing holdings and prospect for new ones. In addition, the investment team observes market trends and focuses research into sectors or industries that are expected to experience superior relative growth. As a result of this process, the investment team identifies candidates for further analysis.
- **Research and Analysis.** Stock ideas undergo in-depth fundamental and valuation analysis. The team seeks companies with the ability to significantly grow annual revenues and earnings by examining market size, market growth rates, and trends in a company's market share, margins and expenses. We also focus on the sustainability of valuations based on a variety of financial metrics, including price-to-earnings, price-to-growth, price-to-sales ratios and cash flow returns. This process is designed to develop confidence in price targets based on earnings and associated risks.
- **Portfolio Construction.** With a list of high conviction names in place, the investment team then constructs the portfolio based on the account's objectives and guidelines. Sector weightings are monitored versus established parameters compared to each Fund's benchmark (the Russell 2000® Growth Index for the Small Cap strategy and the Russell 2500® Growth Index for the Small-Mid Cap strategy) and initial position size and maximum weighting for a stock are established.



- **Monitoring and Sell Discipline.** There are diversification and weighting limits that are monitored on a regular basis. In addition, the team typically sells a stock when the security exceeds its price target, the original investment thesis is broken, or a better investment idea is generated. An important element of our sell discipline is the use of a proprietary quantitative system to identify problem stocks and force a review of poor performers.

We invest most of the managed assets in publicly traded U.S. common stocks that we believe will experience long-term, above average earnings growth. Subject to individual client restrictions, we may invest a percentage of an account's assets in equity securities of foreign companies if the stock is an American Depositary Receipt ("ADR") or traded on a U.S. stock exchange.

Principal Risks

Investing in equity securities involves risk of loss that clients should be prepared to bear. The following risks could affect the value of a small cap growth or small-mid cap growth account managed by TCM:

- **Equity Market Risk:** Overall stock market risks may affect the value of an investment in equity strategies. Factors such as economic growth and market conditions, interest rates and political events, both domestic and worldwide, affect the equity markets.
- **Management Risk:** Our judgment about the attractiveness, value and potential appreciation of individual securities may be incorrect and there is no guarantee that securities purchased in an account will perform as anticipated. This risk may contribute to a failure to meet an account's investment objective or performance expectations.
- **Growth Stock Risk:** Growth-oriented investment strategies may underperform when value investing is in favor.
- **Foreign Securities and Emerging Markets Risk:** Investing in foreign companies is subject to increased risks including political and economic risks, greater volatility, currency fluctuations, possible foreign controls on investment, and less stringent investor protection and disclosure standards of foreign markets. Investments in emerging markets are generally more volatile than investments in developed foreign markets. TCM only invests in foreign securities that are traded on a U.S. stock exchange and are dollar-denominated.
- **Small- and Medium-Sized Company Risk:** Investments in small and mid cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small and mid cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.
- **Portfolio Turnover Risk:** High portfolio turnover involves correspondingly greater expenses to the account, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities. These expenses may affect investment performance or result in adverse tax consequences to clients that are subject to taxes.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TCM or the integrity of TCM's management. TCM has no legal or disciplinary events to report.



Item 10 – Other Financial Industry Activities and Affiliations

TCM is an independent firm and has no ownership affiliations with financial industry participants and no brokerage affiliates.

As noted under Item 5, TCM acts as an investment adviser to the TCM Fund, which is a series of the Professionally Managed Portfolios Trust (the “PMP Trust”), an open end registered investment management company. TCM is not affiliated or related to the PMP Trust.

TCM has a fiduciary duty to act in the best interest of each client account that it manages. TCM intends to devote as much time as we deem necessary for the conduct of the Fund’s operation and each client’s portfolio management, and will allocate investment opportunities fairly and equitably in accordance with TCM’s trade aggregation and allocation policies. See also Item 12.

Item 11 – Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Code of Ethics and Insider Trading Policy

TCM has adopted a Code of Ethics (the “Code”) that establishes high standards relating to both the business conduct and personal trading of TCM employees. The purpose of the Code is to ensure that all employees conduct their personal trading in a manner that does not interfere with the portfolio transactions of TCM’s clients or take unfair advantage of their position at TCM. In addition, the Code establishes standards of business conduct that reflect the fiduciary obligations that TCM and its employees owe to clients and others.

To address potential conflicts of interests that could exist because of personal trading by TCM employees, the Code establishes specific restrictions and reporting guidelines, such as:

- all employees must pre-clear all personal trades;
- each employee must complete an annual Statement of Personal Securities Holdings;
- each employee must confirm each quarter that he or she has complied with the Code;
- no investing in initial public offerings;
- required preapproval on private placements;
- no trading in a security that (i) is held in any client account (ii) is being considered for purchase or sale by TCM or (iii) is being purchased or sold by TCM. If an employee has beneficial ownership of a security held in any client account, the employee may sell that security following the day after all shares of that security have been sold in all client accounts (i.e., “last out”); and
- no realizing a profit on the short-term trading of a security.

Certain securities and transactions are exempt from some of the restrictions in the Code because they present little or no potential for abuse or conflict. These include: unaffiliated mutual fund shares; index-based exchange traded funds; US Treasuries; the purchase of options on securities indices; automatic purchases under employee benefit plans; and transactions in securities that have a market capitalization over \$10 billion. We obtain duplicate brokerage confirmations for all trading activity by all employees for compliance review purposes.

We require that all employees act with integrity, competence, dignity and in an ethical manner while dealing



with the public, clients, prospects, and other employees. The Code also includes guidelines related to receiving or providing gifts or entertainment, and restrictions on political contributions by employees, which are designed to address potential conflicts of interests by employees. In addition, TCM has adopted the Standards of Professional Conduct issued by the CFA Institute, which also impose high standards on our employees to understand and comply with rules that govern the employees' professional activities.

TCM has also adopted Policies and Procedures to Detect and Prevent Insider Trading (the "Insider Trading Policy"). This policy prohibits any employee of TCM from trading, either personally or on behalf of others (including a client account), when in possession of material non-public information.

In addition to approved personal trading, employees may invest in TCM's investment strategies alongside client accounts or by investing in a mutual fund managed by TCM. TCM believes this is positive and demonstrates conviction by employees in our investment process and philosophy. TCM believes there is no conflict of interest when employees invest in TCM investment strategies because all accounts with the same investment strategy will be treated equally with respect to trading and investment management activities. For example, all such accounts will share in the same average execution price per share and brokerage commission rate. In addition, all trade orders in these accounts will be allocated pro-rata as specified in the trade order and partially filled orders will be allocated on a pro-rata basis. See "Item 12 – Brokerage Practices – Aggregating Client Orders" below for additional information.

Clients or prospective clients of TCM may obtain a copy of the Code or Insider Trading Policy by calling TCM toll free at 1-800-972-0150.

Item 12 – Brokerage Practices

This Item describes the factors that TCM considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation.

Broker Selection and Best Execution

TCM's overriding objective in selecting broker-dealers for client transactions is to seek the best combination of net price and execution, subject only to the client's direction to use a particular broker-dealer for that client's account. The best net price, giving effect to brokerage commission, is an important factor in this decision, but a number of judgmental factors also may enter into the decision, including:

- the nature of the security being bought or sold;
- the commissions charged by other brokers for comparable transactions;
- the size and difficulty of executing orders;
- the nature of the market for the security;
- the timing of the transaction taking into account market prices and trends;
- the broker's access to the relevant trading markets;
- the broker's ability to execute timely trades;
- the attention and treatment paid to trades regardless of size;
- the financial integrity and capitalization of the broker;
- the experience and reputation of the broker, including its confidentiality;



- the price and execution;
- the broker's communications and back office systems; and
- the prior experience or transactions of TCM with the broker.

Research, statistical, and other services also may be taken into consideration in selecting broker-dealers. These services may include:

- advice concerning the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or the purchasers or sellers of securities;
- providing access to management teams of issuers through individual meetings or industry-wide conferences; and
- furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and investment performance.

Additionally, TCM may place orders with firms who have exclusive control of blocks of stocks that may be acquired at a favorable price or who are willing to purchase a quantity of shares which, in our judgment, is preferable to accepting further market risk in their disposal. Under SEC rules, TCM may pay a commission that is greater than the commission another broker-dealer would have charged for the trade if TCM determines that the commission is reasonable in relation to the value of the brokerage and research services or products provided.

Proprietary Research

TCM receives a significant amount of proprietary research from a number of brokerage firms, in many cases on an unsolicited basis. TCM does not make any commitments to allocate brokerage for proprietary research. The value of that research, however, is considered along with the other factors discussed above in the selection of brokers. This research is considered supplemental to TCM's own internal research. However, TCM does receive a benefit to the extent TCM does not have to produce or pay for those research services. It is TCM's policy to seek the best execution price, but TCM may have an incentive to select a broker-dealer based on its interest in receiving research services and therefore pay a higher commission rate than it otherwise could for execution only services. On an annual basis, TCM's investment team conducts an internal survey regarding the value of proprietary research and the skills or contributions made by the various brokerage firms to TCM's investment process. The results of these surveys are used, in part, in future brokerage allocation decisions.

Third Party Research

Additionally, TCM may use a client's commissions to acquire third party brokerage and research services or products that are not available through its full-service brokers. In these arrangements, TCM pays an executing broker a commission equal to or less than the average rate paid on all other trades and achieves what it believes is best execution on the trade. The executing broker then uses a portion of the commission to pay for a specific brokerage or research service or product provided to TCM. TCM does receive a benefit by using client brokerage commissions and obtaining research in this manner to the extent TCM does not have to produce or pay for those research services. Services or products acquired in this manner must be approved by TCM's Chief Investment Officer and Chief Compliance Officer, who are responsible for determining that the services or products are eligible research or brokerage services under SEC rules and guidelines relating to soft dollars. Those rules require that we determine that services received provide lawful and appropriate assistance to TCM in connection with making investment decisions relating to managing client assets and that the price paid with broker commissions is fair and reasonable.



Firm trades executed to pay for third party research may be completed on either an electronic commission network ("ECN") or with a broker-dealer, at rates that range from \$0.015 to \$0.04, the maximum commissions paid on any client trade. A portion of the commission paid in these arrangements is used to generate the amounts necessary to pay for the research product or service. TCM believes this practice helps to ensure best execution and lower overall commission rates associated with using soft dollars. The types of services obtained using soft dollars for the one year ended December 31, 2015 included research services and analytics on individual securities and economic and market analyses from the following sources, among others – FactSet, WONDA, and briefing.com.

Allocation of transactions to obtain third party brokerage and research services or products enables TCM to supplement its own research and analysis with the statistics, information, and views of others. The receipt of brokerage and research services or products from brokers or dealers is useful to TCM in rendering investment services to its clients, both on an individual account basis or collectively for all accounts. TCM believes it is not possible to measure separately the benefits from brokerage and research services or products to each account it manages. Because the volume and nature of the trading activities of the accounts managed by TCM are not uniform, the amount of commissions in excess of the lowest available paid by each account for research and brokerage services or products will vary. However, in the opinion of TCM, such costs to the accounts will not be disproportionate to the benefits received by the accounts on an ongoing basis.

Client Directed Brokerage

While we discourage clients from directing trades to a particular broker-dealer (i.e., directed brokerage), we are able to direct trades, within limitations, if a client so requests in writing. The ability of TCM to satisfy a specific directed brokerage request is subject at all times to TCM's fiduciary obligation to obtain best execution under the circumstances. In addition, to the extent that TCM uses a client directed broker, the client may forgo any benefits from savings on execution costs that TCM may be able to obtain for its other clients through, for example, negotiating volume discounts on batched orders. There is also the possibility that there could be a disparity in commission charges between the client directed transaction and TCM's transactions for its other clients. To avoid or minimize such disparities in execution costs (e.g., execution price or commissions), TCM may use "step outs" to satisfy a client's directed brokerage requirements. For example, TCM may aggregate the trades for all clients (as described in the next section) with one executing broker and then have a portion of that trade for the directed brokerage client allocated to the directed broker for clearance and settlement. In that way, the directed broker receives the commission credit but the client receives the same execution price as all other TCM clients in the aggregated trade. If TCM does not aggregate the client directed trade with other client trades, trades for the directed client will be executed after the aggregated orders for other clients. TCM is limited in its ability to satisfy client directed brokerage obligations.

TCM does not direct any trades to a broker in recognition of or as compensation for the promotion or sale of any shares of a mutual fund advised by TCM.

Aggregating Client Orders

TCM may aggregate client trades in order to achieve best execution and, on the average, lower brokerage costs. Orders are grouped together only if we believe the aggregation is consistent with our duty to seek best execution and if each client involved in the order is treated fairly and on an equitable basis. When a trade is partially completed, the shares are allocated on a pro-rata basis to the appropriate client accounts. All aggregated trades are allocated to the participating accounts at average cost. However, we may execute trades for clients that may differ from actions taken with respect to another client with similar investment policies and objectives, so long as we allocate investment opportunities to clients over a period of time on a fair and equitable basis.



TCM has a policy for allocating initial public offerings (“IPO”) among client accounts. That policy establishes which accounts are eligible to participate in a particular IPO and what level of participation is permitted. Eligibility is generally based upon the market capitalization of the IPO and the capitalization focus of the account. After eligible accounts are identified, the IPO shares are allocated pro rata based upon accounts participating. TCM may decline to participate in an offering, or may elect to not have all accounts participate, even if the account is eligible to participate pursuant to the policy, if TCM believes that the IPO is not appropriate for the account. Over time, allocations to eligible accounts will be on a fair and equitable basis.

Item 13 – Review of Accounts

Each client account is managed by TCM’s investment team and supervised by the Chief Investment Officer of TCM. Each individual security is assigned to a member of the investment team for continual analysis and review. All individual transactions in an account are reviewed daily by TCM’s Chief Investment Officer. Every portfolio is reconciled monthly to the client’s custodian statements and reviewed by TCM operations. The Chief Investment Officer reviews the portfolios on a regular basis for asset allocation and cash positions.

TCM generally prepares and delivers to its clients monthly or quarterly written reports of their accounts, showing cash and all currently held investments categorized by industry, market value, unit cost, and projected income, if applicable. A summary of transactions and cash reconciliation for the prior quarter, as well as an investment review and outlook, are also included in the report. Clients may request more frequent or detailed reports in accordance with individual needs.

Item 14 – Client Referrals and Other Compensation

TCM may enter into arrangements to compensate organizations that provide marketing support or refer clients to TCM. These arrangements are intended to comply with the applicable rules and regulations of Rule 206(4)-3 of the Investment Advisers Act of 1940. Details regarding the fees payable to a third party under any solicitation or marketing arrangement will be set forth in a written agreement with that party and, as required, disclosed to the applicable client via separate notice. Clients and investors should be aware that the receipt of compensation by a third party solicitor may create a conflict of interest, and may affect the judgment of the solicitor when making a recommendation for an investment with TCM.

Item 15 – Custody

TCM does not provide custodial services to its clients. Clients are responsible for selecting the entity (e.g., broker-dealer, bank or other qualified custodian) that provides custody for client assets managed by TCM. TCM may be deemed to have custody over certain client accounts because of arrangements that provide for the payment of fees out of such accounts. “See Item 5 - Fees and Compensation.” At least quarterly, and often monthly, clients should receive statements from the custodian that holds client’s investment assets. Whether or not TCM is deemed to have custody over client assets, we urge you to carefully review and compare those official custodial records to the account statements that TCM will provide to you. TCM’s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

TCM enters into an investment management contract with each client. That contract grants TCM the discre-



tionary authority to manage the assets in the client's account. That investment discretion is exercised in a manner consistent with the stated investment objectives for the particular client account and, in many cases, is subject to specific written investment guidelines or restrictions designated by the client.

In addition, for the TCM Small Cap Growth Fund, TCM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments.

Item 17 – Voting Client Securities

The majority of our clients delegate to TCM the authority to vote all proxies in their account. As a fiduciary with respect to that responsibility, TCM will vote all proxies in a manner considered to be in the best interests of TCM's clients. TCM's Proxy Voting Policies and Procedures describe the manner in which TCM handles, researches, votes and maintains reports on proxy voting. On an annual basis, TCM shall review the adequacy of these voting policies and procedures to make sure TCM has implemented them correctly and that they continue to be reasonably designed to ensure that proxies are voted in the best interests of TCM's clients. TCM has retained Institutional Shareholder Services ("ISS") to provide legal oversight, in-depth analysis, and recommendations on all proxy matters. ISS is nationally recognized as one of the leading independent providers of corporate governance information.

Voting Guidelines

TCM uses the voting guidelines in ISS's policies on proxy voting. As a general principle, our proxy voting policy is designed to ensure that TCM is voting in the best interests of the client in terms of the potential economic return on the client's investment. In addition, this policy and the ISS guidelines are based on the premise that good corporate governance ultimately results in increased shareholder value. As a general practice, and subject to case by case considerations, proposals that are designed to dissuade or preclude the acquisition or merger of a company, have the effect of diluting the value of the existing shares outstanding, or reduce the power of shareholders over company actions will be rejected. TCM will usually vote for proposals relating to the general election of directors or auditors (absent questions of independence or contested elections), committee responsibilities, debt limits, indemnification, meeting dates or times, company names, and other routine matters. TCM may also vote for management sponsored compensation plans if they are consistent with business practices. Proposals that dilute shareholders interests, provide excessive awards, establish poison pills, require supermajority voting or have other objectionable features will generally be rejected. TCM and ISS review, on a case by case basis, proposals relating to business transactions, such as mergers, acquisitions, reorganizations, etc.

Conflicts of Interest

When voting proxies, TCM must consider the interests of its clients and not its own interests. We recognize that potential or actual material conflicts may arise between the interests of TCM and its clients that must be properly addressed and resolved before TCM votes. To address these concerns, TCM's Chief Compliance Officer ("CCO") identifies conflicts of interest and resolves them in order to avoid any impropriety or the appearance of impropriety. The following situations may give rise to a conflict of interest:

- an employee has a relationship with the issuer;
- any matter involving a client that generates substantial revenue for TCM; or
- any other issue that the CCO determines is an actual or potential conflict.

A conflict of interest is material if we believe the conflict has the potential to influence TCM's decision-making



in voting the proxy. A conflict of interest would also be material if the company that is the subject of the proxy or any executive officer of that company had a client relationship with TCM. All other materiality determinations will be based on an assessment of the particular facts and circumstances. If a conflict of interest is material, one or more of the following methods may be used to resolve the conflict, including:

- voting in accordance with the recommendation of ISS or another independent third party;
- if the client believes that its interests require a different vote, TCM may vote as the client instructs in writing for that ballot;
- disclosing the conflict to the client and obtaining its consent before voting;
- suggesting to the client that it engage another party to vote the proxy on its behalf;
- in the case of a conflict of interest resulting from a particular employee's personal relationships, removing such employee from the decision making process with respect to such proxy vote; or
- any other method as is deemed appropriate under the particular facts and circumstances, given the nature of the conflict.

The CCO is required to document the method used to resolve material conflicts of interest.

Retention of Proxy Advisory Firm

As of the date of this Brochure, TCM has retained ISS to provide legal oversight, in-depth analysis, and recommendations on all proxy matters. In connection with the retention of ISS or any other proxy advisory firm, TCM must ascertain that the proxy advisory firm has the capacity and competency to adequately analyze proxy issues. To accomplish that review, TCM considers, among other things, the adequacy and quality of the proxy advisory firm's staffing and personnel and the robustness of the firm's policies and procedures regarding its ability to (i) ensure that the firm's proxy voting recommendations are based on current and accurate information and (ii) identify and address any real or potential conflicts of interests that could exist between the proxy advisory firm and the voting recommendations it makes relating to accounts managed by TCM. TCM conducts the due diligence review that it deems necessary to make these determinations at the time of retaining a proxy advisory firm and each year thereafter in connection with the annual renewal of the relationship. Any proxy advisory firm retained by TCM must confirm in writing that it will provide to TCM, upon request, due diligence materials that are designed to assist TCM in meeting its obligations under its voting policy and applicable law. Any proxy advisory firm retained by TCM must also undertake to proactively communicate any (i) business changes or (ii) changes and updates to the proxy advisory firm's policies and procedures that could impact the adequacy and quality of the proxy voting services or the firm's ability to effectively manage conflicts.

Voting Procedures

TCM uses ISS to implement its proxy voting process, which includes providing proxy voting analysis and record keeping services. The custodian banks for client accounts forward all proxy materials to ISS for processing. On a regular basis, we review and approve the ISS guidelines on how ISS votes on particular proposals. In addition, TCM investment personnel are generally aware of the proposals that are being submitted to shareholders of the companies held in client accounts. ISS votes the received proxies in accordance with its guidelines, unless other instructions are given to ISS by TCM to vote a different way. A summary of the voting records of ISS is reviewed on a regular basis. Even if a client has delegated to TCM the authority to vote proxies, clients always have the ability to direct TCM on how to vote on any particular matter or issue. If clients wish to exercise that authority, they must notify TCM in writing.

If a client retains the authority to vote all proxies in their account, the client will receive proxies or other solicita-



tions directly from the client's custodian or the transfer agent for the securities that are subject to the proxy.

In these circumstances, clients may contact TCM if they have questions about a particular solicitation.

TCM maintains copies of all proxy voting records and, upon request, will provide clients with information on the voting of all proxies on their behalf. If you have any questions or would like additional information, including proxy voting records or a summary of the ISS guidelines, please call Jeff B. Curtis toll free at 1-800-972-0150.

Item 18 – Financial Information

TCM has no debt or other financial obligations that are likely to impair its ability to meet contractual and fiduciary commitments to clients.

Additional Supplemental Information

Class Actions and Inadvertent Receipt of Funds

Accounts managed by TCM, including separate accounts, mutual funds or subadvised accounts, may be entitled to a recovery as part of a class action settlement involving a stock held or previously held by the account. TCM does not have authority under its investment advisory contracts to execute the settlement documents and is not responsible for the handling or processing of class action claims for client accounts, including notifying clients of potential claims, filing proofs of claims, or monitoring the progress of any claims. The responsibility for these activities is customarily undertaken by the client's custodian bank or an outside service provider. Upon inception of a new client relationship, TCM will confirm that the client's custodian bank or the client will be responsible for processing applicable class action settlements. If neither the client nor its custodian bank is responsible for processing class action settlements, TCM will take steps to ensure that a third party service provider is used to assist in processing claims. Occasionally, TCM may receive checks on behalf of clients in connection with a class action settlement, which are typically relatively small in amount. These funds are promptly forwarded to the client.

Privacy Policy

Tygh Capital Management's Privacy Policy

Our commitment to you.

As a client of Tygh Capital Management, you've entrusted to our care not only your financial assets but certain personal and financial data as well. We recognize that your relationship with us is based on trust and that you expect us to act responsibly and in your best interests. Because your personal and financial data is your private information, we hold ourselves to the highest standards in its safekeeping and use. Tygh Capital Management may serve as the investment advisor or subadvisor to an investment company registered under the Investment Company Act of 1940 (each, a "Fund"), and as such maintains shareholder information for each Fund under management. It is the policy of Tygh Capital Management to adopt each Fund Privacy Policy, which shall be incorporated by reference into this Policy.

We collect nonpublic personal information about our clients from information we receive from your applications or other forms relating to establishing an account with us. In addition, we obtain information in connection with executing transactions on your behalf and dealing with your custodian.

All information regarding client identity, security holdings and financial status will be kept strictly confidential.



We maintain physical, electronic and operational safeguards to protect nonpublic personal information about our clients.

We do not disclose any of your nonpublic personal information unless

- (1) you request or authorize it,
- (2) we have been advised that your accountant, attorney, or consultant is requesting the information on your behalf, or
- (3) we are legally required to provide the information to a governmental agency.

We sometimes find it necessary to provide personal information about you to entities that provide a service on behalf of Tygh Capital Management, such as firms that provide reports or custody services on behalf of our clients. These companies are expected to maintain strict privacy and confidentiality policies.

If you have any questions about our privacy policies or our commitment to you to safeguard private information, please contact Jeff B. Curtis at 503-972-0150.

TCM Small Cap Growth Fund Privacy Notice

The Fund collects non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and
- Information about your transactions with us or others.

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated and unaffiliated third parties with whom we have contracts for servicing the Fund. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and require third parties to treat your non-public personal information with the same high degree of confidentiality.

In the event that you hold shares of a Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.