



Form ADV Part 2A

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

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

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

Item 2 – Material Changes

In this Item, registered investment advisers are required to summarize in their annual update material changes made to their Brochure since the last annual update. In this update, we are summarizing only material changes made since our last annual update on March 27, 2020. In addition to the material changes described below, this update includes certain technical, stylistic or clarifying changes intended to enhance the overall Brochure.

- We have amended contact details should a request be made to provide Peregrine’s Form ADV Part 2a to reflect the change in our CCO.

Peregrine will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Please call (612) 343-7600 or email compliance@Peregrine.com to request a Brochure.

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Item 4 – Advisory Business

Peregrine Capital Management, LLC was established as an SEC-registered investment adviser in 1984. The firm is located in Minneapolis, Minnesota. Peregrine Capital Management, LLC is owned by Peregrine Capital Management Holdings, LLC, which is owned by a group of senior key principals. The owners govern Peregrine as the Board of Directors. As of 12/31/2019, Peregrine managed approximately \$4.4 billion dollars on a discretionary basis.

Peregrine provides investment supervisory services to client portfolios, offering six specialty investment products managed by three distinctly separate investment teams: Small Cap Growth; SMID Growth; Small Cap Value; SMID Cap Value; Large Cap Growth and Absolute Earnings Growth. Typically, Peregrine has full investment discretion over all accounts. Peregrine tailors its advice within the strategies mentioned to the extent it agrees to investment restrictions outlined in a client's investment guidelines or policies.

Peregrine provides these services to a largely institutional client base, but also provides services to registered investment advisers (RIAs) and high net worth individuals. In addition, Peregrine provides sub-advisory services to mutual funds and commingled investment trusts.

Peregrine provides model portfolio recommendations to unified managed account (UMA) programs by periodically communicating portfolio changes (e.g., buy and sell decisions) to the program sponsors. The program sponsors provide certain services to the clients in the program, including assisting the client in selecting one or more investment advisers and investment strategies based on the client's investment objectives, brokerage, custody, recordkeeping, and other account services. Peregrine relies on the program sponsors to determine suitability. The program sponsors do not share client-specific information with Peregrine. The program sponsors collect a total account fee and remit Peregrine's portion of the fee. Peregrine does not evaluate whether any particular client would pay less if such services were purchased separately. The program sponsors will typically direct the execution of trades on behalf of program participants. To the extent this Brochure is delivered to program clients with whom

Peregrine has no advisory relationship or under circumstances where it is not legally required to be delivered, it is provided for informational purposes only. Furthermore, because a model-based program sponsor generally exercises investment discretion and, in many cases, brokerage discretion, performance and other information relating to Peregrine's services for which it exercises investment and brokerage discretion is generally provided for informational purposes only and will not be representative of model-based program client results or experience.

More information on Peregrine's trading practices relating to the model portfolio programs is in Item 12, Brokerage Practices.

Item 5 – Fees and Compensation

Small Cap Growth

Annual Fee Rate	Assets Under Management
.90%	First \$50 million
.75%	Next \$50 million
.55%	Balance

SMID Growth

Annual Fee Rate	Assets Under Management
.90%	Balance

Small Cap Value

Annual Fee Rate	Assets Under Management
.90%	First \$100 million
.75%	Next \$50 million
.65%	Balance

Small Cap Value offers a discount to eleemosynary clients

SMID Cap Value

Annual Fee Rate	Assets Under Management
.85%	First \$100 million
.70%	Next \$50 million
.60%	Balance

SMID Cap Value offers a discount to eleemosynary clients

Large Cap Growth and Absolute Earnings Growth

Annual Fee Rate	Assets Under Management
.60%	First \$25 million
.50%	Next \$125 million
.35%	Balance

The client's written investment advisory agreement dictates the specific manner in which Peregrine charges fees. In general, Peregrine's accounts are billed quarterly in

arrears based on assets under management at the calendar quarter-end. Other methodologies include the averages of month-end asset values or average daily asset values over a specified period. Some accounts are billed monthly or may be required to pay fees in advance. Peregrine does not deduct fees from client accounts.

Under special circumstances, such as sub-advisory agreements under which Peregrine does not provide services to the end-client (for example, a mutual fund, a UMA program, or a commingled investment trust), accounts of significant size, or legacy clients, Peregrine's fee may be negotiated in its sole discretion.

To facilitate large cash flows, Peregrine may invest in exchange-traded funds (ETFs) if the governing documents allow. ETFs have an embedded fee that flows to the ETF management company. In these circumstances, clients pay two levels of management fees, one to the ETF management company and an additional fee to Peregrine.

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

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

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

Performance-based compensation arrangements may be negotiated with clients of substantial size. Peregrine will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the Advisers Act) according to the available exemptions thereunder, including the exemption outlined in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Peregrine will include realized and unrealized capital gains and losses. Actual fees paid under such agreements could be more or less than the fee schedules listed under Item 5 above.

Performance-based fee arrangements may create an incentive for an adviser to recommend investments which may be riskier or more speculative than those recommended under a different fee arrangement. Performance-based fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Peregrine addresses these issues by managing accounts based on a well-defined investment process where all accounts within a particular strategy are generally invested in the same securities, in the same proportionate weights, regardless of fee structure. Peregrine has designed and implemented procedures that seek to ensure fair and equitable treatment of all clients and to prevent fee considerations from influencing the allocation of investment opportunities among clients. Peregrine also compares the investment performance of any performance-based fee accounts against the performance of similarly-managed accounts to identify any differences that might be caused by such favoritism.

Item 7 – Types of Clients

Peregrine provides investment advisory services to corporate and public pension plans, profit sharing plans, savings-investment and 401(k) plans, Taft-Hartley plans, private and public foundations and endowments, corporate accounts, large trust accounts, registered investment companies, collective investment trusts, UMA programs, RIAs and high net worth individuals.

Peregrine may impose minimum account sizes in its sole discretion. Peregrine generally requires a minimum account size of \$5 million but may accept smaller accounts due to

special circumstances. UMA program minimums are set by the program's sponsor and are less than Peregrine's separate account minimum account size.

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

Peregrine's six styles invest primarily in U.S. equity securities traded on a U.S. exchange or over-the-counter. Investments may include American Depositary Receipts ("ADRs") for access to foreign investments and exchange-traded funds used for cash management purposes. Securities issued by clients may be purchased within client portfolios, except when prohibited by client guidelines or regulations. The Absolute Earnings Growth style also invest in U.S. equity index options.

All six styles have research-intensive, company-specific approaches to stock selection. The fundamental research is achieved through meeting with company management, analyzing financial statements, reading press releases and news, meeting with analysts and reading their research reports to find the best investment opportunities.

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

A brief description of each style is set forth below.

Small Cap Growth: We focus on uncovering information gaps in small, rapidly growing companies. Characterized by the combination of underappreciated earnings growth and attractive valuations, information gaps create inherently positive asymmetry in risk and reward. We purchase rapidly growing companies at attractive valuations, in an attempt to capture the high multiples afforded by the compounding effects of rising forward growth expectations. Information gaps have many catalysts for closure but share the common themes of high growth and attractive valuations. Our internally classified "Discovery" holdings are companies with long-term earnings prospects of greater than 20%. Often at time of purchase this earnings potential is not appreciated by investors and execution against these superior growth prospects serves as the catalyst for the closure of the information gap. "Rediscovery" holdings seek to capitalize on inflections in near-term earnings growth potential of at least 40% catalyzed by a number of causes such as a new product introduction, cyclical upturn, or structural margin

improvement. Finally, we seek to identify acquisition candidates in industries with demonstrated consolidation. The result of this diversified approach has shown strong upside capture while protecting principal in down market environments.

SMID Growth: The investment process seeks to uncover information gaps in smaller companies with attractive, asymmetric risk/reward profiles where rapid earnings growth has yet to be reflected in consensus thinking. The strategy holds U.S. traded equity securities considered to have small-to-mid market capitalization with potential for long term appreciation.

Small Cap Value: We employ a proprietary valuation screen to identify the least expensive stocks in each sector which results in a candidate pool of 175 names. To discern true value from the merely cheap, the team conducts extensive fundamental research in search of one of our five Value Buy Criteria: resolvable short-term problem, catalyst for change; unrecognized assets, fundamental undervaluation, and take-over potential. We believe the presence of our Value Buy Criteria increases the likelihood that an inexpensive stock will return to a state of fair value and outperform its peers. Portfolios are fully invested in 90 to 110 holdings with generally no position exceeding 3.5% in weight. The portfolio seeks to be diversified across all sectors at all times.

SMID Cap Value: We employ a proprietary valuation screen to identify the least expensive stocks in each sector which results in a candidate pool of 140 names. To discern true value from the merely cheap, the team conducts extensive fundamental research in search of one of our five Value Buy Criteria: resolvable short-term problem; catalyst for change; unrecognized assets; fundamental undervaluation; and take-over potential. We believe the presence of our Value Buy Criteria increases the likelihood that an inexpensive stock will return to a state of fair value and outperform its peers. Portfolios are fully invested in 60-90 holdings with generally no position exceeding 5% in weight. The portfolio seeks to be diversified across all sectors at all times.

Large Cap Growth: We make long-term investments in 25 to 35 high quality, dynamic growth companies that are leaders in their industry. We continuously seek high growth, high quality companies that offer the following characteristics: expected future free cash flow growth greater than +12% per year, growth driven by high unit volume growth and supported by recurring revenue, large addressable markets, network effects, long

competitive advantage periods, high returns on invested capital and cultures of growth and innovation.

Absolute Earnings Growth: The Absolute Earnings Growth style is an extension of the Large Cap Growth style that, in addition to the equity security investments, uses index options in an effort to reduce performance volatility that results from expansion and contraction of market value multiples. The dynamic hedge uses a market valuation algorithm to increase or reduce the overlay ratio based on trailing twelve-month changes in market valuations.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results and different periods and market conditions may result in significantly different outcomes. The material risks presented by each strategy and its investments are set forth below, but this section does not attempt to identify every risk or to describe completely those risks it does identify.

Market Risk

The market values of the securities owned in the strategy may decline, at times sharply and unpredictably. Market values of equity securities are affected by many different factors, including general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

Economic Risk

Changes in economic conditions, including, for example, interest rates, inflation rates, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect investments.

Risks of Investing in Smaller Companies

Smaller companies may offer greater opportunities for capital appreciation than larger companies, but investments in small companies may involve certain special risks. Smaller companies may have limited product lines, markets or financial resources and may be dependent on a limited management group. While the markets in securities of smaller companies have grown rapidly in recent years, such securities may trade less frequently and in smaller volume than more widely-held securities. The values of these

securities may fluctuate more sharply than those of other securities, and Peregrine may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly-available information about the issuers of these securities or less market interest in these securities than in the case of larger companies, and it may take longer for the prices of such securities to reflect the full value of their issuers' underlying earnings potential or assets.

Concentrated Portfolio Risk

To the extent a strategy invests in a limited number of stocks, it may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the strategy's performance.

Risks of Investing in Large Cap Growth Companies

Stocks of large-cap companies tend to be less volatile than stocks of smaller companies. However, since many investors buy large-cap growth stocks for their anticipated earnings growth, earnings disappointments often result in sharp price declines. While large-cap companies often have greater resources to weather economic shifts than smaller companies, they may be slower to innovate and adapt to changing conditions than smaller companies. Stocks with growth characteristics can have sharp price declines as a result of earnings disappointments, even small ones. Since these companies usually invest a high portion of earnings in their businesses, they may lack the dividends of value stocks that can help to cushion stock prices in a falling market.

Risks of Investing in American Depositary Receipts ("ADRs")

ADRs are receipts issued by an American bank or trust company evidencing ownership of underlying securities issued by a foreign issuer. ADRs, in registered form, are designed for use in U.S. securities markets and are generally subject to the same sort of risks as direct investments in a foreign country, such as currency risk, political and economic risk, and market risk, because their values depend on the performance of a foreign security denominated in its home currency. Certain countries may limit the ability to convert depository receipts into the underlying foreign securities and vice versa, which may cause the securities of the foreign company to trade at a discount or premium to the market price of the related depository receipt.

Management Risk

Peregrine may not be able to successfully execute a strategy even after applying its investment process. There can be no guarantee that Peregrine's decisions will produce the intended result, and there can be no assurance that an investment strategy will succeed.

Options Risk

There are significant differences between the securities and options markets that could result in an imperfect correlation among these markets, causing a given transaction not to achieve its objectives. An account's ability to utilize options successfully will depend on Peregrine's ability to respond to pertinent market movements, which cannot be assured. Peregrine intends to hold the options to expiration. An account's ability to close out its position as a purchaser or seller of an Options Clearing Corporation or exchange-listed put or call option is dependent, in part, upon the liquidity of the options market. As the writer of a call option on an index, an account foregoes, during the option's life, the opportunity to profit from increases in the market value of the index underlying the call option above the sum of the premium and the exercise price of the call.

Tax-Loss Harvesting

Peregrine does not provide comprehensive tax advice, and encourages clients to consult with their tax advisor regarding the consequences of investing with Peregrine and engaging in tax-loss harvesting. The effectiveness of tax-loss harvesting to reduce tax liability will depend on the client's entire tax and investment profile, including purchases and dispositions in accounts outside of Peregrine, and the types of investments or holding period. The utilization of losses harvested will depend on the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws (for example, if there are insufficient realized gains in the tax period, the use of harvested losses may be limited to a deduction against ordinary income and distributions). A tax loss realized by a U.S. investor after selling a security will be negated if the investor purchases the security within thirty days, creating a "wash sale," which can occur inadvertently because of trading by a client in portfolios not managed by Peregrine.

Disease Outbreak Risks

Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment funds and portfolios and/or our business. For example, uncertainties regarding the novel Coronavirus (COVID-19) outbreak have resulted in serious economic disruptions across the globe. These types of outbreaks can be expected to cause severe decreases in economic activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the market place, including stock market losses and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. We have in place business continuity plans reasonably designed to ensure that we maintain normal business operations, and that our investment portfolios and client assets are protected, and we periodically test those plans. However, in the event of a pandemic or an outbreak, there can be no assurance that we or our portfolios' service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time. This update is current as of the date of this filing.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Peregrine is an independent investment management firm owned by key principals and does not have any other financial industry activities or affiliates.

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

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

Peregrine employees may trade for their own accounts in securities which are recommended to and purchased for Peregrine's clients. Because Peregrine permits such personal trading, this creates the conflict that employees could use their knowledge of pending client transactions in an attempt to benefit their personal transactions. Peregrine has a policy of prohibiting any employee from engaging in any securities transactions which would create a conflict of interest with any clients of Peregrine. To address conflicts related to personal trading, the Code of Ethics requires pre-approval of many types of securities transactions and imposes restrictions on the timing of personal securities transactions when client accounts are trading in the same securities.

Employees are prohibited from making any transaction in a security which is contrary to the action taken (except such actions required to accommodate contributions/withdrawals) on behalf of any client concerning that security. Such prohibition is applicable for five business days after transactions are made on behalf of customers. Peregrine also prohibits any employee from purchasing securities under consideration for purchase or in the process of being purchased for its customers (or selling any security which is under consideration for sale or in the process of being sold) until such time as all intended transactions on behalf of customers as to which the employee is aware have been completed. Employees are also required to disclose any holdings they have in securities under consideration for purchase of which they are aware. Peregrine requires all employees to report initially and annually all securities holdings and to report all personal transactions in securities in which the employee has direct or indirect ownership at least quarterly. Under appropriate circumstances, Peregrine may grant exceptions to the restrictions on employee securities transactions outlined above. A

complete copy of Peregrine's Code of Ethics is available upon request to any client or prospective client.

Peregrine occasionally makes contributions to certain clients that are charitable organizations. Such contributions are not made to obtain or retain business and must be approved in advance by senior management and compliance.

Item 12 – Brokerage Practices

Peregrine, in effecting purchases and sales of portfolio securities for the accounts of clients, places the orders with broker-dealer firms considering execution capability, financial responsibility, and responsiveness of the firm and market, statistical and other research information provided to Peregrine and its clients. All of these factors are considered in the allocation of brokerage and thus the lowest price is not necessarily the determining factor. Peregrine pays for research through client commissions as disclosed above. Peregrine believes that it is to the overall benefit of its clients to receive these benefits from broker-dealers. Peregrine does not try to allocate soft dollar benefits to client accounts proportionately to the soft dollar commissions the accounts generate. It is quite possible that the research benefits received from any one order will not directly benefit the client placing the order, but Peregrine believes that the aggregate benefits of information received from all orders will benefit all of its clients. For example, UMA programs do not generate soft dollars but benefit from soft dollars generated by other accounts.

Services and products provided by brokers directly or through third-party arrangements include: research reports, advice and/or technical analysis on individual securities, specific industries and economic/market sectors, economic and market trends, and portfolio strategy; and databases, statistical services, and software used for research, portfolio management and trade execution and a variety of other "research" and analytical tools including performance measurement/attribution reports and systems. When Peregrine uses soft dollar commissions to obtain research or research services, Peregrine receives a benefit because it does not have to produce or pay for the research or research services. As a result, Peregrine may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on clients' interest in receiving the most favorable execution.

Because the use of soft dollar commissions to pay for research or brokerage services for which Peregrine would otherwise have to pay presents a conflict of interest, Peregrine has adopted policies and procedures concerning soft dollars, which address all aspects of its use of soft dollar commissions and require that (i) such use be consistent with Section 28(e) of the Securities Exchange Act of 1934, as amended, and regulatory guidance from the SEC, (ii) such use provide lawful and appropriate assistance to us in the investment decision-making process, and (iii) Peregrine determine that the value of the research or brokerage service obtained is reasonable in relation to the commissions paid.

Peregrine also utilizes so-called "mixed-use" arrangements for products and services where Peregrine determines the "research" portion to be paid by soft dollar commissions and the "non-research" portion to be paid directly by Peregrine. The allocation between research and non-research presents a conflict of interest for Peregrine. Peregrine generally determines the allocation based on actual usage and, in the process, identifies the proportion utilized in investment decision-making. Compliance and senior management approve the allocation.

Peregrine believes that aggregating orders for the purchase or sale of securities on behalf of clients aids in seeking to obtain best execution for those clients participating in the trade. To maximize fairness to affected clients when we aggregate trades, Peregrine has adopted a policy expressly addressing allocation of aggregated securities trades. The overriding objective in the process is to treat all clients fairly and equitably. All transactions including aggregated trades are allocated to participating accounts on or prior to the entry of an order. New issue securities are allocated on the day of the underwriter's allotment and before trading commences whenever feasible. Trades will ordinarily be allocated to all accounts using the average share price for all transactions in the security occurring on the same day and will generally be divided pro-rata based on the market value of the specific accounts involved. A portfolio manager may depart from a strict pro-rata allocation when any of a number of factors have an influence on an individual allocation. A departure from a strict pro-rata allocation may thus be appropriate depending on such factors as the market capitalization of the security involved, the total number of shares transacted, the cash flows into or out of the involved accounts, the cash position of the account, the relative magnitude of a security

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

Peregrine aggregates trades for its separately managed accounts (SMAs) although the UMAs are not aggregated with them as trades for those programs are managed by the program sponsor. As between the SMAs and UMAs, Peregrine's general policy is to observe trade rotation whereby it rotates communication of a trade to brokers for its aggregated SMAs and the UMA sponsor, trade for trade. As a practical matter, Peregrine achieves near simultaneous execution as between the SMAs and UMAs, although makes no commitment that in the operation of its trade rotation policy it will achieve either simultaneous or near simultaneous execution. Trader discretion, based on market conditions, will cause a departure from the general rotation policy. Peregrine has no influence over when or even whether UMA model changes are implemented. The UMA sponsor also determines the broker-dealer through which the securities are bought or sold, and the commission rates, if any, at which transactions are effected. Given this sequencing, UMA trades that are executed at the discretion of the UMA sponsor are subject to price movements, particularly if they are trading after large block trades, involve thinly-traded or illiquid securities or occur in volatile markets. This may result in UMA participants obtaining a price that is different and in some cases less favorable than those account trades that are executed first, particularly in the case of model portfolios that hold small or mid-capitalization securities. If deemed in the best interest of all clients (for example, to take advantage of high trading volume following an offering), Peregrine may initiate simultaneous trades for SMAs and UMAs. If it is deemed highly likely that a transaction will be reversed in a very short period of time (one or two days), the trades may not be communicated to the UMA. Peregrine may utilize rotations or allocation methods other than those described above if we believe such rotation or method is appropriate under the circumstances and that such

alternative rotation or method is generally fair and equitable. In addition, Peregrine may vary from these policies to comply with additional requirements that may be placed on us by our platforms, intermediaries and clients, including but not limited to timing of trades and broker selection.

Securities transactions between accounts may be accomplished if the transaction is fair to both accounts and if not prohibited by the terms of any governing instrument or by applicable law.

At their request, Peregrine allows clients to direct a portion of their trading activity to pay for items such as services beneficial to the plan/account and commission rebate programs on their behalf. Peregrine may also accept client direction to accommodate tax-loss harvesting and capture previously unrecognized investment losses to offset taxes due on other gains (although Peregrine does not provide tax advice). In these instances where a client directs Peregrine to utilize a particular broker-dealer firm, Peregrine may be prevented from obtaining the lowest commissions or aggregating orders and the client accordingly may incur higher execution costs.

It is Peregrine's policy generally to accept such direction to the extent it is consistent with Peregrine's ability to seek best execution. In these instances, Peregrine will include transactions for clients that have directed the use of a particular broker-dealer in Peregrine's bunched orders and then satisfy the brokerage direction using step-out transactions, subject to Peregrine's best execution obligations. In such transactions, Peregrine requests the executing broker-dealer (who may agree or decline) to transfer the settlement and clearing of the portion of the bunched order relating to the directed brokerage accounts to the particular directed broker-dealers who receive a portion of the commission. The executing broker does not receive a commission for that portion of the trade. Peregrine does not guarantee that any or all broker-dealers executing transactions for Peregrine's clients will agree to participate in these types of step-out arrangements, although currently it is Peregrine's experience that they do so. In the event Peregrine in the future is unable to use step-out transactions in connection with particular brokerage directions, Peregrine will discuss with clients and have procedures in place that ensures that all clients are treated fairly and equitably over time and that no client is systematically disadvantaged.

In limited instances, Peregrine will accept direction from clients as to which broker-dealers are used. Any such direction must be in writing and accepted by Peregrine before it will be effective. Typically, the client has an arrangement with such broker-dealer which results in the client receiving some benefit from the broker-dealer in exchange for the directed brokerage. Although Peregrine generally discourages such direction, Peregrine does permit client direction in certain circumstances, ensuring that clients are apprised of the potential risks associated with directed brokerage, including that it may cost the client more money for the following reasons:

- the direction may result in higher commissions, greater spreads or less favorable net prices than would be the case if Peregrine selected the brokers;
- the direction may result in trades for the client's account not being aggregated with similar trades for other client accounts and thus not eligible for the benefits that accrue to such aggregation of orders;
- that as a result of not being aggregated, client transactions will generally be executed after client accounts whose trades are aggregated and may receive less favorable prices; and
- that because of the direction the client's account may not generate returns equal to those of other client accounts which do not direct brokerage.

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

Peregrine does not receive client referrals from brokers. Under no circumstances does Peregrine consider the marketing efforts of broker-dealers on behalf of mutual funds it subadvises or personal investment opportunities offered by broker-dealers in selecting broker-dealers to execute client trades.

Item 13 – Review of Accounts

Peregrine employs a trade order management system and its pre-trade compliance functionality. All portfolios are reviewed continuously by the portfolio manager(s) assigned to them. All portfolio managers devote a substantial majority of their time to managing portfolios. The portfolio managers function as small teams focused on their

individual styles. Each portfolio is formally reviewed quarterly by a portfolio manager and compliance to ensure that each portfolio's holdings are consistent with the goals and objectives and limitations imposed by each client.

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

Item 14 – Client Referrals and Other Compensation

Peregrine does not have solicitation or referral arrangements in place with third parties at this time. Please refer to the discussion related to the use of client commissions in Item 12 “Brokerage Practices” for information about soft dollar benefits.

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

Item 15 – Custody

Peregrine does not have custody of client assets.

Item 16 – Investment Discretion

Peregrine receives discretionary authority in the investment management agreement executed with the client at the outset of an advisory relationship. The accounts over which Peregrine exercises investment discretion are generally subject to investment restrictions and guidelines developed in consultation with clients. These restrictions and guidelines customarily impose limitations on the types of securities that may be

purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. Additional policies may be set by a client's board or investment committee. Peregrine is generally authorized to make the following determinations, consistent with each client's investment goals and policies, without client consultation or consent before a transaction is effected:

- Which securities or other investments to buy or sell;
- The total amount of securities or other investments to buy or sell;
- The broker or dealer through whom securities are bought or sold;
- The commission rates at which securities or other investment transactions for client accounts are effected; and
- The price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Peregrine generally does not accept non-discretionary accounts, although it reserves the right to accept non-discretionary accounts in certain circumstances. In these situations, the client's retention of discretion may cause the client to lose possible advantages that discretionary clients may have resulting from our ability to act immediately on our decisions for those discretionary clients. The UMA programs are an approved exception to our general policy against accepting non-discretionary accounts.

Item 17 – Voting Client Proxies

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

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

If a material conflict of interest is identified regarding proxy voting, it will generally be addressed in one of the following ways by the Board:

1. The proxy will be voted according to the proxy voting guidelines, provided that the proposal at issue is not one which the guidelines require to be considered on a case-by-case basis.
2. In conflict situations which cannot be addressed using the guidelines, the Board will follow the recommendation of a third-party proxy voting service.
3. If neither of the previous two procedures provides an appropriate voting recommendation, the Board may retain an independent fiduciary to advise Peregrine on how to vote the proposal or Peregrine may abstain from voting.

Clients for whom Peregrine does not have proxy voting authority should ensure that they receive proxies and other solicitations from their custodian or transfer agent. Clients may contact Peregrine with questions regarding a proxy solicitation.

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

Item 18 – Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Peregrine has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.

Other Information

Cybersecurity Risk

As the use of technology and the Internet has become more prevalent in the course of business, Peregrine has become more susceptible to operational, financial and information security risks resulting from cybersecurity breaches or other cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to electronic systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets, sensitive information (e.g., client names, trading information), corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents affecting Peregrine or any its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate account values, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Similar adverse consequences could result from cyber incidents involving counterparties with which Peregrine engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Peregrine’s clients) and other parties.

Although Peregrine has established internal risk management security protocols reasonably designed to prevent or detect, identify and respond to and recover from cybersecurity incidents, there are inherent limitations in such protocols including the possibility that certain threats and vulnerabilities have not been identified or made public due to the evolving nature of cybersecurity threats. As such, there is a possibility that Peregrine has not adequately prepared for or identified certain risks. Furthermore, although Peregrine conducts initial and ongoing due diligence of its third-party service providers, it cannot directly control any cybersecurity plans and systems put in place by such service providers.

Cybersecurity risks are also present for issuers of securities in which a client account invests, which could result in material adverse consequences for such issuers, and may cause a client account's investment in such securities to lose value.