



Part 2A of Form ADV: *Firm Brochure*

Pacific Ridge Capital Partners, LLC

4900 Meadows Road, Suite 320
Lake Oswego, OR 97035

Telephone: 503-886-8970

Fax Number: 503-886-8995

Email: Peter.Trumbo@PacificRidgeCapital.com

Web Address: www.PacificRidgeCapital.com

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This brochure provides information about the qualifications and business practices of Pacific Ridge Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact Peter Trumbo, Manager and Chief Compliance Officer of Pacific Ridge Capital Partners, LLC at phone number 503-886-8970 or e-mail Peter.Trumbo@PacificRidgeCapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pacific Ridge Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 152154.

Item 2 Material Changes

The last annual update to our brochure was made on March 15, 2019. The following items summarize material changes to our brochure since our last update.

Item 4: Amount of Managed Assets was updated as of March 6, 2020.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	7
Item 6	Performance-Based Fees and Side-By-Side Management	9
Item 7	Types of Clients	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations	11
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12	Brokerage Practices	13
Item 13	Review of Accounts	16
Item 14	Client Referrals and Other Compensation	17
Item 15	Custody	17
Item 16	Investment Discretion	18
Item 17	Voting Client Securities	18
Item 18	Financial Information	19

Item 4 Advisory Business

Pacific Ridge Capital Partners, LLC ("PRCP") is an SEC-registered investment adviser with its principal place of business located in Lake Oswego, Oregon. Pacific Ridge Capital Partners, LLC began conducting business in 2010.

The firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is listed below.

- Mark D. Cooper

Pacific Ridge Capital Partners, LLC offers the following advisory services to our clients:

PORTFOLIO MANAGEMENT SERVICES

The main focus of our firm is offering investment management services to predominantly institutional or high net worth individual clients utilizing the Small Cap and Micro Cap model portfolios. Each model portfolio is designed to meet a particular investment goal. PRCP will manage these separate accounts on a discretionary basis.

Small Cap portfolio: Containing mostly equity securities, but may also invest in some convertible debt and warrants. The Small Cap portfolio typically contains 90-140 holdings, with equity securities having market capitalizations similar to those in the bottom three-quarters of the Russell 2000® Index.

Micro Cap portfolio: Containing mostly equity securities, but may also invest in some convertible debt and warrants. The Micro Cap portfolio typically contains 50-80 holdings, with equity securities having market capitalizations similar to those in the Russell Microcap® Index.

Through discussions with the client or the client's representative, in which the client's goals and objectives are established, we will determine which of its model portfolios is suitable to the client's particular circumstances or which of the Funds, as noted below, would be most appropriate. We do not, however, tailor our advisory services to the individual needs of clients.

Separately managed clients will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account. Clients will retain an undivided, individual ownership of all account securities. We will maintain current client suitability information in the client's file in order to ensure that our initial determination of an appropriate investment plan continues to be suitable and that the client's account continues to be managed in a manner appropriate to the client's financial circumstances.

The annual fee for Portfolio Management Services in the Small Cap portfolio is 1.00% of assets under management, with a minimum separate account size of \$3 million. The annual fee for Portfolio Management Services in the Micro Cap portfolio is 1.50% of assets under management, with a minimum separate account size of \$3 million. These minimum account size and fee requirements may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Nevertheless, from time to time our minimum separate account size may require that the firm decline to accept particularly small accounts. We do not currently sponsor nor participate in any wrap fee program.

PRIVATE INVESTMENT FUNDS

We also provide investment management services to Pacific Ridge Small Cap Value Fund LLC (hereinafter "the Small Cap Value Fund") and Pacific Ridge Micro Cap Value Fund LLC (hereinafter "the Micro Cap Value Fund"), each a private investment fund (hereinafter collectively "the Funds"). Clients may be solicited to invest in any one or all Funds, as appropriate. The Funds are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon certain exemptions available to funds whose securities are not publicly offered. We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

Each Fund requires a minimum investment of \$250,000. This minimum required investment may be negotiable under certain circumstances and at our sole discretion. Interests in the Funds will generally be sold only to qualified investors who are "accredited investors" under Rule 501 of Regulation D of the Securities Act of 1933, as amended. Prospective Investors in any one or all of the Funds should refer to the offering documents for more information regarding accreditation, minimum investments and other pertinent conditions placed on investments.

Pacific Ridge Small Cap Value Fund LLC: The Small Cap Value Fund is an investment related limited liability company targeting accredited investors (and a limited number of unaccredited investors) that include individuals, corporations, partnerships, limited liability companies, trusts and, in our discretion, Employee Benefit Plans (including ERISA plans and IRAs) in addition to entities that are exempt from federal income taxations such as a private foundation or nonprofit organization, as well as other investors that meet the suitability requirements. The Small Cap Value Fund will typically invest in equity and convertible debt of between 90 and 140 small capitalization companies having market capitalizations similar to those in the bottom three-quarters of the Russell 2000® Index, but the company's Operating Agreement does not restrict investment alternatives. As a result, PRCP may elect to pursue other strategies and will not be limited to any particular class of security or type of investment. The investment objectives of the Small Cap Value Fund are to preserve and protect investor capital and to generate superior long-term investment growth through capital appreciation. In addition, we intend to pursue a tax efficient strategy by limiting trading and factoring the tax implications of realized gains into its trading decisions. To accomplish these goals, PRCP intends to invest in securities of companies that have demonstrated the ability to generate cash flows and earnings, have a unique market position, or own assets that appear undervalued. Our firm's goal is to find inefficiently priced securities with the potential for significant appreciation. The Small Cap Value Fund requires a minimum investment of \$250,000. This minimum investment may be negotiable under certain circumstances at our discretion.

Pacific Ridge Micro Cap Value Fund LLC: The Micro Cap Value Fund is an investment related limited liability company targeting accredited investors (and a limited number of unaccredited investors) that include individuals, corporations, partnerships, limited liability companies, trusts and, at our discretion, Employee Benefit Plans (including ERISA plans and IRAs) in addition to entities that are exempt from federal income taxations such as a private foundation or nonprofit organization, as well as other investors that meet the suitability requirements. The Micro Cap Value Fund will typically invest in the securities of approximately 50 to 80 companies having market capitalizations similar to those in the Russell Microcap® Index, but the company's Operating Agreement does not restrict

investment alternatives. The investment objectives of the Micro Cap Value Fund are to preserve and protect investor capital and to generate superior long-term investment growth through capital appreciation. In addition, PRCP intends to pursue a tax efficient strategy by limiting trading and factoring the tax implications of realized gains into its trading decisions. To accomplish these goals, we will search for inefficiently priced securities with the potential for significant appreciation. The Micro Cap Value Fund requires a minimum investment of \$250,000. This minimum investment may be negotiable under certain circumstances at our discretion.

In connection with its investment strategy, all Funds may make short sales of securities or may make short sales while an equal amount is held of the security sold short (a covered short sale) and may also lend portfolio investments. In addition, the Funds may buy securities on margin or borrow funds for other aspects of its operations. The use of these investment techniques is a specialized activity that may be considered speculative and can expose the Funds to significant risk of loss. Such instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of the underlying security, index, instrument, or currency. In addition, if the Funds have insufficient cash to meet margin, collateral, or settlement requirements, they may have to sell assets to meet such requirements.

In the future, PRCP may, as appropriate, waive or modify the terms of investment in any one or all of the Funds for certain large or strategic investors, in side letters or otherwise, its sole discretion, including but not necessarily limited to, a waiver or reduction of Management Fees, a waiver or reduction of the Incentive Allocation, preferential redemption rights, and/or increased transparency or reporting. Interests in the Funds are subject to a one year lock-up period.

SUB-ADVISED MUTUAL FUNDS

We also act as a sub-adviser to one or more unaffiliated registered investment companies (mutual funds). As such, we provide professional investment advisory services on a discretionary basis for these mutual funds. These sub-advised assets are managed similarly to other separate accounts that receive our portfolio management services.

ADDITIONAL CONSIDERATIONS

The information provided merely summarizes the detailed information provided in each Fund's offering and organizational documents. Prospective investors in one or both of the Funds should be aware of additional terms and risks associated with investment. Prospective investors should refer to the appropriate offering and organizational documents for important additional considerations and information.

AMOUNT OF MANAGED ASSETS

Our assets under management as of March 6, 2020 were \$368,623,104, all of which were managed on a discretionary basis.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT SERVICES

The annual fee for Portfolio Management Services in the Small Cap portfolio is 1.00% and for the Micro Cap portfolio is 1.50% of assets under management. A minimum of \$3 million of assets under management in either portfolio is generally required for this service. This minimum account size may be negotiable under certain circumstances. Clients will be invoiced or their account directly debited, as authorized, in arrears at the beginning of each calendar quarter based upon the average value (market value or fair market value in the absence of market value), of the client's account at the end of each of the three months that comprise the quarterly billing period.

Under certain circumstances, Pacific Ridge may offer its services for a fee based on our performance in managing the client's account in accordance with Rule 205-3 of the Investment Advisers Act of 1940. Please refer to Item 6 – Performance-Based Fees and Side-By-Side Management.

PRIVATE INVESTMENT FUNDS

The annual management fee for the Small Cap Value Fund is 1.00% and the Micro Cap Value Fund is 1.50% of the Net Asset Value of each Fund shares calculated as a percentage of assets under management, debited monthly, in arrears. Net Asset Value will be calculated as set forth in the Funds' offering and organizational documents.

A minimum investment of \$250,000 is required for each Fund. This minimum required investment may be negotiable under certain circumstances in the sole discretion of PRCP. Prospective investors in any one or both of the Funds should refer to the appropriate offering and organizational documents for more information regarding the fees charged by PRCP as well other applicable Fund expenses.

SUB-ADVISED MUTUAL FUNDS

We provide sub-advisory services to one or more mutual funds. For our services in connection with such funds, we receive a management fee based on the value of the assets sub-advised by us. The sub-advisory fees are described in the sub-advisory agreement between us and the respective principal adviser. Additional information regarding fees and the calculation of advised assets is represented in the respective mutual funds' current prospectus and statement of additional information.

Limited Negotiability of Advisory Fees: Although Pacific Ridge Capital Partners, LLC has established the aforementioned fee schedule(s); we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Direct Debiting of Fees: Clients may elect to have fees directly debited from their accounts on a quarterly basis. All fees that have been deducted from client accounts will be noted on the quarterly statement that is provided to clients by the custodian that holds their respective account(s). Clients should review these statements carefully and contact us at our principal offices, noted on the cover page, if any discrepancies are found.

GENERAL INFORMATION

Termination of the Advisory Relationship: A separately managed client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Investors in any one or all of the Funds should refer to the appropriate Fund offering documents for information regarding withdrawal from the Funds(s).

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Pacific Ridge Capital Partners, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Pacific Ridge Capital Partners, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive 12b-1 fees, however, only when such fees are used to offset Pacific Ridge Capital Partners, LLC's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Pacific Ridge's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Pacific Ridge Capital Partners, LLC may enter into performance-based fee arrangements with qualified clients. We will structure any performance or incentive fee arrangement (fees based on a share of capital gains on or capital appreciation of the assets of a client) subject to Section 205(a)(1) of the Investment Advisers Act of 1940 and in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3.

We may provide concurrent advisory services to clients that are charged a performance-based fee and clients that are not charged a performance-based fee. We manage performance-based fee accounts in line with asset based fee accounts unless otherwise directed by client specific guidelines. Under a performance-based fee arrangement, we may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account. Such fee arrangements also create a potential incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. As a result, a performance-based fee arrangement creates a potential incentive for us to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. The potential for us to receive greater fees from performance-based fee accounts could create a potential conflict of interest with respect to the allocation of investment opportunities as we may have an incentive to direct the best investment ideas to, or allocate investments in favor of, accounts that pay performance-based fees.

We have adopted the necessary procedures designed and implemented to ensure that clients are treated fairly and equitably, and to prevent these conflicts from influencing the allocation of investment opportunities among its clients. To mitigate potential conflicts of interest, we manage these accounts consistently with that of other asset based fee accounts and are therefore subject to the same aggregation and pro-rata allocation as all other clients. Please refer to Item 12 – Brokerage Practices.

Item 7 Types of Clients

Pacific Ridge Capital Partners, LLC provides advisory services to the following types of clients:

- Charitable Organizations and Endowments
- Investment companies (including mutual funds)
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above
- State or municipal government entities
- High net worth individuals

To establish a separate account in either the Small Cap or Micro Cap strategy requires a minimum of \$3 million. This minimum account size requirement may be negotiable under certain circumstances.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically this is our primary strategy and we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

PRIVATE FUND AFFILIATIONS

We provide investment management services to the Small Cap Value Fund and the Micro Cap Value Fund, each a private investment fund. Clients may be solicited to invest in any one or all Funds, as appropriate. The Funds are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon certain exemptions available to funds whose securities are not publicly offered. We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

The management and control of the Funds is vested exclusively with us. Although this arrangement may give us heightened control and discretion over our Fund clients, we manage any potential conflicts of interest by adhering to the investment strategy discussed in each of the Fund's offering documents. To the extent a conflict arises, we will attempt to resolve such conflict in a fair and equitable manner. The Funds are managed in the same manner as other separately managed accounts.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Pacific Ridge Capital Partners, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to Peter.Trumbo@PacificRidgeCapital.com, or by calling us at our principal office phone number (503) 886-8970.

Pacific Ridge Capital Partners, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Pacific Ridge Capital Partners, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security within seven calendar days of a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

4. Our firm requires prior approval by the Chief Compliance Officer for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Item 12 Brokerage Practice

BROKERAGE PRACTICE

PRCP's brokerage practices are the responsibility of our Chief Compliance Officer and Trading Department with oversight from our Brokerage, Soft Dollar and Regulatory Committees.

The Brokerage Committee (or designated officer) has responsibility for monitoring our firm's trading practices, gathering relevant information, reconciliations of any and all securities transactions for advisory clients, periodically reviewing and evaluating the services provided by broker-dealers, the quality of executions, research, commission rates, and overall brokerage relationships, among other things.

PRCP may also maintain and periodically update an "Approved Broker-Dealer List" based upon the firm's reviews.

PRCP also conducts periodic reviews of the firm's brokerage and best execution policies and documents these reviews.

A Best Execution file is maintained for the information obtained and used in PRCP's periodic best execution reviews and analysis and to document the firm's best execution practices.

PRCP's separately managed account client contracts provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

BROKER SELECTION AND BEST EXECUTION

All brokers utilized by Pacific Ridge have been reviewed and authorized by our Brokerage Committee. Our Brokerage Committee endeavors to select those brokers or dealers which will provide the best combination of services at the lowest commission rates possible. The reasonableness of commissions is based on PRCP's assessment of: (i) quality of trade

executions, (ii) the value of research provided by the broker, (iii) execution capability, (iv) commission rate, (v) reputation and stability, (vi) attention and treatment paid to trades regardless of size, (vii) providing access to management teams of issuers through individual meetings or industry-wide conferences, and (viii) access to liquidity and other services that help Pacific Ridge in providing investment management services to our clients.

Because we look at all these factors, we may pay a broker a commission that is higher than what another broker might charge when we make a good faith determination that the greater commission results in an overall economic benefit to all clients.

AGGREGATION

After PRCP's Portfolio Managers provide pre-trade allocation instructions to the Trading Department it will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, and may include proprietary accounts owned by PRCP, its employees, or principals. Block trading may permit equity trades to be executed in a timelier and more equitable manner while allowing us to obtain an average share price for accounts participating in the block. Our firm may not be able to aggregate clients with directed brokerage agreements, and in such cases, we may execute all discretionary accounts first, followed by the execution of directed brokerage related clients next based on the highest order dollar value at the respective directed brokerages.

POST TRADE ALLOCATIONS

PRCP has adopted a clear written policy for the fair and equitable allocation of transactions, (e.g., pro-rata allocation or other means).

Partial fills of block trades will generally be allocated on a pro rata basis. However, adjustments to this pro rata allocation may be made to avoid deviations from pre-determined minimum/maximum holdings limits established for any account.

PRCP's policy prohibits any allocation of trades in a manner that PRCP's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receives more favorable treatment than other client accounts, except clients with directed brokerage agreements.

IPOs

Initial public offerings ("IPOs") or new issues are offerings of securities which frequently are of limited size and limited availability. These offerings may trade at a premium above the initial offering price.

In the event PRCP participates in any new issues PRCP's policy and practice is to allocate new issues shares fairly and equitably among our advisory clients according to a specific and consistent basis so as not to advantage any firm, personal or related account and so as not to favor or disfavor any client, or group of clients, over any other. If the allocated new issue position is large enough, it will be allocated among the accounts on a pro rata basis to our clients' accounts. Random allocations may be used to allocate small new issue positions and may result in some clients obtaining the benefits of new issues while others do not. IPO's will not be allocated to "restricted persons". As such, if a private investment fund is managed by PRCP and that fund includes as investors, principals of PRCP, then that fund will not participate in the allocation of any new issues due to the "restricted person" rules.

TRADE ERRORS

As a fiduciary, PRCP has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to PRCP's actions, or inaction, or actions of others, PRCP's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting PRCP in any way.

If the error is the responsibility of PRCP, any client transaction will be corrected and PRCP will be responsible for any client loss resulting from an inaccurate or erroneous order.

PRCP's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

DIRECTED BROKERAGE

PRCP may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to PRCP are to be in writing with appropriate disclosures that for any client Directed Brokerage arrangements PRCP will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, and that commission charges will vary among clients and the ability to obtain best execution may be hindered. Directed Brokerage clients which are not included in block orders, may at times see pricing deviation from non-Directed Brokerage accounts i.e. the pricing block orders receive by participating in dark pools or interacting with natural block liquidity via brokers outside of the directed relationship may be different than the Directed Brokerage trades. Further, Directed Brokerage accounts may not be able to participate in an allocation of shares of a new issue if those new issue shares are provided by another broker.

If PRCP has Directed Brokerage clients at more than one broker then PRCP will generally execute those directed brokerage trades sequentially based on the highest order dollar value.

SOFT DOLLAR ARRANGEMENTS

Generally, as one of several factors considered when evaluating a broker's ability to provide the "best execution" for our clients, we may consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for such services or products with "soft dollars." Consistent with its fiduciary obligations, our firm may direct brokerage transactions for clients' portfolios to broker-dealers who provide research and execution services to us and, indirectly, to our clients.

These products and services include research and software that enable trade execution and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars generally include statistical or quotation services, including on-line services. We do not attempt to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. A client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client.

Broker-dealers selected by us may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these

transactions. We will determine that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and we make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs attributable to non-research usage of such products or services is paid by us to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934. For any mixed-use products or services, we will maintain appropriate records of its reviews and good faith determinations of its reasonable allocations.

When we use client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that we do not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions may result in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients. We attempt to mitigate potential conflicts by the use of a Soft Dollar Committee that reviews our soft dollar arrangements, budget, and allocations on a periodic and at least an annual basis to ensure consistency with our policy and practices.

Within our last fiscal year, we have obtained the following products and services, paid either partially or in full, from soft dollars: electronic market quotations and data on the pricing and availability of securities; portfolio attribution; and market, economic, and sector analyses and forecasts.

Item 13 Review of Accounts

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within Portfolio Management Services accounts (including sub-advised mutual funds) are continuously monitored, these accounts are reviewed at least monthly by Mark Cooper, Manager, Member and co-Senior Portfolio Manager, and Dominic Marshall, Member and co-Senior Portfolio Manager, of PRCP. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, market, political or economic environment or upon a client's request.

REPORTS: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive directly from their broker-dealer and/or account custodian, we will provide quarterly reports summarizing account performance, balances and holdings as well as periodic market commentary.

PRIVATE INVESTMENT FUNDS

REVIEWS: The underlying securities and asset mix within the Funds are continuously monitored by our Investment Team, including Mark Cooper, Manager, Member and co-Senior Portfolio Manager, and Dominic Marshall, Member and co-Senior Portfolio Manager, of

PRCP. The Funds are reviewed in the context of the investment objectives and guidelines set forth in the offering documents and the advisory agreements entered into with each Fund.

REPORTS: Investors in the Funds will receive an annual audited financial report for the Fund(s), prepared by an independent auditor, generally within 120 days of the end of each Fund's fiscal year. In addition, investors will receive, within 60 days of the close of the calendar year, all reports necessary to complete the Member's tax returns. We will also provide internally-prepared financial reports to Members upon request. Additional reports of activities in securities will be provided in the form, at the frequency, and on such basis as the Manager deems necessary and appropriate. Prospective investors in any one or more of the Funds should refer to the appropriate offering and organizational documents for more information on the reports provided to investors.

Item 14 Client Referrals and Other Compensation

As a matter of our firm's policy and practice, we do not pay referral fees.

Item 15 Custody

We do not accept physical custody of client assets, including the receipt of securities, cash or checks, at any time. The decision to select a qualified third-party custodian remains solely with the client. With the exception of the Funds, clients must contract directly with their selected qualified third-party custodian or registered broker-dealer for custodian services.

Because we act as investment adviser to the Funds and have an affiliated party who acts as General Partner to those Funds, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). It is our policy to seek to send these audited financials to each Fund investor, as appropriate, within 120 days of the applicable Fund's fiscal year end.

Advisers that are general partners to limited partnerships, hedge funds or other pooled investment vehicles ("investment pool") (or that have related persons that are general partners to limited partnerships) may be exempt from the annual surprise examination provided that the investment pool is audited at least annually by an accountant that is both registered with, and subject to regular inspection by, the PCAOB; the audited financial statements are distributed to each investor in the investment pool (or their independent representative) within 120 days of the fiscal year-end of the investment pool (180 days for fund of funds).

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts, but only after receiving written authorization from the client.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

PROXY DISCLOSURE

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may also elect to receive and vote proxies related to their own accounts, in which case we may consult with clients as requested. Our firm has adopted written Proxy Voting Policies and Procedures which reflect the firm's duty as a fiduciary to vote proxies in the best interests of our clients. For ERISA plan clients, proxies are voted by us solely in the best interests of the plan participants and beneficiaries unless the plan documents specifically reserve the plan sponsors right to vote proxies.

Clients may obtain a copy of our complete Proxy Voting Policies and Procedures by contacting Peter Trumbo, Manager and Chief Compliance Officer of PRCP directly at our principal office location, noted on the cover of this brochure. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will provide such information to the client promptly. These requests should also be referred to Mr. Trumbo.

CLASS ACTIONS, BANKRUPTCIES AND OTHER LEGAL PROCEEDINGS

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct our firm to transmit copies of class action notices to the client or a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

Pacific Ridge Capital Partners, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Pacific Ridge Capital Partners, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.