

PART 2A OF FORM ADV FIRM BROCHURE



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This brochure ("Brochure") provides information about the qualifications and business practices of Trigran Investments, Inc. If you have any questions about the contents of this Brochure, please contact us at 847-656-1640 or brad@trigraninc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Trigran Investments, Inc. is a registered investment adviser. Registration of an investment adviser with the SEC or any state securities authority does not imply any level of skill or training.

Additional information about Trigran Investments, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There have been no material changes since the last annual update of our Brochure dated March 24, 2022.

Trigran routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and firm practices. In this year's Brochure the following Items have been updated, in addition to certain other immaterial and/or conforming changes related thereto:

- Item 4: Updated to reflect the amount of Trigran's regulatory assets under management as of December 31, 2022.
- Item 8: Updated to reflect additional risk factors.

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Item 4 – Advisory Business

Trigran Investments, Inc. (“Trigran” or “we”) is an Illinois corporation that was formed in 1992. Trigran manages concentrated long-only portfolios of publicly-traded, small-capitalization stocks for private funds, high net worth individuals, family offices and institutions. We are a fundamentally-focused, research-intensive investment management firm that employs a long-term oriented buy and hold approach to investing. The owners of Trigran, through trusts, are Douglas Granat, Lawrence Oberman, Steven Simon, Steven Monieson and Bradley Simon (collectively, the “Principals”).

Trigran provides discretionary investment advisory services to Trigran Investments, L.P. (“Trigran I”), Trigran Investments, L.P. II (“Trigran II” and together with Trigran I, the “Partnerships”) and the owners of a small number of separately managed accounts (“managed account clients”). Trigran I began accepting investment capital on August 1, 1991 and Trigran II began accepting investment capital on January 1, 2005. Trigran, together with its affiliate Trigran Holdings LLC (“Trigran Holdings”), are the general partners of the Partnerships. Unless the context otherwise requires, references herein to “clients” mean the Partnerships together with our managed account clients.

The Partnerships are private investment partnerships that seek to maximize total return for each of their respective partners (the “Partners”) primarily through capital appreciation of their investments. Trigran’s primary goal for the Partnerships is to produce long-term positive returns in excess of the Russell 2000 Index. The investment strategy of the Partnerships is to invest in, hold, sell and trade equity securities. The primary focus of the Partnerships is to invest in a small group of “buy and hold” core positions that represent a significant portion of each Partnership’s assets. Historically, these investments have been primarily in publicly-traded companies with total market capitalizations of less than \$5 billion, though the Partnerships do from time to time invest in larger publicly-traded companies as well. The Partnerships are also permitted to invest in a variety of assets besides publicly-traded equities including bonds, notes, warrants, puts and calls, cash equivalents and other securities and instruments. Each Partnership is managed in a substantially similar manner and we expect their returns to continue to track closely over time.

The owners of our separately managed accounts are primarily sophisticated institutions and family offices. The investment strategy of our separately managed accounts is memorialized in each managed account client’s agreement with Trigran, but in nearly all instances the strategy is substantially similar to the investment strategy of the Partnerships. Certain of our separately managed accounts are also permitted to invest in a variety of assets besides publicly-traded equities including bonds, mutual funds and other securities and instruments.

Trigran does not tailor its advisory services to the individual needs of the Partners of the Partnerships. Restrictions on investing in certain types of securities, if any, are set forth in the governing documents of the Partnerships (the “Offering Documents”). Except for a limitation on private company investments, there are no limitations or restrictions on a Partnership’s investments with respect to diversification or as to the types of securities which a Partnership is permitted to

hold, buy or sell. We have not entered into any side letters with any Partners. Certain of Trigran's managed account clients do have predetermined limitations and/or restrictions on the types or quantities of securities that Trigran is authorized to purchase on their behalf, and we tailor our services to satisfy those requirements in the manner set forth in our agreements with such managed account clients.

Trigran does not participate in wrap fee programs.

As of December 31, 2022, Trigran managed approximately \$1,112,000,000 of client assets on a discretionary basis and none on a non-discretionary basis.

Item 5 – Fees and Compensation

We are compensated for advisory services in the manner set forth in our written agreements with our clients, as explained more fully below and in Item 6 of this Brochure.

Management Fees

Trigran charges each Partnership a management fee equal to 0.125% per month (1.5% annually) of the net assets of each Partnership (the "Management Fee"), and is attributable to each Partner's pro-rata ownership percentage of the Partnership's net assets. Trigran determines the net assets of each Partnership at the beginning of each calendar month, and the Management Fee earned by Trigran in a quarter is wired to Trigran by each Partnership in arrears. Fees payable on Partnership interests held less than a full quarter are prorated for the number of days an interest was actually held in the quarter.

Trigran is permitted to reduce or waive entirely its Management Fee with respect to any of its Partners. To date, Trigran has not reduced or waived its Management Fee with respect to any Partner and does not expect to do so in the future. All Partners, including Trigran's Principals and members of their families, pay the same Management Fee percentage.

Management fees from separately managed accounts are negotiated and calculated on a client by client basis as memorialized in each managed account client's agreement with Trigran. In the event installments of the management fee for a managed account client become payable for any period other than a full performance period, Trigran will adjust the management fee on a pro-rata basis according to the actual number of days in the period. Trigran does not deduct management fees from its clients' separately managed accounts. Instead, Trigran sends an invoice to its managed account clients who then pay the management fees by check or wire transfer in arrears.

Performance-Based Fees

An affiliate of Trigran, Trigran Holdings, receives a performance-based, profit allocation (the "Incentive Allocation") from the Partnerships in an amount equal to 10% of "new trading profits" as described in Item 6 of this Brochure.

Performance-based fees from separately managed accounts (“Performance Fees”) are negotiated and calculated on a client by client basis as memorialized in each managed account client’s agreement with Trigran. Trigran does not deduct Performance Fees from its clients’ separately managed accounts. Instead, if applicable, Trigran sends an invoice to its managed account clients who then pay the Performance Fees by wire transfer in arrears.

Operating Expenses

In addition to management fees and performance-based fees, Trigran allocates ongoing expenses to the Partnerships and its managed account clients in accordance with the Offering Documents of the Partnerships and each managed account client’s agreement with Trigran.

In that regard, each Partnership pays all of its ongoing legal and outside accounting (including tax form preparation) and auditing expenses. Such expenses are attributable to each Partner in proportion to its ownership percentage of the net assets of the applicable Partnership. Where one or more clients to which an expense would otherwise be allocable are not allocated such an expense, the portion of the expense attributable to such clients will be borne by Trigran. Each Partnership and managed account client bear all expenses arising out of transactions executed on their behalf, including brokerage commissions, custodian fees and other transaction costs as described in Item 12 of this Brochure.

Trigran’s Partners and managed account clients do not pre-pay any of our fees.

Neither Trigran nor its supervised persons receive compensation for the sale of securities or other investment products.

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

Trigran Holdings receives an Incentive Allocation on an annual basis equal to 10% of “new trading profits” (as defined in the Partnerships’ Offering Documents as profit in a particular year in excess of a “high-water mark”) experienced by each Partner’s capital account in such year. The Incentive Allocation is determined on an annual basis, but accrues monthly for the purpose of reporting net asset value.

When computing the Incentive Allocation, Trigran Holdings only receives an Incentive Allocation with respect to a Partner’s capital account if the Partnership has recouped all prior losses with respect to such Partner’s capital account (i.e., the capital account is above a “high water mark”). Incentive Allocations are not repayable, however, if the value of the Partner’s capital account to which any such Incentive Allocation has been made subsequently declines. This could result in substantial Incentive Allocations being made to Trigran Holdings despite the fact that an overall decline in a Partner’s capital account has occurred.

Trigran Holdings establishes its right to receive an Incentive Allocation at the time the relevant investment account in the Partnership is opened. While Trigran Holdings is permitted to reduce or waive entirely its Incentive Allocation with respect to any of its Partners, to date Trigran Holdings has not reduced or waived its Incentive Allocation with respect to any Partner and does not expect to do so in the future. All Partners, including Trigran's Principals and members of their families, pay the same Incentive Allocation percentage.

As described in Item 5 of this Brochure, performance-based fees from separately managed accounts, as applicable, are negotiated and calculated on a client by client basis as memorialized in each managed account client's agreement with Trigran.

Trigran manages multiple clients with similar investment strategies. As a result, Trigran has a potential conflict of interest in allocating time and activity among the multiple clients, including the Partnerships and the separately managed accounts; allocating investments among the multiple clients; and effecting transactions on behalf of clients including ones in which Trigran has a greater financial interest. It is possible these conflicts of interest can create an incentive to favor accounts that pay higher performance-based fees over those that pay lower or no performance-based fees. They could also create an incentive for Trigran to make investments that are riskier or more speculative than would be the case in the absence of performance-based fees. Because they are based on unrealized appreciation as well as realized gains, the Incentive Allocations or Performance Fees that are made or paid are or could in the future be partially attributable to positions that were or will be profitable after they were initiated but unprofitable when liquidated.

We have policies and procedures in place to ensure that all clients are treated fairly and to prevent the existence of performance-based fee arrangements from influencing the nature of our investments or the allocation of investment opportunities among clients. Trigran also believes that such risks are sufficiently mitigated as: (i) any such risks would be equally applicable to Trigran's and its affiliates' and Principals' own capital accounts in the Partnerships and (ii) any losses sustained would reduce the balances of such accounts as well as our management and performance-based fees.

Item 7 – Types of Clients

Trigran provides investment advisory services to the Partnerships and to the owners of a small number of separately managed accounts.

Trigran I and Trigran II are private investment partnerships that are exempt from registration as privately offered funds pursuant to Section 3(c)(1) and Section 3(c)(7), respectively, of the Investment Company Act of 1940. Interests in the Partnerships are not made available to the general public and are offered only by the delivery of the Offering Documents to prospective Partners who meet the relevant investor eligibility requirements (i.e., certain suitability and net worth qualifications). Please see the Offering Documents for more information on the investor eligibility requirements for the Partnerships.

Partners and managed account clients typically consist of high net worth individuals, family offices, profit sharing and retirement plans, trusts, endowments, estates, retirement accounts, corporations and other business entities and institutions. In addition, employees of Trigran and their family members are also Partners. All of Trigran's clients are domiciled in the United States.

The minimum investment amount in the Partnerships is \$500,000. Trigran is permitted to lower the minimum investment amount and has in its discretion accepted lower amounts. The minimum investment for a separately managed account is determined by Trigran based on a variety of factors, including the client's desire for account customization, reporting requirements and capacity.

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

As described in Item 4 of this Brochure, Trigran's investment strategy is to invest in, hold, sell, and trade equity securities for the Partnerships and our managed account clients. A significant portion of each Partnership's and managed account client's assets are, and are expected to remain, invested in equity securities of approximately seven to ten companies which constitute our "core positions". Historically, these investments have been primarily in publicly-traded companies with total market capitalizations of less than \$5 billion, though we do from time to time invest in larger publicly-traded companies as well. While the anticipated holding period for these investments is three to five years, they are periodically held for shorter or longer time periods depending on the circumstances.

Trigran looks to invest in publicly-traded companies whose shares trade at sizable discounts to their intrinsic values. To calculate a company's intrinsic value, Trigran analyzes the company's financial statements, competitive position, expected future cash flows, and management strength. We also expect these same companies to grow their revenue and cash flows substantially over time. Our goal is to exit positions when their price exceeds intrinsic value by some margin, when better investment opportunities are found or when our portfolio companies are acquired.

In evaluating and selecting investments Trigran uses a predominately fundamental approach. Before a material investment is made in a "core position" company, we conduct extensive research on the company. The general characteristics we seek in such companies include: (i) a sustainable competitive advantage; (ii) capable, owner-oriented management; (iii) high returns on invested capital; (iv) strong current or expected free cash flow; (v) understandable businesses; (vi) reliable and recurring revenue streams; (vii) a well-capitalized balance sheet and (viii) reasonable growth prospects.

Material Risks

The material risks related to Trigran's methods of analysis, investment strategy and operations are described below.

The risk factors listed below do not encompass all the risks associated with an investment in a Partnership or a separately managed account. Please see the Offering Documents for

more information on the risks associated with an investment and to ensure that you are aware of all such risks and costs involved in such an investment. Different or new risks not addressed below could arise in the future and, therefore, the following list is not intended to be exhaustive.

The primary risks associated with our methods of analysis and investment strategy include the following:

Market Risk

Trigran's trading and investment strategies are subject to market risk. There can be no assurance that what is perceived as an investment opportunity will not, in fact, result in substantial losses. The Partnerships and our clients' separately managed accounts can only be successful if Trigran is able to invest and trade successfully, and there can be no assurance that this will be the case.

Investments in Equity Securities

Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer that remain after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend, and any other required payments on more senior securities of the issuer. Warrants and stock purchase rights are securities permitting, but not obligating, their holders to subscribe for other equity securities, and they do not represent any rights in the assets of the issuer. As a result, warrants and stock purchase rights are more speculative than other types of equity investments.

Limited Capitalization Companies

Trigran invests a meaningful portion of the Partnerships' and our managed account clients' assets in the securities of companies with limited market capitalizations (i.e., small-capitalization companies). While Trigran believes these companies often provide significant potential for appreciation, these securities involve higher risks in some respects than do investments in securities of larger companies. For example, stock prices of small-capitalization companies are often more volatile and vulnerable to adverse business and economic developments than those of larger companies. The risk of bankruptcy or insolvency of many smaller capitalized companies is higher than for larger, "blue-chip" companies. In addition, due to thin trading in certain small-capitalization securities, an investment in those securities is often less liquid than investments in larger companies, making it more difficult to buy and sell such securities.

No Formal Diversification Policies

Except with respect to investments in private companies for the Partnerships and restrictions set forth in a managed account client's agreement with Trigran, Trigran is not restricted as to the percentage of each client's assets that are invested in any particular instrument or market. Likewise,

the Partnerships and certain managed account clients have not adopted fixed guidelines for diversification of its investments among issuers, industries, instruments, or markets and own a limited number of positions. In attempting to maximize returns, Trigran concentrates holdings in those industries, companies, instruments, or markets which, in the sole judgment of Trigran, provide the best profit opportunity in view of the respective investment objectives of the Partnerships and our managed account clients.

Investments in Thinly Traded and Illiquid Securities

Trigran periodically invests in thinly traded and/or illiquid securities on behalf of the Partnerships and certain managed account clients. As a result, the Partnerships and our managed account clients could be required to hold such securities despite an adverse price movement and might only be able to liquidate these positions at disadvantageous prices should Trigran determine, or it becomes necessary, to do so.

Material Non-Public Information

On rare occasions, Trigran comes into possession of material non-public information concerning existing or potential investments. Trigran will not be free to divulge, or to act upon, such material non-public information. Consequently, Trigran's clients could lose a trading opportunity because such material non-public information would cause Trigran to be restricted due to confidentiality obligations or regulatory restrictions.

Restricted Liquidity

The Partnerships and certain managed account clients are permitted to hold investments that Trigran is unable to value with any reasonable degree of certainty or which Trigran deems illiquid. Liquidation of these investments are limited by contractual or legal restrictions or by Trigran's determination that such liquidation would not be in the best interests of the Partnerships, our Partners, or our separately managed account clients. If a Partner requests a withdrawal from a Partnership during a period when such an investment is perceived by Trigran to be illiquid, or unable to be liquidated at a value that Trigran determines to be "fair value," Trigran will unilaterally determine the value of such investment. Trigran is permitted to defer payments of withdrawals to Partners for an indeterminate period of time and reserves the right to effect a withdrawal of a Partner's capital account by distribution of securities in-kind. To date, we have never deferred payments of withdrawals to Partners or made a distribution of securities to effect a withdrawal.

Leverage

The Partnerships are permitted to use leverage to increase the net assets of the Partnerships. If a Partnership uses leverage, it is permitted to borrow in the normal course of its trading on both a secured and unsecured basis. The cumulative effect of a Partnership's use of leverage in a market that moves adversely to the Partnership's investments could result in a loss that would be greater than if leverage were not employed.

Derivative Instruments

The Partnerships and certain separately managed accounts are permitted to trade derivative instruments, such as put and call options, for various hedging and/or speculative purposes. The use of derivative instruments involves a variety of material risks. These risks include the extremely high degree of leverage which can be embedded in such instruments. The pricing relationships between derivatives and the underlying instruments on which they are based do not always conform to anticipated or historical correlation patterns, resulting in unanticipated losses. In addition, some of the derivatives that are permitted to be traded by Trigran are over-the-counter instruments. The risk of counterparty nonperformance can be significantly greater in over-the-counter instruments than in exchange-traded derivative instruments.

Counterparty Risk

The Partnerships and our separately managed accounts are subject to the risk of a default by the brokers and counterparties with whom we execute transactions. The default by an exchange, clearinghouse, or counterparty with whom we trade could result in material losses.

Credit Risk

Credit risk is the risk that an issuer of a bond or other debt instrument is unable to meet its obligation to make interest and principal payments when due as a result of changing financial or market conditions. Generally, lower rated issuers pay higher interest rates but are considered to carry greater credit risk than higher rated issuers. It is possible that a Partnership or a separately managed account will acquire distressed securities and/or securities and instruments issued by companies with a poor credit rating. Such securities are not only subject to an increased risk of default, but also are often highly volatile and illiquid.

Securities Lending

The Partnerships are permitted to lend and borrow securities in the ordinary course of its business to and from third parties. In the event that a Partnership were to engage in securities lending, the Partnership would be exposed to the risk that the third parties that borrow such securities might not be able to return them on demand or make the required payment obligations to the Partnership. This could cause a Partnership to default on its obligations to other parties or to be unable to exercise voting or other rights with respect to such securities.

Suspensions of Trading

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render it temporarily or permanently impossible for Trigran to liquidate positions and could thereby expose our clients to losses.

Market Disruptions

Domestic and international markets in the past have experienced periods of acute stress. This stress can result in unusual and extreme volatility in the equity markets and in the prices of individual

stocks. In some cases, the prices of stocks of individual companies declined sharply even though a corresponding degradation in the financial conditions or prospects of that company was not apparent. These market conditions could re-occur which would likely increase the risk of short-term volatility of our holdings.

Geopolitical Risks

The conflict between Russia and Ukraine has led to and is expected to continue to lead to disruption, instability and volatility in global markets and industries. It is possible that the Partnerships and/or the companies in which we invest could be negatively impacted by such conflict. Other conflicts that arise in the future could also have a negative impact on the Partnerships and/or the companies in which we invest.

Short Sales

The Partnerships are permitted to engage in selling securities short. Since the borrowed securities sold short must later be replaced by market purchases, any appreciation in the price of the borrowed securities results in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Furthermore, a short seller may be prematurely forced out of a position if the lender from which the short seller borrowed stock in order to effect settlement of a short sale recalls such stock under circumstances in which such stock cannot be borrowed from other sources.

International Investing

We periodically invest in the securities of foreign companies. Investing in securities of non-U.S. issuers, positions which generally are denominated in foreign currencies, involve both opportunities and risks not typically associated with investing in U.S. securities. These include fluctuations in exchange rates of foreign currencies; possible imposition of exchange control regulation or currency restrictions that would prevent cash from being brought back to the United States; less public information with respect to issuers of securities; less governmental supervision of exchanges, securities brokers and issuers of securities; difficulties in obtaining and enforcing a judgment against a foreign issuer; different accounting, auditing and financial reporting standards; different settlement periods and trading practices; less liquidity and frequently greater price volatility in foreign markets than in the United States; imposition of foreign withholding and other taxes; and sometimes less advantageous legal, operational and financial protections applicable to foreign sub-custodial arrangements. The cost of investing in securities of non-U.S. issuers can be higher than the cost of investing in U.S. securities. Investments in securities denominated in foreign currencies also involve the additional cost of converting currencies upon the purchase and sale of securities.

The primary risks associated with Trigran's operations include the following:

Risk Management; Operational Controls

The operational controls and risk management techniques used by the Partnerships and separately managed accounts involve third parties over whom Trigran does not exercise control, including outsourced providers of brokerage, custodial, legal, information technology and other third-party services. The proper operation of the firm and safekeeping of our clients' assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques Trigran uses also necessarily include subjective elements, making the judgment and discretion of our professionals fundamental to the risk management process.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cybersecurity Risk and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While Trigran has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, Trigran could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions could prevent Trigran and its service providers from performing certain tasks, potentially for extended periods of time, including making or liquidating an investment, finalizing valuations, making a distribution or reporting to investors. Any such failure could cause losses to a client.

Cybersecurity Risk and Identity Theft

Cybersecurity incidents, and cyber-attacks, denial of service attacks and social engineering attempts (including business email compromise attacks), both generally and within the financial services industry have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. Trigran, our service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and risks that could adversely affect our clients and Partners, despite the efforts of Trigran and our service providers to adopt technologies, processes and practices intended to mitigate these risks. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Trigran, our service providers, custodians, counterparties or to the data within these systems. Third parties also may attempt to fraudulently induce employees, customers, service providers or other users of Trigran's systems to disclose sensitive information in order to gain access to Trigran's or our service providers' data and systems. Such incidents could cause regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the companies in which we invest.

Although Trigran has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease

to function properly, Trigran or a service provider could have to make a significant investment to fix them. The successful penetration or circumvention of the security of these systems, and/or a failure of these systems or disaster recovery plans, could cause significant interruptions in Trigran's or a service provider's operations. This could result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal or proprietary information relating to our clients, Partners, or investments, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. The occurrence of any of these events could harm the reputation of Trigran, our clients, our Partners, or our service providers and subject them to legal claims or costs and/or detrimentally affect their business or financial performance. In addition, Trigran would likely incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction and/or litigation which costs, under certain circumstances, have the potential to be borne by a client.

Other Activities of Trigran and its Employees

Trigran and its employees engage in other activities including, without limitation, those set forth in Item 10 of this Brochure and making their own investments in public and private securities. Trigran and its employees engage in these and other activities although they devote such time and effort to the business of Trigran as they consider necessary and appropriate. Trigran and its employees do not intend to invest in companies in which the Partnerships maintain, or are imminently considering acquiring, a "core" investment.

Trade Allocations

Trigran is permitted to take action with respect to one client that differs from that taken with respect to another client. Allocations of trades are made by first determining the client(s) for which a particular security is appropriate. If the security is appropriate for more than one client, trades are generally allocated pro-rata based upon the net asset value of the accounts of such clients, with considerations to the current strategy utilized by the clients. Trigran also considers the investment objectives, risk parameters and order size, among other considerations, in determining a trade allocation.

Expense Allocations

In good faith and in our fair and reasonable discretion, Trigran determines on a case-by-case basis whether an expense should be borne by Trigran or a client in accordance with the Offering Documents or the applicable agreement between Trigran and a client. A conflict of interest could arise in Trigran's determination of whether certain costs or expenses that are incurred meet the definition of an expense for which a client is responsible, whether such an expense should be borne by the client or Trigran, or the manner in which Trigran allocates such an expense. Trigran's clients

will be reliant on the determinations of Trigran in this regard. From time to time, a subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by Trigran to be the most appropriate corrective measure.

Limitations on Transferability

Partners are not permitted to assign, transfer, or otherwise dispose of an interest in a Partnership without written notice to and the prior written consent of Trigran. Liquidation of separately managed accounts would occur in accordance with the terms of the relevant agreement between Trigran and such managed account client.

Amendments to Partnership Agreement

The Partnership Agreements provide generally that Trigran is permitted, with the consent of the Limited Partners owning greater than 50% of the interests in the applicable Partnership, to amend the provisions of the Partnership Agreement. Each Partnership Agreement also permits Trigran to make certain other amendments without the consent of the Limited Partners.

Industry Relationships

As part of Trigran's business, we have developed relationships with third parties that have the potential to raise conflicts of interest. Such third parties include broker-dealers, sell-side analysts, buy-side analysts, and professional advisors (such as attorneys and accountants). Certain of these third parties have and will, on occasion: (i) introduce potential investment opportunities to Trigran; (ii) provide industry information or security-specific information; or (iii) provide legal, consulting, or advisory services to Trigran or the Partnerships. These relationships have the potential to influence Trigran in deciding whether to select or recommend any such third party to perform services for Trigran or its clients.

Economic and Business Disruptions Due to Coronavirus

The spread of COVID-19 ("Coronavirus") throughout the world, including the United States, has shown an ability to result in a broad-based economic decline and significant market volatility. Coronavirus continues to be a threat and therefore presents material uncertainty and risk with respect to the performance of our clients' accounts and the financial results of the companies in which we invest. The global impact of the outbreak has been widespread, and while the nature of the economic impact is expected to be most directly felt in countries experiencing more significant rates of infection, the nature of the global economy and supply chains means that even countries that remain at relatively low levels of infection are likely to experience market volatility and general economic declines. It is unclear how long such conditions are likely to exist or what the ultimate

extent of such damage may be; however, in both cases, the total impact is expected to be magnified the longer or more widespread the pandemic becomes.

Aside from the broad effects on the economy, the Coronavirus and the response of the federal and state governments have had specific implications for Trigran's operations and the activities of our personnel and could continue or re-occur in the future, such as requiring our employees to work from home, restrictions on non-essential travel, and limiting our ability to have in-person meetings with company management. We do not know how long such conditions will last or if they will re-occur in the future. We have instituted procedures to protect the health and safety of our employees, and will institute others as we deem appropriate, to deal with the impact from the Coronavirus and the response of the federal and state governments.

There can be no assurance that the methods of analysis and investment strategy described above will be successful. Investing in securities involves risk of loss, including the possibility of a complete loss of the amount invested, that Partners and managed account clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary event that would be material to a client's or prospective client's evaluation of Trigran or the integrity of our management. Trigran has no disclosures applicable to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Trigran nor its management persons are registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, or as a futures commission merchant, a commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Except as described in this Item 10, neither Trigran nor its management persons have any relationship or arrangement with any of the following types of related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle; (iii) an other investment adviser or financial planner; (iv) a futures commission merchant, commodity pool operator, or commodity trading adviser; (v) a banking or thrift institution; (vi) an accountant or accounting firm; (vii) a lawyer or law firm; (viii) an insurance company or agency; (ix) a pension consultant; (x) a real estate broker or dealer; or (xi) a sponsor or syndicator of limited partnerships.

An affiliate of Trigran, Trigran Ventures, LLC, is a passive, minority owner of an investment adviser based in New York, New York ("Unaffiliated Adviser"). None of our management persons or affiliates are involved in the management of the Unaffiliated Adviser, serve on the investment

committee of the Unaffiliated Adviser or have invested in the funds or accounts the Unaffiliated Adviser advises.

The above relationship is not material to Trigran's advisory business or clients and, in light of the very different investment activities conducted by Trigran and the Unaffiliated Adviser, we do not believe it poses any material conflict of interest with our clients.

Trigran has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting/tax form preparation, auditing, custodial, brokerage, banking, insurance brokerage and other services. Some of these professionals provide services to Trigran's employees and clients. Trigran does not believe that any of these relationships have or will create a material conflict of interest with our clients.

Trigran does not recommend or select other investment advisers for our clients.

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

Code of Ethics

Trigran has adopted a Code of Ethics ("Code") that sets forth standards of conduct required of Trigran and its personnel that is based on principles of openness, honesty, integrity, and trust. The Code includes provisions, among others, relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the giving or acceptance of significant gifts, and personal securities trading procedures and reporting. All employees of Trigran must acknowledge the terms of the Code upon hire and at least annually thereafter.

The responsibilities of Trigran's Chief Compliance Officer include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Code and reporting material violations, if any, to Trigran's senior management. Employees are required to promptly report to the Chief Compliance Officer any violations of the Code of which they become aware. Employees of Trigran who violate the Code are subject to remedial actions including suspension of personal trading privileges or termination of employment in the case of certain types of violations.

Trigran's Partners and managed account clients (and prospective Partners and managed account clients) can request a copy of Trigran's Code of Ethics by contacting us at brad@trigraninc.com or 847-656-1640.

Participation or Interest in Client Transactions

Trigran anticipates that, in appropriate circumstances and consistent with its clients' investment objectives, it will cause accounts over which Trigran has management authority to effect, and will recommend to clients or prospective clients, the purchase or sale of securities in which Trigran, its affiliates and/or clients have a position of interest. Trigran's personnel are required to follow its Code of Ethics and other compliance policies in these circumstances.

We do not engage in principal transactions for ourselves or our affiliates or cause two or more clients to engage in cross transactions with each other. In the event Trigran were to effect securities transactions between clients (such as when rebalancing accounts), such transactions will be made at the market rate for similar transactions using an independent pricing mechanism, such as the last sales price on the exchange where the security is principally traded, and required disclosures (if any) would be timely provided. Other than cash payment against prompt delivery of the relevant security, there would be no other consideration provided or received.

Conflicts of Interest

The Offering Documents contain a description of what Trigran believes to be the most significant conflicts of interest associated with an investment in a Partnership. Some of these conflicts are summarized below and in Item 6 and Item 8 of this Brochure; however, these summaries do not attempt to describe all the conflicts of interest associated with an investment in a Partnership or separately managed account.

The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise. Clients and Partners should be aware that Trigran, its personnel, and its affiliates will likely in the future engage in activities that can result in additional conflicts of interest not addressed below. There can be no assurance that Trigran will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to our clients.

Current and prospective Partners and managed account clients should carefully consider the conflicts of interest set forth in this Brochure and in the Offering Documents prior to making an investment.

Concurrent Investment Advice and Fee Structures

Trigran and its Principals concurrently advise the Partnerships and its managed account clients. The Partnerships' and separately managed accounts' fee structures and other features differ from one another, and one structure could be viewed to be more beneficial to Trigran than another. Although Trigran is committed to treating all accounts fairly, there is a financial incentive to favor accounts with more beneficial fee structures. There is also a financial incentive to increase assets under management to increase our fees and to recommend riskier trades to increase profitability, such as to invest in securities rather than hold cash. In addition, there can be no assurance that the advice to a managed account client will be either the same or different from the advice rendered to the Partnerships. While Trigran manages the Partnerships substantially in parallel with each other and certain managed accounts, due to a variety of factors such as differing commencement dates, capital flow timing, fee structures and other contractual terms, the portfolio composition (and therefore the performance) of the Partnerships and such separately managed accounts will differ from time to time.

Trigran and our affiliates and Principals have invested directly in the Partnerships as Partners. Trigran is permitted to charge such Partners lower fees (and possibly no fees) than other Partners. Historically, however, Trigran has not reduced or waived fees with respect to any of its Partners and does not expect to do so in the future. The significant collective investment of Trigran and its affiliates and Principals in the Partnerships, and our receipt of management and performance fees from our separately managed accounts align, to a great extent, the interests of Trigran and our Partners and managed account clients.

Partnership Considerations

Each Partnership's Partners include persons or entities resident in various jurisdictions which could have conflicting investment, tax, and other interests with respect to their investments in a Partnership. Any such conflicting interests of individual Partners would likely relate to or arise from, among other things, the nature of investments made by each Partnership, the timing of the acquisition of investments, and the timing of the disposition of investments. As a consequence, potential conflicts of interest will arise in connection with decisions made by Trigran that could be more beneficial for one Partner than another Partner, especially with respect to a Partner's individual tax situation. Trigran considers the investment and tax objectives of each Partnership as a whole, and not the individual investment, tax, or other objectives of any particular Partner.

Amelioration and/or Disclosure of Conflicts of Interest

In the event that we encounter what we determine to be an actual conflict of interest in connection with a Partnership or separately managed account, Trigran will take necessary and appropriate actions, within the context of the applicable governing documents of our clients, to ameliorate and/or disclose the conflict and their implications through a variety of channels, including in subsequent Brochures or in other written or oral communications. There can be no assurance that all conflicts of interest will be successfully resolved.

Personal Trading

Subject to satisfying Trigran's Code and applicable laws, Trigran and its personnel on rare occasions own or trade for their own accounts securities that are recommended to or purchased for Trigran's clients. Trigran and its personnel also own or trade for their own accounts securities that are not recommended to or purchased for Trigran's clients. The Code is designed to assure that the personal securities transactions, activities, and interests of Trigran and its personnel will not interfere with making decisions that are in the best interests of Trigran's clients while, at the same time, allowing Trigran and its personnel to invest for their own accounts.

Employee trading is monitored under the Code to reasonably prevent conflicts of interest between Trigran and its clients. Among other procedures, Trigran personnel and their covered family members are required to obtain pre-clearance from the Chief Compliance Officer for trades in reportable securities and are required to submit quarterly reports of securities transactions and

annual holdings reports. The Code also contains timing and other restrictions on transactions, including outright prohibition of transacting in securities on our restricted list. Covered transactions of the Chief Compliance Officer will be approved by another officer of Trigran. Under the Code, transacting in certain classes of securities have been designated as exempt based upon a determination that these transactions would not materially interfere with the best interests of Trigran's clients.

Item 12 – Brokerage Practices

Trigran has complete authority over the selection of brokers used by the Partnerships and most of our separately managed accounts. When we select brokers to execute client transactions, we consider a variety of factors in order to obtain "best execution." Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer's services and is satisfied by obtaining the most advantageous overall terms for the clients when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates. The main factors we consider when selecting brokers are cost, execution capabilities, market knowledge, financial condition, and familiarity with the sources from whom and to whom particular securities might be bought or sold. Trigran is under no obligation to transact business with any particular broker, and trade orders are placed with a number of brokers. In selecting brokers, we do not consider whether Trigran or a related person receives client or Partner referrals from a broker or third party.

The securities transactions of our clients generate brokerage commissions, all of which the respective client, not Trigran, will be obligated to pay. Although we will make a good faith determination that the amount of commissions paid to a broker is reasonable in light of the services provided by the broker, commission rates are generally negotiable, and thus, selecting brokers on the basis of considerations that are not solely limited to the applicable commission rates periodically results in higher transaction costs than would otherwise be obtainable. However, Trigran believes the commissions charged are competitive with those that other broker-dealers charge.

The securities transactions executed by the Partnerships and most of our separately managed accounts are transacted through brokers selected by Trigran on terms negotiated with each broker individually. In certain of our other separately managed accounts which engage in very limited trading, the client selects the broker to effect transactions. In such cases, Trigran is periodically unable to achieve the most favorable execution of client transactions, which could cost the client more money. For example, the managed account client could pay higher commissions because we are not able to aggregate offers to reduce transaction costs or because the client receives less favorable prices.

In selecting brokers to effect transactions, Trigran partially considers the research and related services each broker provides. Trigran believes that in all cases such services will not fall outside the safe harbor established by Section 28(e) of the Securities Exchange Act of 1934. Such services

generally are of benefit to our clients but do not directly relate to transactions executed on their behalf. We do not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients as we believe that the services we receive help us to fulfill our overall duty to our clients.

Accordingly Trigran could, at times, be deemed to be paying for research and other services or products with “soft” or commission dollars. When using brokerage commissions to obtain such products or services, we receive a benefit because we do not have to produce or pay for the products or services provided by the broker. If Trigran determines in good faith that the amount of transaction costs imposed by a broker is reasonable in relation to the value of the research and other products or services it provides, Trigran could have an incentive to select a broker based on its receipt of such research or other products or services (instead of receiving the most favorable execution) and to incur transaction costs in an amount greater than the amount that might be incurred if another brokerage firm were used for a particular transaction.

During the last fiscal year, we received products and services with client brokerage commissions including, but not limited to, proprietary research from brokers (such as research and analyses concerning securities, companies, industries, and sectors), financial publications, invitations to attend conferences and meetings with company management, and execution services to effect and allocate securities transactions as eligible brokerage. Trigran believes that the foregoing products and services do not fall outside the safe harbor established by Section 28(e) of the Securities Exchange Act of 1934.

During the last fiscal year, we have taken into account the quality, comprehensiveness and frequency of available research and related services and products provided by brokers (in addition to the execution capabilities, cost and market knowledge of such brokers) when directing client transactions to a particular broker. We directed transactions to such brokers only consistent with best execution. A broker is not excluded from receiving business from Trigran because it has not provided research or other products or services.

Each Partnership has, and is expected to continue, to own the same securities as the other. Most of our separately managed accounts also own many of the same securities as the Partnerships. Accordingly, the Partnerships and such managed accounts when applicable will trade securities on an aggregated basis when consistent with Trigran’s obligation of best execution. In such circumstances, the accounts share commission costs equitably and receive or sell securities at a total average price. Completed and partially filled orders are generally allocated to accounts pro-rata based on the net asset value of such accounts, subject to minimum share order quantities and other appropriate factors such as the leveling of accounts, differing client tax profiles, and the timing of capital flows into or out of a Partnership or separately managed account.

Item 13 – Review of Accounts

Trigran's Principals review the equity securities held by our clients on a daily basis. Trigran's Chief Compliance Officer regularly reviews the accounts of our clients to confirm that the information contained in the books and records of our clients' custodians match the information contained in the books and records of Trigran. The Funds' accounts are also reviewed on a regular basis by the Funds' third-party administrator which provides additional confirmation that Trigran's records with respect to such accounts are in agreement with those of its custodians.

On a monthly basis, Trigran's Chief Compliance Officer formally reconciles each Partnership's and managed account client's books and records and prepares a number of reports for review by the Principals. These reports include portfolio appraisals, gain and loss reports, purchase and sale reports and performance reports.

On a quarterly basis, Trigran provides each Partner with a written report that contains the Partnership's unaudited financial statements, its individual statement of capital and a letter covering a broad range of topics including recent and historical performance information of the Partnerships. Trigran provides managed account clients with written reports as directed by each such client. The timing and contents of these reports are memorialized in each managed account client's agreement with Trigran.

On an annual basis, Trigran provides each Partner with audited financial statements (prepared in accordance with U.S. GAAP) of the applicable Partnership within 120 days after the end of the calendar year.

All of the foregoing reports are mailed or delivered electronically.

Partners and managed account clients periodically request information pertaining to their investments. In answering such requests, Trigran at times provides information that is not generally made available to those who have not requested such information. Additionally, upon request, certain Partners and managed account clients receive additional reporting that others have not requested or received. Trigran also has contact with Partners and managed account clients (via in-person meetings, video conferences, electronic communications and telephone conversations) throughout the year as requested and/or as conditions warrant.

Item 14 – Client Referrals and Other Compensation

Trigran does not receive an economic benefit from non-clients for providing investment advice or other advisory services to Partners or clients. Likewise, Trigran and its related persons do not compensate any person for referrals of clients or new partners for the Partnerships.

Item 15 – Custody

Because Trigran is a general partner of the Partnerships, we are deemed to have custody of the cash and securities of the Partnerships under the applicable rules of the Advisers Act. On an annual basis, an independent PCAOB-approved accounting firm audits the financial statements of the Partnerships in accordance with U.S. GAAP and we distribute the audited financial statements to all Partners within 120 days after the end of the calendar year.

Trigran does not have custody of any managed account client's cash, bank accounts or securities. The assets of managed account clients are held at banks or brokerage firms selected by the managed account client, none of which are affiliated with Trigran or its related persons.

Item 16 – Investment Discretion

Trigran provides investment advice directly to the Partnerships and managed account clients and not to Partners in the Partnerships individually.

Trigran has full discretionary investment authority to manage investments on behalf of the Partnerships and to determine the amount of such investments to be bought and sold. Prior to becoming a Partner, all prospective partners are presented with and sign the applicable Partnership's subscription agreement and related documents. A prospective partner's execution of a Partnership's subscription agreement constitutes its execution of the Partnership's governing documents. Such documents contain a power of attorney that grants Trigran and its management persons with the authority necessary or appropriate to carry out their provisions. Once the prospective partner executes the governing documents, Trigran is not required to contact the Partner prior to transacting business.

Prior to being appointed as the investment adviser to a managed account client, Trigran and the managed account client enter into a written agreement that sets forth the objectives of the client and any limitations on Trigran's discretionary investment authority over the client's assets. Such limitations vary based upon the objectives and requirements of the managed account client.

Item 17 – Voting Client Securities

Trigran has adopted proxy voting policies and procedures that comply with Rule 206(4)-6 of the Advisers Act ("Proxy Policy").

Trigran votes proxies on behalf of the Partnerships in a timely manner and makes voting decisions that it believes are in the best interests of the Partnerships. Individual Partners cannot direct how Trigran votes proxies and Trigran is not required to seek Partner approval or direction when voting proxies.

Managed account clients generally receive their proxies or other solicitations directly from their custodians or proxy vendors. Trigran does not vote proxies on behalf of managed account clients

unless specifically directed to do so by the client (in which case Trigran will vote proxies that are in the managed account client's best interest pursuant to the Proxy Policy or as set forth in the client's agreement with Trigran).

If a conflict of interest were to arise with respect to voting a client's securities, Trigran generally will vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses and for incentive compensation that would align management interests with shareholder interests. Corporate governance issues, however, are diverse and continually evolving and the above generalizations will not be relevant in all circumstances. In such cases, Trigran will review the specific facts of each proposal and vote in a manner that would serve the best interests of all clients.

Trigran's Partners and managed account clients can request a copy of Trigran's proxy voting records, free of charge, by sending us a request at brad@trigraninc.com or by calling us at 847-656-1640. They can also obtain a copy of our Proxy Policy, free of charge, upon request and can contact us with questions about a particular proxy solicitation.

Item 18 – Financial Information

We are not aware of any financial condition reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients or prospective clients. We do not require or solicit prepayment of fees and have never been the subject of a bankruptcy petition.