

**Peregrine Capital Management
Verification and SMID Cap Value Composite Performance Examination Report**

December 31, 2018





Verification and Performance Examination Report

Peregrine Capital Management
800 LaSalle Avenue, Suite 1850
Minneapolis, MN 55402

We have verified whether Peregrine Capital Management (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from January 1, 2006 through December 31, 2018, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018. We have also conducted a performance examination of the Firm's SMID Cap Value Composite for the periods from January 1, 2014 through December 31, 2018. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures and for the SMID Cap Value Composite's compliant presentation. Our responsibility is to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 2006 through December 31, 2018; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018.

A verification covering the periods from January 1, 1999 through December 31, 2005 was performed by another verification firm, whose report expressed an unqualified opinion thereon.



Also, in our opinion, the Firm has, in all material respects:

- Constructed the SMID Cap Value Composite and calculated the SMID Cap Value Composite's performance for the periods from January 1, 2014 through December 31, 2018 in compliance with the GIPS standards; and
- Prepared and presented the SMID Cap Value Composite's accompanying compliant presentation for the periods from January 1, 2014 through December 31, 2018 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm other than the Firm's SMID Cap Value Composite.

ACA Performance Services, LLC

ACA Performance Services, LLC

March 19, 2019

Peregrine Capital Management
SMID Cap Value Composite
January 1, 2014 through December 31, 2018

Year End	Gross of Fees Return (%)	Net of Fees Return (%)	Benchmark Return (%)	Number of Portfolios	Asset-weighted Standard Deviation (%)	Total Composite Assets (US\$ Millions)	% of Composite Assets represented by non-fee paying Accounts	Total Firm Assets (US\$ Millions)
2018	-17.33	-17.33	-12.36	1	n/a	1	100	3,859
2017	12.12	12.12	10.36	1	n/a	1	100	4,422
2016	22.34	22.34	25.2	1	n/a	1	100	3,993
2015	-3.50	-3.50	-5.49	1	n/a	1	100	3,324
2014	11.11	11.11	7.11	1	n/a	1	100	2,475

Compliance Statement: Peregrine Capital Management (“Peregrine”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Peregrine has been independently verified for the periods 1/1/99-12/31/18. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The SMID Cap Value composite has been examined for the periods 1/1/14-12/31/18. The verification and performance examination reports are available upon request.

Definition of the Firm: Peregrine Capital Management is an employee-owned investment advisor registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.

Policies: Peregrine’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Composite Description: The SMID Cap Value Composite includes all discretionary accounts that hold U.S. traded equity securities considered to have a small- to-mid market capitalization and potential for high total return (price appreciation and income) over a 6-24 month time horizon. The composite was created in January 2014.

List of Composites: A list of all composite descriptions is available upon request.

Benchmark: The benchmark is the Russell 2500® Value Index. The index measures the performance of the small-to-mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 Index companies with lower price-to-book ratios and lower expected growth values. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-to-mid cap value segment.

The Russell 2500 Value Index returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. For comparison purposes, the index is fully invested and includes the reinvestment of capital gains and income. The returns for the index do not include any transaction costs, management fees or other costs.

Fees: Returns reflect the deduction of transaction costs and are net of non-reclaimable withholding taxes, and reflect the reinvestment of dividends and other earnings. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. Net returns reflect the deduction of actual advisory fees; however, for the period presented the composite consisted only of seed money, which does not pay an advisory fee. All returns are expressed in U.S. dollars. Past performance is not an indicator of future results.

Fee Schedule: The standard fee schedule currently in effect is as follows: 0.85% on the first \$100 million; 0.70% on the next \$50 million; 0.60% on the balance. A discount is offered to eleemosynary clients.

Significant Cash Flows: Effective 1/1/16, the significant cash flow policy has been removed. Prior to 2016 the policy was to temporarily remove an account from the composite in the event that a single cash flow equaled 10% or more of the account's market value; and return the account to the composite following the first day it was fully invested.

Internal Dispersion: The dispersion of annual returns is measured by the asset-weighted standard deviation of account returns represented within the composite for the full year. For periods with five or fewer accounts included for the entire year, dispersion is not presented as it is not considered meaningful ("n/a").

Ex-Post Standard Deviation: The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36 month period as of each year end. This measure is not presented for periods when the composite history does not cover 36 months.

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
2018	14.51	13.58
2017	12.26	11.81
2016	13.20	13.17