

## Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **August** **2021**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Peregrine	3.56%	16.34%	17.62%	26.59%	27.80%
Russell 1000 Growth	3.74%	13.88%	28.53%	24.60%	24.35%

### Portfolio Attributes

<u>Characteristics</u>	<u>Peregrine</u>	<u>RU 1000G</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Mkt Value (\$m)	1282.79	N/A			
Wtd Cap (\$b)	435.79	891.22	Health Care	19.37%	9.03%
P/E	47.82	29.50	Financials	6.60%	2.16%
Beta	1.13	1.00	Real Estate	2.62%	1.93%
Yield (%)	0.15	0.67			
Earnings Growth	21.00	15.90	<u>Under-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
			Technology	42.46%	48.07%
			Industrials	8.77%	13.08%
			Cons Disc	18.37%	21.15%

### Performance Attribution & Strategy Comments

US Equities were higher in August, with Growth outpacing Value for a third straight month. Despite a new wave of COVID cases and geopolitical concerns following the US military's withdrawal from Afghanistan, equity market investors remained optimistic about the economic recovery.

The delta variant of the COVID virus is having a modest negative impact on economic activity in the short-term but is unlikely to truly set-back reopening progress. Full FDA approval of Pfizer's vaccine should help vaccination rates move higher. The Fed confirmed it is likely to start tapering its \$120B per month asset purchase plan by year-end.

Unity and Workday made strong contributions following robust June quarter reports. Etsy was bid up during the month as investors came to recognize the strong growth in its buyer groups. HEICO continued to pullback in August as the rise in COVID cases dampened air travel recovery. Mastercard & Visa similarly suffered from dampened near-term travel activity, deferring the recovery of profitable cross-border card usage.

We trimmed the Ares position and added to Etsy, Exact Sciences and Twilio during August.

We will continue our focus on long-term growth investing and are confident the combination of high growth and long duration will reward our clients with attractive returns.

### Manager Style Summary

*Peregrine manages a large cap growth equity portfolio, utilizing a "bottom up" strategy, and focusing more on the future growth prospects of a firm rather than current earnings. We can expect the P/E and P/B ratios to be slightly higher than that of the market, stock volatility to be slightly higher than the market, and dividend yield to be lower than average. Their style encourages overweight positions in traditional growth sectors such as technology, retail, business services, and financial services. Due to the concentrated nature of the portfolio, it will tend to be more volatile than more diversified portfolios.*

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### Portfolio Guideline Compliance

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > \$1 billion						ok
B3. Security position <=5% @ purchase, excluding contributions						ok
B4. Number of issues		28		25	35	ok
B5. P/B	4.50	11.30	2.5	1.2	2.0	check
B5. P/E (Projected)	20.78	47.82	2.3	1.0	2.0	check
B5. Dividend Yield	1.30	0.15	0.1	0.1	0.8	ok
B5. Beta	1.00	1.16	1.2	1.10	1.35	ok
B5. Earnings Growth (5-year)		21%		11%	22%	ok
F2. Commissions not to exceed \$0.05/share						ok
F3. Annual Turnover		21%		15%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

- B5. P/B: This measure typically is at a premium for faster growing companies earlier in their life-cycle than the more mature mix of companies in the S&P 500. The RU 1000G is at a similar premium of 13.6x. We don't expect this measure to come down to below 2x the S&P 500 in the near-term.
- B5. P/E (projected): P/E ratios have been elevated since the start of the recovery a year ago. We expect these to normalize to within the min-max range with strong earnings in the coming quarters.

Total Firm Assets Under Management (\$m) as of: Qtr 2 \$ 6,934

### Organizational/Personnel Changes

There were no organizational or personnel changes during the month.

### Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				