

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **April** **2023**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	-0.14%	2.54%	-0.45%	1.53%	9.54%
Russell 1000 Growth	0.99%	6.61%	2.34%	13.62%	13.80%

Portfolio Attributes

Characteristics	Peregrine	RU 1000G	Sector Analysis		
			Over-weight	Peregrine	RU 1000G
Mkt Value (\$m)	866.80	N/A	Health Care	18.54%	11.54%
Wtd Cap (\$b)	259.67	865.01	Financials	8.58%	2.90%
P/E	37.05	24.90	Cons Disc	21.19%	17.47%
Beta	39.36	25.04			
Yield (%)	0.27	0.97			
Earnings Growth	21.00	11.20	Under-weight	Peregrine	RU 1000G
			Technology	31.46%	46.31%
			Cons Staples	0.00%	4.36%
			Energy	0.00%	1.51%

Performance Attribution & Strategy Comments

Through the end of the month ~50% of the S&P 500 has reported earnings with a blended EPS decline of 3.7%. If the trend holds through the end of Q1 reporting season, this will be the second quarter of negative earnings growth. Despite broad earnings weakness, the market was up in April due to the performance of just a few of its largest cap companies. Peregrine's Large Cap Growth decreased 0.14% while the Russell 1000® Growth benchmark increased 0.99%.

Unlike last year when macro factors dominated, our portfolio's key outperformers and underperformers continue to be driven by fundamental factors. Intuitive Surgical and Ares Management performed well while Cloudflare dropped significantly on the last day of the month. We expect that the broader market will continue to become more focused on fundamental performance, to the benefit of the style's relative performance. As we have said in previous reports this year, concentration in our growth benchmark is unusually high. In April, Microsoft and Apple represented ~24% of the Russell 1000 Growth weighting but were greater than 100% of the monthly return.

Within the Portfolio, Intuitive Surgical reported much stronger than expected procedure growth, driving a revenue and EPS beat in the quarter and a full-year guidance increase. Ares Management announced Q1 revenue was in line with expectations and affirmed previous guidance. Cloudflare noted that its sales cycles elongated and lowered its full year expected revenue growth rate from 37% to 31% at the mid-point. Despite the miss, we still have confidence in Cloudflare's TAM, its ability to execute and its opportunity to expand into new markets. MarketAxess reported a stronger than expected Q1 revenue and EPS result. However, management indicated that April volumes were trending weaker.

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.

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

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		29		25	35	ok
B5. P/B	3.80	8.70	2.3	1.2	2.0	check
B5. P/E (Projected)	18.31	37.05	2.0	1.0	2.0	check
B5. Dividend Yield	1.62	0.27	0.2	0.1	0.8	ok
B5. Beta	1.00	1.15	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		17%		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 Russell 1000® Growth is at a similar premium of 9.2x. We don't expect this measure to come down to below 2x the S&P 500® in the near-term.
- B5. P/E (projected): The portfolio's stronger earnings growth is reducing the P/E ratio to below the Max relative value. Based on existing valuation and estimates the portfolio will be below 2.0 within 12 months.

Total Firm Assets Under Management (\$m) as of: Qtr 1 \$ 4,659

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):				