

# Perkins Capital Management, Inc – Form ADV Part 3 – June 2020

## Item 1. Introduction

Perkins Capital Management, Inc (“PCM”) is registered with the Securities and Exchange Commission (“SEC”) as an Investment Advisor. Brokerage and investment advisory services and fees differ so it is important for retail investors to understand the differences. Free tools are available to research advisory firms at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

## Item 2. Relationships and Services

### What investment services and advice can you provide me?

We offer investment advisory services to retail investors and the Perkins Discovery Fund. We use discretion (the ability to independently make decisions to buy and sell securities for you) when managing your account. Prior to opening an account with PCM, clients discuss their investment needs with one of our portfolio managers.

As part of our standard advisory services, we monitor the securities held in your account(s) on an ongoing, continuous basis. We formally review each client account at least annually. This review is done to monitor your portfolio for compliance with your investment objectives and risk tolerance. This review is a standard part of the asset-based fee you pay. You are responsible to inform us of any changes in your investment objectives and/or financial situation.

Account Opening Requirements: PCM requires you to sign a written Investment Management Agreement which authorizes us to manage investments on your behalf. You may cancel the Investment Management Agreement at any time with 30 days notice. PCM’s minimum account size for an Investment Management Account is \$250,000, but we will accept accounts of lower value at our discretion.

*Given my financial situation, should I choose an investment advisory service? Why or why not?*

*How will you choose investments to recommend to me?*

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## Item 3. Fees, Costs, Conflicts and Standard of Conduct

### What fees will I pay?

Clients are billed at the beginning of each calendar quarter based on the market value of their account at the end of the previous quarter. This total value of assets will include any margin or debit balances, investments in mutual funds, and money market funds. Clients must be aware that mutual funds and money market funds incur additional expenses and fees above the amount charged by us. Certain exchanges charge fees for selling shares and these amounts are charged to the client account. For accounts that do not have a wrap fee agreement, commissions and other brokerage fees are charged to their account as transactions occur.

Our Standard Fee Schedule, charged per quarter in arrears is:

First \$500,000 of assets	.375% per quarter
Excess of \$500,000 of assets	.25% per quarter
Accounts under \$250,000 of assets may be charged at the rate of .50% per quarter.	

Fees are negotiable depending upon size of account, number of accounts, and client servicing needs.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure

you understand what fees and costs you are paying. Additional information can be found in the PCM Form ADV, Part 2A (Item 4 – Fees and Compensation).

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **Conflicts and Standard of Conduct**

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When PCM acts as your investment adviser, we are required to act in your best interest and not put our interest ahead of yours. At the same time, our interests can conflict with your interests. For example, when we select broker-dealers to execute transactions for you we have a conflict of interest which is described in Form ADV, Part 2A (Item 12 – Brokerage Practices (Research and Other Soft Dollar/Commission Sharing Benefits)). You should understand and ask us about these conflicts because they can affect the investment advice we provide you and the transaction costs you pay. PCM has adopted a Code of Ethics describing its standards of business conduct, potential conflicts of interest and fiduciary duties.

*How might your conflicts of interest affect me, and how will you address them?*

**How do your financial professionals make money?**

Our employees are paid a salary.

### **Item 4. Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

No, our firm and our financial professionals have no disciplinary history. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tools to research us and our financial professionals.

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

### **Item 5. Additional Information**

You can visit [www.perkinscapital.com](http://www.perkinscapital.com) for more information on the investment advisory services we provide. You can also call 952-473-8367 or 800-366-8361 to speak with us if you have questions that were not covered on our website.

*Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*