

FORM ADV**Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

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Name of Investment Adviser: Peregrine Asset Advisers, Inc. (PAA)

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone number:
One SW Columbia Street #1680,	Portland	OR	97258	(503)	459-4651

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Peregrine Asset Advisers, Inc.

SEC File Number:
801- 60608

Date:
09/25/2007

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|---|----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 2 | % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | 98 | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | | % |
| <input type="checkbox"/> | (8) Provides a timing service | | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☒ No ☐

- C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

- D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

- 2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? . ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Nature and Frequency of Reports to Clients

1. Daily update on custodian websites
2. Monthly statements from custodians
3. Quarterly performance reports

See Item 11.A. on Schedule F for further description

B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Item 11.B. on Schedule F for further description

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---|-----------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes ☐ No ☒

Applicant:
Peregrine Asset Advisers, Inc.

SEC File Number:
801- 60608

Date:
9/25/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Peregrine Asset Advisers, Inc.		IRS Empl. Ident. No.:										
Item of Form (identify)	Answer											
1D.	<p><u>Description of Advisory Services and Fees</u></p> <p>Applicant offers full time, customized management of assets for individuals, business organizations, retirement plans, trusts, and endowments.</p> <p>Applicant also provides investment supervisory services in which case Separate Account Managers (SAMs) are employed by the applicant on behalf of the client.</p> <p><u>Management Fees</u></p> <p>Fees for portfolio management are calculated as a percentage of account asset value. They are as follows:</p> <p>Equity Portfolio</p> <table> <tr> <td>From \$0 to \$500,000</td> <td>1.50%</td> </tr> <tr> <td>From \$500,000 to \$1,000,000</td> <td>1.00%</td> </tr> <tr> <td>Amount in excess of \$1,000,000</td> <td>.75%</td> </tr> </table> <p>Balanced Portfolio</p> <table> <tr> <td>From \$0 to \$500,000</td> <td>1.50%</td> </tr> <tr> <td>Amount in excess of \$500,000</td> <td>.75%</td> </tr> </table> <p>Fees are negotiable. Fee schedules are included in the written agreement between the client and the adviser. Each party may rescind the agreement upon 30 days written notice.</p> <p>Applicant also offers business consulting services for a negotiated fee as to general financial trends. Any of these written opinions are for the client's use only and not for general circulation.</p> <p>Generally fees are paid quarterly at the end of the period. Should the written agreement provide for fees in advance, pro rata refunds will be paid at the conclusion of the 30 day notice period.</p>		From \$0 to \$500,000	1.50%	From \$500,000 to \$1,000,000	1.00%	Amount in excess of \$1,000,000	.75%	From \$0 to \$500,000	1.50%	Amount in excess of \$500,000	.75%
From \$0 to \$500,000	1.50%											
From \$500,000 to \$1,000,000	1.00%											
Amount in excess of \$1,000,000	.75%											
From \$0 to \$500,000	1.50%											
Amount in excess of \$500,000	.75%											
3A.	Other types of Investments PAA offers advice on includes Hedge Funds.											

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Peregrine Asset Advisers, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
4A.	<p><u>Methods of Analysis</u></p> <p>The Applicant relies on research and investment analysis from many sources. The Applicant uses charting, fundamental, technical analysis, and sector research to make security selections. The economic climate, which constantly changes, will determine which form of analysis is emphasized.</p>	
4B.	<p><u>Sources of Information</u></p> <p>Applicant also includes the industry experience of senior portfolio manager, Dan Botti as a source of information.</p>	
4C.	<p><u>Investment Strategies</u></p> <p>The Applicant invests for clients in IPOs and newly issued stock from existing companies. These securities are called "syndicate" because they originate from brokerage firms that serve as underwriters. The Applicant invests for clients in syndicate shares offered by numerous brokerage firms. Generally shares allocated to the Applicant do not allow for coverage across the client base of the Applicant. Therefore a few clients may invest in shares of an IPO or syndicate offering while most clients do not participate in the same offering. The Applicant follows a schedule of allocating shares to clients to insure against favoring certain clients in the distribution of syndicate shares.</p> <p>Clients of the Applicant are able to receive syndicate shares from "the Street" if they have an account with over \$150,000 in value which is a rule put fourth by the custodian, Fidelity Investments. In addition, the Applicant recommends to some clients that other custodians be used in order to more fully participate in the strategy of investing in syndicate stock offerings.</p> <p>The Applicant uses short selling as a hedge for conventional equity ownership. Short selling has often resulted in losses for clients but the Applicant is satisfied that this strategy can actually reduce risk in client accounts.</p> <p>The Applicant also uses margin in order to enhance returns and provide capital for short term trading. Certain clients may have long term holdings which are held for tax minimization. Margin is used to borrow against long term holdings for short term trading. Margin is also used when margin purchases are sold quickly, usually within days.</p>	

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Peregrine Asset Advisers, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
5.	It is the philosophy of the PAA that its advisers have experienced full time activity in the investment management business in some capacity. PAA does not require that these advisers have a stipulated length of experience, but PAA does encourage all advisers to pursue ongoing education that would serve to strengthen capabilities in asset management.
6.	Daniel Stewart Botti DOB: December 9, 1959 University of Colorado, BA, 1982 Peregrine Asset Advisers, Inc., Principal, 2001-current Carol DeVries Leeland DOB: March 3, 1964 Barnard College of Columbia University, BA, 1986 George Fox University, MBA, 1996 Peregrine Asset Advisers, Inc., Director, 2001-current Grant Emerson Kerger DOB: March 1, 1981 Eller College of The University of Arizona, BA, 2003 Peregrine Asset Advisers, Inc. Investment Adviser, 2003-current
9D & E.	<u>Participation or Interest in Client transactions</u> On any particular business day, associated persons, which include all employees of PAA, may not place a transaction in a security that PAA is in the process of buying or selling for clients of PAA, until transactions in such a security for such clients are terminated. This would allow for the re-initialization of either purchases or sales in a security for client accounts on a subsequent business day. <u>Code of Ethics</u> Peregrine Asset Advisers (PAA) serves its clients in the business of investment management. The SEC approved the Advisers Act Rule 204A-1 that requires a code of ethics be adopted for registered investment advisers. The following code of ethics has been created to supplement the firm's Policies and Procedures. This code of ethics applies to all employees of PAA.

Applicant: Peregrine Asset Advisers, Inc.	SEC File Number: 801- 60608	Date: 9/25/2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Peregrine Asset Advisers, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
9.	<p>Peregrine is committed to conducting business in accordance with applicable laws, rules, regulations, and maintaining the highest standards of business conduct. Peregrine asserts that all of its employees will be held accountable for all of the ethical and operational policies of the firm. Peregrine is committed to a process which will insure that these standards are met. Peregrine regards the ideals of honesty, integrity, and trust as a minimum requirement for all employees.</p> <p>A copy of our Code of Ethics is available to clients and prospective clients upon request.</p>	
10.	<p>The Applicant generally requires a minimum of \$100,000 per client relationship. The applicant will not necessarily impose a required minimum after the outset of a new relationship. The Applicant also reserves the right to waive its minimum on a case by case basis. The Applicant also reserves the right to decline any account.</p>	
11A.	<p><u>Review of Accounts – Triggering Factors</u></p> <p>Dan Botti serves as Chief Portfolio manager and is responsible for investments made in accounts and the continuous review of those accounts. Accounts are managed on an individual basis which PAA terms “customized investment management”. This customization determines asset allocation for each client. This customization also directs investments made in portfolios on the basis of the financial condition of each client, prevailing economic factors, and PAA’s perceived risk tolerance for each client. All three of these factors are subject to change continuously. Client portfolios will differ from each other according to these factors and clients may or may not own the same securities.</p> <p>Much research and experience is involved in managing the investments that comprise PAA’s portfolios. PAA invests for short term trading gains, long term capital appreciation, and investment income. All three strategies play a role for client portfolios. Client securities are bought and sold for a variety of reasons based on many sources of research. At times the same stocks may be bought for some clients and sold for others depending on changing economic factors or client risk tolerance levels.</p>	

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11A. (continued)	<p>Investments for clients are made for various reasons and strategies. Holding periods also vary. Gains can be both short and long term. Buys of a specific security are made for a small portion of client accounts at one interval. Buys of securities are allocated to a portion of the clients based on a schedule. This schedule determines the allocation to each client. The needs and financial condition of each client will ultimately determine whether the allocation is made. Over an extended period of time, some stocks may become “seasoned” into the Applicant’s portfolios and held by a larger portion of clients although at different cost bases. In other cases, stock holdings may never reach more than a small portion of the Applicant’s clients.</p> <p>Individual clients can have different portfolios with different securities. The Applicant owns many securities in aggregate for its clients but individual clients may own only a small portion of this list. Clients also may have different cost bases for the same securities. Client length of tenure with the Applicant will often determine the actual security holdings. For instance, a new client of less than one year will most likely not own the same securities as clients that have been with the Applicant since its inception.</p> <p>The Applicant believes in “dynamic investment management” which is a process where securities are constantly sold in order to realize gains or prevent further losses. This process is crucial to the continuous management and review of client accounts. The Applicant believes this process will reduce risk.</p> <p>Portfolio management for new clients of the Applicant tends to have a higher turnover rate initially than for existing clients. For new clients, the Applicant will use short term trading strategies to reduce overall risk and minimize losses in the event that the stock market were to inconveniently decline shortly after a new client was signed up.</p>	
11B.	<p><u>Account Reports</u></p> <p>Chosen brokerage firms will maintain websites which may be updated in real time throughout a market day. These websites will show all activity and balances in client accounts. They are accessed by user ID and password.</p>	

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11B. (continued)	<p>Quarterly reports are issued by the Applicant to all clients with over \$100,000 in assets. These reports will show the investment return of clients' aggregated assets as well as the results of trading and income derived from investments. These reports are also made available to assist in tax preparation. These performance reports also show the quarterly billing for each account. Investment return benchmarks are also furnished on quarterly reports.</p> <p>Reports from sub-advisors and hedge funds may be received by the Applicant in lieu of the client receiving such reports. In these cases, the Applicant will furnish a performance report to the client for the sub-account or hedge fund along with the corresponding benchmarks.</p>	
12A&B.	<p><u>Brokerage</u></p> <p>Client grants authority to Applicant to choose the securities and the amount thereof to be purchased or sold in the client's account, to choose the broker(s) which execute the client's trades, and to determine the commissions to be paid to such broker.</p> <p><u>Discretion</u></p> <p>Brokers are selected to effect securities transactions on the basis of highest probable benefit to the client. Factors include research, custodial service, negotiated commissions, execution capabilities, monitoring sources, and the willingness of a broker-dealer to concentrate on Applicant's directed transaction. Applicant makes a good faith determination that commissions are reasonable in relation to value of services rendered.</p> <p>Research factors are size and experience of staff, timeliness of recommendations, accessibility, and success rates in forecasting.</p> <p>Applicant may pay a broker a disclosed commission in excess of that which another broker is willing to charge if, in the judgement of the Applicant, the greater commission results in an overall economic benefit to the client as a consequence of services rendered.</p>	

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12A&B. (continued)	<p>Research services furnished by brokers through whom the Applicant effects transactions may not be limited to the benefit of only those clients for whom transactions with the broker were effected.</p> <p>Applicant may “buy research” or receive other services in return for specified amounts of commissions. The services received will benefit all clients of the Applicant and the commissions paid will be competitive with alternate brokers.</p> <p>Applicant will agree to direct commissions to an introducing broker as long as (i) the client directs in writing, and (ii) the broker is competitive on discounted commissions.</p> <p><u>Prime Brokerage and Order Allocation</u></p> <p>Client accounts that have in excess of \$150,000 in initial value and maintain in excess of \$125,000 minimum value are eligible for Prime Brokerage services. Prime Brokerage allows the Applicant to place trades with various brokers that have a trading relationship with the Applicant. These various brokers offer research or other services which aid the investment management services provided by the Applicant. These brokers also provide a flow of “syndicate” shares which include IPOs. The Applicant believes these investments offer attractive investment opportunities. The Applicant typically uses Prime Brokerage for all clients that meet the account minimum value.</p> <p>Orders executed for clients are often made with different brokers on the same day at different prices. The difference in trading costs will be immaterial and competitive with industry rates in the opinion of the Applicant. These same day orders executed for Prime Brokerage accounts may or may not receive more favorable prices than the same security purchased for non Prime Brokerage clients.</p> <p>Allocation of Prime Brokerage trades will skip client accounts that do not have Prime Brokerage privileges. This allocation “skip” can result in fewer investment opportunities for non- Prime Brokerage accounts. It could also mean that a profitable security purchased for clients by the Applicant will not be received by non-Prime Brokerage clients.</p>	

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9/25/2007

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Peregrine Asset Advisers, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
12A&B. (continued)	<p><u>IPOs and Syndicate</u></p> <p>Initial Public Offering (IPOs) allocations are made according to a written allocation procedure. Underwriters of these securities may be brokers for the Applicant. Allocations of these shares are minimal with respect to the Applicant's entire client base. There are occasions when these shares appreciate sizably on the day they are issued. In these cases, the Applicant does a "best effort" to allocate these types of securities equitably. Client accounts that do not have Prime Brokerage privileges will not be able to receive Syndicate shares from the various brokers of the Applicant but may still receive syndicate shares from the custodian.</p> <p><u>Client Directed Brokerage</u></p> <p>Clients may request certain brokerage relationships or brokers may refer clients to the Applicant where the client accounts are housed with the referring broker. A client making this designation should understand that the client may forego certain cost savings on trading costs. In addition, a client should understand that accounts of this nature are often omitted from the standard allocation procedure and may have fewer investment opportunities provided by the Applicant. The Applicant is also at a disadvantage in monitoring these accounts because the data from these accounts is not as conveniently accessible to the Applicant.</p> <p><u>Trade Error Correction Policy</u></p> <p>The Applicant will protect the best interests of clients when dealing with errors. Errors occur when a transaction is unintended. Errors can happen from trading the wrong instructions (i.e. buy rather than sell) or trading the wrong number of shares, or using a wrong account number. Errors can also result from inadvertent portfolio management such as buying a stock previously prohibited by the client or by neglecting a pre-stated investment allocation. The Applicant's error policy is that errors be corrected immediately.</p> <p>Errors will be corrected in an error account for the Applicant. If discovered after settlement, errors will be evaluated and corrected in client accounts.</p>	

Applicant: Peregrine Asset Advisers, Inc.	SEC File Number: 801- 60608	Date: 9/25/2007
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12A&B. (continued)	<p><u>Best Execution Policy</u></p> <p>Applicant may suggest a broker for clients to use as custodian. Applicant requires clients to have a third party broker- custodian relationship. Applicant will suggest a broker that meets high standards of record keeping, trade executions, research, and competitive commissions. Applicant will not receive any benefit from the broker for client referrals.</p> <p>The Applicant will make a continual effort to insure that competitive commissions are being paid. The most material differences between brokers used by the Applicant are more dependent on account size than on the actual rate of the broker. For example a client with \$1,000,000 in value may pay \$8.00 per trade while a smaller account may pay \$15.95 per trade. At any time, Clients may pay only a small difference in commissions per trade depending on which broker is used.</p> <p>Applicant may receive research services from all of its affiliated brokers that benefit all clients but that may not be paid for by all clients. As a procedure, the Applicant may direct client transactions to a particular broker in return for research services.</p> <p><u>Soft Dollar</u></p> <p>The Applicant receives reimbursement from brokers for commissions that are paid paid by clients. This reimbursement is for certain qualified “research” items provided by brokerage firms. These items include software used in portfolio management, and data delivered by syndicated electronic financial information services. In addition, the Applicant develops new research resources which can be reimbursed using a soft dollar allowance from various brokers.</p>	

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13A&B.	<p><u>Additional Compensation</u></p> <p>See section 12 above under “Soft Dollar”. The Applicant does receive benefits from custodian brokers for the commissions generated from client accounts. These benefits could be construed as outside of “research” definition such as software provided by custodians to trade at those custodian firms.</p> <p><u>Compensation for Referrals</u></p> <p>The Applicant may compensate employees or non-employees for referring clients. If so, the Applicant will duly notify such clients.</p> <p>Applicant may direct trading commissions to brokers that provide referral clients. The client can direct the Applicant to direct trades to a particular broker. The rate at which these commissions are charged must be competitive with the rates available in the industry.</p> <p><u>Proxy Voting Policy</u></p> <p>PAA assigns proxy voting to its clients as designated by the brokerage firm’s investment account application. Proxy voting will be abdicated by the Applicant except for clients where SAM’s are employed, or in the event a client specifically assigns the responsibility of proxy voting to PAA.</p> <p>In the event that any potential conflict of interest should occur in voting proxies, PAA will disclose this conflict to its clients and vote in the best interest of the client.</p> <p>Generally or unless guided otherwise by PAA clients, PAA will vote against any measure which it believes would be a disadvantage to its shareholder clients.</p> <p>Clients may obtain a history of PAA’s voting of proxies at any time. PAA will keep a copy of any such written request from its clients.</p>	

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13A&B. (continued)	<p>The Applicant follows a written Proxy Voting procedure which is outlined in the Applicant's Policies and Procedures. Generally, the Applicant votes proxies individually but will vote the same for each client's proxy. There may be times where the client's vote is withheld due to a de-minimus holding.</p> <p>If a conflict of interest should arise regarding the voting of a proxy, the Applicant will disclose this conflict to its client(s).</p> <p><u>Privacy Policy</u></p> <p>The Applicant follows a Privacy Policy which is designed to insure the confidentiality of its client records and financial information and protect against any threats or hazards to these records and information. A Privacy Policy will be provided to each client annually.</p>	