

Form ADV: Part II

Uniform Application for Investment Advisor Registration

Contents

This part of Form ADV gives information about the Investment Advisor and its business. The information has not been approved or verified by any government authority.

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Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Dunham & Associates Investment Counsel, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
10251 Vista Sorrento Parkway, Suite 200	San Diego	CA	92121	(858) 964-0500

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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Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

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 instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services	<u>90</u> %
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	<u>10</u> %
<input type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	<u> </u> %
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	<u> </u> %
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	<u> </u> %
<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	<u> </u> %
<input checked="" type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u> </u> %
<input type="checkbox"/>	(8)	Provides a timing service	<u> </u> %
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	<u> </u> %

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

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

- | | |
|--|--|
| <input checked="" 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 checked="" 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 checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" 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 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 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 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 type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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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 | • formal education after high school |
| • year of birth | • 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 advisor or futures commission merchant | <input checked="" type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input checked="" type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked in 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.)

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06/30/2008

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.)

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.

REVIEWS AND REVIEWERS:

SEE SCHEDULE F.

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

REPORTS:

SEE SCHEDULE F.

12. Investment or Brokerage Discretion.

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

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

B. Does applicant or a related person suggest brokers to clients?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 | No |
| | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. | directly or indirectly compensates any person for client referrals? | Yes | No |
| | | <input checked="" type="checkbox"/> | <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; 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
<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

(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:

Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

Item 1C(6) AND 1D

Background

Dunham & Associates Investment Counsel, Inc., (Dunham) is both a registered broker-dealer and investment advisory firm. Dunham is a securities broker-dealer, registered with both the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC). Dunham's primary business as a broker-dealer activity is the selling of limited partnership interests to investors for commission compensation. Dunham is also registered with the Municipal Securities Rulemaking Board and is a member of the Securities Investors Protection Corporation (SIPC).

Dunham, as a fully disclosed introducing broker-dealer, does not hold client funds or securities. Dunham uses the custodial and clearing services of Pershing LLC., a BNY Securities Group Company.

Dunham's other business is that of a registered investment adviser with the SEC. This Form ADV, Part II generally describes, the business of Dunham as an investment adviser, the services provided, fee schedules and conflicts of interests (both direct and indirect) a client may face in receiving advisory services from Dunham.

Individuals who provide advisory services on behalf of Dunham are licensed, qualified or registered in all states where they have a place of business as investment adviser representatives (IARs) unless they are exempt from such requirement. These IAR's may also be registered with FINRA and under applicable state securities laws (unless exempt from state licensing requirements) to sell securities as registered representatives on behalf of Dunham & Associates Investment Counsel.

All affiliated entities, including Dunham, are subsidiaries of Dunham & Associates Holdings, Inc., (Dunham Holdings), a general business holding company.

Advisory Services and Fees

Advisory Services

Dunham's advisory services are generally provided to the following client types:

- Affiliated investment partnerships;
- A registered investment company;
- Participants within the Dunham Asset Allocation Program; and
- Customized asset management

Dunham provides investment advice to a client based on each client's individual needs. Dunham is guided by each client's written statement describing its investment profile/objectives. A client may request Dunham's assistance in the preparation of its investment profile.

Dunham is primarily a manager of managers. Dunham recommends and monitors sub-advisers ("Sub-Advisers") for each affiliated investment partnership and for the registered investment company. Dunham does not have direct trading discretion over the funds for which it advises. Each Sub-Adviser for The Dunham Funds (subject to the approval of the Board of Trustees) is given investment discretion based on a stated objective for each respective fund.

Services to Affiliated Investment Partnerships:

Dunham primarily provides advisory services to an affiliate under a service agreement. Dunham has entered into an agreement with an affiliated entity, Dunham & Associates Asset Managers, Inc. (Asset Managers) to provide advisory services to their proprietary limited partnerships (Partnerships).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

(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:

Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

D&A Daily Mortgage Fund III, L.P., D&A Semi-Annual Mortgage Fund III, L.P., and the D&A Intermediate-Term Mortgage Fund III, L.P. (collectively the "Mortgage Funds"), are managed by Asset Managers. The following is a list of these Mortgage Partnerships:

Series III Partnerships:

D&A Daily Mortgage Fund III, L.P.

D&A Semi-Annual Mortgage Fund III, L.P.

D&A Intermediate-Term Mortgage Fund III, L.P.

Services to Affiliated Trust Company

Dunham has entered into an agreement with its affiliate, Dunham Trust Company (Dunham Trust and/or Trustee) to provide investment advisory services: As adviser, Dunham's services to Dunham Trust also include a number of strategic asset allocations (Strategic Allocations), which parallel modern portfolio theory for risk and return characteristics (such as 100% fixed income as compared to 100% equity allocations) and Investment Management Program ("IMP") accounts through registered investment adviser representatives (IAR's) of Dunham who are employees of Dunham Trust Company .

Quarterly, Dunham reviews and recommends new allocation percentages for the Strategic Allocations. When the allocation is changed, the Trustee will authorize the rebalancing of the participant's accounts to be in alignment with the changes.

Generally clients of Dunham Trust will not receive advisory services directly from Dunham & Associates Investment Counsel. The IMP Agreement is with DAIC and DAIC collects the fee and pays DTC.

Services with respect to Registered Investment Company

Dunham serves as investment adviser and distributor for The Dunham Funds (the "Funds"). As investment adviser for the Funds, it is responsible for constructing and monitoring the investment objectives and principal investment strategies for each Dunham Fund. Dunham believes that it is possible to enhance shareholder value by using Sub-Advisers to manage the assets of the Funds. As such, Dunham has entered into sub-advisory agreements with third party investment advisers to be responsible for the actual security selection to achieve the Funds' investment objective. Dunham performs extensive due diligence in order to select, monitor and replace, as necessary, the Sub-Advisers (subject to approval by the shareholders and Board of Trustees of the Funds).

Dunham, through its IARs, serves as a sub-adviser for the Ascentia Alternative Strategies Mutual Fund. Ascentia Capital Partners, LLC, as adviser, oversees the sub-advisers (Dunham) for compliance with the Fund's investment objective, policies, strategies, and restrictions, and monitors each sub-adviser's adherence to its investment style. The Board of Trustees of Ascentia supervises the Adviser and the sub-advisers (Dunham), establishes policies that they must follow in their management activities, and oversees the hiring and termination of sub-advisers recommended by the Adviser (Ascentia Capital Partners, LLC).

Services with Respect to the Dunham Asset Allocation Program

Dunham's Asset Allocation Program (the "Program") is an asset allocation and advisory wrap program using a series of proprietary mutual funds (e.g., The Dunham Funds Class "N" shares) and other funds chosen at the sole discretion of Dunham, the Program's sponsor (collectively, "Eligible Funds").

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
	<p>The Program is made available to financial advisers ("Advisers") who are registered under the Investment Advisers Act of 1940 or are exempt from registration and qualified to conduct an advisory business in the state in which the client resides for their clients through a Master Asset Allocation Agreement. Any combination of the Eligible Funds, representing different asset classes, may be utilized to diversify client portfolios based on long-term investment objectives. In addition, Core Fixed Income Allocations and Core Equity Allocations may be used to create a custom blend of fixed income and equity funds. Client agreements either give the Adviser discretion to choose the allocations or the client retains the authority. As Program sponsor, Dunham monitors and adjusts the Core allocations as deemed necessary to reflect market conditions, performance and other factors.</p> <p>Dunham provides tailored investment advisory proposals and periodic performance reports to the Advisers for their clients in addition to monthly custodian statements and online account viewing. Dunham offers back-office support services for Advisers. Dunham hosts periodic Investor Symposiums where Advisers and their clients are invited to "meet the advisers" managing their funds. Advisers may choose from a Performance-Based Advisory Fee for "Qualified Clients" (as defined in the Investment Advisers Act of 1940) or a flat, AUM-Based Advisory Fee.</p> <p>The Class N shares of the Funds do not include upfront or deferred sales charges or other fees to cover promotion, distribution and marketing expenses of the eligible funds under SEC Rule 12b-1. Other costs e.g., (internal fee expenses) generally associated with mutual funds apply. None of the Eligible Funds are "load" funds. Accounts participating in the Program may hold only the Eligible Funds. Assets are held in a custodial account maintained by Dunham Trust Company, an affiliate of Dunham.</p> <p>Initial investment is \$50,000 for IRAs and \$100,000 for all other accounts.</p> <p>Services with Respect to Customized Asset Management</p> <p>Dunham also serves as investment adviser for customized asset management accounts called the Investment Management Program. These accounts utilize the principles of asset allocation considering the client's investment objectives and risk profile. Dunham IARs may recommend various packaged investment solutions or products (mutual funds, variable annuity sub-accounts, 401(k) plan choices, 529 Plan sub-accounts, etc.) and/or managers for Client's consideration on a non-discretionary basis.</p> <p>In opening a IMP, the IAR will obtain the necessary data from the client to determine suitability for asset management and assist the client in setting the appropriate investment objective.</p> <p>Dunham will not generally custody these assets, rather assets will be custodied at a non-affiliated broker-dealer or financial institution. The details of the account relationship are set forth in the client agreement.</p> <p>Clients may choose from a Performance-Based Advisory Fee for "Qualified Clients" (as defined in the Investment Advisers Act of 1940) or a flat, AUM-based Advisory Fee.</p> <p>Clients will receive, at least quarterly, statements from the broker-dealer or financial institution.</p> <p>Services with respect to Plan Sponsors</p> <p>Dunham provides a quarterly asset allocation service to Sponsors of benefits plans that may be distributed by the Sponsor to Plan Participants in written form and/or via a website maintained by the Plan's third-party administrator ("TPA") designated by a Plan Sponsor. The Allocations are generic in nature and do not represent recommendations or individual investment advice to any Plan</p>	

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
	<p>Participant.</p> <p>Dunham may also provide the Plan sponsor, if requested, a risk tolerance questionnaire (“RTQ”) for use by plan participants. The RTQ consists of several questions that query the Plan Participant with respect to such topics as individual investment needs and objectives, time horizon until retirement, financial status and risk tolerance profile. The RTQ may be provided in written form and/or via the TPA’s website. Dunham does not represent and does not conduct personal interviews with nor review information from Plan Participants and the providing of the RTQ does not constitute recommendations or individual investment advice.</p> <p>Additional Services to the Partnerships, Dunham Trust, Participants in the Asset Allocation Program and The Dunham Funds</p> <p>As described above, the only clients of these services are the affiliated Partnerships, Dunham Trust, participants within the Asset Allocation Program and The Dunham Funds. Clients of Dunham may receive, indirectly, the services from Dunham through the following services:</p> <p>The additional services provided by Dunham include:</p> <p>1. Reports</p> <p>Dunham prepares quarterly reports for each affiliated Partnership that includes the Sub-Adviser’s outlook and commentary, current and historical performance, the largest holdings, sector or country allocations, among others information. These reports are made available to the investors/participants. Dunham also provides tailored investment advisory proposals and periodic performance reports in addition to monthly custodian statements and online account viewing, for the clients of Advisers who participate in the Asset Allocation Program.</p> <p>2. Investor Symposiums</p> <p>Dunham sponsors investor symposiums that feature the various sub-advisers of the affiliated partnerships and The Dunham Funds. These meetings provide client participants with discussions on investment topics such as: the outlook of the U.S. and global economies; market volatility and interest rates, among others. The investment information provided under this service does not purport to meet the objectives or needs of each client participant. Dunham participant symposiums are by invitation only.</p> <p>3. General Information</p> <p>Dunham, in its capacity as a broker-dealer, acts as the distributor for the Partnerships and The Dunham Funds. Additionally, Dunham may refer clients to Dunham Trust for various trust services.</p> <p>See also Items 7 A-C, 8C, 9 B and D, and 12 A and B of this Schedule F.</p> <p>Fee Schedule</p> <p>Affiliated Partnerships and Dunham Trust</p> <p>Expenses and Fees</p>	

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:
801-25803

Date:

06/30/2008

(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:

Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

In the course of its operations, each Partnership incurs fees to the General Partner and to the Partnership adviser, in addition to brokerage commissions; loan servicing fees, custodial fees; legal and accounting fees, printing and mailing expenses and other operating expenses. All such operating expenses are paid by the respective Partnership, and potentially affect the Established Distribution Rate set by the General Partner.

Investors should understand that in the case of administrative and advisory fees the General partner is arranging the fee structure with affiliated entities. Consequently, the fees are not determined in arms-length negotiations. The General Partner believes, however, that fees are reasonable in light of the services provided to the Partnerships.

These fees are subject to periodic review and change and are outlined as follows:

Advisory Fee:

For each of the Mortgage Fund Partnerships, the Advisory Fee is equal to 10% of the monthly distributions to the investor/participant.

Partnership Administrative Fee:

Each Partnership pays an Administrative Fee to the General Partner ranging from .45% to .48% on an annualized basis, of its NAV for administrative services. at the end of each month. This fee is paid by the Partnerships to Asset Managers as general partner for administrative services.

Placement Fee:

A one-time placement fee of up to 1% of the total amount invested in each Partnership may be charged to the Partnership investor to compensate the selling or referring broker-dealer at the sole discretion of the partnership.

Employee Fee Rate Reduction:

Employees, directors or members of their immediate families, may be able to invest in the Partnerships at reduced fee rates, which may not be available to other investors or participants. This policy applies to all employees or directors or the members of their immediate families, of any of the affiliated Dunham entities.

Summary of Fees:

Type	Recipient	Amount	Paid By
Advisory Fee	Dunham & Associates Investment Counsel, Inc.	10% of Cash Distributions	Dunham Partnership
Partnership Administrative Fee	Asset Managers, Inc.	.45 % to .48%	Dunham Partnership
Placement Fee	Broker-Dealers	Up to 1%	Investor/Participant ¹

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651	
	Loan Brokerage Fee, Loan Servicing Fee	Asset Managers	50% of loan origination fees, 2.0% of loans
	Partnership		
<p>¹ This fee is optional and is charged at the discretion of the selling or referring broker-dealer. When it is charged, it will be paid to Dunham and passed on in full to the broker-dealer for payment.</p> <p>Fee-Sharing Arrangements</p> <p>Dunham, for the distribution of Partnership interests, enters into fee-sharing arrangements with unaffiliated third parties, including registered broker-dealers that are also registered investment advisers or broker-dealers that have affiliated registered investment advisers.</p> <p>The partnership Adviser may pay all or a portion of its management Fee to participating broker dealers and/or registered investment advisers as commissions or referral fees. Dunham & Associates Investment Counsel, as broker-dealer and distributor of the Partnerships, may enter into written agreements with unaffiliated securities broker dealers, registered as investment advisers, for the payment of commissions for the referral of an investor in the Partnerships.</p> <p>A portion of the Advisory Fees charged and earned by Dunham allocable to the Partnership interests may be paid by Dunham to these third parties. This fee may range from an amount equal to one-half (½) of Dunham's Advisory Fee to a flat fee equal to .15% to .80% of the net assets under management allocable to the investors referred by the these third parties. All of the Placement Fees (see above) charged by third parties and paid to Dunham, shall be passed on by Dunham to these third parties.</p> <p>Solicitors may be paid a fee for referrals to Dunham's investment vehicles, typically ranging from a flat fee equal to .15% to .30% of the assets under management referred. Solicitors may also be paid a portion of the performance-based Advisory Fee earned by Dunham. Subscribers of the Partnerships are not advisory clients of Dunham.</p> <p>Dunham will not pay referral fees to third parties if the payment violates applicable Federal or State law or when prohibited by other regulation.</p> <p>The Dunham Funds</p> <p>As investment adviser for the Funds, Dunham receives an advisory fee that varies among the 11 funds included within the Funds which are disclosed under "Fees and Expenses of the Funds" in the Funds' Prospectus. Dunham, as distributor for the Funds, receives compensation which amount is disclosed under "Distribution of Fund Shares--Plan of Distribution" within the Funds' Prospectus.</p> <p>The Dunham Asset Allocation Program</p> <p>In connection with the Asset Allocation Program, for clients who elect to pay a performance-based fee, Dunham and the Adviser for the client each receive one-half of any performance fees attributable to the client's account. The client is charged 10% of the total net increase in the market value of the account using "high-water" marks. The fee is calculated monthly and charged quarterly. Clients should carefully review the fee calculation methodology described in the Program documents with their Adviser. For clients who elect to pay an asset-based fee, Dunham will receive a fee equal to 0.25% on an annualized basis of the average daily net assets held in the client's account during the prior quarter. The Adviser for the client may also charge an additional fee of up to 2.0% and retains 100% of that amount.</p>			

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
<p>Investment Management Program</p> <p>As investment adviser, Dunham receives an advisory fee that varies depending on the arrangement with the individual client. The amount of the fee is outlined in the client agreement executed by the client at the time the relationship is established. Clients may qualify for a Performance-Based Advisory Fee for "Qualified Clients" (as defined in the Investment Advisers Act of 1940) or may be charged a flat fee based on assets under management.</p> <p>Plan Sponsors</p> <p>Dunham is compensated as the investment adviser to one or more of The Dunham Funds, with fees borne by all shareholders in the Funds, including Plan Participants. As the distributor of the Funds, Dunham receives a shareholder servicing fee from the C share class of the Funds and may receive further compensation in connection with the sale of Class C shares of the Funds. Dunham may re-allow a certain portion of this compensation to introducing FINRA broker/dealers with whom it has selling agreements and identified to Dunham by the Plan Sponsor, or to other third-party administrators or servicing agents at its discretion, in accordance with the Fund prospectus.</p> <p><u>FOR INVESTMENT MANAGEMENT PROGRAM ACCOUNTS ONLY. OFFERED THROUGH IARs OF DUNHAM WHO ARE EMPLOYEES OF DUNHAM TRUST COMPANY.</u></p> <p>Dunham may also manage assets on a separately managed, customized basis for either institutional or individual clients.</p> <p>In consultation with a Dunham IAR, clients determine their risk tolerance and select from the various investment risk profiles offered. Clients are expected to be either 1) sophisticated enough to understand the investment risks, or 2) have at their disposal consultants to advise them with regard to the same. Regardless, they are assigned a Dunham IAR who will assist them in selecting from the investment profile offered by Dunham. Clients in consultation with their independent or Dunham IAR, may redirect the style or risk of their investments, if their investment objectives change, by notifying Dunham in writing of such desired change. Dunham reserves the right to reject any account and to terminate the relationship with any client upon written notice. Terminated client accounts may be asked to pay a \$250.00 termination fee and will pay a prorated management fee based upon the number of days that the assets are held in the account for the month.</p> <p>Dunham Risk Profiles: 1) Aggressive 2) Balanced 3) Conservative</p> <p>Expected risk and return go hand in hand - higher expected return, the higher the expected risk or volatility of returns. Clients are provided additional information on each category by a Dunham IAR before investing. In regards to the investment discretion for each account, if (Dunham Trust) (DTC) is chosen as Trustee, the account is managed with full discretion. Therefore, DTC has discretion regarding securities purchased or sold, the volume of such transactions, and the broker/dealer through which the transaction is executed. If DTC is chosen as either Co-Trustee or Agent of the account, the client has the option of giving DTC full discretion (as defined above), limited discretion with the client's approval, or no discretion over the investments in the account. In the Agreement for Services, Clients may include, with Dunham's knowledge and approval, any specific limitations or requests regarding securities transactions for their account.</p> <p>Dunham's separate IMP account product targets a minimum account size of \$1,000,000 in investable assets, but accounts with less than \$1,000,000 may be accepted if, in Dunham's sole judgment, the total client relationship will grow to \$1,000,000 or more in a reasonable period of</p>		

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651																																				
<p>time. The fee schedule shown below may be negotiated at Dunham's sole discretion.</p> <p>Client fees are billed in arrears, quarterly, based on the average daily Net Asset Value of the account at the end of the quarter. For assets with no monthly market values, a separate agreement between Dunham and the client may be negotiated. Accounts that are billed for fees may be billed quarterly or annually, in arrears.</p> <p>Dunham Trust offers Dunham Clients custody and portfolio accounting services and corporate trustee services. The following fee schedule, which may be subject to change, details Dunham Trust's services and fees.</p> <p>A.) <u>Review of Accounts</u> – Each investment account is reviewed at least annually, but can be reviewed more frequently, based upon each client's needs. Reviews take place in The Dunham Trust Company Investment Committee's meetings and are conducted by both the Portfolio Manager (registered with Dunham) and the Trust Officers (from Dunham Trust) assigned to the account (if applicable). The type of securities, quality, maturity, market values, yield to maturities and the overall balance of the portfolio are discussed. Each client's current circumstances are also discussed, as well as any significant changes in the needs or circumstances of the client.</p> <p>B.) Dunham Trust, or a different custodian (if applicable), provides an account statement which is produced at least quarterly, but can be produced on a monthly basis. Performance analysis for each account is done quarterly or more frequently if requested.</p> <p>Dunham Trust Separate Account Custody</p> <p>General Portfolio Accounting and Fiduciary Fee Schedule</p> <table> <tr> <td>#1 Custody and Portfolio Accounting</td> <td>Fee Rate</td> </tr> <tr> <td>\$ 500,000 - \$1,999,999</td> <td>0.250%</td> </tr> <tr> <td>\$2,000,000 - \$4,999,999</td> <td>0.200%</td> </tr> <tr> <td>\$5,000,000 - \$9,999,999</td> <td>0.150%</td> </tr> <tr> <td>\$10,000,000 - \$24,999,999</td> <td>0.125%</td> </tr> <tr> <td>\$25,000,000 - \$49,999,999</td> <td>0.100%</td> </tr> <tr> <td>\$50,000,000 - \$99,999,999</td> <td>0.075%</td> </tr> <tr> <td>\$100,000,000 – and Above</td> <td>0.050%</td> </tr> </table> <table> <tr> <td>#2 Corporate Fiduciary Services</td> <td>Fee Rate</td> </tr> <tr> <td>\$ 500,000 - \$1,999,999</td> <td>0.400%</td> </tr> <tr> <td>\$2,000,000 - \$4,999,999</td> <td>0.300%</td> </tr> <tr> <td>\$5,000,000 - \$9,999,999</td> <td>0.200%</td> </tr> <tr> <td>\$10,000,000 - \$24,999,999</td> <td>0.150%</td> </tr> <tr> <td>\$25,000,000 - \$49,999,999</td> <td>0.100%</td> </tr> <tr> <td>\$50,000,000 - \$99,999,999</td> <td>0.075%</td> </tr> <tr> <td>\$100,000,000 – and Above</td> <td>0.050%</td> </tr> </table> <p>Dunham manages client assets using Dunham recommended research products for client investments. The fee schedule for this service is as follows:</p> <p>Investment Management Fee Schedule</p> <table> <tr> <td>#3 Investment Management</td> <td>Fee Rate</td> </tr> <tr> <td>\$ 500,000 - \$1,999,999</td> <td>1.10%</td> </tr> </table>			#1 Custody and Portfolio Accounting	Fee Rate	\$ 500,000 - \$1,999,999	0.250%	\$2,000,000 - \$4,999,999	0.200%	\$5,000,000 - \$9,999,999	0.150%	\$10,000,000 - \$24,999,999	0.125%	\$25,000,000 - \$49,999,999	0.100%	\$50,000,000 - \$99,999,999	0.075%	\$100,000,000 – and Above	0.050%	#2 Corporate Fiduciary Services	Fee Rate	\$ 500,000 - \$1,999,999	0.400%	\$2,000,000 - \$4,999,999	0.300%	\$5,000,000 - \$9,999,999	0.200%	\$10,000,000 - \$24,999,999	0.150%	\$25,000,000 - \$49,999,999	0.100%	\$50,000,000 - \$99,999,999	0.075%	\$100,000,000 – and Above	0.050%	#3 Investment Management	Fee Rate	\$ 500,000 - \$1,999,999	1.10%
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**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:
801-25803

Date:
06/30/2008

(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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651														
	<p>\$2,000,000 - \$4,999,999 1.00%</p> <p>\$5,000,000 - \$9,999,999 0.90%</p> <p>\$10,000,000 - \$24,999,999 0.80%</p> <p>\$25,000,000 - \$49,999,999 0.55%</p> <p>\$50,000,000 - \$99,999,999 0.45%</p> <p>\$100,000,000 – and Above 0.40%</p>															
<p><u>Separate Account Investment Consulting Services</u></p> <p>Fees are negotiated based upon asset class and total assets under a Separate Account Agreement. The fees may range from 5 to 50 basis points.</p> <p>Termination Fee per Account to Stop Above Listed Services \$250</p> <p>However, accounts opened and closed within a one year period may be charged up to a total fee of 2% of the market value of the portfolio assets to cover costs of opening and closing the account in addition to administrative services provided during the term of the relationship.</p> <p>Fees are based upon Relationship Pricing. The Total Asset Value of all account assets in a Family of Accounts will be combined for determining the Fees to be charged for that Family Relationship.</p> <p>Dunham Trust Fees are the sum of its Custody and Accounting Services and Fiduciary Services. Dunham Fees are the fees charged for Investment Management and/or Investment Consulting. Total Fees, as a Percent of Client's Assets, are the sum of the Dunham Trust Company and Dunham Fees.</p> <p>The minimum annual fee per relationship is \$3000 annually unless approved in advance by the management of Dunham Trust.</p> <p>Fees will generally be calculated monthly and paid in arrears. Values will be determined in good faith by Dunham Trust Company, in accordance with customary methods, on the last business day of each month.</p> <p>Accounts generating greater than \$25,000 in annual fees may be entitled to receive some Dunham Administrative Family Office Services at no additional charge. These include all the services listed below with the exception of the Business Services and Accounting and Personal Assistant Services that go beyond those normally anticipated. For relationships generating less than \$25,000 in annual fees, the Administrative Family Office Services and Pricing, as described, will be in effect.</p> <p>Dunham Trust Company Administrative Family Office Services Fee Schedule Administrative Family Office (AFO) – Bill Paying Pricing Schedule</p> <table> <tr> <td>Number of Transactions</td> <td>Price Per Transaction</td> </tr> <tr> <td>10 or Less</td> <td>\$150.00</td> </tr> <tr> <td>11 to 20</td> <td>\$ 13.00</td> </tr> <tr> <td>21 to 30</td> <td>\$ 10.00</td> </tr> <tr> <td>31 to 40</td> <td>\$ 8.00</td> </tr> <tr> <td>41 to 60</td> <td>\$ 6.00</td> </tr> <tr> <td>61 to 100+</td> <td>\$ 4.00</td> </tr> </table> <p>Bill Payment Services May Include: Bill Processing; Cash Disbursement; Daily Cash Control; Resolving Disputed Bills; Refund & Reimbursement Solicitations; Reporting to Client of Financial Activity.</p>			Number of Transactions	Price Per Transaction	10 or Less	\$150.00	11 to 20	\$ 13.00	21 to 30	\$ 10.00	31 to 40	\$ 8.00	41 to 60	\$ 6.00	61 to 100+	\$ 4.00
Number of Transactions	Price Per Transaction															
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**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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	<p>AFO Lifestyle Management Services Price Schedule</p> <p>(Billed in Quarterly Hour Intervals)</p> <p>Services Included in Fees if Greater than \$25,000:</p> <table> <tr> <td>Private Banking Services</td> <td>As Agreed</td> </tr> <tr> <td>Travel Planning</td> <td>As Agreed</td> </tr> <tr> <td>Personal Bill Paying</td> <td>As Agreed</td> </tr> <tr> <td>Nominal Concierge Services</td> <td>As Agreed</td> </tr> </table> <p>Services NOT Included:</p> <table> <tr> <td>Bookkeeping Services</td> <td>As Agreed</td> </tr> <tr> <td>Hobby Business Management</td> <td>As Agreed</td> </tr> <tr> <td>Property Management</td> <td>As Agreed</td> </tr> <tr> <td>Business Bill Paying</td> <td>Costs Plus Bill Pay Schedule</td> </tr> <tr> <td>Insurance Claim Processing/Medical</td> <td></td> </tr> <tr> <td> Claim Form Filing/Tracking</td> <td>As Agreed</td> </tr> <tr> <td>Private Company Consulting Services</td> <td>As Agreed</td> </tr> <tr> <td>Personal Assistant and Concierge Services</td> <td>As Agreed</td> </tr> </table> <p>Set Up Fee for Any and All AFO Lifestyle Management Services \$0</p> <p>Termination Fee to Stop any or All AFO Lifestyle Management Services \$100</p> <p>AFO Wealth Planning Services – Price Schedule</p> <p>(Billed in Quarterly Hour Intervals)</p> <p>All Services Included if Fees are Greater Than \$25,000:</p> <table> <tr> <td>Estate Plan Review and Strategy Development</td> <td>As Agreed</td> </tr> <tr> <td>Financial Plan Review and Strategy Development</td> <td>As Agreed</td> </tr> <tr> <td>Tax Reporting/Consulting and/or Coordination</td> <td></td> </tr> <tr> <td> with Outside Advisors</td> <td>As Agreed</td> </tr> <tr> <td>Risk Management Review, Insurance Status Update</td> <td></td> </tr> <tr> <td> and Coordination with Outside Advisors</td> <td>As Agreed</td> </tr> <tr> <td>Foundation Services</td> <td>As Agreed</td> </tr> <tr> <td>Philanthropic Services</td> <td>As Agreed</td> </tr> <tr> <td>Generational and Family Continuity Planning</td> <td>As Agreed</td> </tr> </table> <p>Set Up Fee for Any and All Wealth Planning Services \$0</p> <p>Termination Fee to Stop Any or All Wealth Planning Services \$100</p> <p>Manage Administrative Family Office Services. See Description of Services and Fees, above.</p>		Private Banking Services	As Agreed	Travel Planning	As Agreed	Personal Bill Paying	As Agreed	Nominal Concierge Services	As Agreed	Bookkeeping Services	As Agreed	Hobby Business Management	As Agreed	Property Management	As Agreed	Business Bill Paying	Costs Plus Bill Pay Schedule	Insurance Claim Processing/Medical		Claim Form Filing/Tracking	As Agreed	Private Company Consulting Services	As Agreed	Personal Assistant and Concierge Services	As Agreed	Estate Plan Review and Strategy Development	As Agreed	Financial Plan Review and Strategy Development	As Agreed	Tax Reporting/Consulting and/or Coordination		with Outside Advisors	As Agreed	Risk Management Review, Insurance Status Update		and Coordination with Outside Advisors	As Agreed	Foundation Services	As Agreed	Philanthropic Services	As Agreed	Generational and Family Continuity Planning	As Agreed
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Insurance Claim Processing/Medical																																												
Claim Form Filing/Tracking	As Agreed																																											
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Philanthropic Services	As Agreed																																											
Generational and Family Continuity Planning	As Agreed																																											
Item 2G	As disclosed above, Dunham provides advice to its affiliated Partnerships. The Partnerships are managed by Asset Managers, as the General Partner.																																											
Item 3K(3)	As disclosed above, Dunham provides advice to affiliated Partnerships.																																											
Item 3L	Dunham, as an investment adviser, is primarily a manager-of-managers. Dunham's primary service is the initial selection and ongoing monitoring of independent, third party money managers hired as sub-advisers for The Dunham Funds.																																											

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
	Dunham is the Adviser to three affiliated Partnerships (the Mortgage Funds) managed by Asset Managers, an affiliate of Dunham and the General Partner for the Mortgage Funds. Asset Managers, Inc. has the responsibility for underwriting, funding, purchasing and selling mortgages for the Partnerships it manages.	
Item 4.A. (5)	<p>Dunham, method of security analysis depend on the type of security involved. With respect to corporate securities, Dunham generally performs a fundamental analysis relying upon information which is contained in various corporate financial reports and SEC filings of the corporation, and information supplied by investment bankers and dealers. In addition, Dunham subscribes to the Applied Finance Group's Securities Analysis System which uses a cash flow approach to security valuation. Dunham uses Style Advisor in conducting is manager search and review services. With respect to municipal securities, Dunham relies upon information contained in prospectuses, upon information from various municipal securities rating services, and information provided by broker/dealers.</p> <p>The principal sources of information that Dunham may use are as follows:</p> <ol style="list-style-type: none">1. Applied Finance Group Securities Analysis Systems2. Value Line3. Style Advisor4. Broker/Money Manager Independent Research5. The Wall Street Journal6. USA Today7. Investors Business Daily8. Fortune Magazine9. Money Magazine10. Cable Channel – CNBC <p>In addition, registered persons of Dunham may use several Internet sites such as Yahoo, CNNFN, Microsoft Investor, Bloomberg, Motley Fool, Baseline, etc., plus other news services such as the New York Times etc.</p>	
Item 4. B. (8)	Applied Finance Groups' Securities Analysis System	
Item 5	<p>Dunham requires that any associated individual who provides investment advice to a client have the following minimum qualifications: A bachelor's degree in a business related area, and/or the appropriate experience or background necessary to meet Dunham's client's expectations. In addition, the individual will need to take and pass the necessary qualifying examinations, which may include FINRA Series 6 or 7, and 65 or 66 examinations.</p>	

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

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Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

Item 6

The principal executive officers of Dunham include the following individuals:

Jeffrey A. Dunham, President and CEO, Denise S. Iverson, Chief Financial Officer; Hilarey M. Findeisen, Director of Operations, Salvatore M. Capizzi, Chief Sales & Marketing Officer, and Tamara B. Wendoll, Chief Operating Officer.

JEFFREY A. DUNHAM, born 1961; San Diego State University, BA; Shareholder and Chairman at Dunham & Associates Holdings, Inc. from 1999 to present; President and Director at Dunham & Associates Investment Counsel, Inc. from 1985 to present; President and Director at Asset Managers, Inc. from 1985 to present; President and Director at Dunham & Associates Securities, Inc. from 1986 to present; Shareholder, Chairman and Director at Dunham Trust Company from 1999 to present; Trustee and President and Principal Executive Officer of The Dunham Funds from 2008 to present.

DENISE S. IVERSON, born 1959; CPA; San Diego State University, BS; CFO at Dunham & Associates Investment Counsel, Inc. from 1999 to present; CFO at Dunham & Associates Securities, Inc. from 1999 to present; CFO at Asset Managers, Inc. from 1999 to present; Shareholder and CFO at Dunham & Associates Holdings, Inc. from 1999 to present; Shareholder, Director and CFO at Dunham Trust Company from 1999 to present and CFO and Executive Vice President at First National Bank from 1987 to 1999; Treasurer and Principal Financial Officer for The Dunham Funds from 2008 to present.

TAMARA B. WENDOLL, born 1971; University of California San Diego, BA, The Wharton School at University of Pennsylvania, MBA; Chief Operating Officer at Dunham & Associates Investment Counsel, Inc. from 9/2008 until present; Senior Executive Vice President, Marketing and Operations at Kelmoore Investment Company from 1999-2008; Secretary of Kelmoore Strategic Trust from 99-present, Treasurer of Kelmoore Strategic Trust from 2008-present.

HILAREY M. FINDEISEN, born 1970; University California San Diego, BA; Shareholder and Director of Operations at Dunham & Associates Investment Counsel, Inc. from 1994 to present; Secretary for The Dunham Funds from 2008 to present.

SALVATORE M. CAPIZZI, born 1957; Baruch College (CUNY), BA; Chief Sales & Marketing Officer at Dunham & Associates Investment Counsel, Inc., from 2008 to present; CEO/Global Wealth Management for Thomas Lloyd Group from 2006-2008; served in executive capacities with New York Life Investment Management, Black Rock Funds, Chase Manhattan Bank, and Shearson Lehman Brothers from 1987 to 2008.

The following individuals manage the IMP accounts, are registered with Dunham as IAR's, may spend significant time on Dunham Trust business, and are employees of Dunham Trust.

SCOTT ALBRIGHT, born: 10/03/1978; BS, Finance-Santa Clara University, Santa Clara, CA – 2001; MBA Candidate – University of Nevada, Reno; Business Vice President/Portfolio Manager at Adagio Trust Company from November 2004 to Present; Part-Time Accountant at Albright Persing and Associates from 2002 to November 2004; Co-Founder and President at WristRipper, Inc. – Fitness Equipment Company from September 2001 to Present.

DAVID HOLMES, born 10/02/1955; BS, Accounting – Brigham Young University, Provo, Utah – 1980; MBA – Brigham Young University, Provo, Utah – 1990; Certified Management Accountant (CMA) – Institute of Certified Management Accountants – 1986; Morgan Stanley Capital Market Portfolio Management Training – Morgan Stanley, New York City from July 1990 to February 1991; Certified Financial and Trust Advisor (CFTA) – Cannon Trust School – 2000; President/CIO/Portfolio Manager at Adagio Trust Company from October 2000 to December 31, 2008; President/ CIO/Portfolio Manager at Adagio Capital Management, LLC from January 2003 to June 30, 2009 (Adagio Trust Company Bought

**Schedule F of
Form ADV**

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Applicant:

Dunham & Associates Investment Counsel, Inc.

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801-25803

Date:

06/30/2008

(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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
	<p>Adagio Capital Management, LLC on 12/31/2002); Vice President/Portfolio Manager at Whittier Trust Company from March 1995 to November 1999; Private Client Services at Morgan Stanley and Company from June 1990 to March 1994; Vice President, Finance at Realty Income Corporation from August 1983 to May 1988; Director, Homeseekers.com from March 1999 to October 2001; Series 63, 65, 3 – Lapsed (Futures License not required since Morgan Stanley); Series 7 – Lapsed (Brokerage Licenses not required since Morgan Stanley); Series 24 – Lapsed (Brokerage Licenses not required since Morgan Stanley).</p>	
Item 7 A-C	<p>As disclosed under Item 1 D disclosure, Dunham is both a securities broker-dealer and investment adviser. As disclosed under Item 6 disclosure, principal executive officers (and other employees or registered personnel) may also be officers, directors or employees of other, affiliated companies.</p> <p>A large part of Dunham's business is as a securities broker-dealer, specifically; the sale of Dunham's proprietary Partnerships and shares in The Dunham Funds. Dunham is a fully disclosed broker-dealer that clears securities transaction through Pershing LLC., a BNY Securities Group Company.</p> <p>Some of the individuals associated with Dunham are licensed as registered FINRA representatives and state securities agents (where required) of Dunham. These registrations allow these individuals to place securities transactions for clients for commission compensation (including placement and other fees) for the purchase or sale of a security, including investments in the affiliated Partnerships and in shares of the Funds. These individuals are also licensed (where required) as investment adviser representatives under applicable laws to offer advisory services to Dunham's clients.</p> <p>All clients should understand that they are free to select any broker-dealer or insurance agent or broker they wish to use (not including the IMP Accounts program). No client is under any requirement to use any recommended insurance agent or broker.</p> <p>Conflicts of Interest:</p> <p>The Partnerships are under the common control of Jeffrey A. Dunham, principal shareholder/owner of Dunham Holdings. Contracts between these entities have been developed and the terms negotiated on what is believed to be a fair and equitable basis, however, it should not be assumed that these contracts are or were determined at arm's length negotiations. Dunham is the investment adviser and distributor for The Dunham Funds and was instrumental in forming and registering the</p>	

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Dunham & Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

06/30/2008

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

Funds.

The General Partner and Dunham, as they share some of the same staff, devote only so much of their time to the business of each account. In addition, Dunham has entered into a Trust Administration and Operations Agreement with Dunham Trust for administrative, support and investment advisory services. Some employees of Dunham Trust may act in an Investment Adviser capacity on behalf of Dunham (in connection with Customized Account). Officers, directors and employees of Dunham perform these services under this agreement. In addition, Dunham serves as investment adviser and distributor of The Dunham Funds. The Funds and Dunham share staff and equipment (pursuant to written agreements).

Dunham is also the sponsor of the Dunham Asset Allocation Program for which it receives an advisory fee. Clients who participate within the Asset Allocation Program are required to establish custodial accounts with Dunham Trust Company, an affiliate who may receive fees for custodial services. Accordingly, Dunham has a conflict of interest in the amount of time that the President and other employees may dedicate to each client account (whether affiliated or not). Dunham, due to its other business activities as a securities broker-dealer, will also dedicate resources, including management time, to this non-advisory activity. It is anticipated that as much as 50% of the available time of senior executives and other staff may be dedicated to non-advisory activity.

Within the Program, different levels of advisor fees are collected from each fund. The re-allocation of funds within the strategic allocation may or may not result in a higher percentage of client assets being allocated in funds that yield a higher fee.

Investment Management Program Accounts - Individuals who are Registered Investment Adviser reps (IARs) with Dunham may be Officers of Dunham Trust Company.

Dunham & Associates has made an arrangement with the Wealth Counsel Advisors Forum, LLC (formerly the Wealth Advisor), to afford investment advisors member firms access to the group health and welfare benefit plan and other potential services offered by the WealthCounsel Advisors Forum to its members through independent providers that are unaffiliated with Dunham.

Dunham & Associates Investment Counsel may, at its discretion, enter into an agreement with a broker dealer who it has a selling agreement with and distribute a portion of Dunham's fee to that selling broker dealer.

Certain broker-dealers selected by Dunham IAR's for the **Investment Management Program accounts only**, may provide or have agreed to provide Dunham with certain research (such as Bank Credit Analyst), clearance, settlement/custody, and statistical services of the kind considered by Section 28(e) of the Securities Exchange Act of 1934. These are services which in all likelihood would otherwise be available to Dunham for a payment. As a result of receiving such services, Dunham has an incentive to continue to use such broker dealers to process transactions for these accounts. The advisory fee paid by an individual account may not be reduced because Dunham and its affiliates may receive such services.

**Items 8C (11 and 12)
and 8D**

Asset Managers acts as the General Partner for each of Dunham's affiliated Partnerships, of which there are currently 13. Dunham provides investment advice to these Partnerships. (See also Item 1 D and 7 A-C disclosures.)

In addition to acting as a General Partner, Asset Managers, is a licensed corporate real estate broker with the California Department of Real Estate and has a California. Finance Lenders license for the

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dunham & Associates Investment Counsel, Inc.	IRS Empl. Ident. No.: 33-0118651
	purpose of underwriting, funding, buying and selling trust deeds.
Items 9B, D AND E	<p>As previously discussed, Dunham is both a broker-dealer and investment adviser. As a broker-dealer, Dunham and certain of its associated persons who are representatives are registered to purchase or sell securities for commission compensation.</p> <p>Dunham, in its capacity as a broker-dealer and certain associated persons in their capacity as registered representatives of Dunham, also may recommend to potential investors and clients, that they invest in Dunham's affiliated Partnerships, or by referral to Dunham Trust for trust services, or in shares of The Dunham Funds. The Confidential Private Placement Offering Memorandum for each Partnership is given to every potential investor in the Funds or financial adviser participating in the Asset Allocation Program prior to making the decision to invest. The Confidential Private Placement Offering Memorandum and the Funds' Prospectus contain a thorough description of the conflicts of interest between Dunham, affiliated entities and related persons.</p> <p>Mr. Dunham, as well as other employees, invest in Dunham's affiliated Partnerships and/or through Dunham Trust in shares of The Dunham Funds which Dunham recommends and/or refers its clients.</p> <p>Due to the conflicts of interests inherent in the securities industry, Dunham has adopted compliance policies and procedures to meet its regulatory requirements with FINRA as a securities broker-dealer and with the SEC as a registered investment adviser.</p> <p>In compliance with Section 204A under the Investment Advisers Act of 1940 (and similar broker-dealer requirements), Dunham has adopted a written policy on the detection and prevention of the misuse of material, non-public information (insider trading procedures).</p> <p>In addition to and in support of this policy and in compliance with Books and Recordkeeping requirements under the Advisers Act (and similar broker-dealer requirements), Dunham has adopted policies and procedures to monitor all reportable, personal trading by employees, members of their immediate household and other beneficial interest accounts.</p> <p>Dunham's policies, among other things, state in general that:</p> <p>No employee or registered personnel of Dunham or its affiliates shall take action with regard to securities for themselves, Dunham, or any client account unless they are certain that the information in their possession is available to the investing public;</p> <p>To help prevent conflicts of interest, as well as the appearance of conflicts of interest, employees and registered personnel of Dunham, must abide by the Code of Ethics (the "Code"). The Code imposes restrictions on the purchase or sale by access persons of securities for their own accounts and accounts in which he/she has a beneficial interest. Subject to the Code, certain employees of Dunham may recommend to clients the discretionary purchase or sale of securities in which Dunham's employees may have a beneficial interest. The Code includes preclearance of personal trades, blackout restrictions, and reporting requirements under Rule 17j-1 of the Investment Company Act. In addition, the Code limits employees' ability to invest in Initial Public Offerings and Private Placements by requiring the preapproval of the Chief Compliance Officer. In addition, all Dunham access persons must certify annually to the Code and Dunham's policy on insider trading.</p> <p>The Chief Compliance Officer or a compliance designee shall periodically review the personal trading of Dunham employees and registered personnel to determine that compliance policies and</p>

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Applicant:

Dunham & Associates Investment Counsel, Inc.

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Dunham & Associates Investment Counsel, Inc.

IRS Empl. Ident. No.:

33-0118651

procedures and the Code are being adhered to;

A person who violates Dunham's policies and procedures may be subject to Dunham imposed sanctions, including termination of employment with Dunham (or an affiliate).

New clients are given a welcoming letter which, among other things, includes an offer of the Code. Clients or prospective clients may request a copy of the Code in writing at any time or visit our website and download the Code.

INVESTMENT MANAGEMENT ACCOUNTS

Dunham must seek and rely upon a broker/dealer to get the best price execution on each security transaction executed. If a case should arise where Dunham's Principal/Employees can allocate trades to its clientele, Dunham's Clients will always get equal or better prices than Dunham Members/Employees.

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Applicant:

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
Item 10	<p>The minimum investment for the Partnerships is \$250,000 (\$250,000 per Partnership) worth of Partnership units. The General Partner may waive the minimum at its discretion.</p> <p>For complete and specific (additional) detail regarding the Partnerships, please see the Confidential Private Placement Offering Memoranda available from Dunham at its address and phone number of record.</p> <p>The minimums initial investment in the Asset Allocation Program is \$50,000 for IRAs and \$100,000 for all other accounts.</p> <p><u>CUSTOMIZED INVESTMENT MANAGEMENT PROGRAM ACCOUNTS</u></p> <p>Dunham generally requires assets under management to generate a minimum \$3000 fee annually to open a relationship, although this is subject to negotiation.</p>	
Item 11 (A)	<p>Dunham's advisory services are provided to affiliated limited partnerships. The Dunham Funds, participants within the Dunham Asset Allocation Program and clients desiring customized asset management (separately managed).</p> <p>For affiliated partnerships, reviews are conducted in accordance with the stipulations outlined in the advisory and servicing agreements between Dunham and the general partner., For The Dunham Funds, reviews are conducted in accordance with the Investment Advisory Agreement and for the participants within the Asset Allocation Program, reviews are conducted by Dunham in accordance with the respective Master Asset Allocation Agreements between Dunham as Program sponsor and the client's Adviser. Dunham's review services are typically limited to the sub-adviser recommended to manage The Dunham Funds. For the Investment Management Program, each investment account is reviewed at least annually and is conducted in accordance with the Investment Services agreement by both the Portfolio Manager, CIO (Dunham) and the Trust Officer (Dunham Trust Company). The types of securities, quality, maturities, market values, yields to maturities, and the overall balance are discussed. Reviews for clients receiving custom asset management are conducted in accordance with the client agreement. Sub-adviser and manager performance is monitored on a frequent basis by Dunham. On a quarterly basis, the sub-advisers' performance, alpha, beta and other statistical figures are analyzed compared to relevant indices and the sub-advisers' peer group. Other factors measured include style drift, turnover, sector allocation and correlation with other asset classes. If a sub-adviser's performance is unsatisfactory or replacement is warranted by other circumstances, Dunham will recommend to the Funds' Board of Trustees, as the case may be, the replacement of the sub-adviser. This analysis is reviewed and monitored by the senior executives of Dunham or their designee. Described below is the nature and frequency of regular reports to clients on their accounts.</p>	
Item 11(B)	<p>For affiliated partnerships, monthly or quarterly reports are issued in accordance with each account's requirements as outlined in the advisory and servicing agreements. For the participants within the Asset Allocation Program, quarterly performance reports and trade reports and monthly account statements are provided. Dunham receives quarterly portfolio and market analyses from the sub-advisers, which assists in the review services described above. Any reports issued by Dunham are separate from, and in addition to, confirmations of securities transactions delivered to the Partnerships and the participants within the Asset Allocation Program from the executing broker-dealer. Each Partnership shall distribute its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) within 120 days of the end of its fiscal year. Custom asset management clients receive monthly or quarterly</p>	

**Schedule F of
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Applicant: Dunham & Associates Investment Counsel, Inc.	SEC File Number: 801-25803	Date: 06/30/2008
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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: Dunham & Associates Investment Counsel, Inc.		IRS Empl. Ident. No.: 33-0118651
	<p>account statements prepared by the custodian.</p> <p>Dunham Trust, and affiliate of Dunham, generally the custodian for each client account, provides an account statement via the SunGard system which is produced at least quarterly or more frequently, if requested.</p>	
Item 12 A(1) AND (2)	<p><u>Discretion as to Securities and Amount of Securities</u></p> <p>Asset Managers, an affiliate of Dunham and the General Partner for the Mortgage Funds, has the responsibility for underwriting, funding, purchasing and selling mortgages for the Partnerships it manages. In addition, Dunham, as investment adviser to the Funds, has the authority (subject to approval by the Board of Trustees of the Funds) to select, monitor and replace sub-advisers to each of the funds within the Funds. As adviser to clients for customized asset management, the client agreement governs the ability of Dunham to exercise discretion in selecting the investment securities.</p> <p>In connection with the Asset Allocation Program, Dunham undertakes pursuant to the Master Asset Allocation Agreement with each participating Adviser to:</p> <p>(1) Select, add, or delete in its sole discretion and from time to time, the mutual funds that shall serve as the investments under the Program; and</p> <p>(2) Prepare, modify or terminate, from time to time the asset allocation strategies that Dunham, in its sole discretion, determines to make available under the Program.</p> <p><u>INVESTMENT MANAGEMENT PROGRAM ACCOUNTS ONLY</u></p> <p>Dunham may consider the following factors, among others, when placing a trade for a client with other broker/dealers.</p> <ul style="list-style-type: none"> quality of overall execution services provided by the broker/dealer Promptness of execution Liquidity of the market for the security in question Provision of dedicated telephone lines Creditworthiness, business reputation and reliability of the broker/dealer Research (if any) provided by the broker/dealer Ability and willingness to correct trade errors Ability to access various market centers, including the market where a security trades The broker/dealer's Facilities, including any software or hardware provided to the associated advisor Any specialized expertise a broker/dealer may have in executing trades for a particular type of security Commission rates Access to a specific IPO or IPO's generally Client referrals made by the broker/dealer to the Company Ability of a Broker/Dealer to use ECNs to gain liquidity, price improvement, lower commissions, and anonymity Soft Dollar policies of the broker/dealer The broker/dealer's ability to provide for "step-out" transactions <p>Dunham, on behalf of its discretionary clients, may direct an amount of portfolio brokerage commissions to broker dealers in return for services or research used in making investment decisions. Certain broker-dealers selected by Dunham IAR's provide or have agreed to provide Dunham with certain research, clearance, settlement/custody, and statistical services of the kind considered by Section 28(e) of the Securities Exchange Act of 1934. These are services which in all likelihood would otherwise be available to Dunham for a payment. As a result of receiving such services, Dunham has an incentive to continue to use such broker dealers to process transactions for accounts.</p>	

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	<p>A client may instruct Dunham to direct a portion of their brokerage transactions to a particular broker-dealer. In return, the broker dealer provides services to the client. When exercising investment discretion over a client account, the lowest commission rate available does not have to be paid if Dunham determines in good faith that the rate paid is commensurate with the value of the brokerage and research services provided by the broker.</p> <p>Dunham receives no commissions or commission rebates from its selected broker/dealers. Clients trading with Dunham will have their trades executed by a broker/dealer, and will have custody of assets at Dunham Trust.</p>	
Item 12 B	<p>Third-party money managers recommended by Dunham for Sub-Advisers for The Dunham Funds, may trade through any brokerage firm they choose - none are specifically suggested.</p> <p>As distributors of The Dunham Funds, Dunham receives fees for distribution and servicing of the Funds pursuant to a Distribution Plan and Agreement under Rule 12b-1 under the Investment Company Act of 1940. See the Funds' Prospectus under "Distribution of Fund Shares - Plan of Distribution" for specific fee disclosure.</p> <p>Clients in need of non-advisory brokerage and custodial services will have Pershing LLC. , a BNY Securities Group Company (Dunham's clearing firm), recommended to them.</p>	
Item 13 A	<p>As a Securities Broker-Dealer, reps of Dunham may, from time to time, receive 12b-1 distribution fees from investment companies in connection with the investment of client funds into investment company shares.</p> <p>By Agreement, Dunham may also pay a portion of its Asset Allocation Program advisory compensation to non-affiliated Registered Investment Advisers (Advisers) as a reimbursement for product marketing and business development efforts. The Agreement provides variable incentive compensation, from 5 to 25 bps, calculated at the advisor level, and based on the total dollar amount of client assets.</p> <p>The Agreement applies to client assets in the Dunham proprietary public (with the exception of A and C shares) and private funds (those on performance fee). Clients pay no additional fees to Dunham or to Advisers who participate in this program. Clients are charged separate fees as described in the product or program client agreements (negotiated between the client and the Adviser).</p> <p>Dunham also sponsors due diligence trips and conferences designed to enhance Adviser understanding of the offerings. Certain costs associated with attendance at these meetings may be paid by Dunham. Dunham also supports industry conferences and sponsors educational events attended by the clients of Advisers as well as the Advisers themselves.</p> <p>Compensation and services may be an incentive for Advisers to direct clients to Dunham offerings. Clients should also review compensation disclosures provided by the Adviser.</p>	
Item 13 B	<p>Referral Fees</p> <p>Dunham occasionally enters into written agreements with solicitors for the payment of referral fees</p>	

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for the introduction of a client to Dunham for advisory services. Dunham has entered into such referral arrangements with individuals within the guidance of the SEC's Cash Solicitor Rule, under the Investment Advisers Act of 1940.

At a minimum, the specific fee-sharing arrangement will be articulated to the investor within a separate disclosure statement from the person making the referral, Dunham's Form ADV, Part II, and the Confidential Private Placement Offering Memorandum of the Partnership, among other documents.

Dunham, as broker-dealer and distributor of the affiliated Partnerships, also enters into agreements to pay securities broker-dealers that are registered as investment advisers, for the recommendation and/or referral of an investor or potential trust client in Dunham's affiliated Partnerships.

Dunham Trust enters into referral agreements with broker-dealers and/or registered investment advisers for the referral of potential clients for trust services. In all cases there will be a written agreement between Dunham and the other parties making the referral which shall stipulate the compensation payable, the activities permitted, among other specifics.

Please see the Item 1 D disclosure.

INVESTMENT MANAGEMENT PROGRAM/CUSTOMIZED ACCOUNTS

Dunham may pay referral sources 25% of the first year fee or may make other similar arrangements. Fees paid in accordance with the solicitation agreement do not affect the fee charged to the client.