

# **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.

<b>Advisory Services and Fees</b>	<b>2</b>
<b>Types of Clients</b>	<b>2</b>
<b>Types of Investments</b>	<b>3</b>
<b>Methods of Analysis, Sources of Information and Investment Strategies</b>	<b>3</b>
<b>Education and Business Standards</b>	<b>4</b>
<b>Education and Business Background</b>	<b>4</b>
<b>Other Business Activities</b>	<b>4</b>
<b>Other Financial Industry Activities or Affiliations</b>	<b>4</b>
<b>Participation or Interest in Client Transactions</b>	<b>5</b>
<b>Conditions for Managing Accounts</b>	<b>5</b>
<b>Review of Accounts</b>	<b>5</b>
<b>Investment or Brokerage Discretion</b>	<b>6</b>
<b>Additional Compensation</b>	<b>6</b>
<b>Continuation Sheet</b>	<b>Schedule F</b>

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

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

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.

## Table of Contents

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees . . . . .	2
2	Types of Clients . . . . .	2
3	Types of Investments . . . . .	3
4	Methods of Analysis, Sources of Information and Investment Strategies . . . . .	3
5	Education and Business Standards . . . . .	4
6	Education and Business Background . . . . .	4
7	Other Business Activities . . . . .	4
8	Other Financial Industry Activities or Affiliations . . . . .	4
9	Participation or Interest in Client Transactions . . . . .	5
10	Conditions for Managing Accounts . . . . .	5
11	Review of Accounts . . . . .	5
12	Investment or Brokerage Discretion . . . . .	6
13	Additional Compensation . . . . .	6
14	Balance Sheet . . . . .	6
	Continuation Sheet . . . . .	Schedule F
	Balance Sheet, if required . . . . .	Schedule G

Applicant:

Dunham &amp; Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

07/30/2010

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>100</u> %
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services . . . . .	_____ %
<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 checked="" 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 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 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 checked="" 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                             | 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  | 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                                 | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input checked="" type="checkbox"/> (1) real estate                        |
| G. Investment company securities:  | <input type="checkbox"/> (2) oil and gas interests                         |
| (1) variable life insurance  | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| (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<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(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   |  |

Applicant:

Dunham &amp; Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

07/16/2010

**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 checked="" 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.)

Applicant:

Dunham &amp; Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

07/30/2010

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.

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

Applicant:

Dunham &amp; Associates Investment Counsel, Inc.

SEC File Number:

801-25803

Date:

07/30/2010

**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:

**07/30/2010**

(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 broker-dealer activity is serving as distributor of the Dunham Funds, a registered investment company, for which it also serves as investment adviser. Dunham is also registered with the Municipal Securities Rulemaking Board and is a member of the Securities Investors Protection Corporation (SIPC).

Dunham does not directly hold client funds or securities.

Dunham's primary 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, as required, as investment advisor representatives (IARs) unless they are exempt from such requirement. These IAR's may also be registered with FINRA and registered under applicable state securities laws (unless exempt from state licensing requirements) to sell securities as registered representatives on behalf of Dunham.

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
- Participants in the Investment Management Program ("IMP")

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

Dunham is primarily a manager of managers. Dunham recommends and monitors sub-advisers ("Sub-Advisers") for the registered investment company. Dunham does not have direct trading discretion over these 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 as discussed in the Prospectus.

**Services to Affiliated Investment Partnerships**

Dunham provides advisory services three proprietary limited partnerships, managed by an affiliate Asset Managers, Inc. (Asset Managers).

. . The following is a list of these Mortgage Funds (collectively the "Mortgage Funds") as managed by Asset Managers.:

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

Applicant: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>	SEC File Number: <b>801-25803</b>	Date: <b>07/30/2010</b>
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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: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>		IRS Empl. Ident. No.: <b>33-0118651</b>
	<p>D&amp;A Daily Mortgage Fund III, L.P. D&amp;A Semi-Annual Mortgage Fund III, L.P. D&amp;A Intermediate-Term Mortgage Fund III, L.P.</p> <p><b><u>Effective April 2009, the Mortgage Funds are no longer being offered. In April 2009, each of the Mortgage Funds filed a Certificate of Dissolution with the California Secretary of State to effect the dissolution of the Funds pursuant to the affirmative consent of a majority of the limited partners of each Fund. The Funds are conducting an orderly liquidation of the Funds assets over a period of several years and are making return of capital distributions to all limited partners as cash becomes available.</u></b></p> <p><b>Services to Affiliated Trust Company</b></p> <p>Dunham has entered into an agreement with its affiliate, Dunham Trust Company (Dunham Trust and/or Trustee) to provide investment advisory services for clients for which DTC serves as Trustee. These clients may receive advisory services directly from Dunham. 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). Clients using the Investment Management Program ("IMP") receive investment advisory services from Dunham by registered investment advisor representatives (IAR's) of Dunham who are employees of Dunham Trust. The IMP Agreement is with Dunham. Dunham has a Professional Services Agreement with Dunham Trust to compensate Dunham Trust for their employee's assistance with providing advisory services to clients.</p> <p><b>Services with respect to Registered Investment Company</b></p> <p>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/or Board of Trustees of the Funds).</p> <p>Dunham, through its IARs, serves as a sub-adviser for a portion of the Ascentia Alternative Strategies Mutual Fund, as allocated by Ascentia Capital.</p> <p><b>Services with Respect to the Dunham Asset Allocation Program</b></p> <p>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").</p> <p>The Program is also made available to third party or unaffiliated financial advisors ("Advisors"), who are registered under the Investment Advisers Act of 1940 (the "1940 Act") 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</p>	

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

Applicant: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>	SEC File Number: <b>801-25803</b>	Date: <b>07/30/2010</b>
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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: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>		IRS Empl. Ident. No.: <b>33-0118651</b>
	<p>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 generally quarterly 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 no less than quarterly custodian statements and daily online account viewing. Dunham offers back-office support services for Advisers. Dunham hosts periodic Investor Symposiums where Advisors and their clients are invited to "meet the advisers" (the Dunham Fund Sub-Advisers) managing their funds. Advisors may choose between a Performance-Based Advisory Fee for "Qualified Clients" (as defined in the 1940 Act) 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 pursuant to 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 , an affiliate of Dunham.</p> <p>Initial minimum investment is generally \$50,000 for IRAs and \$100,000 for all other accounts. These minimums may be waived at the discretion of the Program Sponsor.</p> <p><b>Services with Respect to Investment Management Accounts</b></p> <p>Dunham also serves as investment adviser for customized asset management accounts under the Investment Management Program ("IMP Accounts"). These IMP Accounts utilize the principles of asset allocation considering the client's investment objectives and risk profile. Additionally, 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 an IMP Account, 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 custody these assets, rather assets be custodied at a non-affiliated broker-dealer or financial institution. Assets also may be custodied at an affiliate, Dunham Trust Company. 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 1940 Act) or a flat, AUM-based Advisory Fee.</p> <p>Clients will receive, at least quarterly, statements from the client selected, non-affiliated broker-dealer or financial institution custodian or Dunham Trust, as applicable. Clients may receive, upon request, an on-line monthly Investor Scorecard Report which shows performance.</p> <p><b>Services with respect to Plan Sponsors</b></p> <p>Dunham offers a quarterly asset allocation service to Sponsors of employee benefits plans that may be distributed by the Sponsor to Plan Participants. The Plan Sponsor may choose to distribute in hard copy and/or via the Plan's Third Party Administrator (TPA) website. The allocations are generic in nature and do not represent recommendations or individual investment advice to any Plan Participant.</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:

**07/30/2010**

(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**

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.

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.

**Additional Services to the Mortgage Funds, Dunham Trust, Participants in the Asset Allocation Program and the Dunham Funds**

As described above, the only clients of these services are the Mortgage Funds, 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:

The additional services provided by Dunham include:

**1. Reports**

Dunham periodically provides Mortgage Fund updates to existing clients in the Mortgage Funds. This information is available to the investors/participants, and webinars may be utilized. 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.

**2. Investor Symposiums**

Dunham sponsors investor symposiums that feature certain of the various Sub-Advisers of the Dunham Funds and provides an opportunity to ask questions. These periodic meetings provide client and Adviser 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.

**3. General Information**

Dunham, in its capacity as a broker-dealer, acts as the distributor for the Mortgage Funds and the Dunham Funds. Additionally, Dunham may refer clients to Dunham Trust for various trust services.

Effective April 2009, the Mortgage Funds are no longer being offered.

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

Applicant:

**Dunham & Associates Investment Counsel, Inc.**

SEC File Number:  
**801-25803**

Date:

**07/30/2010**

(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**

See also Items 7 A-C, 8C, 9 B and D, and 12 A and B of this Schedule F.

**Fee Schedule**

**Mortgage Funds and Dunham Trust**

**Expenses and Fees**

Each Mortgage Fund incurs administrative and loan servicing fees to the General Partner,, in addition to brokerage commissions; legal and accounting fees, printing and mailing expenses and other operating expenses. All such operating expenses are paid by the respective Mortgage Fund.

Investors should understand that in the case of administrative and loan servicing fees, the General partner is arranging the fee structure And, 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 Mortgage Funds.

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

Administrative Fee:

Each Mortgage Fund pays a monthly Administrative Fee to the General Partner ranging from .45% to .48% on an annualized basis, of the Net Asset Value (NAV) at the end of the month.

Loan Servicing Fee:

Each Mortgage Fund pays a monthly Loan Servicing Fee to the General Partner of 2.0% on an annualized basis on the outstanding principal balance at the end of each month.

Loan Brokerage fee

Each Mortgage Fund may pay to the General Partner one-half of any loan origination fee collected from the borrower as a loan brokerage fee.

<sup>1</sup> Generally, the only loans currently being made are to facilitate the sale of Real Estate Owned for which no loan origination fees are charged by any related parties..

Dunham has one remaining solicitor agreement related to the referral of a client to the Mortgage Funds. This fee is .30% annually of the Account balance. No new solicitor agreements are contemplated at this time.

Dunham will not pay referral fees to third parties if the payment violates applicable Federal or State law or when prohibited by other regulation.

**The Dunham Funds**

As investment adviser for the Funds, Dunham receives an advisory fee that varies among the 12 funds included within the Funds which are disclosed under "Fees and Expenses of the Funds" in the

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

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**33-0118651**

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.

**The Dunham Asset Allocation Program**

In connection with the Asset Allocation Program, for adviser's clients who qualify and elect to pay a Performance-Based Fee, Dunham and the Adviser 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. As fees will be calculated monthly and charged quarterly, in arrears, an account may incur a fee for a given month during the quarter even though the account value at quarter-end may be below the account value at the beginning of the quarter. Dunham will provide detailed fee calculations on a quarterly basis. Clients should carefully review the fee calculation methodology described in the Program documents with their Adviser. This option is available only to account owners who meet the qualifications in Advisers Act Rule 205-3 for "qualified client" by being a person having a net worth, together with assets held jointly with a spouse, of more than \$1.5 million at the time this type of account is opened or for whom, after opening this account, total assets under management with Dunham will exceed \$750,000.

For clients who elect to pay an asset-based fee, Dunham will receive a program 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 asset-based fee shall be accrued daily and charged quarterly in arrears. The Adviser for the client may also charge an additional fee of up to 2.0% and retains 100% of that amount. Fees shall be pro-rated and charged upon termination. The asset allocation program is only for the Dunham Funds or certain non-proprietary funds which may be made available by Dunham & Associates.

**Employee Fee Rate Reduction**

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

**Investment Management Program**

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.

For Investment Management Program Accounts Only. Offered Through IARs of Dunham Who Are Employees of Dunham Trust.

Dunham may also manage assets on a separately managed, customized basis for either institutional or individual clients.

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

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Dunham & Associates Investment Counsel, Inc.**

SEC File Number:

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IRS Empl. Ident. No.:

**33-0118651**

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.

Dunham Risk Profiles: 1) Aggressive 2) Balanced 3) Conservative

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.

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 time. The fees charged are 1% or as negotiated.

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.

A.) Review of Accounts – 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.

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 by Investor Scorecard may be performed for each account quarterly or more frequently if requested.

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.

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.

Dunham Trust receives Custody and Portfolio Accounting Services Fees for clients electing services. Dunham receives 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 Fees and Dunham Fees.

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

Applicant:

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	<p>The minimum annual fee per relationship is \$3,000 annually unless approved by the management of Dunham Trust.</p> <p>Fees will generally be calculated monthly and collected in arrears quarterly. Values will be determined in good faith by Dunham Trust, using an outside pricing service, in accordance with customary methods, on the last business day of each month.</p> <p>Dunham, in turn, compensates Dunham Trust for its assistance in managing investments under a Professional Services Agreement.</p>	
<b>Item 2G</b>	As disclosed above, Dunham provides advice to three limited partnerships, the D&A Mortgage Funds, which are managed by an affiliate, Asset Managers, as the General Partner. Dunham also provides investment advisory services to its affiliate, Dunham Trust Company.	
<b>Item 3K(3)</b>	As disclosed above, Dunham provides advice to three limited partnerships, the D&A Mortgage Funds, which are managed by an affiliate, Asset Managers, Inc., as the General Partner. These partnerships invest primarily in loans secured by first and second trust deeds primarily on property in Southern California.	
<b>Item 3L</b>	<p>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.</p> <p>Dunham provides advice to three limited Partnerships, the D&amp;A Mortgage Funds managed by Asset Managers, an affiliate of Dunham and the General Partner. Asset Managers, Inc., through its employees, has the responsibility for underwriting, approving, servicing, and otherwise managing all aspects of the D&amp;A Mortgage Funds and their investments.</p>	
<b>Item 4.A. (5)</b>	Dunham, method of security analysis depends 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 to assist 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.	
<b>Item 4. B. (1,3,7,8)</b>	<p>The principal sources of information that Dunham may use are as follows:</p> <ol style="list-style-type: none"><li>1. Applied Finance Group Securities Analysis Systems</li><li>2. BCA Research</li><li>3. Style Advisor</li><li>4. Broker/Money Manager Independent Research</li><li>5. The Wall Street Journal</li><li>6. Investor's Business Daily</li><li>7. Fortune Magazine</li><li>8. Money Magazine</li></ol>	

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

Applicant: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>	SEC File Number: <b>801-25803</b>	Date: <b>07/30/2010</b>
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	<p>9. Cable Channel – CNBC</p> <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>	
<b>Item 5</b>	<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>	
<b>Item 6</b>	<p>The Investment Committee consists of Jeffrey Dunham, David Holmes, Scott Albright, and Ryan Dykmans.</p> <p>The principal executive officers of Dunham include the following individuals:</p> <p style="padding-left: 40px;">Jeffrey A. Dunham, President and CEO, Denise S. Iverson, Chief Financial Officer; Salvatore M. Capizzi, Chief Sales &amp; Marketing Officer, and Tamara B. Wendoll, Chief Operating Officer.</p> <p>JEFFREY A. DUNHAM, born 1961; San Diego State University, BA; Shareholder, Chairman, CEO, and President of Dunham &amp; Associates Holdings, Inc. from 1999 to present; Chairman, CEO and President Dunham &amp; Associates Investment Counsel, Inc. from 1985 to present; Chairman, CEO, and President of Asset Managers, Inc. from 1985 to present; Chairman, CEO, and President of and Director at Dunham &amp; Associates Securities, Inc. from 1986 to present; Shareholder, Chairman and CEO of Dunham Trust Company from 1999 to present; Trustee, Chairman, President and Principal Executive Officer of The Dunham Funds from 2008 to present.</p> <p>DENISE S. IVERSON, born 1959; CPA; San Diego State University, BS; CFO at Dunham &amp; Associates Investment Counsel, Inc. from 1999 to present; CFO at Dunham &amp; Associates Securities, Inc. from 1999 to present; CFO at Asset Managers, Inc. from 1999 to present; Shareholder and CFO at Dunham &amp; 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 (ending position) from 1987 to 1999 (served in various capacities); Treasurer and Principal Financial Officer for The Dunham Funds from 2008 to present.</p> <p>TAMARA B. WENDOLL, born 1971; University of California San Diego, BA, The Wharton School at University of Pennsylvania, MBA; Chief Operating Officer at Dunham &amp; Associates Investment Counsel, Inc. from 2008 until present; Asst. Secretary of the Dunham Funds from 2008 to present; Senior Executive Vice President, Marketing and Operations at Kelmoore Investment Company from 1999-2008; Secretary of Kelmoore Strategic Trust from 99-2008.</p> <p>SALVATORE M. CAPIZZI, born 1957; Baruch College (CUNY), BA; Chief Sales &amp; Marketing Officer at Dunham &amp; 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.</p> <p>Ryan J. Dykmans, born 1982; University of Redlands, BS – Accounting; Senior Investment Analyst at</p>	

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Dunham & Associates Investment Counsel, Inc.**

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**801-25803**

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>		IRS Empl. Ident. No.: <b>33-0118651</b>
	<p>Dunham &amp; Associates Investment Counsel, Inc. from 2004 to present.</p> <p>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.</p> <p>SCOTT ALBRIGHT, born: 1978; BS, Finance-Santa Clara University, Santa Clara, CA – 2001; Masters in Finance – University of Nevada, Reno, 2009; Business Vice President/Portfolio Manager at Adagio Trust Company from November 2004 to Present; Senior Analyst/Portfolio Manager Dunham Trust Company from January 2009 to Present.</p> <p>DAVID HOLMES, born 1955; BS, Accounting – Brigham Young University, Provo, Utah – 1980; MBA – Brigham Young University, Provo, Utah – 1990; President/CIO/Portfolio Manager at Adagio Trust Company from October 2000 to 2009 President/ CIO/Portfolio Manager at Adagio Capital Management, LLC from January 2003 to 2009 Chief Investment Officer, Dunham Trust Company from January 2009 – Present.</p>	
<b>Item 7 A-C</b>	<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.</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 advisor 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><b>Conflicts of Interest:</b></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 Funds.</p> <p>The General Partner and Dunham, as they share some of the same staff, devote only so much of their</p>	

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

Applicant:

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**801-25803**

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	<p>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).</p> <p>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.</p> <p>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.</p> <p>Investment Management Program Accounts - Individuals who are Registered Investment Adviser reps (IARs and Portfolio Managers) with Dunham may be Officers of Dunham Trust Company. The Portfolio Manager may utilize the Dunham Funds as an investment vehicle, resulting in a conflict of interest.</p> <p>Dunham &amp; 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.</p>	
<b>Items 8C (2,11, 12) and 8D</b>	<p>Dunham is the distributor for the Dunham Funds.</p> <p>Asset Managers acts as the General Partner for each of Dunham's affiliated Partnerships, of which there are currently 3 Dunham provides investment advice to these Partnerships. (See also Item 1 D and 7 A-C disclosures.)</p> <p>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 purpose of underwriting, funding, buying and selling trust deeds.</p>	
<b>Items 9B, D AND E</b>	<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 (no longer being offered as of April 2009) or financial advisor participating in the Asset Allocation Program prior to making the decision to invest. The Confidential Private Placement Offering Memorandum and the Funds'</p>	

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

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	<p>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 procedures and the Code are being adhered to;</p> <p>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).</p> <p>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.</p> <p><u>Investment Management Accounts</u></p> <p>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</p>	

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

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trades to its clientele, Dunham's Clients will always get equal or better prices than Dunham Members/Employees.

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

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<b>Item 10</b>	<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. <b><u>Currently, the Mortgage Funds are closed to new investors as of April 2009.</u></b></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. <b><u>(For Current clients only)</u></b></p> <p>The minimum initial investment in the Asset Allocation Program is \$50,000 for IRAs and \$100,000 for all other accounts.</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 time. The minimum initial investment for the IMP account is \$1 million. Management reserves the right to waive this requirement.</p>	
<b>Item 11 (A)</b>	<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 Advisor. 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>	
<b>Item 11(B)</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</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:

**07/30/2010**

(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: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>		IRS Empl. Ident. No.: <b>33-0118651</b>
	<p>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 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>	
<b>Item 12 A(1) AND (2)</b>	<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"> <li>quality of overall execution services provided by the broker/dealer</li> <li>Promptness of execution</li> <li>Liquidity of the market for the security in question</li> <li>Provision of dedicated telephone lines</li> <li>Creditworthiness, business reputation and reliability of the broker/dealer</li> <li>Research (if any) provided by the broker/dealer</li> <li>Ability and willingness to correct trade errors</li> <li>Ability to access various market centers, including the market where a security trades</li> <li>The broker/dealer's Facilities, including any software or hardware provided to the associated advisor</li> <li>Any specialized expertise a broker/dealer may have in executing trades for a particular type of security</li> <li>Commission rates</li> </ul> <p>Client referrals made by the broker/dealer to the Company</p> <p>Ability of a Broker/Dealer to use ECNs to gain liquidity, price improvement, lower commissions, and anonymity</p> <p>The broker/dealer's ability to provide for "step-out" transactions</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>	

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

Applicant:

**Dunham & Associates Investment Counsel, Inc.**

SEC File Number:  
**801-25803**

Date:  
**07/30/2010**

(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: <b>Dunham &amp; Associates Investment Counsel, Inc.</b>		IRS Empl. Ident. No.: <b>33-0118651</b>
<b>Item 12 B</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>	
<b>Item 13 A</b>	<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 Mortgage 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 Advisors 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>	
<b>Item 13 B</b>	<p><b>Referral Fees</b></p> <p>Dunham occasionally enters into written agreements with solicitors for the payment of referral fees 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.</p> <p>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.</p> <p>Dunham, as broker-dealer and distributor of the Mortgage Funds, 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.</p> <p>Dunham Trust enters into referral agreements with broker-dealers and/or registered investment</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:

**07/30/2010**

(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**

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.