



Firm Brochure

**Form ADV Part 2A
Item 1 — Cover Page**

Dunham & Associates Investment Counsel, Inc.

SEC File No. 801-25803

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This brochure provides information about the qualifications and business practices of Dunham & Associates Investment Counsel, Inc. If you have any questions about the contents of this brochure, please contact us at compliance@dunham.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Dunham & Associates Investment Counsel, Inc. is a registered adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Dunham & Associates Investment Counsel, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 — Material Changes

This brochure dated March 31, 2012 updates the annual update date March 31, 2011 to add the following items:

- Disclosure for a new wrap program.
- Plain English formatting revisions and more detailed disclosure for the current wrap program.

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Item 4 — Advisory Business

Founded in 1985, Dunham & Associates Investment Counsel, Inc. (“DAIC”) is a private wealth management firm, registered with the SEC as an investment adviser and broker-dealer. DAIC is wholly-owned by Dunham & Associates Holdings, Inc. (“Dunham Holdings”), which also owns Dunham Trust Company (“DTC”). The principal owner of Dunham Holdings is Jeffrey A. Dunham, Chief Executive Officer of DAIC.

DAIC offers four types of advisory services: mutual funds, wrap programs, private mortgage funds (“Private Funds”), and separately managed accounts (“SMAs”).

DAIC offers a proprietary family of sub-advised mutual funds (the “Dunham Funds”) that operate on performance-based advisory fees, commonly known as fulcrum fees. DAIC is the investment adviser to the Dunham Funds. DAIC selects sub-advisers based on its evaluation of their skills and investment results in managing assets for specific asset classes, investment styles and strategies. The investment objectives of the Dunham Funds range from capital preservation to total return. The Dunham Funds represent unique asset classes and are available individually or as part of wrap programs.

DAIC sponsors two wrap programs: (i) the Standard Asset Allocation Program (“Standard Program”); and (ii) the Custom Asset Allocation Program (“Custom Program”) (collectively, the “Wrap Programs”). DAIC selects the Dunham Funds, or other mutual funds that are offered in the Wrap Programs. DAIC also determines the allocations and sector weights of the core asset allocation models (“Core Allocations”) for the Wrap Programs. Clients choose from the Core Allocations and/or any combination of eligible Dunham Funds available in their selected Program, representing different asset classes. The Standard Program features six asset allocation models. The Custom Program allows clients to invest in any combination of the eligible Dunham Funds and/or Core Allocations. Clients may place reasonable restrictions, or make reasonable modifications to existing restrictions, regarding the management of their Wrap Program account.

DAIC also offers Private Funds. The Private Funds invest primarily in first or second deeds of trust secured by real estate.

Lastly, DAIC provides SMAs for high net worth individuals. DAIC serves as investment adviser to the SMAs and tailors its investment advice to each client based on the client’s investment profile/objectives. The SMAs may invest in individual securities and mutual funds, including Dunham Funds. Clients may place reasonable restrictions, or make reasonable modifications to existing restrictions, regarding the management of their SMAs.

As of December 31, 2011, DAIC had \$913,636,008 in discretionary assets under management and \$20,975,509 in nondiscretionary assets under management.

Item 5 — Fees and Compensation

Dunham Funds

As investment adviser to the Dunham Funds, DAIC receives investment advisory fees from the Funds. Also, as distributor of Dunham Fund shares, DAIC may receive compensation in connection with the sale of the Fund shares. Any fees that DAIC receives from the Dunham Funds or from investors in Dunham Funds, are disclosed in the Prospectuses of the Dunham Funds.

Wrap Program Fees

Detailed advisory and expense fee information about the Programs is available in the wrap fee program brochure. The wrap fee program brochure is provided with this brochure and is prepared specifically for prospective and current participants in the wrap fee programs.

Private Funds

An affiliate of DAIC serves as the general partner for the Private Funds. The Private Funds are only offered to institutional and individual “accredited investors,” as defined in Regulation D under the Securities Act of 1933. The advisory fee for the Private Funds varies depending on the investment strategy of the Private Fund and is based on an amount equal to 10% of all distributions made by the Private Funds to the investors.

The advisory fees and minimum investment amounts are described in the limited partnership agreement and/or offering documents for each Private Fund that is delivered to each potential investor before the investor makes an investment decision.

SMAs

For SMAs, DAIC’s actual advisory fees, minimum fees and minimum account sizes may be negotiated and may vary due to a variety of factors, including the particular circumstances of the client, specific investment strategies mandated by the client, account size, or as otherwise may be agreed with specific clients. As a result, DAIC may offer certain clients lower fees than other clients. DAIC’s advisory fees range from 0.25% to 1.50%.

The specific fees that DAIC charges an SMA client are set forth in the client’s written investment management agreement with DAIC. DAIC generally bills its advisory fees on a quarterly basis in arrears unless otherwise stated in the written management agreement with a client. Clients also may be billed directly for fees or authorize DAIC to directly debit fees from client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

DTC receives custody and portfolio accounting services fees for SMA clients electing such services. DAIC 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 DTC and DAIC fees as applicable. DAIC, in turn, compensates DTC for its assistance in managing investments under a professional services agreement.

Other Expenses Regarding Dunham Funds and SMAs

Dunham Funds. In addition to advisory fees, mutual fund clients may incur fees for 12b-1, custodian, administrative services, transfer agent, state registration, SEC registration, ICI membership, state and city taxes, audit, printing, mailing, legal, compliance, as well as director's expenses.

Private Funds. In addition to advisory fees, the Private Funds will typically incur fees for administration, loan servicing, brokerage, computer, legal, accounting, audit expense, tax preparation expense, organizational expense, insurance expense, and annual licensing and registration fees and taxes. If the private investment vehicle permits borrowing or other leverage, there may be interest expense and fees for credit. The Private Fund offering documents describe these fees and expenses in greater detail.

SMAs. Clients will typically pay fees to their custodian in addition to advisory fees. Depending on the strategy in which the account invests, the account may incur brokerage fees for most equity trading, and the effect of the difference with respect to the bid/ask spread for trading in fixed income investments. If the strategy for the account involves derivatives, the account may be required to make payments under the derivatives to counterparties.

Solicitor Agreement

DAIC has one remaining solicitor agreement related to the referral of clients to the Private Funds. This fee is .30% annually of the accounts' balance, paid quarterly. No new solicitor agreements are contemplated at this time. DAIC will not pay referral fees to third parties if the payment violates applicable federal or state law or when prohibited by other regulation.

Item 6 — Performance-Based Fees and Side-By-Side Management

DAIC offers a performance-based fee structure in its Custom Program. Detailed information about this fee structure is available in the wrap fee program brochure. The wrap fee program brochure is provided with this brochure.

Item 7 —Types of Clients

Types of Clients

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

- Registered investment companies, primarily Dunham Funds;
- Investors utilizing the Wrap Programs;
- Investors utilizing the SMAs;
- DTC and/or clients of DTC; and
- Private Funds.

Account Requirements

Dunham Funds

The Dunham Funds require the stated minimum account sizes to open and maintain an account:

<i>Account Requirements</i>	<i>Class A Shares</i>	<i>Class C Shares</i>	<i>Class N Shares</i>
Tax-Deferred Accounts	\$ 2,000	\$ 2,000	\$ 50,000
Regular Accounts (Taxable)	\$ 5,000	\$ 5,000	\$ 100,000

These minimums may be waived at the discretion of DAIC.

Wrap Programs

The Wrap Programs require the stated minimum account sizes to open and maintain an account:

<i>Account Requirements</i>	<i>Standard Program</i>	<i>Custom Program</i>
Qualified (Retirement) Account Minimum	\$ 5,000	\$ 50,000
Non-Qualified Account Minimum	\$ 10,000	\$100,000

These minimums may be waived at the discretion of DAIC, the Wrap Program sponsor.

Private Funds

The minimum investment amounts are described in the limited partnership agreement and/or offering documents for each Private Fund that is delivered to each potential investor before the investor makes an investment decision.

SMAs

The SMAs require the stated minimum account sizes to open and maintain an account:

<i>Account Requirements</i>	<i>SMAs</i>
Qualified (Retirement) Account Minimum	\$ 500,000
Non-Qualified Account Minimum	\$1,000,000

These minimums may be waived at the discretion of DAIC.

Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss

General

Diversification via asset allocation remains at the forefront of DAIC's investment strategies. DAIC's asset allocation process seeks to optimize returns by allocating funds among different asset classes given various levels of risk tolerance. The investment process relies upon analysis of global, fundamental macroeconomic data (central bank decision-making, fixed income credit spreads, industrial output, etc.) and asset class risk-frontier research. The theory behind asset allocation is that diversification among asset classes can help reduce volatility over the long-term.

DAIC believes that investment decisions should be made in light of the longer-term scope of a full market cycle, often 3 to 5 years. DAIC's investment committee primarily decides the quarterly rebalancing of asset class-based strategic allocations, while the day-to-day investment decision-making within each mutual fund is left at the discretion of the sub-advisers.

Dunham Funds

For descriptions of the strategies, methods of analysis, and risks of loss of any of the Dunham Funds or other mutual funds DAIC sub-advises, please refer to the respective Prospectus or Statement of Additional Information.

Wrap Programs

For descriptions of the strategies, methods of analysis, and risks of loss of the Wrap Programs, please refer to the wrap fee program brochure. The wrap fee program brochure is provided with this brochure.

Private Funds

For descriptions of the strategies, methods of analysis, and risks of loss of the Private Funds, please refer to the offering memorandum or other offering documents.

SMAs

The following are general descriptions of current SMA investment strategies and their associated principal risks:

Dividend Growth Philosophy. The Dividend Growth Strategy is based on the premise that superior total returns can be achieved through a disciplined process of buying undervalued dividend paying large cap stocks that have a history of strong dividend growth and that are currently very attractively priced relative to their economic fundamentals.

You should be aware that there are certain material risks associated with investing in the strategy noted above. These risks include (without limitation):

Market Risk. The prices of the securities are subject to the risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value. Overall securities values could decline generally or could underperform other investments. An investment may lose money.

Growth Style Investing Risk. The prices of growth securities are often more sensitive to market fluctuations because of their heavy dependence on future earnings expectations, and can be more volatile than the market in general.

Large Cap Stock Risk. By investing primarily in large cap stocks, the strategy may be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of large cap issuers may change as large cap investing style goes in and out of favor depending on a variety of political, regulatory, market, or economic developments.

International ADR Philosophy. The International ADR Strategy is based on the premise that superior total returns can be achieved through a disciplined process of buying the stock of undervalued international companies registered as American Depositary Receipts (ADRs) on American exchanges that provide investors with exposure to leading businesses outside of the U.S. and that are currently very attractively priced relative to their economic fundamentals.

You should be aware that there are certain material risks associated with investing in the strategy noted above. These risks include (without limitation):

Market Risk. The prices of the securities are subject to the risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value. Overall securities values could decline generally or could underperform other investments. An investment may lose money.

Currency Risk. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from investments denominated in a foreign currency or may widen existing losses. Exchange rate movements are volatile and it may not be possible to effectively hedge the currency risks of many countries.

Derivatives Risk. Financial derivatives, such as forward contracts, may not produce the desired investment results because they are not perfect substitutes for the underlying securities, indices or currencies from which they are derived. Derivatives may also create leverage, which may produce significant losses.

Emerging Markets Risks. Emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems which do not protect securities holders. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Foreign Investing. Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments.

Liquidity Risk. Some securities may have few market-makers and low trading volume, which tend to increase transaction costs and may make it impossible to dispose of a security position at all or at a price which represents current or fair market value.

Gold Philosophy. The Gold Strategy is based on the premise that higher total returns can be achieved through a disciplined process of buying undervalued gold stocks that add value to the total portfolio. Gold trades inversely to the U.S. dollar, making it a useful hedge in times of dollar depreciation. In addition, gold and gold stocks are not typically correlated to either the stock or bond market. Finally, DAIC believes that gold can be viewed as an “alternative” asset class.

You should be aware that there are certain material risks associated with investing in the strategy noted above. These risks include (without limitation):

Market Risk. The prices of the securities are subject to the risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value. Overall securities values could decline generally or could underperform other investments. An investment may lose money.

Risk of Investing in the Gold Mining Industry. By investing primarily in stocks and ADRs of companies that are involved in the gold mining industry, the strategy is subject to certain risks associated with such companies. Competitive pressures may have a significant effect on the financial condition of such companies in the gold mining industry. Also, gold mining companies are highly dependent on the price of gold bullion. These prices may fluctuate substantially over short periods of time. In times of significant inflation or great economic uncertainty, gold and other precious metals may outperform traditional investments such as bonds and stocks. However, in times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the value of gold and other precious metals may be adversely affected.

Foreign Investing. Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments.

Concentration Risk. By concentrating assets in the gold mining industry, the strategy is subject to the risk that economic, political or other conditions that have a negative effect on that industry will negatively impact the strategy to a greater extent than if the assets were invested in a wider variety of industries.

Master-Limited Partnership (“MLP”) Philosophy. The MLP Philosophy is based on the premise that superior returns can be achieved through a portfolio of high yielding MLPs that provide a cushion in falling markets and reduces volatility. MLPs typically have low correlation to U.S. and international equity markets while producing superior returns to both market benchmarks. Compounding of income significantly contributes to the total return and wealth enhancement over time. MLP distributions are extremely tax efficient as almost 100% or more of cash flows are sheltered by depreciation.

You should be aware that there are certain material risks associated with investing in the strategy noted above. These risks include (without limitation):

Market Risk. The prices of the securities are subject to the risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value. Overall securities values could decline generally or could underperform other investments. An investment may lose money.

Industry Specific Risks. Energy infrastructure companies are subject to risks specific to the industry they serve including, but not limited to, the following: (i) reduced volumes of natural gas or other energy commodities available for transporting, processing or storing; (ii) new construction risks and acquisition risk which can limit growth potential; (iii) a sustained reduced demand for crude oil, natural gas and refined petroleum products resulting from a recession or an increase in market price or higher taxes; (iv) changes in the regulatory environment; (v) extreme weather; (vi) rising interest rates which could result in a higher cost of capital and drive investors into other investment opportunities; and (vii) threats of attack by terrorists.

MLP Risk. Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP’s general partner, and cash flow risks.

MLP Tax Risk. MLPs do not pay U.S. federal income tax at the partnership level. Rather, each partner is allocated a share of the partnership’s income, gains, losses, deductions and expenses. A change in current tax law, or a change in the underlying business mix of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned

were treated as corporations for U.S. federal income tax purposes, it could result in a reduction in the value of the investment and lower income.

Liquidity Risk. Although common units of MLPs trade on the NYSE, the NASDAQ, and AMEX, certain MLP securities may trade less frequently than those of larger companies due to their smaller capitalizations. In the event certain MLP securities experience limited trading volumes, the prices of such MLPs may display abrupt or erratic movements at times. Additionally, it may be more difficult to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices.

Item 9 — Disciplinary Information

In 2006, Dunham & Associates Holdings, Inc. (“Dunham Holdings”), DAIC, DTC, Jeffrey A. Dunham, Dunham & Associates Securities, Inc., and Asset Managers, Inc. (“AMI”), entered into a settlement order with the SEC. The SEC found that respondents publicly offered and sold investments in a common trust fund without registration of such investments under the Securities Act and without registration of such fund under the Investment Company Act. Respondents settled the case without admitting or denying the SEC’s findings. *In the Matter of Dunham Associates Holdings, Inc., et al.*, SEC Admin. Proceeding File No. 3-12427 (Sept. 22, 2006).

Item 10 — Other Financial Industry Activities and Affiliations

DAIC is a dually registered broker-dealer and investment adviser. DAIC is a wholly-owned subsidiary of parent Dunham Holdings and an affiliate of DTC and AMI. Jeffrey Dunham is an officer, director, and principal shareholder of Dunham Holdings. As a registered representative, Mr. Dunham does not receive directly sales commissions from sales of the Dunham Funds, however, DAIC may as disclosed in this brochure.

DTC is a privately held trust company licensed by the Nevada Department of Business & Industry, Financial Institutions Division. DAIC provides investment advisory services to DTC and to its clients. DTC serves as custodian for certain DAIC clients.

AMI is the general partner of the Private Funds. DAIC serves as investment adviser to and distributor for the Private Funds.

Historically, Dunham Holdings periodically borrowed funds in private transactions from certain individuals who may also be clients of DAIC. These notes are promissory notes issued by Dunham Holdings. These notes may create a conflict of interest if Mr. Dunham’s relationship with the parent company and all entities is not disclosed or known as Mr. Dunham may be an indirect beneficiary of the loans. Dunham Holdings and its affiliates address these potential conflicts by providing adequate disclosures, financial and other information to clients at the time of the loan. The terms of the notes as well as any potential conflicts will be reviewed by the chief compliance officer of DAIC.

Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

DAIC takes issues of regulatory compliance, fiduciary responsibility and public trust seriously. DAIC seeks the highest standards of ethics and conduct in all of its business relationships. DAIC's Code of Ethics ("Code") seeks to deter wrongdoing and (1) promote compliance with applicable governmental laws, rules and regulations, (2) provide standards of honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest, (3) require all access persons to promptly report for review, personal transactions and holdings, (4) facilitate prompt internal reporting of violations of this Code, and (5) providing accountability for adherence to this Code. DAIC will provide a copy of its full Code to any client or prospective client upon request.

No employee or registered personnel of DAIC or its affiliates shall take action with regard to securities for themselves, DAIC, or any client account unless they are certain that the information in their possession is available to the investing public.

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 DAIC may recommend to clients the discretionary purchase or sale of securities in which DAIC's employees may have a beneficial interest. The Code includes preclearance of personal trades, blackout restrictions, and reporting requirements.

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 DAIC access persons must certify annually their acknowledgment of and adherence to the Code and DAIC's policy on insider trading.

Item 12 — Brokerage Practices

Dunham Funds and Wrap Programs

This item is generally not applicable to the Dunham Funds or the Wrap Programs. As DAIC utilizes a manager-of-managers asset allocation process, it does not directly decide the selection of securities or cash within a given mutual fund. Rather, it utilizes the expertise of each Fund's sub-adviser, with each being uniquely knowledgeable in its respective asset class. DAIC monitors each sub-adviser's investment process and results and may replace a sub-adviser should it find extended style drift or lacking performance (relative to both peers and the applicable benchmark). However, sub-advisers are required to submit quarterly reports respecting commissions on portfolio transactions, soft dollar arrangements and best execution procedures to ensure that they are executing trades in a timely and cost effective manner.

SMAs

When DAIC selects or recommends a broker-dealer for transactions, DAIC considers a number of factors regarding the broker-dealer and the reasonableness of its compensation. The factors DAIC considers in selecting a broker-dealer and determining the reasonableness of its compensation include:

- Security price and spreads;
- Commission rates, if applicable;
- Size of the order;
- Nature and extent of services and frequency of coverage;
- Integrity, reputation, financial responsibility and stability;
- Market knowledge and ability to understand trading characteristics of the security and overall performance;
- Ability to execute in desired volume and to act on a confidential basis;
- Willingness to commit capital;
- Access to underwritten offerings and secondary markets;
- Operational efficiency and facilities made available including trading networks, access to multiple brokers and markets, and significant resources for positioning as principals; and
- Nature and extent of research services (*i.e.*, soft dollars).

For clients that invest through the SMAs, the wrap fee charged by the sponsor firm covers trade and execution services. As a result, DAIC and the client typically request that transactions for clients' accounts be executed by the sponsor of the wrap fee program (or its affiliate) or a broker-dealer designated by the sponsor firm.

Item 13 — Review of Accounts

General

DAIC reviews client accounts on a periodic basis. Reviewers include members of the portfolio management team, authorized persons, the Investment Committee, and/or the compliance department.

Dunham Funds

The Board of Trustees of Dunham Funds receive regular reports in addition to the information included in the annual and semi-annual shareholder reports.

Wrap Programs

For the Wrap Programs, clients receive monthly and/or quarterly account statements which include current valuation of assets. Clients may request special reports (*i.e.*, performance reviews) to be delivered on a regular basis or as needed.

Private Funds

The general partner may communicate via periodic written reports or webinars with investors in the Private Funds. The reports describe the activities and provide information about the investments of these funds. In addition, annual reports containing the audited financial statements are prepared and distributed to the investors for the Private Funds.

SMA's

Clients receive quarterly reports. These reports typically contain the total return for each account held by the client which is calculated on the basis of net asset value plus dividend and interest income, and in cases where required by clients, comparisons to appropriate benchmark indices.

Item 14 — Client Referrals and Other Compensation

DAIC may pay a non-affiliated third party (“Solicitor”) a fee or compensation for referral of a client. The Solicitor is required to provide prospective clients with a current copy of DAIC’s brochure and the Solicitor’s written disclosure statement. The Solicitor’s statement will disclose the particulars of the referral relationship and the compensation DAIC will pay to the Solicitor.

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

Item 15 — Custody

Dunham Funds

The assets of the Dunham Funds are custodied at US Bank, N. A.

Wrap Programs

For the Standard Program, the Dunham Funds’ transfer agent, Gemini Fund Services LLC, serves as the custodian for Funds’ shares held in a client account. For the Custom Program, DTC serves as custodian of account assets. Clients shall be responsible for paying any additional (non-Program) fees or charges of the custodian, including transaction fees, IRA custodial fees and trading costs, if applicable. Clients will receive, at least quarterly, statements from the client selected, non-affiliated broker-dealer or financial institution custodian or DTC, as applicable.

Private Funds

Because an affiliate serves as general partner of the Private Funds, DAIC is deemed to have “custody” of the Private Funds within the meaning of Rule 206(4)-2 under the Advisers Act. For these Private Funds, DAIC provides each investor in the Private Fund with audited financial statements that comply with U.S. generally accepted accounting practices within 120 days following the Private Fund’s fiscal year end.

SMA's

DTC serves as custodian of account assets. Clients shall be responsible for paying any additional fees or charges of the custodian, including transaction fees, IRA custodial fees and trading costs, if applicable. Clients will receive quarterly statements from DTC.

Item 16 — Investment Discretion

DAIC usually receives discretionary authority from the client pursuant to an investment advisory agreement at the outset of the advisory relationship. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Item 17 — Voting Client Securities

DAIC will accept proxy voting authority from our clients, and follow its Proxy Voting Policy, which is summarized below. If DAIC has accepted proxy voting authority from the client, DAIC does not provide the client the option to direct a proxy vote with respect to a particular solicitation. DAIC does, however, agree with some clients to use their general proxy voting guidelines when voting proxies on their behalf.

Some of DAIC's clients do not give DAIC the authority to vote proxies on their behalf, choosing to vote proxies themselves. Those clients will likely receive proxy solicitations from a custodian and transfer agent, and not through DAIC.

DAIC has adopted a Proxy Voting Policy. This Policy is designed to ensure that all proxies are voted in the best interest of clients without regard to DAIC's interests or the interests of its affiliates.

To assist DAIC in researching and voting proxies, DAIC has engaged ProxyEdge which is a third party proxy service provider. Where a client has contractually delegated proxy voting authority to DAIC, DAIC votes proxies in accordance with management unless a conflict of interests exists or an issue of unusual circumstance is raised with a proxy. In these circumstances, the proxy will be presented to the Investment Portfolio Manager and/or Investment Committee for instruction.

All clients may obtain a copy of DAIC's Proxy Voting Policy by contacting Kurt Nuñez, Chief Compliance Officer at 858-964-0500 ext. 201.

Item 18 — Financial Information

DAIC does not require the prepayment of fees six months or more in advance.

DAIC has never been the subject of a bankruptcy petition and there is no condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Item 19 — Requirements for State-Registered Advisers

Not applicable.

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