



Dunham & Associates Investment Counsel, Inc.
P.O. Box 910309
San Diego, CA 92191



CUSTODIAN

Period: 07/01/2010 to 09/30/2010

Account: IO9999-01

Prepared on: 10/13/2010

ASSET ALLOCATION PERFORMANCE FEE NOTICE

THIS IS A NOTIFICATION OF YOUR QUARTERLY ADVISORY FEE. THIS FEE MAY BE PAID IN ONE OF THREE WAYS (1) YOU MAY MAIL A CHECK PAYABLE TO "DAIC" TO THE ADDRESS THAT APPEARS AT THE TOP OF THIS NOTICE. PLEASE INCLUDE YOUR ACCOUNT NUMBER, (2) YOU MAY PAY THIS FEE FROM YOUR BANK ACCOUNT OR ANOTHER ACCOUNT YOU HAVE WITH DUNHAM & ASSOCIATES BY INFORMING YOUR FINANCIAL ADVISOR OR INFORMING DUNHAM DIRECTLY AT CLIENTSERVICES@DUNHAM.COM, (3) YOU MAY DO NOTHING AND THE FEE WILL AUTOMATICALLY BE DEDUCTED FROM YOUR ACCOUNT IN THE FOLLOWING MANNER:

This notice is to communicate the total amount and calculation of the fee for your Asset Allocation Program account (Account) for the most recently completed calendar quarter (or portion thereof if the account was opened or closed during the quarter). The calculation has been performed in accordance with Section 7 of your Client Asset Allocation Agreement. As stated in Section 7(a), unless otherwise specified by Client in writing, the Advisory Fee shall be paid first by debiting the Fee from the Target Cash Balance, if any; then by redeeming Fund shares on a dynamic basis; and lastly, from any available Fund shares in the account. The Advisory Fee shown below shall be deducted from your Account approximately ten calendar days from the date of this notification unless you respond, in writing, to the above address and refute the calculation.

Date	Description	Net Activity (1)	Change HWM	HWM	Account Value	Increase (2)	Fee
06/30/2010	Prior Balance			\$162,737.97		\$0.00	\$0.00
07/02/2010	Net Withdrawal	\$-5,000.00	\$-4,998.99	\$157,738.98		\$1.01	\$0.10
07/31/2010	Month-end Calculation			\$157,738.98	\$160,454.83	\$2,715.85	\$271.59
07/31/2010	New HWM		\$2,715.85	\$160,454.83		\$0.00	\$0.00
08/04/2010	Net Withdrawal	\$-5,000.00	\$-4,988.81	\$155,466.02		\$11.19	\$1.12
08/09/2010	Net Contribution	\$200,000.00	\$200,000.00	\$355,466.02		\$0.00	\$0.00
08/31/2010	Month-end Calculation			\$355,466.02	\$358,139.50	\$2,673.48	\$267.35
08/31/2010	New HWM		\$2,673.48	\$358,139.50		\$0.00	\$0.00
09/03/2010	Net Withdrawal	\$-5,000.00	\$-5,006.53	\$353,132.97		\$0.00	\$0.00
09/30/2010	Month-end Calculation			\$353,132.97	\$356,967.22	\$3,834.25	\$383.42
09/30/2010	New HWM		\$3,834.25	\$356,967.22		\$0.00	\$0.00

(1) Net Activity = Contributions less Withdrawals, net by date

(2) If Account Value is less than current High Water Mark (HWM), increase will be 0

\$923.58

The performance-based fee is equal to 10% of the net increase in the value of the Account, calculated monthly and charged quarterly. The initial investment or Account value constitutes the first "highwater" mark (HWM). This is increased during a month for additional investments and reduced pro-rata for any redemptions. A fee will be calculated on any redemptions if the net amount redeemed is greater than the pro-rata HWM adjustment. If the Account value at the end of a month is higher than the highwater mark at the beginning of the month as adjusted, a performance fee is charged and a new highwater mark is established. An Account may be charged a performance fee for a given month during a quarter even though the Account may subsequently decline below the highwater mark established at the end of the month giving rise to the performance fee.

Form ADV Part II Offering - Dunham & Associates Investment Counsel, Inc. will provide, on request, the current Disclosure Brochure, Part II, of Form ADV. You can request a copy of the form by contacting us at (800) 442-4358 or by emailing your request to clientservices@dunham.com