



**FOR IMMEDIATE RELEASE**

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**DUNHAM & ASSOCIATES INVESTMENT COUNSEL, INC.  
ANNOUNCES PLANS TO MERGE KELMOORE STRATEGY® FUNDS INTO  
THE DUNHAM FUND FAMILY**

**SAN DIEGO, CA – May 20, 2008** – Dunham & Associates Investment Counsel, Inc. (DAIC), one of the pioneers in performance-based fee investing, today announced that it has entered into a definitive agreement with Kelmoore Investment Company, Inc., approving plans to merge the Kelmoore Strategy Funds into what will be a newly-formed Dunham Fund. The Kelmoore Strategy Funds consist of the Strategy Fund, the Eagle Fund and the Liberty Fund, and have total net assets of approximately \$125 million as of March 31, 2008.

Subject to the approval of Kelmoore Strategic Trust's (KST) shareholders, Kelmoore Investment Company has also recommended that DAIC be hired as investment adviser to the funds with the intention of merging the funds into the Dunham Fund family.

"Dunham's performance-based fees, which compensate each sub-adviser based on their ability to outperform their benchmark, present an ideal opportunity for Kelmoore to transition its mutual fund franchise to the Dunham family of funds," said founder and CEO Jeffrey A. Dunham. "We believe the merger will also further increase the attractiveness and the strength of the Dunham Fund line-up."

Launched in 2004, the Dunham Funds consist of 10 sub-advised mutual funds all employing a performance-based fee structure, and have approximately \$483 million in net assets as of March 31, 2008. The funds are available individually, as part of a turnkey asset allocation program and through qualified retirement plans.

Ralph Kelmon, chairman and CEO of Kelmoore Investment Company stated, "I've known Jeffrey Dunham for close to 13 years, and he is a true visionary in the field of money management. Given their customer-focused culture, unique and diverse investment offerings and continued growth, we believe that Dunham & Associates is an excellent home for our Funds. Most importantly, we also believe this proposed merger will be a perfect fit for our valued shareholders whom we have been privileged to serve over the years."

**About Us**

Founded in 1985, Dunham & Associates Investment Counsel, Inc. (DAIC) is a Registered Investment Adviser and Broker/Dealer. DAIC offers mutual funds in which Sub-Advisers' compensation is tied to performance as measured against an established benchmark. DAIC's public funds, launched in December 2004, have approximately \$483 million in assets as of this release. DAIC has specialized in providing investment programs for institutions, foundations and high-net-worth individuals for over two decades. DAIC has assets under management of approximately \$700 million and, together with its affiliates, has over \$1 billion in total assets under administration as of the date of this release. For more information about Dunham & Associates Investment Counsel, Inc. and its products and services, visit [www.dunham.com](http://www.dunham.com) or call (800) 442-4358.

*Carefully consider the funds' investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund prospectus, which may be obtained by calling us at (800) 442-4358. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.*

*Some Sub-Advisers receive a minimum fee regardless of performance and whether that benchmark is met or not.*

Dunham & Associates Investment Counsel, Inc. serves as adviser and distributor of the Dunham Funds, and as such, receives a separate fee.

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