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Name of Investment Adviser: Davidson Investment Advisors, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
8 Third Street North	Great Falls	MT	59401	406 727-6111

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

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
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

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 instruction below.)

Applicant:

<input checked="" type="checkbox"/> (1) Provides investment supervisory services	100 %
<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 client may use to evaluate securities	_____ %
<input 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 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 type="checkbox"/> A. Individuals	<input type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input type="checkbox"/> D. Pension and profit sharing plans	

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

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

- | | |
|---|---|
| <p>A. Equity securities</p> <p><input type="radio"/> (1) exchange-listed securities</p> <p><input type="radio"/> (2) securities traded over-the-counter</p> <p><input type="radio"/> (3) foreign issuers</p> <p><input type="radio"/> B. Warrants</p> <p><input type="radio"/> C. Corporate debt securities
(other than commercial paper)</p> <p><input type="radio"/> D. Commercial paper</p> <p><input type="radio"/> E. Certificates of deposit</p> <p><input type="radio"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="radio"/> (1) variable life insurance</p> <p><input type="radio"/> (2) variable annuities</p> <p><input type="radio"/> (3) mutual fund shares</p> | <p><input type="radio"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="radio"/> (1) securities</p> <p><input type="radio"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="radio"/> (1) tangibles</p> <p><input type="radio"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="radio"/> (1) real estate</p> <p><input type="radio"/> (2) oil and gas interests</p> <p><input type="radio"/> (3) other (explain on Schedule F)</p> <p><input type="radio"/> L. Other (explain on Schedule F)</p> |
|---|---|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---------------------------------------|---|
| <input type="radio"/> (1) Charting | <input type="radio"/> (4) Cyclical |
| <input type="radio"/> (2) Fundamental | <input type="radio"/> (5) Other (explain on Schedule F) |
| <input type="radio"/> (3) Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| <input type="radio"/> (1) Financial newspapers and magazines | <input type="radio"/> (5) Timing services |
| <input type="radio"/> (2) Inspections of corporate activities | <input type="radio"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) Research materials prepared by others | <input type="radio"/> (7) Company press releases |
| <input type="radio"/> (4) Corporate rating services | <input type="radio"/> (8) Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| <input type="radio"/> (1) Long term purchases (securities held at least a year) | <input type="radio"/> (5) Margin transactions |
| <input type="radio"/> (2) Short term purchases (securities sold within a year) | <input type="radio"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) Trading (securities sold within 30 days) | <input type="radio"/> (7) Other (explain on Schedule F) |
| <input type="radio"/> (4) Short sales | |

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

Applicant:
Davidson Investment Advisors, Inc.

SEC File Number:
801- 10883

Date:
04/10/2010

5. Education and Business Standards.

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

(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 checked="" type="radio"/> (1) broker-dealer	<input type="radio"/> (7) accounting firm
<input checked="" type="radio"/> (2) investment company	<input type="radio"/> (8) law firm
<input checked="" type="radio"/> (3) other investment adviser	<input checked="" type="radio"/> (9) insurance company or agency
<input type="radio"/> (4) financial planning firm	<input checked="" type="radio"/> (10) pension consultant
<input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="radio"/> (11) real estate broker or dealer
<input checked="" type="radio"/> (6) banking or thrift institution	<input type="radio"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

(If yes, describe on Schedule F the partnerships and what they invest in.)

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

Applicant:
Davidson Investment Advisors, Inc.

SEC File Number:
801- 10883

Date:
04/10/2010

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.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

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 triggers 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.
Davidson Investment Advisors' accounts are contained within several investment strategies (See Schedule F, Item 1D for a complete description of the strategies). Accounts are continuously monitored by numerous DIA associates including analysts, administrators and portfolio managers. Clients' assets are invested based upon each client's individual investment objectives. The composition within each investment strategy is substantially the same for each client invested in that strategy. The allocation of securities and the allocation percentages in clients' accounts may differ slightly within each investment strategy for various reasons such as ethical or social investment guidelines. As a result, portfolio managers may manage 50-900 client accounts. In addition to DIA associates continuously monitoring accounts, DIA utilizes an Investment Committee that meets on a regular basis to discuss DIA's investment strategies. The President and Investment Committee assess portfolio performance and structure and overall firm performance on a quarterly basis. Investment Committee members and biographical information is listed in Schedule F, Item 6.
- B. Describe below the nature and frequency of regular reports to clients on their accounts.
DIA furnishes performance reports to clients on a quarterly basis. The quarterly report includes a performance summary page, a portfolio appraisal and a notification of fees statement. DIA will provide additional information upon request.

12. Investment or Brokerage Discretion.

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

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

B. Does applicant or a related person suggest brokers to clients? Yes No

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 commission 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 products 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="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(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 (unless applicant is registered or registering only with the Securities and Exchange Commission); 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

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

Item 1D

Davidson Investment Advisors, Inc. (hereinafter referred to as "DIA"), is a federally registered investment advisor headquartered in Great Falls, Montana. DIA provides investment advisory services to an array of clients including individuals, banks, pension and profit sharing plans, investment companies, trusts, estates, foundations and corporations. It is a wholly-owned subsidiary of Davidson Companies, a financial services holding company.

DIA offers two types of advisory accounts: Traditional Accounts, in which the client is assessed annual management fees payable quarterly to DIA, in addition to commissions for transactions; and Comprehensive Fee Accounts in which the client pays a comprehensive, annual fee for investment management, brokerage, administrative and custodial services. Several existing clients utilize the Comprehensive Fee Accounts Agreement for historical reasons such as prior existing relationships; however, new clients will utilize the Traditional Account option. A complete description of the Comprehensive Fee Accounts is described in Schedule H for wrap fee paying clients. Following is the fee schedule for Traditional Accounts:

TRADITIONAL ACCOUNTS

Portfolio Value	Standard Annual Fee	
	Equity/Balanced	Fixed Income
First \$5,000,000	1.00% (plus commissions)	0.50% (plus commissions)
Next \$5,000,000	0.875% "	0.44% "
Greater than \$10,000,000	0.75% "	0.375% "

Fee arrangements may be negotiable. Fees are payable in advance, on the first day of the quarter, based on the account market value on the last day of the preceding quarter. The client may terminate the account at any time with 10-day written notice to DIA. The client incurs no penalty for closing an account. On termination, DIA refunds a portion of prepaid fees on a *pro rata* basis.

NOTE: The Traditional Account fee includes retirement account fees, trust fees, exchange fees, transfer fees or other special service fees and charges. These additional costs will be charged to the client's account. When DIA uses an unaffiliated broker, or the client directs DIA to use a broker other than D.A. Davidson & Co., the client may be charged commissions, markups or markdowns in addition to the Traditional Account fees. Unaffiliated brokers are used in an effort to achieve best execution.

DIA participates in a wrap fee program sponsored by its affiliate; D.A. Davidson & Co. DIA offers its discretionary investment adviser services as a sub-adviser through the D.A. Davidson & Co. Managed Assets Program, Separate Account Management ("SAM"). Fee schedules and other material information is disclosed in the sponsor's Schedule H wrap fee disclosure brochure. DIA also participates in several other wrap fee programs sponsored by Fidelity, Envestnet Asset Management, Fundquest, Schwab, Equitas Capital Advisers, Wedbush Morgan Securities, and Merrill Lynch. Fee schedules and other material information is disclosed in the sponsor's Schedule H.

Davidson Investment Advisors serves as the investment adviser to the Davidson Multi-Cap Core Fund ("Fund"), a series of the Adviser Series Trust ("Trust"), which is registered under the Investment Company Act of 1940 as an open-end management investment company. U.S. Bancorp Fund Services, LLC acts as the Fund's administrator and provides fund accounting and transfer agency services.

Davidson Investment Advisors receives investment advisory fees of 0.65% and shareholder servicing fees of 0.25% annually based on net assets under management. The annual fund operating expense ratio, which includes both Davidson Investment Advisors' investment advisory fee and the shareholder servicing fee, is capped at 1.15%. Investors are invited to visit our website at www.davidsonmutualfunds.com and read the Fund's prospectus for more information.

At the close of the most recent fiscal year, DIA had a few accounts over which it had no or limited investment discretion. For those, the firm provides all regular advisory services, with the exception that transactions are made only with prior client approval.

Effective March 31, 2010, the Multi-Cap Core composite was renamed Multi-Cap Equity, the Small/Mid composite was renamed Small/Mid Equity, the Core Fixed Income composite was renamed Intermediate Fixed Income. It was determined by management that the new name more appropriately represents the composite strategy.

IA Investment Strategies:

Large Cap Growth Strategy

DIA's Large Cap Growth Strategy is focused on providing superior capital appreciation utilizing larger companies with the ability to provide sustainable, above-average earnings growth. The strategy is managed to own the few leading companies that are consistently able to deliver above-average growth rates.

The strategy employs a disciplined investment methodology based on a bottom-up fundamental approach with an emphasis on quality businesses. This proprietary methodology begins with screens to identify companies with above-average sales and earnings growth. For a company to move from the strategy's initial watch list into serious consideration for the portfolio, it must demonstrate the following criteria:

- Significant competitive advantages
- Leadership position in a promising business space
- Clear mission and a value-added focus
- Financial strength

The portfolio of 25 to 35 companies evolves gradually. This buy-and-own philosophy results in low turnover, low transaction costs and lower taxes (where applicable). It allows investors to capture the benefits of a business executing its long-term strategic plan, which can lead to substantial wealth creation over time. A stock will be sold if it is determined that sustainable, above-average earnings growth is no longer possible. Typically, a company will also be sold if it becomes overvalued or if another prospective holding has better future potential.

It should be understood that this strategy might have large weightings in areas of the market prone to increased volatility. In addition, companies that exhibit the favorable characteristics noted above are generally pricier than businesses that are not yet as finely tuned, which can result in increased price volatility. Therefore, investors are cautioned to carefully evaluate their risk tolerance relative to the level of assets placed with the Large Cap Growth Strategy.

Small/Mid Equity Strategy

DIA's Small/Mid Equity Strategy is research intensive and focused on constructing a portfolio of largely undiscovered small- to medium-sized companies possessing the potential to outperform. Companies are generally purchased in the \$100 million to \$2 billion market capitalization range.

The style is value-focused. The strategy focuses on quality businesses and compares a company's value relative with its earnings, earnings potential, cash flow, book value, and/or sales level. DIA uses a long-term time horizon when assessing company prospects. DIA looks for quality companies with competitive advantages, quality management (or management change), favorable cash flow trends, a prudent financial structure, and importantly, catalysts to drive the company's future.

The strategy focuses on choosing individual companies, as opposed to an overall sector allocation process. Therefore, there may be significant under- or over-weighting of industries relative to the market. Yet as a matter of policy, there will be no more than 30% of the portfolio in any one industry.

The strategy targets a two-year holding period for new companies, during which time the identified catalysts are anticipated to positively develop. Portfolios are fully invested and typically consist of 25 to 35 companies possessing superior upside potential.

The strategy will sell a company if the position becomes fully valued or if its weighting exceeds 10% of the portfolio. The strategy will also sell a company when fundamentals deteriorate, the original catalysts are no longer valid, or if a better alternative is identified.

By successfully identifying undiscovered companies at an early stage, DIA affords clients the opportunity to own companies with the potential to participate in above-average price appreciation. The strategy strives to invest in these companies before they are discovered and followed by investors. DIA has consistently and rigorously implemented this time-proven, successful approach to small cap value investing since the strategy's inception.

Equity Income Strategy

Common stock dividends play an integral part in DIA's Equity Income Strategy. Research has demonstrated that securities with higher-than-average dividend yields tend to weather depressed markets better than stocks with low yields.

The Equity Income Strategy primarily uses relative dividend yield analysis to judge when a security is over- or under-valued. This analysis capitalizes on security pricing inefficiency that occurs when investors move between extremes of optimism and pessimism. Stocks, that are out of favor, and whose prices have been driven down by negative market sentiment, often have the desirable feature of offering a high relative dividend yield.

In the quest to own securities with a higher yield, the strategy will hold companies with market capitalizations of \$500 million and greater, with an average holding period of three-to-five years. Because relative valuation dictates the investment process, specific industries may be under- or over-weighted relative to the market, depending on where the most compelling values are identified.

The relative dividend yield process identifies stocks that are paying higher dividend yields compared with both the market and their own histories. The relative yield is an indicator of value and sentiment. Dividends are attractive for analytical purposes because they cannot be manipulated by accounting practices, they naturally provide a smoother data stream, and they are excellent surrogates for normalized earnings.

Implicit in this process is the concept that excesses are corrected over time by a return to more normal valuation levels. As market sentiment reverses and such stocks return to a more normal valuation level, their prices often rise, providing capital appreciation. This higher level of principal can then be redeployed into a new undervalued security with a correspondingly higher dividend yield. The outcome to the portfolio is a rising stream of dividend income over time.

A stock may be sold for a number of reasons, including deterioration in the company's fundamentals, a failure of catalysts to develop or if a more attractive investment opportunity is identified. A stock will also be sold when it reaches its valuation target.

This strategy is ideal for investors who want market participation but are more risk-averse or want steady income from their portfolio. The objective is to provide a growing dividend income stream combined with long-term capital appreciation using a "contrarian" approach, with low relative price volatility.

Multi-Cap Equity Strategy

The DIA Multi-Cap Equity Strategy objective is to provide diversified investment coverage across a wide range of market capitalizations and investment styles with attractive fundamental characteristics. The portfolio style and market capitalization weightings will be adjusted accordingly over time, based on relative value opportunities available in the marketplace.

Companies are screened on both quantitative and qualitative criteria to identify the best candidates for investment. A rigorous analysis of a company's fundamentals is performed to assess its financial trends, cash flow, profitability and ability to earn a sufficient return on capital. Relative value opportunities are pursued when catalysts can be identified to drive the business over the intended holding period. The portfolio will typically exhibit the following characteristics:

1. 45 to 55 positions to ensure proper risk control with broad exposure
2. Full investment
3. Focus on optimizing the risk-reward balance
4. Position sizes commensurate with risk
5. Smaller companies limited to 30% of the portfolio

Companies in the strategy will typically exhibit all or many of the following characteristics:

1. Attractive valuation relative to the industry, market or growth expectations
2. Excellent management team with sound, achievable strategy
3. Solid and sustainable profit growth potential driven primarily by revenue
4. Defendable competitive advantages
5. Solid balance sheet and internally generated capital for growth

A company could potentially be sold for any of the following reasons:

1. Share price becomes fully valued
2. Better alternative becomes available
3. Catalysts fail to develop
4. Fundamentals deteriorate
5. Position size exceeds three times average portfolio weight

The Multi-Cap Equity Strategy is ideal for investors seeking a portfolio encompassing total stock market exposure with a strong emphasis on fundamental research and risk management. The strategy will include selected investments from other DIA strategies to capitalize on investment team research capabilities. In essence, this strategy gives investors all benefits of broad market and style diversification efficiently in one portfolio.

Intermediate Fixed Income Strategy

In the bond world, excitement is usually associated with negative events such as defaults and downgrades. DIA views bond investing somewhat like a rudder for investors. Bond performance is not highly correlated to stock performance and can provide important stability when markets become volatile.

The Intermediate Fixed Income Strategy uses a mixture of U.S. Treasury bonds, U.S. government agency bonds, and investment grade corporate bonds. Individual client needs and circumstances dictate the specific composition of individual bond portfolios. The intermediate sector of the yield curve (three to 10 years) is the maturity range of focus. History has shown this part of the curve has provided the same return as long maturity bonds, with significantly less volatility.

Corporate bonds are subjected to a thorough risk analysis and must have an investment grade rating by a major rating agency at the time of purchase. If an issue is downgraded to below investment grade, the bond will then be under review for sale. The liquidity of corporate bonds used is also a consideration for inclusion in the strategy. Generally, very liquid "global" bond issues of \$1 billion in size or greater are used. This assures there will be a market if the bonds need to be sold prior to maturity. Bonds of companies involved in different sectors of the economy are purchased to provide further diversification.

Government agency bonds may be included in portfolios. Non-callable issues are generally favored over their callable counterparts due to enhanced total return characteristics.

U.S. Treasury bonds are also a component of DIA's Intermediate Fixed Income Strategy. They provide excellent liquidity as well as no default risk. U.S. Treasuries in conjunction with the aforementioned classes of bonds are constructed in a portfolio tailored to client objectives. Duration is kept near the intermediate term benchmark depending upon DIA's forecast of interest rates and the economy. Only small duration bets are made as one can easily make a bond portfolio more risky than a stock portfolio if large inappropriate bets are made.

Intermediate Fixed Income accounts at DIA are managed to provide investors with both current income and total return.

Corporate Bonds are subjected to a thorough risk analysis prior to the initial purchase and must have an investment grade rating by a major rating agency at the time of purchase. If an issue is downgraded to below investment grade the bond will then be under review for sale. The liquidity of corporate bonds used is also a consideration for inclusion in the strategy. Generally, very liquid "global" bond issues that are \$1 billion in size or greater are used. This assures there will be a market for the bonds if they need to be sold prior to maturity. Bonds of companies involved in different sectors of the economy are purchased to provide further diversification.

Government Agency Bonds may be included in portfolios. Non-callable issues are generally favored over their callable counterparts due to enhanced total return characteristics. However, callable issues are used on occasion when yields become compelling. In these instances, usually a minimum of one-year call protection is sought.

Municipal Bonds are used when appropriate for clients in high tax brackets. General obligation bonds as well as revenue bonds for essential services are used most frequently. Credit risk analysis is a critical aspect of the strategy when utilizing municipals.

U.S. Treasury Bonds are the cornerstone of DIA's Intermediate Fixed Income Strategy. They provide excellent liquidity as well as no default risk. U.S. Treasuries in conjunction with the aforementioned classes of bonds are constructed in a portfolio tailored to client objectives. Duration is kept near the intermediate term benchmark depending upon DIA's forecast of interest rates and the economy. Only small duration bets are made as one can easily make a bond portfolio more risky than a stock portfolio if large inappropriate bets are made.

Balanced Strategy

A combination of equity strategies and the Intermediate Fixed Income Strategy.

Corporate Cash Management Strategy

Corporate cash management is an integral part of the operating process for any entity with \$3 million or greater, and with a three-month to three-year time horizon. Whether the money is operating funds for a business, university, municipality, or money earmarked for expansion of facilities, the objective is to add incremental investment returns without risking the principal. DIA's Corporate Cash Management Strategy seeks to provide superior, risk-adjusted returns for clients by opportunistically investing in the segment of the short end of the yield curve that offers the most value.

The strategy is custom tailored to individual client requirements to meet their specific needs and objectives. Timing of future liabilities and cash flow needs are considered in the portfolio construction in addition to the most advantageous security selection for an optimal return.

The Corporate Cash Strategy invests in U.S. Treasury bills, government agency discount notes, and high-grade commercial paper. In some instances, longer-term maturity corporate bonds and agency bonds are used for clients with longer time horizons for a portion of their operating funds.

Reporting is specifically tailored to each client depending upon the needs of a particular institution. The portfolio manager works closely with the client's chief financial officer and treasury staff to provide proper portfolio structure along with timely and relevant reporting.

The strategy strives to provide custom tailored accounts, exceptional service, attractively priced management, and, most importantly, competitive investment performance to DIA clients.

Item 2G

DIA provides advice to its affiliate Davidson Trust Co. in the form of managing its common trust funds.

Item 5

DIA managers providing investment advice must have a background of financial industry experience or formal education and training that qualifies them for portfolio management. They must hold a Series 65 or 66 license, or an authorized substitute therefore.

Item 6

DIA has an Investment Committee comprised of Brian Clancy, Paul Condrat, Edward P. Crotty, Andrew Davidson, Bradley Houle, Michael P. Kubas, Thomas E. Rath, and William B. Whitlow, Jr..

The Investment Committee makes final decisions with regard to securities investments after receiving and reviewing information obtained by DIA and its employees.

Andrew Davidson-

Title: President, Director, Portfolio Manager, Investment Committee

Birth Date: October 12, 1967

Education: University of Montana, BS in Business Administration- Finance- 1990

Business Experience: Mr. Davidson joined DIA in 1993 after three years experience at a broker dealer, an investment advisory firm and the Pacific Stock Exchange. He was appointed President in November 2004. In addition, Mr. Davidson specializes in individually tailored portfolio management.

Thomas E. Rath, CFA®

Title: Senior Vice President, Senior Portfolio Manager, Investment Committee

Birth Date: October 21, 1958

Education: University of Washington Seattle, BA in Finance – 1980 University of Washington Seattle, MBA, concentrations in quantitative methods and finance – 1981

Business Experience: Mr. Rath joined DIA as a Senior Portfolio Manager in 2005 and serves as lead manager of the Small/Mid Equity Strategy. Prior to his affiliation, Mr. Rath served as a portfolio manager at Safeco Asset Management in Seattle, Washington for 10 years, where he managed a diversified common stock portfolio. He has been in the industry for 22 years.

William B. Whitlow, Jr., CFA®

Title: Senior Vice President, Senior Portfolio Manager, Investment Committee

Birth Date: November 5, 1945 Education: University of Colorado, BA Chemistry – 1967 University of California Berkeley, MBA Finance – 1974

Business Experience: Mr. Whitlow joined DIA in October 2004 as a Senior Vice President and Senior Portfolio Manager. He is the lead manager of the Multi-Cap Equity Strategy. Prior to his DIA affiliation, Mr. Whitlow was employed at SAFECO Asset Management, where he was Co-Manager of the Multi-Cap Equity and Growth Opportunities Funds. Before that he was employed by Pacific Crest Securities in Seattle, where he served as an analyst and Director of Research.

Edward P. Crotty, CFA®

Title: Senior Vice President, Chief Investment Officer and Portfolio Manager, Investment Committee

Birth Date: May 15, 1967

Education: University of Illinois-Urbana/Champaign, MS in Control Systems, BS in Mechanical

Engineering – 1991

Columbia Business School, MBA in Finance/Accounting – 1998

Business Experience: Mr. Crotty joined DIA as Senior Vice President, Chief Investment Officer and Portfolio Manager in 2007. Mr. Crotty provides leadership to the investment team. Prior to his affiliation, Mr. Crotty served as Managing Director for Spectrum Advisory Services, Inc., in Atlanta. Prior to his position with Spectrum, he was Vice President at Goldman Sachs & Co. in New York City.

Bradley H. Houle, CFA®

Title: Senior Vice President, Senior Portfolio Manager, Investment Committee

Birth Date: August 26, 1969

Education: University of Montana, BS in Business Administration - Finance – 1991

University of Oregon, MBA in Finance – 1995

Business Experience: Mr. Houle joined DIA as a Portfolio Coordinator in 1995, and was appointed Portfolio Manager in 1998. He is the lead manager of the Equity Income and Intermediate Fixed Income Strategies. Prior to his affiliation with the firm, Mr. Houle served for five years with an investment adviser and a broker-dealer.

Brian P. Clancy, CFA®

Title: Vice President, Portfolio Manager, Investment Committee

Birth Date: May 1, 1966

Education: United States Naval Academy, BS Mathematics – 1988

University of Washington, Seattle, MBA – 1997

Business Experience: Mr. Clancy joined DIA as a Senior Research Analyst in October 2004. His work is dedicated to the Multi-Cap Equity Strategy. Prior to his DIA affiliation, he worked with Bill Whitlow at SAFECO as co-manager of the Multi-Cap Core Fund, as well as serving as a Portfolio Manager for the SAFECO Trust Co.

Michael P. Kubas, CFA®

Title: Associate Vice President, Senior Research Analyst, Investment Committee

Birth Date: November 29, 1976

Education: Montana State University, BS in Finance; Economics Minor- 1999

University of Minnesota- Carlson School of Management, MBA- Finance- 2004

Business Experience: Mr. Kubas joined DIA in 2005 as a Research Analyst focusing on the Small-Mid strategy. Prior to his affiliation, Mr. Kubas served as a Research Analyst at Piper Jaffray & Co. covering the financial technology sector. Mr. Kubas also has experience as an equity market maker at the Pacific Stock Exchange.

Paul G. Condrat, CFA®

Title: Research Analyst, Investment Committee

Birth Date: April 25, 1980

Education: Gonzaga University, BBA in Business Administration, Finance and Marketing

Business Experience: Mr. Condrat joined DIA in April 2004. He serves as an Associate Analyst and Equity Income Strategy. Prior to his Davidson employment he served as a business analyst intern at Bainbridge Capital, a private equity and investment banking firm.

Item 8C(1)

DIA is a wholly-owned subsidiary of Davidson Companies, a financial services holding company with other subsidiaries D.A. Davidson & Co., Davidson Trust Co, Davidson Fixed Income Management and Davidson Travel. DIA clients often use D.A. Davidson & Co. as a broker and custodian for some Traditional Accounts, and for Comprehensive Fee Accounts. For referred accounts, DIA compensates D.A. Davidson & Co. and, indirectly, D.A. Davidson & Co. Financial Consultants, with ongoing payments of a portion of DIA fees.

DIA may suggest that Traditional Account clients use affiliate D.A. Davidson & Co. for brokerage, custody and safekeeping purposes, but the client retains the right to direct DIA to use another broker. If a client elects to use D.A. Davidson & Co., the client may terminate the arrangement at any time. For those DIA clients who

employ D.A. Davidson & Co. as a broker, commissions are often discounted at 15% or more from the usual retail commission rate.

Affiliate D.A. Davidson employs Andrew Davidson as a Financial Consultant. Mr. Davidson serves as President of DIA and as a Portfolio Manager. As such, in certain circumstances, Mr. Davidson may have an incentive to refer a potential DIA customer to D.A. Davidson, and vice versa.

Item 8(C)(2)

Davidson Investment Advisors is the investment advisor to Davidson Multi-Cap Core Funds, a mutual fund registered under the Investment Company Act of 1940.

Item 8C(3)

For some clients, DIA invests client assets in its Large Cap Growth strategy provided by sub-adviser Oak Ridge Investments. The client has a contractual relationship with DIA directly, or as set forth immediately below in the description of the SAM Program. DIA pays a portion of the client fee to Oak Ridge Investments. The DIA client's fee is not affected as a result of these arrangements.

DIA is a sub-adviser in the D.A. Davidson & Co. Separate Asset Management ("SAM") Program, a wrap program of which D.A. Davidson & Co. is the sponsor. In that arrangement the client enters an investment management agreement with D.A. Davidson & Co., but not with DIA. DIA is also one of several advisers in the following platforms: FundQuest, Envestnet, Fidelity Separate Account Network, and Schwab Managed Account Marketplace, Pershing Advisor Solutions; Pershing Peak Select, Merrill Lynch UMA Platform and Crowell Weedon CW Direct platform. Please refer to the sponsor's Schedule H wrap fee disclosure brochure for fee schedules and other material information.

DIA has a sub-advisory agreement with First American Bank in Iowa. In that arrangement, DIA offers all of its investment strategies to First American Bank clients, exercising discretion in those accounts. For the investment services provided to First American Bank clients, DIA is paid a portion of the client fee collected from First American Bank clients. The client enters into an investment management agreement with First American Bank, which delegates its investment authority to DIA. The client has no contractual arrangement with DIA.

Item 8C(6)

DIA is an affiliate of Davidson Trust Co., a federal savings bank. The Trust employs DIA to manage money for some of its clients who have granted investment discretion to the Trust. DIA manages five Davidson Trust Co. common trust funds.

Item 8C(9)

DIA is an affiliate of D.A. Davidson & Co., which owns Davidson Insurance Agency.

Item 8C(10)

D.A. Davidson & Co. offers 401(k) brokerage and advisory services.

Item 9A

DIA will only effect principal transactions with written pre-authorization from the client for each such trade. Affiliated broker-dealer D.A. Davidson & Co. may act as a principal in transactions with its brokerage, but not advisory clients, buying securities for itself from clients, or selling securities it owns to clients.

Item 9B

D.A. Davidson & Co. effects securities transactions for compensation as a broker or agent for investment advisory clients and brokerage clients. Please also refer to Schedule F, Items 8C(1) and 12B.

Item 9C

Cross transactions are prohibited by company policy, but may be effected rarely, on an exception basis. D.A. Davidson & Co. may engage in cross transactions for its brokerage clients, and for its advisory clients, but on an exception basis only.

Item 9D

DIA may recommend to a client a transaction in a security in which affiliated broker/dealer D.A. Davidson & Co. is a member of a syndicate offering the security for sale. However, DIA only effects such client transactions through an unaffiliated broker.

D.A. Davidson & Co. may recommend that its client buy or sell a security in which Davidson has a financial interest, as authorized by the FINRA.

Item 9E

Without knowledge or access to knowledge concerning securities transactions to be effected by DIA for its clients, affiliated broker D.A. Davidson & Co. may purchase those securities for its own accounts. This practice is disclosed to all DIA clients in the Investment Manager Agreement. The firm does not purchase securities for clients through D.A. Davidson on a principal or riskless principal basis, although D.A. Davidson effects these transactions in its brokerage client accounts.

Item 10

DIA manages investment advisory accounts with a minimum account value of \$100,000. This amount may be negotiable, depending on the circumstances. Please refer to Schedule F, Item 1D.

Item 12B

When entering into the Investment Management Agreement, the client has the authority to determine the scope of DIA investment and brokerage discretionary authority, and may restrict investments made on a discretionary basis. If the client retains discretion for investment decisions, the firm secures client approval prior to any security transactions. For Traditional Accounts, the client has the right to direct DIA to use a broker of the client's choice. If the client elects to use affiliated broker D.A. Davidson & Co., the commission is generally 85% or less of the commission rates that Davidson charges its retail brokerage customers. D.A. Davidson provides trade confirmations which disclose all trades effected through the broker. D.A. Davidson provides research, custodial and safekeeping services, but there are no charges to the DIA client for these services, except the discounted commission rate. DIA receives no part of brokerage commissions or other transaction charges. The DIA client has the right to terminate D.A. Davidson & Co. services at any time. DIA or D.A. Davidson & Co. may assess special service fees in addition to the fees described herein, and may assess additional commissions, markups and markdowns when an outside broker is employed to achieve best execution.

The client may select a broker to effect transactions in DIA accounts. If the client directs DIA to use a certain broker, the client recognizes that DIA may be unable to negotiate commissions or to obtain volume discounts. Hence, there may be a disparity in commissions charged among DIA clients.

Some DIA transactions are effected through D.A. Davidson & Co., when it is in the best interest of the client. Otherwise, DIA employs outside brokers to effect client transactions. The Best Execution Committee and the Investment Committee conduct periodic reviews of execution of client transactions. The Committees consider such factors as the full range of brokerage services, the value of research provided, execution capability, commission rates, financial responsibility and responsiveness.

DIA directs fixed income transactions to different brokers based upon competitive criteria. Dealers are put into competition for the best execution of buy and sell orders.

DIA aggregates some client purchase and sale orders to reduce client costs and to assist in obtaining best execution. The allocation of these trades is completed in a fair and equitable manner, and no client is favored over another. DIA employs the block allocation function of the MOXY portfolio software, and shares are distributed in a random manner. The statement sets forth the accounts involved in the trade and the method of allocation.

For those accounts in which the client directs DIA to use a broker other than Davidson, the client may forgo the benefits from savings on execution costs and negotiated discounts that are obtained for its other clients.

DIA maintains trading arrangements with various brokers whereby DIA has access to its research. DIA may direct trades to one of those brokers and pay commissions that are competitive but that are higher than the lowest available rate that another broker might have charged, if DIA determines in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided.

Item 13A

D.A. Davidson & Co. receives some economic benefit from non-clients (mutual funds) in connection with giving advice to clients, but this has no effect whatsoever on DIA or its clients and their DIA accounts. From time to time a mutual fund may assist D.A. Davidson & Co. in sponsoring a seminar in which the fund educates Davidson Companies employees about various fund products.

Investors in mutual funds indirectly pay a proportionate amount of the expenses in managing the fund, including investment advisory, management, custodial and other administrative fees and expenses. Therefore, the client may indirectly pay a DIA management fee and a mutual fund fee in connection with mutual fund investments. In addition, operating expenses described in each mutual fund prospectus are charged against fund earnings or assets by the fund. Please refer to the prospectuses for further information.

Mutual funds may pay 12b-1 annual trailing commissions to DIA, in addition to the management fee paid to DIA by the client. 12b-1 commissions paid to DIA for ERISA-covered and IRA accounts are credited to the respective accounts.

Item 13B

DIA obtains client referrals from solicitors:

1. **Affiliated Solicitors.** D.A. Davidson & Co. Financial Consultants have referred clients to DIA in two ways: currently, clients are referred to the D.A. Davidson & Co. Separate Account Management Program, under which DIA serves as one of the investment advisers; and historically, clients were referred to the DIA comprehensive fee program, which is no longer offered. For those DIA clients who established accounts through the Separate Account Management Program, from the D.A. Davidson & Co. fee, the outside investment adviser (including DIA) receives a portion, and D.A. Davidson & Co. retains the remainder, with a percentage paid to the referring Financial Consultant. For those comprehensive fee accounts in existence, D.A. Davidson & Co. receives a portion of the DIA fee for providing brokerage and custodial services. From the D.A. Davidson & Co. portion of the fee, the Financial Consultant receives a payout.

Davidson Trust Co. hires DIA to manage DTC client accounts, and pays DIA accordingly. Davidson Trust Co. also refers clients to DIA, and in some such instances DIA pays Davidson Trust Co. a part of the fee received from the client in return for the referral.

2. **Unaffiliated Solicitors.** DIA has unaffiliated solicitors in its service. A cash referral fee is paid to the solicitor pursuant to a written agreement to which DIA is a party. The written agreement between DIA and the solicitor contains a description of the solicitor's duties and the method of compensation, and a statement that the solicitor undertakes the duties under the agreement consistent with DIA's instructions and the Investment Adviser's Act. The DIA solicitor provides each prospective client with a copy of DIA's disclosure document and a Solicitation Disclosure Statement. The solicitor obtains a signed and dated acknowledgement from the client indicating that the client received those documents. The solicitor's compensation is a function of the size and type of account, and is fully disclosed to the prospective client prior to execution of the DIA Investment Manager Agreement. Thereafter, DIA pays the solicitor an ongoing fee based on a graduated percentage of the asset value of the referred portfolio.

CUSTODY OF CLIENT ASSETS

DIA maintains a majority of client assets with its affiliate, D.A. Davidson, a qualified custodian. In some instances a client appoints a separate custodian to maintain client assets. As a qualified custodian, Davidson and other unaffiliated custodians send quarterly account statements to clients. We urge you to compare the

information contained in the quarterly account statements, specifically the securities and cash positions, to the information contained in your monthly custodial statements for the same period.

DAVIDSON COMPANIES PRIVACY POLICY

DIA has adopted the privacy policy of its parent company, set forth as follows:

Part of what you expect from the Davidson Companies is information: about investment strategies, particular investments, the market, or travel. But the information you provide to us is equally important. Our understanding of each individual client is the foundation for all of the services we provide and offer. The information you provide us helps us to better serve your investment and planning needs.

This notice, in summary form, is intended to tell you where we obtain information about you and who has access to it once it is received by Davidson Companies.

How we collect information. Most of the information we collect about you comes directly from you, from applications, agreements or forms that you complete in order to receive our services. In addition, we maintain records of each of your transactions and holdings with any of the Davidson Companies.

To whom we disclose the information. We respect the premium you place on keeping your personal finances a private matter. That is why we do not sell information about our clients to anyone. Further, we do not disclose any non-public personal information about our current or former clients with anyone, except as authorized by the customer or as permitted by law or regulation. Examples of persons to whom we disclose your information are as follows:

1. To other companies as necessary to process your business. For example, we transmit your account and transactional information to the company that prints your account statement. Third parties in this category, including our affiliates, are prohibited from using information about you except for the narrow purpose for which we gave it to them.
2. To companies who perform marketing services on our behalf or with whom we have joint marketing agreements. A company performing marketing services on our behalf would include, for example, a company that assists in a broad mailing of materials advertising our products or services. A joint marketing agreement is one where another financial institution offers a product or service jointly with a Davidson Companies' member, such as a Visa card access to your account.
3. Where required by law or regulation. Examples include responses to a subpoena, court order or regulatory demand.
4. As authorized by you. You may direct us, for example, to send your account statements and confirms to a third party.
5. As authorized or permitted by law. For example, the law permits us to respond to a request for information about you from a consumer reporting agency.

In each instance, the information we disclose may include any of the information we obtain about you from the sources described under "How we collect information". Without disclosing any of your information to our affiliates, we may occasionally send you marketing materials describing products or services offered by members of our corporate family.

Confidentiality, security, and integrity. We consider all information we have about you to be confidential, including the fact that you are a client of a Davidson Company. We restrict access to information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to maintain the confidentiality of your information.

D.A. DAVIDSON & CO. ANTI-MONEY LAUNDERING POLICY

For some Davidson Investment Advisors accounts D.A. Davidson & Co. serves as custodian. D.A. Davidson & Co. has implemented an anti-money laundering policy as mandated by the USA Patriot Act.

DIA PROXY VOTING POLICIES

DIA acts as a discretionary investment adviser for various clients, including clients governed by the Employee Retirement Income Security Act of 1974 (ERISA) and registered open-end investment companies. DIA has delegated its administrative duties with respect to voting proxies to a voting committee comprised of qualified members duly appointed by Davidson Companies' President (the "Committee"). DIA has hired a qualified third party, Institutional Shareholder Services ("ISS"), to assist in analyzing proxies. For clients that have delegated the responsibility to vote proxies to DIA, the Committee will generally vote in accordance with ISS's recommendation but reserves the right to exercise its own judgment on a case-by-case basis.

DIA proxy voting policies and procedures can be found on the Internet at www.davidsoninvestmentadvisors.com. or a copy of the policies can be mailed, free of charge, at client's request at the following address: Davidson Investment Advisors, Inc., Attention: Compliance Department, 8 Third Street North, Great Falls, MT 59401.

DIA CODE OF ETHICS

DIA has adopted an Investment Adviser Code of Ethics as mandated in SEC Rule 204A-1 (the "Code"). The Code sets forth DIA's standards of business conduct, including specifics such as the prohibitions against insider trading, requirements for employee personal securities trading, and confidentiality of client information. Pertinent employees will receive an electronic copy of the Code and must certify that they have read, understood and will abide by the Code. A copy of the Code is available, free of charge, at your request.