



Dunham Insured Deposit Marketplace (IDM) Disclosure Booklet



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Description of the Program

The Dunham Insured Deposit Marketplace (IDM)

If you participate in the Dunham Insured Deposit Marketplace (“IDM”, “Bank Program”), Dunham Trust Company (“DTC”) is acting as your agent. DTC is an affiliated entity of Dunham & Associates Investment Counsel, Inc. (“DAIC”). DTC will automatically transfer (“sweep”) available cash balances, including proceeds of securities transactions, dividend and interest payments, cash deposits, and other monies into interest-bearing deposit accounts (“Deposit Accounts”) at banks insured by the Federal Deposit Insurance Corporation (“FDIC”). There is no initial deposit or minimum balance requirement to participate in the Bank Program. The Deposit Accounts will be held at one or more banks identified on the Dunham Bank List (“DBL”) maintained by DTC.

By enrolling in the Bank Program, you consent to have any available cash balances in your Account automatically deposited into IDM as the primary sweep option. If your Program balance reaches the Program limits or if the deposits don’t meet the eligibility requirements^{1 2 3} of the participating banks to accept deposits or if the banks bank deposit limits decrease, DTC has discretion to sweep program balances into a secondary sweep option, the BlackRock FedFund. From time to time as balances permit, monies may also be swept from the BlackRock FedFund to the IDM at the discretion of DTC.

DAIC is program sponsor of two Wrap Fee Programs; the Custom Asset Allocation Program (“CAAP”) and the Standard Asset Allocation Program (“SAAP”). The primary sweep option associated with CAAP is the IDM and the secondary sweep option for CAAP is an unaffiliated money market mutual fund, the Blackrock FedFund. The primary and only sweep option for SAAP and the C-Share Custom Asset Allocation Program (“C-CAAP”) is the unaffiliated money market fund, the BlackRock FedFund. This is due to the lower account minimums in SAAP and the fact that the custodian and transfer agent for SAAP is Gemini Fund Services, LLC (“Gemini”).

DTC manages the banks participating in the program (“Program Banks”). The DBL may vary depending on various factors and may be updated by DTC at any time. The banks appear

¹ The Bank Program is not available for accounts participating in the Standard Asset Allocation Program (“SAAP”) and in the C-Share Custom Asset Allocation Program (“C-CAAP”).

² Cash balances derived from the involvement in the growing, cultivation, manufacturing, distribution or sale of cannabis (also referred to as to a ‘Marijuana related business’ or ‘MRB’) are not eligible to participate in the Bank Program.

³ Cash balances exceeding the IDM limit, which is subject to change, will be placed into a money market fund.



on the DBL in no specific order and your funds may be deposited into any eligible bank appearing on the DBL.

Deposit Insurance

Cash balances swept to Banks through the FDIC Insured IDM Program are eligible for deposit insurance from the FDIC, an independent agency of the U.S. government, up to \$250,000 per depositor for each FDIC-defined manner of ownership and capacity (“Ownership

Category”) with an individual Bank. The Ownership Category depends on DTC’s records as to the ownership of your Dunham account. Cash balances swept from a DTC account, into one or more Deposit Accounts in the name of DTC as agent for the exclusive benefit of its customers, benefit from FDIC insurance to the same extent as if deposited in the name of the accountholders.

In the event that a bank fails, and it is necessary to make a claim for federal deposit insurance, covered payments or principal, plus unpaid and accrued interest, will be made to you based on records provided to the FDIC by DTC. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC and DTC before insurance payments are made.

FDIC Coverage

The FDIC insurance limit for each Ownership Category (e.g., individual account, joint account) is illustrated by several common factual situations discussed below.

Any deposits (including certificates of deposit) that you maintain in the same Ownership Category directly with a Bank, or through an intermediary (such as DAIC or another broker- dealer), will be aggregated with your cash balances from the Bank Program held at the same bank and in the same Ownership Category for purposes of calculating the \$250,000 limit. For example, any deposits you have in a Bank outside of the Bank Program are combined with your Bank Program deposits at that Bank when calculating your FDIC limit.

You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of FDIC deposit insurance coverage available to you.



Individual Account: If your account is reflected on DTC's records as being owned by a single individual or entity, the total available deposit insurance for that individual or entity for all deposits held in the same Ownership Category with an individual Bank is \$250,000.

Joint Accounts: If the account is reflected on DTC's records as being owned jointly by more than one individual, then funds swept into a Deposit Account at a bank will be insured up to \$250,000 per individual owner, separate from any individually owned (single ownership) deposit accounts held with the same Bank.

Retirement Account: Only certain retirement accounts may qualify as an Ownership Category, including IRAs (Traditional, Roth, SEP, SIMPLE), self-directed defined contribution plan accounts (self-directed 401(k), profit-sharing, Keogh or H.R.10, etc.) and certain other account types. Certain account types are excluded. The FDIC adds together all eligible retirement accounts owned by the same person at the same insured bank and insures the total amount up to \$250,000.

Revocable Trust Accounts: If your account is reflected on DTC's records as being owned by an individual and evidencing the owner's intention, reflected in the title of the account (using commonly accepted terms such as, but not limited to, "as trustee for", or any acronym therefor), that upon their death the funds shall belong to one or more beneficiaries, then funds swept into a Deposit Account in a Bank will be separately insured (from other types of deposit accounts the individual has at the same Bank) in an amount equal to the total number of different beneficiaries, consisting of one or more natural persons, charities, or other non-profit organizations name in the account(s) up to \$250,000 per beneficiary.

Irrevocable Trust Accounts: If the account is reflected on DTC's records as being held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law), then funds swept into a Deposit Account in a Bank will be insured up to \$250,000 for the interest of each beneficiary for which the beneficiary's interest in the account is non-contingent. "Non-contingent trust interest" means a trust interest capable of determination without evaluation of contingencies, except for those covered by the present worth tables and rules of calculation for their use set forth in the Federal Estate Tax Regulations).

Business Account: If the account is reflected on DTC's records as being owned by a business, funds swept into a Deposit Account in a Bank will be added to other deposits of such business held in the same Ownership Category with the bank and insured up to \$250,000 in aggregate. In the case of a business that is a sole proprietorship, for deposit insurance purposes, swept funds will be treated as funds of the person who is the sole proprietor and added to any other funds of that person held in the same Ownership Category.



For more information on FDIC insurance limits for different account types, please visit: [FDIC: Are My Deposit Accounts Insured by the FDIC?](#)

DTC, as your agent, will deposit up to \$250,000 (\$500,000 for joint accounts of two or more people) (the "Applicable Deposit Limit", "ADL") into the Deposit Accounts at each bank in order to permit your funds to be eligible for the greatest possible FDIC insurance coverage. Once the ADL has been deposited at a bank, funds will be deposited in another eligible bank on the DBL until a maximum total amount of \$40 million (the "Bank Program Limit") has been deposited in Deposit Accounts at the banks. You may designate a bank as ineligible to receive your funds by contacting Client Services at 1-800-422-4358 or your financial advisor. In addition, you may at any time instruct DTC to remove your funds from a bank and designate the bank as ineligible to receive future deposits. However, doing so may result in a lower total available BPL for FDIC insurance. Amounts in excess of the BPL will not be fully insured by FDIC. Uninsured deposits are subject to the credit risk of the bank in which excess deposits are held and may result in a loss of principal and accrued interest.

FDIC and SIPC Coverage

The FDIC is an independent agency of the U.S. government. FDIC insurance protects the funds that depositors place in insured financial institutions should the financial institution close due to financial difficulties.

If you have questions about FDIC insurance coverage, you should seek advice from your own attorney. The FDIC website contains an electronic deposit insurance estimator. The estimator tool is available at www.fdic.gov/edie/index.html.

You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Protection, by letter (550 17th St., N.W., Washington, D.C. 20429), by phone (877-275-3342 or TDD 800-925-4618), by visiting www.fdic.gov/deposit/index.html or by email at publicinfo@fdic.gov.

The Securities Investor Protection Corporation ("SIPC") is a nonprofit membership corporation, funded primarily by its member securities brokerage firms. Unlike the FDIC, SIPC is not a regulatory or government agency. SIPC protects securities of its members' customers up to \$500,000 (including \$250,000 for claims for cash) in the event securities or cash are missing from a client's account as a result of bankruptcy or other financial difficulties experienced by a member. Balances maintained in the Deposit Accounts are covered by FDIC insurance as described above but are not protected by SIPC. If you have questions about SIPC coverage, please contact your financial advisor. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.



Interest Rates

You will receive the same interest rate on all Deposit Account assets regardless of the bank in which such assets are held. Interest will accrue daily on Deposit Account balances from the day cash is deposited into a bank through the business day preceding the date of withdrawal from that bank. Interest will be accrued daily and credited monthly. Bank Program interest rates may vary and are impacted by several factors, including the total amount paid on deposits by the banks, fees paid to DTC, fees paid to a third party that assists in operating the Bank Program, and additional factors, including the current Federal Funds Rate. The rate of interest accruing on your Deposit Account balances may change as frequently as daily without prior notice. The most up-to-date interest rates may be found by visiting: <https://www.dunham.com/FA/pages/DunhamInsuredDeposit>. The fee paid to DTC may exceed the amounts paid to clients in the form of interest. Your decision to participate in the Bank Program constitutes your agreement to, and approval of, those fees. The interest rates paid by a bank may be higher or lower than the interest rates available to depositors making deposits directly with the bank or other depository institutions in comparable accounts. For example, you may earn a lower interest rate through the Bank Program than you would earn by making a deposit or purchasing a certificate of deposit directly through that bank. None of the banks participating in the Bank Program have an obligation to offer the highest rates available, and each of the service providers, including DTC, facilitating the Bank Program will charge such fees for their services as they determine in their discretion. Prior to making a deposit in the Bank Program, you should compare the terms, interest rates, required minimum amounts, and other features of the Bank Program with other accounts and alternative investments or savings options to determine the best option for you.

The Bank Program should not be viewed as a long-term investment option. If you desire to maintain cash balances for other than a short-term period or are seeking higher yields currently available in the market, please contact your financial advisor to discuss investment options to maximize your potential return.

Operation of the Bank Program

Bank Lists and Changes to the Dunham Bank Lists

A Bank List is available at <https://www.reichandtang.com/files/ddm/bank-list/pbl-rtncu.pdf> or by contacting your financial advisor. You should review your applicable DBL carefully. If you already have assets/ deposits at any bank on the list, please notify Client Services at 800-442-4358 or your financial advisor to designate that bank as ineligible so that no additional cash is allocated through the Bank Program to that bank, which should help to avoid deposits in that bank exceeding your FDIC-defined Ownership Category insurance limits.



You are responsible for monitoring whether you have other accounts, assets, and deposits at any of the banks on the DBL that may limit the amount of FDIC insurance available to you under the program, and notifying Client Services at 800-442-4358 or your financial advisor if you do, or notifying Client Services at 800-442-4358 or your financial advisor if you wish to remove an opt-out previously made.

One or more of the banks included may be replaced by DTC with a bank not previously included on the DBL Bank List or a bank may be deleted from a DBL at any time.

DTC will post changes to the applicable DBL at <https://www.reichandtang.com/files/ddm/bank-list/pbl-rtncu.pdf> at the time the change is made. Please contact Client Services at 800-442-4358 or your financial advisor or visit the Bank List periodically to view any updates and how these changes may impact your account. Any Bank you have previously designated as ineligible will continue to be designated as ineligible.

In the event a bank is unable to accept your funds, your funds will be placed with another available bank on the applicable DBL. If the bank that could not accept your funds becomes subsequently available, future deposits in your account may be placed with that bank.

Types of Deposit Accounts

When sweeping cash to banks on the DBL, an omnibus account(s) is established at each Bank on the behalf of you and all other DTC customers. The account(s) being established is a money market deposit account ("MMDA"), which is a type of savings deposit, and a linked transaction account ("TA"). The TA may or may not be used in conjunction with a MMDA. The MMDAs and TAs are both interest-bearing accounts that are nontransferable.

The TA will be either a negotiable order of withdrawal ("NOW") account or a demand deposit account ("DDA"). TAs will bear the same interest rate as MMDAs. Pursuant to federal regulations, each Bank reserves the right to require seven days' prior notice before cash balances from the MMDA or NOW account can be transferred or withdrawn.

Withdrawal Procedures

All withdrawals necessary to satisfy any debit balance in your DTC account will be made by DTC as your agent. A debit balance can be created by a securities purchase or a request for a withdrawal of funds from your Dunham account.



Information about the Deposit Accounts

All transactions and activity with respect to your funds in the Deposit Accounts will appear on your account statement and Online Portal Access. For each statement period, your account statement will reflect all deposits to and withdrawals from the Deposit Accounts, and the balance of the Deposit Accounts. You should retain the account statements for your records.

DTC is responsible for the accuracy of your account statement, not the banks. In addition, Client Services at 800-442-4358 or your financial advisor can provide information about your statement and the Deposit Accounts, including balances and the current interest rates. The banks will not provide you with information or accept instructions from you with respect to your cash in the Deposit Account that has been established by DTC on your behalf through the Bank Program.

Notices

All notices described in this disclosure may be made by means of a letter, a notice on your account statement, electronically or by other means.

Your Relationship with DTC and the Banks

Relationship with DTC and the Banks

DTC is acting as your agent in recording on its books and records your interest in the Deposit Accounts at each bank, depositing funds into the Deposit Accounts, withdrawing funds from the Deposit Accounts and transferring funds among the Deposit Accounts pursuant to Bank Program guidelines.

Deposit Account ownership will be evidenced by a book entry on the account records of each bank showing the Deposit Account as an agency account held by DTC for the benefit of you and other DTC customers and by records maintained by DTC as your agent. Your account statements and Online Portal Access will reflect your balances at the banks. No evidence of ownership, such as a passbook or certificate, will be issued to you.

All transactions with respect to the Deposit Accounts must be directed by DTC, and all information concerning your funds in the Deposit Accounts can be obtained only from DTC.



Reich & Tang Deposit Networks, LLC, Reich & Tang Deposit Solutions, LLC, Stable Custody Group II LLC and/or their affiliates (together, "R&T"), serves as program administrator

("Program Administrator"), and facilitates the ability to provide the Bank Program and receives a fee for its services.

Neither R&T nor the banks have any obligation to accept instructions from you with respect to the Deposit Accounts or provide you with information concerning your funds in the Deposit Accounts. Notification of unauthorized activity and any complaints regarding the Bank Program should be provided to DTC.

DTC may, in its sole discretion, terminate your participation in the Bank Program or close the Bank Program to new deposits at any time or change the Bank Program Limit.

Similarly, you may terminate your participation in the Bank Program at any time. If the Bank Program were to lose Bank capacity for any reason, your deposits may be transferred into a money market fund at any time. If such a transfer occurs, you will be notified within a reasonable time frame so you can provide instructions concerning where to direct your funds.

Each Deposit Account constitutes a direct obligation of the relevant Bank and is not a direct or indirect obligation of DTC. You will not have a direct customer relationship with the Banks. DTC will act as your agent with respect to the Deposit Accounts by making all deposits and withdrawals for you. You may obtain publicly available financial information concerning each Bank at <https://www.ffiec.gov/NPW> or by contacting the FDIC Public Information Center (I) by email at publicinfo@fdic.gov, or (ii) by phone at (877) 275-3342. DTC does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks. DTC is not responsible for any insured or uninsured portion of a Deposit Account at a Bank.

Compensation to DTC

Compensation Generally

DTC receives a fee equal to a percentage of the average daily deposit balance in the Bank Program. The fee paid to DTC by the Banks for serving as your agent may be as much as 4.00% annually, on your funds held in the Deposit Accounts. Information regarding the Federal Funds Target Rate may be found at <https://fred.stlouisfed.org/series/DFEDTARU>.



Fees paid to DTC may exceed the amounts paid to clients in the form of interest. Depending on interest rates and other market factors, the yields on the Bank Program may be lower than the aggregate fees and expenses received by DTC for your participation in the Bank Program. This can result in you experiencing a negative overall investment return with respect to cash reserves in the Bank Program. The fee paid to DTC reduces the interest rate paid on your cash.

Other than the fees to DTC and the Program Administrator described above, there will be no charges, fees or commissions imposed on your account with respect to the Bank Program. You may obtain information about fees and other charges that may apply to your account at www.dunham.com or by contacting your financial advisor.

If you are investing through an advisory account, such as a CAAP, the fees that DTC receives from the banks is in addition to the service program fee you pay DAIC as program sponsor of the Wrap Fee Program and advisory fee that you pay your financial advisor. This means that DTC and its affiliate DAIC earn two layers of fees on the same cash balances in your account. The fees that DTC receives from the banks are an important revenue stream and present a conflict of interest for DTC because DTC benefits financially if cash is swept into the Bank Program. Because this compensation is retained by DTC and is not shared with your financial advisor, it does not cause your financial advisor to have a financial incentive to recommend that cash be held in a Deposit Account instead of holding securities in the advisory account.

Conflicts of Interest

DTC receives compensation from the Program Banks for the services it provides in connection with maintaining the FDIC-Insured Cash or IDM Program (the "Program Fee"), which may be up to 4.00% on an annualized basis as applied to deposits across all Deposit Accounts. Additionally, the Program Administrator is paid fees by Program Banks. Individuals that serve as DAIC and DTC officers set the Program Fee, and thus DAIC and DTC directly determine how much of the total payment made by the banks DTC retains as compensation. The amount of the fee paid to DTC and the fees paid to the Program Administrator reduce the interest paid to you by the Program Banks on your deposits. DTC has discretion over the amount of its Program Fee, and DTC reserves the right to modify the Program Fees it receives from Program Banks at any time and without advance notice.

This discretion in modifying the Program Fee creates a conflict of interest on the part of DTC; the greater the Program Fee DTC receives, which may be up to 4.00% on an annualized basis, the lower the interest paid by Program Banks to clients. In certain interest rate environments, the Program Fee is a substantial source of revenue to DTC. DTC can reduce its Program Fees and can vary the amount of the reductions between clients and the amount of interest paid by Program Banks to DTC. The Program Fees paid by each Program Bank, which affects the interest rates paid by the Program Banks



in the FDIC-Insured Cash Program, do and are expected to vary from Program Bank to Program Bank; this creates a conflict for DTC when selecting Program Banks in that it incentivizes DTC to select the banks that pay higher Program Fees. No part of the Program Fee is paid to your Financial Advisor.