

INTERNATIONAL STOCK FUND

Ticker Symbols: DNINX, DAINX, DCINX (Class N, A & C shares)

ABOUT THE SUB-ADVISER

Arrowstreet Capital, Limited Partnership

Founded in 1999, Arrowstreet Capital, Limited Partnership (the Sub-Adviser) is an independent, employee-owned institutional investment management firm that manages global equity portfolios for investors around the world.

Headquarters: Boston, Massachusetts

Other Offices: London, England
Sydney, Australia

Assets under Management: Approximately \$50 billion*

Primary Focus: Global Equity Investing

Investment Approach: Quantitative with a Fundamental Overlay

Portfolio Managers:

Peter Rathjens, Ph.D.
Partner, Chief Investment Officer
35 years of industry experience

John Capeci, Ph.D.
Partner, Head of Portfolio Management
22 years of industry experience

Tuomo Vuolteenaho, Ph.D.
Partner, Co-Head of Research
13 years of industry experience

"There are hundreds of international funds out there, but none that we feel do what the Dunham International Stock Fund does"

-Ryan Dykmans, Director of Research, Dunham & Associates

WHAT MAKES THIS FUND DIFFERENT?



Historical Performance Results

The Dunham International Stock Fund is managed using an investment process that allows the Sub-Adviser to potentially identify companies before the Street takes notice, resulting in what we consider to be significant outperformance versus its Morningstar peer group and benchmark, the MSCI All Country World ex U.S. Index.

9/30/2017	1 Year	3 Year	5 Year	7 Year*	10 Year
DNINX	18.07%	4.42%	8.32%	4.24%	2.46%
Peer Group	17.90%	4.97%	7.55%	2.40%	0.92%
MSCI AC World ex U.S.	19.61%	4.70%	6.97%	2.63%	1.28%

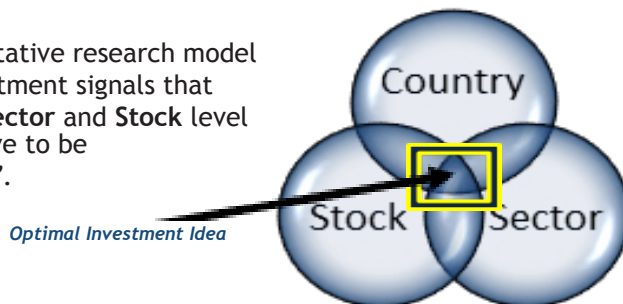
*Reflects performance from 12/31/08 - 9/30/2017. Arrowstreet took over management of the Fund in 2008.



Identifying Optimal Investment Ideas

The Quant Side

Using its proprietary quantitative research model Arrowstreet identifies investment signals that intersect at the **Country**, **Sector** and **Stock** level to uncover what they believe to be "Optimal Investment Ideas".



The Fundamental Overlay

When an Optimal Investment Idea emerges, they perform fundamental analysis to verify the findings of their quantitative model.

Identifying Companies Before the "Street" Takes Notice

Let's say that Arrowstreet's quantitative model, which tracks over 10,000 companies, finds a stock that it likes in a sector it likes, but it may not be in a country that the model finds attractive due to reasons such as economic issues, portfolio concentration or other concerns. The model will implement what Arrowstreet calls a *Spoke Approach* to identifying potentially attractive investments, and within minutes it will analyze all companies associated with that stock, including those domiciled in different countries.

When an interesting stock emerges from this process, Arrowstreet will then perform fundamental analysis on the company to verify the model's findings. What we believe is unique about the *Spoke Approach* is that at times, the model will uncover compelling investments before the "Street" takes notice.

This investment process has historically resulted in the Dunham International Stock Fund's consistent outperformance of its benchmark and Morningstar peer group.

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THE INVESTMENT PROCESS IN ACTION

Example One

When analyzing Toyota and running associated companies through their quantitative model, Arrowstreet discovered NGK Insulators Ltd, a Japanese insulator and industrial filter manufacturer that had an approximate \$3.5 billion market cap at purchase.

The Sub-Advisor initially bought this position at the end of May 2013 and then exited it in November 2014. During that period, the stock rose 102%. *(Please note that the Sub-Advisor did trim and add to this position during the period, so their return was likely a little different, but this was still a significant gain for the Fund).*

Example Two

Another linkage is Osram Licht, which represented 0.50% of the portfolio as of November 28, 2014. With a market cap of around \$4 billion, Osram Licht was a spin-off of Siemens AG, the German equivalent of General Electric. This company was initially purchased in October 2013. The Sub-Advisor trimmed the position when it grew over 10% in the Spring of 2014 and then sold it completely in May 2014.

Since they sold it, the position fell 25% through November 11, 2014, which is when they purchased it again. From that time through January 15, 2015, the position rose 27.5%.

We believe that this is a strong example of how the Sub-Advisor's investment process was able to identify a good exit point for a security. Had they kept their original position across the entire period, the Dunham International Stock Fund would have lost 2.7%. Instead, it was one of the strongest performers.

Disclosures

Investors should consider the investment objectives, risk factors, charges, and expenses of the Dunham Funds carefully before investing. This and other important information is contained in the Fund's summary prospectus and/or prospectus, which may be obtained by calling (800) 442-4358. Please read prospectus materials carefully before investing or sending money. Investing involves risk, including possible loss of principal.

Dunham & Associates Investment Counsel, Inc. serves as adviser and distributor of the Dunham Funds.

Performance figures shown for N-share class only. Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Performance may vary for other share classes. The Fund's performance is subject to change since quarter's end and may be lower or higher than the performance data shown. Please call (800) 442-4358 or log on to www.dunham.com to obtain changes to the Fund, if any, as well as performance data current to the most recent month end.

The MSCI ACWI ex US (Net) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets excluding holdings in the United States.

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Morningstar Rankings as of September 30, 2017	
Morningstar Category	Foreign Large Blend
Funds in Category	759
1 Year Fund Ranking	56 th percentile out of 689
3 Year Fund Ranking	62 nd percentile out of 574
5 Year Fund Ranking	33 rd percentile out of 518
10 Year Ranking	19 th percentile out of 339

Scan Here for More Information on the
Dunham International Stock Fund



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