



DUNHAM

World-Class Trust & Investment Firm

C-Share Standard Asset Allocation Program Frequently Asked Questions

Hold Us To Higher Standards

The **Dunham C-Share Standard Asset Allocation Program (C-SAAP)** is designed to provide the Series 6 or the Series 7 financial advisor with a solution for smaller accounts utilizing one of Dunham's six Asset Allocation Program Strategies and is based on your client's tolerance for risk.

If you are viewing this electronically, simply click on any of the questions in the table of contents and it will bring you to the answer. Then, click on any question and it will bring you back to the Table of Contents.

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What are the two structures of Dunham's Asset Allocation Programs?

The Dunham Asset Allocation Program comes in two structures. The first is designed to accommodate the RIA or IAR (Series 65 or Series 66 Advisory Financial Advisor). The second structure is designed to accommodate the Series 6 or Series 7 Financial Advisor. Both structures have two programs, one for larger clients that allow the financial advisor to customize their client's portfolios and second is a small account solution with low minimums. This means that all licensed Financial Advisors can take advantage of the Dunham Asset Allocation Program and do so for virtually all of their clients.

The Dunham Asset Allocation Program structures offered:

For the RIA or the IAR Advisory Financial Advisor (Series 65 or Series 66)

- **The Dunham Custom Asset Allocation Program (CAAP)**
Typically for larger accounts, this structure allows the Financial Advisor with a Series 65 or Series 66 license the choice of using one of the six Dunham Asset Allocation strategies or to customize the Asset Allocation Program utilizing the Dunham Funds.
- **The Dunham Standard Asset Allocation Program (SAAP)**
With a minimum of \$5,000, this structure allows the Series 65 or Series 66 Financial Advisor a solution for smaller accounts utilizing one of the six Dunham Asset Allocation strategies based on the client's tolerance for risk.

For the Series 6 or Series 7 Financial Advisor

- **The Dunham C-Share Custom Asset Allocation Program (C-CAAP)**
Typically, for larger accounts, this structure allows the Financial Advisor with a Series 6 or Series 7 licenses the choice of using one of the six Dunham Asset Allocation strategies or to customize an asset allocation program utilizing Dunham C-Share mutual funds.
- **The Dunham C-Share Standard Asset Allocation Program (C-SAAP)**
With a minimum of \$5,000, this structure allows the Series 6 or the Series 7 Financial Advisor a solution for smaller accounts utilizing one of the six Dunham Asset Allocation strategies based on the client's tolerance for risk.

All of Dunham's programs provide the benefits of a turnkey investment program that features:

- Asset allocation based on your client's risk tolerance.
- Up to 13 institutional Sub-Advisers managing their investment.
- All institutional Sub-Advisers paid based on their ability to outperform their benchmarks.
- Up to 15 different asset classes or investment styles
- What we consider a sensible use of alternative investments to potentially help manage risk and enhance portfolio returns, adapted to the investment environment to which we believe the markets have evolved.
- Available quarterly asset allocation adjustments.
- Quarterly rebalancing.



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The different features in Dunham's Asset Allocation Programs.

	Custom AAP	Standard AAP	Custom C-Share AAP	Standard C-Share AAP
Licenses Required	Series 65 or 66	Series 65 or 66	Series 6 or 7	Series 6 or 7
Compliance Requirements	Advisory Standards	Advisory Standards	Suitability and C-Share Compliance	Suitability and C-Share Compliance
Allocations Available	Choice of either 6 Dunham Strategies or Customized Strategies	6 Dunham Strategies	Choice of either 6 Dunham Strategies or Customized Strategies	6 Dunham Strategies
Full Dunham Analyst Oversight	Yes	Yes	Yes	Yes
Client Statement & Performance Reporting	Enhanced Statements & Enhanced Performance Reporting	Standard Statement & No Enhanced Reporting	Enhanced Statements & Enhanced Performance Reporting	Standard Statement & No Enhanced Reporting
Financial Advisor Advisory Fee or Commission	Advisory Fee of up to 225 basis points with a 25 basis point sponsor fee to Dunham	100% of Advisory Fee to Broker/Dealer	C-Share commission with 25 basis point sponsor fee to Dunham	100% of C-Share commission to Broker/Dealer
Frequency of Advisory Fee or Commission	Quarterly	Quarterly	Quarterly	Monthly
Share Class Used	Institutional Class	A Shares Load Waived	C-Shares	C-Shares
Sub-Adviser Fee Tied to Performance	Yes	Yes	Yes	Yes
Quarterly Rebalancing	Yes	Yes	Yes	Yes
Automatic Asset Allocation Changes	Yes	Yes	At Advisor's request	At Advisor's request
Quarterly Account Statements	Yes	Yes	Yes	Yes
Monthly Account Statements	Yes	No	Yes	No
Qualified (Retirement) Account Minimum	\$50,000	\$5,000	\$50,000	\$5,000
Non-Qualified Account Minimum	\$100,000	\$10,000	\$100,000	\$10,000
Back Office	Dunham	Transfer Agent (Gemini)	Dunham	Transfer Agent (Gemini)
Detailed Tax Reporting	Yes	No	Yes	No
House holding	Yes	Yes	Yes	Yes
Fee Notice	Yes	No	N/A	N/A
Ability to Pay Fees From Outside the Account	Yes	No	N/A	N/A
Produces Statement	Dunham	Transfer Agent (Gemini)	Dunham	Transfer Agent (Gemini)
Processes, Collects and Pays Advisory Fees	Dunham	Transfer Agent (Gemini)	N/A	N/A
Assets Custodied	Dunham/DTC	Transfer Agent (Gemini)	Dunham/DTC	Transfer Agent (Gemini)
Money Market Option	Milestone	Milestone	Milestone	Milestone
Cash Allocation	Any %	0% or 3%	Any %	None



Where are C-SAAP forms located?

You can find C-SAAP forms by following the steps below.

1. Go to www.dunham.com
2. Log on as an advisor
3. Click Advisors & Forms
4. Under Dunham Programs choose Standard C-Share AAP

You can also ask your Regional Marketing Associate to email you the links to C-SAAP applications from the *Dunham Apps & Forms Cloud*. They can be reached at **(800) 442-4358**.

What do I need to do to reallocate to the most current strategy in C-SAAP or to change to a new strategy?

To change the strategy or reallocate into the most current strategy in C-SAAP, you can simply fill out our Strategy Update form, which can be accessed or requested using the same instructions found in Question #3, above. Once completed, the form should be sent to Gemini Fund Services for processing by faxing it directly to **(402) 963-9094**.

Do you send out separate fee notices to my clients?

No, C-SAAP is a brokerage account and therefore there are no fee notices. Financial Advisors will be compensated via C-Share commissions.

What are the commissions for C-SAAP?

A total of 75 basis points are paid on the following funds:

- Dunham Corporate Government Bond Fund
- Dunham High-Yield Bond Fund
- Dunham Floating Rate Bond Fund
- Dunham International Bond Fund

All other funds have a commission of 100 basis points. On a monthly basis, a full 100% of commissions are paid to your Broker/Dealer grid, as Dunham does not take a program fee on C-SAAP.

If my client is concerned about the market, can they move to 100% cash?

Yes, you can move your client to 100% cash. Please keep in mind that there are no commissions paid on the money market fund. As an alternative to cash, if your client becomes more risk averse, you can move them to a strategy with less historical volatility.



What if my client already has an account opened at Gemini, how do I transfer this account to C-SAAP?

If you have an existing Gemini account and wish to invest in C-SAAP, contact the Dunham & Associates Client Service Department at (800) 442-4358 to request the necessary applications and transfer forms.

What is the process for transferring qualified and non-qualified assets into C-SAAP?

To transfer assets to your C-SAAP account, contact our Client Service Department at (800) 442-4358 and request the IRA Transfer of Assets form or the Non-IRA Transfer of Assets form. These forms can also be accessed or requested using the same instructions found in Question #3, above.

Where do I send completed C-SAAP forms?

Once you have completed the C-SAAP application and any accompanying transfer forms and checks, they can be sent to:

Dunham & Associates

Attn: Client Services

10251 Vista Sorrento Parkway, Suite 200

San Diego, CA 92121

Do I need to signature guarantee the transfer paperwork?

Yes, it is required that you obtain a signature guarantee on any Dunham transfer paperwork. Financial Advisers and/or local banks may have a signature guarantor. This is not a Dunham specific requirement, but rather the delivering firms require a signature guarantee before releasing assets.

Can my client or I find C-SAAP account information and investment values online?

Yes. Once you've opened your new C-SAAP account, contact Gemini Fund Services at (888) 338-6426 and a Gemini Client Services Representative will assist you in establishing web access.

Can I get the C-SAAP information into emoney, Investigo® or other similar programs?

Yes, both C-SAAP and CAAP client information can be uploaded into the emoney platform and other similar programs via DST Vision or DST FAN Mail.

Where do I find C-SAAP account information on your web site?

To view your client's C-SAAP account online, simply go to the Dunham web site at www.dunham.com, click on login, then click once more on "go to login" under Dunham Standard Asset Allocation Program & Direct Accounts. As mentioned above, to establish a login, contact Gemini Fund Services at (888) 338-6426.



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When opening a C-SAAP account with Dunham, some of your forms reference addresses in Reno and San Diego. How do I know which box to check?

Please check the San Diego box on any forms. When opening a C-SAAP account, the application and all other forms should be sent to our San Diego office for processing.

Once a C-SAAP account is opened and the client wants to send a check for additional contributions, where do I send it?

Once a C-SAAP account has been established, please send any additional contributions to:

Dunham Funds

c/o Gemini Fund Services, LLC
17605 Wright Street, Suite 2
Omaha, NE 68130

Where are C-SAAP assets custodied?

Gemini Fund Services, LLC serves as the custodian and transfer agent for the Dunham Funds that are utilized within the Dunham C-SAAP.

Can my client split their money between two or more strategies in C-SAAP?

Yes. However, to utilize more than one C-SAAP strategy separate accounts must be opened.

How are my commissions paid and what is the timing?

Commissions paid on C-SAAP accounts are calculated monthly based on average daily account value and paid monthly. Your Broker/Dealer should expect to receive payment approximately one week after month end.

Do you have a C-SAAP sample statement?

Yes, a sample statement can be viewed here. If you are viewing this FAQ as a hard copy document, please call our Sales team at (800) 442-4358 and we will send you a copy.

Do you have a program that would allow me to dollar cost average into C-SAAP?

Yes. To do this, you can open two accounts concurrently and with a Letter of Instruction, set up the account to invest into the C-SAAP account. Please contact Dunham Client Services at (800) 442-4358 and we can help you.



Who do I make checks payable to?

Once you have elected to invest into the C-SAAP, checks can be made payable to: Dunham Funds. If the check is being sent along with account opening paperwork, please send it to:

Dunham & Associates

P.O Box 910309
San Diego, CA 92191

If the check is for an additional contribution to an existing account, send it to:

Dunham Funds

c/o Gemini Fund Services, LLC
17605 Wright Street, Suite 2
Omaha, NE 68130

If I have clients invested in both C-CAAP and C-SAAP, why do I need 2 log-in IDs?

Because Custom C-Share AAP and Standard C-Share AAP are custodied at different firms and locations, two different websites are utilized.

Who do I contact with C-SAAP commission questions?

C-SAAP commission questions can be directed to Gemini Fund Services, LLC at (888) 338-6426.

Do you provide comprehensive statements for C-SAAP?

Yes, clients invested in the C-SAAP will receive quarterly statements showing all transactions in the account during the period covered by the account statement. It will show all contributions and withdrawals made by the client during the period, the holdings in the account at the end of the period, any fees or expenses charged to the client during the period (if applicable) as well as the value of the account at the beginning and at the end of the period.

Can I get my C-SAAP statements househanded?

Yes, Section __ of the C-SAAP application allows the client to select "householding", which combines mailings of prospectuses, e-mail announcements, account statements, tax-related statements, proxies, semi-annual reports, annual reports, and other eligible documents for accounts within your household into one envelope, when available.

Can you transfer non-Dunham investments in-kind to an established C-SAAP account?

No, currently C-SAAP accounts can only hold Dunham Funds. If your client achieves the minimum investment requirement, Dunham's C-Share Custom Asset Allocation Program can provide this service.



Is performance the same or different between the C-SAAP and C-CAAP funds?

Both C-SAAP and C-CAAP use Dunham Fund C-Shares as the underlying mutual fund investment, therefore performance should be the same.

Are C-SAAP strategies automatically rebalanced to the most recent allocation?

C-SAAP accounts are automatically rebalanced quarterly to the initial account allocation if selected. If you would like to reallocate to the most recent strategy, we are happy to accommodate this request. We would need the Strategy Update form completed as referenced in Question #4 above.

Important Disclosures

The information herein is for informational purposes only and is not an offer to purchase an interest in any Fund.

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 contacting your financial advisor, or by calling toll free (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. ("DAIC") is a Registered Investment Adviser and Broker/Dealer. Member FINRA/SIPC.

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

The Dunham Funds utilize a Sub-Adviser performance-based management fee that adjusts upward or downward based on the Fund's performance relative to an established benchmark index over a performance measurement period. Some Sub-Advisers may receive a minimum fee regardless of whether or not a performance benchmark is met or exceeded.

As the Distributor/Adviser of the Dunham Funds, Dunham & Associates Investment Counsel, Inc. receives a separate fee.

Asset allocation, which is driven by complex mathematical models, should not be confused with the much simpler concept of diversification. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. Rebalancing may be a taxable event. Before taking any specific action, be sure to consult with your tax professional.

The Dunham Custom C-Share Asset Allocation Program (C-CAAP) is an asset allocation program that utilizes Class C-Shares of the Dunham Funds. The minimum account size for C-CAAP is \$50,000 for retirement accounts and \$100,000 for non-qualified accounts. A third-party financial advisor using C-CAAP will receive a portion of the Class C trail commissions and DAIC will receive 0.25% for shareholder servicing.



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A third-party financial advisor may choose from one of the six strategic asset allocation strategies or customize his/her selection based on the client's tolerance for risk. Accounts may be automatically rebalanced to the original strategy or specified percentages (if customized) on a quarterly basis. Switching to a different strategy or asset allocation will only occur at the request of the third-party financial advisor or client.

Class C-Shares of the Dunham Funds charge higher internal expenses than Class A shares, which will reduce returns. Class C-Shares are not assessed a front-end sales charge. Class C-Shares do not "convert" to Class A shares.

The Dunham Standard C-Share Asset Allocation Program (C-SAAP) is an asset allocation program that utilizes Class C-Shares of the Dunham Funds. The minimum account size for C-SAAP is \$5,000 for retirement accounts and \$10,000 for non-qualified accounts. A third-party financial advisor using C-SAAP will receive a 100% of the Class C trail commissions.

A third-party financial advisor may choose from one of the six strategic asset allocation strategies based on the client's risk tolerance for risk. Accounts may be automatically rebalanced to the original strategy on a quarterly basis. Switching to a different strategy will only occur at the request of the financial advisor or client.

Class C-Shares of the Dunham Funds charge higher internal expenses than Class A shares, which will reduce returns. Class C-Shares are not assessed a front-end sales charge. Class C-Shares do not "convert" to Class A shares.

The Dunham Custom Asset Allocation Program ("CAAP") is a turnkey wrap fee program that utilizes Class N shares of the Dunham Funds. DAIC serves as the wrap fee program sponsor and receives 0.25%. The minimum account size for CAAP is \$50,000 for retirement accounts and \$100,000 for non-qualified accounts. CAAP offers two fee options: (i) a performance-based fee option available to qualified clients; and (ii) an assets under management-based fee available to all investors, which ranges from 0.00% to 2.00%, and is determined by the third-party financial advisor with the client.

A third-party financial advisor may choose from one of the six strategic asset allocation strategies or customize his/her selection based on the client's tolerance for risk. Accounts will be automatically rebalanced to the most recent strategy or specified percentages (if customized) on a quarterly basis.

The Dunham Standard Asset Allocation Program ("SAAP") is a turnkey wrap fee program that utilizes Class N shares of the Dunham Funds. The Class A upfront and deferred sales charges are waived. DAIC serves as the wrap fee program sponsor and receives 0.25%. The minimum account size for SAAP is \$5,000 for retirement accounts and \$10,000 for non-qualified accounts. A fee based on assets under management is charged to the client, which ranges from 0.00% to 2.00%, and is determined by the third-party financial advisor with the client.

A third-party financial advisor may choose from one of the six strategic asset allocation strategies based on the client's risk tolerance for risk. Accounts will be automatically rebalanced to the most recent strategy on a quarterly basis.

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