



**INSTRUCTIONS FOR APPLICANTS**

- Complete this form and make sure to sign in Section 12 of the application.
- Remember to attach any supporting documentation, i.e. copy of plan documents, government-issued photo identification (if applicable)
- If you are using a Custodian other than Dunham Trust Company, your Custodian will complete Section 2-D.
- Forward documents to your Financial Advisor for review.

**INSTRUCTIONS FOR FINANCIAL ADVISORS**

- Make sure that additional forms are attached (if applicable). See the *New Accounts Program Guide* (attached supplement) for additional information.
- Review this form with your client and sign in Section 13 of the application. See instructions in this section if you are operating in a branch with an OSJ or Authorized New Accounts Principal.
- Is the client utilizing the services of a Custodian other than Dunham Trust Company?
  - NO. If no branch OSJ or approving Principal in office, forward documents to your Registered Investment Advisory (RIA) Firm Home Office for approval. **Lack of RIA endorsement in this section will result in account-opening delays.**
  - YES. If the client is utilizing the services of a Custodian other than Dunham Trust Company, provide the mailing instructions of that firm to your RIA for proper routing.
- All new account applications with accompanying check must be complete. In some cases, Dunham & Associates may not retain incomplete items and must return the items as incomplete.

**INSTRUCTIONS FOR ACCEPTING RIA FIRM**

- Review this form for completeness.
- Accept the account by signing in Section 14 of the application.
- Forward documents to Dunham & Associates at the address referenced to the right.
- If client is utilizing the services of a Custodian other than Dunham Trust Company, forward the documents to the accepting Custodian Firm. Your representative should provide you with the address.

**INSTRUCTIONS FOR THIRD PARTY CUSTODIAN (IF APPLICABLE)**

- Review this form for completeness.
- Complete Section 2-D.
- Sign Section 12 of the application.
- Forward documents to Dunham & Associates at the address referenced to the right.

Overnight to:  
**Dunham & Associates Investment Counsel, Inc.  
10251 Vista Sorrento Parkway #200  
San Diego, CA 92121**

Mail to:  
**Dunham & Associates Investment Counsel, Inc.  
P.O. Box 910309  
San Diego, CA 92191**

Make checks payable to:  
**DTC CFBO "account title"**  
For example,  
"DTC CFBO XYZ Company Profit-Sharing Plan"

If you have any questions or need any help filling out the application, please call 800-442-4358,  
Monday-Thursday, 6:00 a.m. to 6:00 p.m. Pacific Time.  
Friday, 6:00 a.m. to 5:00 p.m. Pacific Time.

Website: [www.dunham.com](http://www.dunham.com)

Representative Name: \_\_\_\_\_

Representative #:  
(at RIA Firm) \_\_\_\_\_

Registered Investment  
Advisory Firm Name: \_\_\_\_\_

*Dunham & Associates ("Dunham") is the marketing designation for Dunham & Associates Investment Counsel, Inc., and its affiliates, including Dunham Trust Company. Securities and investment advisory services offered through Dunham & Associates Investment Counsel, Inc., member FINRA/SIPC and a Registered Investment Adviser. Trust services offered through Dunham Trust Company, a privately held trust company licensed and regulated by the State of Nevada, Department of Business and Industry, Financial Institutions Division.*



BUILDING RELATIONSHIPS THAT LAST GENERATIONS

**Required Documents for QRP accounts:**

- 1) A Qualified Retirement Plan Account application for either the Dunham C-Share or N-Share (Asset Allocation) Program. Please determine whether the QRP is either:
  - a. Trustee Directed (trustee-directed pooled accounts, all investments are owned at the plan level and all investment activity is directed by the trustee only. Also applicable to self-employed individual plans where the individual serves as the trustee and participant).
  - b. Participant Directed (applicable to plans with multiple employees / participants who direct their own investments by giving direction to a third party administrator. Dunham changes investment selection at the direction of the third party administrator only).
- 2) Investment Policy Statement (Appendix A) of the N-Share (Asset Allocation) Program Application.
- 3) *Optional:* Advisory Agreement (Appendix A) of the C-Share Program Application.
- 4) Plan Document (not a summary description)
- 5) Copy of Adoption Agreement
- 6) IRS Determination Letter (if applicable)

**To Open Your Dunham Funds QRP Account:**

- 1) Complete the applicable QRP application (see above).
- 2) If you are opening your Qualified Retirement Plan utilizing the services of a Third Party Administrator and Custodian, provide these documents to that party for account opening.
- 3) If you are requesting a transfer of current plan assets (held elsewhere) to your Dunham Funds QRP, also complete the Transfer of Assets Form *and include a recent copy of your current QRP statement*. Make sure that all Plan Trustees have signed the Transfer of Assets Form.
- 4) Please ensure all necessary forms are signed by the client, financial representative, and home office principal.
- 5) If funding this new account by check, include a check made payable to:

Dunham Trust Company  
c/o Dunham & Associates  
P.O. Box 910309  
San Diego, CA 92191  
800-442-4358

*Dunham & Associates ("Dunham") is the marketing designation for Dunham & Associates Investment Counsel, Inc., and its affiliates, including Dunham Trust Company. Securities and investment advisory services offered through Dunham & Associates Investment Counsel, Inc., member FINRA/SIPC and a Registered Investment Advisor. Trust Services offered through Dunham Trust Company, a privately held trust company licensed and regulated by the state of Nevada, Department of Business and Industry, Financial Institutions Division.*

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## 1. PRIVACY POLICY/STATEMENT

Dunham & Associates and its affiliates recognize and respect the privacy of each of their clients and their expectations for confidentiality. The protection of client information is of fundamental importance in our operation and we take seriously our responsibility to protect personal information.

We collect, retain and use information that assists us in providing the best service possible. This information comes from the following sources:

- ▶ Account applications and other required forms,
- ▶ Written, oral, electronic or telephonic communications, and
- ▶ Your transactions with us, our affiliates, or others.

We only disclose nonpublic personal information to third parties as necessary and as permitted by law. We restrict access to nonpublic personal information to those employees, affiliates and service providers involved in servicing your account. We require that these entities limit the use of the information provided to the purposes for which it was disclosed and as permitted by law. We maintain physical, electronic and procedural safeguards to guard nonpublic personal information of our clients.

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## 2. ACCOUNT TYPE AND INFORMATION

### A. Type of Account

- 401(k) Plan       Pension Plan       Profit Sharing Plan       Other (describe): \_\_\_\_\_
- Keogh      Keogh Plan Sponsor acknowledges it has received independent financial advice with respect to this investment and no party hereto has been delegated investment management authority.

### B. Plan Information

Sponsoring Company Name: \_\_\_\_\_

Plan Name (i.e., XYZ Company 401(k) Plan): \_\_\_\_\_

Plan's Permanent Address: \_\_\_\_\_  
(no P.O. Boxes)      Street      City      State      Zip Code

Mailing Address: \_\_\_\_\_  
(if different from above)      Street      City      State      Zip Code

Sponsoring Company Phone Number: \_\_\_\_\_

State/ Country of Organization: \_\_\_\_\_

Date Plan Established: \_\_\_\_\_ Plan Tax Identification #: \_\_\_\_\_

### C. Plan Administrator Information

Plan Administrator: \_\_\_\_\_  
(if managed by a third party administration company)

Contact Name: \_\_\_\_\_  
(Name of Person responsible for administrative functions related to this plan. This person may work for the sponsoring company or may work for the Plan Administrator Company)

Mailing Address: \_\_\_\_\_  
(if different from company address)      Street      City      State      Zip Code

## 2. ACCOUNT TYPE AND INFORMATION (CONTINUED)

**D. Third-Party Custodian Information (if applicable).** *This section to be complete by the accepting Custodian Firm.* Complete this section if you are utilizing the services of a Custodian other than Dunham Trust Company. For example: XYZ Company already has retirement plan set up with ABC Trust Company. XYZ Company would like to invest directly in a Dunham Funds program, but would like to maintain ABC as the Custodian of the account, whereas Dunham Trust Company would normally be the Custodian.

Custodian Organization Name: \_\_\_\_\_

Custodian Permanent Address: \_\_\_\_\_  
(no P.O. Boxes) Street City State Zip Code

Custodian Mailing Address: \_\_\_\_\_  
(if different from above) Street City State Zip Code

Custodian Phone Number: \_\_\_\_\_

Account Number (at the Custodian): \_\_\_\_\_

Custodian Tax Identification #: \_\_\_\_\_

Account Title: \_\_\_\_\_  
(Please tell Dunham exactly how to title the account for the Custodian. For example: ABC Trust Company Custodian FBO XYZ Company 401(k) Plan, Acct. # 555)

## 3. PLAN TRUSTEE INFORMATION

The information contained in this section is required by the USA PATRIOT Act and must be included for all individuals who have authority over the account. The data provided will be used to perform an identity check of Account Owners by using third party vendors.

### A. Personal Information

#### Trustee #1

First Name M.I. Last Name  
- - / /

Social Security Number or Taxpayer ID Number Date of Birth

Driver's License Number State of Issuance Expiration Date

Permanent Address (Must be a street address)

City, State, Zip Code

Phone Number

Mailing Address (If different from Permanent Address)

City, State, Zip Code

#### Trustee #2

First Name M.I. Last Name  
- - / /

Social Security Number or Taxpayer ID Number Date of Birth

Driver's License Number State of Issuance Expiration Date

Permanent Address (Must be a street address)

City, State, Zip Code

Phone Number

Mailing Address (If different from Permanent Address)

City, State, Zip Code

Please send all eligible and available account communications to me (Trustee) electronically in accordance with the Request for Paperless Services agreement (Appendix C). Available for accounts custodied at Dunham Trust Company only.

E-mail: \_\_\_\_\_

**3. PLAN TRUSTEE INFORMATION (CONTINUED)**

**B. Citizenship**

U.S.       Other

Foreign Citizens:

- Permanent Resident
- Non-Permanent Resident
- Non-Resident Alien (IRS Form W-8BEN required)

*For foreign citizens, provide a copy of a government-issued document evidencing nationality or residence and bearing a photograph on one of the following:*

ID Number of document provided below: \_\_\_\_\_

- US Driver's License       INS Permanent Resident Alien Card
- Passport with US Visa       Employment Authorization Document
- Passport without US Visa\*       Foreign National Identity Document\*

*If providing a document marked with an asterisk (\*), please provide the information below. Include a copy of a recent financial statement for the account referenced below.*

\*US bank name      \*US Bank Account Number

\*Bank address      \*Bank Phone Number

U.S.       Other

Foreign Citizens:

- Permanent Resident
- Non-Permanent Resident
- Non-Resident Alien (IRS Form W-8BEN required)

*For foreign citizens, provide a copy of a government-issued document evidencing nationality or residence and bearing a photograph on one of the following:*

ID Number of document provided below: \_\_\_\_\_

- US Driver's License       INS Permanent Resident Alien Card
- Passport with US Visa       Employment Authorization Document
- Passport without US Visa \*       Foreign National Identity Document\*

*If providing a document marked with an asterisk (\*), please provide the information below. Include a copy of a recent financial statement for the account referenced below.*

\*US bank name      \*US Bank Account Number

\*Bank address      \*Bank Phone Number

**4. AVAILABLE FUNDS** (Account Minimum \$100,000 for takeovers custodied at Dunham Trust Company. No minimum for startups.)

Plan participants will contribute to any one or a combination of the below listed funds.

**Name of Fund:**

- |   |                                    |
|---|------------------------------------|
| American Century Prime Money Market - Investor Class*           | Dunham Real Estate Stock Fund      |
| Milestone Funds Treasury Obligations Portfolio-Investor Class** | Dunham International Fund          |
| Dunham Corporate/Government Bond Fund                           | Dunham Small Cap Value Fund        |
| Dunham High Yield Bond Fund                                     | Dunham Large Cap Growth Fund       |
| Dunham Monthly Distribution Fund                                | Dunham Small Cap Growth Fund       |
| Dunham Appreciation & Income Fund                               | Dunham Emerging Markets Stock Fund |
| Dunham Large Cap Value Fund                                     |                                    |

Any cash received may be deposited into the Milestone Funds Treasury Obligations Portfolio-Investor Class ("Money Market Fund") prior to investment if no investment instructions are provided. For convenience, the Custodian may accumulate cash below \$100 in the Money Market Fund.

\* Participants may choose to utilize any money market fund made available to them by their Third-Party Administrator or Custodian's Platform and are not limited to the money markets suggested in this section.

\*\* Milestone Treasury Obligations Portfolio – Investor Class is only available to participants with accounts custodied directly through Dunham Trust Company.

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## 5. INTERESTED PARTY INFORMATION

Statements and confirmations will automatically be sent (or made available) to the primary Account Owner and to the Financial Representative identified below. Please send the following items, indicated by a checkmark, to any other interested party as referenced below:

- |                          |                      |  |
|--------------------------|----------------------|--|
| <input type="checkbox"/> | Duplicate Statements | Name: _____                              |
| <input type="checkbox"/> | Duplicate Confirms   | Address: _____                           |
| <input type="checkbox"/> | Tax Information      | City: _____ State: _____ Zip Code: _____ |
| <input type="checkbox"/> | Duplicate Statements | Name: _____                              |
| <input type="checkbox"/> | Duplicate Confirms   | Address: _____                           |
| <input type="checkbox"/> | Tax Information      | City: _____ State: _____ Zip Code: _____ |

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## 6. CUSTODIAL FEE AGREEMENT (for accounts custodied at Dunham Trust Company only)

There is no charge for custodial services if the assets in the Account exceed \$100,000 (\$50,000 for IRAs) and include only The Dunham Funds Class N Shares and/or certain non-proprietary funds made available by Dunham & Associates. Accounts below this amount and Accounts that hold other non-Dunham assets are subject to the Custodian's regular Custody Fee Schedule. Excess distribution fees and termination fees may apply. See the Custodial Account Terms and Conditions.

**If utilizing a Custodian other than Dunham Trust Company please consult your Custodian's fee schedule.**

The Custodian may receive service fees from The Dunham Funds or certain other mutual funds, investment sponsors, service providers or financial institutions for necessary shareholder and administrative services that the Custodian performs incident to the establishment and maintenance of records for any Account.

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## 7. ADVISORY FEE AGREEMENT & AUTHORIZATION

**Account Owner agrees to pay an asset-based fee\* that shall be charged to the Account at an annual rate of .25%+ \_\_\_\_\_ % of the average daily net asset value of the Account.** The asset-based fee shall be accrued daily and charged quarterly in arrears. Account Owner understands and agrees that of the total asset-based fee, 25 basis points, or an annual fee of 0.25% of the average daily net asset value of the Account, shall be paid to Dunham & Associates as a program fee, with the remainder paid to the Adviser. Fees shall be pro-rated and charged upon termination.

Adviser and Dunham & Associates are each hereby authorized, in accordance with the Client Asset Allocation Agreement and Custodial Account Agreement, to direct Custodian to deduct advisory, custodial, and if applicable, other expenses directly from the Account, and to liquidate any assets to effect such payment, and to instruct Custodian to disburse funds out of the Account by check, wire or other form to Adviser's address of record or accounts at other financial institutions. Such directions may be submitted to Custodian in writing, oral, electronic, or other means.

*\*Asset-based fee may not exceed 2.25% (including 0.25% paid to Dunham & Associates), as agreed upon between the parties.*

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## 8. QUARTERLY FEE PAYMENT METHOD

- I wish to pay the above fee directly from the current account I am opening.
- I wish to pay the above fee from another account title currently held at Dunham & Associates Investment Counsel, Inc.  
Account No.: \_\_\_\_\_ Account Title: \_\_\_\_\_
- I wish to pay the above fee via check. I will send payment each quarter within 10 days upon receipt of fee notice.
- I authorize ACH deduction from the bank account identified in Section 10.

If no method is checked above the fee payment will default to the first method above and Custodian, will deduct your quarterly advisory fee directly from this account. Please see attached Client Asset Allocation Agreement, Section 7.(a) for further explanation.

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## 9. TELEPHONE & ACCOUNT AUTHORIZATION

Account Owner (Trustee(s)) acknowledges and agrees that the Custodian is authorized to act upon instructions received from Account Owner or their authorized Financial Representative designated below or the Plan Administrator designated above. Such authority includes, among other things, the authority to purchase, sell and exchange assets in the Account, the authority to contribute or transfer additional assets to the Account, the authority to disburse funds out of the Account by check, wire or other form to Account Owner's address of record or accounts at other financial institutions; and take any other actions incidental to the foregoing. Such directions may be submitted to Custodian in writing, oral, electronic, or other means.

- Account Owner declines telephone authorization. **(If checked, telephone privileges will not be available).**

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**10. BANK INFORMATION** (Please attach a voided check from your account.)

I authorize the Custodian and/or Program Sponsor to send redemption proceeds and/or deduct fees (if so authorized in Section 8) when requested via the Automated Clearing House of which my bank is a member.

Name of Depository Institution \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Type of Account:       Checking

Savings

Account Name \_\_\_\_\_

Account Number \_\_\_\_\_

ABA Number \_\_\_\_\_

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**11. ARBITRATION OF DISPUTES**

**This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

- A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- B. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- C. The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.
- D. The arbitrators do not have to explain the reason(s) for their award.
- E. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- F. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- G. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

IN CONSIDERATION OF OPENING ONE OR MORE ACCOUNTS FOR THE UNDERSIGNED, THE UNDERSIGNED AGREE(S) THAT ANY CONTROVERSY BETWEEN US ARISING OUT OF OR RELATING TO ANY OF MY ACCOUNTS WITH DUNHAM & ASSOCIATES INVESTMENT COUNSEL, INC., DUNHAM TRUST COMPANY OR ANY AFFILIATES, TRANSACTIONS WITH ME OR FOR ME, OR THE CONSTRUCTION, PERFORMANCE OR BREACH OF THIS AGREEMENT WHETHER ENTERED INTO PRIOR, OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE SUBMITTED TO ARBITRATION CONDUCTED BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. AND IN ACCORDANCE WITH ITS RULES. The award of the arbitrators, or of the majority of them, shall be final and binding on the parties, and judgment upon the award rendered may be entered into in any court, state or federal, having jurisdiction. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intent to arbitrate. The undersigned understand(s) that the undersigned cannot be required to arbitrate any disputes or controversy not arbitratable under federal law.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**12. SIGNATURE(S) & CERTIFICATION (REQUIRED)**

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, social security number/Tax ID number and other information that will allow us to identify you. We may also require a copy of your driver's license or other government issued identifying documents.

When opening an account for a foreign business, enterprise or a non-U.S. person that does not have an identification number, we require alternative government-issued documentation certifying the existence of the person, business or enterprise.

We must have signatures to process your Application and to certify your Taxpayer Identification number. IRS regulations require your signature to avoid any backup withholding. The undersigned warrants that:

<p>I certify under penalty of perjury that:</p> <p>(a) The number shown on this Application is my correct Social Security Number or Taxpayer Identification Number.</p> <p>(b) I am not subject to backup withholding as a result of failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.</p> <p>(c) I am a U.S. person (including a U.S. resident alien.)</p> <p><input type="checkbox"/> Check this box if you have been notified by the IRS that you are currently subject to backup withholding.</p>
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The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I, the undersigned account owner or owners (who are referred to herein as the "Account Owner" for convenience even if more than one owner), hereby acknowledge that this Account and related Custodial Account is opened pursuant to and is to be maintained and governed in conjunction with the Retirement Plan Asset Allocation Agreement and the Custodial Account Agreement incorporated herein. I further acknowledge that: (1) I have read, understand and agree to all of the terms as set forth in the Retirement Plan Asset Allocation Agreement and the Custodial Account Agreement; (2) the advisory fees and/or custodial fees with respect to these Agreements may be charged to my Account; (3) I have received a copy of Adviser's Form ADV Part II Disclosure Document and the Program Sponsor's AAP Schedule H; (4) I have received a current Prospectus for the Funds available in the Program and agree to be bound by the terms therein; (5) I AGREE TO THE PRE-DISPUTE ARBITRATION CLAUSE THAT APPEARS IN THE ARBITRATION OF DISPUTES (Section 11); (6) I have received and retained a copy of this Application, including the Retirement Plan Agreement and Custodial Account Agreement; and (7) I understand that this agreement includes a 5 (five) day right of rescission upon written notice to the Custodian.

MY SIGNATURE BELOW INDICATES THAT I HAVE READ AND AGREE TO THE TERMS HEREIN INCLUDING THE CLIENT ASSET ALLOCATION AGREEMENT AND CUSTODIAL ACCOUNT AGREEMENT.

	/ /
Signature of Trustee	Date

	/ /
Signature of Co-Trustee	Date

Print Name of Custodian Firm Representative

	/ /
Signature of Accepting Custodian Firm Representative	Date



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**13. FINANCIAL ADVISOR INFORMATION**

The undersigned Representative hereby agrees to the terms and conditions set forth herein.

Print Name of Financial Advisor: \_\_\_\_\_

Representative's Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Print Name of Financial Advisor (if joint): \_\_\_\_\_

Representative's Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone ( ) - \_\_\_\_\_ Fax ( ) - \_\_\_\_\_

Financial Advisor Signature (*authorized signature*): \_\_\_\_\_

I have been designated by my Registered Investment Adviser Firm home office as a branch OSJ or Authorized New Account Acceptance Principal. (If you check this box, please complete and sign Section 12)

Joint Financial Advisor Signature (*authorized signature*): \_\_\_\_\_

I have been designated by my Registered Investment Adviser Firm home office as a branch OSJ or Authorized New Account Acceptance Principal. (If you check this box, please complete and sign Section 12)

*Instructions for Representative: If no branch OSJ exists, please forward this completed document to your RIA home office for review and approval. Failure to do so will result in account-opening delays.*

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**14. REGISTERED INVESTMENT ADVISER FIRM INFORMATION**

The undersigned Registered Investment Adviser Firm hereby agrees to the terms contained herein.

Adviser Firm Name: \_\_\_\_\_

Any other name under which Firm conducts business (please explain)

Legal Address of Home Office: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Mailing Address (if different from above): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone ( ) - \_\_\_\_\_ Fax ( ) - \_\_\_\_\_ TIN: - \_\_\_\_\_

Print Name of Authorized RIA Representative: \_\_\_\_\_

Check one:  Branch OSJ / Principal  Home Office OSJ / Principal

Signature (*authorized signature*): \_\_\_\_\_

Check all that apply:

- Registered as investment adviser with SEC  
 Registered as investment adviser in the following states:

*Instructions for home office: Once approved, please forward this completed document, along with any attachments, to Dunham for account opening. If client is utilizing the services of a Custodian other than Dunham & Associates, forward completed document to the Custodian.*



**DUNHAM  
& ASSOCIATES**

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**INVESTMENT POLICY STATEMENT**  
FOR QUALIFIED RETIREMENT PLANS  
N-SHARE (ASSET ALLOCATION PROGRAM)

FOR: \_\_\_\_\_

PREPARED BY: \_\_\_\_\_

## I. INVESTMENT POLICY DISCUSSION

### PREPARED BY:

Registered Investment Advisory Firm Name

### WHAT IS AN INVESTMENT POLICY?

An investment policy outlines and proscribes a prudent and acceptable investment philosophy and sets out the investment management procedures and long-term goals for the investor.

### THE NEED FOR A WRITTEN POLICY

With the enactment of ERISA in 1974, plan fiduciaries became liable for breaches in prudence and diversification standards. ERISA 402(b)(1) states, "Every employee benefit plan shall provide a procedure for establishing and carrying out a funding policy and method consistent with the objectives of the plan and requirements of this title."

A written investment policy allows 401(k) plan fiduciaries to clearly establish the prudence and diversification standards that they want the investment process to maintain. Plan sponsors must develop a written policy whether or not they take an active role in the investment of retirement plan assets or delegate the task to outside investment managers or provide the participants with the right to direct their own accounts. The net effect of the written policy is to increase the likelihood that the plan will be able to meet the financial needs of the plan participants.

### FIDUCIARY RESPONSIBILITY IN A SELF-DIRECTED 401(K) RETIREMENT PLAN

Plan trustees and other fiduciaries have a number of responsibilities when overseeing a self-directed 401(k) retirement plan.

One of the first decisions needs to be whether or not the plan will be "safe harbored" under ERISA Section 404(c). Pursuant to ERISA Section 404(c) and regulations thereunder, 401(k) plan participants must be given reasonable investment choices and provided with the tools to help them make appropriate investment decisions. Generally, when such is the case, fiduciaries avoid responsibility for investment results brought about by the decisions made by plan participants. For the fiduciaries to be so protected, they must clearly state they wish to abide by this regulation and then must meet the following standards:

1. Investment choices must be prudently selected and represent a broad range of options. This is interpreted to mean there must be no less than three distinctly different choices, in terms of risk and reward—usually at minimum, cash or fixed income, stocks and bonds.
2. Participants must have available on an on-going basis information on the suitability and performance of each choice.
3. Full and adequate disclosure about possible investment costs, volatility, losses and market fluctuations must be available to participants to help them make educated investment choices.
4. The investment choices must be well diversified themselves. This will typically require that mutual funds or other pooled investment vehicles be used.
5. Participants must have the right to change their investment selections and transfer funds between investment choices at least once every three months to allow them to address current market conditions.

The development of an Investment Policy Statement will help the trustees determine what investment options to offer and how to make those decisions. In addition, the trustees are responsible for making decisions about replacing an investment choice, how reporting and education will be provided, and to oversee the party doing the record keeping (usually contracted to a specialist).

## 2. OVERVIEW OF THE CURRENT SITUATION

Specifics about the Plan are contained in the "Summary Plan Description" (SPD).

It is the intent of the Trustees to comply with the requirements of ERISA Section 404(c).

The Trustees have sought the assistance of

Registered Investment Advisory Firm Name

with regards to the management of the Plan's investment accounts, primarily as a result of needing a "prudent expert" to assist and not having sufficient investment expertise.

## PLAN INFORMATION

Plan Name: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

## INVESTMENT ADVISER REPRESENTATIVE INFORMATION

Registered Investment  
Advisory Firm Name: \_\_\_\_\_  
Financial Representative: \_\_\_\_\_  
Title: Investment Adviser Representative  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

## 3. PLAN OBJECTIVES

Each Plan participant must be permitted to exercise control over assets in his/her account. These requirements must be met for the participant to exercise control. Participants:

- must have the opportunity to choose from a wide range of diversified investment options, consisting of at least three categories with varying risk and return characteristics
- must have the ability to diversify investments generally and within investment categories
- must be able to develop an investment portfolio with risk and return characteristics appropriate to their own financial and personal circumstances
- must have the opportunity to materially affect the risk and return of their own accounts and to diversify investments so as to minimize the risk of large losses
- must be able to transfer assets from one investment to another at intervals reasonably commensurate with the volatility of the underlying investments
- absent any definition of "reasonably commensurate," the participant must be able to switch at least once in any three month period
- 

Participant must be able to give instructions to, and receive written confirmation from, an identified fiduciary who is obligated to carry out the instructions.

Participant must be provided with, or have the opportunity to obtain, sufficient information to make an informed investment decision.

## 4. DISCLOSURE REQUIREMENTS

The Trustees have a duty to disclose to participants the following on a periodic basis:

- An explanation that the plan is intended to meet the requirements of Section 404(c) and that the plan fiduciaries will be relieved of liability for investment loss resulting from the participant's investments.
- A description of the Investment Policy Statement including disclosure of the available investment alternatives, including investment objectives, risk and return characteristics, type of assets, and diversification of the portfolios.
- Identification of any designated investment managers.
- Procedures on how to give investment instructions, including a description of any limitations on investment changes and any restrictions on voting and tender rights.
- A description of any fees, expenses, or charges to participants' accounts in connection with any transaction, including sales load, commissions, redemption fees, etc.
- The name, address, and telephone number of the plan fiduciary, or the designated agent for the purpose of providing information on demand
- If an investment alternative includes employer securities, the plan procedures designated to ensure confidentiality, and the name, address, and telephone number of the plan fiduciary responsible for monitoring compliance with the confidentiality procedures

- A copy of the most recent prospectus for investment alternatives subject to the Securities Act of 1933
- Any material received by the plan, regarding voting, tender and similar rights to the extent those rights are passed through to participants.

The Plan Trustees must provide the following information to Plan participants upon demand:

- A description of the annual expenses of the investment alternatives
- Copies of any prospectuses, financial statements or reports, or other materials relating to the investment alternatives supplied to the Plan
- Copies of the portfolios or lists of assets of the investment alternatives, including the value of each asset or the name and address of the issuer of any fixed rate contract
- Information relating to the value of the shares or units of the investment alternatives and past and current investment performance net of expenses
- Information on the value of the share or units in the participant's individual account

## 5. INVESTMENT CHOICES AND STRATEGY

Investment of the funds shall be limited, in general, to mutual funds in the following categories and asset classes:

- Cash and cash equivalents, including money market funds and bank certificates of deposit
- Bonds (investment grade or better corporate, U.S. government, municipal, or foreign government)
- Stocks (U.S. and foreign-based companies in the following asset classes: Real Estate, U.S. Convertible, International, U.S. Large Cap Value, U.S. Small Cap Value, U.S. Large Cap Growth, Emerging Markets, U.S. Small Cap Growth)

Mutual Funds may be acquired both individually and in Dunham Strategic Allocations developed by Dunham & Associates Investment Counsel, Inc., an RIA and the Program Sponsor, with allocation between equities and fixed income as follows:

### Capital Preservation

*(Emphasizes current income, low risk and prevention of capital loss)*

100% Fixed Income

### Balanced Growth

*(Emphasizes current income, moderate risk, weighted more in securities)*

60% Equity / 40% Fixed Income

### Balanced Income

*(Emphasizes current income with low to moderate risk in equities)*

20% Equity / 80% Fixed Income

### Growth

*(Emphasizes long-term growth with moderate to high risk in equities)*

80% Equity / 20% Fixed Income

### Growth & Income

*(Emphasizes current income with moderate risk in equities)*

40% Equity / 60% Fixed Income

### Aggressive Growth

*(Emphasizes maximum growth and capital appreciation in equities and, therefore, has the highest risk of investment objective choices)*

100% Equity

Individual mutual fund descriptions will be provided by prospectus from the fund manager. Please contact Dunham or log onto the website to view the Dunham Strategic Allocations as of the current quarter.

## Investment Management

Only asset class based mutual funds, The Dunham Funds, and American Century Prime Money Market – Investor Class shall be available to Plan Participants. This strategy is employed to capture the return behavior of an entire asset class. This approach is based upon the major tenets of Modern Portfolio Theory which states that markets are "efficient" and that investors' returns are determined principally by asset allocation decisions, not market timing or selection of specific securities. Adviser does not rely on economic forecasts, employ strategies which shift allocations between stocks, bonds and cash or search for "undiscovered" stocks. The "Dunham Strategic Allocations" are provided to offer a portfolio of asset classes with different risk/return profiles combined together in an attempt to both lower the volatility of the overall portfolio and enhance overall portfolio returns.

## Portfolio Review and Rebalancing Procedures

With diversified portfolios, market conditions may cause the portfolios' investment in various asset classes to vary from the allocation guidelines established by this IPS. The Adviser will provide educational materials on rebalancing. Plan participants are advised to educate themselves regarding the benefits of regular portfolio rebalancing, and to rebalance their portfolios periodically. The third party administrator shall provide practical means for portfolio rebalancing. Program Sponsor shall provide to the plan's third party administrator, on a quarterly basis, any changes to the "Dunham Strategic Allocations" portfolio choices for inclusion in any rebalancing. Cash additions or withdrawals from the Plan account will also be utilized to return the portfolios to their proper allocations.

## Investment Strategy Performance

Asset class investment performance is cyclical and, therefore, the Plan may experience periods of time in which investment objectives are not met. Unless there are extenuating circumstances, patience will often prove appropriate when performance has been disappointing for a particular asset class, or the overall portfolio. Portfolio performance cannot be guaranteed over any time period.

## 6. DUTIES AND RESPONSIBILITIES OF THE INVESTMENT ADVISER

The firm named in Section 1 of this Investment Policy Statement is a Registered Investment Adviser and shall act as the investment adviser to the Trustees until the Trustees decide otherwise.

The Registered Investment Adviser shall:

1. Identify specific investment options within each asset category.
2. Advise the Trustees with respect to investment selection.
3. Coordinate with the Third Party Administrator to assist in the initial and ongoing implementation of the investment strategy.
4. Monitor the suitability of all selected investment options and recommend changes when appropriate.
5. Assure that plan participants are provided access to a current prospectus of each investment choice that is available either separately or as part of a strategic portfolio.
6. Be available to meet with the Trustees at least once each year, and be available at such other times within reason as the plan Trustees request.

The Registered Investment Adviser is responsible for meeting periodically with plan participants in group meetings to discuss:

1. Investment performance of the investment choices,
2. Investment strategies appropriate to different investor profiles,
3. General investment concepts.

Registered Investment Adviser shall not take title to any assets, nor shall the Registered Investment Adviser exercise discretionary control over any of the Plan's assets. Registered Investment Adviser shall be responsible only to make recommendations to the Trustees and to implement investment decisions as directed by the Trustees.

## 7. ADOPTION

Adopted by the below signed Trustees at \_\_\_\_\_ this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Trustee

\_\_\_\_\_  
Signature of Co-Trustee

## CUSTODIAL ACCOUNT AGREEMENT

This Custodial Account Agreement ("Agreement") sets out the terms and conditions under which the client ("Account Owner") named in the account application ("Application") for the Dunham & Associates Asset Allocation Program ("Program") shall maintain a custodial account ("Account") with Dunham Trust Company ("DTC" or "Custodian," together with Account Owner, the "Parties") for use in conjunction with the Program. ***This form alone may not be used to establish a custodial account, an IRA or qualified retirement plan.*** By executing the Application, Account Owner is agreeing to the provisions set forth below. PLEASE READ THIS AGREEMENT CAREFULLY BEFORE SIGNING THE APPLICATION.

- 1. Appointment of Agents.** DTC is hereby appointed Agent for Account Owner upon the terms hereinafter specified. The investment adviser named on the Application ("Adviser") and appointed by Account Owner pursuant to a Client Asset Allocation Agreement ("Client Agreement") and Dunham & Associates Investment Counsel, Inc. ("Dunham & Associates" or the "Program Sponsor") are each the authorized agents of Account Owner and are not agents of the Custodian.
- 2. Authorization Granted to Adviser.** Account Owner represents and warrants to DTC that Account Owner has granted to the Adviser and the investment advisory representative designated on the Application ("Financial Advisor") the authority to make investment recommendations with respect to assets of the Account and has granted to Dunham & Associates authority to execute transactions on behalf of Account Owner as per the Client Agreement. Such authority includes the authority to purchase, sell and exchange assets in the Account, the authority to contribute or transfer additional assets to the Account, the authority to distribute or transfer assets from the Account to Account Owner's address of record or accounts at other financial institutions; and take any other actions incidental to the foregoing. Account Owner acknowledges and agrees that, as part of the Program, Program Sponsor may perform certain administrative and other services on behalf of the Adviser, including the transmission of instructions to the Custodian and the facilitation of Account information and fees from the Custodian to the Adviser and Dunham & Associates.
- 3. Authorization Granted to Program Sponsor.** Account Owner represents and warrants to DTC that Program Sponsor is authorized to effect transactions in shares of the Funds per the Client Agreement, including, without limitation, the rebalancing of the Funds in the Account and changes to the Funds comprising the Core Allocation Strategies, or their relative proportions within the Core Allocation Strategies. Account Owner also represents and warrants to DTC that Program Sponsor and Adviser are each authorized to instruct Custodian to deduct investment advisory, custodial, and if applicable, other expenses directly from the Account, and to liquidate any assets to effect such payment and to disburse funds out of the Account by check, wire or other form to Account Owner's address of record or accounts at other financial institutions.
- 4. Authorization Granted to Custodian.** Account Owner hereby authorizes Custodian to act upon the instructions received from the Adviser and from the Program Sponsor with respect to the Account. The Custodian is authorized to deduct custodial, advisory, and other fees directly from the Account, and to liquidate any assets in order to pay for such fees and expenses. The Custodian may rely on and pay fees out of the Account at the direction of the Adviser or Program Sponsor without notice to or verification from Account Owner. The Custodian is authorized to communicate activity, positions and other information about the Account, and to transmit fees to the Adviser and Program Sponsor, as applicable.
- 5. Role of Custodian.** Custodian hereby agrees to hold and keep as agent all securities and other property from time to time delivered to or collected by it for Account Owner's Account. The Custodian has no duty to supervise or monitor the Account or the actions of Account Owner, Adviser or Program Sponsor. As custodian, DTC will exercise no investment management or advisory responsibilities for the Account and will be generally limited to accepting possession of the assets, providing safekeeping for the assets, collecting income and payments due the Account, providing periodic statements of Account activities, providing tax information on Account activities and settling, buying and selling investments at Adviser's or Program Sponsor's direction. The Custodian has made no recommendations concerning Account Owner's participation in the Program, the selection or retention of the Adviser, or the selection of any Core Allocation or other investment.
- 6. Custodian's Reliance on Directives.** The Custodian will be fully protected in relying on and acting on any notice, instruction, direction or approval, whether transmitted in writing, electronically, orally or otherwise, received from the Adviser, Financial Advisor, or Program Sponsor and the Custodian will be under no duty to make any investigation or inquiry with respect to any such notice, instruction, direction, or approval received from the Adviser, Financial Advisor, or Program Sponsor or Plan Administrator.
- 7. Replacement of Adviser.** Account Owner may remove an Adviser and designate a new Adviser by written notice to the Custodian. However, the Custodian will be entitled to rely on and act on any notice, instruction, direction, or approval from a removed Adviser until the Custodian receives/accepts the notice of the removal and the designation of a new approved Adviser, and any such removal will not affect the obligations of Account Owner for transactions initiated prior to such receipt/acceptance.

Account Owner also may instruct the Custodian by written notice to cease all further transactions in the Account and/or to make distributions of any or all assets in the Account. Termination of Account Owner's participation in the Program must be made in accordance with Program provisions and will result in the termination of this Account.

- 8. Fees to Custodian.** There are no annual or establishment fees for Custodian's services so long as the assets in the Account at the end of each quarter exceed the applicable minimum (\$50,000 for Individual Retirement Accounts and \$100,000 for all other accounts) and include only The Dunham Funds-Class N Shares and/or certain non-proprietary funds made available by Dunham & Associates. Accounts below the minimum will be charged a \$25 establishment fee and a \$25 annual fee. A \$10 fee will be charged for each excess distribution (distributions in excess of four (4) per year unless part of a recurring systematic withdrawal). The Account termination fee is \$25. Accounts that hold other non-Dunham assets are subject to the Custodian's regular Custody Fee Schedule which is available upon request.

Account Owner agrees that the fees to the Custodian shall be paid directly from the Account. Account Owner agrees that any third party fees and charges incurred by Custodian applicable to Account may be charged by the Custodian from time to time and as a result authorizes Custodian to charge Account for their payment. Custodian will notify Account Owner of any changes to Custodian's fees to the extent required by law.

The Custodian may receive service fees from The Dunham Funds or certain other mutual funds, investment sponsors, service providers or financial institutions for necessary shareholder and administrative services that the Custodian performs incident to the establishment and maintenance of records for any Account.

- 9. Aggregation of Trades and Securities Held by Custodian.** For administrative convenience and to reduce costs, Account Owner hereby acknowledges that the Custodian may aggregate purchases, sales and exchanges of securities in a number of accounts. The Custodian may hold securities in its own name or in the name of its nominee as Custodian may, from time to time, designate. The Custodian may also hold in the same account (Omnibus Account) the securities of various Account Owners. In each case, however, the Custodian will maintain records on an account-by-account basis so that each Account Owner has a legal right to the specific number of securities held by such Account Owner (as opposed to an undivided interest in the securities held by all Account Owners). The Custodian will hold such securities in such a manner so that the investment decisions of each Account Owner will affect only the specific number of shares of the specific securities held by such Account Owner, as reflected on the books of the Custodian, and so that the securities held by any Account Owner are free from the claims of creditors of any other Account Owner. The holding of the securities in such manner is not intended to create a partnership, joint venture, or any other relationship between the Custodian and any Account Owner.
  - 10. Investments.** The Custodian will automatically deposit all deposits, transfers, earnings and other cash received for an Account in the Program into the Milestone Funds Treasury Obligations Portfolio-Investor Class (Money Market Fund) prior to investment. For convenience, cash balances below \$100 may be accumulated and retained in the Money Market Fund. The Money Market Fund is a registered money market fund that invests only in short-term obligations of the U.S. Treasury and repurchase agreements fully collateralized by obligations of the U.S. Treasury. The Money Market Fund is neither insured nor guaranteed by the FDIC or any government agency. Account Owner understands and agrees that the Program Sponsor may replace the Money Market Fund with a comparable fund or bank money market account at its discretion.
- All monies received by Custodian for this Account will be allocated according to the Target Allocation Percentages set out in Section 6 of the Application or in any subsequent allocation instructions received by Custodian. To change allocations, Account Owner or authorized Adviser must provide written or verbal direction to the Custodian.
- 11. Valuation.** The Custodian reports the value of Account assets as accurately as possible using the resources available to it. Individual values for securities that have publicly-quoted prices are reported based solely on such quoted prices, which are obtained from a quotation service or other source generally available to the public. The Custodian does not guarantee the accuracy of prices obtained from quotation services, nor the length of availability of such prices. The Account statement (and the reported values therein) should not be used as a basis for making, retaining or disposing of an investment.

- 12. Statements and Reports.** Custodian hereby agrees to send to Account Owner at such periods as shall be agreed upon, and at least quarterly, a full statement of account, showing the amount of funds and of each security in the Account at the end of the period, all purchases, sales, exchanges, receipts and disbursements, including the amount of fees paid to the Adviser and/or Program Sponsor since the date of the last preceding statement. Account Owner is responsible for reviewing the activity and balances on the Account statement for accuracy. Any errors or omissions regarding your statement must be reported to the Custodian within ten (10) days of receiving the account statement. The statement will otherwise be conclusive.
- 13. Proxy Authorization/Communications.** The Custodian will cause all proxies and other shareholder communications issued by any Fund whose securities are held in the Account to be delivered to Account Owner and Account Owner will have the sole responsibility for voting all proxies. In addition to proxies, shareholder communications may include any consents, elections, instructions, directions, approvals, prospectuses and periodic reports provided by an issuer. The Custodian shall be under no obligation to forward or retain any other corporate material received by the Account unless required by law.
- 14. Indemnification.** Account Owner, and his/her successors and assigns, agree to indemnify and hold harmless the Custodian and each of its officers, directors, shareholders, agents and employees (collectively, the "Indemnified Parties") from and against all losses, expenses, settlement payments, or judgments incurred by, or entered against the Indemnified Parties as the result of any threatened or asserted claims against the Indemnified Parties that pertain in any way to: (1) the performance of the Adviser's or Program Sponsor's duties relating to the Account; or (2) Account Owner's investments.
- 15. Amendment or Termination of the Account.** Account Owner may terminate this Agreement within seven (7) days for IRA, Roth IRA, SEP IRA, and SIMPLE IRA account registrations and within five (5) days for all other account types upon written notice to the Custodian. If there is more than one Account Owner on an Account, each Account Owner, acting alone, will have authority to terminate the Account. The Custodian may modify or amend any of these Terms and Conditions upon 30 days prior written notice to Account Owner. The Custodian may terminate the Account and distribute the assets in the Account to Account Owner at any time and for any reason. Upon any termination, Account Owner will remain liable for any unpaid fees, charges or other obligations incurred in connection with the Account.
- 16. Assignment and Successors.** The Custodian may assign its rights and duties to any person or entity upon 30 days' prior written notice to Account Owner. These Terms and Conditions are binding upon the heirs, executors, administrators, successors, assigns, and personal representatives of Account Owner and inure to the benefit of the Custodian and its successors and assigns.
- 17. Applicable Law.** These Terms and Conditions will be governed by the laws of the State of Nevada as applied to contracts entered into and completely performed within Nevada.
- 18. Entire Agreement and Amendments.** This Agreement, together with the Application of which this Agreement is a part, contains all of the agreements, warranties, representations, and understandings that the Parties have made regarding the arrangement governed by this Agreement. The Parties may, from time to time, amend this Agreement in writing upon mutual agreement. Any such amendment shall be effective as of a date to be established by the Parties.
- 19. Severability.** If any term or condition of this Agreement shall be invalid or unenforceable to any extent or in any application, then the remainder of this Agreement, and such term or condition except to such extent or in such application, shall not be affected thereby, and each and every term and condition of this Agreement shall be valid and enforceable to the fullest extent and in the broadest application permitted by law.
- 20. No Waiver.** The failure of a Party at any time to require performance by the other Party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.
- 21. Survival of Rights.** Termination or cancellation of this Agreement for any reason shall not relieve a Party of obligations that accrued prior to termination or cancellation, or of obligations that by their nature are intended to survive this Agreement, including but not limited to obligations in connection with warranties and indemnification.
- 22. Captions.** The paragraph headings in this Agreement are included for convenience of reference only and in no way define or delineate any of the provisions hereof or otherwise affect their construction or effect.
- 23. Account Protection.** For information on the Securities Investor Protection Corporation (SIPC), or to request a SIPC brochure, visit [www.sipc.org](http://www.sipc.org) or call 1-202-371-8300.
- 24. Execution.** This Agreement shall be deemed executed by Account Owner upon signing of the Application.



## Amendment to Dunham Client/Investor Agreements – Request for Paperless Services

By agreeing to these Terms and Conditions, for all accounts named below with Dunham & Associates Investment Counsel, Inc. and affiliates, including Dunham Trust Company, Dunham & Associates Securities, Inc. and Asset Managers, Inc. (collectively "Dunham"), I consent to electronic delivery of all account communications and related documents, including, but not limited to, trade confirmations, account statements, account statement inserts and notices, fee billing statements, prospectus and supplements, financial statements, privacy notices, quarterly, semiannual, and annual reports, proxy material, and other regulatory shareholder materials ("Communications").

I understand that it may not be possible, at this time, to deliver all communications electronically and I agree to continued receipt of paper communications until such time as Dunham, issuers, or other third parties make such information available electronically. I further understand that even after I agree to paperless communications, I am always able to request a paper version of any document. I may also specifically request separately, in writing, to receive both paper and electronic versions of all communications by calling Dunham Client Services at 800 442-4358.

By requesting this service, I authorize Dunham to deliver all such communications to me by e-mail or to provide me with an e-mail that includes a hyperlink to an address on the Web or a Dunham Web site where the Communication is posted and can be read and printed. I agree that such delivery shall be deemed effective delivery to me whether or not I access or review the communication.

I understand that various Dunham affiliates provide account statements to me either monthly or quarterly and that every client/investor receives an account statement at the end of each calendar quarter regardless of account activity. The account statement contains important information about my account such as the price and quantity of securities I hold, the transactions I conducted, the overall value of my account at the end of the statement period, other investment information, and key terms and conditions. In addition to my initial statement, I understand that going forward I will be able to access my account statements up to 18 months on a rolling basis.

I also understand that absent any other agreement, various Dunham affiliates provide trade confirmations after the purchase or sale of a security. The trade confirmation provides important information about the terms of the transaction including the price, number of shares, and any commission. The terms and conditions of the transaction will also be provided in the e-mail or on a Web page link from the e-mail.

I further consent to the following:

- Electronic delivery of mutual fund prospectus in HTML format via the Web, when available. I understand that until this feature is available, I will continue to receive prospectus information in hard copy format.
- E-mail announcements for shareholder materials if I have a security position in an equity or mutual fund as of the record date for a particular matter and the materials are available electronically by the issuer or third party.
- Electronic householding of prospectuses, annual reports, semi-annual reports, proxy materials, and regulatory shareholder documents. If I and another person enrolled in this electronic delivery service use the same e-mail address, Dunham may send one e-mail announcement to this e-mail address if the account holds the same securities. Dunham may also send one e-mail announcement for statement inserts received by all clients/investors. I understand that in order to cancel householding of documents, I must send a written cancellation notice to Dunham.
- Electronic proxies, when available. Proxy voting instructions will be provided at that time.

To receive electronic delivery, I must have a computer and an account with an e-mail Internet Service Provider (ISP) compatible with Dunham's e-mail software. I may incur internet-related costs in connection with electronic delivery, such as the costs charged to me by my ISP and local telephone or cable companies for the time I spend on the Internet or the costs associated with printing e-mail notifications and Communications. Dunham's e-mail communications may be made available in either HTML (regular Web hypertext) or PDF (Adobe Acrobat Reader) format. They may be viewed electronically via the Web and printed with a local printer (using Adobe Acrobat which may be downloaded at no cost by copying the following link into the web address URL:

<http://www.adobe.com/products/acrobat/readermain.html>)

I understand that e-mails sent to me are not encrypted. However, the e-mail sent to me will not include my name, social security number, full account number, or any other personal identifier. However, I am aware that many e-mail addresses contain part or full names. Although Dunham believes e-mail to be a reasonably secure method of delivery, as with any form of communication, there is a risk of misdelivery or interception. To address this risk, I agree that if Dunham receives an indication that my paperless documents were not successfully delivered to me or that there is a problem with my e-mail address or service, Dunham will suspend electronic deliveries until Dunham is able to resolve the issue. If, after repeated attempts, Dunham is unable to resolve the issue, I will be sent a written notice that my electronic service enrollment has been cancelled. I understand that Dunham may contact me directly to help resolve any issues.

I understand that it is my responsibility to update Dunham with a new e-mail address and provide cancellation instructions for the old address. I understand I may also cancel this service at any time by providing written notice to Dunham at which time I will again receive paper copies of all communications.

By my signature on the Execution Page, I acknowledge and demonstrate that I can access, view, and retain the paperless documents described above in either HTML or PDF formats, as applicable, and that, when available, I wish to receive all future documents in electronic format only. I also acknowledge receiving a copy of this Agreement. I will contact Dunham on a timely basis to report any problem with my enrollment by calling Dunham Client Services at 800 442-4358.

## RETIREMENT PLAN ASSET ALLOCATION AGREEMENT PARTICIPANT-DIRECTED PLANS

This RETIREMENT PLAN ASSET ALLOCATION AGREEMENT (“Agreement”) sets out the terms and conditions under which the investment adviser (“Adviser”) named in the account application (“Application”) for the Dunham & Associates Asset Allocation Program (“Program”) will manage the assets of the client named in the Application (“Client”) using the Program. By signing the Application, Client and Adviser (each a “Party,” and collectively, the “Parties”) each agrees to the provisions set forth below. PLEASE READ THIS AGREEMENT CAREFULLY BEFORE SIGNING THE APPLICATION.

1. **Effective Date.** The effective date of this Agreement shall be the date of its acceptance by Adviser, as indicated on the Application.
2. **Non-Discretionary Services.**
  - (a) Dunham & Associates agrees to develop, on a quarterly basis, standardized strategic asset allocations based upon a set of investment objectives agreed to by Plan Sponsor (the “Allocations”). The Allocations will be provided to Plan Participants in written form and/or via a website maintained by the Plan’s third-party administrator (“TPA”) designated by Plan Sponsor. The Allocations will be generic in nature and do not represent recommendations or individual investment advice to any Plan Participant and shall not be represented as such by Plan Sponsor;
  - (b) Dunham & Associates further agrees to provide a risk tolerance questionnaire (“RTQ”) for use by Plan Participants. The RTQ shall consist of several questions that query the Plan Participant with respect to such topics as individual investment needs and objectives, time horizon until retirement, financial status and risk tolerance profile. The RTQ may be provided in written form and/or via the TPA’s website. Dunham & Associates does not represent and shall not conduct personal interviews with nor review information from Plan Participants and the providing of the RTQ shall not constitute recommendations or individual investment advice, nor shall it be so represented by Plan Sponsor;
  - (c) Dunham & Associates shall utilize only authorized and available plan investment options in developing the Allocations; said investment options to be determined by Plan Sponsor.
  - (d) Adviser, through Financial Advisor identified in the Application, shall be available to assist Plan Participants in developing asset allocations based on Adviser’s assessment of Plan Participant’s stated investment needs and objectives, financial status, tax status, and risk profile, which information Adviser shall obtain, from time to time, through personal interviews and reviews of information provided by Plan Participant. Financial Advisor further agrees to offer to meet with Plan Participants, on an ongoing and regular basis, to assist with reviewing the appropriateness of their selected asset allocation.
3. **Consultation; Investment Restrictions; Dividends and Distributions.**
  - (a) Client Consultations. Adviser shall offer to meet with Plan Participants at least annually to determine whether there have been any changes in their financial situation or investment objectives, and whether Client wishes to impose any reasonable restrictions on the management of the Account or reasonably modify any existing restrictions (collectively, “Changes”). Dunham & Associates, TPA or Custodian shall send participants a written notice, at least quarterly, asking participant to contact Adviser if there have been any Changes. Participants are encouraged to consult with Adviser and to provide Adviser, from time to time, with all necessary financial information relevant to Adviser’s assessment of Participant’s investment needs, objectives, financial status, tax status, and risk profile and with such additional information as Adviser may request from time to time to assist it in advising Plan Participant. Adviser shall not be required to verify any information obtained from Client and is expressly authorized to rely on the information received.
    - (b) Investment Restrictions. Plan Participants must inform Adviser of any special instructions regarding investments for their Account, including any special investment restrictions or limitations not to purchase specific securities or types of securities that Participant does not desire to own for any reason. As this is a self-directed account, Plan Participant must effectuate any trades necessary to bring the Account into compliance with Participant’s desires with respect to investment restrictions. It is possible, however, that due to the specific mutual fund investment alternatives available in the Account, the Program may not be able to accommodate Plan Participant’s restriction request. In such case, Adviser shall promptly inform Plan Participant.
    - (c) Dividends and Distributions. All dividends and distributions received from Funds will be reinvested in those Funds or paid in cash as the TPA or Custodial platform allows.
4. **Brokerage.** Client hereby appoints Dunham & Associates and/or TPA to act as Plan Participant’s agent and attorney-in-fact with complete power and authority to buy, sell, hold and otherwise effect or refrain from effecting transactions in shares of the Funds and other assets in the Account, for Plan Participant’s Account and in Plan Participant’s name, in accordance with instructions received from Plan Participant. Client agrees to execute any authorizations or other forms necessary as may be necessary from time to time to evidence Dunham & Associates’ and/or TPA’s power and authority. All Fund share transactions for the Account shall be effected at net asset value without the payment of brokerage commissions it being understood and agreed to that some or all of the Funds may impose shareholder servicing fees that are used to compensate Dunham & Associates or TPA in connection with the servicing of Fund shareholders. Adviser shall have no responsibility for executing any securities transactions in the Account with respect to the Program.
5. **Custody of Assets.** Client agrees to maintain custody of Account assets with Dunham Trust Company (the “Custodian” or “DTC”), an affiliate of Dunham & Associates, or an unaffiliated Custodian of Client’s choosing. Client understands and agrees that (a) neither Adviser nor Dunham & Associates shall act as custodian for the assets in Client’s Account and that neither Adviser nor Dunham & Associates shall take possession of any Client assets. Client shall solely be responsible for paying all fees or charges, if any, of the Custodian, including all transaction fees and trading costs.
6. **Reports and Information.** Client understands and agrees that Custodian shall:
  - (a) send Plan Participant at least quarterly a statement showing all transactions occurring in the Account during the period covered by the account statement, all contributions and withdrawals made by Plan Participant during the period, the securities and other property in the Account at the end of the period, all fees and expenses charged to the Account including all advisory fees paid to Adviser and to Dunham & Associates, and the value of the Account at the beginning and end of the period; and
  - (b) provide Adviser with copies of all trade confirmations, reflecting all transactions in securities, periodic statements, and other reports for the Account that Custodian sends to Plan Participant. Client acknowledges that activity presented on a monthly statement frequency is sufficient to eliminate the requirement for separate confirmations. Client shall immediately notify the Adviser, and Adviser shall immediately notify Dunham & Associates and/or TPA, of any discrepancy in such reports.

7. **Fees.** For the services provided hereunder, Client agrees to pay Adviser an advisory fee in accordance with the fee schedule set forth in Section 7 of the Application, as the Parties may amend from time to time by mutual written agreement ("Advisory Fee"). Client understands and agrees that Dunham & Associates is entitled to, and shall receive, a portion of the Advisory Fee, as set out in Section 7 of the Application.

(a) **Authorization to Pay.** Unless otherwise specified in section 8 of the Application, Client authorizes Custodian to deduct from Plan Participant's Account and pay to each of Adviser and Dunham & Associates, upon submission of a bill, their respective portions of the Advisory Fee for each calendar year quarter. TPA or Custodian shall send to Client and Plan Participant a quarterly invoice showing the total amount of the Advisory Fee due, the Account value on which the fee is based and how the fee was calculated. Client and Plan Participant shall be responsible for verifying fee computations since custodians are not typically asked to perform this task. Fees will be automatically deducted from the Account ten (10) days after the billing notice unless alternate instructions have been provided (see Section 8 of the Application) or unless a check is received within the ten (10) days. If Account is custodied with DTC, and unless otherwise specified by Client in writing, the Advisory Fee shall be paid first by debiting the Fee from any Target Cash Balance. If the cash balance is insufficient to pay the entire Advisory Fee, then the remainder of the Advisory Fee shall be paid by redeeming Fund shares on a dynamic basis, *i.e.*, by redeeming shares of Funds necessary to return the allocation of Account assets to the Client's current Target Allocation Percentages. If the Fund shares redeemed on a dynamic basis are insufficient to pay the remainder of the Advisory Fee, then the Advisory Fee shall be paid by redeeming Fund shares held in the Account on a pro rata basis. Client understands and agrees that the redemption of Fund shares may cause Client to incur a capital gain or loss for tax purposes. To the extent all or any portion of a fee is unpaid, Client shall be liable for the entire unpaid fee or portion thereof. If in any quarter, the amount of the Advisory Fee is less than \$100, Custodian may defer deduction of the Client's Advisory Fee, and the amount due will be carried forward to the next quarter, or until the date the Account is terminated, whichever is earlier. If the Account is custodied with a Custodian other than DTC, consult with your TPA or Custodian to determine their billing methodology.

(b) **Fees Received by Dunham & Associates and DTC.** Client understands and agrees that in addition to the Advisory Fees described above, Dunham & Associates, as the investment adviser to one or more of the Funds, is entitled to and shall receive the investment advisory compensation described in the Funds' prospectus and that such fees are borne by all shareholders in the Funds, including Plan Participants. Client further understands and agrees that DTC and Dunham & Associates are affiliated companies and that any fees charged by DTC are in addition to fees that Dunham & Associates may receive.

8. **No Market Timing.** The Program is intended for long-term investors who are primarily interested in buying and holding a diversified portfolio of mutual funds, not for market timing purposes or other excessive trading activity. Adviser does not intend to engage in excessive trading activity for market timing purposes. Client understands that restrictions on Plan Participants with respect to the availability of Fund Shares or the manner in which orders are submitted to the Funds' transfer agent may result in the event of such excessive trading activity.

9. **Limitation on Liability.**

(a) **No Guarantee.** Client acknowledges that none of the Adviser, the TPA, the Custodian, or Dunham & Associates guarantees the performance of the Account or any investment in the Account or any specific level of performance or the success of any investment decision or strategy that the Plan Participant may follow or use. Client understands that investment recommendations and/or

decisions made for Plan Participant's are subject to various market, economic, political and business risks and that those decisions may not always be profitable and may even result in loss. Client understands that the values of the Funds and of the Plan Participant Accounts will fluctuate from time to time.

(b) **Limited Scope.** Client understands and agrees that Adviser is responsible only for offering of advice to Plan Participants regarding the assets of their Account and that in making investment recommendations for the Account, Adviser need not, though may, consider any other investments owned by Plan Participant.

(c) **Standard of Care; Reliance on Instructions.** Except as may otherwise be provided by law, neither Adviser, nor Dunham & Associates, nor Custodian, nor TPA, nor any of their respective directors, trustees, officers, employees, affiliates, and agents (collectively, "Affiliates") will be liable to Client or Plan Participants for (i) any loss, liability, claim, damage or expense, whatsoever (collectively, "Loss") that Participants may suffer by reason of any investment recommendation made or other action taken or omitted in good faith by Adviser or Dunham & Associates with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (ii) any Loss arising from or attributable to Adviser's or Dunham & Associates' adherence to Client's or Plan Participant's instructions, including reasonable investment restrictions imposed by Plan Participant; or (iii) any Loss arising from or attributable to any misstatement or omission contained in any communication or document provided by or on behalf of Client or Plan Participants to Adviser, Dunham & Associates, TPA, Custodian, or their respective Affiliates, or any Loss, as incurred, arising out of or attributable to such misstatement or omission. Adviser, Dunham & Associates, Custodian, or TPA and their respective Affiliates shall be entitled to rely, and shall be protected from liability in relying, upon any information or instructions furnished to it (or any of them as individuals) which is believed in good faith to be accurate and reliable. In addition, neither Dunham & Associates nor its Affiliates shall be liable to Client or Plan Participants for any act done or omitted by Adviser or its Affiliates or any other third party, including without limitation any Fund transfer agent. Similarly, neither Adviser nor its Affiliates shall be liable to Client or Plan Participants for any act done or omitted by Dunham & Associates or its Affiliates or any other third party, including without limitation any Fund transfer agent. Client agrees that Dunham & Associates, as Program Sponsor, Custodian and TPA are each authorized to follow the instructions of Plan Participants with regard to all transactions under this Agreement. The authority hereby conferred shall remain in full force and effect, notwithstanding the incompetence or disability of Client's Trustee, unless revoked or terminated by Client in a written notice to Adviser and to Dunham & Associates or TPA, as the case may be.

(d) **No Waiver of Rights.** Nothing stated in this section shall in any way constitute a waiver or limitation of any rights accorded Client or Plan Participants under state or federal securities laws for the services described herein.

10. **Duration and Termination.** This Agreement shall remain in effect unless terminated by either Party. Adviser has the right to terminate this Agreement at any time by giving 90 days' written notice to Client. Client may terminate this Agreement with five (5) business days written notice, which shall be effective upon receipt of such notice given in accordance with the notice provisions hereof. Termination of this Agreement shall not in any case affect or preclude the consummation of any transaction initiated prior thereto. Upon such termination, Adviser shall instruct the Custodian and TPA to return to Client any uninvested cash held in the Account and liquidate any Fund Shares held in the Account and pay Client the proceeds thereof, less any applicable fees. If Client's Trustee is a natural person, the death, disability or incompetency of Trustee shall not terminate or

change the terms of this Agreement. However, Client's legal representative may terminate this Agreement by giving notice to Adviser as described herein.

Adviser is required by law to obtain certain personal information from Client and Client's Trustee for purposes of verifying Client's and Trustee's identity. If Client does not provide Adviser with the necessary information, Client may not be able to open an Account. In addition, to the extent Client's Account has already been opened, Adviser reserves the right to close the Account at any time, or take such other steps as Adviser deems reasonable, if Adviser is unable to verify Client's identity.

**11. Binding Agreement/Assignment.** This Agreement shall bind and be for the benefit of the Parties hereto and their successors and permitted assigns, except no assignment (as that term is defined in the Investment Advisers Act of 1940 ("Advisers Act")) of this Agreement shall be made by any Party without the prior written consent of the other Party.

**12. Client Representations and Warranties.**

- (a) **Authority.** Client represents and warrants that Client has full power, authority and capacity to execute and deliver this Agreement, and that this Agreement constitutes a legal, valid and binding obligation of Client enforceable against Client in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.
- (b) **Accuracy of Client Information.** Client represents that Client has provided all information necessary for Adviser to fulfill its obligations to Client hereunder, that the information furnished by Client to Adviser or in any personal interview with Adviser or an Adviser Affiliate is accurate in all material respects and Client shall promptly notify Adviser in writing of any material changes in the information furnished by Client to Adviser.

**13. Proxy Voting; Other Matters.** Neither Dunham & Associates nor Adviser nor TPA nor Custodian shall be responsible for voting or advising Clients with respect to proxies. Dunham & Associates, Adviser, TPA shall forward, or shall instruct Custodian to forward, any proxies and related materials that they receive with respect to the Funds held in the Account to Client for voting or other action. Neither Dunham & Associates nor Adviser nor TPA nor Custodian shall be responsible for any other corporate actions relating to the Account, including administrative filings such as proofs of claims or claims in class actions.

**14. Certain Risks.** Client hereby acknowledges that there are certain risks involved in investing or participating in the Funds that are included in or made available in connection with the Program. The following is an abbreviated listing — please read each Fund's prospectus or disclosure document for more details.

- (a) Mutual funds, such as the Funds, and other securities are subject to risks, including market risk. Mutual fund shares and other securities fluctuate in price and may be sold at a price lower than the purchase price resulting in a loss of principal. There is no guarantee that a mutual fund or other security will meet its investment objectives.
- (b) Under certain market conditions, mutual funds, including the Funds, may be allowed to suspend redemptions. This may affect a Plan Participant's ability to request and/or receive redemption proceeds.
- (c) Adviser or Affiliates shall not accept any liability or responsibility for orders not executed or accepted because of failure of a communication system, including the mail or other methods of transmitting instructions through vehicles of interstate commerce.
- (d) Funds are offered by prospectus only. Prospectus are available upon request. Adviser will provide a prospectus as required by law. It is Plan Participant's responsibility to read and understand the terms and conditions in the prospectus, including fees and charges that may apply, before investing.

Adviser shall not accept any liability for orders executed under the terms and conditions as stated in a prospectus.

- (e) One or more Funds may reserve the right to change its policies regarding exchanges, redemptions, or purchases. This may affect Dunham & Associates' ability to execute an order on a Plan Participant's behalf.
- (f) Charges imposed by the Funds, including redemption fees, are subject to change. It is Plan Participant's responsibility to understand such fees and expenses prior to participating in a Fund.

**15. Entire Agreement.** This Agreement, together with the Application of which this Agreement is a part, contains all of the agreements, warranties, representations, and understandings that the Parties have made regarding the arrangement governed by this Agreement.

**16. Applicable Law.** To the extent that state law is not preempted by the provisions of any law of the United States of America, this Agreement shall be administered, construed and enforced in accordance with the laws of the State of California without giving effect to any conflict or choice of law provision.

**17. Amendments.** The Parties may, from time to time, amend this Agreement in writing upon mutual agreement. Any such amendment shall be effective as of a date to be established by the Parties. The Parties understand and agree that Dunham & Associates may modify various aspects of the Program, including without limitation the Funds, from time to time. Adviser will notify Clients of those modifications as required by law. Such Program modifications shall become effective upon notification unless otherwise stated.

**18. Severability.** If any term or condition of this Agreement shall be invalid or unenforceable to any extent or in any application, then the remainder of this Agreement, and such term or condition except to such extent or in such application, shall not be affected thereby, and each and every term and condition of this Agreement shall be valid and enforceable to the fullest extent and in the broadest application permitted by law.

**19. No Waiver.** The failure of a Party at any time to require performance by the other Party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

**20. Survival of Rights.** Termination or cancellation of this Agreement for any reason shall not relieve a Party of obligations that accrued prior to termination or cancellation, or of obligations that by their nature are intended to survive this Agreement, including but not limited to obligations in connection with warranties, and indemnification.

**21. Captions.** The paragraph headings in this Agreement are included for convenience of reference only and in no way define or delineate any of the provisions hereof or otherwise affect their construction or effect.

**22. Execution.** This Agreement shall be deemed executed by Client and Adviser upon their signing of the Application.

**23. Non-Exclusive Services.** Client understands that Adviser serves as investment manager for other clients and shall continue to do so. Client also understands that Adviser and its Affiliates may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. Adviser is not obligated to recommend for Client any security or other investment that Adviser or its Affiliates may buy, sell or recommend for any other client or for their own accounts. Client also understands that transactions in a specific security may not be accomplished for all clients' accounts at the same time or at the same price. This Agreement does not limit or restrict in any way Adviser or any of its Affiliates from buying, selling or trading in any securities or other investments for their own accounts.

**24. Notices.** Any notice to be given to the Parties hereto shall be delivered in person, by U.S. mail or overnight courier (postage or charges prepaid), or sent by facsimile transmission (with a hard copy sent by U.S. mail) to the other Party at the following address or such other address the receiving Party may designate in writing:

*if to Adviser:* the address set forth in Adviser's Form ADV Part II.

*if to Client:* the address set forth in Client's Application.

**25. Incorporation.** This Agreement is incorporated by reference into the Application and is an integral part of the Application.

**26. Third Party Rights.** The Parties agree that Adviser, Dunham & Associates and DTC shall be entitled to rely on and enforce the provisions of this Agreement that pertain to them, including without limitation the provisions regarding limitations on liability, to the same extent as if they were signatories to this Agreement.

**27. Cumulative Remedies.** The various rights, options, elections, powers, and remedies under this Agreement, or granted by law (collectively, "Remedies"; each, a "Remedy"), shall be construed as cumulative. No single Remedy is exclusive of any of the other Remedies.