



Quarterly Pulse:

Q3 2025

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Key Takeaways:

- **Uncertainty Declined, But Growth Risks Linger**
- **Credit Flows Improve, Rate Cuts Multiply**
- **Surface Strength Masks Underlying Fragility**
- **Dunham Strategies Lean Into Balance and Discipline**

Q3 2025:

Key Takeaways:

- **Uncertainty Declined, But Growth Risks Linger**

The Global Economic Policy Uncertainty Index fell sharply in the third quarter (Q3) as tariffs were digested, potentially reducing the “unknown unknowns” that had paralyzed decision-making. Corporations and governments can now plan with more clarity, but this does not eliminate the drag from higher trade costs, weaker flows, and a slower global backdrop. In many ways, the paradox of Q3 was that the world looked calmer simply because risks were defined - not because they disappeared.

- **Credit Flows Improve, Rate Cuts Multiply**

The global credit impulse turned positive for the first time since 2023, indicating that more new credit is flowing into households and businesses, which should support demand, investment, and asset prices. At the same time, central banks around the world have cut rates 168 times over the past year - the third-largest easing wave in modern history. While these actions provide short-term relief, history shows that rate cuts of this scale are more often a sign of systemic stress than of robust confidence.

- **Surface Strength Masks Underlying Fragility**

U.S. household wealth climbed to a record \$176.3 trillion, powered by surging equities and property values, while corporate AI spending added more to GDP growth than consumers for the first time in decades. Yet this strength is fragile: valuations are stretched to levels last seen during the Y2K bubble, real wages continue to erode when measured against true living costs, and bank reserves have slipped under \$3 trillion with the Fed's reverse repo facility nearly empty. Liquidity is keeping the system buoyant for now, but the margin for error has grown thin.

- **Dunham Strategies Lean Into Balance and Discipline**

Against this backdrop, the Investment Committee trimmed exposure to areas that had delivered outsized returns (Small Cap Value, Emerging Markets) while adding selectively to sectors we see as undervalued or stabilizing, such as Real Estate and Large Cap Value. On the fixed income side, we reduced Floating Rate exposure given the Fed's pivot toward cuts, extended duration in the Corporate/Government Bond Fund, and increased defensive credit exposure. DunhamDC, after active trading in the first half of the year, remained deliberately quiet in Q3 - holding a defensive stance and prepared to Buy Fear and Sell Greed when conditions warrant.

Part 1 - Economic Backdrop:

Global Economic Policy Uncertainty Retreats Sharply

After spiking to record highs earlier this year, the Global Economic Policy Uncertainty Index has fallen sharply in Q3. The catalyst isn't that risks have disappeared - far from it - but rather that markets and policymakers now have an idea of the rules of the game.

With U.S. tariffs formally announced and implemented, the "unknown unknowns" of trade policy have given way to a more manageable framework, for better or worse. This increased confidence - even in an ongoing trade war environment - reduces volatility in decision-making. Corporations can adjust supply chains, governments can calibrate fiscal responses, and investors can discount risks with more clarity.

Put another way, markets can often price in bad news. But what they can't price in is uncertainty. Now that tariffs are defined, the cloud of ambiguity has faded somewhat - allowing capital spending and investment flows to resume with clearer expectations.

Still, the decline in policy uncertainty doesn't mean smooth sailing ahead. Certainty about tariffs may stabilize near-term expectations, but the economic drag of higher costs, distorted trade flows, and weaker global growth remains. For long-term investors, this highlights a familiar paradox: *the world is calmer when risks are known, but that doesn't make those risks any less real.*

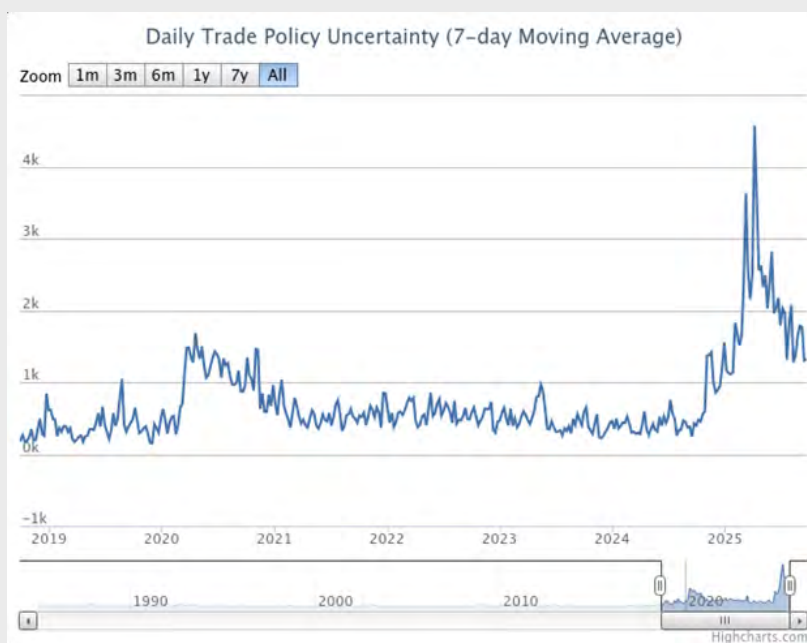


Figure 1: PolicyUncertainty.com, September 2025

Global Credit Impulse Turns Up

The global credit impulse - a measure of the global *flow* of new credit as a share of global GDP - has risen steadily over the past year, signaling a renewed phase of global financial loosening as central banks begin easing. Unlike total outstanding debt, which shows the stock, the credit impulse captures the *change in the pace* of new credit issuance (the momentum). In other words,

it is the "second derivative" of credit growth - and often a leading indicator of future activity.

This matters because when the impulse turns higher, it usually means households and firms are taking on more new borrowing relative to the size of the economy. That incremental flow of credit fuels demand, boosts investment, and supports asset prices with a lag. Historically, inflections in the global impulse

have often foreshadowed turns in the real economy and financial markets.

After bottoming in 2023, the aggregate impulse across 43 major economies has climbed back into positive territory. This suggests that despite lingering macro headwinds – from sticky inflation to trade tensions – global credit conditions are quietly becoming more supportive. Put simply, lenders are extending more credit and borrowers are taking it, a sign of confidence

that contrasts with the gloomier headlines.

For investors, this upswing should not be overlooked. Rising credit flows can cushion growth in the near term – even in the face of policy uncertainty. **It also implies that global demand may prove more robust than expected, helping to sustain earnings and activity over the rest of 2025.** The risk, though, is it may also keep inflation uncomfortably high.

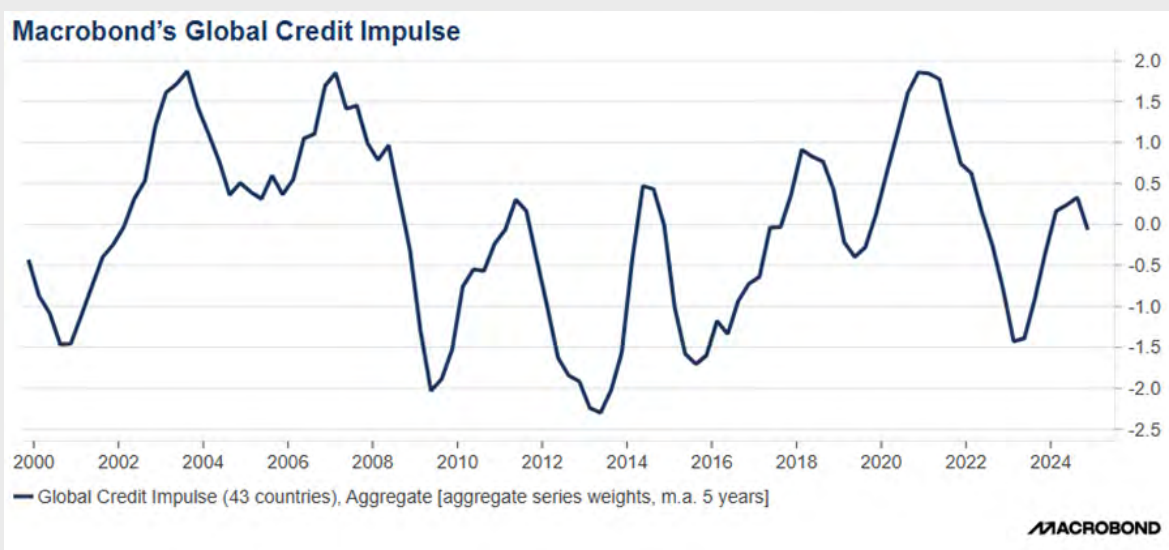


Figure 2: Macrobond, September 2025

Global Central Banks Move Into Easing Mode

Over the past 12 months, central banks worldwide have cut policy rates **168 times**. This represents the **third-largest wave of rate cuts on record** – following the Global Financial Crisis in 2009 (249 cuts) and the pandemic response in 2020 (196 cuts).

While rate cuts are intended to support growth, they also carry side effects. They typically weaken currencies, increase demand for hard assets, and reflect a recognition by policymakers that economic conditions are under strain. Indeed, during this period the U.S. dollar recorded its weakest year since the 1970s, while assets such as gold reached record highs.

When rate reductions accumulate at this scale, history suggests they are less a sign of confidence and more an acknowledgment of systemic stress. The global financial system continues to function, but the pace of easing indicates that central banks are already leaning heavily on policy tools to cushion slowing global growth and the fallout from trade tensions.

Chart 5: 168 rate cuts from global central banks past 12 months

Global central bank policy rate cuts: 12-month cumulative

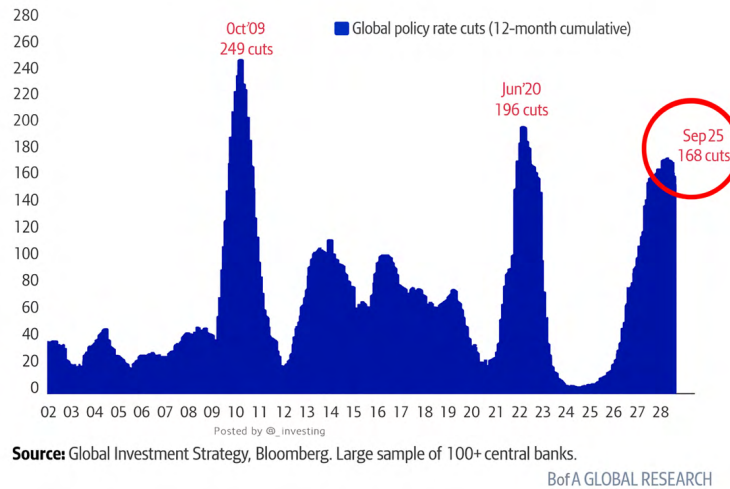


Figure 3: Bank of America Global Research, September 2025

U.S. Domestic Drivers

Between July-September, the U.S. economy continued to have an interesting mix of data:

The Frankenstein Q2 GDP

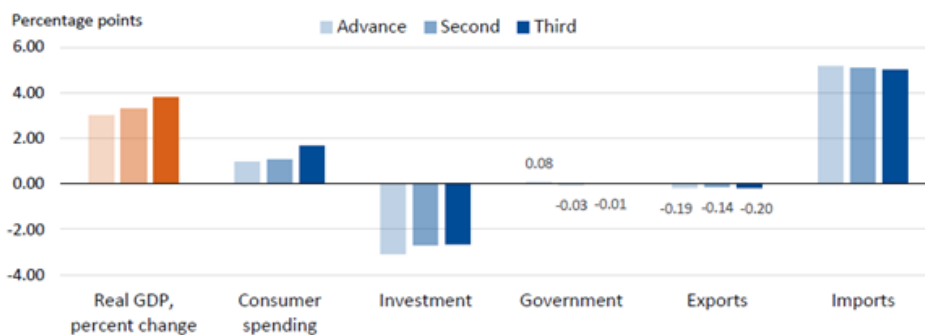
After contracting by 0.6% in Q1 2025, U.S. real GDP growth rebounded sharply to 3.8%. The headline increase was flattered by a plunge in imports - something we flagged in Q2 as a statistical tailwind for GDP calculations. But consumer spending also surprised to the upside.

While encouraging, these gains were partly offset by weaker business investment and softer exports. Notably, the figure was revised 0.5% higher from the prior estimate - driven mainly by stronger consumption.

Still, much of the rebound reflects arithmetic quirks rather than underlying momentum. Just as surging gold imports dragged Q1 GDP lower, plunging imports boosted Q2 results. Beneath the surface, the picture of domestic demand remains less decisive.

Contributions to Percent Change in Real GDP, 2nd Quarter 2025

Real GDP Increased 3.8 Percent



Note. Imports are a subtraction in the calculation of GDP; thus, a decrease in imports results in a positive contribution to GDP.
U.S. Bureau of Economic Analysis

Figure 4: CNBC, June 2025

AI: The New Engine of Growth

So, while U.S. GDP has rebounded positively, a deeper look reveals structural changes underway.

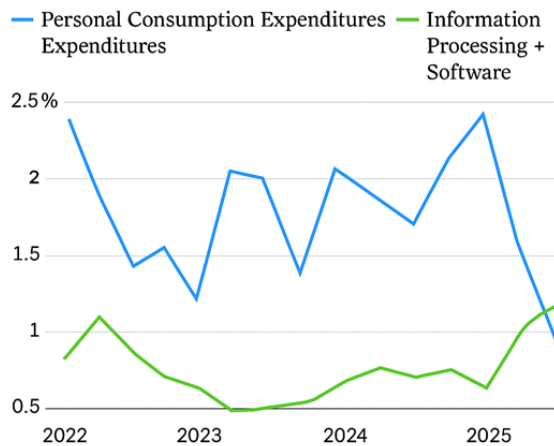
For decades, growth was driven by the consumer, nearly 70% of the economy. In 2025, however, corporate investment in AI - particularly information processing equipment and software - has contributed more to GDP growth than household spending.

That's remarkable for a category representing only about 6% of GDP. Its incremental impact has recently outpaced the consumer, long considered the economy's growth engine.

The AI spending boom is well underway, significantly driving output, earnings, and growth. But it raises a larger question: *can an economy so dependent on consumption sustain itself if the consumer's role continues to fade?*

AI spending is eating the US economy

Two-quarter average contribution to quarterly GDP growth



Source: Bloomberg, Renaissance Macro

Sherwood

Figure 5: Sherwood, 2025

The Wage Reality Gap

From 2001 to 2023, U.S. full-time median wages tell two very different stories depending on the inflation lens.

Adjusted for CPI, wages rose +8.8%. But adjusted for the True Living Cost (TLC) - which emphasizes essentials like housing, healthcare, groceries, and transportation - wages actually fell -5.1%.

The gap comes down to methodology. The CPI tracks ~80,000 goods and services, many of which households rarely buy. But the TLC shows the core costs families face each month - rising 30% faster than CPI over the

same period. Healthcare highlights the difference - with the CPI showing medical costs doubling, while TLC shows they nearly tripled as premiums surged.

Therefore, by the TLC lens, affordability has eroded sharply, making "real wage growth" far less real for most households and could cause issues within the economy as measures of the true impact of inflation aren't measured.

Two Ways to Look at Pay

Change in median weekly full-time wages, as calculated by the BLS, since 2001

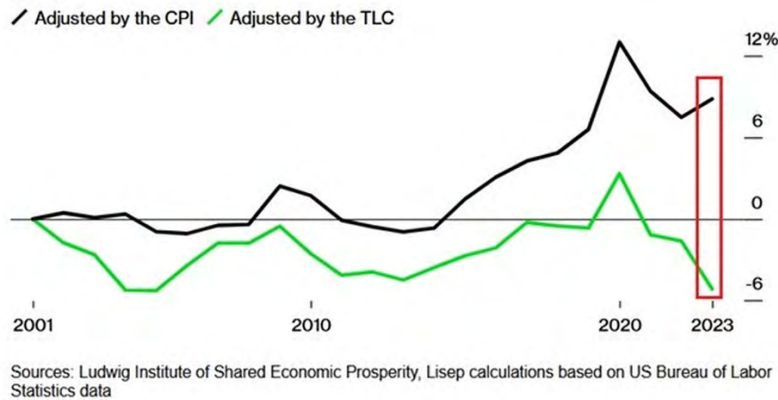


Figure 6: Bloomberg, June 2025

Household Wealth Hits Record High. But Comes at a Cost

While wages continue to lag the true cost of living, U.S. household wealth is surging.

Net worth hit a record \$176.3 trillion in Q2 2025 - climbing more than \$7 trillion in just three months. Most of the gain came from a \$5.5 trillion jump in stock holdings as equities rebounded sharply, with the S&P 500 up 10.6% in the quarter. Property values added further support.

The headline wealth figure highlights the power of rising asset prices on household wealth, but it also shows the growing dependence of household balance sheets on

portfolios - a dynamic that magnifies both upside and downside swings.

Moody's data shows the top 10% of households now drive 49.2% of all consumer spending - up from 37% three decades ago. This is significant because the wealthiest households hold the majority of assets, thus rising net-assets creates a "wealth effect" that has carried overall demand.

But if asset prices fall, that same effect can just as quickly work in reverse.

Dependence on elevated valuations and an imbalanced distribution of wealth makes the system more fragile, even as total wealth metrics look strong on the surface.

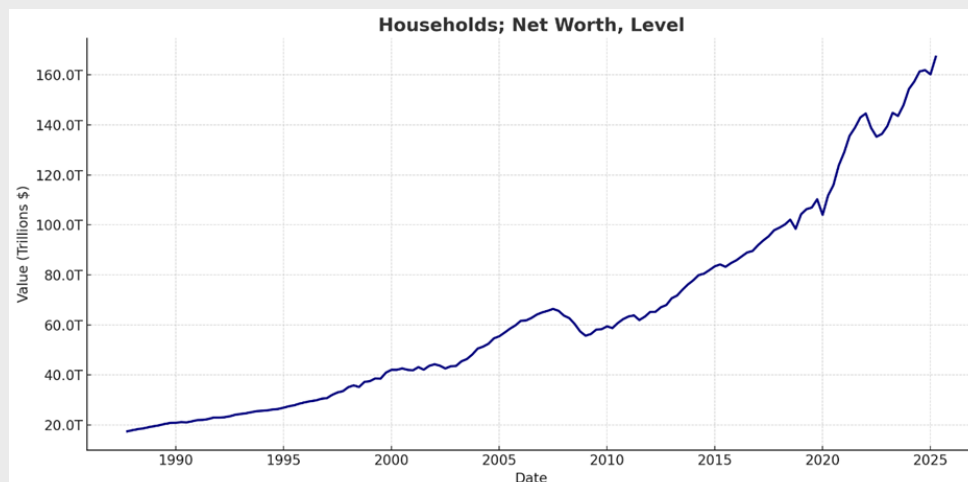


Figure 7: St. Louis Federal Reserve, Dunham, September 2025

Reverse Repo Is Near Empty = Cash Cushion Gone

The Fed's overnight reverse repo (RRP) facility has collapsed from a \$2.4 trillion peak in 2023 to just \$42 billion — essentially empty. That cash buffer is gone, leaving bank reserves to absorb the pressure at a time when Treasury issuance is surging to finance chronic deficits and the Fed is shrinking its balance sheet through quantitative tightening. Both forces steadily drain liquidity.

Bank reserves have now slipped below \$3 trillion - about 11% of GDP - the lowest since late February 2023,

just before Silicon Valley Bank failed. On paper, that may sound ample, but history shows "enough" can vanish quickly once confidence wavers. Fed insiders suggest the stress line may be around \$2.7 trillion; cross it, and banks hoard cash, repo markets seize, and credit conditions tighten abruptly.

Liquidity stress tends to build quietly, then explode suddenly — as in the September 2019 repo spike or the regional bank failures of March 2023. With the RRP drained and reserves sliding, the margin for error is once again thin.

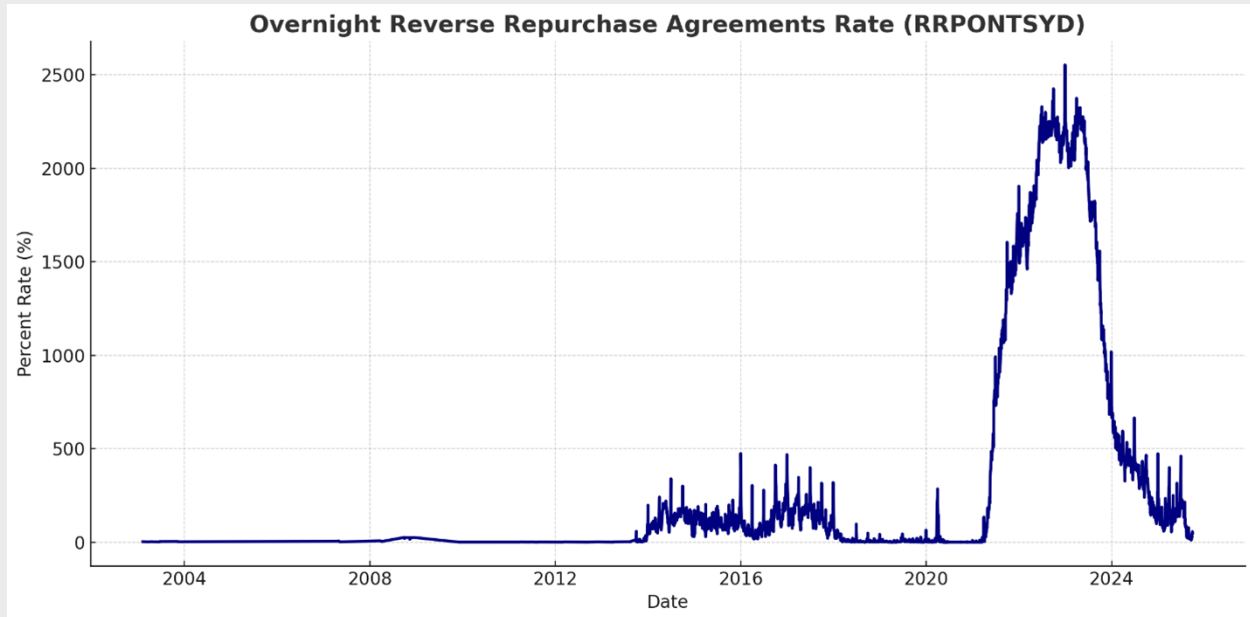


Figure 8: St. Louis Federal Reserve, June 2025

Part 2 - Markets Update:

U.S. Equity Markets:

U.S. equities extended their rally in the third quarter of 2025, supported by easing tariff tensions, Federal Reserve rate cuts, and ongoing corporate investment in artificial intelligence.

- **S&P 500:** The index gained **8.1%** in Q3, following a **10.9%** rise in Q2.
- **Nasdaq Composite:** The tech-heavy benchmark advanced **11.4%** in the quarter, following a **17.8%** return in Q2.

Technology stocks once again led the advance, fueled by strong AI-related capital spending and better-than-expected earnings. However, market breadth remained narrow, with leadership concentrated in a handful of mega-cap names. Small caps outperformed their larger peers over the quarter, while cyclical sectors delivered mixed results. Meanwhile, defensive areas such as utilities and consumer staples provided stability, and export-oriented sectors continued to struggle amid lingering trade frictions.

Valuations are now stretched relative to history, with broad market multiples at levels seen only a handful of times in the past 75 years. One of the more telling measures - the Wilshire 5000 compared to after-tax corporate earnings - shows the economy-wide P/E ratio near peaks not seen since the Y2K bubble.

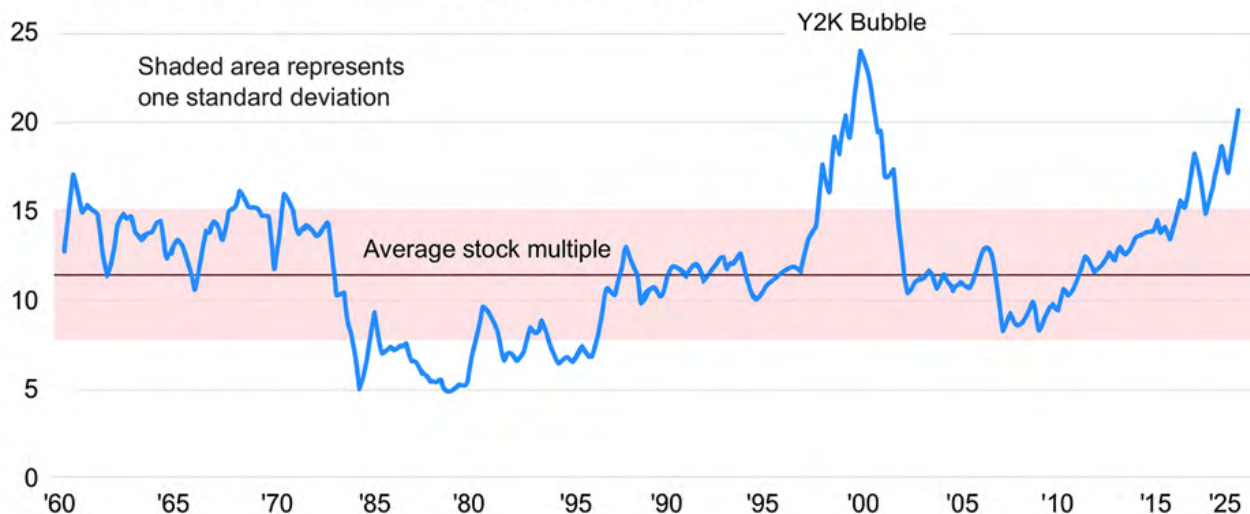
Of course, today's AI leaders are not the internet darlings of 2000. They generate significant cash flow, but much of it is still tied to companies pouring massive dollars into AI projects. If that spending slows, the ripple effects across markets could emerge quickly.

Wilshire 5000 compared to after-tax corporate earnings - shows the economy-wide P/E ratio near peaks not seen since the Y2K bubble.

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Stocks are Richly (Over) Valued

Ratio of Wilshire 5000 to after-tax corporate profits, %



Sources: Bureau of Economic Analysis, FT, Moody's Analytics

Figure 9: St. Louis Federal Reserve, June 2025

AI Data Centers Surpass Office Construction – Fueling Growth, Risking Oversupply

Mentioning U.S. AI spending - data center construction has surged **+115% since early 2023**, while office construction has fallen **-22%**. At this pace, data centers will overtake offices in U.S. construction within six months - a dramatic reversal from 2022 when offices were **7x** larger.

The boom is being powered by massive AI infrastructure investment, which added a full percentage point to Q1

2025 GDP - the largest boost since the dot-com era. But like every boom, it carries risk: capital is flooding in, projects are multiplying, and supply could eventually outrun demand.

Simply put: office real estate is in a deleveraging cycle while AI data centers are in a leveraging boom. The surge in demand for commodities, resources, and supporting industries could continue to provide upside for markets — at least until the cycle oversaturates.

Data Center vs. Office Construction

US general office construction is on pace to be overtaken by new data centers in the coming months.

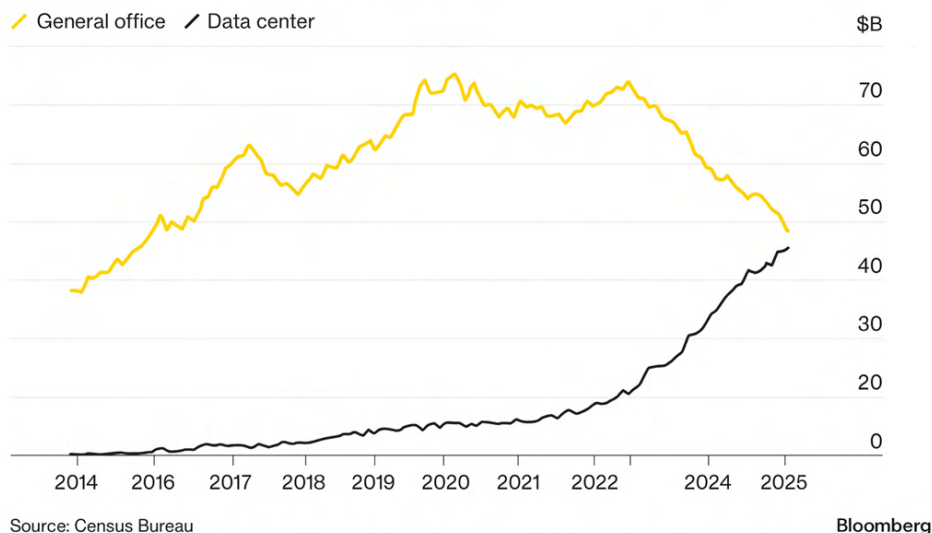


Figure 10: Bloomberg, September 2025

Mortgage Rate Dynamics and Consumer Pressure

The share of U.S. mortgages with rates above 6% is now nearly equal to the share below 3%. Given that the average outstanding mortgage rate remains well below current market rates, the composition will continue moving upward over time. This dynamic effectively locks many households into their existing homes while squeezing discretionary spending, since new buyers face far higher borrowing costs.

The longer this wedge persists, the greater the drag on housing turnover, mobility, and consumer demand.

Historically, housing transactions drive not only construction and home prices but also a wide range of secondary spending - from furniture and appliances to remodeling and services. With fewer households able to refinance or move, that multiplier effect weakens.

The result could be a “slow bleed” on consumption - not dramatic enough to trigger immediate crisis, but significant enough to weigh on growth as more households transition into higher-rate mortgages each year.

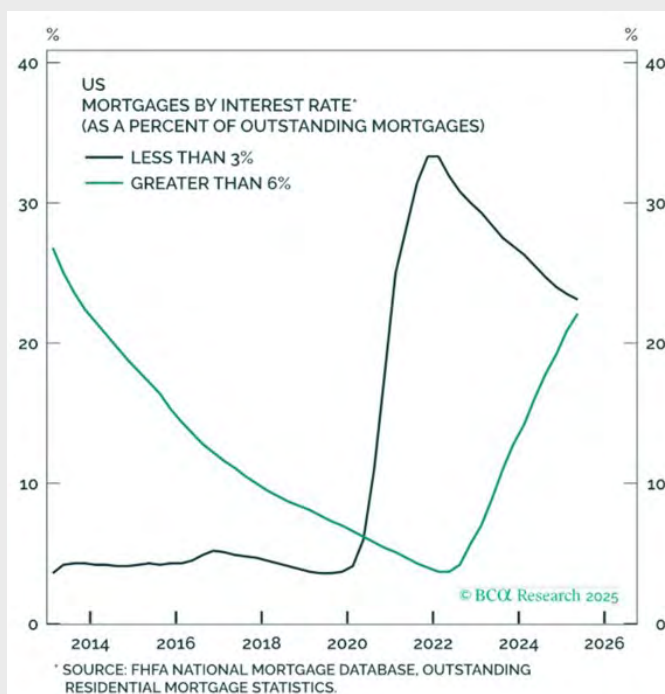


Figure 11: BCA Research, 2025

Gold Surpasses Treasuries in Global Reserves

Gold has staged one of the most significant comebacks in modern finance. U.S. gold reserves alone are now worth over **\$1 trillion** at market prices, following a 45% rally this year that pushed bullion to new record highs above \$3,800 an ounce.

- Note that the official value of the gold reserves, based on the \$42.22-an-ounce price set by Congress in 1973, is fixed at just over \$11 billion. This is substantially lower than its market value.

In a historic shift, foreign central banks now hold **more gold than U.S. Treasuries** as a share of international reserves - the first time this has happened since 1996. Central banks collectively own roughly **36,700 tonnes**

of gold, valued at \$4.5 trillion, compared with \$3.5 trillion in Treasuries. Gold now represents about **27% of global reserves**, overshadowing the euro's 16% share, though still behind the dollar's 46%.

For the first time in decades, gold is reasserting itself as a key anchor in the global reserve framework. Its rise reflects a broader shift toward diversification amid persistent geopolitical tensions, elevated debt levels, and uncertainty around long-term fiscal and monetary stability. For investors, this underscores gold's enduring strategic role - not only as an inflation hedge, but as a stabilizer in an increasingly fragmented world.

Simply put: the "barbarous relic" has found new relevance - not from fading confidence in the dollar, but from the global search for balance in uncertain times.

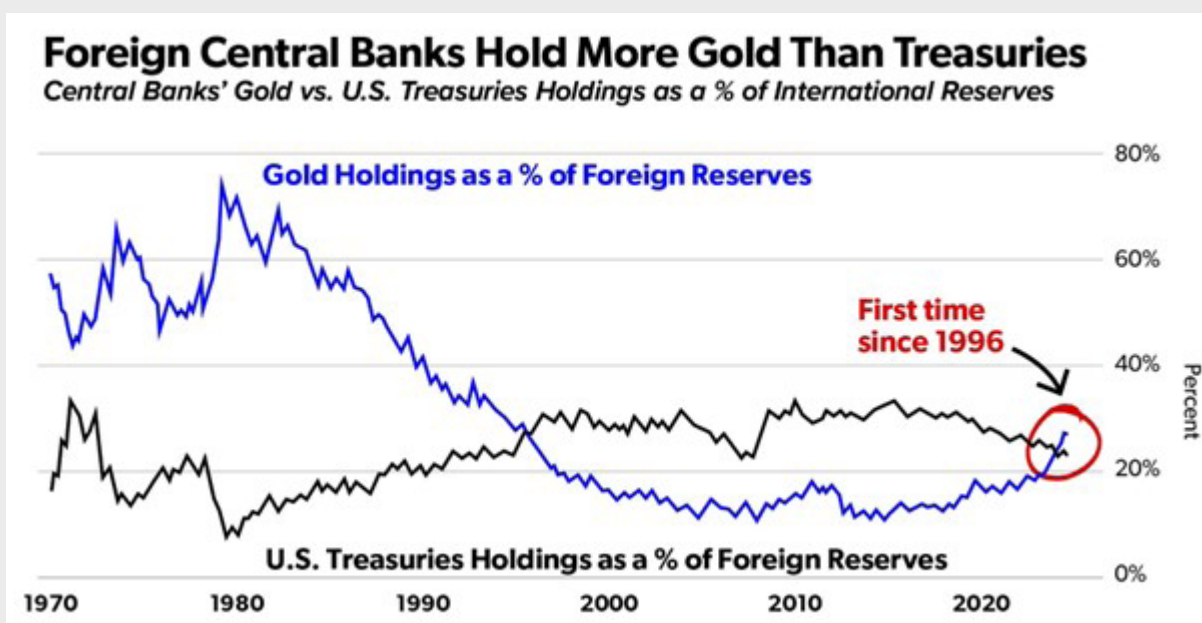


Figure 12: Reuters, September 2025

International Markets: Developed Markets Continue to Bring The Heat

Global equities maintained momentum in Q3 2025 with the **MSCI ACWI ex USA Index** rising **6.9%**, with developed markets again leading performance despite ongoing macro and political difficulties. Diverging monetary paths, robust earnings, and supportive fiscal backdrops kept returns positive - even as emerging markets relatively lagged.

Europe: Resilient Leadership

European equities extended their outperformance versus the U.S., supported by a weaker dollar, improving earnings, and more accommodative fiscal policy. **The iShares Europe ETF (IEV)** gained **28.04%** year-to-date, compared to **14.81%** for the **S&P 500**. Attractive relative valuations continue to draw capital flows - suggesting that the long-discussed "great rotation" into international names will continue, especially as the U.S. Fed continues cutting interest rates and money flows abroad.

Asia: Japan and China Diverge

Japan's Nikkei rebounded after earlier weakness, buoyed by global AI demand and exporter strength, even as bond market volatility remains a risk. In contrast, China delivered one of the most striking paradoxes of the quarter: equity markets surged on

heavy speculative flows and policy support, even as the economy wrestled with deflationary pressures and bruising corporate price wars. The disconnect underscores how liquidity and sentiment - rather than fundamentals - are driving near-term Chinese performance.

Emerging Markets: Still Uneven

Emerging markets continued their rally relative to developed markets. And while this is as we expected, the sector overall remains precarious in the short term amid trade tensions, with weaker commodity prices, trade frictions, and currency outflows weighing on performance. However, selective opportunities remain for countries with healthier balance sheets, credible policy frameworks, and strong domestic demand.

The bottom line: Developed markets continued to outperform in Q3, anchored by stability and capital rotation, while China's rally despite deflation and mounting economic troubles highlights how sentiment-driven liquidity can distort signals. Emerging markets remain challenged, but selective value exists where fundamentals are stronger.

Fixed-Income Markets

The third quarter of 2025 was again marked by volatility in global bond markets, though fixed income broadly delivered positive returns. The Bloomberg U.S.

Aggregate Bond Index rose 2.03% in Q3, supported by moderating inflation data and heightened expectations for central bank easing.

U.S. Treasury yields remained choppy. The 10-year note briefly touched 4.49% in mid-July as investors reacted to continued deficit concerns and renewed debate around U.S. fiscal credibility. However, these pressures were tempered by the Federal Reserve's policy pivot, with September's rate cut reinforcing the narrative that the hiking cycle has likely ended amid labor market deterioration taking focus instead of sticky inflation. By quarter-end, yields settled near 4.15%, providing a tailwind to duration-heavy benchmarks.

Globally, bond market performance remained uneven.

- **Emerging markets** continued to attract inflows in select regions, supported by easing global financial conditions and attractive real yields. For instance, Malaysia and India both saw strong demand, reflecting their relative monetary stability and robust growth outlooks.
- By contrast, countries with high external funding needs and exposure to commodity swings - including Argentina, Egypt, and Colombia — faced renewed pressure, with capital outflows widening spreads and underscoring fragility.

Meanwhile, developed markets in Europe have seen issues.

- **United Kingdom:** U.K. gilt yields surged to their highest levels since 1998, with 30-year bonds now about 13x higher than their 2020 lows. Years of

runaway spending, rising debt, and stagnant productivity have collided - leaving Britain looking less like a global financial hub and more like a struggling emerging market. Elevated borrowing costs are crowding out investment, straining households, and weighing on a bloated pension system - thus showcasing how quickly fiscal reality is catching up with the U.K.

- **France:** France is emerging as the eurozone's key pressure point. With debt-to-GDP near 113% and one of the largest primary deficits in the developed world, the country is increasingly reliant on foreign investors who hold over half its sovereign debt. Political gridlock, rising capital flight, and high private-sector leverage (212% household debt to GDP) are compounding the risks. French 10-year yields have already surpassed those of southern European "periphery" economies (such as Greece) - a striking signal for the bloc's second-largest economy.
- **Japan:** Japan's two-year government bond yield has climbed to fresh highs not seen since 2008 - approaching 1%. For decades, Japan benefited from ultra-low yields and captive domestic investors, but inflationary pressures and tightening monetary policy have upended that dynamic. Rising yields are testing the sustainability of the country's massive debt load, anemic consumer, and challenging the Bank of Japan's ability to manage its exit from yield-curve control without destabilizing global bond markets.

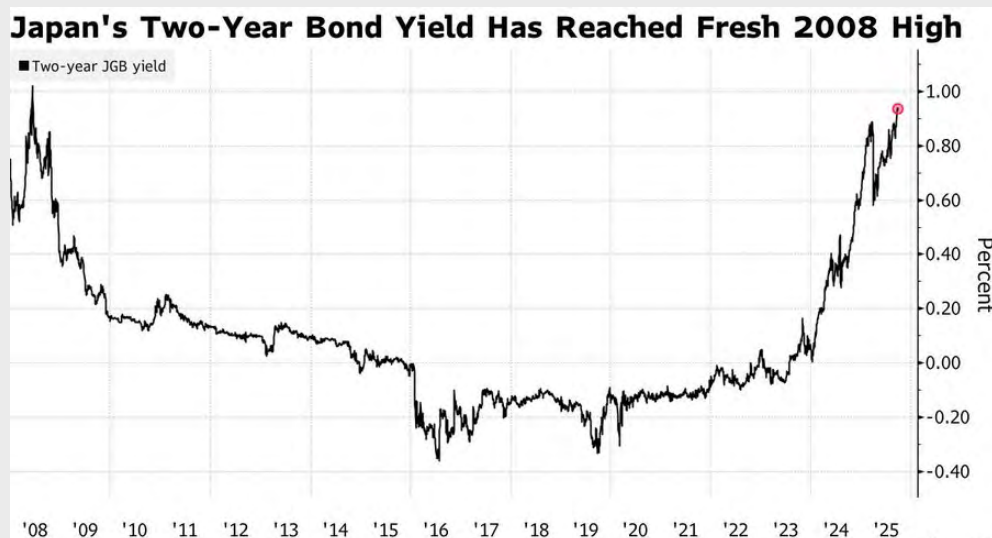


Figure 13: Bloomberg, September 2025

The quarter's moves highlight the dual nature of today's bond market - higher yields provide income opportunities not seen in over a decade, but fiscal risks, geopolitical uncertainty, and divergent monetary paths create significant headwinds.

Q3 reinforced a familiar truth - markets can look strong on the surface while fragility builds underneath. From falling reserves to stretched valuations to global rate cuts, the system is leaning on liquidity once again. For investors, that means opportunity is still there — but so is risk. The margin for error is thin.

Part 3 - Dunham Core Strategy Changes:

After evaluating the global economic backdrop in and rapidly changing market dynamics, the **Dunham Investment Committee** remains confident in its core positioning for Q3 - though recent market dislocations have opened the door to selective opportunities.

The sharp collapse and rebound in U.S. equities, combined with continued above-benchmark performance in international holdings, created an opening to realign exposure within the **Dunham Core Equity Strategy**.

On the fixed income side, the Committee proactively repositioned the Dunham Core Fixed Income Strategy

to take advantage of **duration** and **profit taking** in a temporarily anemic **merger-arbitrage** market.

In response to these macro conditions, the Committee implemented several targeted adjustments - **locking in gains from outperforming segments** while increasing exposure to areas that **appear undervalued or mispriced**.

As always, these changes reflect a continued focus on favorable risk-reward positioning and opportunistic allocation within the Core strategies.

Dunham Core Equity Strategy Adjustments

To capitalize on **emerging opportunities** while diversifying **downside risk exposures**, the **Investment Committee** implemented the following adjustments:

Reductions:

- **Dunham Small Cap Value Fund** – While conviction in small caps remains, and the strategy continues to maintain an overweight relative to peers, the investment committee modestly reduced exposure. Small-cap sector - particularly those with ties to regional banks - are more sensitive to interest rates and funding conditions. Taking partial profits allowed us to rebalance toward areas offering more attractive near-term opportunities, while still maintaining a favorable long-term view of the sector.
- **Dunham Emerging Market Fund** – The Investment Committee continues to favor an overweight to emerging markets but has modestly reduced exposure following a period of very strong performance over the past nine months. While tariff-related uncertainty has eased somewhat, emerging markets remain sensitive to trade costs, export demand, and currency volatility. A

weaker U.S. dollar has been a meaningful tailwind, but further dollar weakness appears less likely — or at least less impactful — in the near term. Accordingly, we expect the strong momentum that supported EM equities earlier this year may moderate as we move into Q4.

Increases:

- **Dunham Real Estate Fund** – The Investment Committee increased exposure to real estate. While data centers have been a bright spot, broader real estate - particularly REITs tied to commercial properties - has lagged in recent years. This underperformance, combined with a deleveraging phase across the sector, has created attractive opportunities for stronger firms to consolidate and acquire assets at compelling valuations. Following several years of adjustment and restructuring, commercial real estate appears to be stabilizing, and we believe well-capitalized companies are positioned to benefit from this improved environment.
- **Dunham Large Cap Value Fund** - The Investment Committee increased exposure to large-cap value, recognizing its healthy participation in key market

themes. The fund provides broad exposure to major AI-driven opportunities while also benefiting from a resurgence across diverse sectors, including energy, banking, manufacturing, and defensive stocks. Its allocation to multinational firms adds further diversification within the U.S. market, and a weaker U.S. dollar could serve as a tailwind for these global companies. In addition, anticipated Federal Reserve rate cuts are expected to support both economic activity and equity valuations, creating a favorable backdrop for large-cap value.

These adjustments impacted the Dunham Core Equity Portfolio, reflecting a thoughtful calibration away from areas that experienced outsized returns and toward opportunities with relatively more potential.

Core Fixed Income Strategy Adjustments

Turning to fixed income, the Investment Committee made strategic adjustments to the **Dunham Core Fixed Income Strategy** to better align with evolving market conditions.

Reductions:

- **Dunham Floating Rate Bond Fund** – The Investment Committee reduced exposure to floating-rate securities. The shift in the interest rate environment now makes floating-rate funds less attractive on a relative basis. With the Federal Reserve pivoting toward rate cuts to support a weakening labor market, lower short-term rates are likely to reduce return potential for floating-rate instruments. Accordingly, we trimmed this position, moving out of recent strength and reallocating toward areas of the market that appear more oversold and offer greater opportunity going forward.
- **Dunham Monthly Distribution Fund** – The Investment Committee reduced exposure to this strategy following a strong run earlier in the year. While merger and acquisition activity has shown improvement on a dollar basis, overall transaction volumes remain muted. Persistent policy uncertainty and a cautious corporate outlook

continue to weigh on deal momentum as business leaders navigate a complex economic landscape. Given these dynamics, the Committee viewed it as an opportune time to take profits and reallocate capital toward areas of the market that appear more attractively valued and offer improved risk-adjusted potential moving forward.

Increases:

- **Dunham Long Short Credit Fund** – The Investment Committee increased exposure to the Long Short Credit Fund, reallocating proceeds from the reduction in the Monthly Distribution Fund. This move reflects a lateral adjustment toward a more conservative strategy that provides hedging against credit risk and potential sell-offs in high-yield bonds. The fund's structure is designed to navigate periods of inflationary pressure or deteriorating corporate bond markets, offering a more defensive positioning within the credit space.
- **Dunham Corporate/Government Bond Fund** – The Investment Committee continued to modestly extend duration, seeking a better balance as markets approach what appears to be the start of a rate-cutting cycle amid signs of labor market deterioration. While rate cuts are not assured given that inflation remains above target, the elevated long-term yields observed during the quarter created an attractive entry point. Positioning the strategy this way allows the portfolio to participate in potential price appreciation should rates move lower in the months ahead.

These adjustments reflect the committee's commitment to managing risk while capitalizing on strategic income opportunities, ensuring the fixed-income portfolio remains well-positioned in an evolving rate environment.

Core Fixed Income Light Strategy

In the **Dunham Core Fixed Income Light Portfolio**, there were no meaningful changes as the committee found it was balanced appropriately.

Parting Comments

As we move into the final quarter of 2025, the Investment Committee remains focused on balancing opportunity with discipline in an environment where liquidity, policy, and valuations are all playing outsized roles.

Global uncertainty has eased, credit flows are turning supportive, and rate cuts are underway - but these positives come alongside stretched equity valuations, fragile consumer dynamics, and thinning liquidity buffers. The paradox of Q3 was clear - markets appeared resilient on the surface, yet fragility continues to build underneath.

Rather than attempting to predict every turn, we remain committed to preparing for a range of outcomes. By staying balanced across equities and fixed income, trimming areas of outsized strength, and reallocating into undervalued opportunities, the Committee seeks to position portfolios to withstand volatility while capturing long-term growth.

Simply put: Q3 reaffirmed that in markets shaped by both resilience and fragility, discipline, diversification, and opportunism remain the keys to long-term success.

Part 4 - DunhamDC Activity: Buy Fear, Sell Greed

Q3 was relatively quiet for DunhamDC following a highly active first half of the year. Equity markets continued to rally on what we would describe as a “greed-driven” sentiment, and no new trade activity was triggered during the quarter. This pause came after DunhamDC’s robust activity earlier in 2025, when volatility around tariffs, trade tensions, and AI enthusiasm produced several Buy and Sell signals.

The quarter once again highlighted the importance of the DunhamDC process. Originally inspired by Benjamin Graham’s **“Mr. Market”** metaphor and Warren Buffett’s maxim to “be fearful when others are greedy and greedy when others are fearful,” the strategy remains designed to strip out emotion and respond systematically to market extremes.

Earlier this year, DunhamDC demonstrated its discipline by trimming equities back to the minimum allocation at new market highs, then opportunistically adding exposure during subsequent pullbacks. By

design, the strategy reduced equity exposure into strength and increased exposure during weakness - what we call **Selling Greed and Buying Fear**.

Although Q3 itself generated no new trades, **the absence of activity is equally important**. It reflects the strategy’s ability to stay disciplined, avoid chasing rallies, and wait for conditions that meet its unemotional criteria.

Today, DunhamDC remains defensively positioned following earlier Sell signals, with reduced equity exposure at market peaks and the flexibility to add meaningfully should fear re-emerge.

Looking forward, DunhamDC is not predicting market direction but is prepared for the next cycle of volatility. Whether the driver is renewed trade frictions, stretched valuations, or turbulent economic data, the strategy is built to harness emotional swings in markets and convert them into systematic, rules-based opportunities for long-term investors.

60% DUNHAM CORE EQUITY / 40% DUNHAM CORE FIXED INCOME

DC 60 - 11/30/22 to 9/30/25



▼ SOLD Equities

▲ BOUGHT Equities

— Market Growth¹

The percentages above represent the **Dunham Core Equity** ratio of the DC 60 portfolio at the time shown. The remaining portion is allocated in **Dunham Core Fixed Income**.

60% DUNHAM CORE U.S. EQUITY / 40% DUNHAM CORE FIXED INCOME

DC US 60 - 7/31/24 to 9/30/2025



▼ SOLD Equities

▲ BOUGHT Equities

— Market Growth¹

The percentages above represent the Dunham Core U.S. Equity ratio of the DC US 60 portfolio at the time shown. The remaining portion is allocated in Dunham Core Fixed Income.

Allocation Rebalancing

		Dunham Investment Committee Allocations		Changes With Rebalancing	
Dunham Fund (N-Shares)	Ticker	Decreased	Increased	Percentage Change From Q2 2025	New Weighting For Q3 2025
Core Equity					
Large Cap Value Fund	DNLVX	●	●	1.2%	16.0%
Real Estate Stock Fund	DNREX	●	●	1.5%	6.0%
International Stock Fund	DNINX	●	●	-0.4%	14.0%
Small Cap Value Fund	DNSVX	●	●	-1.3%	8.0%
Focused Large Cap Growth Fund	DNFGX	●	●	0.1%	13.0%
Small Cap Growth Fund	DNDGX	●	●	-0.2%	6.0%
Emerging Markets Stock Fund	DNEMX	●	●	-1.4%	15.0%
Dynamic Macro Fund	DNAVX	●	●	0.9%	11.0%
U.S. Enhanced Market Fund	DNSPX	●	●	-0.3%	11.0%
Core US Equity					
Large Cap Value Fund	DNLVX	●	●	2.4%	29.6%
Small Cap Value Fund	DNSVX	●	●	-2.3%	14.8%
Focused Large Cap Growth Fund	DNFGX	●	●	0.5%	24.1%
Small Cap Growth Fund	DNDGX	●	●	-0.2%	11.1%
U.S. Enhanced Market Fund	DNSPX	●	●	-0.4%	20.4%
Core Foreign					
International Stock Fund	DNINX	●	●	1.5%	48.3%
Emerging Markets Stock Fund	DNEMX	●	●	-1.5%	51.7%

Hold Us To Higher Standards

		Dunham Investment Committee Allocations		Changes With Rebalancing	
Dunham Fund (N-Shares)	Ticker	Decreased	Increased	Percentage Change From Q2 2025	New Weighting For Q3 2025
Core Alternative					
Dynamic Macro Fund	DNAVX	●	●	0.2%	29.3%
Long/Short Credit Fund	DNAIX	●	●	0.7%	14.0%
Monthly Distribution Fund	DNMDX	●	●	-0.7%	11.3%
Real Estate Stock Fund	DNREX	●	●	3.0%	16.0%
U.S. Enhanced Market Fund	DNSPX	●	●	-3.3%	29.3%
Core Fixed Income					
International Opportunity Bond Fund	DNIOX	●	●	0.0%	8.0%
Floating Rate Bond Fund	DNFRX	●	●	-1.0%	14.0%
Corporate/Government Bond Fund	DNCGX	●	●	0.9%	23.0%
High-Yield Bond Fund	DNHYX	●	●	-0.2%	17.0%
Monthly Distribution Fund	DNMDX	●	●	-0.9%	17.0%
Long/Short Credit Fund	DNAIX	●	●	1.2%	21.0%
Core Fixed Light					
Monthly Distribution Fund	DNMDX	●	●	0.1%	25.0%
Long/Short Credit Fund	DNAIX	●	●	0.2%	25.0%
Corporate/Government Bond Fund	DNCGX	●	●	-0.2%	30.0%
Floating Rate Bond Fund	DNFRX	●	●	0.0%	20.0%

The views set forth in The Quarterly Pulse are current as of September 30, 2025, are subject to change based on market conditions and other factors and should not be construed as investment advice.

This communication contains general market information only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. Nor should it be relied upon in any way as a forecast or guarantee of future events regarding a particular investment or the markets in general. This video is for informational purposes only and does not constitute a solicitation or an offer to sell securities or advisory services nor is it an offer to purchase an interest in any Dunham Fund or Program. Sources of data are all public and may include but are not limited to Reuters, Bloomberg, Standard and Poor's, U.S. Bureau of Labor Statistics, Federal Open Market Committee, Yahoo Finance and NASDAQ.

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

The Dunham Asset Allocation program is a turnkey wrap fee program comprised of the Dunham Funds. A wrap fee program is defined as a program offered by an investment adviser that wraps several services together for a fee based on the size of the client's account, 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 Asset Allocation program currently utilizes the Dunham Fund N Class Shares, each representing a different asset class, and only available to clients of fee-based advisory programs. The seven strategic allocations represent varying % allocations to the asset classes, with rebalancing to a quarter's target allocations occurring on the first business day of each quarter, the reinvestment of dividends on the date of the payment is also assumed.

Past performance is not indicative of future results.

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informational purposes only by Dunham & Associates Investment Counsel, Inc. solely in its capacity as a Registered Investment Adviser and should not be construed as legal and/or tax advice.

Dunham Asset Allocation Program: The Adviser is the sponsor of the Dunham Asset Allocation Program ("Program"), an advisory wrap program using the Dunham Funds, N share class.

As the program sponsor, Dunham charges the Investor a Program Fee covering limited discretionary investment management, brokerage and custodial services related to Dunham Funds, shareholder servicing and distribution, and client communications. Dunham will be paid a Program Fee option of 0.25% for the Asset Based Advisory Fee or 1/2 of the Performance Based Advisory Fee option. Investor understands that the Performance Based Fee may create an incentive for the financial advisor or Registered Investment Adviser ("RIA") and Dunham to increase the level of risk that the account may incur. The Investor further understands that the Performance Based Advisory and Program Fees may result in higher fees than an Asset-Based Advisory Fee and the RIA and Dunham, may receive increased compensation with the Performance-Based Advisory Fee.

The Program may be used by financial advisors to diversify client portfolios among the various asset classes represented by the Funds. The Adviser takes a portion of the revenues it receives from the Program and may reimburse certain non-affiliated financial advisors for their marketing and business development efforts. For the Performance Advisory Fee Option, reimbursements are from 0 to 25 basis points a year, depending on the dollar amount of client assets in the program. The Adviser also sponsors due diligence trips and conferences designed to enhance the financial advisor's understanding of the offerings. Certain costs associated with attendance at these meetings may be paid by the Adviser.

The Adviser also supports industry conferences and sponsors educational events attended by clients of the financial advisors as well as the financial advisors themselves.

The Investor pays no additional fees to Dunham or to the non-affiliated financial advisor or their RIA. However, these payments may create a potential conflict of interest by influencing a non-affiliated financial advisor to invest in the Custom Asset Allocation Program. The Advisory fees and potential conflicts of interest are described in greater detail in Part 2 of Dunham's Form

ADV or WRAP Fee Brochure.

Dunham offers sub-advised mutual funds in the Custom Asset Allocation Program in which Sub-Advisers' compensation is tied to their success versus an established benchmark. The Sub-Adviser receives a fulcrum fee, which will vary based on the Sub-Adviser's performance against the benchmark. The Sub-Adviser is rewarded when performance exceeds the benchmark and penalized when performance is short of the benchmark. Some Sub-Advisers may get paid a minimum fee even if they don't meet the benchmark. The Adviser is paid a separate fee.

The Dunham Monthly Distribution Fund, an investment in the Core Fixed Income and Core Fixed Light Strategy, utilizes an absolute return style to achieve its investment objective and may invest a significant portion of its assets in equity securities. However, its volatility (risk) has historically exhibited a low correlation to both the broad equity and the broad fixed income markets.

The Dunham Core Fixed Light Custom Core Allocation strategy has a limited track record, with an inception date of 1/1/2021. It was added as a Custom Core Allocation strategy on 9/30/2022, which means that prior to that date, accounts allocated in this strategy did not benefit from the firm's continuous monitoring and quarterly adjustments to reflect market conditions, performance, and other factors.

Core Fixed Income Strategy

The Dunham Core Fixed Income Strategy is constructed using Dunham funds that primarily invest in fixed income securities and fixed income alternatives. Investors in this Strategy generally prioritize capital preservation over maximizing total returns.

Core Fixed Light Strategy

The Dunham Core Fixed Light Strategy is constructed using Dunham funds that primarily invest in fixed income securities and fixed income alternatives.

Investors in this Strategy generally prioritize capital preservation over maximizing total returns by investing in asset classes that generally exhibit less volatility and less return than the typical core fixed income strategy.

Core Equity Strategy

The Core Equity Strategy is constructed using Dunham funds that primarily invest in equity securities and equity alternatives. Investors in these strategies generally prioritize maximizing total returns.

Core U.S. Equity Allocation

The Core U.S. Equity Allocation Strategy is constructed using Dunham funds that primarily invest in domestic equity securities. Investors in these strategies generally prioritize maximizing total returns Core Foreign Equity Allocation.

Core Foreign Equity Allocation

The Core Foreign Equity Allocation Strategy is constructed using Dunham funds that primarily invest in foreign equity securities. Investors in these strategies generally prioritize maximizing total returns.

Core Alternatives Allocation

The Core Alternatives Allocation Strategy is constructed using Dunham funds that primarily invest in alternative strategies. Investors in the Core Alternatives Allocation Strategy generally seek a balance of alternative strategies that have a goal of exhibiting a low to moderate correlation to both equity and fixed income markets across market cycles.

Expense ratios are gross of any fee waivers and reflect those in Dunham's most recent Prospectus.

RISK CONSIDERATIONS: An Investment in the strategies and the Dunham Funds involves risks, including the risks listed below:

Active Management Risk – The Fund is subject to management risk because it is an actively managed investment portfolio. The Sub-Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its decisions will produce the intended result. The successful use of hedging and risk management techniques may be adversely affected by imperfect correlation between movements in the price of the hedging vehicles and the securities being hedged.

Asset Allocation Risk – In allocating the Fund's assets, the Sub-Adviser may favor markets or asset classes that perform poorly relative to other markets and asset classes. The Sub-Adviser's investment analysis, its selection of investments, and its assessment of the risk/return potential of asset classes and markets may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests.

Call or Redemption Risk – If interest rates decline, issuers of debt securities may exercise redemption or call provisions. This may force the Fund to reinvest

redemption or call proceeds in securities with lower yields, which may reduce Fund performance.

Changing Fixed Income Market Conditions Risk – During periods of sustained rising rates, fixed income risks will be amplified. If the U.S. Federal Reserve's Federal Open Market Committee ("FOMC") raises the federal funds interest rate target, interest rates across the U.S. financial system may rise. Rising rates tend to decrease liquidity, increase trading costs, and increase volatility, all of which make portfolio management more difficult and costly to the Fund and its shareholders.

China Risk – The Fund's investments in companies or issuers economically tied to China are subject to the country/regional, emerging markets, currency, cybersecurity, and geopolitical risks, in addition to unique risks. They are associated with considerable degrees of social and humanitarian, legal, regulatory, political, and economic uncertainty which could have negative impacts on the Fund. They may be (or become in the future) restricted or sanctioned by the U.S. government or another government.

China Related Variable Interest Entity Risk – The Fund could seek to gain economic exposure to certain operating companies in China through legal structures known as variable interest entities ("VIEs"). In a VIE structure, a series of contractual arrangements are entered into between a holding company domiciled outside of China and a Chinese operating company or companies. VIE structures and these contractual arrangements are not equivalent to equity ownership in the operating company, which presents additional risks. The market value and liquidity of the associated investments could fall, causing substantial or total investment losses for investors with no recourse available.

CLO Risk – Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. There is a material possibility that economic activity will be volatile or will slow significantly, and the CLO performance will likely be significantly and negatively impacted by such conditions. Such effects may include an inability for Obligor to obtain refinancing of their debt obligations. A decreased ability of Obligor to obtain refinancing may cause a deterioration in loan performance generally and for CLOs. It is not possible to determine whether or when such trends will improve or worsen in the future. CLOs may include underlying securities, which are investments in foreign countries. These factors could

detract from CLO's performance.

Commodity Risk – Investing in the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geological and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions.

Corporate Loans Risk — Derivatives or other similar instruments (referred to collectively as "derivatives"), such as futures, forwards, options, swaps, structured securities and other instruments, are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may involve costs and risks that are different from, or possibly greater than, the costs and risks associated with investing directly in securities and other traditional investments. Derivatives prices can be volatile, may correlate imperfectly with price of the applicable underlying asset, reference rate or index and may move in unexpected ways, especially in unusual market conditions, such as markets with high volatility or large market declines. Some derivatives are particularly sensitive to changes in interest rates. Other risks include liquidity risk which refers to the potential inability to terminate or sell derivative positions and for derivatives to create margin delivery or settlement payment obligations for the Fund. Further, losses could result if the counterparty to a transaction does not perform as promised. Derivatives that involve a small initial investment relative to the risk assumed may be considered to be "leveraged," which can magnify or otherwise increase investment losses. In addition, the use of derivatives for non-hedging purposes (that is, to seek to increase total return) is considered a speculative practice and may present an even greater risk of loss than when used for hedging purposes. Derivatives are also subject to operational and legal risks.

Credit Risk – Issuers of debt securities may suffer from a reduced ability to repay their interest and principal obligations. They may even default on interest and/or principal payments due to the Fund. An increase in credit risk or a default will cause the value of Fund debt securities to decline. Issuers with lower credit quality are more susceptible to economic or industry downturns and are more likely to default.

Currency Risk - Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund's investments

denominated in a foreign currency or may widen existing losses. Exchange rate movements are volatile, and it may not be possible to effectively hedge the currency risks of many countries.

Derivatives Risk - Derivatives or other similar instruments (referred to collectively as “derivatives”), such as futures, forwards, options, swaps, structured securities and other instruments, are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may involve costs and risks that are different from, or possibly greater than, the costs and risks associated with investing directly in securities and other traditional investments. Derivatives prices can be volatile, may correlate imperfectly with price of the applicable underlying asset, reference rate or index and may move in unexpected ways, especially in unusual market conditions, such as markets with high volatility or large market declines. Some derivatives are particularly sensitive to changes in interest rates. Other risks include liquidity risk which refers to the potential inability to terminate or sell derivative positions and for derivatives to create margin delivery or settlement payment obligations for the Fund. Further, losses could result if the counterparty to a transaction does not perform as promised. Derivatives that involve a small initial investment relative to the risk assumed may be considered to be “leveraged,” which can magnify or otherwise increase investment losses. In addition, the use of derivatives for non-hedging purposes (that is, to seek to increase total return) is considered a speculative practice and may present an even greater risk of loss than when used for hedging purposes. Derivatives are also subject to operational and legal risks.

Distribution Policy Risk - The Fund’s distribution policy is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of the Fund’s current net asset value per share. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e., from your original investment). Shareholders should not assume that the source of a distribution from the Fund is net profit. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares.

ETF Risk - ETFs are subject to investment advisory and other expenses, which will be indirectly paid by

the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest exclusively in common stocks. The ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track and the market value of ETF shares may differ from their net asset value.

ETFs are subject to specific risks, depending on the nature of the fund. For instance, investing in inverse ETFs is similar to holding various short positions, or using a combination of advanced investment strategies to profit from falling prices. When the value of ETFs held by the Fund decline, the value of your investment in the Fund declines.

ETN Risk - ETNs are securities that combine aspects of a bond and an ETF. ETN returns are based upon the performance of a market index or other reference asset less fees, and can be held to maturity as a debt security. ETNs are traded on a securities exchange. Their value is based on their reference index or strategy and the credit quality of the issuer. Because ETNs are debt instruments of the issuer of the ETN, they are subject to the credit risk of the issuer. ETNs are also subject to the risk that they may trade at a premium or discount to value attributable to their reference index. When the Fund invests in an ETN, shareholders of the Fund bear their proportionate share of the ETN’s fees and expenses, as well as their share of the Fund’s fees and expenses. There may also not be an active trading market available for some ETNs. Additionally, trading of ETNs may be halted and ETNs may be delisted by the listing exchange.

Emerging Markets Risk - Emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems which do not protect securities holders. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Event Risk - Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company’s bonds and/or other debt securities may decline significantly.

Financial Services Sector Risk - The profitability of many types of financial services companies may be adversely affected in certain market cycles. For

example, periods of rising interest rates may restrict availability and increase the cost of capital for these companies. Moreover, when interest rates rise, the value of securities issued by many types of financial services companies generally falls. Declining economic conditions may cause credit losses due to financial difficulties of borrowers. In addition, financial services companies often are regulated by governmental entities, which can increase costs for new services or products and make it difficult to pass increased costs on to consumers. In certain areas, deregulation of financial services companies has resulted in increased competition and reduced profitability.

Floating Interest Rates Risk – Certain of the Fund's investments, payment obligations and financing terms may be based on floating interest rates, such as the Euro Interbank Offer Rate ("EURIBOR"), the Sterling Overnight Interbank Average Rate ("SONIA"), the Secured Overnight Financing Rate ("SOFR") and other similar types of reference rates ("Reference Rates"). The elimination of a Reference Rate or any other changes or reforms to the determination or supervision of Reference Rates could have an adverse impact on the market for, or value of, any securities or payments linked to those Reference Rates. Any substitute Reference Rate and any pricing adjustments imposed by a regulator or by counterparties or otherwise may adversely affect the Fund's performance and/or net asset value.

Foreign Investing Risk – Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability, and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments.

Forward Contract Risk – Forward contracts involve a number of the same characteristics and risks as futures contracts but there also are several differences. Forward contracts are not market traded, and are not necessarily marked to market on a daily basis. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardized terms for

forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardized provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

IBOR Risk – The risk that the elimination of the London Interbank Offered Rate ("LIBOR") or similar interbank offered rates ("IBORs"), such as the Euro Overnight Index Average ("EONIA"), or any other changes or reforms to the determination or supervision of such rates, could have an adverse impact on the market for, or value of, any securities or payments linked to those rates. While some instruments may contemplate a scenario where LIBOR or a similar rate is no longer available by providing for an alternative rate setting methodology, not all instruments have such fallback provisions. Moreover, the effectiveness of replacement rates is uncertain.

Information Technology Sector Risk – Investments in technology companies exposed to special risks, such as rapid advances in technology that might cause existing products to become obsolete. Companies in a number of technology industries are also subject to more government regulations and approval processes than many other industries. This fact may affect a company's overall profitability and cause its stock price to be more volatile. Additionally, technology companies are dependent upon consumer and business acceptance as new technologies evolve.

Interest Rate Risk – In general, the price of a debt security falls when interest rates rise. Debt securities have varying levels of sensitivity to changes in interest rates. Securities with longer maturities may be more sensitive to interest rate changes.

IPO Risk – The Fund invests in IPOs at the time of the initial offering and in post-IPO trading. The stocks of such companies are unseasoned equities lacking a trading history, a track record of reporting to investors and widely available research coverage. IPOs are thus often subject to extreme price volatility and speculative trading. These stocks may have above-average price appreciation in connection with the initial public offering prior to inclusion in the Fund. The price of stocks included in the Fund may not continue to appreciate. In addition, IPOs share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in an IPO are typically a small percentage of

the market capitalization. The ownership of many IPOs often includes large holdings by venture capital and private equity investors who seek to sell their shares in the public market in the months following an IPO when shares restricted by lock-up are released, causing greater volatility and possible downward pressure during the time that locked-up shares are released.

Large Cap Stock Risk – Because the investment focus of the Fund is on large cap stocks, the value of the Fund may be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Leveraging Risk – Using derivatives can create leverage, which can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.

Limited History of Operations Risk – The Fund is a new mutual fund and has a limited history of operations for investors to evaluate.

Liquidity Risk – Some securities may have few market-makers and low trading volume, which tend to increase transaction costs and may make it impossible for the Fund to dispose of a security position at all or at a price which represents current or fair market value.

Long-Term Maturities/Durations Risk – The risk of greater price fluctuations than would be associated with securities having shorter maturities or durations.

Lower-Rated Securities Risk – Securities rated below investment-grade, sometimes called "high-yield" or "junk" bonds, are speculative investments that generally have more credit risk than higher-rated securities. Companies issuing high-yield fixed-income securities are not as strong financially as those issuing securities with higher credit ratings and are more likely to encounter financial difficulties. Lower rated issuers are more likely to default, and their securities could become worthless.

Management Risk – The Fund is subject to management risk because it is an actively managed investment portfolio. The Sub-Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its decisions will produce the intended result. The successful use of hedging and risk management techniques may be adversely affected by imperfect correlation between movements in the price of the hedging vehicles and the securities being hedged.

Merger and Event-Driven Risk – Investments in companies that are expected to be, or already are, the subject of a publicly announced merger, takeover,

tender offer, leveraged buyout, spin-off, liquidation or other corporate reorganizations carry the risk that the proposed or expected corporate event may not be completed or may be completed on less favorable terms than originally expected.

Micro Capitalization Risk – The purchase or sale of more than a limited number of shares of the securities of a micro-cap company may affect its market price. Micro-cap companies are generally followed by few, if any, securities analysts, and there tends to be less publicly available information about them. Their securities generally have even more limited trading volumes and are subject to even more abrupt or erratic market price movements than small and mid-capitalization companies. Such companies may also have limited markets, financial resources, or product lines, may lack management depth and may be more vulnerable to adverse business or market developments.

Money Market/Short-Term Securities Risk – To the extent the Fund holds cash or invests in money market or short-term securities, the Fund may be less likely to achieve its investment objective. In addition, it is possible that the Fund's investments in these instruments could lose money.

Mortgage-Backed and Asset-Backed Securities Risk – Mortgage-backed and asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, the Fund may exhibit additional volatility in a period of rising interest rates if it holds mortgage-backed securities (known as "extension risk"). Mortgage-backed securities may also be subject to prepayment risk; when interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the Fund's returns because the Fund may have to reinvest that money at the lower prevailing interest rates. Non-agency mortgage-backed securities generally have greater credit risk than government issued mortgage-backed securities.

Natural Disaster/Epidemic Risk – Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease and illness, including pandemics and epidemics (such as the novel coronavirus), have been and can be highly disruptive to economies and markets.

Non-Diversification Risk – A Fund that is a non-diversified investment company means that more of the Fund's assets may be invested in the securities of a single issuer than a diversified investment company. This may make the value of the Fund's shares more susceptible to certain risk than shares of a diversified investment company. As a non-diversified fund, the Fund has a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer.

Options Risk – The Fund may use options to enhance return and or mitigate risk. However, options can fall rapidly in response to developments in specific companies or industries and the Fund's investments may be negatively impacted by unexpected market conditions.

Private Placement Risk – Privately issued securities, including those which may be sold only in accordance with Rule 144A under the Securities Act of 1933, are restricted securities that are not registered with the U.S. Securities and Exchange Commission ("SEC"). Accordingly, the liquidity of the market for specific privately issued securities may vary. Delay or difficulty in selling such securities may result in a loss to the Fund. Privately issued securities that the Sub-Adviser determines to be "illiquid" are subject to the Fund's policy of not investing more than 15% of its net assets in illiquid securities.

Portfolio Turnover Risk – The frequency of a Fund's transactions will vary from year to year. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in taxable capital gains. Higher costs associated with increased portfolio turnover may offset gains in a Fund's performance.

Real Estate Industry Concentration Risk – By concentrating in a single sector, the Fund carries much greater risk of adverse developments in that sector than a fund that invests in a wide variety of industries. Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations.

Real Estate Investment Trust Risk – A REIT's performance depends on the types and locations of the rental properties it owns and on how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management.

Risk of Investing in Asia – The value of the Fund's assets may be adversely affected by political, economic, social and religious instability; inadequate investor protection; changes in laws or regulations of countries within the Asian region (including countries in which the Fund invests, as well as the broader region); international relations with other nations; natural disasters; corruption and military activity. The Asian region, and particularly China, Japan and South Korea, may be adversely affected by political, military, economic and other factors related to North Korea. In addition, China's long-running conflict over Taiwan, border disputes with many of its neighbors and historically strained relations with Japan could adversely impact economies in the region. The economies of many Asian countries differ from the economies of more developed countries in many respects, such as rate of growth, inflation, capital reinvestment, resource self-sufficiency, financial system stability, the national balance of payments position and sensitivity to changes in global trade.

Risk of Investing in Japan – The Fund may invest a significant portion of its assets in securities issued by Japanese issuers. The Japanese economy may be subject to considerable degrees of economic, political, and social instability, which could have a negative impact on Japanese securities. Since the year 2000, Japan's economic growth rate has remained relatively low, and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons, and tsunamis, which could negatively affect the Fund.

Senior Bank Loans Risk – Senior loans are subject to the risk that a court could subordinate a senior loan, which typically holds the most senior position in the issuer's capital structure, to presently existing or future indebtedness or take other action detrimental to the holders of senior loans. Senior loans settle on a delayed basis, potentially leading to the sale proceeds of such loans not being available to meet redemptions for a substantial period of time after the sale of the senior loans. The market prices of floating rate loans are generally less sensitive to interest rate changes than are the market prices for securities with fixed interest rates. Certain senior loans may not be considered "securities," and purchasers, such as the Fund, therefore, may not be entitled to rely on the protections of federal securities laws, including anti-fraud provisions.

Securities Lending Risk – The risk of securities lending is that the financial institution that borrows securities

from the Fund could go bankrupt or otherwise default on its commitment under the securities lending agreement and the Fund might not be able to recover the loaned securities or their value.

Short Selling Risk – If the price of the security sold short increases between the time of the short sale and the time the Fund covers its short position, the Fund will incur a loss which may be unlimited. Also, the Fund is required to deposit collateral in connection with such short sales and may have to pay a fee to borrow particular securities.

Small and Medium Capitalization Risk – The Fund's investments in smaller and medium-sized companies carry more risks than investments in larger companies. Companies with small and medium-sized market capitalization often have narrower markets, fewer products or services to offer and more limited managerial and financial resources than larger, more established companies do. Investing in lesser-known, small and medium-sized capitalization companies involve a greater risk of volatility of the Fund's net asset value than is customarily associated with larger, more established companies. Often smaller and medium capitalization companies and the industries in which they are focused are still evolving and, while this may offer better growth potential than larger, more established companies, it also may make them more sensitive to changing market conditions.

Small Capitalization Risk – The Fund's investments in small cap companies carry more risks than investments in larger companies. Small cap companies often have narrower markets, fewer products, or services to offer and more limited managerial and financial resources than larger, more established companies do.

Software Industry Risk – Technological developments, fixed-rate pricing and the ability to attract and retain skilled employees can significantly affect the software industry. The success of companies in the industry is also subject to the continued demand for internet services.

Stock Market Risk – Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Fund's investment may decline in value if the stock markets perform poorly.

Structured Note Risk – Structured notes involve tracking risk, issuer default risk and may involve leverage risk.

Tactical Asset Allocation Risk – Tactical asset allocation is an investment strategy that actively adjusts a portfolio's asset allocation. The Fund's tactical asset management discipline may not work as intended. The Fund may not achieve its objective and may not perform as well as other funds using other asset management styles, including those based on fundamental analysis (a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other factors) or strategic asset allocation (a strategy that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation). The Sub-Adviser's evaluations and assumptions in selecting investments may be incorrect in view of actual market conditions and may result in owning securities that underperform other securities.

Upside Participation Risk/Downside Loss Risk – There can be no guarantee that the Fund will be successful in its strategy to provide shareholders with a total return that matches the increase of the underlying index over a given period. In the event an investor purchases shares of the Fund after securities transactions were entered into or does not stay invested in the Fund for the long term or a full-market cycle, the returns realized by the investor may not match those that the Fund seeks to achieve.

In addition, there can be no guarantee that the Fund will be successful in its strategy to provide protection against underlying index losses. The Fund's strategy seeks to deliver returns that participate in the returns of the underlying index while limiting downside losses if shares are held over long periods of time. The Fund does not provide principal protection or non-principal protection, and an investor may experience significant losses on its investment, including the loss of its entire investment.

U.S. Government Securities Risk – The risk that U.S. Government securities in the Fund's portfolio will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.

Index Definitions:

Bloomberg Global Aggregate Bond Index – The Bloomberg Global Aggregate Bond Index measures the performance of the global investment grade, fixed-rate bond markets. The benchmark includes government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and

emerging markets issuers.

The Global Economic Policy Uncertainty Index – The GEPU Index is a GDP-weighted average of national EPU indices for 16 countries that account for two-thirds of global output. Each national EPU index reflects the relative frequency of own-country newspaper articles that contain a trio of terms pertaining to the economy, uncertainty and policy-related matters.

MSCI All Country World ex US Index (net) – The MSCI All Country World ex US Index (net) is a free float-adjusted market capitalization index designed to measure equity market performance in the global developed and emerging markets excluding holdings in the United States and is net of any withholding taxes.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

S&P 500 Index – The S&P 500, or the Standard & Poor's 500, is a stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 Index components and their weightings are determined by S&P Dow Jones Indices. It differs from other U.S. stock market indices, such as the Dow Jones Industrial Average or the Nasdaq Composite index, because of its diverse constituency and weighting methodology. It is one of the most commonly followed equity indices, and many consider it one of the best representations of the U.S. stock market, and a bellwether for the U.S. economy.

Investors cannot invest directly in an Index.

DunhamDC Disclosure

This communication is general in nature and provided for educational and informational purposes only. It should not be considered or relied upon as legal, tax or investment advice or an investment recommendation. Any investment products or services named herein are for illustrative purposes only, and should not be considered an offer to buy or sell, or an investment recommendation for, any specific security, strategy or investment product or service. Always consult a qualified professional or your own independent financial professional for personalized advice or investment recommendations tailored to your specific goals, individual situation, and risk tolerance.

Past performance may not be indicative of future results.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There may be economic times where all investments are unfavorable and depreciate in value.

DunhamDC is a proprietary algorithm of Dunham & Associates Investment Counsel, Inc. ("Dunham") that seeks to mitigate sequence risk, which poses a threat to an investor's returns due to the timing of withdrawals. The algorithm employs what Dunham considers to be a pragmatic strategy, generally making incremental increases to the equity allocation when global stock market prices decrease and decreasing it when global stock prices increase. This approach is objective, unemotional, and systematic. Rebalancing is initiated based on the investment criteria set forth in the investors application and is further influenced by the DunhamDC algorithm.

Due to the large deviation in equity to fixed income ratio at any given time, investor participating in DunhamDC understands that a large deviation in equity to fixed income ratio can have significant implications for the risk and return profile of the account. Accordingly, during periods of strong market growth the account may underperform accounts that do not have the DunhamDC feature. Conversely, during periods of strong market declines, the account may also be underperforming, as the account continues to decline, due to the higher exposure in equities. Similarly, if the fixed income investments underperform the equity investments, it is possible that the accounts using the DunhamDC feature may underperform accounts that do not have the DunhamDC feature, even though they may have adjusted the exposure to equity investment before a decline. Therefore, the investor must be willing to accept the highest risk tolerance and investment objective the account can range for the selected strategy. Please see the Account Application for the various ranges.

DunhamDC uses an unemotional, objective, systematic approach. The algorithm does not use complex formulas and is designed to create a consistent process with limited assumptions based on historical data.

DunhamDC may make frequent purchases and redemptions at times which may result in a taxable event in the account and may cause undesired tax-related consequences.

Trade signals for DunhamDC are received at the end of each trading day with the implementation of the trades not occurring until the next business day, which means that there is a one-day lag that may result in adverse prices.

DunhamDC operates within predefined parameters and rules, some or all of which may not be available to review. While this approach can reduce emotional biases and enhance consistency, it may limit adaptability to changing market conditions, economic considerations, or unforeseen events. Extreme conditions may require deviations from the program's prescribed approach, and such adaptability may be challenging to incorporate. The DunhamDC algorithm is programmed based on specific criteria and rules, it may not capture certain qualitative or contextual factors that can impact investment decisions or movement in the markets. Beyond the initial assumptions used to develop the algorithm, it lacks other inputs or considerations that human judgement and discretion may be necessary to evaluate. DunhamDC may utilize historical data, statistical analysis, and predefined rules. It does not make any predictions and may add to certain investments before they perform poorly or may divest from other investments before they perform well. Dunham makes no predictions, representations, or warranties as to the future performance of any account.

Accounts invested in DunhamDC are subject to a quarterly rebalance to its target allocation at the time based on DunhamDC in addition to the signals provided by DunhamDC at any given time.

If the variance between any Dunham Mutual Fund's target percentage of the total account value compared to the current percentage of the account value is greater than 1.00% at the time of the trigger point, the account in DunhamDC will be updated to the new target allocation.

Accounts invested in DunhamDC may contain non-Dunham Mutual Funds, which may materially impact if the account is being rebalanced at the trigger point.

Dunham makes no representation that the program will meet its intended objective. Market conditions and factors that influence investment outcomes are subject to change, and no program can fully account for all variables and events. The program requires making investment decisions based on factors and conditions that are beyond the Account Owner's and Dunham's control.

DunhamDC is NOT A GUARANTEE against market loss or declines in the value of the account or a timing strategy. Investor may lose money.

Asset allocation models are subject to general market risk and risks related to economic conditions.

DunhamDC has a limited track record, with an inception date of November 30, 2022.

DunhamDC US has a limited track record, with an inception date of July 31, 2024.

Risk Disclosures. An investment in the strategies and the Dunham Funds involves risks. For the Primary Risks of the Dunham Funds, please see: <https://dunham.com/disclosures/dunhamfundsrisks.pdf>

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An Investment in the Dunham Funds is not insured or guaranteed by the federal deposit insurance corporation or any other governmental agency.