DunhamDC BUYS FEAR, SELLS GREED

DunhamDC was inspired by Warren Buffett – and Warren Buffett was influenced by Benjamin Graham.

Benjamin Graham was the "father" of value investing and was the teacher, mentor, and friend of Warren Buffett. Now, while Graham had many great insights that inspired Warren Buffett, there's one concept that sticks out – and that's the idea of "Mr. Market."

Mr. Market is a wonderful fictional character that symbolizes market:

- Unpredictability
- Emotional swings
- Overvaluing or undervaluing stocks erratically.

Sometimes he's all excited and overvalues stocks far above their fundamental value and is willing to buy everything at a premium. And other times, he's gloomy and full of fear and undervalues stocks far below their intrinsic value.
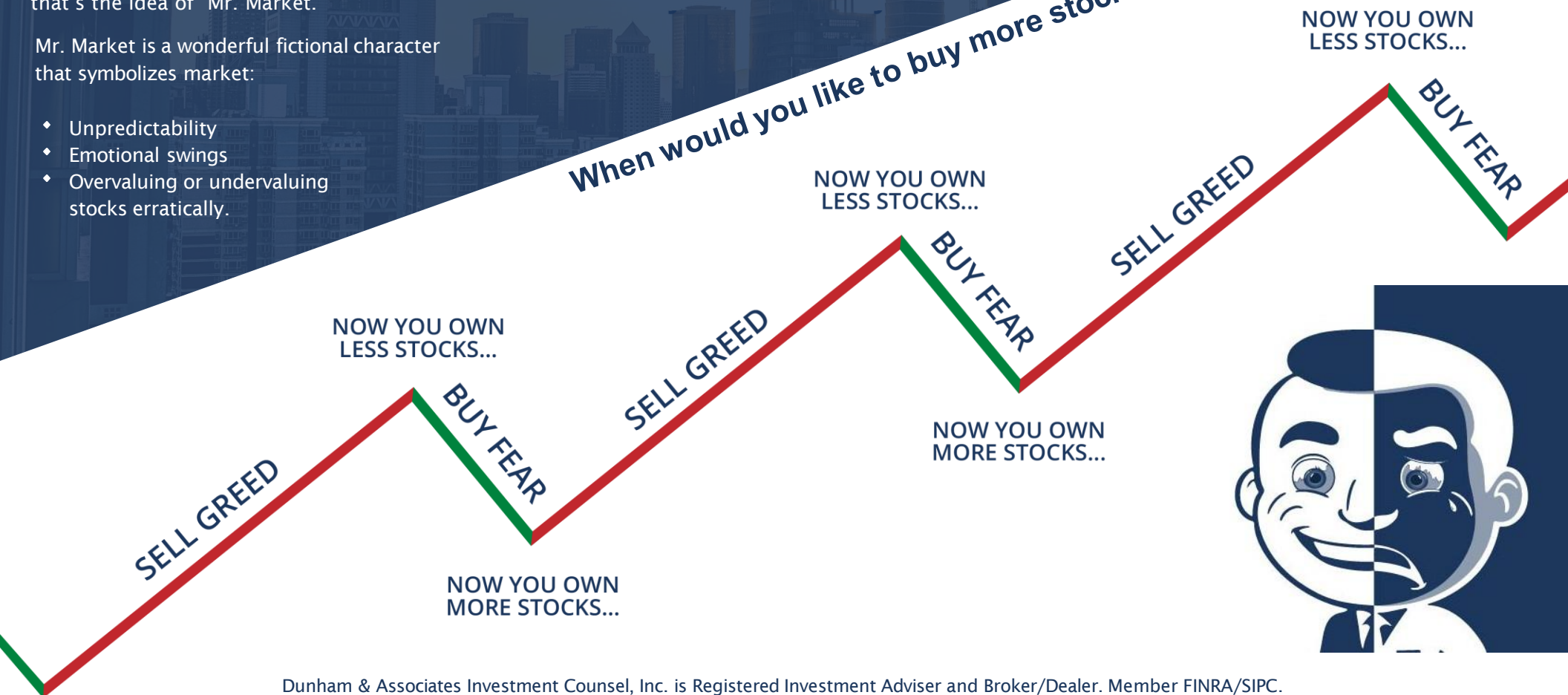
Worse is that sometimes his waves of euphoria or pessimism can last months – even years.

This was the genius of Graham's point - that this Mr. Market fellow offers prices every day for stocks, either overpaying or selling very cheap. And we're never quite sure how he will react tomorrow.

So, what was Graham's advice? Simple: Use Mr. Market's mood swings to your advantage. And this is exactly what DunhamDC™ does. . .

DunhamDC™ is an innovative multi-level algorithm that allows us to be unemotional when Mr. Market is either greedy or fearful. It leverages both Benjamin Graham and Warren Buffet's timeless wisdom by directly addressing Mr. Market's unpredictable and moody nature and follows Buffet's advice.

When would you like to buy more stocks?

SELL GREED

NOW YOU OWN LESS STOCKS...

BUY FEAR

SELL GREED

NOW YOU OWN MORE STOCKS...

SELL GREED

NOW YOU OWN LESS STOCKS...

BUY FEAR

NOW YOU OWN MORE STOCKS...

SELL GREED

NOW YOU OWN LESS STOCKS...

BUY FEAR

IMPORTANT DISCLOSURES

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 ("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 investor's application and is further influenced by the DunhamDC algorithm.

DunhamDC allocation changes are made only if they result in an allocation value shift at the fund level of 1% or greater of total account value. This includes if non-Dunham fund investments are in the Dunham account and the allocation value shift per fund is more than 1%.

Due to the large deviation in equity to fixed income ratio at any given time, investors participating in DunhamDC understand 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 judgment 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.

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.

Dunham & Associates Investment Counsel, Inc. is an independent investment adviser and broker/dealer registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.