



EYE ON GEMINI

WELCOME NEW CLIENTS

We would like to welcome the following new additions to our family:

- Emerald Asset Advisors
- MLK Capital Management
- PathMaster Funds
- Free Enterprise
- RAM Business
- Halaris Global Opportunity Fund
- Jefferson National Bond Fund
- Pertuity Inc
- Millennium India Acquisition Co

CLIENT SPOTLIGHT OPPORTUNITIES

We'd love to highlight your company in our newsletter. E-mail us at GeminiMarketing@geminiFund.com if you're interested.

IN THE NEWS

Read the latest articles on Gemini in the below publications:

- 'Pooled Investment Vehicles' in the Wall Street Transcript on 1/28/08
- 'Gemini Stars on a New Website' on MutualFundWire.com on 1/15/08
- 'Gemini Forsees Clients' Twin Needs: New Solutions, Distribution' in Money Management Executive on 1/7/08
- 'Part of the Solution' in Investment Advisor on 1/1/08

SHORT-FORM PROSPECTUS

The SEC voted November 15 to adopt a short-form prospectus requiring that all mutual fund investors receive a clear, concise summary of key information needed to make an informed investment decision. The rule changes would also encourage funds to make their prospectuses available on the Internet, and are intended to enable investors to use and compare mutual fund information more effectively.

The Commission is proposing that the following information be included in a mutual fund summary prospectus:

- Investment objectives

- Costs
- Principal investment strategies, risks, and performance
- Top 10 portfolio holdings
- Identity of investment advisors and portfolio managers
- Brief purchase, sale, and tax information
- Information about broker compensation and conflicts

The SEC is seeking investor input about what improvements would make the summary prospectus easier to read and understand and what key information investors would like to see included. All comments will be accepted until February 28, 2008.

WHERE IS GEMINI?

We are exhibiting at NICSA's Annual Conference in Miami, FL on Feb. 17-20. If you're attending, make sure to stop by and see us!

TRIVIA QUESTION

The answer to the last trivia question 'Who discovered calculus' is: **Isaac Newton**. He 'discovered' it in 1666 at 23 years old.

Here's this month's question: Why did the U.S. government put grooves on coins? Stay tuned for the answer in our next edition!

CLIENT SPOTLIGHT - DUNHAM & ASSOCIATES

The following comes from one of Gemini's clients, Dunham & Associates Investment Council, Inc.

An Early Pioneer in Performance Fee-Based Funds

One of the pioneers of the performance fee-based compensation for money managers is Jeffrey Dunham, a financial advisor and founder of Dunham & Associates Investment Counsel, Inc. (DAIC), the Adviser to, and Distributor of the Dunham Funds. Starting in 1985 with a concentrated focus on the Del Mar, La Jolla and Rancho Santa Fe regions of San Diego, Dunham built his reputation and a successful nationwide investment advisory firm on the premise that, where possible, programs and products are structured to tie compensation, including Sub-Advisers, to performance.

In December 2004, Dunham launched public mutual funds whose Sub-Advisers are compensated based on performance incentives. These sub-advised funds operate on performance fees, commonly known as fulcrum fees. True to the principle on which Jeffrey founded DAIC, when a Sub-Adviser outperforms the applicable benchmark, compensation increases - if they underperform*, they generally get less.

Today, DAIC manages approximately \$730 million in assets as of 2/1/08 through its Sub-Advised funds with total holding company assets under administration nearing \$1 billion and has scaled the company to manage billions. The Dunham Funds operate on performance fee-based Sub-Advisory fees and feature objectives ranging from capital preservation to aggressive growth. The Funds are available individually, as part of a turnkey asset allocation program and through qualified 401(k) and profit sharing plans. Dunham Funds provide access to some of the industry's top tier institutional money managers.

"Although other firms have offered fulcrum-fees, we believe Dunham & Associates is one of only a handful to provide the accountability and inherent fairness of performance fee-based Sub-Adviser compensation for 100 percent of its public mutual funds," said Dunham. "With fulcrum fees, we feel our clients can be more confident knowing that their interests are better aligned with the underlying investment managers who are managing their money, since compensation is tied to performance within stated fund objectives."

Said Dunham, "I am convinced that investor demand will drive more and more firms to join Dunham & Associates in offering these types of fee structures. I believe that we are on the leading edge of a trend that will see a significant increase in the number of funds with performance-based fees. I predict that within the next 10 years up to a quarter of the overall market will be invested in funds that assess Sub-Adviser compensation on the basis of performance."



WHEN PERFORMANCE COUNTS

Carefully consider the funds' investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund prospectus, which may be obtained by calling us at 800-442-4358. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

Dunham & Associates Investment Counsel, Inc. serves as adviser and distributor of the Dunham Funds, and as such, receives a separate fee. The Dunham Funds are a separate series of the AdvisorOne Funds.

*The Sub-Adviser receives a fulcrum fee, which will vary based on the Sub-Adviser's performance against the benchmark. The Sub-Adviser is generally rewarded when performance exceeds the benchmark and is generally 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 Advisor is paid a separate fee.

Dunham & Associates Investment Counsel, Inc. is a Registered Investment Adviser and Broker/Dealer. Member FINRA/SIPC.

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