

**Part 2A of Form ADV  
Firm Brochure for:  
Institutional Consulting Services**



801 - 57434

**Investment Advisory Services of Wells Fargo Advisors Financial Network, LLC**

Revised March 2014

Wells Fargo Advisors is the trade name used by two separate broker-dealers: Wells Fargo Advisors, LLC and Wells Fargo Advisors Financial Network, LLC. Members SIPC, and non-bank affiliates of Wells Fargo & Company.

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**This brochure provides information about the qualifications and business practices of Wells Fargo Advisors Financial Network, LLC and our Institutional Consulting Services. This information should be considered before becoming a Client. If you have any questions about these services or the contents of this brochure, please contact us at the telephone number above.**

**This information has not been approved or verified by United States Securities and Exchange Commission or by any state securities authority. Additional information about Wells Fargo Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involve risk, including the possible loss of principal.**

## Summary of Material Changes

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Material changes in the Institutional Consulting Services Program since March 31, 2013:

- The “Investment Manager Search Report/Interviews” service has been renamed “Investment Manager Search and Recommendation”.
- The “Mutual Fund Search and Selection” service is now part of the “Investment Manager Search and Recommendation” service.
- The “Performance Monitoring Reports” service has been renamed “Performance Reporting”.
- The following services have been added as options to the Program:
  - Diversification Review
  - Service Provider Search and Review
  - Plan Committee Meetings
  - Plan Fees and Services Benchmarking
  - Participant Education

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## Advisory Business

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### Firm Description and Ownership

Wells Fargo Advisors Financial Network, LLC ("WFAFN"), is a broker-dealer and investment advisory Firm providing investment and other financial services to individual, corporate, and institutional Clients through a network of independent contractor representatives. It is a non-bank affiliate of Wells Fargo & Company ("Wells Fargo"), a financial holding company and bank holding company founded in 1852 and publicly held company (NYSE: WFC). Wells Fargo and its Affiliates are engaged in a number of financial businesses, including retail brokerage and investment advisory services.

Wells Fargo Advisors Financial Network, LLC is affiliated with Wells Fargo Advisors, LLC ("WFA"), a broker-dealer and investment adviser that also provides advisory and brokerage services, and First Clearing, LLC ("FCLLC"), a broker-dealer providing securities-execution and brokerage-clearance services to WFA, WFAFN, and other retail securities firms throughout the United States. Information about the advisory and brokerage services offered by WFA is available by contacting them directly.

WFAFN has entered into an agreement with WFA, a non-bank affiliate of WFAFN, pursuant to which WFA will act as sub-adviser and/or service provider to WFAFN with respect to the advisory Programs and services offered by the Firm. WFA is a member of the New York Stock Exchange, Inc. ("NYSE") and the principal stock exchanges in the nation, as well as FINRA and SIPC.

The terms "Client," "you," and "your" are used throughout this document to refer to the person(s) or organization(s) who contract with us for the services described herein. "WFAFN," "we," "our," and "us" refer to WFAFN together with our Affiliates, including but not limited to, Wells Fargo & Company and its agents with respect to any services provided by those agents. "Affiliate" means any entity that is controlled by, controls or is under common control with WFAFN. Each Affiliate is a separate legal entity, none of which is responsible for the obligations of the other.

"Account" means collectively or individually any brokerage Account and/or any Advisory Program Account you have with us, including any and all funds, money, securities and/or other property you have deposited with us. "Securities and/or Other Property" means, but is not limited to, money, securities, financial instruments and commodities of every kind and nature and related contracts and options, distributions, proceeds, products and accessions of all property.

### Types of Advisory Services

We sponsor a number of wrap fee advisory Programs that are designed to help you meet your investment objectives and goals. They include Separately Managed Account Programs, Mutual Fund Advisory Programs, Financial Advisor-Directed Programs and Non-Discretionary Advisory Programs ("Programs"). We also offer Consulting and Financial Planning advisory services. This Disclosure Document is being provided pursuant to Section 204 of the Investment Advisers Act of 1940 and deals solely with our Institutional Consulting Services. Descriptions of the services and fees for the other Programs and services we offer can be found in separate disclosure documents, copies of which are available upon request.

### Institutional Consulting Services

The Institutional Consulting Services Program is a service in which Financial Advisors ("FAs") provide a la carte consulting services and/or full retainer consulting services, for a fee, to Clients generally valued at over \$15 million in investable assets. This non-discretionary program allows your FA to provide highly tailored services to select Clients needing customized consulting services. Separate Accounts that are papered under other advisory contracts that are included under the Institutional Consulting Services program may include services not explicitly stated in the Institutional Consulting Services Program contract. However, the Institutional Consulting Services program will not override or conflict with any existing sub-contracts.

The Institutional Consulting Services Program offers one or more of the following services:

**Investment Policy Statement:** We will assist you in preparing an Investment Policy Statement ("IPS") that identifies the objectives, risk tolerance and constraints for the management of the investments. The development of the IPS will be based on information provided by you and is designed to outline the investment philosophy, and establish the management procedures for use by you and the investment manager(s) for the effective management of the investments.

Our investment policy services do not include the management of the investments or making specific recommendations regarding specific securities or other investment vehicles. You shall be responsible for review and final approval of the IPS. No assurance has been or can be given that the investment objectives reflected in your IPS will be achieved.

**Asset Allocation Review:** We will prepare a strategic asset allocation using statistical measures such as correlation coefficient, standard deviation and covariance to measure risk, and forward looking capital market assumptions to project return characteristics for various asset classes to identify one or more optimal portfolios of varying risk levels. Our analysis will evaluate these portfolios based on the expected risk and return of each allocation and the desired return for the funds. We will rely upon your investment policy statement to identify appropriate asset classes and constraints in our analysis.

Upon your request, we will utilize the statistical measures mentioned above to evaluate the current portfolio structure. This analysis will review the current fund allocation against your investment policy statement. Based on our review, we may recommend to you strategic rebalancing of the existing portfolio or the consideration of additional asset classes to assist you in achieving your investment goals.

The formulation of an asset allocation strategy will be based on information provided by you. You shall be solely responsible for determining whether the information taken into account in formulating an Asset Allocation Review is accurate. Our asset allocation services do not involve the management of your assets or the making of recommendations regarding specific securities or other investment vehicles.

**Investment Manager Search and Recommendation:** Upon your request, we will provide an Investment Manager Search Report to you. This report will provide you with a list of, at minimum three (3), investment managers whose investment philosophies and policies are, in our judgment, compatible with your investment objectives, policies and constraints and risk tolerance, as specified by the investment policy statement and/or you. We shall identify such investment managers from a universe of investment managers that have been profiled, reviewed and approved by us based on our qualitative and quantitative due diligence process. The decision to invest with or retain any particular manager, or offer any investment manager to participants as an investment option rests with you. In this regard, we do not assume responsibility for your decision to invest with or make available any particular manager or for the manager's investment decisions, performance, or compliance with applicable laws or regulations, or for other matters within the control of the manager. You understand that we will not recommend, and make no representations concerning, any manager chosen by you, nor shall we assume any liability for any loss, claim, damage or expense attributable to your selection of any manager that has not been profiled, reviewed or approved by us based on our quantitative and qualitative due diligence. Further, the investment manager's past performance is not necessarily indicative of future performance. We will only include non-affiliated managers in our search, but at your request may include affiliated managers, and notify you regarding the affiliation, accordingly.

**Investment Adviser Due Diligence:** We will monitor investment advisers to ensure policy compliance within established guidelines; analysis of portfolio style characteristics, performance, and investment process and philosophy may additionally be offered. We will not be held liable for misinformation provided to us.

**Performance Reporting:** We will provide periodic Performance Monitoring Reports to assist you in evaluating the investment manager(s) (options may include separate account managers mutual funds, money market, fixed income, or group annuity contracts) and monitoring the performance of your portfolio over various time periods, as well as comparing various aspects of such performance to benchmarks identified in the investment policy statement. The investment managers will be analyzed based on their investment philosophies, policies, risk level, and performance as they relate to the investment and diversification objectives, policies, constraints, and risk tolerance, as specified in the investment policy statement and/or you. These reports may include a combination of: market commentary; plan asset allocation summary; risk and return analysis; investment cost analysis; investment research; and overall review for comparison to the Investment Policy Statement. Account data will be derived from custodial statements for each period. We will not be responsible for verification of the information supplied by the custodian.

We also do not assume responsibility for the investment manager's performance or compliance with applicable laws or regulations, or for other matters within the control of those who manage or control the investment option you select. Further, an investment manager's past performance is not necessarily indicative of future performance.

**Past Performance Review:** We will provide a Past Performance Review evaluating the historical performance of your portfolio for a mutually agreed upon time period and comparing various aspects of such performance to mutually agreed upon benchmarks. Account data will be derived from custodian statements for the agreed upon time period. We will not be responsible for verification of the information supplied by the custodian.

**Strategic Institutional Asset Management Service:** The Strategic Institutional Asset Management ("SIAM") service is a comprehensive consulting program designed to manage the overall investment management process for institutional organizations. This includes investment policy decisions, asset and investment style allocation decisions, investment adviser selection and review, trustee education, and tailoring of the investment program to your overall investment policy and objectives. The minimum Account size to participate in this service is \$10 million.

SIAM is a discretionary program that will be managed by the Institutional Consulting Services Group ("ICG"). You will retain the responsibility for developing investment policy, but will give discretion to ICG for asset allocation decisions, investment adviser selection and rebalancing. ICG will only select investment advisers approved by the Firm and will not recommend affiliated investment advisers. ICG will monitor investment adviser performance, market conditions and other special circumstances, and will implement changes to investment adviser selection, as appropriate. You will be notified of these changes as they occur.

We generally prefer assets to be custodied by our agent, First Clearing LLC, a qualified custodian, but will accommodate your request to custody assets elsewhere. A quarterly performance report will be delivered to you.

**Additional Services for Employee Benefit Plans:** We will provide general consulting services for plans including 401(k) and other retirement plans. General consultation will be offered on a plan sponsor level only; participant level consultation is not provided under the program contract.

**Diversification Review:** For certain qualified plans we will provide a diversification review designed to identify particular asset classes that we feel should be included in the Plan's list of investments options made available to the participants based on the investment policy statement provided by you. This information is based on modern portfolio theory and other general diversification philosophies. Based on our review, we may recommend to you additional asset classes to compliment the Plan's existing investment options.

The Diversification Review will be based on information provided by you. You shall be solely responsible for determining whether the information taken into account in formulating a Diversification Review is accurate. Our Diversification Review service does not involve the management of your assets or the making of recommendations regarding specific securities or other investment vehicles.

**Service Provider Search and Review:** We will request retirement plan proposals from a group of record keeping platforms based on stated goals, objectives and demographics of the plan, and subsequently prepare a report to summarize the results. The summary report is designed to provide comparison of the features, benefits, available investment options and fees of a specific record keeper product that can be analyzed in comparison to the stated criteria. This search and review process may be performed on an as-needed basis for the employer's fiduciary due diligence file or upon request to provide the employer information needed in making informed decisions on a product solution.

**Plan Committee Meetings:** We will provide summary reports and statistical updates to the Plan Committee. These may include: participation level and demographic reports; a review of goals and results of the education policy statement; updates on participant meetings, regulatory updates and market updates.

**Plan Fees and Services Benchmarking:** We will provide plan benchmarking reports that identify and compare specific plan-design elements such as: plan features; investment-related information; participant behaviors, plan oversight as well as plan-related fees with other plans in similar industries; plan size and/or demographics. The benchmarking report may be comprehensive and include all elements or a summary of specific items and fees. These reports will be prepared on an as-needed basis or as part of the overall annual review.

**Participant Education:** We will provide investment education to and for the benefit of participants in your Plan(s) which are subject to ERISA. The parties agree that the education services offered under this Agreement are not intended to include personal investment advice and are limited to providing Investment Education as outlined in Department of Labor Interpretive Bulletin 96-1 (29 C.F.R. 2509.96-1(d)) and Section 3(21)(A) of ERISA, as amended.

**Other Services:** Other services provided to you by us will be assessed on an individual basis. These services would include special, one-time or ongoing services that are more complex and unique than those listed above. Prior to delivery of the services, appropriate supervisors will approve such services.

#### **Services Tailored to Individual Client Needs**

Each of the advisory services we offer is tailored to you and designed to meet your individual investment objectives, financial needs and tolerance of risk. They are drawn from research and analysis we believe to be reliable and appropriate to your financial circumstances.

#### **Portfolio Management Services**

We act as portfolio manager for certain wrap fee advisory Programs that we offer to Clients and collect a fee for performing that service. We do not act as a portfolio manager for the services described in this brochure.

#### **Assets Under Management**

As of Dec 31, 2013, we manage \$20,373,597,573 of Client assets on a discretionary basis and \$11,647,151,140 of Client assets on a non-discretionary basis.

### **Fees and Compensation**

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The fee for our Institutional Consulting Services program services and other terms of the Client Agreement are negotiable. Fees paid by Clients who have selected the same payment option may vary, depending on several factors. Those factors include, among other things, the size and type of the Account, the relative complexity of servicing the Account, and/or the level of customization.

If you select the "Fixed Fee" or "Percentage Fee" arrangement, you will incur trade execution costs separately. If you select the directed brokerage Compensation arrangement, the cost of trade execution and the consulting services offered through the Institutional Consulting Services program will be bundled together. If you select other WFA advisory Program services in addition to the services under the Institutional Consulting Services program, trade execution, consulting and portfolio management costs may be bundled together.

#### **"Fixed Fee" Arrangements**

Under a "Fixed Fee" arrangement, you agree to pay us (1) one or more agreed-upon amounts on one or more agreed-upon dates. Fees payable for "Fixed Fee" arrangements cover only the consulting services provided by us and do not cover any securities transactions effected for your Account with or through us or investment management fees for investment advisers retained by you.

#### **"Percentage Fee" Arrangements**

Under a "Percentage Fee" arrangement, you agree to pay us a quarterly fee, covering all charges for consulting services provided by us under the Client Agreement. Each pro rata quarterly fee will be payable in advance for the period for which services are to be rendered. The initial fee will be based on the value of the Account as of the commencement date of the Client Agreement. Subsequent fees will be based on the value of the Account as of the prior quarter's ending value. The Client Agreement may provide for the

payment of a minimum quarterly fee. Fees payable under "Percentage Fee" arrangements cover the consulting services provided by us and, as specified in the agreement, may or may not cover any securities transactions effected for your Account with or through us or investment management fees for investment advisers retained by you.

The table below represents a typical fee range for each service:

| <b>Service requested</b>                                | <b>Fee Range</b>  |
|---|---|
| <b>Flat Fee Arrangements (One-Time Service Request)</b> |   |
| Investment Policy Statement                             | \$1,500 - \$4,000   |
| Asset Allocation Review                                 | \$3,000 - \$10,000  |
| Investment Manager Search                               | \$3,000 - \$10,000  |
| Mutual Fund Search                                      | \$1,500 - \$3,000   |
| Investment Adviser Due Diligence                        | \$2,000 - \$5,000/yr per mgr  |
| Performance Monitoring Report (InvestorForce)           | \$2,000 (per mgr w/min \$10,000/yr)   |
| Performance Monitoring Report (Custom)                  | \$4,000 (per mgr w/min \$20,000/yr)   |
| Past Performance Review                                 | \$5,000 - \$10,000  |
| Diversification Review                                  | \$3,000 - \$10,000  |
| Service Provider Search and Review                      | \$3,000 - \$55,000  |
| Plan Committee Meetings                                 | \$2,000 - \$4,000   |
| Plan Fees and Service Benchmarking                      | \$1,000 - \$25,000  |
| Participant Education                                   | By the day (\$2,000 - \$4,000),<br>By the seminar (\$500 - \$2,000),<br>By the employee (\$10 - \$75), or a fee based on<br>a percentage of plan assets |
| <b>Percentage Fee Arrangements</b>                      |   |
| Retainer Ongoing Consulting Service                     | 0.02% - 0.40% of AUM  |
| <b>Flat Fee Arrangements</b>                            |   |
| Retainer Ongoing Consulting Service                     | Negotiable  |
| Other   | Negotiable  |

### **Brokerage Compensation Arrangements**

Under a brokerage compensation arrangement, you agree to effect all transactions in securities for your Account with or through us or, in the event your investment decisions are made by an investment adviser(s), you agree to direct such investment adviser(s) to effect all transactions in securities for your Account with or through us. Notwithstanding the foregoing, you or, if applicable, your investment adviser(s) shall have no obligation to effect a particular transaction with or through us if in your (or any such investment adviser's) reasonable judgment, it would be unlawful to do so.

Each investment adviser retained by you will act solely as agent for you and not for us. We will not accept any direct compensation from the investment adviser on behalf of you. However, fees may be offset by measured commissions in lieu of fees, 12b-1 fees, or other accepted methods as referenced specifically in the Institutional Consulting Services program agreement.

### **Termination**

In the event the Client Agreement is terminated, you shall have no obligation to make additional payments that would otherwise be required to be made, but we may submit to you an accounting of the services theretofore provided to you (which may include an accounting of our preparations to provide services that would have been provided by us but for such termination) and you shall be liable to us for the amount set forth thereon (which amount may not exceed the total amount of our compensation as agreed to by you and us in the Client Agreement) (the "Termination Obligation"). In the event you have paid any payments prior to such termination: (i) if the amount of such payments exceeds the Termination Obligation, you shall be entitled to a refund of such excess, and we shall be entitled to retain the remainder in full satisfaction of the Termination Obligation and (ii) if the Termination Obligation exceeds the amount of such payments, and you shall promptly pay the amount of such excess in order to satisfy the Termination Obligation.

### **Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees in any of our investment advisory Programs. We do not have any side-by-side management situations.

## Types of Clients

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We provide the advisory services described in this brochure to individuals, pension or profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions, as well as banks or thrift institutions.

## Methods of Analysis, Investment Strategies and Risk of Loss

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For Institutional Consulting Services, including the SIAM service, ICS and WFAFN Financial Advisors recommend managers and review allocation blends that have been reviewed and approved by us. In rare instances, you may need an asset class that is not followed by the manager research team. ICS will research and select an appropriate manager for you. We will only recommend non-affiliated managers, but at your request may include affiliated managers, and notify you regarding the affiliation, accordingly. In the SIAM service, only non-affiliated managers will be included in the list of managers.

### Risk of Loss

All investments shall be at your risk exclusively, and you must understand that we do not guarantee any return on the investments recommended or advised upon and may not be responsible for losses resulting from such trading or for any transactions that we have not recommended to you.

## Disciplinary Information

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We are both a broker-dealer and investment advisory Firm. The disciplinary events listed below are related to the activities of the broker-dealer, investment advisor or predecessor firms.

For more information on broker/dealer related disciplinary events you may visit:

<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

Our investment advisory disciplinary history is available by going to:

<http://www.adviserinfo.sec.gov/>

- In May 2012, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to establish and maintain supervisory systems, including written procedures, reasonably designed to achieve compliance with applicable FINRA rules in connection with the sale of leveraged, inverse and inverse-leveraged Exchanged-Traded Funds. Without admitting or denying the allegations, the Firm agreed to a settlement that included a censure, and payment, jointly and severally with its affiliate Wells Fargo Advisors Financial Network, of a \$2,100,000 fine and restitution to specified clients.
- In February 2009, WFAFN agreed to a settlement with FINRA regarding allegations that the Firm made recommendations through its registered representatives to customers to purchase Class B and Class C mutual fund shares where an equal investment in Class A shares would have been more advantageous for certain clients and failed to establish, maintain and enforce supervisory systems and procedures reasonably designed to provide consideration, on a consistent basis, of the benefits of various mutual fund classes as they applied to individual customers. Without admitting or denying the findings, the Firm consented to a censure, a fine of \$150,500 and undertakings that included remediation to certain customers.
- In February 2006, the Firm agreed to a settlement with the State of Florida, Office of Financial Regulation regarding allegations that the Firm's supervisory system was inadequate to consistently provide available NAV transfer pricing to clients in connection with mutual fund purchases. Without admitting or denying the findings, the Firm consented to a censure, a \$50,000 fine and remediation to certain clients.

## Other Financial Industry Activities and Affiliations

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We are a leading national securities firm providing investment and other financial services to individual, corporate and institutional Clients. We are a registered broker-dealer, investment adviser and futures commission merchant. Accounts are carried by First Clearing, LLC (FCLLC), a qualified custodian. FCLLC is an affiliate owned indirectly by Wells Fargo. WFAFN and FCLLC are members of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). FCLLC may also route transactions through its affiliate, Wells Fargo Securities, LLC.

We are a non-bank affiliate of Wells Fargo. We are not a bank or thrift and are a separate and distinct corporate entity from our affiliated banks. **Unless otherwise stated as the case, the investment advisory services offered and the underlying stock, bonds, mutual funds and other securities bought or sold through us are not deposits of any bank and are not insured or otherwise protected by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. They are not obligations of any bank or any affiliate of us; are not endorsed or guaranteed by Wells Fargo, WFAFN, or any bank or any affiliate of WFAFN; and involve investment risk including possible loss of principal. Cash balances in Client Accounts may be held in a depository product sponsored by a Wells Fargo entity. Deposit products, like the cash sweep program, are protected by FDIC insurance up to applicable limits.**



Our obligations and commitments do not extend to any affiliated bank or thrift, and any such bank or thrift is not responsible for securities we sell or purchase. As a general matter, unless otherwise stated, we may be a principal or engaged in underwriting securities for which we are providing broker, advisory or other services to our Clients. We may also purchase those securities from an affiliate or sell them to an affiliate. In addition, we or our affiliates may act as an investment adviser to issuers whose securities may be sold to you.

From time to time, a bank or thrift affiliated with us may lend money to an issuer of securities underwritten or privately placed by us. The prospectus or other offering documentation provided in connection with such underwriting or private placement will disclose to the extent required by applicable securities laws: (i) the existence of any material lending relationship by any affiliate of ours with such an issuer and (ii) whether the proceeds of an issuance of such securities will be used by the issuer to repay any outstanding indebtedness to any of our affiliates.

We have a number of related persons who may provide investment management and related financial services to our Program Clients. The advisory services these investment advisers offer are described more fully in their Disclosure Documents and/or Form ADV, Part 2A. The identity of these related persons and summary of the products and services follows.

- Wells Fargo also provides retail brokerage and investment advisory services through Wells Fargo Advisors, LLC ("WFA"), and FCLLC.
- Wells Fargo Funds Management, LLC, is a registered investment adviser and wholly owned subsidiary of Wells Fargo & Company that provides investment advisory services to the Wells Fargo Advantage Funds. These funds may be purchased in WFAFN brokerage Accounts and advisory Programs. Wells Fargo Funds Management, LLC is also an advisor to certain money market sweep vehicles available to Program Clients.
- Wells Capital Management Incorporated, First International Advisors, LLC, Metropolitan West Capital Management, LLC, Golden Capital Management, LLC and Galliard Capital Management are all affiliates of Wells Fargo & Company and may serve as advisers and/or sub-advisers through WFAFN's Separately Managed Account Program and to certain of the Wells Fargo Advantage Funds.
- Alternative Strategies Group, Inc. (formerly known as Wachovia Alternatives Strategies, Inc.), a registered investment adviser and wholly owned subsidiary of Wells Fargo & Company, provides investment advisory services and is the adviser to alternative investments available to Asset Advisor Clients.
- Wells Fargo Institutional Retirement and Trust ("IRT") is an affiliate that may provide recordkeeping and administrative services to certain Clients for whom we are providing the advisory services described in this document. Any services provided by IRT are separate from the advisory services described in this document. There is no requirement that Clients use the services of IRT in order to use the advisory services described herein.

The affiliated funds offered through the Programs may have provisions to allow sales through advisers at net asset value. In such cases, you should understand that there is a potential conflict of interest where the adviser and/or we offer, recommend, and invest you in the affiliated funds because, where permitted by law, we and our affiliates would receive the Program compensation and the compensation for services provided to the fund.

We and our affiliates may give advice and take action in the performance of our duties to you that differ from advice given, or the timing and nature of action taken, with respect to other Program Clients and/or Clients in other advisory Programs. Additionally, we and our affiliates, from time to time, may not be free to divulge or act upon certain information in our possession on behalf of investment banking or other Clients.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

Our Associates are subject to a *Code of Ethics* that is designed to ensure our business activities are performed with the highest possible standards of ethics and business conduct, and to comply with all applicable laws, rules, and regulations that govern our businesses. Key requirements of our *Code of Ethics* are summarized below, you may obtain a complete copy through your Financial Advisor.

- Conduct all aspects of Wells Fargo's business activities in an honest, ethical, and legal manner, and in accordance with all applicable laws, rules, and regulations and our policies and procedures.
- Provide accurate and complete information in dealings with Clients and others, including disclosure of conflicts of interest when they exist.
- Prepare and maintain accurate business records.
- Refrain from improper disclosure or misuse of confidential Client information and material, non-public information. Wells Fargo protects the private, personal, and proprietary information of Clients and others.
- Avoid conflicts of interest in personal and business activities.
- Rules specific to personal trading.

### **Participation or Interest in Client Transactions**

Under the Programs, we are generally appointed as sole and exclusive broker by you with respect to the referenced Account for the execution of transactions. Our Program Fee covers transaction costs when transactions are executed through us. On occasion, you may designate, or the law may require, the use of other brokers. Investment advisers may also elect to execute transactions with other

firms as they deem appropriate, taking into account a number of factors such as best execution, research services and other qualitative factors. When transactions are executed with other firms, including transactions executed through our affiliates, the cost of execution is imbedded in the price of the security. Any imbedded execution costs on trades done away from us are in addition to our Program Fee.

In connection with these transactions, we may act as agent or, where permitted by law, principal (including instances wherein we are acting as underwriter or selling group members). You authorize that we may effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules promulgated thereunder including any future amendments or changes to such statutes and rules.

With respect to money market sweep vehicles investments, you receive disclosures about our affiliates and the advisory and other fees paid to affiliates by the Funds in the Fund's prospectuses and our Disclosure Documents, and Client Agreements, as applicable.

We or our affiliates may have investment banking or other relationships with certain publicly traded companies. These relationships may from time to time require us to restrict trading in the securities of these companies. As a result of these investment banking or other activities, our affiliates may acquire confidential or material non-public information that may prevent us or our affiliates, for a period of time, from purchasing, selling or recommending particular securities for your Account. We and our affiliates are not permitted to divulge or to act upon this information with respect to our advisory or brokerage activities.

We have certain restrictions, internal procedures and Client disclosures regarding conflicts of interest that we may have with respect to our participation or interest in Client transactions. We communicate our policies and procedures related to participation in Client transactions to our Associates through our compliance policies and procedure manuals and Program-specific policy guidelines.

### **Personal Trading**

We maintain policies and procedures to mitigate conflicts of interest between transactions in our Associates' personal investment Accounts, including Accounts of their immediate family members, and transactions in our Clients' Accounts. To ensure associate trading requirements are observed, certain Associate trading activity is subject to pre-approval. All Associates are subject to regular review by their supervisors, independent oversight by our Compliance Department, and systemic controls that automatically restrict entry of certain orders and generate related surveillance reporting.

## **Brokerage Practices**

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Under the Programs, you will generally appoint us as sole and exclusive broker with respect to the referenced Account for the execution of transactions. In connection with these transactions, we may act as agent or, where permitted by law, principal (including instances wherein we or an affiliate are an underwriter or selling group member). You authorize us to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules promulgated under that Act, including any future amendments or changes to such statutes and rules. Our Portfolio Managers may purchase for their own Accounts securities that are also purchased for their Clients.

Any investment adviser retained by you will act solely as agent for you and not for us. We will not accept any direct compensation from the investment adviser on behalf of you. However, fees may be offset by measured commissions in lieu of fees, 12b-1 fees, or other accepted methods as referenced specifically in the Client Agreement of the advisory Program that you choose.

Even though we may be permitted by contract and by law to do so, as a matter of policy, we do not generally execute principal trades or agency cross transactions in our advisory Programs. Although in some instances, we may be able to provide a more favorable market price to you if we participate in a principal trade or an agency cross transaction with Accounts, we do so only when consistent with our obligations to provide best execution, due to regulatory requirements when executing such transactions. Therefore, you will generally not have access to new issues or syndicate offerings in these Accounts. You may make such purchases in a retail brokerage Account, and you should be aware that they will be subject to the customary fees and commissions charged in such Accounts.

In the case-by-case exceptions, in which we enter into principal trades or agency cross-transactions, we will provide specific disclosures and obtain your consent. If the transaction is a principal transaction in which we are a market maker in the security, we provide you with disclosure regarding the capacity in which we are acting, and obtain your consent before completing such a transaction. We rely on codes and restrictions in our systems as well as additional software to prevent non-permissible principal trades.

We also may affect cross-transactions between Accounts, where one Client purchases a security held by another Client. Neither we nor any related party receives any compensation in connection with a cross-transaction. We affect these transactions only when we deem the transaction to be in the best interests of both Clients and at prices that we have determined to reflect fair value.

If the transaction is an agency cross-transaction, in which we act as your broker or agent by purchasing or selling securities from or to one of our brokerage Clients, we will obtain your written consent and will provide you with a written confirmation at or before the completion of the transaction which describes its nature, provides information about its date and time and the remuneration which may be received by the investment advisor or other person. At least annually, we will provide you with a written disclosure statement identifying the total number of such agency cross transactions for your Account during the period, and the total amount of all commissions or other remuneration we received or will receive in connection with these transactions, if any. We generally will not affect agency cross transactions between Clients if we have recommended the security to both Clients.

Principal trades and agency cross transactions are also subject to additional restrictions, procedures and controls that are in place for other securities transactions in advisory Accounts. As discussed more fully below, we seek to obtain the best execution for each of our advisory Clients.

We receive no additional brokerage execution compensation for executing securities transactions for our wrap-fee Clients. However, our affiliated clearing firm, First Clearing LLC, a qualified custodian, may receive additional compensation in the form of order flow payments from options trades. In addition, First Clearing LLC may receive compensation from one or more of the firms it routes equity orders to as a fee for providing execution services to those firms. However, the orders routed to these firms are not contingent on pre-existing arrangements.

We have a Best Execution Committee that reviews trading activity and the vendors and systems we use to process transactions, among other things. Advisory Client orders are treated with the same priority and procedural flow as non-advisory brokerage trades, except to accommodate the trading restrictions placed on these Accounts with respect to principal trades and agency cross transactions. In order to seek a more advantageous net price, it is our practice to aggregate, when feasible, orders for the purchase or sale of a particular security for the Accounts of several Program Clients for execution as a single transaction. Any benefit of such aggregation generally is allocated pro-rata among Accounts that participated in the aggregated transaction. Client transactions are monitored regularly by branch supervisors, and product management personnel monitor Program exceptions as part of their general oversight responsibility for the Programs. In addition, we use system controls and identification to restrict fee-based Accounts from being charged commissions. We also regularly review reports to determine if Clients have been charged commissions in error and correct Client Accounts where appropriate. Clients who have a brokerage Account relationship with us unrelated to an advisory service will be charged commissions, fees and execution costs, if any, in effect for the specific brokerage Account.

The securities traded for you may be traded in one or more marketplaces or may employ an alternative trading system (ATS) to execute fixed income transactions. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may use our discretion in selecting these marketplaces or ATSs to enter or execute Client orders.

- We route Client orders for over-the-counter equities and listed equity securities to execution venues as appropriate, with best execution being the highest priority. We consider a number of factors when determining where to send Clients' orders, including execution speed and price, price improvement opportunities, the availability of efficient and reliable order-handling systems, the level of service provided, and the cost of executing orders. We strive to execute all held orders at prices equal to or better than the displayed national bid/offer price, up to the displayed size, at the time of execution. Not-held orders are worked for best price by the trading desk. We may utilize non-affiliated third-party Authorized Participants ("APs") when transacting large blocks of ETFs. APs are typically large institutions like market makers or specialists who can create ETFs by trading the underlying securities.
- As a result of the "over-the-counter" nature (the lack of a market exchange) of fixed income securities, the available trading methods differ from that of equity securities. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may use our discretion in selecting the appropriate alternative trading systems (ATS) and/or broker/dealers with which to execute Client orders. We consider a number of factors when determining where to execute Client orders, including the product type (which may influence the liquidity in the market) and the size of the order.
- For both equity and fixed income securities, we regularly review transactions for quality of execution, and take action, as appropriate, for Client price improvement and to fulfill our best execution obligations. At all times, our foremost concern is to obtain the best execution for our Clients, regardless of any compensation factor.

If any such prices are unavailable or believed to be unreliable, we will determine prices in good faith so as to reflect our understanding of fair market value.

### **Money Market Sweep Program**

Under the Programs, you will receive disclosures about our affiliates and the advisory and other fees paid to our affiliates by the Funds in each Funds' Prospectus, Disclosure Documents and Agreements applicable to investments in money market sweep vehicles.

The following may be used for the investment of cash "sweep" balances in Program Accounts:

- (1) Money market mutual funds managed and/or administered by Wells Fargo Funds Management, LLC.
- (2) Money market mutual funds managed and/or administered by non-affiliates
- (3) FDIC-insured depository products ("Depository Products") provided by banking affiliates of Wells Fargo & Company

You are advised and understand that overall fees charged on Account values will include these money market fund balances to the extent permitted by law. You should also be aware that your choice of investment of cash balances may be limited by the Program or by law, as applicable. When an affiliated money market fund is used, we or our affiliates may serve as adviser, sub-adviser, distributor, or administrator to the fund and receive compensation for the services provided. Additional information about these funds is found in their prospectuses. We and our banking affiliates benefit financially from cash balances held in the Depository Product. A portion of these fees may be paid to your Financial Advisor.

Our banking affiliates earn net income from the difference between the interest they pay on deposit Accounts, such as the Depository Product, and the income they earn on loans, investments and other assets. The banking affiliates do not have a duty to provide the highest rates prudently available and may instead seek to pay as low a rate consistent with their view of competitive necessities. Therefore, they may pay rates of interest on the Depository Product that are lower than prevailing market interest rates. As a result of fees and benefits received by us and our affiliates, the Depository Product may be significantly more profitable to us and our affiliates than other cash sweep options.

We may receive fees and compensation of up to two percent (2%) from our affiliates based on the average monthly deposit balances in the Depository Product. In addition, we may receive incentive compensation based in part on the profitability of the Depository Product for Wells Fargo Bank, N.A., a division of Wells Fargo & Company.

There are differing risks and protection between the money market funds and the bank deposit sweep options. For additional information about available cash sweep options and the fees associated with sweep products, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your brokerage Account.

We have policies and procedures in place to ensure that we execute Client orders for the purchase and sale of mutual funds in compliance with the cutoff times established by the mutual fund companies. These times vary, depending on the mutual fund company.

We may, at our discretion, recognize the earliest mutual fund company cutoff time when determining the cutoff time for a particular Account. Orders received before the cutoff time will receive that day's closing price, while those after the cutoff time will receive the next day's closing price. If we are unable to obtain a closing price for your order of a mutual fund, we will not execute any trades in that mutual fund for your Account on that day.

From time to time, through our advisory services and Programs, our Financial Advisors assist retirement plan Clients with various aspects of their plans, including the selection of investment companies for review as investment options, education and enrollment of participants with respect to retirement investing in general or specific fund investment options, assisting in evaluation and monitoring of the performance of fund investments, or any combination of these or similar services. In those cases where a Plan determines to utilize funds in connection with a Third-Party Administrator (TPA) and where advisory fees are paid on the investment, we and your Financial Advisor will receive a share of the fee as compensation for the services provided. The specific fee arrangement will typically be disclosed to the Plan pursuant to the TPA's contract with the Plan. For these arrangements with TPAs, the transactions in the subject investment company shares are not effected through us, but rather directly with the fund through its distributor. All shares of investment companies are subject to fluctuation of principal and yield depending on market and/or interest rate risk.

We will not sell your information to other companies for marketing purposes. We employ strict security standards and safeguards to protect your personal information and prevent fraud. In addition, we will continue to protect your privacy even if you are no longer our Client.

For more information, please read our Privacy Statement, visit a WFAFN office or call your Financial Advisor. With your written permission, obtained via Client Agreement or other written communication, we may provide your information electronically to your investment adviser and/or agent of such adviser. We reserve the right, at our discretion, to refuse to provide such requested information. Furthermore, in compliance with our Privacy Policy, we accept your instructions to discontinue providing such information.

## **Review of Accounts**

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Your Financial Advisor will perform a review of the investments in your plan periodically to ensure that your investment portfolio remains aligned with your investment policy statement and your overall objectives.

## **Client Referrals and Other Compensation**

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We and our affiliates and your Financial Advisor may perform, among other things, investment banking, research, brokerage and investment advisory or management services for other Clients, and may earn transactional compensation, investment advisory or management fees and other consideration for such activities.

From time to time, we initiate incentive programs for Associates including Financial Advisors. These programs may compensate them for attracting new assets and Clients, referring business to our affiliates (such as referrals for mortgages, trusts, or insurance services) and promoting investment advisory services. We may also initiate programs that reward Financial Advisors who meet total production criteria, prepare Envision investment plans, participate in advanced training and improve Client service.

Financial Advisors who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums and recognition trips. Portions of these programs may be subsidized by external vendors and/or our affiliates, such as mutual fund companies, insurance carriers, or investment advisers. Therefore, Financial Advisors and other Associates may have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services we offer.

We may also enter into arrangements with other persons to whom we pay compensation for referrals to our advisory Programs. This compensation is generally in the form of a percentage of the fees described in the Program contracts. The details of such arrangements and the amount of compensation will be described in a separate disclosure provided at the time of such referrals.

From time to time, we compensate Associates other than Financial Advisors for referrals of possible Clients to the Programs. Our Financial Advisors, not the referring Associate will make the actual presentation and solicitation of these services. The referral compensation takes the form of a payment to the Associate of a percentage of the fees described in the Programs contracts and results in no additional fees to you or other Clients.

We may use our affiliates to effect certain securities transactions. We and our Financial Advisors may affect brokerage transactions and receive commissions from the advisors for Accounts other than those of Program Clients; such commissions may be for other brokerage Account relationships that Clients maintain with us, as directed by the particular advisor in connection with its responsibilities and obligations to such other Clients.

We do not pre-condition the recommendation of mutual funds for inclusion in our advisory Programs based on any compensation we may receive, with the exception of certain mutual fund clearance and administration fees. In addition, Wells Fargo & Company is a full-service financial services firm with many affiliates. Wells Fargo & Company encourages its subsidiaries to use the products and services offered by affiliated firms, when appropriate. During the course of annual business planning, business with our affiliates is included in establishing our sales goals. As a result, we may have an incentive to hire affiliate service providers for our advisory Programs. We may recommend affiliated mutual funds to Program Clients, and may hire other affiliates to provide trade execution, clearing, and platform administration services for the Programs. We intend, however, to make all recommendations independent of any such goals and based solely on our obligations to consider your objectives and needs.

We may receive contributions and/or reimbursements from Program investment advisers and their affiliates for Financial Advisor training and Client presentations that have an informational or educational component. Managers that make payments in connection with Financial Advisor training sessions and Client presentations generally have increased access to our Financial Advisors and heightened visibility for their products at such meetings. Consequently our Financial Advisors might focus on products offered by such firms when recommending or selecting a money manager and/or mutual fund to you. We intend, however, to make all recommendations independent of such fee considerations and based solely on our obligations to consider your objectives and needs. These advisers are under no obligation to make such contributions with respect to these Programs.

Unless separately disclosed and if agreed to by you (and then only to the extent permitted by law), we will receive no direct monetary benefit from legal, accounting or consulting firms to whom we may refer financial planning Clients. At the same time, it is recognized that firms to whom we have referred financial planning Clients may in the past have recommended and in the future may recommend potential financial planning Clients to us.

## **Custody**

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You are allowed to choose your qualified custodian. While we do not have custody of all Client funds or securities for this advisory program, you may choose First Clearing, LLC, an affiliate of Wells Fargo Advisors, to act as the qualified custodian for your assets. You will receive quarterly, or more frequent, Account statements directly from whichever qualified custodian that you choose. You should carefully review these statements for accuracy.

## **Investment Discretion**

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We typically do not have discretion for any of the services described in this brochure. In the SIAM service, we have discretionary authority for asset allocation decisions, investment adviser selection and rebalancing, however the investment adviser(s) selected will be responsible for the day-to-day management of your Account(s).

## **Voting Client Securities**

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We do not vote on your securities as part of this Program.

## **Financial Information**

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We have no financial condition that is likely to impair our ability to meet our contractual commitments to you.