



**Retirement Plan Participant Advice Program**

801-37967

**Investment Advisory Services of Wells Fargo Advisors**

Revised February 2018

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

One North Jefferson, St. Louis, MO 63103

Phone (314) 875-3000

[www.wellsfargoadvisors.com](http://www.wellsfargoadvisors.com)

This brochure provides information about the qualifications and business practices of Wells Fargo Advisors and our Retirement Plan Participant Advice Program. This information should be considered before becoming a Client. If you have any questions about this service 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**

There are no material changes that require disclosure at this time.

# **Table of Contents**

	Page
<b>Summary of Material Changes</b> .....	2
<b>Advisory Business</b> .....	4
Firm Description and Ownership .....	4
Types of Advisory Services .....	4
Retirement Plan Participant Advice Program .....	4
Services Tailored to Individual Client Needs .....	4
Portfolio Management Services .....	4
Assets Under Management .....	5
<b>Fees and Compensation</b> .....	5
<b>Performance-Based Fees and Side-By-Side Management</b> .....	5
<b>Types of Clients</b> .....	5
<b>Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	5
<b>Disciplinary Information</b> .....	6
<b>Other Financial Industry Activities and Affiliations</b> .....	7
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	8
<b>Brokerage Practices</b> .....	9
<b>Review of Accounts</b> .....	9
<b>Client Referrals and Other Compensation</b> .....	9
<b>Custody</b> .....	10
<b>Investment Discretion</b> .....	10
<b>Voting Client Securities</b> .....	10
<b>Financial Information</b> .....	10

# **Advisory Business**

## **Firm Description and Ownership**

Wells Fargo Advisors ("WFA") is a trade name used by Wells Fargo Clearing Services, LLC ("WFCS"). WFA, whose predecessors span more than 150 years, is a leading national securities firm providing investment and other financial services to individual, corporate, and institutional Clients. It is a non-bank affiliate of Wells Fargo & Company ("Wells Fargo"), a publicly held company (NYSE: WFC), and financial holding company and bank holding company founded in 1852. Wells Fargo and its Affiliates are engaged in a number of financial businesses, including retail brokerage and investment advisory services.

WFA is affiliated with Wells Fargo Advisors Financial Network ("WFAFN"), a broker-dealer also providing advisory and brokerage services. Information about the advisory and brokerage services offered by WFAFN is available by contacting them directly. WFA is also affiliated with Wells Fargo Investment Institute, Inc. ("WFII"), a registered investment advisor that provides advisory services and research to WFA.

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 here. "WFA," "WFCS," "we," "our," and "us" refer to WFA 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 WFA. 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 Clients meet their 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 Retirement Plan Participant Advice Program. 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.

## **Retirement Plan Participant Advice Program**

The Retirement Plan Participant Advice Program is a service in which Financial Advisors ("FAs") provide non-discretionary consulting services to ERISA covered 401(k) or 403(b) retirement plan participants in connection with their individual balances in their retirement plan account ("Participant Balance"). Our FAs act as a non-discretionary investment advisor and do not have investment discretion over your investments.

You have the option of accepting our recommendation or selecting alternative investment options. You will provide us with information regarding your investment objectives, risk tolerance, and financial situation by completing a Client Profile. On the basis of the Client Profile, we will recommend to you the appropriate allocation of mutual funds and/or collective investment funds ("Funds") for your Participant Balance. Our recommendation will be provided to you in a written report (the "Participant Advice Package").

The Funds considered will include only mutual funds and share classes of such Funds that have been authorized as plan investments by a named fiduciary of the plan. To the extent that other types of investments are available in the plan, we may limit our advice as described in your agreement. Our services relate only to investments selected by you in your Plan and do not contemplate a full review or assumption of responsibility for your financial affairs. Services under this Program are provided on a one-time basis for a fee.

## **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 December 31, 2017, we manage \$309,458,447,738 of Client assets on a discretionary basis and \$163,541,911,233 of Client assets on a non-discretionary basis.

## **Fees and Compensation**

Fees for services are described below and are guidelines which may vary due to the complexity and size of the participant plan advice relationship, and are therefore subject to negotiation.

You agree to pay us for the services provided in connection with this service. The fees do not cover any execution, custody, clearance or settlement, administration or trustee services provided by us or our affiliates, or other compensation that may be received in connection with your retirement plan. We will send you an invoice for our fees or at your request you may elect to have us debit a non-retirement brokerage account identified for billing purposes. Our service fee will be charged as a flat dollar fee from \$250 to \$1,000. You will not be invoiced or otherwise billed for your fee until after services have been delivered.

The advisory service established with us pertaining to this service concludes with your receipt of the Participant Advice Package.

## **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**

We offer the Retirement Plan Participant Advice Program services to individual ERISA covered 401(k) and/or 403(b) retirement plan participants. We may also provide these services to individual ERISA covered 401(k) and 403(b) plan participants who are Clients of our affiliate, Wells Fargo Advisors Financial Network.

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

In connection with this service, your FA may obtain and utilize information and data from a wide variety of public and private sources (including, without limitation: (i) financial publications that monitor market indices, industry research materials and other materials prepared by parties other than us and (ii) information and data concerning investment options obtained from both the vendors reviewed under this Agreement and/or from other third party vendors). We and our representatives will not utilize any such information or data if we have reason to believe it to be inaccurate. However, we will not independently verify, and cannot guarantee, such information and data, and make no representations or warranties with respect to any reports or statements prepared by us for you to the extent such reports or statements are based on such information or data or our analysis thereof.

In recognition of our continuing desire to improve the reports and statements we may prepare for you under this Program we may from time to time modify the format of and/or the types of information contained in such reports and statements without your prior approval.

We will not provide buy, sell, hold, or "watch" recommendations in connection with employer securities, whether held as shares or as part of a unitized fund. We may, however, advise you to reduce your allocation in employer securities in your Plan's account, if you are over-concentrated (over 20%) in employer securities. We will inform you to the extent that your plan offers investment options that we will not consider as part of our services.

For a description of this service, please see the section Retirement Plan Participant Advice Program listed previously in this document.

### **Risk of Loss**

All investments shall be at your risk exclusively and we do not guarantee any return on the investments recommended or advised upon. We do not have investment discretion and you are responsible for making the decision whether to implement any of the recommendations made in the Participant Advice Package or selecting alternative investments. We are not responsible for losses resulting from any transactions that we have not recommended to you. All investments are subject to varying degrees of risk, and we do not make any representations as to the profitability of the service covered by this brochure. Our services relate only to investments selected by you in your Plan and do not contemplate a full review or assumption of responsibility for your financial affairs.

## **Disciplinary Information**

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 December 2017, Wells Fargo Advisors agreed to a settlement with the State of Illinois Securities Department regarding allegations that it received, reviewed and/or analyzed documents and information from a financial advisory firm concerning certain money manager strategies that contained information that was later found to be false and misleading. The findings stated that we included the financial advisory firm's money manager strategies in certain of our externally managed Separately Managed Account Programs, but that we did not utilize inaccurate historical performance data in connection with our decision to onboard the money manager strategies and we did not incorporate inaccurate performance data in our advertisements or Program marketing materials. Without admitting or denying the findings, the Firm agreed to a total monetary payment of \$270,000.
- On December 21, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to maintain approximately one million electronic brokerage records in non-erasable and non-rewritable format, which is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings also stated that for approximately 1.5 million accounts, the Firm failed to preserve customer account form templates containing the terms and conditions related to the opening and maintenance of accounts, failed to retain certain communications and failed to notify FINRA at least 90 days prior to using new storage media to store electronic broker-dealer records. FINRA also found that the Firms failed to implement an audit system for those records, failed to provide its third party vendors full access to the storage systems, failed to implement an adequate supervisory system and failed to enforce written procedures. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,500,000. The Firms also consented to a review of its policies and procedures.
- On December 5, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to establish, maintain and enforce reasonable supervisory systems for the use of consolidated reports generated by their registered representatives through available applications. The findings stated that these applications allowed the Firms' representatives to manually enter information regarding customers' external accounts, assets and liabilities into a centralized table which the Firms maintained. This information would then be used to populate reports, including those that would be sent to the Firms' customers. FINRA found that the Firms did not have systems in place to review the contents of the reports, including information about customer holdings away from the Firms. In addition, the Firms' supervisory systems and procedures were inadequate because there was no mechanism allowing representatives to designate which reports were actually provided to customers and the system could not distinguish between draft reports and completed reports that were sent to customers, which should have been subject to the Firms' supervisory systems designed to review customer communications. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,000,000.
- In December 2014, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to comply fully with requirements to verify the identity of each customer opening a new account under its Customer Identification Program ("CIP"). Due to a design flaw in the Firm's CIP system, 220,000 accounts, out of the total 6.9 million accounts opened during the period from October 2003 through October 2012, were not subject to the Firm's CIP review. When considering sanctions, FINRA took into consideration that WFA discovered the system flaw through self-testing, performed remediation CIP on approximately 100,000 accounts that remained open, made system changes to prevent recurrences and reported the violations in accordance with FINRA Rule 4530(b). 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 \$1,500,000 fine.
- On September 22, 2014, the Securities and Exchange Commission ("Commission") entered an order against Wells Fargo Advisors, LLC following the firm's offer of settlement. The order stated that the firm did not adequately establish, maintain or enforce policies and procedures to prevent the misuse of material nonpublic information, particularly concerning the risk that its associated persons could obtain material nonpublic information from its customers or advisory clients. The order also stated that during the Commission's investigation, the firm unreasonably delayed production of certain documents and produced a document that was altered by an employee. The firm admitted the Commission's findings of fact, acknowledged that its conduct violated the federal securities laws and agreed to retain an independent compliance consultant to review relevant policies and procedures, as well as the making, keeping and preserving of certain required books and records. The order censured the firm, required that the firm cease and desist from violating the federal securities laws cited in the order and imposed a civil money penalty in the amount of \$5,000,000.
- 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 exchange-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 May 2011, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to deliver prospectuses to customers on a timely basis and failed to timely file certain amendments to Uniform Applications for Securities Industry or Transfer ("Forms U4") and Uniform Termination Notices for Securities Industry Registration ("Forms U5"). Without admitting or denying the allegations, The Firm agreed to a censure and a \$1,000,000 fine. The Firm also agreed to adopt and implement systems and procedures reasonably designed to achieve compliance with the federal securities laws and FINRA rules applicable to timely filing of Forms U4 and U5.
- In 2009 and 2010, Wachovia Securities agreed to settlements with the SEC and multiple state regulatory agencies regarding allegations that the Firm misrepresented the liquidity risks of auction rate securities sold to customers. Without admitting or denying the allegations, the Firm agreed to pay \$50,000,000 in fines to state regulatory agencies. The Firm also agreed to offer to repurchase auction rate securities, not subject to current calls or redemptions in the relevant class that were the subject of unsuccessful auctions. The Firm complied with all terms of these settlements as of June 30, 2010.
- In May 2009, Wells Fargo Advisors, LLC agreed to a settlement with FINRA regarding allegations the Firm failed to deliver prospectuses and product descriptions to certain customers who purchased investment products, failed to have adequate supervisory systems and appropriate written supervisory procedures in place to ensure that offering documents were being sent to customers in connection with transactions, and failed to adequately supervise the submission of information to FINRA staff and ensure that its submissions were accurate, complete and timely submitted. Without admitting or denying the allegations, the Firm agreed to a censure and a \$1,400,000 fine. In addition, the Firm completed a subsequent review and certification that it had adopted and implemented supervisory systems and procedures reasonably designed to achieve compliance with the federal securities laws and FINRA rules applicable to the delivery of prospectuses and product descriptions.
- In February 2009, Wachovia Securities agreed to a settlement with FINRA regarding allegations that it failed to accurately make certain customer mailings. FINRA noted that the Firm failed to send customers confirmation of changes to: investment objectives, customer addresses and certain asset movements. In addition, customer profile information verification forms were not delivered to customers. Without admitting or denying the allegations, the Firm consented to a fine of \$1,100,000 and agreed to hire an outside consultant to conduct a review of the Firm's policies, procedures, testing and systems related to these issues, which was completed on or about August 2009.
- In February 2009, Wachovia Securities agreed to a settlement with FINRA regarding allegations that the Firm (1) 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; (2) did not provide certain eligible customers with the benefit of net asset value ("NAV") transfer programs in connection with mutual fund purchases and sales discounts in connection with purchases of unit investment trusts ("UIT"); and (3) failed to establish, maintain and enforce supervisory systems and procedures reasonably designed (a) to provide consideration, on a consistent basis, of the benefits of various mutual fund classes as they applied to individual customers, (b) to identify opportunities for investors to purchase mutual funds at NAV and (c) to ensure that sales charge discounts were applied to eligible UIT purchases by customers. Without admitting or denying the findings, the firm consented to a censure, a fine of \$4,410,000 and undertakings that included remediation to certain customers. In determining appropriate sanctions, FINRA considered the Firm's proactive remedial actions taken upon its discovery of, and before FINRA's inquiry into, certain conduct. After identifying failures to provide certain customers with NAV pricing and UIT sales discounts, the Firm acted promptly and in good faith to repay customers approximately \$5,400,000 and correct its systems and procedures.
- In October 2008, Wachovia Securities entered into a settlement with FINRA, regarding allegations that it permitted an individual to function as a principal without being properly licensed as a General Securities Principal ("GP"), permitted an individual to supervise its equity research analysts without being properly licensed as a Research Principal ("RP") and failed to ensure that a GP or RP manage and supervise the Firm's Advisory Services Group. Without admitting or denying the allegations, the Firm consented to a censure and a \$75,000 fine.

## **Other Financial Industry Activities and Affiliations**

We are a national securities firm providing qualified custodial, investment and other financial services to individual, corporate and institutional Clients. We are a registered broker-dealer and investment adviser.

WFCS is a member of all principal stock exchanges in the United States, including the New York Stock Exchange and NASDAQ. WFCS is also a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We may also route transactions through our 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, WFA, or any bank or any affiliate of us; and involve investment risk including possible loss of principal. Cash balances in your 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 Financial Network, LLC ("WFAFN").
- 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 WFA 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 WFA's Separately Managed Account Program and to certain of the Wells Fargo Advantage Funds.
- Wells Fargo Investment Institute, Inc. ("WFII") (known prior to November 1, 2014 as Alternative Strategies Group, Inc. and before that as Wachovia Alternatives Strategies, Inc.) is a registered investment advisor and wholly owned subsidiary of Wells Fargo & Company that provides advisory services and research to WFA.
- 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.

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 WFA 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.

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

### **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, and 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**

With regards to our Retirement Plan Participant Advice Program service, we provide investment recommendations but do not execute transactions. You have the choice to implement all or a portion of the recommendations made, however implementation of those recommendations is not part of the services provided.

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**

We do not provide any brokerage services as part of this Program. Assets are all held away from us with a qualified custodian.

### **Review of Accounts**

The service provided under this Program represents a one-time Participant Advice Package and is not ongoing advice. You may request an updated Participant Advice Package by completing an updated Client Agreement and you may be subject to an additional fee.

### **Client Referrals and Other Compensation**

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 our Associates, including FAs. 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), promoting investment advisory services and promoting green initiatives (such as raising Client awareness of paperless options). 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 you 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 managers 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 managers are under no obligation to make such contributions with respect to these Programs.

### **Custody**

We do not have custody of your funds or securities for this advisory service. Assets in your retirement plan account are maintained by your Plan's custodian. You should receive quarterly, or more frequent, Account statements directly from your Plan's qualified custodian, which may or may not include WFCS or an affiliate. You should carefully review these statements for accuracy.

### **Investment Discretion**

We do not have discretion for this advisory Program.

### **Voting Client Securities**

We do not accept authority to vote Client securities for this Program.

### **Financial Information**

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