

Wrap Fee Brochure for Mutual Fund Advisory Programs:

**CustomChoice
FundSource®**

801 - 37967

Investment Advisory Services of Wells Fargo Advisors

Revised September 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.

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This wrap fee brochure provides information about the qualifications and business practices of Wells Fargo Advisors and our Mutual Fund Advisory Programs (the "Programs"). This information should be considered before becoming a Client of one of these Programs. If you have any questions about the Programs 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.

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

Material Changes to the Wrap Fee Brochure for Mutual Fund Advisory Programs since March 31, 2018:

- Effective July 2018, Wells Fargo Clearing Services, LLC will begin collecting networking and omnibus platform services fee payments and revenue sharing payments from mutual fund companies for mutual fund assets held in advisory discretionary IRA accounts. For additional information, please see the **Mutual Funds and Exchange-Traded Funds in Advisory Programs** section of this document.
- The Conservative Income with Alternatives, Moderate Income with Alternatives and Aggressive Income with Alternatives Optimal Blends have been added to the FundSource Program.

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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 adviser 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.

Services, Fees and Compensation

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 ("FA") Directed Programs and Non-Discretionary, Client Directed Advisory 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 Mutual Fund Advisory Programs; CustomChoice and FundSource (collectively referred to as "the Programs"). 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.

Mutual Fund Advisory Programs

The CustomChoice and FundSource Programs include investments in certain select mutual fund shares from our Recommended, Allowable and PathwaysSM Funds Lists. The Recommended List is based on due diligence provided by our affiliate, WFII. These Lists include only open-end mutual funds that offer shares at net asset value through advisory programs, such as those described in this Disclosure Document. On the basis of research we reasonably deem to be reliable, we may give you recommendations for mutual funds or a blend of funds that are consistent with your investment objectives, financial circumstances and risk tolerance.

Regardless of which Program you select, you will retain the right to: (1) withdraw securities or cash; (2) vote on shareholder proposals of beneficially owned security issues, or delegate the authority to vote on such proposals to another person; (3) be provided, in a timely manner, with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and (4) proceed directly as a security holder against the issuer of any security in your Account and not be obligated to join any person involved in the operation of the applicable Program, or any other Client of the applicable Program, as a condition precedent to initiating such proceeding. We will provide you with periodic monitoring and reporting of your portfolio's performance.

A Client request to establish program services is not considered a market order due to the administrative processing time needed to establish your advisory Account. However, we will make every effort to process Client requests promptly.

As described below in the "Other Financial Industry Activities and Affiliations" section, we are engaged in a wide range of securities services. We may also give advice and take action in the performance of our duties to other Clients that differ from the advice we give you, or the timing and nature of actions we may take for any of these Programs. Additionally, we may be limited in our ability to divulge or act upon certain information we possess as a result of investment banking activities or other confidential sources.

The CustomChoice Program

CustomChoice is a non-discretionary investment advisory Program designed to help you allocate your assets among open-end mutual funds in accordance with your individual investment goals, objectives, and expectations. Based on your investment objectives and risk tolerance, your Financial Advisor will recommend an appropriate mix of various open-end mutual funds and money market funds. Funds on the Recommended, Allowable and Pathways Fund lists (described more fully below in the "Portfolio Manager Selection and Evaluation" section) may be included. Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes.

You have the option of accepting any of our recommendations, or selecting an alternative combination of funds. We will implement your investment decisions, but will not have investment discretion over your Account, except for the limited discretion to rebalance your target asset allocation, if you authorize us to do so. Over time, as changes occur in the financial markets and/or your investment objectives and circumstances, we may recommend changes in your portfolio. In making these recommendations, we will take the updated information into consideration. You are advised that your decisions relating to investments in mutual funds may have tax consequences that should be discussed with your tax advisor.

In order to maintain your portfolio in conformance with your target asset allocation, you may authorize us to rebalance your Account using our automated Rebalance Trading System. See the description of the Rebalance Trading System below. You may select a quarterly, semi-annual or annual rebalance option.

The FundSource[®] Program

FundSource is a discretionary investment advisory Program that offers a broad array of mutual funds that invest in and across different investment asset classes and employ varied approaches to investment management. We have created a number of "Optimal Blends" that offer managed portfolios of recommended funds, based on due diligence and asset allocation guidance provided by our affiliate, WFII, and market exposures and fund combinations that we believe are appropriate for a number of different investment objectives. See the detailed description of the various Optimal Blends in the "Methods of Analysis, Investment Strategies and Risk of Loss" section. Based on your investment objectives, financial circumstances and risk tolerance, your Financial Advisor will recommend either an Optimal Blend or a Customized Blend, created in consultation with you, which you may select as the target allocation for your Account. Once you choose an Optimal or Customized Blend, the assets in your Account will be invested by your Financial Advisor on a discretionary basis.

The combination and allocation strategy of the selected mutual funds in an Optimal Blend is based on our determination of the appropriate target asset allocation and/or risk/return profile for your investment objective and risk tolerance. The funds and allocations may be modified from time to time based upon changes in asset allocation guidance or our assessment of factors impacting individual funds or particular combinations. The target allocation for Customized Blends is determined at the time your Account is established in the FundSource Program. WFA may make discretionary fund replacements to your Customized Blend if a fund is removed from our recommended list. Other changes to your asset allocation or target allocations will be confirmed with a written notification. Additions to and withdrawals from your Account will generally be allocated based on the target allocation you established for the Customized Blend.

Fluctuations in the market value of assets, as well as other factors, will affect the actual fund allocation at any given time. In order to maintain the Account in conformance with your targeted fund allocations, we will automatically rebalance it periodically if actual allocations vary by more than certain established percentages from the target allocation. We will generally rebalance the Account annually, unless market conditions indicate we should do so more frequently. You may also request us to rebalance your Account as necessary. If your Account is managed pursuant to a Customized Blend, you may opt out of automatic rebalancing.

PathwaysSM Portfolios

Pathways is a model portfolio series within the FundSource Program that allows you to allocate assets among various mutual funds portfolios ("Pathways Funds") operated and administered by the Russell Investment Company ("Russell"). Prior to May 2011, Pathways was a standalone advisory program offered by us. Russell, which is registered under the Investment Company Act of 1940, evaluates and retains one or more investment management organizations to manage each Pathways Fund. You may access Pathways Funds via a pre-determined model portfolio, a *Pathways Optimal Blend*, or by creating your own allocation of Pathways funds, a *Pathways Customized Blend*.

Russell has created multiple Optimal Blend Portfolios that contain various risk-based allocations of Russell's funds designed to meet specific investment objectives. When you select a Pathways Optimal Blend, you appoint WFA to manage your portfolio on a discretionary basis. Under the Customized Blend option, you create a customized allocation of Pathways and/or Recommended Funds by selecting a target portfolio allocation on the Customized Blend Form. If Russell makes changes to specific model portfolios, or we remove a fund from the roster of available funds, we will act as your attorney-in-fact with full power and authority to buy, exchange, sell or otherwise effect transactions in your name in shares of mutual funds in your Pathways portfolio.

Fund sub-advisors are terminated or replaced by Russell generally due to changes in senior investment personnel and/or a deviation from the desired investment discipline. Such changes to fund investments are made without prior notice to you. We will rebalance your Pathways portfolio periodically should the values of the funds vary by more than certain established percentages from the target allocation you selected. Customized blend Clients may opt out of the rebalancing feature.

Rebalance Trading System

The Rebalance Trading System reviews the actual allocation of funds in your mutual fund portfolios versus the target allocation established for your Account. Generally, subject to certain minimum constraints, if any of the funds in your Account vary by more than 40% (30% for retirement Accounts) from your Target Allocation on a cycle rebalance date, we will rebalance the Account by initiating sell and buy transactions. These tolerance percentages may be changed without notice. You are aware that any transactions initiated to rebalance these assets may cause you to incur tax consequences.

We will conduct periodic reviews, and you can request that a review be done on demand. We generally conduct reviews in FundSource and Pathways Accounts on an annual basis. In addition, you can select to have annual, semi-annual or quarterly rebalance reviews conducted for FundSource, CustomChoice and Pathways Accounts. You also have the option to direct us not to rebalance CustomChoice, FundSource Customized Blends and Pathways Customized Blends periodically. Finally, if you direct us to, we can use the Rebalance Trading System to allocate any contributions to or withdrawals from the Account based on the fund targets specified for the Account. The Rebalance Trading System will not rebalance any assets that are not offered through the Programs (i.e., "Non-Program Assets").

Market Timing in Mutual Funds

Market timing is defined as excessive short-term purchase and sale transactions or exchanges with the intention of capturing short-term profits in violation of the terms of the fund's prospectus. We will not support market timing strategies or activities for mutual funds or any extreme trading activity that we deem, at our sole discretion or by direction of the fund company, detrimental

to the interest of average mutual fund shareholders, or contrary to the policies or interest of mutual fund companies with whom we maintain relationships. We, at our sole discretion or by direction of the fund company, reserve the right to reject any transactions or to assess a redemption fee for any partial or full liquidation executed in which the Account trading appears to be inconsistent with the fund's prospectus as mandated by the fund company. Furthermore, when asked by a fund company, we will cooperate and aid in its attempt to identify and impede the efforts of anyone engaged in market timing or extreme trading activity. If the fund company notifies us to reject or cancel a trade for any reason, we reserve the right to cancel it without prior notice to you or any other Client. We will not be held accountable for any losses resulting from market timing activities or any action taken under our market timing policies. Finally, the frequency of mutual fund transactions and exchanges is subject to any limits established by the applicable mutual funds and us.

Fees and Compensation

The current standard fee, which is negotiable, is shown below. Accounts opened prior to June 9, 2017 may be subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

Standard Fee (annualized, calculated on your account value)
2.00%

There is a minimum fee of \$75 per quarter, with the exception of the Foundations model series, which will be charged a minimum fee of \$37.50 per quarter due to the lower initial investment minimum. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

In certain limited instances, we may negotiate a customized fee schedule with Clients that is different than the fees described herein. In these instances, Clients will be required to sign an additional addendum which will detail their fee schedule.

We may act as service provider for the advisory Programs offered by our affiliate, Wells Fargo Advisors Financial Network, LLC, as well as certain fully disclosed firms that clear their transactions through us. The fees charged by these firms may differ from those charged and required by us as stated in this Disclosure Document.

You should be aware that Program fees charged may be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of the extra advisory service provided. The overall costs associated with your relationship with us (and the compensation we receive) vary depending on several factors, including:

- Your particular investment advice requirements and product preferences
- The value of your Account or household relations with us and our affiliates

Advisory Account fees may be negotiated with your Financial Advisor based upon these and other subjective factors, as well as our point-in-time views of the prevailing market prices for similar investment services. These fees may also change from time to time. All Accounts may be subject to a minimum fee and therefore could have a fee higher than the standard fee rate on the Program Agreement. Certain Clients may be paying lower fees for their accounts than those that apply to your Account. Advisory Programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity may result in higher fees than if commissions were paid separately for each transaction.

If you liquidate securities prior to initiating or after terminating Program services, you will be subject to customary brokerage charges with respect to that transaction, in addition to any Program fees that are applicable during the period. For securities purchased previously in a brokerage Account and subsequently moved into an advisory Account, these securities may be included in the calculation of the Program fee, in addition to any previous brokerage charges paid.

A portion of the fees charged for the Programs described here will be paid to our FAs in connection with the introduction of Accounts as well as for providing client-related services within the Programs. This compensation may be more or less than a FA would receive if you paid separately for investment advice, brokerage, and other services, and may vary, depending on the program or services offered. If a Financial Advisor wishes to discount the Program Fee below certain levels, they may have the ability to do so, but may earn reduced compensation associated with the discount. This creates an incentive for Financial Advisors to price accounts at or above those levels.

In an advisory Account, you pay a fee based on the percentage of assets in your Account in accordance with an investment advisory Program agreement. Certain advisory Programs have higher total fees than other advisory Programs based on a number of factors including, but not limited to, management fees, and administrative fees. A conflict of interest exists to the extent that we have a financial incentive to recommend a particular advisory Program that results in additional or greater compensation to us.

Unless agreed to otherwise, you authorize us to deduct fees at the rate indicated in the Fee Schedule for your Program quarterly, in advance, from your Account(s). For the purposes of calculating the Program fees, "Account Value" shall mean the sum of the long market value of all Program eligible mutual funds, including accrued income. Margin debit balances do not reduce the value of the Account. In valuing the Account, we will use the fund's most current net asset value, as computed by the fund company. In so doing, we will utilize information provided by quotation services believed to be reliable. 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. The Program fee will be applied to cash alternatives (i.e., money market funds) held inside the Account. Clients may pay more in program fees with respect to money market and sweep vehicle holdings than the interest earnings that may be generated by these cash and cash alternative assets. Smaller Accounts may be affected more due to the program fee structure. Due to trade date or settlement date accounting, the treatment of accrued income and other factors, the Account Value used in the calculation of fees may differ from that shown on your monthly account statement and/or performance report.

The initial fee is calculated as of the date that the Account is accepted into the Program and covers the remainder of the calendar quarter. There may be a short delay between inception and initial transactions. Subsequent fees will be determined for calendar quarter periods and shall be calculated on the basis of the market value of the securities and eligible cash held for your Account on the last business day of the prior calendar quarter.

No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in your Account during that period. The Account will be charged or refunded a prorated quarterly fee on any net additions or net withdrawals in the Account during a month. Fees will be charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. Fees will be assessed in the month following the net addition or net withdrawal. Fees are based on the value of the assets in your Account and we will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of your funds (i.e., performance fee).

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle. We may modify or change any provision of the Client Agreement after 15 days written notice to you.

Risk in the Use of Margin

To the extent margin is used in your Account, you should be aware that the margin debit balance does not reduce the market value of eligible program assets. If you use margin to purchase additional securities, your total value of eligible program assets increases and therefore your asset-based fee will increase. In addition, you will be charged margin interest on the debit balance in your Account.

The increased asset-based fee that you pay may provide an incentive for your Financial Advisor to recommend the use of margin. However, we intend to make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. Please note that using margin is not suitable for all investors; the use of margin increases leverage in your account and therefore increases its risk. Please see the Margin Disclosure Statement and the General Account Agreement and Disclosure Document for more details on the risks of margin use.

If your advisory Account is used as collateral for a non-purpose loan, your Financial Advisor may receive additional compensation as a result of the loan. This additional compensation may provide your Financial Advisor an incentive to recommend the use of a loan to you using your advisory account as collateral. However, we intend to make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs.

Additional Considerations Associated with Pledging Advisory Accounts

In addition to the risks mentioned above, with respect to investment advisory account(s) that are pledged or otherwise used as collateral for margin or any other securities-based lending product, the exercise of our rights and powers over the assets in your advisory account(s), including the disposition and sale of any and all assets pledged as collateral may be contrary to your interests and the investment objective of your advisory account(s). Any recommendation to use margin or a securities-based lending product, as well as the related compensation that we or our affiliate may receive, could create conflicts of interest between you and us or, if applicable, our affiliate. For example, such recommendation to use margin or a securities-based lending product could result in a situation in which we are required to liquidate securities your Financial Advisor or money manager would otherwise not sell, and which may not otherwise be in your best interests to sell, to satisfy a maintenance call. We or a third-party money manager will seek to manage your advisory account(s) as agreed under your advisory Client Agreement and applicable Program Features and Fee Schedule, provided that, if a maintenance call takes place, we or your money manager may not be able to manage your advisory account(s) consistent with our or the money manager's overall strategy. Any action taken by us, or an affiliate, against the assets in your advisory account(s) pursuant to the use of margin or a securities-based lending product will not constitute a breach of our fiduciary duties as an investment advisor to you under your advisory Client Agreement and applicable Program Features and Fee Schedule. In addition, the costs associated with using margin or a securities-based lending product, including the costs associated with a maintenance call, are not included in your advisory Program fees and may result in additional compensation to us, our affiliate, and the Financial Advisor.

Other Account Fees

Your Financial Advisor may suggest that you use other products and services that we offer, but that are not available through the Account ("Non-Program Assets"). Non-Program Assets are not charged a program fee and are not considered a part of the Program or Program services. We generally recommend that you hold these Non-Program Assets in a separate brokerage Account. If a non-Program Fund is purchased or transferred into the Account and later becomes a Program-eligible Fund, Program fees will apply to that Fund and it may become subject to the Rebalance Trading System. You will incur any usual and customary brokerage charges and fees imposed on transactions in Non-Program Assets which may include (i) any dealer markups and odd lot differentials and transfer taxes; (ii) charges imposed by broker-dealers and custodians other than us and fees for other products and services that we may offer; (iii) offering discounts, commissions and related fees in connection with underwritten public offerings of securities; (iv) margin interest and operational fees and charges; (v) IRA fees; and (vi) any redemption fees, exchange fees and or similar fees imposed in connection with mutual fund transactions whereby we and your Financial Advisor may receive additional compensation on these Non-Program Assets. Where these fees apply, the more transactions you enter into, the more compensation that we and your Financial Advisor receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, than investment products that carry lower fees or no fees at all.

If you choose to use Trust services provided by our affiliate, Wells Fargo Bank, N.A., additional costs may apply that are in addition to the advisory fees disclosed above. These Trust services would include custody of your account at Wells Fargo Bank, N.A. The fees for these services will be separately agreed upon and disclosed to you by the bank and compensation for those services will be paid directly to the bank separate from the advisory fee.

Mutual Funds and Exchange-Traded Funds in Advisory Programs

When structuring our advisory Program offerings, we determine the universe of mutual funds and ETFs that will be made available to advisory Program clients. Although mutual fund companies typically offer multiple share classes of each of their mutual funds with varying levels of fees and expenses, we generally choose a single share class of each mutual fund for our advisory Program platform.

We do not seek to offer mutual funds or share classes through our advisory Programs that are necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory Account, such as ETFs. In addition to the Program fee, you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser, which may be an affiliate of ours, and distribution, shareholders services or other fees paid to us and our affiliates. These expenses are an additional expense to you and not covered by the Program fee; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Program fees, when considering any advisory Program and the total compensation we receive.

Other funds and share classes may have different charges, fees, and expenses, which may be lower than the charges, fees, and expenses of the funds and share classes we make available. These funds and share classes are available through other broker-dealers and financial intermediaries, including our affiliates, and the Funds directly, including where lower-cost share classes are made available. An investor who holds a less-expensive share class of a fund will pay lower fees over time - and earn higher investment returns - than an investor who holds a more expensive share class of the same fund.

When we select a fund or fund family for our advisory Program platform, we consider a number of factors, including our costs to operate our advisory Program platform and additional compensation factors. In many circumstances, we receive compensation from fund companies, including where we effect transactions for, or provide services to, the funds. We generally choose the lowest cost share class for our Advisory platform that pays us an acceptable level, as determined in our discretion, of revenue sharing and omnibus platform services compensation. Most of the mutual funds we include on our advisory Program platform do not pay us 12b-1 fees. Any 12b-1 fee payments we do receive for eligible mutual funds held in advisory Accounts are credited back to the Client. Additional compensation received from fund companies is described in more detail below and is available in the "Guide to Investing in Mutual Funds" at www.wellsfargoadvisors.com.

The additional compensation we receive from fund companies is for ongoing Account maintenance, marketing support, and educational and training services performed by us. Generally, the additional compensation ranges from \$25 per year, per position or at a rate of up to 35 basis points on assets for omnibus services performed; up to \$12 per year, per client position or at a rate of 12 basis points on assets for networking services performed; up to 20 basis points for domestic funds and up to 55 basis points for offshore fund companies on aggregate client assets in revenue sharing payments; and from \$450,000 to \$550,000 per year for data agreements from ETF providers. We also receive additional compensation or reimbursement for training and education efforts from fund companies. The additional compensation varies between fund companies and even from fund to fund within the same fund company. As a result, we have a financial incentive to offer one fund on our advisory Program platform over a similar fund due to the compensation we receive from one fund versus another. This additional compensation poses a conflict of interest and influences the selection of funds, share classes, and fund companies that we make available on the Advisory platform. We seek to address this conflict of interest through a combination of disclosing it to you and through our policies and procedures and related controls designed to ensure that the fees we charge are fair and reasonable, including when considering the Program fee and the additional compensation we receive from funds. If we did not receive this additional compensation, we might charge higher fees or other charges to you for the services we provide. When evaluating the reasonability of our fees and the total compensation we receive, you should consider not just the Program fee but also the additional compensation we receive from funds.

For a listing of all share classes that a given fund may offer, please refer to the fund's prospectus. Please call your Financial Advisor for more information about any limitations on share classes available through us.

Over time, given funds may offer share classes with lower fees. In these instances, we will determine, from time to time in our discretion, whether and in what manner to offer these share classes to our advisory Clients. This may result in shares you own of the given fund being converted to the share class with lower fees or such share class with lower fees being available only for new purchases. We review our policies, procedures and systems from time to time in our discretion to determine whether to continue to offer funds with these multiple share classes, and reserve the right to no longer offer certain share classes within our advisory Program platform.

Additional Compensation Received from Funds

We typically receive compensation paid by fund complexes for ongoing Account maintenance, marketing support, and education and training services we perform in support of mutual funds. This additional compensation can be broken down into six general categories:

- Networking and omnibus platform services compensation
- Revenue sharing
- Intra-Company compensation arrangements
- Training and education support
- Other compensation for general services provided to funds
- Data Agreements

Networking and omnibus platform service fees

We or our service providers typically collect from mutual funds in which you invest, compensation for recordkeeping, sub-accounting, shareholder communications, administrative, and other similar services we provide to a fund for your benefit. In

addition, we generally collect other asset-based fees for the execution of fund share purchases, or the performance of clearance, settlement, custodial or other ancillary functions. We or our service providers collect such fees directly or indirectly from some or all of the mutual funds in which you invest. When providing advisory services, WFCS does not pay any portion of these fees to its FAs. The compensation paid for networking and omnibus platform services is negotiated separately with each fund company, and the amount varies depending on the fund company and each individual fund. We do not collect networking and omnibus payments on Advisory ERISA assets.

Revenue sharing

Revenue sharing is paid by a mutual fund's investment advisor, distributor, or other fund affiliate to us for providing continuing due diligence, training, operations and systems support and marketing to Financial Advisors and Clients with respect to mutual fund companies and their funds. Revenue sharing fees are usually paid as a percentage of our aggregate value of Client assets invested in the funds. We do not collect revenue sharing payments on Advisory ERISA assets. We receive different revenue sharing rates from each fund family, and in some cases receive different revenue sharing rates for certain funds within a particular fund family. In addition, not all mutual funds pay revenue sharing, as a result we have an incentive to include funds on our platform and recommend funds that pay revenue sharing and/or pay a higher rate. Advisory Clients are not permitted to restrict their Accounts to only mutual funds that do not pay revenue sharing.

Intra-Company compensation arrangements

We also receive direct compensation or indirect business credits in connection with the referral of certain business among Wells Fargo & Company subsidiaries. These intra-company arrangements include payments or credits to us for financial distribution, administrative and operational service that we provide to affiliated mutual funds, their investment advisers or distributors. As a result of these arrangements, we benefit from increased sales of affiliated funds and products to a greater extent than unaffiliated funds in which we do not have a similar economic interest.

Training and education compensation

Certain mutual fund families, ETF providers and investment managers have agreed to dedicate resources and funding to provide training and education in local branch offices or in larger group settings, including at the national level. This commitment could lead our FAs to focus on the products offered by these firms versus products offered by firms not represented during these training and education sessions. These meetings or events are held to teach Financial Advisors about the product characteristics, sales materials, suitability, customer support services and successful sales techniques as they relate to various products. We select the firms that participate in the training and education events based on a variety of qualitative and quantitative criteria and may provide supplemental sales and financial data to these firms. The subset of firms that offer this support and participate in nationally-organized training and education events changes periodically.

Other compensation for general services provided to Funds

Fund companies compensate us for certain business services that we provide to funds in connection with their day-to-day operation. The range of services that we provide to these investment advisers includes investment banking, research, and trading. We also have a dedicated sales force that specializes in facilitating trading for institutional investors, which may include portfolio managers of mutual funds that are sold by us. We are compensated for the services provided in connection with these relationships, and the compensation received varies between funds and advisers. Certain ETF providers pay us or our affiliate a licensing fee to create ETFs that track a Wells Fargo index. That fee is based on the assets under management of the ETF. For purposes of calculating the index licensing fee, WFA discretionary ERISA and IRA assets invested in an ETF based on a Wells Fargo index are excluded from the calculation.

Data Agreements

We work with various mutual fund families to provide aggregated sales data. Data Agreements are paid by mutual fund complexes either under a 12b-1 Plan, or as a revenue sharing arrangement in which the payment is from a fund affiliate but not from fund assets.

For more information about our compensation derived from mutual funds, please see "A Guide to Investing in Mutual Funds" or the "General Account Agreement and Disclosure Document."

Account Termination

Client Agreements may be terminated by either party at any time upon written notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. In the event of cancellation of the Client Agreement, fees previously paid pursuant to the Fee Schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

If you choose to terminate your Agreement with any of our investment advisory Programs, we can liquidate your Account if you instruct us to do so. If so instructed we will liquidate your Account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor.

We are not responsible for market fluctuations in your Account from the time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an Account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory Account, termination orders cannot be considered market orders. It may take several business days under normal market conditions to process your request.

Upon termination of the Account or transfer of the Advisory Share Class into a WFA retail brokerage account, you authorize us to revert, at our discretion, the Advisory Share Class to the mutual fund's primary share class, typically A shares, without incurring a commission or load without your prior consent. You understand that the primary share class generally has higher operating expenses than the Advisory Share Class, which may negatively affect your performance. Certain mutual fund shares may be required to be redeemed as part of the Account termination, as stated in their prospectus.

If a Program Account is terminated, but you maintain a brokerage Account with us, the money market fund used in a "sweep" arrangement may be changed and/or your shares may be exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund's fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your Account after the termination of Program services.

Account Requirements and Types of Clients

Account Requirements

A minimum initial Account value of at least \$25,000 is required, \$10,000 for the Foundations model series. Under certain circumstances the Account minimum may be waived. We may act as service provider for the advisory Programs offered by our affiliate, Wells Fargo Advisors Financial Network, LLC, as well as for certain fully-disclosed firms that clear their transactions through us. The minimum and maximum Account sizes that these firms require may differ from those required by us as stated in this Disclosure Document. You should refer to the Disclosure Document of Wells Fargo Advisors Financial Network, LLC, or the fully-disclosed brokerage firm, as appropriate, to determine the fee levels charged and the minimum and maximum Account sizes permitted by those firms. We may terminate your Accounts with written notice if they fall below minimum Account value guidelines established by us.

Types of Clients

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.

Portfolio Manager Selection and Evaluation

We classify the mutual funds used in our Mutual Fund Advisory Programs as Recommended, Allowable or Pathways Funds. Recommended Funds and Pathways funds are those funds used in our FundSource discretionary investment advisory service. The Roster of Recommended Funds ("Roster") is determined by due diligence provided by our affiliate, WFII. We allow Clients of our non-discretionary investment advisory service, CustomChoice, to select funds from a larger roster of Recommended, Allowable and Pathways Funds. WFII analysts do not conduct quantitative and qualitative analysis on the mutual funds listed on the Allowable and Pathways Funds lists. Pathways Funds are limited to shares of certain funds operated and administered by Russell Investment Management Company ("Russell"), and are the only funds offered through the FundSource-Pathways option discussed above. Certain mutual funds may not be available to all Clients because of Account types, fee schedules, geographic availability, or other factors.

WFII uses both quantitative and qualitative criteria when evaluating funds for inclusion on the Roster. WFII will typically arrange meetings with Portfolio Managers or representatives of a fund candidate to discuss the underlying investment philosophy of the fund manager and how that philosophy is manifested in security buy and sell decisions. They also seek to understand the capabilities of the Portfolio Manager, and assess how the investment philosophy will perform in different market environments. Additional factors influencing the inclusion of a mutual fund on the Roster of Recommended Funds may include a statistical analysis of the fund's past record and management style; the assessed quality of the investment process; changes in investment process or personnel; the number, continuity and experience of the investment professionals; a completed questionnaire, database information on the firm and interviews with members of the mutual fund management team. This process is a continuing one, and funds may be added or removed from the Roster based on these ongoing assessments.

WFA and WFII use information, financial data and investment research from a variety of sources to evaluate mutual funds. We believe the information we collect on the Optimal Blend funds and Recommended Funds is reliable and accurate, but we do not necessarily independently review or verify it on all occasions.

Our Optimal Blends are built based on specified investment objectives, risk/return profiles and/or targeted asset allocations incorporating various exposures to the following major asset classes: cash alternatives, commodities, and domestic and international equity and fixed income securities. Optimal Blends, as well as Customized Blends, may also incorporate asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. The allocation targets are generally based on longer-term risk/return assumptions for varied asset classes or investment strategies and may change from time to time in light of new research and analysis. The asset allocation guidelines and risk/return objectives are selected such that the Conservative Income model would be expected to generally have the lowest long-term investment risk, based on historical average risk levels, but also the lowest expected return. As an investor moves to models with higher allocations in equities or other higher-risk assets, historical averages suggest that expected investment risk and potential return increase. A description of the Optimal Blends can be found in the "Methods of Analysis, Investment Strategies and Risk of Loss" section.

The stated investment objectives and/or allocation guidelines for the Optimal Blends provide the general basis by which these portfolios will be managed. We modify the allocations and/or selected funds when we believe it is in the interests of our investors to do so. Individual mutual funds and mutual fund combinations, selected by WFII, are selected based on both quantitative and qualitative methods. Quantitative methods include examination of historical performance as well as the biases that have

characterized a given manager's investment approach. Qualitative considerations may include the tenure and assessed experience of the investment professionals, the perceived quality of the investment process, the risk/return expectations for individual funds, and other factors that may bear on the investment decision.

From time to time, one or more of the Funds held in a Program Account may experience relatively large investments or redemptions due to research and/or model recommendations that we and/or Russell make. These transactions may adversely affect these mutual funds, since they may have to sell portfolio securities as a result of redemptions, or invest the cash that results from additional purchases. Representing the interests of our Clients, we may, but are not required to, take measures to minimize the impact of such transactions if consistent with your investment objectives and those of other Clients participating in the Program.

Other than in connection with our consulting responsibilities, we do not assume responsibility for the conduct of mutual funds that you or we select, including their performance or compliance with laws or regulations. You are advised and should understand that (a) a mutual fund's past performance is no guarantee of future results; (b) there is a certain market and/or interest rate risk which may adversely affect any mutual fund's objectives and strategies, and could cause a loss in a Client's Account; and (c) Client risk parameters or comparative index selections provided to us are guidelines only; there is no guarantee that they will be met or exceeded. You should also be aware that shares of any particular fund may fluctuate in value and when redeemed may be worth less than their original cost. There is no guarantee that your target allocation or FundSource fund research recommendations will protect against such loss of investment.

We reserve the right to remove a mutual fund from either a FundSource Optimal or Customized Blend and replace it with another fund with a similar management style. In such a case, we may amend the mutual funds you selected for your Account without your consent. You are aware that fund replacements in either an Optimal Blend or a Customized Blend may cause tax consequences.

Our reasons for removing a mutual fund from an Optimal Blend(s) or WFII removing a mutual fund from the Recommended List Roster may include its failure to adhere to expected investment objectives or a given management style, a material change in the professional staff managing the fund, unexplained poor performance, a change of the investment management process, or the identification of a better alternative. We will, at our sole discretion, determine whether any or all of these factors are material when deciding to make a replacement. On occasion, a fund may be removed from the Recommended List Roster and remain in the Optimal Blend, based on trade timing, replacement fund availability or other model-specific trade considerations.

In addition to replacing a mutual fund within an Optimal Blend, we may adjust the target allocation within an Optimal Blend from time to time without your consent. You may also elect to remove a mutual fund from your Account. As mutual funds reach capacity, they may be closed to new contributions by existing investors and/or to new investors. We may seek appropriate, alternative mutual funds for the affected Optimal Blend portfolio(s), or may establish a new version of the model for new FundSource Clients.

We meet as necessary to make appropriate changes to the firm's current asset allocation recommendations. We will review these recommendations and apply them to the portfolios, as appropriate. We and/or our agent will review the use of any affiliated managers within an Optimal Blend strategy at least annually to ensure objective and consistent due diligence standards are applied to both affiliated and unaffiliated managers. WFII meets regularly to review the current FundSource recommendations and make appropriate changes to the current asset allocation models and/or the list of research recommended mutual funds.

We 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, 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, at our discretion, may undertake share class conversions of mutual funds if an advisory or institution share class becomes available, as long as the fund company allows the conversion to be processed on a tax-free exchange basis. We reserve the right to convert mutual fund shares back to non-advisory or institutional share class shares if you leave the Program.

Services Tailored to Individual Client Needs

All of our investment recommendations for Program Accounts are based on an analysis of your individual financial needs. They are drawn from research and analysis we believe to be reliable and appropriate to your financial circumstances. Each of the advisory services we offer is tailored to a specific type of investor and designed to meet their individual investment objectives, financial needs and tolerance of risk. A detailed description of these Programs is provided in the "Services, Fees and Compensation" section.

Client Restrictions and Instructions

We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your Account. Reasonable instructions generally include the designation of particular mutual fund or types of mutual funds that should not be purchased for the Account.

If your restrictions are unreasonable or if we or your Financial Advisor believe that the restrictions are inappropriate, we will notify you that, unless they are modified, we may remove your Account from the Program. You will not be able to provide instructions that prohibit or restrict the investment advisor of an open-end mutual fund with respect to the purchase or sale of specific securities or types of securities within the fund.

Our policy is generally to liquidate your existing securities portfolio immediately in newly established Program Accounts and reinvest the Account in conformity with your target allocations. If you wish to hold certain positions for tax or investment purposes, you should consider holding these positions in a separate Account.

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.

Methods of Analysis, Investment Strategies and Risk of Loss

As stated above in the "Services, Fees and Compensation" section, we and/or Russell have created a number of "*Optimal Blends*" from the roster of Recommended Funds representing the target allocations and/or fund combinations that we believe are appropriate for a number of identified investment objectives. Additional information regarding the criteria used to select funds for the Roster and inclusion in "*Optimal Blends*" can be found above in the "Portfolio Manager Selection and Evaluation" section.

Description of FundSource[®] Optimal Blends and PathwaysSM Blends:

Conservative Income

Conservative Income investors seek current income and preservation of capital as primary goals. With respect to risk considerations, investors are willing to forgo capital appreciation opportunities and accept lower levels of income and total return in exchange for lower risk. To achieve the overall objective the vast majority of assets will be maintained in investment grade fixed income, with relatively moderate exposure to equities (including REITs) and high-yield and emerging market bonds for both return and diversification considerations.

Conservative Growth & Income

Conservative Growth & Income investors are characterized as having the dual objectives of generating both capital appreciation and current income while maintaining risk levels that are consistent with a more conservative investment approach. Based on overall risk considerations, these investors seek growth of assets to meet financial goals and protect purchasing power, while, relative to more aggressive mandates, maintaining safety of principal. As such, they are willing to accept lower potential returns in exchange for lower risk. Based on the combined risk, return and yield objectives, the asset allocation for these investors generally maintains the majority of assets in diversified fixed income investments, but with a complementary significant allocation to broadly diversified domestic and international equities.

Conservative Growth

Conservative Growth investors are characterized as seeking capital appreciation consistent with a majority of assets being held in equities, but with broader diversification and a level of risk-reducing exposures that result in volatility levels that are substantially below an all-equity portfolio. Investors seek growth of capital over current income, but with the maintenance of a more conservative risk profile and willingness to accept lower returns in exchange for lower risk. Based on these combined objectives, the majority of the asset allocation for these investors is maintained in broadly diversified equities, but with significant exposure to fixed income and other complementary assets to reduce risk.

Moderate Income

Moderate Income investors place emphasis on income generation versus capital appreciation. While the growth of assets and the maintenance of purchasing power remain considerations and are reflected in measured risk-taking, these objectives are constrained by both the income-generation objective and a greater emphasis on maintaining safety of principal. Based on these combined goals, these investors are expected to remain predominately invested in fixed income investments, including relatively moderate allocations to high yield and emerging market bonds, complemented by a moderate allocation to broadly diversified equities.

Moderate Growth & Income

Moderate Growth & Income investors are characterized as seeking both income and capital appreciation while incurring moderate levels of risk. Investors seek to balance potential risk with their goals for current income and moderate growth of capital. Based on these combined goals and risk considerations, both diversified fixed income and equities will typically account for significant portions of the overall asset allocation.

Moderate Growth

Moderate Growth investors are characterized as primarily pursuing growth of principal and being willing to tolerate volatility consistent with the maintenance of a primarily equity portfolio in pursuit of this objective. These investors do not need their portfolios to provide current income, but will look to non-equity exposure as a means to reduce risk and further enhance diversification. Based on these objectives, the asset allocation for these investors will remain predominately in diversified domestic and international equities, while relying on fixed income securities to moderately temper the overall risk level. Within equities considerable exposure will be maintained in asset classes with relatively higher longer-term growth potential, including mid- and small-cap stocks and emerging markets.

Aggressive Income

Aggressive Income investors seek higher levels of current income, and, given a long-term time horizon and the financial willingness and ability to risk investment capital to achieve their income objectives, will employ more aggressive, higher-risk strategies that may offer higher potential income. In seeking to achieve its income objectives, the vast majority of the blend's assets will generally remain in fixed income investments, complemented by broadly diversified and higher yielding equities, including REITs. To accentuate yield, the fixed income portion will typically maintain substantial exposures to longer maturities and high yield and emerging market bonds.

Aggressive Growth & Income

Aggressive Growth and Income investors are characterized as seeking significant growth of capital and income with a higher tolerance for risk. The dual mandate, greater risk tolerance and longer-term time horizon allow these investors to pursue higher-risk and generally more aggressive strategies that may offer higher potential returns. Diversified equities typically represent the majority of the blend. In addition to seeking income through dividend-paying equities, substantial fixed income exposure is generally maintained to enhance income yield and diversification.

Aggressive Growth

Aggressive Growth investors are characterized as seeking long-term capital appreciation as their primary investment goal, with a long-term time horizon, little need for current income and a higher risk tolerance allowing for the potential of considerable volatility and interim periods of substantial loss of capital in exchange for potential higher longer-term returns. Risk levels are expected to be consistent with a broadly diversified all-equity portfolio. With an emphasis on long-term capital appreciation, exposures to small- to mid-cap and developed and emerging market international equities will typically represent the majority of the overall asset allocation.

Long Term Conservative Equity (Pathways Only)

The Long Term Conservative Equity blend may be appropriate for long-term investors seeking growth of capital with a minimum need for current income. Investors are willing to accept moderate short-term fluctuation in portfolio returns in order to achieve above-average, long-term capital appreciation. Equities are typically 100% of the allocation, with a significant allocation to large cap and domestic equities.

Foundations® Optimal Blends

We offer nine Foundations Optimal Blends. The Foundations portfolios are constructed using the firm's strategic allocation strategy framework with an overlay that allows the portfolio team to opportunistically over/under weight portfolio allocations to take advantage of Wells Fargo Investment Institute's capital market outlook over a forward looking 6-18 month period. Portfolios will typically hold 8-15 mutual funds and dynamically provide investors' with diversification across multiple asset classes, investment styles and market sectors over a market cycle. Due to the ability to over or underweight certain asset classes or investment styles, the Foundations portfolios may experience more frequent rebalancing than standard FundSource Optimal Blends. Foundations Blends are available for a diverse range of client investment objectives that include: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth. The Foundations Optimal Blends are available at a \$10,000 investment minimum.

Tax Managed Optimal Blends

(Constructed the same as the portfolios above with tax sensitivity considered as stated below.) To complement the FundSource Optimal Blends, we offer FundSource Tax Managed Optimal Blends. The Tax Managed blends are asset allocation portfolios intended for investors with tax* sensitivity. These blends use municipal bond funds where possible within fixed income allocations. The equity funds within these blends tend to exhibit lower portfolio turnover or may employ other means intended to increase tax efficiency. We generally favor funds that have a bottom-up approach to investing (focused on individual company considerations, merits and investment holding periods) as opposed to a top-down approach (more macro-economic focused) that could result in periods of substantially greater turnover. Since tax efficiency is not typically a concern in qualified accounts, the Tax Managed Optimal Blends are not recommended for IRA or ERISA accounts.

Core American Optimal Blends

We offer eight Core American blends. The directive for the Core American blends is to maintain a core allocation to mutual funds from the American Funds Family of funds, but with the remaining assets (generally 50% or more) being allocated among other complementary FundSource recommended funds. The Core American blends include the Core American Conservative Growth & Income blend, Core American Moderate Growth & Income blend, Core American Aggressive Growth & Income blend, Core American Conservative Growth blend, Core American Moderate Growth blend, Core American Growth blend, Core American Aggressive Growth blend and Core American Global Moderate Growth blend.

Global Opportunities Blends

Relative to other FundSource Optimal Blends, Global Opportunities Optimal Blends ("GO Optimal Blends") are designed to facilitate a more dynamic asset allocation framework through the use of managers with relatively flexible mandates that collectively allow for the pursuit of investment opportunities across market capitalizations, geographic regions and asset classes. The managers are intended to employ complementary investment processes that vary by style, investment approach, and risk/return profile. While most managers within the GO Optimal Blends maintain longer-term views (i.e., typically at least a three-year outlook), the inherent flexibility in their investment approaches generally provides increased opportunity to take advantage of the market's often short-term focus and corresponding herd-based overreactions. As a complement, other funds within these blends can focus on shorter-term trends or changes in market conditions based on either qualitative or quantitatively driven systematic approaches. The individual manager flexibility and varied investment approaches and timeframes generally result in more dynamic allocation changes within the context of both risk and return considerations. However, because the outlook for most managers remains multi-year in duration, changes in the blends overall allocations tend to be more incremental versus radical in nature. It is also important to note that the Optimal Blends are managed from both a risk and return perspective and, in general, should not be considered to be either continually higher risk or more return-seeking in approach versus more strategically oriented asset allocation approaches. In this context the more dynamic and opportunistic nature of these Optimal Blends is intended to be based on a combined assessment of market factors that may at times lead to either increased portfolio concentrations/risk or increased risk avoidance based on the collective views of the blends' constituents.

The Global Opportunities Optimal Blends include Global Opportunities Income, Global Opportunities Growth & Income, Global Opportunities Asset Allocator, Global Opportunities Moderate Growth, and Global Opportunities Growth.

* WFA does not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that may have tax consequences.

Optimal Blends with Alternatives

Conservative Income with Alternatives

Conservative Income investors seek current income and preservation of capital as primary objectives. Based on these objectives, this Optimal Blend with Alternatives will primarily invest the majority of the portfolio in fixed income investments with the remainder allocated to income-oriented equities to diversify the portfolio and maintain purchasing power. With respect to risk considerations, investors are willing to forgo capital appreciation opportunities and accept lower levels of income and total return in exchange for lower risk. Modest allocations to liquid alternative strategies are used to further enhance portfolio diversification and manage portfolio risk.

Moderate Income with Alternatives

Moderate Income investors seek current income with moderate long-term capital appreciation to protect purchasing power. Based on these combined goals, investors with these objectives are expected to remain predominately invested in fixed income investments, with moderate exposure to equities to provide diversification and moderate capital appreciation over a market cycle. With respect to risk considerations, investors are willing to forgo capital appreciation opportunities and accept lower levels of income and return in exchange for lower portfolio volatility. Modest allocations to liquid alternative strategies are used to further enhance portfolio diversification and manage portfolio risk.

Aggressive Income with Alternatives

Aggressive Income investors seek higher levels of current income and are willing to assume higher short-term portfolio volatility in order to achieve this objective. Given a longer term investment horizon and the financial willingness and ability to risk investment capital to achieve their income objectives, this strategy may employ more aggressive, fixed income exposure to high yield and emerging market debt to achieve a higher level of current income. Liquid alternative strategies are used to further enhance portfolio diversification and manage portfolio risk.

Conservative Growth & Income with Alternatives

Growth and Income investors seek a balance between current income and moderate capital appreciation. Based on these combined goals, Conservative Growth & Income Optimal blends will generally maintain the majority of assets in fixed income, but with a complementary significant allocation of broadly diversified equities as a means to support longer-term growth of capital. Given the mix of assets, relatively moderate short-term declines in the value of the portfolio should be expected to occur within the course of a market cycle. Alternative strategies are used to further enhance portfolio diversification and balance portfolio risk.

Moderate Growth & Income with Alternatives

Moderate Growth and Income investors seek a combination of income and capital appreciation. Investors are willing to forego some income in exchange for moderate growth of capital. Investors generally have a longer investment horizon and are willing to accept modest short-term declines in the value of their portfolio over a market cycle. Based on its dual income and growth mandate, the blend will maintain sizable allocations to both equities and fixed income. Equities are diversified across domestic, emerging and international securities. Alternative strategies and fixed income managers are used to further enhance portfolio diversification, balance portfolio risk and, in the case of fixed income, produce current income.

Aggressive Growth & Income with Alternatives

Aggressive Growth and Income investors are characterized as seeking significant levels of growth and income. The risk profile is expected to remain commensurate with the majority of the asset allocation being invested in diversified equities, but with volatility levels that are substantially below an all-equity portfolio. To achieve this combined goal, Aggressive Growth & Income Optimal Blends will maintain a significant allocation to fixed income. The longer-term objective does allow for significant allocations to strategies expected to provide relatively higher long-term growth and/or income generation potential within both the equity and fixed income allocations, including small-caps, mid-caps, and emerging market equities and higher yielding domestic credits and foreign fixed income securities, including emerging market debt. In addition to providing higher long-term growth and income potential, these asset classes can experience relatively higher volatility and periods of loss. Alternative strategies are used to further enhance portfolio diversification and in seeking to reduce overall portfolio volatility and better preserve capital in periods of market distress.

Conservative Growth with Alternatives

Conservative Growth investors are characterized as seeking levels of capital appreciation consistent with a majority of assets being held in equities, but with volatility levels that are substantially below an all-equity portfolio. To achieve this combined goal, the Conservative Growth Optimal Blend will maintain a significant allocation to fixed income. Within equities, greater allocations are given to large-cap managers, but with sizable allocations to mid- and small-cap stocks being included for both growth and diversification considerations. Within fixed income, short- to intermediate-term maturities are generally emphasized over longer-term maturities. Investments in international equities are broadly diversified by region, including a significant allocation in emerging market equities. Alternative strategies are used to further enhance portfolio diversification and in seeking to reduce overall portfolio volatility and better preserve capital in periods of market distress.

Moderate Growth with Alternatives

Moderate Growth investors seek to maximize capital appreciation but with risk levels that are below those of an all-equity portfolio. In this context, investors are willing to accept a lower rate of return in exchange for less risk. These investors do not need their portfolios to provide current income, but will look to non-equity exposure as a means to reduce risk and further enhance diversification. Based on these objectives, the asset allocation for these investors will remain predominately in diversified domestic and international equities, while relying on fixed income and other investments to moderately temper the overall risk level. Within equities considerable exposure will be maintained in asset classes with relatively higher longer-term growth potential, including mid- and small-cap stocks and emerging markets. Alternative strategies are used to further enhance portfolio diversification and reduce overall portfolio volatility and better protect capital in periods of market distress.

Aggressive Growth with Alternatives

Aggressive Growth investors seek to maximize growth of capital over longer periods of time with a risk profile that is willing to tolerate relatively higher levels of volatility and periods of potential loss. The blend will include allocations to cash equivalents, REITs, long-only commodities and alternative strategies, but with the preponderance invested in diversified equities, including substantial allocations to small- and mid-cap stocks and international developed and emerging market equities. Alternative strategies are used to further enhance portfolio diversification and reduce overall portfolio volatility and better preserve capital in periods of market distress.

Alternative Strategies Blends

The Alternative Strategies Model seeks to offer lower volatility, absolute-return-focused investment results that are relatively independent of those generated by long-only exposures to traditional equity and fixed income asset classes. As such, the model is ideally suited to complement portfolios of traditional long-only assets as a means to further enhance portfolio diversification, reduce overall portfolio volatility and better protect capital in periods of prolonged market distress, thereby offering the potential for enhanced risk/reward outcomes over a full market cycle. The model's lower volatility characteristics are generally expected to result in relatively attractive downside protection during sustained difficult market environments, but limit participation during pronounced upmarket moves. To achieve its objectives, the model's individual constituents may incorporate more sophisticated trading and portfolio management strategies, including short-selling and the use of leverage and derivative securities.

Multi-Strategy Blends

Multi-Strategy Income

The Multi-Strategy Income Optimal Blend is a diversified income-oriented solution that uses a multiple asset class approach to provide investors with relatively attractive current income/yield versus more traditional fixed income strategies. While current income is emphasized, the blend also seeks moderate investment/income growth to help preserve longer-term purchasing power. The strategy may allocate a significant portion its investments to managers that employ more flexible allocation strategies that include non-traditional income and alternative investments in an effort to enhance yield, increase diversification and/or improve the managers' ability to manage risk. While emphasis is placed on a full range of fixed income strategies, equity-income oriented investments will be included to help provide growth of income and capital. The blend is appropriate for investors seeking higher current income through a more dynamic and broadly diversified fixed income oriented allocation, but with the maintenance of moderate equity exposure for enhanced diversification and growth potential.

Multi-Strategy Balanced Income

The Multi-Strategy Balanced Income Optimal Blend is a diversified income-oriented solution that uses a multiple asset class approach that is broadly diversified across both fixed income and income-oriented equities. While current income is emphasized, the blend also seeks to balance growth of income and capital to preserve longer-term purchasing power. The strategy may allocate a significant portion of its investments to managers that employ more flexible allocation strategies that include non-traditional income and alternative investments to enhance yield, increase diversification and/or improve managers' ability to manage risk. To achieve its current yield and growing income goals, the strategy will typically maintain a more balanced equity and fixed income allocation. The blend is appropriate for investors seeking higher current income while also maintaining the potential for moderate growth and a risk profile that is commensurate with a more balanced equity and fixed income allocation.

Capital Stability

The Capital Stability Optimal Blend is a diversified portfolio designed for capital stability and preservation of capital. While capital stability is the primary investment objective, the portfolio seeks a modest level of current income. The strategy will primarily invest in lower volatility investment grade fixed income and cash alternatives, but may allocate a portion of the assets to mutual funds that employ more flexible allocation strategies that include liquid alternative investments in an effort to enhance yield, increase diversification and reduce downside volatility. The blend is appropriate for investors seeking stability of capital over a short-term investment horizon (3-12 months) with current income/yield a secondary consideration.

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.

Voting Client Securities

We vote proxies for Advisory Program Accounts over which we exercise discretion, unless otherwise instructed by you. We have adopted proxy voting policies and procedures that describe our practices. We use a third-party proxy voting service to provide independent, objective research and voting recommendations and to vote proxies on your behalf. We generally adopt a voting methodology that maximizes shareholder value, but reserve the right to recommend a different voting strategy that is consistent with your needs and constraints, such as a socially responsible strategy. In addition, we have the ability to override votes recommended by the proxy voting service. Our proxy voting policies and procedures and a record of proxies voted on your behalf are available from your Financial Advisor. We will not render any advice or take any action with respect to information related to Non-Program Asset securities, or the issuer of such securities.

Client Information Provided to Portfolio Managers

All Clients must provide information on their investment objectives, financial circumstances, risk tolerance and any restrictions they may wish to impose on investment activities. We will notify you in writing at least annually to update your information and indicate if there have been any changes in your financial situation, investment objectives or instructions; and you agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Your

Financial Advisor will be reasonably available to you for consultation on these matters, and will act on any changes deemed to be material or appropriate as soon as practical after we become aware of the change.

Client Contact with Portfolio Managers

Your contact for information and consultation regarding your Program Accounts is generally your Financial Advisor. In certain instances, your Financial Advisor may coordinate their response with the Portfolio Manager (if applicable) or arrange for you to consult directly with the Portfolio Manager.

Additional Information

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, WFA 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 will 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 cash 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.

In certain of our advisory Programs we may offer the services of affiliated Managers and funds. A material conflict of interest exists to the extent that we have a financial incentive to recommend our affiliates' services which may provide greater overall compensation to us and our affiliates.

WFII also provides research and strategy recommendations to other affiliates of WFA. While all the affiliates have similar access to the research, due to the operational differences, manner and size of the advisory programs, certain affiliates may be able to implement and trade on these recommendations prior to another affiliate. The ability to implement and trade on these recommendations first, may give the clients of one affiliate an advantage over clients of other affiliates.

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

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, Clients 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 embedded in the price of the security. Any embedded 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 cash 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 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.

Review of Accounts

Program services include review and monitoring of your Account by our personnel and facilities. We will provide you with periodic portfolio monitoring services, which may include a statistical presentation of the performance of your Account(s), based on the information on our records, and ongoing comparisons with selected industry indices or benchmarks. Normally, the periodic portfolio monitoring report is calculated based on the activity of the Account since its inception in our Program. As an additional service, we may include supplemental historical information that you provide or that is provided by the previous custodian or investment advisor for the Account when it was held outside of our Program. At your direction, where feasible, we will incorporate this information in a consolidated periodic portfolio monitoring report.

We have not reviewed or audited any of this supplemental historical information and do not in any way certify, guarantee, or provide any assurance as to the reliability of the information. In addition, we do not guarantee the accuracy of the calculations performed on such information nor offer any assurance that the portfolio monitoring report was calculated in accordance with Accounting or industry standards. The additional time necessary to obtain, input, and report on the historical information may cause a delay in producing the portfolio monitoring reports for Accounts new to our Program.

We will provide you with the following: (a) trade confirmations reflecting all transactions in securities, and (b) a statement of Account activity at least quarterly. We may, however, furnish periodic statements of Account activity in lieu of transaction-by-transaction confirmations to the extent permitted by Rule 10b-10 under the Exchange Act.

When you open a Program Account, your investment objectives and strategy are reviewed for consistency with each Program's guidelines. Thereafter, your Accounts may be reviewed on a transaction, monthly, quarterly or annual basis, as applicable. As applicable, we examine adherence to criteria and program guidelines on security selection, concentration, diversification, activity and certain restrictions that may apply. Our reviews are performed by the branch office manager, and to the extent applicable, product management personnel, who are assisted by various data processing reports, as the reviews relate to their supervisory and oversight responsibilities, respectively. We review these guidelines periodically and can modify them without notice.

Client Referrals and Other Compensation

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 effect 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 managed Account 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.

Certain ETF providers pay us a licensing fee to create ETFs that track a Wells Fargo index. That fee is based on the assets under management of the ETF. For purposes of calculating the index licensing fee, WFA discretionary ERISA and IRA assets invested in an ETF based on a Wells Fargo index are excluded from the calculation.

Brokerage Practices

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 manager(s), you agree to direct such investment manager(s) to effect all transactions in securities for your Account with or through us. Notwithstanding the foregoing, you or, if applicable, your investment manager(s) shall have no obligation to effect a particular transaction with or through us, if in your (or any such investment manager's) reasonable judgment, it would be unlawful to do so.

If you are rolling over assets from an employer-sponsored Qualified Retirement Plan ("QRP"), such as a 401(k), to an Individual Retirement Account ("IRA") with us, you should carefully evaluate all choices which are typically available. These four options include: leaving your assets in your former employer's plan (if permitted), rolling over the assets to your new employer's plan (if permitted), rolling your assets to an IRA with us or another firm, or cashing out the account value. You should consider the following factors, among others, in deciding whether to keep assets in a QRP, roll over to an IRA or cash out: investment options, fees & expenses, ability to make penalty-free withdrawals and differences in creditor protection. We have a conflict of interest in connection with a rollover of your assets into an IRA and the investment of the assets with us as opposed to leaving the assets in your former employer's plan or electing one of the other options. The conflict arises because we will likely earn no compensation if you were to leave the assets in your former employer's plan or transfer to your new employer's plan. In addition, the costs of maintaining and investing assets in an IRA with us will generally involve higher costs than the other options available to you. While we typically offer a broader range of investment options and services than an employer-sponsored QRP, there are no guarantees that the additional investment options will outperform your employer-sponsored QRP.

We may receive additional compensation in the form of order flow payments from options trades. In addition, we may receive compensation from one or more of the firms we route 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. Please refer to the "Fees and Compensation" section for a discussion of additional fees that you may incur.

If WFA is responsible for a trade processing error, it is WFA's policy to correct the issue as soon as possible and return the account to the economic position that it would be in absent the error. If correction processing generates a shortfall to the account, we make the account whole by paying the shortfall. If correction processing generates an overage (i.e., an amount in excess of what would be in the account if the error did not occur), WFA retains the overage.

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 Client 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.

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.

Cash Sweep Program

Through our Cash Sweep Program you may earn a rate of return on the uninvested cash balances in your Account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested or otherwise needed to satisfy obligations arising in connection with your Account. The available sweep vehicles currently consist of (1) interest-bearing deposit accounts at affiliated and unaffiliated banks in our Expanded Bank Deposit Sweep program, (2) interest-bearing deposit accounts at two affiliated banks in our Standard Bank Deposit Sweep program, and (3) one or more affiliated and non-affiliated Money Market Mutual Funds. Eligibility for each available sweep vehicle is determined by account type.

Program fees charged on Account values will apply to uninvested cash balances and balances in the Cash Sweep Program, to the extent permitted by law. The Program fees will exceed the return you earn on uninvested cash and, in most instances, on the vehicle in the Cash Sweep Program. When an affiliated Money Market Mutual 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 affiliates benefit financially from cash balances held in the Expanded and Standard Bank Deposit Sweeps. For additional information about the Cash Sweep Program, including information about how we and our affiliates benefit from the Cash Sweep Program, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your Account.

In addition to Program fees, as a shareholder of a money market mutual fund or closed-end fund, you will bear a proportionate share of the fund's expenses, including investment management fees that are paid to the fund's investment adviser, who may be an affiliate of ours. We may earn fees from our possession and temporary investment of cash balances in your Account(s) before they are "swept" into a money market fund, or the Expanded or Standard Bank Deposit Sweep. You may elect not to participate in the Cash Sweep Program. The Cash Sweep Program should not be viewed as a long-term investment option. It is your responsibility to monitor your balances in the Cash Sweep Program, and determine whether you prefer to invest cash balances in products offered outside the Cash Sweep Program. For additional information, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your Account.

Financial Information

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