



Item 1 - Cover Page

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December 31, 2018

Form ADV, Part 2; our "Disclosure Brochure" or "Brochure" as required by the Investment Advisers Act of 1940 ("Advisers Act") is a very important document between Clients (you, your) and Wells Capital Management ("WellsCap") (us, we, our).

This Brochure provides information about the qualifications and business practices of WellsCap. If you have any questions about the contents of this Brochure, please contact us at 415-396-8000 or www.wellscap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any State Securities Authority. Additional information about WellsCap is also available at the SEC's website www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

WellsCap is a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you may use to evaluate us which may factor into your decision to hire us or to continue to maintain a mutually beneficial relationship.



Item 2 - Material Changes

This section of the Brochure is intended to address only those "material changes" that have been incorporated since the last delivery or posting of this document on the SEC's website.

The following is a discussion only of the material changes to our firm brochure since its last update on March 30, 2018.

- Items 10 (Other Financial Industry Activities and Affiliations), 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading) and 12 (Brokerage Practices) were all updated to indicate that WellsCap may utilize the services of one of its brokerage affiliates to trade equities on an agency basis.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our new Brochure may be requested by contacting WellsCap at (415) 396-8000.

Additional information about WellsCap also is available at the SEC's website at www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name).

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Item 4 - Advisory Business

FIRM OVERVIEW

WellsCap is incorporated in California and is an SEC registered investment adviser. WellsCap is a directly and wholly-owned subsidiary of Wells Fargo Asset Management Holdings, LLC, which is an indirect wholly-owned subsidiary of Wells Fargo & Company ("Wells Fargo"), a diversified financial services company. WellsCap provides investment management services to mutual funds and other investment vehicles, institutional portfolios for endowments, foundations, healthcare organizations, educational organizations, public agencies, multi-employer plans, sovereign organizations, insurance companies, and Taft-Hartley plans. Over 700 professionals located in offices throughout the United States and internationally are dedicated to the management and servicing of WellsCap's client portfolios. WellsCap is one of several registered investment advisers that form a part of Wells Fargo's asset management division, Wells Fargo Asset Management¹.

WellsCap's management of client portfolios is, in most instances, on a fully discretionary basis. The firm actively manages discretionary portfolios subject to each client's investment objective, risk profile and investment guidelines and tailored to the individual needs of the client. WellsCap does not consider the above services to be "financial planning" or any similar service.

WellsCap utilizes its proprietary allocation skills and systems in conjunction with the securities selection services provided by portfolio managers to create and maintain actively managed portfolios for their clients.

WellsCap's discretionary authority over an account is generally subject to directions, guidelines and limitations imposed by the client. WellsCap will endeavor to follow reasonable directions, investment guidelines and limitations. Although WellsCap seeks to provide individualized investment advice to its discretionary client accounts, WellsCap will not be able to accommodate investment restrictions that are unduly burdensome, and WellsCap reserves the right to decline to accept, or terminate, client accounts with such restrictions.

Additionally, WellsCap also provides non-discretionary services that include providing securities ranking information and/or model portfolios to other investment advisers, including one or more affiliated investment advisers. Some of these model portfolios utilize a quantitative (a system of analysis using complex mathematical and

¹ Wells Fargo Asset Management ("WFAM") is a trade name used by the asset management businesses of Wells Fargo & Company. WFAM includes ECM Asset Management Ltd.; Wells Fargo Asset Management (International), LLC; Galliard Capital Management, Inc.; Wells Capital Management Incorporated.; Wells Fargo Asset Management Luxembourg S.A.; Wells Fargo Funds Distributor, LLC; and Wells Fargo Funds Management, LLC.



statistical modeling, measurement and research) investment approach through which investment recommendations are model driven. The quantitative process is supported by extensive proprietary computer code. This process is utilized in quantitative models and not applicable to all model delivery arrangements. More information on model delivery arrangements are discussed later within this section.

WellsCap has implemented policies and procedures surrounding the development, testing, change control and review of our investment models, including the code. However, despite these extensive controls it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on investment results. We have control procedures in place designed to identify in a timely manner any such errors which would have a material impact on the investment process.

TYPES OF ADVISORY SERVICES

Types of Investments. WellsCap offers a variety of equity, multi-asset and fixed income investment strategies. WellsCap offers investment advice on the following types of investments including, but not limited to:

- Equity securities (including exchange-listed securities, over-the-counter securities, foreign issues, and including tactical and long/short strategies)
- Warrants
- Corporate debt securities (both higher and lower rated)
- Convertible Securities
- Commercial paper
- Certificates of deposit
- Municipal securities (both insured and uninsured)
- Mutual funds (including money market funds)
- Option contracts on securities and commodities and futures contracts (including index option contracts)
- U.S. Government securities
- Asset-backed and Mortgage-backed securities
- Swaps (e.g., credit default, interest rate, total return, etc.)
- Bank loans
- Equity, Bond, Commodity and Currency Futures
- Currency Forwards
- Emerging market debt
- Sovereign Bonds

In limited circumstances, where clients are willing to accept greater risk in pursuit of potential higher total return, WellsCap also uses certain types of leveraging and



hedging techniques, including buying securities on margin, and selling securities short. Clients may impose restrictions or limits on investing in certain securities or types of securities. Some of WellsCap's clients have restrictions as to which securities may be purchased. For instance, for some clients, no investments shall be made in securities of corporations whose operations are not consistent with specific environmental, social, or corporate governance standards, or with other types of considerations deemed important socially or economically by the client. Clients can place restrictions on the percentage of assets under management that may be held in the securities of any one company, or other concentration limits.

WellsCap is not a broker-dealer and does not sponsor separately managed account ("SMA") programs (sometimes referred to as "wrap fee programs" or "SMA programs"). Instead, WellsCap contracts with registered investment advisers and/or overlay managers that provide SMAs and/or models to wrap fee program sponsors ("Sponsors") for the purpose of offering sub-advisory and administrative/operational support services to these entities that serve as managers in a number of wrap fee programs. Under these arrangements WellsCap provides model portfolios to the registered investment advisers and/or overlay managers and does not have any trading authority over the accounts.

WellsCap provides both sub-advisory services and operational support to an affiliate who serves as investment adviser in various SMA programs and has entered into an agreement with such affiliate that clearly delineates the division of responsibilities. In providing such sub-advisory and operational support to its affiliate, WellsCap assists with the execution of trades and has discretionary trading authority over certain retail SMA accounts managed by the affiliate. When it has discretionary trading authority over an SMA account, the SMA account holder is also a WellsCap client and, as such, WellsCap has a best execution obligation in regards to its trading for the SMA account. Additionally, WellsCap provides models on a non-discretionary basis to sponsors of wrap fee programs on behalf of its affiliate. When WellsCap provides such models, it does not have investment or trading discretion over any underlying model-based account and, as such, WellsCap does not have an advisory relationship with that client. To the extent that a Sponsor or investment adviser provides this Form ADV Part 2A to SMA program clients with whom WellsCap has no advisory relationship, or when it is not legally required to be delivered, it is provided for informational purposes only.



CURRENT ASSETS UNDER MANAGEMENT

As of December 31, 2017, WellsCap had \$342.7 billion in regulatory assets under management on a discretionary basis and \$4.1 billion in regulatory assets under management on a non-discretionary basis. Additionally, as of December 31, 2017, WellsCap managed approximately \$2.86 billion in non-discretionary model assets.



Item 5 - Fees and Compensation

In most cases, WellsCap charges a fee, usually based upon a percentage of the market value of assets under management. In certain circumstances (described further below), WellsCap may also receive other compensation, such as performance-based fees or advisory/management fees for serving as investment adviser/sub-adviser for wrap programs.

The basic fee schedules for WellsCap's investment advisory services are indicated below, and fees could change when circumstances warrant (e.g., large account size; accounts that require special services, etc.). In most cases, the fee schedules represent tiered fees and not weighted averages for the total amount of assets under management. The minimum account size is noted below for each strategy, where minimum annual fee is stated, and may vary by investment style and asset class. There are no start-up or closing fees and any partial periods are prorated over the billing cycle. Because WellsCap generally bills in arrears, there is no refund policy. In limited circumstances, clients pay in advance, in which case advisory fees are refunded in the case of termination. Advisory agreements could be terminated by WellsCap or a client in accordance with the terms of the advisory contract, including any provisions relating to notice of termination.



Small Cap Equity	First \$25m	1.00%
	Next \$25m	0.90%
	Next \$50m	0.85%
	Over \$100m	0.80%
	Min. Annual Fee	\$50,000
	Min. Account Size	\$5 m
Select Equity	First \$25m	1.00%
Small Cap Value	Next \$25m	0.90%
PMV Small Cap Value	Next \$50m	0.85%
	Over \$100m	0.80%
	Minimum Annual Fee	\$100,000
SMID Cap Equity Fee Schedule	First \$25m	0.95%
	Next \$25m	0.85%
	Next \$50m	0.80%
	Over \$100m	0.75%
	Minimum Annual Fee	\$95,000
	Min. Account Size	\$10 m
Mid-Cap Equity	First \$25m	0.85%
	Next \$25m	0.75%
	Next \$50m	0.70%
	Over \$100m	0.65%
	Minimum Annual Fee	\$85,000
	Min. Account Size	\$10 m
Large-Cap Equity	First \$25m	0.75%
	Next \$25m	0.65%
	Next \$50m	0.50%
	Over \$100m	0.40%
	Minimum Annual Fee	\$75,000
	Min. Account Size	\$10 m
Heritage Premier Growth Equity	First \$25m	0.75%
	Next \$25m	0.65%
	Next \$50m	0.60%
	Over \$100m	0.55%
	Minimum Annual Fee	\$75,000
	Min. Account Size	\$10 m
Analytic Investors Enhanced Equity	First \$20M	0.40%
Analytic Investors US Low Volatility	Next \$80M	0.30%
	On balance	0.20%
	Min. Account Size	\$20 m
Analytic Investors Core Equity	First \$20M	0.60%
Analytic Investors Value Equity	Next \$80M	0.40%



	On balance	0.30%
Analytic Investors Core Equity Plus (130/30)	First \$20M	0.70%
	Next \$80M	0.60%
	On balance	0.50%
All-Cap Equity	First \$25m	0.85%
	Next \$25m	0.75%
	Next \$50m	0.70%
	Over \$100m	0.65%
	Minimum Annual Fee	\$85,000
	Min. Account Size	\$10 m
Emerging Markets Equity Income	First \$50 Million	1.00%
Emerging Markets Equity Total Return	Next \$50 Million	0.90%
Emerging Prosperity	Next \$100 Million	0.85%
Emerging Markets ESG	Over \$200 Million	0.80%
China Equity	Minimum Annual Fee	\$200,000
	Min. Account Size	\$20 m
Berkeley Street Emerging Markets Equity	First \$50 Million	1.00%
Berkeley Street Emerging Markets Large-Mid Cap Equity	Next \$50 Million	0.90%
	Next \$100 Million	0.85%
	Over \$200 Million	0.80%
	Minimum Annual Fee	\$250,000
	Min. Account Size	\$25 m
Emerging Markets Equity Closed-End Fund	Flat fee for all accounts	1.00%
	Minimum Annual Fee	\$250,000
	Min. Account Size	\$25 m
Asia Pacific Equity	First \$25 million	0.80%
	Next \$75 million	0.60%
	Over \$100 million	0.50%
	Min. Annual Fee	\$80,000
	Min. Account Size	\$10 m
Analytic Investors Emerging Market Low Volatility	First \$20M	0.60%
	Next \$80M	0.50%
	On balance	0.40%
Analytic Investors Japan Equity - Long Only	First \$20M	0.70%
	Next \$80M	0.50%
	On balance	0.30%
MWCM Global Intrinsic Equity	First \$25m	0.85%
	Next \$25m	0.70%



	Next \$50m	0.60%
	Over \$100m	0.50%
	Minimum Annual Fee	\$85,000
	Min. Account Size	\$10 m
Special Global Small Cap Equity	First \$50m	1.00%
	Next \$50m	0.95%
	Over \$100m	0.85%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$10 m
EverKey Global Focus	First \$25m	1.00%
EverKey Global Concentrated	Next \$25m	0.90%
	Next \$50m	0.85%
	Over \$100m	0.80%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$10 m
Global Equity Closed-End Fund	Flat fee for all accounts	0.85%
	Minimum Annual Fee	\$212,500
	Min. Account Size	\$25 m
Analytic Investors Global Low Volatility	First \$20M	0.50%
	Next \$80M	0.40%
	On balance	0.30%
Analytic Investors ACWI Low Volatility	First \$20m	0.55%
	Next \$80m	0.45%
	Over \$100m	0.35%
MWCM International Core Value Equity	First \$25m	0.85%
MWCM International Core Value ADR	Next \$25m	0.70%
	Next \$50m	0.60%
	Over \$100m	0.50%
	Minimum Annual Fee	\$85,000
	Min. Account Size	\$10 m
EverKey International Equity	First \$25m	0.85%
	Next \$25m	0.75%
	Next \$50m	0.70%
	Over \$100m	0.60%
	Minimum Annual Fee	\$85,000
	Min. Account Size	\$10 m
Special International Small Cap Equity	First \$50m	1.00%
	Next \$50m	0.95%
	Over \$100m	0.85%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$10 m



International Equity Closed-End Fund	Flat fee for all accounts	0.85%
	Minimum Annual Fee	\$212,500
	Min. Account Size	\$25 m
Precious Metals	First \$10 Million	0.95%
	Next \$15 Million	0.85%
	Next \$25 Million	0.75%
	Next \$50 Million	0.65%
	Over \$100 Million	0.60%
	Minimum Annual Fee	\$95,000
	Min. Account Size	\$10 m
Analytic Investors Global Long/Short Equity	Flat fee for all accounts	1.00%
EverKey Global Long/Short	Flat fee for all accounts	1.50%
Analytic Investors US Market Neutral	Incentive fee	0.20%
Analytic Investors Derivatives Based Strategies		
<i>Active Buy/Write</i>	First \$20M	0.40%
	Next \$80M	0.30%
	On balance	0.20%
<i>Passive Buy/Write</i>	First \$20M	0.30%
	Next \$80M	0.20%
	On balance	0.15%
<i>Covered Call</i>	First \$20m	0.40%
	Next \$80m	0.30%
	Over \$100m	0.20%
Factor Enhanced Large Cap	First \$100m	0.14%
	Next \$400m	0.12%
	Over \$500m	0.10%
Factor Enhanced Small Cap	First \$100m	0.17%
Factor Enhanced International	Next \$400m	0.15%
	Over \$500m	0.13%
Factor Enhanced Emerging Markets	First \$100m	0.20%
	Next \$400m	0.18%
	Over \$500m	0.15%
U.S. Core Fixed Bond	First \$50m	0.30%
	Next \$50m	0.25%
	Over \$100m	0.20%
	Minimum Annual Fee	\$75,000
	Min. Account Size	\$25 m



Montgomery U.S. Core Fixed Income	First \$15 Million	0.42%
	Next \$85 Million	0.30%
	Next \$100 Million	0.25%
	Next \$550 Million	0.20%
	Over \$750 Million	0.15%
	Minimum Annual Fee	\$443,000
	Min. Account Size	\$150 m
Municipal	First \$50 Million	0.30%
Municipal Intermediate	Next \$50 Million	0.20%
Municipal Plus	Next \$400 Million	0.15%
Short-Term Intermediate Municipal Fixed Income	Over \$500 Million	0.12%
	Minimum Annual Fee	\$150,000
	Min. Account Size	\$50 m
High Yield Municipal Fixed Income	First \$50 Million	0.50%
	Over \$50 Million	0.45%
	Minimum Annual Fee	\$250,000
	Min. Account Size	\$50 m
U.S. Intermediate	First \$25 Million	0.35%
U.S. Mortgage-Focused Government	Next \$25 Million	0.25%
	Over \$50 Million	0.20%
	Minimum Annual Fee	\$87,500
	Min. Account Size	\$25 m
U.S. Core Plus Fixed Income	First \$25m	0.40%
	Next \$25m	0.35%
	Over \$50m	0.30%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$25 m
U.S. Enhanced Core Bond	First \$25m	0.35%
	Next \$25m	0.30%
	Over \$50m	0.25%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$25 m
Strategic Fixed Income	First \$25m	0.50%
	Next \$25m	0.45%
	Over \$50m	0.40%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$25 m
Treasury Inflation Protected Securities	First \$25m	0.25%
	Next \$25m	0.20%
	Over \$50m	0.15%
	Minimum Annual Fee	\$62,500



	Min. Account Size	\$25 m
U.S. Medium Quality Credit	First \$50m	0.40%
	Next \$50m	0.35%
	Over \$100m	0.30%
	Minimum Annual Fee	\$100,000
	Min. Account Size	\$25 m
U.S. Aggregate Income Focus	First \$50m	0.30%
U.S. Intermediate Income Focus	Next \$50m	0.25%
U.S. Credit Focus	Next \$100m	0.20%
	Over \$200m	0.15%
	Minimum Annual Fee	\$120,000
	Min. Account Size	\$40 m
Sutter High Yield Fixed Income	First \$50 Million	0.60%
Sutter Conservative High Yield Fixed Income	Over \$50 Million	0.50%
U.S. High Yield Bond	Minimum Annual Fee	\$300,000
	Min. Account Size	\$50 m
U.S. Short-Term High Yield	First \$50 Million	0.50%
	Over \$50 Million	0.45%
	Minimum Annual Fee	\$250,000
	Min. Account Size	\$50 m
Sutter Leveraged Loans	All balances (at notional market values)	0.50%
Montgomery U.S. Short Duration Fixed Income	First \$10 Million	0.45%
	Over \$10 Million	0.25%
	Minimum Annual Fee	\$270,000
	Min. Account Size	\$100 m
Montgomery U.S. Long Credit Fixed Income	First \$50m	0.32%
	Next \$50m	0.25%
	Over \$100m	0.20%
	Minimum Annual Fee	\$285,000
	Min. Account Size	\$100m
Cash Tax-Advantaged Fixed Income	First \$70 Million	0.12%
Enhanced Cash Tax-Advantaged Fixed Income	Over \$70 Million	0.10%
U.S. Limited Duration Tax-Advantaged	Minimum Annual Fee	\$80,000
U.S. Taxable 3 Month	Min. Account Size	\$100 m
U.S. Taxable 6 Month	For Balances over \$100 M	
U.S. Taxable 1 Year	First \$100 Million	0.10%
U.S. Taxable 1-3 Year	Over \$100 Million	0.08%
Taxable 1-5 Year Fixed Income	Minimum Annual Fee	\$80,000
	Min. Account Size	\$100 m



Ultra-Short Tax-Advantaged Fixed Income	First \$50 Million	0.25%
Ultra-Short Plus Tax-Advantaged Fixed Income	Next \$50 Million	0.20%
Short-Term Plus Tax-Advantaged Fixed Income	Over \$100 Million	0.15%
Short-Term Tax-Advantaged Fixed Income	Minimum Annual Fee	\$100,000
U.S. Short-Term Plus	Min. Account Size	\$40m
Taxable Ultra-Short Plus Fixed Income		
Multi-Asset Accounts	First \$10 Million	0.85%
	Next \$40 Million	0.65%
	Over \$50 Million	0.50%
	Minimum Account Fee	\$85,000
	Min. Account Size	\$10 m
Adjustable Rate Fixed Income	First \$50 Million	0.35%
	Over \$50 Million	0.25%
	Minimum Account Fee	\$175,000
	Min. Account Size	\$50 m
SILC	First \$100m	0.25%
	Next \$250m	0.20%
	Balance \$150	150.00%
	Minimum Annual Fee	\$187,500
	Min. Account Size	\$75 m
International Bond	First \$25m	0.45%
	Next \$25m	0.40%
	Next \$50m	0.35%
	Over \$100m	0.30%
	Minimum Annual Fee	\$90,000
	Min. Account Size	\$20 m
Global Bond	First \$25m	0.45%
Global Bond (Hedged)	Next \$25m	0.40%
Global Bond Opportunity	Next \$50m	0.35%
Global Sovereign Bond	Over \$100m	0.30%
FIA Global Fixed Income Long Duration	Minimum Annual Fee	\$90,000
	Min. Account Size	\$20 m
FIA Global Fixed Income (Ultra Short)	First \$20m	0.25%
	Next \$80m	0.15%
	Over \$100m	0.10%
	Minimum Annual Fee	\$50,000
	Min. Account Size	\$20 m
Emerging Market Local Currency Bond	First \$50m	0.70%
	Next \$50m	0.60%
	Over \$100m	0.55%
	Minimum Annual Fee	\$140,000



	Min. Account Size	\$20 m
Eur Short Duration Credit	First €50m	0.30%
	Next €50m	0.25%
	Next €200m	0.20%
	Over €300m	0.15%
* Performance fee available upon request	Minimum Annual Fee	€150,000
	Min. Account Size	€50 m
ECM Investment Grade Credit	First €50m	0.30%
	Next €50m	0.25%
	Next €200m	0.20%
	Over €300m	0.15%
* Performance fee available upon request	Minimum Annual Fee	€150,000
	Min. Account Size	€50 m
Eur Loans	First €50m	0.50%
	Next €50m	0.45%
	Next €200m	0.40%
	Over €300m	0.35%
* Performance fee available upon request	Minimum Annual Fee	€250,000
	Min. Account Size	€50 m
Eur Senior Secured Credit	First €50m	0.50%
	Next €50m	0.45%
	Next €200m	0.40%
	Over €300m	0.35%
* Performance fee available upon request	Minimum Annual Fee	€250,000
	Min. Account Size	€50 m
Eur Dynamic Credit	First €50m	0.45%
	Next €50m	0.40%
	Next €200m	0.35%
	Over €300m	0.30%
* Performance fee available upon request	Minimum Annual Fee	€225,000
	Min. Account Size	€50 m
Eur Financials	First €50m	0.50%
	Next €50m	0.45%
	Next €200m	0.40%
	Over €300m	0.35%
* Performance fee available upon request	Minimum Annual Fee	€250,000
	Min. Account Size	€50 m
Tactical Portfolio Management	First \$100 Million	0.50%
	Next \$150 Million	0.40%
	Next \$250 Million	0.30%
	Next \$500 Million	0.24%



Over \$1 Billion	0.18%
Minimum Annual Fee	\$50,000
Min. Account Size	\$10 m

Tactical Alpha Overlay

Base: 0.00% Incentive: 30% of Value Added

Option: A *

Low Volatility Strategy 0.10%

Option: B *

Mid Volatility Strategy 0.20%

High Volatility Strategy 0.30%

* Plus Incentive fee 20% of value added

OTHER CONSIDERATIONS

Special Circumstances - General. The preceding section describes WellsCap's basic fee schedules for separately managed client accounts; however, fees are negotiable where special circumstances prevail, and arrangements with any particular client could vary from the fees specified above.

Special Circumstances - Offshore Clients. WellsCap also manages some accounts for clients or their accounts based outside of the United States. In many such arrangements, and in consideration of the enhanced administrative costs, WellsCap charges fees that are higher than the fees specified above.

Models. WellsCap receives compensation for providing investment recommendations for certain equity and fixed income models maintained for the benefit of certain WellsCap and Wells Fargo clients.

Wrap Fee Programs. Participants in wrap fee programs pay advisory fees and additional fees, including certain brokerage charges as further detailed in Item 12 below, and custodial or administrative charges. For information on the fees charged by Sponsors, participants should consult with the Sponsor or refer to the Sponsor's wrap fee program brochure.

Additional information relating to potential conflicts of interest can be found in *Item 6 - Performance-Based Fees and Side-By-Side Management*, *Item 11- Code of Ethics, Participation or Interest in Client Transactions*, and *Personal Trading*, and *Item 12 - Brokerage Practices* within this Brochure.



Item 6 - Performance-Based Fees and Side-By-Side Management

PERFORMANCE FEES

For some accounts that WellsCap manages, WellsCap has received or will receive a performance-based fee.

Because WellsCap and its managers manage accounts that include performance-based fees and other accounts that do not, there could be an incentive to favor those accounts that include a performance-based fee. In general, potential conflicts of interest arise among accounts that have different objectives, benchmarks, time horizons and fees because WellsCap and its portfolio managers must allocate time and investment ideas across multiple funds and accounts. To address potential conflicts of interest, WellsCap manages accounts in a similar manner, with similar investments and similar allocations whenever possible, and consistent with individual client guidelines and requirements. Potential conflicts of interest also arise if orders for a client do not get fully executed due to being aggregated with orders of other accounts managed by WellsCap.

Some of the performance fee methods of calculation include the following:

- Performance fee computations based on annual achieved returns of the client's portfolio against the designated benchmark.
- Performance fee equaling a percentage of the performance of the client's portfolio in excess of the designated benchmark.
- A base fee on all balances in the client's portfolio plus a percentage of the incremental outperformance (performance of the client's portfolio in excess of the designated benchmark).

WellsCap has adopted compliance controls to deter and detect potential conflicts of interest that might arise as a result of the performance-based fee structure of these accounts.

Side-By-Side Management. WellsCap does not advise clients to purchase securities of issuers in which WellsCap has an interest nor does WellsCap sell securities to, or purchase securities from, clients. From time to time, however, WellsCap recommends or causes a client to invest in a security in which WellsCap or a person associated with WellsCap has an ownership position. WellsCap has adopted certain procedures intended to prevent advisory persons and immediate family from benefiting from any price movements that may be caused by client transactions or WellsCap's recommendations regarding such securities. Under those procedures, without specific approval, advisory persons are not allowed to purchase securities for their own



account or an account in which they have a beneficial interest for a period of time before and after a client account purchases that security. Thus, if an advisory person purchases a security in an account in which he or she has a beneficial interest, he or she generally cannot cause any client accounts to purchase that security within the stated time period unless circumstances warrant such action without likelihood of non-negligible impact to our clients.

In addition, a portfolio manager may execute transactions for other accounts that may adversely impact the value of securities held by other client accounts. For example, although uncommon, the portfolio manager may manage other accounts that engage in short sales, and could sell short a security for such other account that the account also trades or holds. Although WellsCap monitors such transactions to attempt to ensure equitable treatment of the holding account and the account that engages in short sales, there can be no assurance that the price of a security held by the account would not be impacted as a result. Also, securities selected for a particular account may outperform the securities selected for other accounts managed by the same portfolio manager.



Item 7 - Types of Clients

WellsCap provides services to a diverse group of clients including, but not limited to the following:

- Institutional clients, corporations or other business entities
- Individuals, including high net worth individuals
- Public funds and municipalities
- Foundations, endowments, trusts and estates
- Mutual fund companies
- Taft-Hartley plans, governmental plans, and unions
- Health services organizations
- Insurance organizations
- Wrap program sponsors
- Charitable organizations and non-profit entities
- Sovereign wealth funds/central banks
- Private funds and hedge funds
- Retirement and Other Employee Retirement Income Security Act ("ERISA") entities

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

ANALYSIS

WellsCap's investment methods include quantitative, qualitative, and cyclical analysis using WellsCap's proprietary systems, databases, trading systems, and third- party data reporting. WellsCap also uses a wide variety of publicly available market and economic factors to make asset allocation and investment decisions. This information comes from many different sources including financial newspapers, magazines and journals, economic and market databases, research materials prepared by others, on-line services, press releases, third-party services, and publicly available filings with governmental and regulatory agencies. Depending on the type of asset class, investment, and strategy, WellsCap's investment analytics include an examination of one or more of the following:

- Pricing and valuation gaps between asset classes
- Short-term and longer-term macroeconomic, microeconomic and market trends in both the U.S. and foreign markets
- U.S. and foreign legislative and political developments
- Proprietary quantitative models and screens
- Valuation analysis to objectively assess the value of assets
- Proprietary credit analysis
- Business model analysis to identify sustainable earnings growth
- Debt and cash flow analysis
- Bottom-up company specific analysis to find securities with under-appreciated prospects
- Environmental, Social and Governance ("ESG") research and sustainability disclosures made by issuers (e.g. corporations, municipalities, sovereigns)

As mentioned above, WellsCap also provides non-discretionary services that include providing securities ranking information and/or model portfolios to other investment advisers, including one or more affiliated investment advisers. Some of these model portfolios utilize a quantitative (a system of analysis using complex mathematical and statistical modeling, measurement and research) investment approach through which investment recommendations are model-driven. The models assess companies with regard to, among other things, valuation, earnings, and quality; and that assessment is translated into rankings/scores that identify companies as relatively more or less attractive than others. For certain strategies, client accounts are quantitatively (as defined above) managed independent of one another in accordance with specific client mandates, restrictions and instructions. Given specific constraints of an individual client account and the trade cycle and rotation of trading client accounts, instances may arise when one or more client account holds a long position in a specific



security, while one or more client account holds a short position in the same security. These instances may also arise considering benchmark-relative investment mandates and the level at which individual client accounts hold a significant overweight or underweight position in an individual security.

INVESTMENT STRATEGIES

WellsCap's investment approach also includes investment selection and asset allocation based on one or more of the following strategies:

- Trading strategies based on potential relative attractiveness
- Use of when-issued or delayed-delivery instruments
- Foreign currency investments for modifying currency exchange exposure
- Buying or selling of futures, options, or swap agreements, as well as other derivatives, to manage risk or to enhance return
- Use of leverage to target a specific anticipated risk or return

RISK OF LOSS

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time and because there is a risk of loss to the assets we manage that is out of our control, WellsCap cannot guarantee any level of performance or that clients will not experience a loss in their accounts.

CURRENCY RISK

Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of an account's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments.

DEBT SECURITIES RISK

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer or credit support provider of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or credit support provider or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that market interest rates may increase, which tends to reduce the resale value of certain debt securities, including U.S. Government obligations. Debt securities with longer durations are generally more sensitive to interest rate changes than those with shorter

durations. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, such as asset-backed securities, thereby affecting their value.

DERIVATIVES RISK

The term "derivatives" covers a broad range of investments, including futures, options and swap agreements. In general, a derivative refers to any financial instrument whose value is derived, at least in part, from the price of another security or a specified index, asset or rate. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives, such as their ability to generate leverage. These risks are heightened when the portfolio manager uses derivatives to enhance return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held. The success of management's derivatives strategies will also be affected by its ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

EMERGING MARKETS RISK

Emerging markets securities typically present even greater exposure to the risks described under "Foreign Investment Risk" and may be particularly sensitive to certain economic changes. For example, emerging market countries are typically more dependent on exports and are therefore more vulnerable to recessions in other countries. Emerging markets may be under-capitalized and have less developed legal and financial systems than markets in the developed world. Additionally, emerging markets may have volatile currencies and may be more sensitive than more mature markets to a variety of economic factors. Emerging markets securities also may be less liquid than securities of more developed countries and could be difficult to sell, particularly during a market downturn.

EQUITY RISK

Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. Investments in equity securities (such as stocks) may be more volatile and carry more risks than some other forms of investment. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for a portfolio or the securities market as a whole, such as changes in economic or political conditions. Certain stocks can be



sensitive to changes in the earning of their underlying companies and more volatile than other types of stocks over the short term. Other stocks can have increased risks in situations where companies may not have sufficient resources to continue as an ongoing business, which would result in the stock of such companies potentially becoming worthless. During periods of adverse economic and market conditions, the prices of stocks may fall despite favorable earnings trends. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market or economic developments.

ERROR RISK

WellsCap has policies and procedures to address identification and remediation of errors. Errors occasionally may occur in connection with WellsCap's management of funds and client accounts. Investment decisions, portfolio construction and related activities, including trading and trade reconciliation, are inherently complex processes that pose inherent risks. These risks may from time to time result in an error.

An incident is any occurrence or event that interrupts normal investment-related activities or that may deviate from applicable law, the terms of an investment management agreement, or applicable internal or external policies or procedures. Incidents can occur at WellsCap or at one of WellsCap's service providers.

Whether or not an incident rises to the level of an error will be based on the facts and circumstances of each incident. Errors may include: i) investment decision-making that violates a client's investment guidelines, purchases made with unavailable cash, and sales made with unavailable securities, etc.; and/or ii) an administrative error made prior to or during a trade's execution (e.g., trader executes the wrong security, or for an incorrect number of shares or units, etc.). WellsCap will address and resolve errors on a case by case basis, in its sole discretion, based on each error's facts and circumstances, including regulatory requirements, contractual obligations and business practices. WellsCap is not obligated to follow any single method of resolving errors.

Not all errors will be considered compensable errors. When WellsCap determines that reimbursement is appropriate, the account will be compensated as determined in good faith by WellsCap. Resolution of errors may include, but is not limited to, permitting client accounts to retain gains or reimbursing client accounts for losses resulting from the error. The calculation of the amount of any loss will depend on the facts and circumstances of the error, and the methodology used by WellsCap may vary. In the event of a compensable error, WellsCap will make the account whole and will inform the client. In general, compensation is expected to be limited to direct monetary losses and will not include any "opportunity cost" nor; (i) any



amounts related to opportunity cost; (ii) any amounts that WellsCap deems to be speculative or uncertain; (iii) investment losses not caused by the error; (iv) any loss amount that results from technology or service provider failures that are beyond our reasonable control.

FOREIGN INVESTMENT RISK

Foreign investments, including American Depositary Receipts ("ADRs") and similar investments, are subject to more risks than U.S. domestic investments. These additional risks may potentially include lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments. Foreign companies also may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies. In addition, amounts realized on sales or distributions of foreign securities may be subject to high and potentially confiscatory levels of foreign taxation and withholding when compared to comparable transactions in U.S. securities. Investments in foreign securities involve exposure to changes in foreign currency exchange rates. Such changes may reduce the U.S. dollar value of the investment. Foreign investments are also subject to risks including potentially higher withholding and other taxes, trade settlement, custodial, and other operational risks and less stringent investor protection and disclosure standards in certain foreign markets. In addition, foreign markets can and often do perform differently from U.S. markets.

MARKET RISK

The market price of securities may go up or down, sometimes rapidly or unpredictably. Securities may decline in value or become illiquid due to factors affecting securities markets generally or particular industries represented in the securities markets, such as labor shortages or increased production costs and competitive conditions within an industry. A security may decline in value or become illiquid due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. During a general downturn in the securities markets, multiple asset classes may decline in value or become illiquid simultaneously. Equity securities generally have greater price volatility than debt securities.

REGULATORY RISK

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

MODEL RISK

WellsCap provides services utilizing a quantitative (a system of analysis using



complex mathematical and statistical modeling, measurement and research) investment approach through which investment recommendations are model driven. This process is supported by extensive proprietary computer code. WellsCap has implemented policies and procedures surrounding the development, testing, change control and review of our investment models, including the code. However, despite these extensive controls it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on investment results. We have control procedures in place designed to identify in a timely manner any such errors which would have a material impact on the investment process.



Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm's management.

As a subsidiary of WFC, a large financial services holding company, WellsCap operates in a legal and regulatory environment that exposes it to significant risks due to WFC's involvement in various legal and regulatory matters, including litigation, arbitrations, and investigations. Such cases are subject to many uncertainties, and their outcome is often difficult to predict, including the impact on WFC's operations or financial results, particularly in the early stages of a case. Many, but not necessarily all, of such matters are disclosed in WFC's securities and regulatory filings made under the Securities Act of 1933 and the Securities Exchange Act of 1934, among other laws and regulations, or otherwise may be reported on in the media from time to time. WFC's regulatory filings generally are available from WFC, the SEC, or the Financial Industry Regulatory Authority ("FINRA").



Item 10 - Other Financial Industry Activities and Affiliations

WellsCap offers only investment services. It does not provide or get compensated for any broker-dealer or investment banking functions. Notwithstanding, WellsCap has the following affiliations and arrangements with related persons in the financial services industry; additional information regarding any potential conflicts is identified in Item 11 (Code of Ethics and Conflicts of Interest) below.

Wells Fargo Clearing Services, LLC, doing business as Wells Fargo Advisors ("WFA"), is a subsidiary of Wells Fargo, an affiliate of WellsCap, and is the Sponsor of wrap fee programs. As part of these wrap fee programs, WFA clients may choose a particular investment adviser to manage their assets. Wells Fargo Funds Management, LLC ("WFFM"), also an affiliate of WellsCap, is one of many available investment advisers within the WFA wrap fee program. WellsCap, as noted in Item 4, has contracted to provide sub-advisory and operational support to WFFM for investment advisory services WFFM provides to wrap fee programs. In providing such operational support to WFFM, WellsCap assists with trade execution which includes the possibility of trade execution on a non- principal basis by WFA. Additional information about the WFA wrap fee programs is available in WFA's FormADV and wrap fee program materials.

Wells Fargo Funds Distributor, LLC ("WFFD"), an affiliate of WellsCap, is a registered broker-dealer and serves as a distributor of the shares of the Wells Fargo Funds, as the placement agent for private funds and as sub-distributor of the Worldwide Fund. WFFD maintains registered representative licenses for a limited number of WellsCap employees who are also engaged in mutual fund and private fund sales activity on behalf of WellsCap. Because WFFD has supervisory oversight and control of these licensed employees, they are dual employees of both WFFD and WellsCap. WellsCap does not consider their broker-dealer or securities sales activities to be a function of WellsCap. WellsCap's international sales team members located in Asia are licensed through Wells Fargo Securities Asia Limited ("WFSAL") and European and Middle Eastern based team members are licensed through Wells Fargo Securities International Limited (WFSIL). Both WFSAL and WFSIL are entities affiliated with WellsCap.

Wells Fargo Securities, LLC ("WFS"), an affiliate of WellsCap, is a broker-dealer that engages in investment banking activity. On behalf of its clients, WellsCap may engage in equity trading activity on an agency basis with WFS. Additionally, from time to time, WellsCap purchases certain new offerings of securities on behalf of its clients where this investment bank affiliate is a participant in the syndicate, provided that WellsCap purchases are limited pursuant to any applicable regulatory restrictions. Information relating to potential conflicts of interest can be found in Item 11 - Code of Ethics, Participation or Interest in Client Transactions, and



Personal Trading within this Brochure.

Wells Capital Management Singapore ("Wells Capital Singapore") is a separately identifiable department of Wells Fargo Bank N.A., and a registered investment adviser. Wells Capital Singapore is an affiliate of WellsCap, and certain WellsCap team members provide administrative, compliance, operational, trading and/or investment management services to Wells Capital Singapore.

WellsCap provides advisory and sub-advisory services on a contract basis to public and private funds and other advisers. In serving as a sub-adviser, WellsCap oversees the function of portfolio management and related reporting functions only. Because WellsCap considers the contracting adviser (or fund) as its client, WellsCap distributes its Form ADV and other disclosures to its client directly and not to the underlying fund shareholders or trust beneficiaries. WellsCap relies on the contracting adviser to take responsibility for AML/Privacy/Disclosure and counseling of any shareholder-specific inquiries.

WellsCap also serves as a sub-adviser for affiliates of Wells Fargo including Institutional Retirement and Trust, Wells Fargo Wealth Management Group, Wells Fargo Asset Management Luxembourg S.C.A. and various series of Wells Fargo Funds Trust, Wells Fargo Master Trust, and Wells Fargo Variable Trust ("Funds"), also known as the Wells Fargo Funds. WFFM is the investment adviser for the Funds and directs the sub-advisory relationship with WellsCap pursuant to applicable advisory contracts for each Fund. WFFM also acts as administrator to the Funds.

As noted within this Brochure, WellsCap is one of several registered investment advisers that form a part of Wells Fargo's asset management division, Wells Fargo Asset Management. Wells Fargo Asset Management includes, among other registered investment advisers, ECM Asset Management, Ltd. ("ECM"), Wells Fargo Asset Management (International), LLC ("WFAMI"), and WFFM, which are all affiliates of WellsCap.

For fixed income teams, WellsCap and its affiliated investment advisers ECM and WFAMI, can share research and analyst reports that each produces through combined meetings of analyst and/or portfolio management teams, a central database of research and reports, or as they otherwise deem appropriate. These affiliated investment advisers have determined that their clients generally will benefit from such shared research by effectively broadening the resources of each adviser. The equity investment teams independently contract for research and may share research with our affiliates under limited circumstances.



Item 11 - Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

WellsCap's Code of Ethics ("Code") is adopted pursuant to Section 204A-1 of the Advisers Act. The Code governs a number of potential conflicts of interest that could arise as we provide our advisory services to you, and is designed to ensure that we meet our fiduciary obligations to you. The Code applies to all WellsCap employees (including temporary or contingent workers) by governing employee personal trading activities and providing guidance with respect to potential conflicts of interest, insider trading, and the use of material non-public information. In addition, all WellsCap employees are also subject to a separate Code of Ethics that is applicable to all employees of Wells Fargo.

The Code is designed to detect and prevent violations of securities laws while addressing the obligations we owe to you. The Code is comprehensive, is distributed to each employee at the time of hire as a condition of employment, and compliance with its terms must be acknowledged in writing by each employee annually thereafter. WellsCap supplements the Code with on-going monitoring of employee activity.

While a copy of the Code of Ethics is available to any client or prospective client upon request at any time by contacting us at the address listed in this brochure, the material provisions of the Code include the following:

- Requirements related to the confidentiality of your information and finances;
- Prohibitions on insider trading or the misuse of material, non-public information;
- Pre-clearance on the acceptance of gifts and entertainment that exceed our policy standards;
- Pre-clearance of employee personal securities transactions; and,
- Reporting of relevant personal securities transactions.

All personal trading activities for investment personnel are subject to WellsCap's pre-clearance requirements under the Code, as well as ongoing monitoring by WellsCap's Compliance department. The Code requires daily pre-clearance of personal trade transactions and reconciliation of trading activity against trade confirmations and employee's brokerage statements to help deter and detect activities such as "front-running", "scalping", and insider trading. Employees are required to disclose conflicts of interest and are barred from acting upon material non-public information.



In addition, prior approval requirements for purchases and sales of securities that could be common between personal holdings and holdings directly managed by portfolio managers are clearly delineated in the Code. WellsCap employees who maintain brokerage or investment accounts for themselves and/or their immediate families are required to provide copies of their reportable securities transactions at the end of every quarter, and all holdings of reportable securities accounts must be reported at the end of every calendar year.

The above restrictions do not apply to purchases or sales of certain types of accounts and securities, including shares of open-end registered investment companies that are unaffiliated with the Wells Fargo Funds family, money market instruments, and certain U.S. Government securities. To facilitate enforcement, our Code generally requires that our employees submit reports to a designated Compliance person regarding transactions involving securities which are eligible for purchase by any and all accounts managed by WellsCap.

ADDITIONAL POTENTIAL CONFLICTS AND CODE CONSIDERATIONS

Our Code does not prohibit personal trading by employees but rather seeks to monitor and manage their trading, and in some cases restrict it subject to certain conditions. In addition, WellsCap is affiliated with a large financial services holding company which includes a variety of financial businesses and activities that are managed by Wells Fargo employees. As a result, due to our activities as a professional investment adviser, it is possible that conflicts arise from time to time as WellsCap employees are managing their personal assets concurrent with the ongoing functions related to their employment duties and our fiduciary obligations, or as affiliated entities or their employees are engaging in their own financial activity. While WellsCap seeks to manage these conflicts by strict application of its Code provisions and policy requirements, the following situations could create an actual or perceived conflict of interest:

Wells Fargo Affiliation. WellsCap is a subsidiary of Wells Fargo, a diversified financial services firm that provides a variety of banking and financial services to a broad array of clients. Wells Fargo includes many different business activities, and each of the entities that conduct these activities is considered affiliated with WellsCap. In particular, some of these entities could engage in their own trading involving the same securities that WellsCap manages on your behalf. This means that while WellsCap is managing its fiduciary duties to you, other entities within Wells Fargo could be engaging in transactions that create a conflict (for example, they could be selling the same security that WellsCap has purchased for you). In addition, these related persons could recommend their clients transact the same securities in which you have a material financial interest. In some instances it is even possible that you also have a client relationship yourself with one or more of these entities, and your securities



transactions may appear conflicted. With limited exceptions described below, these transactions by related persons are independent of WellsCap and are outside of the course and scope of WellsCap's investment advisory services. However, in order to manage these potential conflicts, WellsCap maintains a variety of policies to maintain effective business barriers and manage the confidentiality of its own information and activities, as described further below.

In addition, WellsCap maintains an Expert Network Policy in order to help mitigate potential insider trading liability when engaging with expert networks. The policy details internal controls that have been established to manage trading risks associated with using experts.

WellsCap acts as a fiduciary with respect to its asset management activities and is required to act in the best interest of its clients and address conflicts that arise. Nevertheless, there are instances where investment opportunities are limited for your account in certain markets in which limitations have been imposed by regulation. One example would include an instance in which WellsCap holds positions on behalf of clients in companies that are in turn invested in WellsCap's ultimate parent company, Wells Fargo. Applicable regulatory limitations due to WellsCap's affiliation with Wells Fargo and its subsidiaries give rise to potential conflict with WellsCap's fiduciary duties, as well as potential conflicts of interest, and could result in WellsCap determining that securities are, or are not, permissible or recommended for purchase or sale.

Brokerage Transactions with Affiliates. WellsCap does not act as principal or broker in connection with client transactions. WellsCap may, however, in the exercise of its discretion and consistent with its legal and contractual authority, route agency transactions in equity securities for clients to an affiliated broker-dealer, WFS, which is a wholly-owned subsidiary of Wells Fargo. WellsCap's routing of orders to an affiliated broker-dealer presents a conflict of interest because execution of those orders will result in a Wells Fargo affiliated broker-dealer benefitting from the transaction. For example, WFS will receive brokerage commissions for transactions executed on an agency basis and may also receive payment for order flow, rebates or similar compensation in connection with the securities transactions that it executes. WellsCap is subject to a duty to seek best execution for any securities transactions that it directs to a broker-dealer, including any transactions directed to one of its affiliated broker-dealers. WellsCap takes brokerage commission rates into account in connection with its broker selection process and expects that the commission rates paid to any affiliated broker-dealer will be attractive relative to the commission rates generally paid to unaffiliated broker-dealers for comparable transactions. Any transactions routed to an affiliated broker-dealer on behalf of a U.S. registered investment company will be subject to Rule 17e-1 under the Investment Company Act of 1940 and procedures adopted in accordance therewith. Such procedures effectively require that any commission paid to an affiliate in connection with a transaction not exceed the "usual and customary broker's



commission" for such a transaction.

Independent Activity by Wells Fargo Subsidiaries. WellsCap believes that related persons within the Wells Fargo organization could from time to time recommend securities, proprietary products and/or services to WellsCap's clients. To the extent such "recommendations" are made, they are made outside the WellsCap investment advisory context.

For certain security offerings, Wells Fargo Bank acts in an agency or principal capacity, including but not limited to acting as a bond trustee, paying agent, note registrar, master servicer, trustee, syndicate co-manager, originator, depositor, or sponsor of an MBS, ABS or CMBS asset pool, remarketing agent, or lender in a bank loan syndicate (e.g., sales of pooled or packaged asset-backed securities). WellsCap purchases securities from time to time in offerings or underwritings in which Wells Fargo subsidiaries act in one or more such capacities (and therefore has a financial interest in the outcome of the offering or syndication) to the extent permitted by applicable law and client investment guidelines, and clients should note the potential conflict of interest inherent in such activity. In such cases, WellsCap follows the requirements and constraints of the client and/or regulatory requirements, which includes Regulation W of the Federal Reserve Act, the Investment Company Act of 1940, and ERISA rules where applicable. In general, should WellsCap inadvertently purchase securities in violation of these rules, the purchase will be deemed a trade error and WellsCap will make the client whole for any losses suffered in connection with the unauthorized transaction.

To ensure compliance with applicable laws and regulations and to minimize conflicts of interest, WellsCap generally prohibits purchases into client accounts of securities issued by Wells Fargo & Company and its subsidiaries ("WFC Securities"), and by entities with certain relationships with Wells Fargo & Company ("WFC-related Securities"). Where not prohibited by law or regulation, WellsCap allows client accounts to hold WFC Securities on a limited basis for various reasons, including but not limited to: 1) transferred accounts or non-discretionary accounts which require the client to sign a letter acknowledging that WellsCap did not provide advice or an opinion regarding the acquisition or holding of the position; 2) approved exceptions consistent with regulatory prohibitions and client requests; 3) money funds; or 4) index fund mandates that are tracking an index which holds WFC Securities. For these reasons, the aggregate exposure to WFC Securities in our client accounts is very limited. Clients should be aware that in some cases these limitations on transacting in WFC Securities and WFC-related Securities could adversely impact the performance of their accounts.

WellsCap may manage client accounts against a published index created or maintained by a Wells Fargo affiliate. Certain accounts may also be self-indexed, or managed



against an index where the constituents are determined through a process owned by WellsCap. Portfolio management team members responsible for the management of client accounts will not be involved in the process to rebalance or price the index or its constituents. WellsCap maintains a Code of Ethics, firewall procedures and other information barriers to ensure information on the proprietary index is managed and handled appropriately until such information is made public.

Participation by WellsCap in Client Securities Transactions. With exceptions noted below, WellsCap does not buy or sell for itself securities that it would recommend to clients:

1) In order to limit personal securities transactions, certain employees are permitted to open accounts that mirror a managed strategy or a combination of managed strategies. In such cases, trades are made on a pro-rata basis relative to the managed strategy. WellsCap treats and discloses these as proprietary accounts, though WellsCap does not have any ownership of these accounts and the employee serves as the only beneficial owner of the account. Because these are deemed proprietary accounts, the accounts are not permitted to participate in any IPO transactions and are not permitted to participate in cross trade activities. Moreover, trading in the accounts must be identical, in terms of percentage, to the trades conducted in the managed accounts. The accounts might not identically mirror the managed accounts because not all securities in the managed accounts were initially acquired by the proprietary accounts. Over time, the accounts should be identical (with the exception of securities purchased for the managed accounts in which the proprietary account could not participate).

2) WellsCap investment professionals and other employees are permitted to and do from time to time invest in the funds/strategies that they manage. Mutual funds managed by WellsCap portfolio managers annually disclose information about the value of mutual fund shares owned by such portfolio managers, as well as information about the number and value of accounts that they manage and the number of accounts that are subject to performance fees.

OTHER POTENTIAL CLIENT INVESTMENT CONCERNS AND INVESTMENT CONFLICTS

The investment identification, selection and management process could create potential or actual conflicts for WellsCap and its clients, including:

- Certain types of pooled investment vehicles (including mutual funds, hedge funds, and exchange traded funds), include embedded management fees or other fees and expenses, which would be passed indirectly to WellsCap clients if purchased, and therefore cause an overlap with WellsCap's investment management fees absent an adjustment or waiver of such fees;
- Certain types of investments involve leverage or derivative-styled exposure to

underlying or reference securities, which affect risk profiles and raise regulatory implications for certain types of clients;

- Some investments are created, managed, or issued by entities that engage in social, economic, commercial, or political activities that could be deemed objectionable or questionable by certain clients;
- Some investments are only available to clients who meet certain investor standards, such as qualified institutional buyer ("QIB") or qualified purchaser status, or who have considerations or restrictions with respect to investments in private or unregistered transactions or in transactions regulated by the federal government or state law (e.g., Native American gaming);
- Some investments (either directly, or due to the nature of underlying component assets or derivative structures) involve actual or perceived liquidity constraints that could adversely impact pricing determinations, valuation methodologies, transparency and review of asset composition, and/or the actual marketability and sale of the investment; and,
- The purchase and/or management of some investments involve credit analysis based in whole or in part on information that may not be readily available to the public (e.g., material, non-public information), and that can cause the client to become restricted in trading public securities of that issuer so long as such information remains material and non-public. In addition, investments in the same security by WellsCap and its affiliated entities may result in increased aggregated exposure across the firm and therefore WellsCap may be limited in its ability to transact in such security.

To minimize any potential client investment conflicts, WellsCap manages its advisory services, fee structure, and investment selection process in accordance with pre-established client investment guidelines, the advisory contract with the client, and all applicable policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act. WellsCap also maintains a Code of Ethics, firewall procedures and other information barriers to ensure the confidentiality of investment activity for each WellsCap client is in compliance with applicable law. Additional actual or potential client investment conflicts and concerns include:

Purchase of Client Securities. From time to time, WellsCap purchases publicly traded securities of issuers who are also advisory clients of WellsCap. In these circumstances, WellsCap monitors its position and limits size to percentages that are consistent with existing benchmarks or other investment protection principles, and in keeping with the objectives of the applicable advisory strategy. Client investment guidelines and advisory contracts may also limit in whole or in part the purchase of related securities.

Trade Allocation. WellsCap engages in transactions in the same security or securities on behalf of a group of accounts, and will choose to execute trades separately or on an

aggregated basis based on WellsCap's reasonable belief as to economic benefit for the account. Generally, aggregated trades are allocated proportionately among accounts at or near the time of trade execution per these trade allocation policies, but WellsCap does not maintain a rule that all trades must be allocated pro rata. Transactions for accounts that are included in a bunched or aggregated order may be executed before, along with, or after transactions in the same security being executed for other WellsCap clients. Considering WellsCap's policy to treat all eligible WellsCap clients fairly and equitably overtime, certain allocations, particularly in connection with fixed income trades, frequently deviate from a pro rata basis in order to address legal, tax, regulatory, fiduciary, risk management, and other considerations.

WellsCap's objective is to ensure that over time, no discretionary advisory account is systematically favored over any other discretionary advisory account as to any available investment for reasons outside of the client's investment guidelines and applicable law.

As part of the pre-trade order indication process, WellsCap contemplates several factors, including: each account's investment objective(s) and risk exposure; restrictions and investment guidelines; available cash and ongoing liquidity needs; existing holdings of similar securities; and, correlation and deviation to any relevant model portfolio(s). Similar advisory accounts will generally receive allocations based upon relative market values within each account's target asset class allocation and/or investment strategy, which is the predominant practice for equity accounts. As noted above, non-pro rata allocations are generally the standard relative to fixed income trades to rebalance portfolios that have experienced cash flows or to address other general account management issues. Moreover, if a block order is not completed for WellsCap in its entirety, partial fills will be allocated proportionately by WellsCap, though minimum size and odd lot restrictions will affect the distribution, potentially resulting in an allocation that is not pro rata. As a result, one account may receive a price for a particular transaction that is different from the price received by another account for a similar transaction at or around the same time.

Cross-Trading. WellsCap engages in "cross-trade" transactions on particular investments where permitted by client guidelines and determined by WellsCap to be in the best interest of both parties to the transaction. No commissions or brokerage fees are paid by the client in these types of cross-trade transactions. The prices for the investments in these cross-trade transactions are determined according to firm-established procedures following Rule 17a-7 under the Investment Company Act of 1940, the ERISA Pension Protection Act of 2006 and the Advisers Act Rule 206(3)-2. While in many situations it is advantageous to clients that WellsCap effect "cross-trade" transactions between accounts, WellsCap seeks to achieve best qualitative and quantitative execution on each trade and, as a result, could determine that



exposing transactions to the market instead of cross trading is likely to result in best execution. Additional factors considered in determining how to effect a trade where WellsCap clients have interests on each side of the trade include whether an independent (unaffiliated) broker: (i) provides deeply discounted fees for the trade, including any residual shares; (ii) provides certainty of time/price; and, (iii) exposes the trade to the market for consideration and price reporting. Individual investment managers or their traders will make the determination whether to engage in cross-trade transactions based on their knowledge of the market, liquidity, and potential cost savings.

Equity IPO Participation and Allocation. WellsCap invests in securities being offered in an initial or secondary equity public offering ("IPO Deal") when the investment is deemed to be appropriate and desirable for the client. Portfolio managers take into consideration the following factors for purchasing an IPO Deal:

- Client investment objectives;
- Client investment guidelines;
- Existing portfolio holdings;
- Cash availability;
- Asset allocation;
- Regulatory limitations/restrictions; and,
- Investment merits of the IPO Deal.

Under WellsCap's policy, allocations are made available among clients on a pro-rata basis within either an indicated long-term hold strategy or a short-term strategy.

WellsCap's policy for allocating IPO Deal investment opportunities is designed to ensure that all clients are treated fairly and equitably over time. However, because situations could arise involving the allocation and balancing of existing account positions and cash, in certain instances some accounts do not participate in IPO Deal allocations on a direct pro-rata basis.

Client Account AML & Privacy. New and existing clients are required to provide information to support WellsCap's regulatory obligation to obtain, verify, and record information that identifies each client pursuant to the requirements of various federal and state laws. Such procedures are required to help deter the funding of terrorist activities and support regulatory requirements around anti-money laundering (also known as "AML").

WellsCap complies with all applicable privacy regulations and has created policies regarding the collection and disclosure of information about WellsCap's clients considered to be non-public personal information. Although these policies are designed to protect client confidentiality and non-public personal information, WellsCap reserves the right to disclose such information where it believes in good faith that it is



required or permitted to do so by law, or in circumstances related to the servicing of client accounts where WellsCap has retained affiliated or non-affiliated third parties who are permitted to use such information solely to provide the service.

Unless restricted by agreement with client, WellsCap is permitted to disclose anonymous information identifying portfolio holdings that are representative of a particular strategy when WellsCap is engaged in a review or modeling of its strategies with third parties.

Item 12 - Brokerage Practices

WellsCap generally determines the broker through which securities transactions are to be effected. In selecting brokers for a portfolio transaction, WellsCap considers, without limitation, the overall direct net economic results to an account, including both price paid or received and any commissions and other costs paid, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, responsiveness to WellsCap, and the financial strength and stability of the broker.

For SMA accounts, trades are typically directed by WellsCap on behalf of the investment adviser to the Sponsor. Where permitted by the terms of a managed accounts program, WellsCap may execute trades through a broker-dealer other than the Sponsor when WellsCap believes that such trade would result in the best price and execution under the circumstances. WellsCap trades away from the Sponsor for municipal bond strategies substantially, if not all of the time. WellsCap may also trade away from the Sponsor in other asset classes depending on market conditions. In all such cases where WellsCap trades away, SMA account clients will generally incur transaction and other costs and fees in addition to the wrap program fees (e.g., investment advice and brokerage services, including trading costs). In the case of municipal bonds and other fixed-income strategies, these fees generally take the form of mark-ups, mark-downs, and spreads earned by the securities broker-dealer. Such fees are generally reflected in the net price of the security and not separately disclosed. SMA account clients should refer to the Sponsor Form ADV and wrap fee program materials for additional information regarding trading away and related fees in a wrap fee program.

Orders placed by WellsCap for SMA accounts are kept separate from other orders, and are generally not included in aggregated orders. Trades for such SMA accounts generally are initiated after the initiation of trades for WellsCap's institutional accounts, and may be executed after the associated institutional account trade is executed.

Models provided by WellsCap to an investment adviser or to a Sponsor that participates in a wrap fee program, are provided on a non-discretionary basis and reflect similar recommendations made by WellsCap contemporaneously for its clients for which it has a discretionary relationship. WellsCap typically commences trading for its discretionary client accounts before providing the investment adviser or Sponsor such models. As a result, trades ultimately placed by the investment adviser or Sponsor may result in wrap fee program clients receiving prices that are less favorable than prices obtained by WellsCap clients.

BEST EXECUTION

WellsCap has adopted policies and procedures aimed at satisfying its fiduciary duty to seek the most favorable execution terms reasonably available given the specific circumstances of each trade ("best execution"). The portfolio manager or trader also researches the security for its suitability, relative value and optimal price, in addition to researching which broker-dealer(s) may be in the best position to provide the best price. With the evolution of electronic trading platforms, portfolio managers and traders are more able to request bids and offers from multiple broker/dealers. In the exercise of its business judgment, WellsCap in some instances only contacts one broker under conditions noted by policy. WellsCap considers, *inter alia*, the following factors for obtaining best execution; each factor, in and of itself, is not construed as a definitive factor:

- Broker-dealer's historic trade performance with WellsCap;
- Efficiency of the broker's back-office operations;
- Broker-dealer's ability to provide liquidity and make a "market" for certain securities, including capital commitment and execution platforms which may impose additional mark-ups; and
- If applicable, the broker-dealer's ability to facilitate "step-out" trades.

Additionally, WellsCap takes all sufficient steps to obtain the best possible result for its clients, taking into account a range of factors, including but not limited to:

- Price
- Costs (implicit and explicit), including broker commission rates where applicable
- Timing and speed of execution
- Likelihood of, and capabilities in, execution, clearance and settlement
- Size of transaction relative to others in the same or similar financial instrument
- Ability to retain anonymity in the market or prevent information leakage, in order to minimize possible market impact
- A counterparty's willingness to commit capital to our transactions
- Financial status and responsibility of a counterparty or broker
- Other appropriate factors, such as client mandate constraints.

The actual allocation of brokerage business will vary from year to year, depending on WellsCap's evaluations of all applicable considerations. In no case will WellsCap make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if an informal target is not met. WellsCap may trade equities, on behalf of its clients, with an affiliated broker-dealer on an agency basis.



To meet its oversight and governance responsibilities, WellsCap has best execution committees that meet quarterly to review all aspects of best execution. WellsCap established the Fixed Income Trade Management Committee ("FITMC") to oversee the firm's global fixed income policy and ensure that WellsCap maintains an effective governance program that complies with all stated policies, including best execution as well as Markets in Financial Instruments Directive II ("MiFID II") provisions for those accounts deemed to be in scope.

Equity best execution is governed by the Commission Trade Management Committee ("CTMC"). The CTMC oversees the firm's equity and FX trade execution quality, commission management, Rule 28(e) compliance, and equity investment research costs.

For certain clients, domiciled in the EU region, WellsCap is required to manage those assets in accordance with MiFID II.

Research. WellsCap evaluates the amount and nature of research and research services provided by brokers and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration, when applicable. WellsCap could have an incentive to select a broker-dealer based on its interest in receiving research or other products and services. When WellsCap uses client brokerage commissions to obtain research or other products and services, WellsCap benefits because it does not have to pay for the research, products or services.

Subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 ("Section 28(e)"), WellsCap could pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker. WellsCap believes it is important to its investment decision-making process to have access to independent research. Research furnished by brokers could be used to service any or all of WellsCap's clients or used in connection with accounts other than those transacting with the broker providing the research, as permitted by Section 28(e). Brokerage and research services provided by brokers may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action; pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, research services could take the form of access to various computer-generated data, and meetings arranged with corporate and industry spokespersons, economists and government representatives.



For applicable equity accounts, research payments can be made through traditional soft dollar payments by brokers to third parties, paid through bundled commission arrangements with full service brokers or through commission sharing arrangements (CSA's). CSAs enable WellsCap to separate the execution decision from the research decision. Providers of CSAs have designed programs that allow WellsCap the flexibility to conduct best execution while simultaneously pooling commissions to compensate both research firms and other service providers that are eligible to be paid by commissions under Section 28(e). WellsCap determines in good faith that the commission rates paid for client commission dollar arrangements are reasonable in relation to the value of the brokerage and research provided. In certain situations, trades may be directed to brokers who refer clients to, or have their own accounts managed by, WellsCap.

MiFID Research: For all fixed income and equity client accounts that are contractually obligated or managed in accordance to the European MiFID II regulation, research will be obtained by WellsCap by hard dollars. Under certain situations, WellsCap may utilize minor non-monetary benefits in the receipt of research services. The minor non-monetary benefits will be received as long as they enhance the quality of service provided to the client and do not impair the manager's duty to act in the best interests of the client. As it pertains to client accounts that are governed by U.S. regulations, including the 28(e) safe harbor, WellsCap can obtain research utilizing soft dollars, subject to SEC regulations. Any equity accounts that have contractual obligations under MiFID will be ring-fenced. Any research obtained by the strategy will be allocated based on AUM and WellsCap will pay for that portion of the research from its P&L account.

Directed Brokerage. WellsCap executes trade orders by brokerage type. "Discretionary" brokerage gives WellsCap the authority to select counterparties based on its investment discretion and consideration of the most favorable total cost of each transaction including, but not limited to, client guidelines and current market conditions within the pursuit of best execution. Alternatively, directed brokerage requires WellsCap to trade with a broker/counterparty selected by the client. Certain wrap-type programs in which WellsCap participates require WellsCap to direct trades to the Sponsor of the program. Other such programs require WellsCap to direct trades to the Sponsor unless it concludes that the Sponsor would not provide best execution on the trade.

Only traders are permitted to direct trades to a specific broker. Portfolio managers may not direct specific trades except for fixed income portfolio managers who also act as traders for fixed income securities.

When a client directs WellsCap to use particular broker-dealers, the client must do so in writing due to WellsCap's concern for clarity and disclosure related to the execution risks caused by such a request. In such case, the client generally negotiates its own



commission rates, which could result in higher commissions, and possible disparity in trade execution as compared with other non-directed accounts. Trades for clients that direct brokerage cannot be combined with orders for the same securities managed for other non-directed accounts, and may be communicated to the directed broker at a different point in time (causing different trade execution results) as compared with non-directed accounts. As a result, directed transactions could be subject to price movements, particularly in volatile markets or trades involving less liquid securities that might result in the client receiving a price that is less favorable than the price received by other aggregated orders. Requests for 100% mandatory or high threshold directed accounts also may adversely impact execution quality if the executing broker is not able to provide best execution on the trade.

Clients who direct WellsCap to use a particular broker or dealer or otherwise limit WellsCap's discretion, should be aware that, this direction can limit WellsCap in selecting brokers or dealers on the basis of best price and execution. Under these circumstances, the direction by a client might result in higher commissions, greater spreads or less favorable prices than might be the case if WellsCap could negotiate commission rates or spreads or select brokers based on best execution. WellsCap attempts to accommodate reasonable directed brokerage requests on a "best efforts" basis and it does not guarantee that any specific target thresholds can be met. In an effort to accommodate reasonable requests while also maintaining the advantages of aggregating client orders, WellsCap can in some circumstances execute on a "step-out" basis. Step-out trades allow WellsCap to aggregate orders of similar securities and execute one single block through one broker. Upon execution of the aggregated order, portions of the block are "stepped-out", or given up, to other brokers, sometimes to those directed by clients. Clearing and settlement of step-out trades are the responsibility of the receiving broker. Consequently, step-out commissions and sales credits go to the brokers receiving the trades, not the executing broker. Commission rates could differ between the accounts that are stepped-out and those that remain in the aggregated block and some brokers or custodians may choose to assess additional transaction fees for clients' orders that are stepped out to them.

Trade Aggregation and Allocation. For all equity trades, with the exception of trades that support select quantitative strategies, equity trading follows a centralized trading model across all equity teams and is coordinated across one equity trading desk. Fixed-income trading follows a de-centralized model. The fixed income portfolio managers also act as traders, therefore trading in the fixed income teams is coordinated on a team by team basis. As a result of this more coordinated approach taken for the trading of equities, WellsCap seeks, but is not obligated, to bunch orders for the purchase or sale of the same security for client accounts where WellsCap deems this to be appropriate and in the best interests of the accounts, consistent with applicable regulatory requirements. Due to the decentralized approach followed by fixed income teams, bunched orders for purchases or sales are uncommon.



When a bunched order is filled in its entirety, each participating client account will participate at the average share prices for the bunched order on the same business day, and the transaction costs will generally be shared pro-rata based on each client's participation in the bunched order. When a bunched order is only partially filled, the securities purchased will generally be allocated on a pro-rata basis to each account participating in the bunched order based upon the initial amount requested for the account, subject to certain exceptions (such as de minimis orders) and each participating account will participate at the average share price for the bunched order at or around the same time the trade was executed. WellsCap performs investment advisory services for various clients and may give advice, and take action, with respect to any of those which may differ from the advice given, or the timing or nature of action taken, with respect to any one account, provided that over a period of time WellsCap, to the extent practical, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

Cross-Transactions. To reduce transaction costs and promote trading efficiency for its clients, WellsCap engages in inter-account transactions from time to time, and consistent with procedures WellsCap has adopted consistent with Rule 17a-7 under the Investment Company Act of 1940. Where deemed appropriate according to such procedures, WellsCap engages in inter-account or cross-trade transactions with eligible advisory accounts and will comply with the applicable disclosure and consent requirements associated with such transactions under any regulations applicable to such accounts.



Item 13 - Review of Accounts

A portfolio management team with extensive experience is assigned to each account and is responsible for monitoring and maintaining compliance with client-specific guidelines. A portfolio risk management team strives to make all risks, intended and unintended, transparent to portfolio managers and impels portfolio managers to deliver competitive products consistent with client expectations. Portfolio risk reports are generated and monitored on a daily basis. On a monthly basis, relevant counterparty, derivative, and product specific risks are reviewed with the firm's Chief Investment Officer and respective heads of equity, fixed income, and multi-asset class. On a quarterly basis, reviews are conducted with senior management, portfolio managers, and investment risk professionals in order to analyze individual portfolio performance, strategy, and risk.

Written account and performance reviews are offered to most clients on a quarterly basis. More-frequent reports are provided upon request.

Additional compliance procedures are in place to review portfolio and account activity for conformity with client investment guidelines, best execution, use of derivatives, and other considerations. As part of the monitoring process WellsCap Compliance utilizes compliance and trade order systems to provide automated compliance review on a daily basis. Alerts on these systems are monitored by Compliance personnel, and any warnings are researched and cleared in a timely manner.



Item 14 - Client Referrals and Other Compensation

WellsCap has an agreement with WFFD, a limited purpose broker-dealer and affiliate of WellsCap in which WellsCap compensates WFFD for client referrals made in compliance with the Advisers Act. WellsCap has agreed to pay to WFFD a referral fee in connection with its referral that results in additional client assets to WellsCap, in an amount as mutually agreed upon by WFFD and WellsCap.

Certain designated persons who act as advisory representatives of WellsCap are institutional account representatives of Wells Fargo subsidiaries, and may offer advice or opinions as to the value of WellsCap's services or the appropriateness of such services for a potential client; in such cases, compensation will be provided to them by way of salaries and bonuses paid through the Wells Fargo subsidiary.

WellsCap may permit certain designated persons (referred to as "Solicitors") to refer potential business outside of the United States to WellsCap. Under this arrangement, WellsCap would pay a portion of the referred client's management fee earned by WellsCap to the referring party. Any Solicitor will be required to conduct solicitation functions in accordance with Rule 206(4)-3 of the Advisers Act and the laws of the country in which such solicitation is made. Payments to Solicitors may range, depending on the type of investment vehicle.

The investment management services of WellsCap are also offered to clients of Wells Fargo. The distribution of investment products and services is dependent on interrelationships among WellsCap, its affiliates, and other entities in support of these activities. There exist certain potential or actual conflicts of interest within these interrelationships, including marketing or sponsorship arrangements with third-parties, sub-advisers and brokerage firms to promote the distribution of proprietary investment products including, but not limited to, variable products, mutual funds, managed accounts or the general enhancement of the "Wells" marketing image. Such parties, sub-advisers, and brokerage firms may concurrently have advisory, distribution, or other relationships with WellsCap. These arrangements could result in additional assets under management to WellsCap or inure to the direct or indirect benefit of clients of the firm.

REVENUE SHARING FOR WELLSCAP REFERRALS

Wells Fargo compensates WellsCap for client referrals to other affiliate businesses within Wells Fargo under a revenue sharing program. This compensation to WellsCap is based upon the aggregate amount of WellsCap's assets under management and not the client's assets invested with WellsCap.



REVENUE FOR WELLSCAP RESEARCH

Wells Fargo compensates WellsCap for proprietary research created by WellsCap and provided to affiliate businesses within Wells Fargo. This compensation to WellsCap would be indirect and generally based upon the revenue generated to the Wells Fargo line of business by WellsCap's referral.



Item 15 - Custody

Clients should receive account statements from their bank, broker dealer or other qualified custodian, in addition to any account information that they may receive from WellsCap. We urge clients to carefully review their account information and compare official custodial records to the account information provided by WellsCap, which could vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

WellsCap is deemed to have custody of the assets of certain clients pursuant to Rule 206(4)-2 under the Investment Adviser's Act. The Act defines "custody" as "holding directly or indirectly client funds or securities or having the authority to obtain possession of them." Under the strict reading of this definition, WellsCap is considered to have custody of certain clients' accounts when WellsCap or a related person of WellsCap has the *ability* to hold securities or cash (either directly or indirectly). Because WellsCap acts as a managing member and investment adviser to private funds and has the authority to dispose of securities and other assets in those funds, it is deemed to have custody of the assets in those funds. The funds for which WellsCap serves as managing member and investment adviser utilize a custodian external to Wells Fargo Bank, N.A., and are subject to annual audit by an independent public accountant. The audited financial statements are delivered to the investors in those funds in order for WellsCap to comply with the provisions of the Custody Rule applicable to investment advisers of private funds.



Item 16 - Investment Discretion

DISCRETIONARY AUTHORITY

Absent instructions to the contrary from the client, WellsCap has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, amount of securities to be bought or sold, broker or dealer to be used, and commission rates paid. Generally, WellsCap's clients grant it full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines that are established by agreement between WellsCap and the client at the time the account is opened. For equity client accounts managed in accordance to Section 28(e), WellsCap may select brokers or dealers that provide research or other transaction-related services and may cause a client to pay such broker-dealer commissions for effecting transactions in excess of commissions other broker-dealers may have charged. As mentioned within Item 12 - Brokerage Practices above, for all fixed income and equity client accounts managed in accordance to the European MiFID II regulation, research will be obtained by WellsCap by hard dollars. WellsCap will consider the full range and quality of a broker's or dealer's services, including, among other things, the value of research provided, execution capability, commission rate, financial responsibility, market-making capabilities, efficiency, confidentiality, responsiveness and other factors it deems appropriate.

For registered investment companies sub-advised by WellsCap, the respective Board of Directors, Managers or Trustees of such companies establishes guidelines and restrictions which WellsCap complies with in respect to investment strategies that include the type of securities to be bought and sold. Such guidelines can be found in each fund's prospectus and Statement of Additional Information ("SAI"). In addition, when contracting with WellsCap, clients may establish guidelines and restrictions that may limit the nature and scope of WellsCap's investment discretion.

Item 17 - Voting Client Securities (i.e., Proxy Voting)

Where WellsCap is responsible to vote proxies for a client, it has adopted policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act in an effort to ensure that votes are cast in the best interests of its clients and that proper documentation is maintained relating to how proxies were voted. WellsCap's basic policies and procedures are as follows:

WellsCap has adopted pre-determined proxy voting guidelines (the "Guidelines") to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the Guidelines, WellsCap may delegate to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on behalf of WellsCap. Additionally, as a signatory of the United Nations-supported Principles for responsible investment ("UNPRI"), WellsCap has integrated ESG factors into its proxy process.

WellsCap may also vote a proxy contrary to the Guidelines if it determines that such action is in the best interest of its clients. WellsCap believes that, in most instances, any material conflicts of interest will be minimized through a strict and objective application of the voting guidelines. The WellsCap proxy voting process allows different votes to be submitted for the same security. Our firm is organized as a collection of portfolio teams – each with its own unique investment philosophy and approach. Consistent with this structure, various portfolio managers or affiliates, holding the same securities may arrive at different voting conclusions for their clients' proxies, to ensure the votes are in the clients' best interests. In addition, WellsCap will seek to avoid any undue influence as a result of any material conflict of interest that exists between the interest of a client and WellsCap or any of its affiliates. The method selected by WellsCap to address any such conflict will depend on the facts and circumstances of each situation and the requirements of applicable law. The method selected by WellsCap may also conflict with other interests the client may have, but will always be in the best interest of the shareholder.

WellsCap may choose not to vote proxies in certain situations or for certain accounts, such as: (1) where a client has informed the firm that it wishes to retain the right to vote the proxy, the firm will instruct the custodian to send the proxy material directly to the client; (2) where the firm deems the cost of voting would exceed any anticipated benefit to the client; (3) where a proxy is received for a client account that has been terminated; (4) as a general matter, securities on loan will not be recalled to facilitate proxy voting (in which case, the borrower of the security shall be entitled to vote the proxy; and/or (5) where the exercise of voting rights could restrict the ability of an account's portfolio manager to freely trade the security in question. Where there are proxy voting



restrictions applied by country or issuer, such as a required power of attorney and partial share restrictions, WellsCap will vote proxies on a best efforts basis.

If you are a client of WellsCap and you would like to find out how your proxies have been voted or you would like a complete copy of WellsCap's current Proxy Voting Policies, Procedures and Guidelines please send a written request to:

Wells Capital Management
Attention: Client Administration
525 Market Street, 10th Floor
San Francisco, CA 94105

Email requests may be sent to: WellscapClientAdmin@wellsfargo.com



Item 18 - Financial Information

As an indirect wholly-owned subsidiary of Wells Fargo & Company, WellsCap's financial statements are consolidated with those of the parent company. There has been no material adverse change in the financial condition of WellsCap since the date of the financial statements provided in our parent firm's most recent Form 10- Q.



Item 19 – Requirements for State-Registered Advisers

Not applicable.