

# Wrap Fee Brochure for *Intuitive Investor*<sup>®</sup> Program

801 - 37967

Investment Advisory Services of Wells Fargo Advisors

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One North Jefferson, St. Louis, MO 63103

Phone (314) 875-3000

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

This wrap fee brochure provides information about the qualifications and business practices of Wells Fargo Advisors and our *Intuitive Investor* Program (the "Program"). This information should be considered before becoming a Client of this Program. If you have any questions about the Program or the contents of this brochure, please contact us at (855) 283-5567.

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

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

**Investment and Insurance Products are:**

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC (WFCS), Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. WellsTrade brokerage accounts are offered through WFCS.

## **Summary of Material Changes**

Material Changes to the Wrap Fee Brochure for the Intuitive Investor Program since March 31, 2020:

- On February 27, 2020, the Securities and Exchange Commission ("Commission") entered an order against Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, following the Firms' offers of settlement. Without admitting or denying the findings, the Firms consented to the entry of the order finding that in recommending certain clients purchase and hold single inverse exchange traded funds, the Firms willfully violated Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-7 thereunder, and failed reasonably to fulfill their supervisory responsibilities within the meaning of Section 203(e)(6) of the Advisers Act and Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firms agreed to: (a) cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, (b) be censured, and (c) jointly and severally pay a civil monetary penalty in the amount of \$35,000,000.
- On August 27, 2020, Wells Fargo Clearing Services, LLC agreed to a settlement with FINRA regarding allegations that the Firm failed to reasonably supervise the activities of two former registered representatives, thus violating its own written supervisory procedures along with NASD Rule 3010(a) and FINRA Rules 3110(a) and 2010. Between November 2012 and October 2015, the two representatives recommended that many of their customers invest a substantial portion of their assets in four high-risk energy securities, which generated multiple red flags regarding overconcentration and suitability in their customers' accounts that the firm failed to reasonably investigate. The Firm has previously compensated 67 clients over \$9.7 million for losses in these investments. Without admitting or denying the findings, the Firm agreed to a settlement that included a censure, a fine of \$350,000 and restitution in the amount of \$201,498 plus interest to additional specified clients.
- The Voting Client Securities section of this document has been updated to reflect that where you have previously delegated proxy voting authority to Wells Fargo Advisors, that we will no longer vote proxies for your securities in your Program Account and you will now have sole authority to exercise your proxy voting rights. We have set up an arrangement with a third party proxy voting provider where, under the Program Agreement and unless you indicate or tell us otherwise, you will delegate your proxy voting authority to the provider to vote proxies on your behalf. There is no cost to you to use this service. Please see the Voting Client Securities section of this document for additional information.
- Updates have been made to the "Participation or Interest in Client Transactions" section of this document.
- Updates have been made to the "Rebalancing Services", "Account Termination" and "Other Financial Industry Activities and Affiliations" sections of this document.

# Table of Contents

	Page
<b>Summary of Material Changes</b>	<b>2</b>
<b>Services, Fees and Compensation</b>	<b>4</b>
The <i>Intuitive Investor</i> Program Services	4
Program Fees	6
Compensation	8
Account Termination	9
<b>Account Requirements and Types of Clients</b>	<b>9</b>
<b>Portfolio Manager Selection and Evaluation</b>	<b>10</b>
Services Tailored to Individual Client Needs	10
Client Restrictions and Instructions	11
Performance-Based Fees and Side-By-Side Management	11
Methods of Analysis, Investment Strategies and Risk of Loss	11
Program Website Tool Methodology	11
Voting Client Securities	12
<b>Client Information Provided to Portfolio Managers</b>	<b>13</b>
<b>Client Contact with Portfolio Managers</b>	<b>13</b>
<b>Additional Information</b>	<b>13</b>
Disciplinary Information	13
Other Financial Industry Activities and Affiliations	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Review of Accounts	16
Client Referrals and Other Compensation	17
Brokerage Practices	17
Financial Information	21

## **The Intuitive Investor Program**

### **Overview and Definitions**

Wells Fargo Advisors ("WFA") is a trade name used by Wells Fargo Clearing Services, LLC ("WFCS"). WFA is a non-bank affiliate of Wells Fargo & Company ("Wells Fargo"), a publicly held company (NYSE: WFC) and financial holding company and bank holding company founded in 1852. Wells Fargo and its affiliates are engaged in a number of financial businesses, including retail brokerage and investment advisory services.

WFA is affiliated with Wells Fargo Investment Institute, Inc. ("WFII"), a registered investment adviser that provides advisory services and research to WFA.

**Helpful Terms.** *You, Yours, I, Client and the Account Owner* is any person who has entered into an Agreement with WFA. *We, Our, Ours and Us* includes Wells Fargo Clearing Services, LLC d/b/a Wells Fargo Advisors including their affiliates and agents (collectively referred to as "Wells Fargo Advisors" or "WFA").

*Account* is collectively or individually any brokerage Account and/or any Advisory Program Account you have with us, including any and all funds, money, securities and/or other property you have deposited with us.

*Affiliate* is any entity that is controlled by, controls or is under common control with us. Each Affiliate is a separate legal entity, none of which are responsible for the obligations of the other.

*Securities and Other Property* is money, securities, financial instruments and commodities of all types and related contracts, options, distributions, proceeds, products and accessions.

*Agreement* is the Agreement between you and us regarding your Account, and any other documents included by reference.

**Types of Advisory Services We Offer.** We offer a number of advisory Programs ("Programs") and services that are designed to help you meet your investment objectives and goals, including various wrap fee Programs, consulting services and financial planning services. Wrap fee Programs generally, subject to certain limitations, include advisory, execution, custodial and reporting services for a single fee, rather than separate costs and commissions for each transaction. WFA's advisory Programs and services include:

- Unified and Separately Managed Account Wrap Fee Programs
- Mutual Fund Advisory Wrap Fee Programs
- Financial Advisor Directed Wrap Fee Programs
- Non-Discretionary, Client Directed Advisory Wrap Fee Programs
- Institutional and Retirement Plan Consulting Services
- Financial Planning Services

**About This Wrap Fee Brochure.** This disclosure document specifically describes the *Intuitive Investor Program*. Descriptions of the services and fees for the other advisory Programs and services we offer can be found in separate disclosure documents, copies of which are available upon request or from [www.sec.gov](http://www.sec.gov).

## **Services, Fees, and Compensation**

### **Intuitive Investor Program Services**

**Description.** The *Intuitive Investor Program* ("Program") is a digital investment advisory Program in which investment advice is given through the Program website. Through your Account, you will be able to invest in one of several discretionary asset allocation portfolios that are diversified across multiple asset classes. Under this Program, you will provide to us through the Program website, mobile applications or other digital interfaces (the "Website"), information about your risk tolerance and investment goals from which we will recommend a Portfolio.

After you have enrolled in the Program, you may be able to select or change certain services with instructions to us; however, in certain circumstances we may ask you to sign a separate Agreement or complete additional documentation.

**Electronic Relationship.** In this Program, services are provided to you electronically through the use of the Program Website and the majority of communication will be done electronically. You will need to complete the Program Agreement and any other agreements as necessary to participate in the Program. These agreements and any required disclosures will be delivered to you electronically. In order to access the Program Website, you will be required to establish online credentials and provide us with a valid email address. You must notify us immediately of any changes to your email address. For any issues with the Program Website, you may call us at (855) 283-5565. You may also contact us via phone at (855) 283-5567 for assistance and support related to Your Account including the risk tolerance questionnaire, portfolio recommendations, Account opening, and/or Account performance.

**Management of your Account.** The Portfolios that we recommend are developed by WFII, adopted by WFA and implemented by an unaffiliated Manager. The current Manager is SigFig Wealth Management, LLC. We may change the Manager from time to time in our sole discretion without your prior consent. The Manager will exercise discretion with respect to the day-to-day management of your Account, and provide instruction to us for execution of transactions in your Account.

**Program Assets.** Program Accounts will be invested in portfolios comprised of exchange traded funds ("ETFs"). Accounts will also maintain a cash position held in the Cash Sweep Program. For more information, please see the "Cash Sweep Program" section, later in the Brochure.

ETFs are typically passively managed portfolios designed to track the performance of a basket of securities or a certain index. ETFs trade on an exchange the way individual stocks do. In simplest terms, traditional ETFs are passively-managed "baskets" of securities that are designed to closely track the performance of specific indices, market sectors, or industries. ETFs are priced and can be bought and sold throughout the trading day.

Traditional ETFs that seek to track the performance of a specified benchmark/index are not actively managed. As a result, the investment advisers of those ETFs do not attempt to take defensive positions in declining markets. Therefore, ETFs may be subject to greater losses in a declining market than an actively managed fund.

ETFs may not have a high degree of correlation to its underlying index as a result of the ETFs expenses, imperfect correlation between the ETF's investments and the components of the underlying index, rounding of shares prices, changes to the underlying index, turnover rate, and regulatory policies.

The Program Portfolios may consist of a blend of traditional low-cost ETFs and complementary "Smart Beta ETFs." Smart Beta ETFs seek to enhance portfolio construction by weighting underlying securities by means other than just the size of the companies. These alternative ways to weight portfolio constituents can employ some of the same screening processes and optimization techniques used by active managers, but with systematic approaches to track referenced benchmarks helping to substantially reduce fund expenses in relation to fully active management.

**Establishing a Program Account.** In order to establish a Program Account you must complete the risk tolerance questionnaire ("RTQ"). We will rely on the information contained in the RTQ when making investment recommendations for your Program Account. The services provided in this Program, including any advisory recommendations we provide, are highly reliant on the accuracy of the information you provide in the RTQ. If you provide us with inaccurate information, this could materially impact the quality and applicability of our recommendations.

We reserve the right to refuse for any reason to open any Program Account. No Program Account shall become active until you have provided us with the information and funds necessary to commence activity within your Program Account. Your request to begin services under the Program Agreement is not considered a market order, since both WFA and/or the Manager require time to process your request. We will, however, make every effort to process your request promptly.

**Factors to consider.** When determining whether to open a Program Account, you should consider various factors, including but not limited to the following:

- Your preference for advisory services or brokerage services;
- Your preference for asset-based pricing or commission-based pricing;
- Your preference for an online/digital relationship rather than a traditional relationship with a Financial Advisor;
- Your expected trade activity;
- Your preference for a discretionary rather than non-discretionary relationship;
- Your desire for investment advice and/or our management of your money;
- Your investment preferences and the types of investments available to you within one Program versus another;
- Expected levels of cash to remain uninvested; and
- The features and benefits of one service or Program versus another.

**Rebalancing Services.** The Manager is responsible for rebalancing the assets in your Program Account. Rebalancing will occur when your Program Account holdings deviate from the Target Allocation of your selected portfolio, subject to certain drift tolerance parameters. In most cases, ETF holdings may drift 25%-35% from the target allocation before rebalancing, and cash may drift 50% from the target allocation before rebalancing. For example, if an ETF position has a target allocation of 10% of your account value and a drift tolerance of 25%, shares would be sold if the allocation of the ETF drifted to 12.5% of your account value or more; and, shares would be purchased if the allocation drifted to 7.5% of your account value or less. We may alter the drift tolerance parameters in your selected Portfolio at any time, and the manager may modify at any time the manner or frequency with which Manager calculates, generates, and places with WFA the orders to rebalance your Program Account. The use of drift tolerance parameters results in slight differences between Accounts invested in the same portfolio. Various factors, such as market fluctuations and the timing of withdrawals and deposits may affect how closely the assets in your Program Account reflect the Target Allocation of your selected Portfolio. Rebalancing your Account may create tax consequences.

**Tax-Loss Harvesting.** Through the Website, you may instruct us to initiate tax-loss harvesting trades in your taxable Account. Tax-loss harvesting is not offered in trust or custodial Accounts. If such instructions are received, understand that:

- All such requests will be made on a best-efforts basis.
- The Manager may limit the amount of gains or losses that can be realized in your Account.
- Performance may be adversely impacted.
- When normal trading activity resumes in your Account, the same or similar securities may be repurchased, which may generate new taxable gains or losses.

- Securities sold for a loss may not be able to be repurchased for a period of 31 days due to the Internal Revenue Service Wash Sale Rules. This may result in a higher than normal cash position for that period or the Manager may invest in substitute securities. Please note: wash sale rules apply to the Client and the household. Therefore, if you sell a stock in your taxable Account and repurchase the security in your IRA within 30 days (for example), the loss is disallowed, though the retirement Account basis is not increased.

Please note: we do not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that may have tax consequences.

## **Program Fees**

The standard Program Fee is as follows:

<b>Account Asset Value</b>	<b>Annual Fee</b>
Your Account Value	0.35%

The annual fee is billed quarterly in advance. The fee schedule is generally not negotiable, however we may from time to time use special promotional rates and/or give a discounted rate based on Wells Fargo relationship or employment status with Wells Fargo. A promotional rate or discounted rate is subject to end due to the end of the promotion or a change in relationship or employment status. Advisory Programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity may result in higher fees than if commissions were paid separately for each transaction.

You should be aware that Program fees charged may be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of the extra advisory service provided.

**Calculating Account Values and Fees.** Unless agreed to otherwise, we will deduct fees at the rate shown in the Fee Schedule quarterly in advance. For the purposes of calculating the Program fees, "Account Value" means the sum of the absolute market value of all Program Assets.

In valuing Accounts, we will utilize information provided by quotation services believed to be reliable. If any prices are unavailable or believed to be unreliable, we will determine prices in good faith so as to reflect our understanding of fair market value.

The Account Value for the calculation of fees may differ from that shown on your monthly Account statement and/or online reports depending on several factors, including trade date or settlement date accounting and other factors.

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

If your Account does not have a sufficient cash balance to make a payment on the due date, we may sell Program Assets in your Account, without prior notice to you, to generate proceeds sufficient to pay the Program Fee and any other fees and charges payable.

The Program Fee is separate and distinct from the fees and expenses charged by the ETFs to their shareholders. Consequently, the ETFs held in your Account are subject to internal fees and/or expenses, which may include advisory and/or brokerage fees. WFA and its affiliates may earn or receive a portion of such fees and expenses in connection with the advisory or brokerage services they provide as sponsor or distributor of an affiliated Program Fund.

**Additions and Withdrawals.** Your Account will be charged (or refunded) a prorated quarterly fee on any net additions (or net withdrawals) in the Account during a month.

- Fees will be charged (or refunded) if the net addition or (net withdrawal) would generate a fee (or refund) of at least \$40 for that quarter.
- Fees will be assessed in the month following the net addition (or net withdrawal).
- Fees are based on the value of the assets in your Account as determined by the fee schedule. We are not compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of your funds.

## **Other Account Fees**

The Program fee does not include certain charges that may be applicable, including:

- Dealer markups or markdowns
- Odd lot differentials
- Transfer taxes
- Exchange fees or similar fees charged by third parties, including issuers, and fees required by the SEC
- Execution fees (foreign and/or domestic) when applicable
- Other fees required by law

**Non-Brokerage-Related Fees.** Non-brokerage related fees, such as IRA fees and wire transfer fees, are not included in the Program fee and will be charged to your Account separately. Please consult the Annual and Operational Fee Schedule for a list of these non-Program related fees and charges identified as applicable to advisory Accounts.

**Prior Commissions or Charges.** To the extent that cash used for investment in the Program comes from redemption proceeds of or deposits of your existing mutual funds or other securities investments, you should consider the cost of any prior sales charges or commissions you paid, which are in addition to the Program fee.

**Selling Securities.** If you sell securities prior to initiating (or after terminating) the Program, you will pay the separate brokerage charges for those transactions, in addition to applicable Program fees during the period.

If you fund your Program Account with securities, they will be liquidated at no additional cost under the Program Fee. However, if these securities include a mutual fund with a back-end sales charge, that charge will still be applicable.

### **Costs of Investing in Program Assets**

**ETFs.** In addition to the Program Fee, as a shareholder of an ETF, you will bear a proportionate share of the fund's expenses, including investment management fees that are paid to the fund's investment adviser, who may be an affiliate of ours. For more information about these funds, see their prospectus.

You should be aware that you can invest in ETFs directly without incurring the fee charged for participation in the Program.

**Cash Sweep Program.** Accounts opened must provide consent, through the general account opening agreement, to use our Cash Sweep Program. Through our Cash Sweep Program you may earn a rate of return on the uninvested cash balances in your Account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested or otherwise needed to satisfy obligations arising in connection with your Account. The available cash sweep vehicles currently consist of (1) interest-bearing deposit accounts at affiliated and unaffiliated banks in our Expanded Bank Deposit Sweep program, (2) interest-bearing deposit accounts at two affiliated banks in our Standard Bank Deposit Sweep program (together with the Expanded Bank Deposit Sweep Program, the "Bank Deposit Sweep Programs"), and (3) one or more affiliated and non-affiliated stable-value Money Market Mutual Funds ("Money Market Sweep Funds"). Eligibility for each available sweep vehicle is determined by account type. You may elect not to participate in the Cash Sweep Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Cash Sweep Program by providing instructions to your investment professional. If you choose not to participate in the Cash Sweep Program, except for retirement accounts, accruing cash balances will not earn a rate of return prior to direct investment. In addition, available cash will not be automatically swept into any money market mutual fund or other investment that you purchase outside of the Cash Sweep Program. The Cash Sweep Program is subject to the terms and conditions of the Cash Sweep Program Disclosure Statement.

As returns on the Cash Sweep, your personal financial circumstances, and other factors change, it may be in your financial interest to change your Cash Sweep (if another option is available for your account type) or invest cash balances in products offered outside of the Cash Sweep Program consistent with your investment objectives and risk tolerance. Wells Fargo Advisors does not have any duty to monitor the Cash Sweep for your account or make recommendations about, or changes to, the Cash Sweep Program that might be beneficial to you.

Prior to receipt of the general account opening documents, cash deposited in the client's account and not otherwise invested, will be held as a free credit balance and not placed in the Cash Sweep Program until written consent is provided to participate in our Cash Sweep Program. While any cash remains in free credit balance, we will retain any interest earned on assets awaiting investment or disbursement. You understand and agree that this interest (generally referred to as "float") will be retained by us as additional compensation for the provision of services with respect to the account. Such interest shall generally be a prevailing interest rate. Except for retirement accounts, while any cash remains in free credit balance, you will not earn any interest on such balance.

### **Bank Deposit Sweep Programs**

The Bank Deposit Sweep Programs consist of interest-bearing accounts at affiliated and unaffiliated banks in our Expanded Bank Deposit Sweep program, and interest-bearing deposit accounts at two or more affiliated banks in our Standard Bank Deposit Sweep program. Each unaffiliated and affiliated bank is a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations.

We, along with our affiliates, including the affiliated banks, benefit financially from cash balances held in the Bank Deposit Sweep Programs. As with other depository institutions, the profitability of the banks in the Bank Deposit Sweep Programs, including affiliated banks, is determined in large part by the difference or "spread" between the interest they pay on deposit accounts, such as Bank Deposit Sweep Programs, and the interest or other income they earn on loans, investments, and other assets. The banks in the Bank Deposit Sweep Programs may pay rates of interest on the Bank Deposit Sweep Programs that are lower than prevailing market interest rates. The participation of the affiliated banks in the Bank Deposit Sweep Programs is expected to increase their respective deposits and, accordingly, overall profits.

With respect to the unaffiliated banks under the Expanded Bank Deposit Sweep Program, the financial benefits available to Wells Fargo Advisors may differ as between retirement accounts relative and non-retirement accounts. For

retirement accounts (including IRAs), each unaffiliated Program Bank in the Expanded Bank Deposit Sweep program will pay Wells Fargo Advisors a uniform fee equal to 79% of the Federal Funds Effective Rate of the average daily total retirement account deposit balances at that unaffiliated Program Bank. Because each unaffiliated Program Bank will pay us the same amount on retirement accounts, we have no incentive to make deposits with any particular unaffiliated Program Bank. In the case of non-retirement accounts, each unaffiliated Program Bank in the Expanded Bank Deposit Sweep Program will pay Wells Fargo Advisors an amount not to exceed a percentage (equivalent to Federal Funds Target plus 30 basis points (0.30%)) of the average daily total nonretirement deposit balances at that unaffiliated Program Bank, however the amount of that fee may vary from one unaffiliated Program Bank to the next. This amount includes our fee and interest payable to participating accounts in the Expanded Bank Deposit Sweep.

In addition, Wells Fargo Advisors will receive compensation from the Affiliated Banks in the Bank Deposit Sweep Programs in an amount of up to a \$35 annual flat fee for each Wells Fargo Advisors account that is eligible to sweep to the Affiliated Banks in the Bank Deposit Sweep Programs. The management personnel and other employees of Wells Fargo Advisors and its affiliates receive incentive compensation based in part on assets in Affiliated Banks or the profitability of Affiliated Banks in the Bank Deposit Sweep Programs and their joint parent company, Wells Fargo & Company.

Under the Expanded Bank Deposit Sweep, we pay an unaffiliated third-party administrator a fee for its services. This fee includes an asset-based fee, which will vary based on deposit balances at the unaffiliated Program Banks. We do not pay the third-party administrator on deposits held in the Affiliated Banks. Thus, the profitability of the Expanded Bank Deposit Sweep is based in part on deposit balances, which may be greater depending on the size of the overall deposit balances in the Expanded Bank Deposit Sweep.

Wells Fargo Advisors has a conflict of interest because it influences both what you receive in interest and what it and its employees receive in compensation on the Standard Bank Deposit Sweep. This compensation is subject to change and we may waive all or any part of this fee at any time without notice. As a result of the fees and benefits described above, the Standard Bank Deposit Sweep will be more profitable to us than the Expanded Bank Deposit Sweep, which means we will receive a greater benefit if you select the Standard Bank Deposit Sweep as your Cash Sweep.

### **Money Market Sweep Funds**

Wells Fargo Advisors and its affiliates may receive distribution (Rule 12b-1), investment management, service fees and other compensation as a result of sweeping available cash into the Money Market Funds. These fees, which vary depending on the Money Market Fund (and class thereof) used, are paid directly by the Money Market Funds but ultimately borne by you as a shareholder in the fund. Mutual fund companies typically offer multiple share classes with different levels of fees and expenses. When selecting the share class for the Money Market Fund used as a Cash Sweep Vehicle, we do not, in all instances, select the share class with the lowest fees that is available from the fund company and these decisions are influenced by the additional compensation we receive in connection with your account's Money Market Fund holdings. The use of a more expensive share class of a Money Market Fund as a Cash Sweep Vehicle will negatively impact your overall investment returns.

The Cash Sweep Program should not be viewed as a long-term investment option. It is your responsibility to monitor your balances in the Cash Sweep Program, and determine whether you prefer to invest cash balances in products offered outside the Cash Sweep Program. For additional information, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your Account. For additional information about the Cash Sweep Program, including information about how we and our affiliates benefit from the Cash Sweep Program, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your Account.

### **Compensation**

***Compensation from Investment Advisors.*** We receive training and education payments from many of the companies whose ETFs we sell for conducting comprehensive training and education for Associates. Wells Fargo Advisors may receive different training and education payments from ETF product sponsors depending on the training and education activities provided. From time to time, ETF product sponsors will reimburse us for expenses in connection with conducting training and educational meetings, conferences or seminars for Associates and customers. Also, Associates may receive promotional items, meals or entertainment or other "noncash" compensation from product sponsors. Although training and education compensation is not related to individual transactions or assets held in Client Accounts, it is important to understand that, due to the total number of companies whose products are offered by us, it is not possible for all the product sponsors affiliated with each company to participate in a single meeting or event. Consequently, those product sponsors who participate in training, an educational meeting, seminar or other event gain an opportunity to build relationships with Associates that could lead to additional sales of the sponsor's ETF products. ETF sponsor policies can be found in an ETF's prospectus, which is available on request from the ETF product sponsor. While we offer a wide variety of ETFs for our Associates to sell or recommend, we reserve the right in the future to limit branch access to ETF sponsors.

Our affiliates may receive compensation for making a market and keeping an inventory of select ETF offers. They may also have an investment banking relationship with ETF issuers.



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

**Differing Compensation.** The additional compensation received from ETF sponsors may vary. As a result, the compensation may offer us a financial incentive to recommend one ETF over similar ETFs. This could also result in an increase in your cost as a result of us recommending a more expensive ETF. We intend, however, to make all recommendations independent of such financial considerations and based solely on our obligations to consider your objectives and needs.

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

## **Account Termination**

You or we may terminate an Advisory Program Account by notifying the other party in writing of the Advisory Program Account to be terminated and termination will become effective upon the receipt of the notice. If an Advisory Program Account is terminated, we will make a pro-rata refund to you of fees paid to us pursuant to the Agreement for the period after the date of effectiveness of such termination through the end of the then current fee period. Termination of the Account will not affect either your or our responsibilities under this agreement for previously initiated transactions or for balances due in the Program Account upon termination.

If for any reason you are not satisfied with the Program, you are entitled within 90 days of Account opening to terminate your Program Account and be credited for any portion of the Program Fee that you have paid. Please note: this will not refund market losses.

Upon termination, you may, but are not required to, request that we liquidate your Account.

- You should also keep in mind that the decision to liquidate Program Assets may result in tax consequences that should be discussed with your tax advisor.

We are not responsible for market fluctuations in your Account from time of written notice until complete liquidation. Your request to liquidate securities upon termination of this Agreement is not considered a market order, since both we and/or the Manager require time to process your request. All efforts will be made to process the liquidation in an efficient and timely manner. It may take several business days under normal market conditions to process your request. Should the necessary securities markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening.

Upon Termination, your Program Account will become a brokerage Account. If securities remain in the brokerage Account after termination, neither the Manager nor WFA and our affiliates will provide any investment recommendations or ongoing investment management, nor will we give advice or offer any opinion with respect to the suitability, profitability, or appropriateness for you of any security, investment, financial product, or investment strategy. You will be solely responsible for determining whether a security transaction or strategy is suitable for you. All transactions will be done only on your order or the order of your authorized delegate, except as otherwise provided in the Program Agreement. Further, upon the termination of your Program Account, your assets will be subject to all fees and charges normally assessed by WFA and/or its agents on its standard brokerage Accounts.

## **Account Requirements and Types of Clients**

### **Account Requirements**

A minimum initial Account value of at least \$5,000 is required. Under certain circumstances the Account minimum may be waived. We may terminate your Account with notice if they fall below minimum Account value guidelines established by us.

To participate in the Program, you must establish a Program Account and enroll in the Program electronically through the Program Website.

### **Types of Clients**

We provide the advisory services described in this brochure generally to individuals, through taxable or retirement Accounts, and trusts.

## **Portfolio Manager Selection and Evaluation**

Our affiliate, WFII, has created nine ETF portfolios that are available within the Program. These Portfolios are built based on specified investment objectives, risk/return profiles and/or targeted asset allocations.

The allocation targets are generally based on longer-term risk/return assumptions for various asset classes or investment strategies and may change from time to time in light of new research and analysis. The asset allocation guidelines and risk/return objectives are selected such that the Conservative Income model would be expected to generally have the lowest long-term investment risk, based on historical average risk levels, but also the lowest expected return. As an investor moves to models with higher allocations in equities or other higher-risk assets, historical averages suggest that expected investment risk and potential return increase. A description of the Portfolios can be found in the "Methods of Analysis, Investment Strategies and Risk of Loss" section.

WFII uses both quantitative and qualitative criteria when evaluating the potential inclusion, combinations and weights of ETFs in a Portfolio. WFII will typically arrange meetings with Portfolio Managers or representatives of an ETF sponsor to discuss the underlying investment philosophy of the fund manager and how that philosophy is manifested in security buy, sell and weighting decisions. They also seek to understand the capabilities of the Portfolio Manager, and assess how the investment philosophy will perform in different market environments. Additional factors influencing the inclusion and weight of an ETF within a portfolio may include a statistical analysis of the fund's past risk/return profile; complementary nature; expense ratios; assessed capacity and liquidity levels; tracking error versus specified indexes; the assessed quality of the investment process; changes in investment process or personnel; the number, continuity and experience of the investment professionals; a completed questionnaire, database information on the firm and interviews with members of the management team. This process is a continuing one, and ETFs may be added or removed from the Program based on these ongoing assessments. You are aware that ETF replacements in a Portfolio may cause tax consequences.

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

The stated investment objectives and/or allocation guidelines for the Portfolios provide the general basis by which they will be managed. We modify the allocations and/or selected ETFs when we believe it is in the interests of our investors to do so.

Other than in connection with our consulting responsibilities, we do not assume responsibility for the ETFs that we select, including their performance or compliance with laws or regulations. You are advised and should understand that:

- An ETF's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any ETF's objectives and strategies, and could cause a loss in your Account; and
- Client risk parameters or comparative index selections provided to us are guidelines only; there is no guarantee that they will be met or exceeded.

You should also be aware that shares of any particular ETF may fluctuate in value and when sold may be worth less than their original cost. There is no guarantee that your Program Portfolio will protect against such loss of investment.

Our reasons for removing an ETF may include its failure to adhere to expected investment objectives or a given management approach, a material change in the professional staff managing the fund, unexplained poor performance, a change of the investment management process, or the identification of a better alternative. We will, at our sole discretion, determine whether any or all of these factors are material when deciding to make a replacement.

WFII meets as necessary to make appropriate changes to the current asset allocation recommendations. We will review these recommendations and apply them to the Portfolios, as appropriate.

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

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

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

## **Client Restrictions and Instructions**

We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your Account, including the designation of securities that should not be purchased or held in the Account.

- If we believe that the restrictions are unreasonable or inappropriate, we will notify you that, unless they are modified, we may remove your Account from the Program.
- You will not be able to provide restrictions that prohibit or restrict the purchase or sale of securities by the investment advisor of an ETF.
- Each of the asset classes in our model portfolios has three ETFs assigned to it. If you wish to restrict more than one of the ETFs in a particular asset class, we may remove your Account from the Program.

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

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

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

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

Below are descriptions of the nine Portfolios available in the Program.

**Income:** Portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

- **Conservative Income:** Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
- **Moderate Income:** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
- **Aggressive Income:** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

**Growth & Income:** Portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

- **Conservative Growth & Income:** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
- **Moderate Growth & Income:** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
- **Aggressive Growth & Income:** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

**Growth:** Portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

- **Conservative Growth:** Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.
- **Moderate Growth:** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
- **Aggressive Growth:** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

## **Program Website Tool Methodology**

The suggested asset allocation strategy generated by the Program Website Tool ("Tool") is based on your answers to the questionnaire, which is comprised of a series of questions regarding, among others, your investment objective, risk tolerance, investment time frame, and liquidity. The Tool selects the suggested asset allocation strategy from one of 9 possible investment objectives.

The asset allocation strategies for each of the 9 investment objectives are based on Wells Fargo Investment Institute's (WFII's) Capital Market Assumptions ("CMAs"). The CMAs are estimates of the expected 10- to 15-year risk and return for each asset class within the prescribed allocations. They reflect the trends that WFII believes are most likely to affect investments in the coming years given the assessment of key economic and market drivers, appropriate historical context, and trends that we expect to develop over time. The assumptions are reviewed annually by WFII and are subject to change as conditions vary. Such assumptions are not a prediction or guarantee of returns or performance that may be realized and are subject to inherent limitations.

The suggested asset allocation strategies are proprietary to Wells Fargo and intended to be implemented only in conjunction with an *Intuitive Investor* Account. You are the one to decide whether to act on the suggested asset allocation strategy by opening and funding an *Intuitive Investor* Account.

**Tool Updates and Responsibility for Information Provided.** We will periodically update the Tool, which could include changes to the questions and modifications to the scoring methodology that generates the recommended asset allocation strategy. Your asset allocation strategy will not update automatically when we update the Tool. Results generated by the Tool after an update may be different, even if your answers are the same or similar to what you provided previously. Your updated results should be considered in place of any previous results. The results provided by the Tool depend upon the accuracy of the information you provide. Wells Fargo is not responsible for the accuracy or appropriateness of the information you provide.

**Limitations on the Use of the Tool.** The Tool's analysis does not consider the effects of taxes, fees, and/or expenses associated with investing. The Tool should not be considered as legal or tax advice. Please consult a tax professional to review the suggested asset allocation strategy, its fees, and tax consequences prior to making an investment decision.

**Risk Considerations and Disclosures.** You are under no obligation to accept the asset allocation strategy suggested by the Tool. You should carefully consider all of your options, as well as your other assets and investments before opening an *Intuitive Investor* Account and investing in the suggested asset allocation strategy. As your financial circumstances or goals change, consider revisiting the Tool. Wells Fargo is not responsible for reviewing your financial situation, and the Tool's investment advice should not be considered comprehensive in regards to your financial situation.

There is no guarantee that any particular asset allocation strategy and its underlying funds, paired with an *Intuitive Investor* Account, will ensure your ability to meet any of your investment goals or provide you with income. Asset allocation strategies and diversification do not guarantee a profit or protect against loss. All investing involves risk including the possible loss of principal. An investment in a fund will fluctuate, and shares, when sold, may be worth more or less than their original cost.

**Risk of Loss.** All investments shall be at your risk exclusively and we do not guarantee any return on the investments recommended or advised upon. We will not be responsible for losses resulting from the management of your Account. The Program includes investment risks, including possible loss of principal.

### **Voting Client Securities**

For Advisory Program Accounts, we do not vote proxies for securities held in your Program Account. Under the Program Agreement, unless you indicate or tell us otherwise, you will delegate your proxy voting authority to a third party proxy voting service provider, currently Institutional Shareholder Services Inc. ("ISS"), which we have engaged to vote proxies on your behalf. There is no cost to you to use this service. ISS will vote proxies in accordance with its established guidelines. When using ISS' services, you will not receive proxy materials or annual reports related to securities or other property. There are circumstances in which ISS will decline to vote proxies. ISS' services do not apply to proxies they decline to vote and in those instances you will not receive proxy materials and the proxy will not be voted. Information regarding ISS' services and its U.S. Proxy Voting Guidelines are available via ISS' website (<https://www.issgovernance.com/policy-gateway/voting-policies>).

You have the ability to rescind your proxy voting delegation by providing written instruction to us. You can choose to vote proxies yourself or delegate voting authority to another person (other than us, as we do not provide these services). In these instances, we will send proxy-related materials and proxy cards to you or to your chosen delegate. You may change your election at any time by contacting us.

We have the ability to change the third party proxy voting service provider at any time. In doing so, we will not be deemed to have or to exercise proxy voting responsibility or authority by virtue of such action.

If you hold any Non-Program Assets within your Account, we will forward all proxy solicitations to you for action with regards to those specific securities.

We or a third party provider will act (or refrain from acting) for you with respect to reorganization information related to securities, or the issuer of securities, held or formerly held in an Advisory Program Account. You have the ability to rescind your authorization by providing written instruction to us appointing either yourself or a third party authorized to act on your behalf.

## **Client Information Provided to Portfolio Managers**

When completing the Risk Tolerance Questionnaire, we will ask you to provide information about your investment objectives, financial circumstances and risk tolerance. Based on this information, we will make a recommendation using research and analysis we reasonably deem to be reliable. We may share this information with the Manager.

- We will contact you at least annually to update your information and indicate if there have been any changes in your financial situation, investment objectives or restrictions.
- It is your responsibility to inform us of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Failure to do so could affect the suitability of the services that we are providing to you.

We will act on any changes deemed to be material or appropriate as soon as practical after we become aware of the change.

## **Client Contact with Portfolio Managers**

We will make our investment advisory and support personnel reasonably available for consultation with you if you request. You can request assistance by phone at (855) 283-5567.

## **Additional Information**

### **Disciplinary Information**

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

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

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

Our investment advisory disciplinary history is available by going to: <http://www.adviserinfo.sec.gov/>

- On August 27, 2020, Wells Fargo Clearing Services, LLC agreed to a settlement with FINRA regarding allegations that the Firm failed to reasonably supervise the activities of two former registered representatives, thus violating its own written supervisory procedures along with NASD Rule 3010(a) and FINRA Rules 3110(a) and 2010. Between November 2012 and October 2015, the two representatives recommended that many of their customers invest a substantial portion of their assets in four high-risk energy securities, which generated multiple red flags regarding overconcentration and suitability in their customers' accounts that the firm failed to reasonably investigate. The Firm has previously compensated 67 clients over \$9.7 million for losses in these investments. Without admitting or denying the findings, the Firm agreed to a settlement that included a censure, a fine of \$350,000 and restitution in the amount of \$201,498 plus interest to additional specified clients.
- On February 27, 2020, the Securities and Exchange Commission ("Commission") entered an order against Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, following the Firms' offers of settlement. The Commission found that, from April 2012 through September 2019, the Firms recommended that many retail investment advisory clients and brokerage customers buy and hold single-inverse exchange-traded funds ("ETFs") without having adequate compliance policies and procedures and without providing financial advisors proper training and supervision of single-inverse ETFs. The Commission found that, as a result, certain investment adviser representatives and registered representatives made unsuitable recommendations to certain clients. The Commission found that the Firms willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, failed reasonably to fulfill their supervisory responsibilities within the meaning of Section 203(e)(6) of the Advisers Act and failed reasonably to fulfill their supervisory responsibilities within the meaning of Section 15(b)(4)(E) of the Exchange Act. The Firms consented, without admitting or denying the findings contained in the Order, to: (a) cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, (b) be censured, and (c) jointly and severally pay a civil monetary penalty in the amount of \$35,000,000.
- In 2018, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC elected to participate in the Securities and Exchange Commission's Mutual Fund Share Class Selection Disclosure Initiative ("SCSD Initiative"). The SCSD Initiative provided investment advisers with the opportunity to voluntarily self-report to the SEC's Division of Enforcement possible securities law violations related to the adequacy of their disclosures concerning mutual fund share class selection and fees received pursuant to Rule 12b-1 under the Investment Company Act of 1940. As part of the SCSD Initiative, the Firms reviewed disclosures and activities related to mutual fund share class selection within advisory programs. At the conclusion of the SCSD Initiative, the Firms jointly and severally consented to a settlement agreement alleging violations of Sections 206(2) and Section 207 of the Investment Advisers Act of 1940 and entry of an order under which the Firms were censured, agreed to cease and desist from committing further violations, and agreed to pay disgorgement and prejudgment interest totaling \$17,363,847.29. The SEC did not impose a fine or civil monetary penalty in recognition of the fact that the Firms self-reported.

- In December 2017, Wells Fargo Advisors agreed to a settlement with the State of Illinois Securities Department regarding allegations that it received, reviewed and/or analyzed documents and information from a financial advisory firm concerning certain money manager strategies that contained information that was later found to be false and misleading. The findings stated that we included the financial advisory firm's money manager strategies in certain of our externally managed Separately Managed Account Programs, but that we did not utilize inaccurate historical performance data in connection with our decision to onboard the money manager strategies and we did not incorporate inaccurate performance data in our advertisements or Program marketing materials. Without admitting or denying the findings, the Firm agreed to a total monetary payment of \$270,000.
- On December 21, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to maintain approximately one million electronic brokerage records in non-erasable and non-rewritable format, which is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings also stated that for approximately 1.5 million accounts, the Firm failed to preserve customer account form templates containing the terms and conditions related to the opening and maintenance of accounts, failed to retain certain communications and failed to notify FINRA at least 90 days prior to using new storage media to store electronic broker-dealer records. FINRA also found that the Firms failed to implement an audit system for those records, failed to provide its third party vendors full access to the storage systems, failed to implement an adequate supervisory system and failed to enforce written procedures. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,500,000. The Firms also consented to a review of its policies and procedures.
- On December 5, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to establish, maintain and enforce reasonable supervisory systems for the use of consolidated reports generated by their registered representatives through available applications. The findings stated that these applications allowed the Firm's representatives to manually enter information regarding customers' external accounts, assets and liabilities into a centralized table which the Firms maintained. This information would then be used to populate reports, including those that would be sent to the Firms' customers. FINRA found that the Firms did not have systems in place to review the contents of the reports, including information about customer holdings away from the Firms. In addition, the Firms supervisory systems and procedures were inadequate because there was no mechanism allowing representatives to designate which reports were actually provided to customers and the system could not distinguish between draft reports and completed reports that were sent to customers, which should have been subject to the Firms' supervisory systems designed to review customer communications. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,000,000.
- In December 2014, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to comply fully with requirements to verify the identity of each customer opening a new account under its Customer Identification Program ("CIP"). Due to a design flaw in the Firm's CIP system, 220,000 accounts, out of the total 6.9 million accounts opened during the period from October 2003 through October 2012, were not subject to the Firm's CIP review. When considering sanctions, FINRA took into consideration that WFA discovered the system flaw through self-testing, performed remediation CIP on approximately 100,000 accounts that remained open, made system changes to prevent recurrences and reported the violations in accordance with FINRA Rule 4530(b). Without admitting or denying the allegations, the Firm agreed to a settlement that included a censure, and payment, jointly and severally with its affiliate Wells Fargo Advisors Financial Network, of a \$1,500,000 fine.
- On September 22, 2014, the Securities and Exchange Commission ("Commission") entered an order against Wells Fargo Advisors, LLC following the firm's offer of settlement. The order stated that the firm did not adequately establish, maintain or enforce policies and procedures to prevent the misuse of material nonpublic information, particularly concerning the risk that its associated persons could obtain material nonpublic information from its customers or advisory clients. The order also stated that during the Commission's investigation, the firm unreasonably delayed production of certain documents and produced a document that was altered by an employee. The firm admitted the Commission's findings of fact, acknowledged that its conduct violated the federal securities laws and agreed to retain an independent compliance consultant to review relevant policies and procedures, as well as the making, keeping, and preserving of certain required books and records. The order censured the firm, required that the firm cease and desist from violating the federal securities laws cited in the order and imposed a civil money penalty in the amount of \$5,000,000.
- In May 2012, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to establish and maintain supervisory systems, including written procedures, reasonably designed to achieve compliance with applicable FINRA rules in connection with the sale of leveraged, inverse and inverse-leveraged exchange-traded funds. Without admitting or denying the allegations, the Firm agreed to a settlement that included a censure, and payment, jointly and severally with its affiliate Wells Fargo Advisors Financial Network, of a \$2,100,000 fine and restitution to specified clients.

- In May 2011, Wells Fargo Advisors agreed to a settlement with FINRA regarding allegations that the Firm failed to deliver prospectuses to customers on a timely basis and failed to timely file certain amendments to Uniform Applications for Securities Industry or Transfer ("Forms U4") and Uniform Termination Notices for Securities Industry Registration ("Forms U5"). Without admitting or denying the allegations, The Firm agreed to a censure and a \$1,000,000 fine. The Firm also agreed to adopt and implement systems and procedures reasonably designed to achieve compliance with the federal securities laws and FINRA rules applicable to timely filing of Forms U4 and U5.

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

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

WFCS is a member of all principal stock exchanges in the United States, including the New York Stock Exchange and NASDAQ. WFCS is also a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We may also route Client transactions through its affiliate, Wells Fargo Securities, LLC.

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

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

From time to time, a bank or thrift affiliated with us may lend money to an issuer of securities underwritten or privately placed by us. The prospectus or other offering documentation provided in connection with such underwriting or private placement will disclose to the extent required by applicable securities laws:

- The existence of any material lending relationship by any affiliate of ours with such an issuer and
- Whether the proceeds of an issuance of such securities will be used by the issuer to repay any outstanding indebtedness to any of our affiliates.

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

- **Wells Fargo Advisors Financial Network, LLC** is an affiliate of WFA that also provides retail brokerage and investment advisory services.
- **Wells Fargo Funds Management, LLC** is a registered investment adviser and wholly owned subsidiary of Wells Fargo & Company that provides investment advisory services to the Wells Fargo Advantage Funds. These funds may be purchased in WFA brokerage Accounts and certain advisory Programs offered by us. Wells Fargo Funds Management, LLC is also an advisor to certain cash sweep vehicles that may be available to Program Clients.
- **Wells Capital Management Incorporated** and **Galliard Capital Management** are affiliates of Wells Fargo & Company and may serve as advisers and/or sub-advisers through WFA's Programs and Wells Fargo Advantage Funds.
- **Wells Fargo Investment Institute, Inc.** (known prior to November 1, 2014 as Alternative Strategies Group, Inc. and before that as Wachovia Alternatives Strategies, Inc.) is a registered investment advisor and wholly owned subsidiary of Wells Fargo & Company that provides advisory services and research to WFA.

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

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

### **Code of Ethics**

Our Associates are subject to a Code of Ethics that is designed to ensure our business activities are performed with the highest possible standards of ethics and business conduct, and to comply with all applicable laws, rules, and regulations that govern our businesses. Key requirements of our Code of Ethics are summarized below.

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

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

Under the Program, we are generally appointed as sole and exclusive broker by you for the execution of transactions. The Program fee covers transaction costs when transactions are executed through us. However, on occasion, Clients may also designate, or the law may require, the use of other brokers, taking into consideration a number of factors such as best execution, research services, and other qualitative factors. Keep in mind that:

- When transactions are executed with other firms, including our affiliates, the cost of execution is imbedded in the price of the security.
- Any imbedded execution costs on trades done away from us are in addition to the Program fee.

For these transactions, we may act as agent or, where permitted by law, principal (including when we are acting as underwriter or selling group members). We may effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules promulgated thereunder including any future amendments or changes to such statutes and rules. For more information see the "Brokerage Practices" section.

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

Additionally, we may be restricted or limited in our ability to purchase or sell particular securities or make investment recommendations as a result of these affiliated activities.

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

### **Personal Trading**

We have policies and procedures to mitigate conflicts of interest between your transactions and those in the personal investment Accounts of our associates and their immediate family members. To ensure associate trading requirements are observed:

- Certain associate trading activity is subject to pre-approval.
- All associates are subject to regular review by their supervisors and independent oversight by our Compliance Department.
- Systemic controls are used to automatically restrict entry of certain orders and generate related surveillance reporting.

### **Review of Accounts**

Program services include review and monitoring of your Account by our personnel and facilities. Through the Website, we will provide you with Account information which will include a calculation of your Account's performance.



**Confirmations and Statements.** We will provide you with the following:

- Trade confirmations reflecting all transactions in securities
- A statement of Account activity at least quarterly

These documents will be delivered to you electronically.

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

From time to time, we initiate incentive programs for our Associates that may compensate them for:

- Attracting new assets and Clients
- Referring business to our affiliates (such as referrals for mortgages, trusts, or insurance services) or other Associates
- Promoting investment advisory services
- Promoting green initiatives (such as raising Client awareness of paperless options)
- Meeting total production criteria
- Meeting length of service requirements
- Participating in advanced training
- Improving Client service

Associates who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, and recognition trips.

Because portions of these programs may be subsidized by external vendors or our affiliates, such as mutual fund companies, insurance carriers, or investment advisers, associates have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services we offer.

### **Brokerage Practices**

Under a brokerage compensation arrangement, the Manager will be directed to effect all transactions in securities for your Account with or through us. Notwithstanding the foregoing, the Manager shall have no obligation to effect a particular transaction with or through us, if in their reasonable judgment it would be unlawful to do so.

**Principal Trades and Agency Cross-Transactions.** We do not generally execute principal trades or agency cross-transactions in our advisory Programs even though we may be permitted by agreement and by law to do so. Although in some instances, we may be able to provide a more favorable market price to you if we participate in a principal trade or an agency cross-transaction with Client Accounts, we do so only on a case by case basis, when consistent with regulations and our obligations to provide best execution. If the trade is a principal transaction, we will provide you with specific disclosures (including whether we are a market maker in the security) and obtain your consent.

**Agency Cross-Transactions.** If the transaction is an agency cross-transaction, in which we act as your broker or agent by purchasing or selling securities from or to one of our brokerage Clients, we will obtain your written consent and will provide you with a written confirmation at or before the completion of the transaction which describes its nature, provides information about its date and time and the remuneration which may be received by the investment advisor or other person.

At least annually, we will provide you with a written disclosure statement identifying the total number of agency cross-transactions for your Account during the period, and the total amount of our commissions or other compensation for these transactions, if any. We generally will not affect agency cross-transactions between Clients if we have recommended the security to both Clients.

Principal trades and agency cross-transactions are also subject to additional restrictions, procedures, and controls that are not required for other securities transactions in advisory Accounts. As discussed more fully below, we seek to obtain the best execution for each of our advisory Clients.

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

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

**Rollovers.** If you are rolling over assets from an employer-sponsored Qualified Retirement Plan ("QRP"), such as a 401(k), to an Individual Retirement Account ("IRA") with us, you should carefully evaluate all choices which are typically available. These four options include: leaving your assets in your former employer's plan (if permitted), rolling over the assets to your

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

The online process for opening an Intuitive Investor Account does not provide any recommendations or advice with respect to the rollover or transfer of any retirement Account or IRA to Intuitive Investor.

**Order Flow.** We may receive additional compensation in the form of order flow payments from options trades. In addition, we may receive compensation from one or more of the firms we route equity orders to as a fee for providing execution services to those firms. However, the orders routed to these firms are not contingent on pre-existing arrangements. Please refer to the "Fees and Compensation" section for a discussion of additional fees that you may incur.

**Best Execution Committee.** We have a Best Execution Committee that reviews trading activity and the vendors and systems we use to process transactions, among other things. Both advisory Client and non-advisory brokerage trades orders are treated with the same priority and procedural flow, except to accommodate the trading restrictions placed on these Accounts with respect to principal trades and agency cross-transactions.

To seek a more advantageous net price, it is our practice to aggregate orders, when feasible, for the purchase (or sale) of a particular security for the Accounts of several Program Clients for execution as a single transaction. Any benefit of such aggregation generally is allocated pro-rata among the Client Accounts that participated in the aggregated transaction.

Client transactions are monitored regularly by branch supervisors, and product management personnel monitor Program exceptions as part of their general oversight responsibility for the Programs. In addition, we use system controls and identification to restrict advisory Accounts from being charged commissions. We also regularly review reports to determine if you have been charged commissions in error and correct Accounts where appropriate.

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

We route Client orders for over-the-counter equities and listed equity securities to execution venues as appropriate, with best execution being the highest priority.

- We consider a number of factors when determining where to send Client orders, including execution speed and price, price improvement opportunities, the availability of efficient and reliable order-handling systems, the level of service provided, and the cost of executing orders.
- We strive to execute all held orders at prices equal to or better than the displayed national bid/offer price, up to the displayed size, at the time of execution.
- Not-held orders are worked for best price by the trading desk. We may utilize non-affiliated third-party Authorized Participants ("APs") when transacting large blocks of ETFs. APs are typically large institutions like market makers or specialists who can create ETFs by trading the underlying securities.

As a result of the over-the-counter nature (the lack of a market exchange) of fixed income securities, the available trading methods differ from that of equity securities. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may use our discretion in selecting the appropriate ATS and/or broker-dealers with which to execute Client orders. We consider a number of factors when determining where to execute Client orders, including the product type (which may influence the liquidity in the market) and the size of the order.

For both equity and fixed income securities, we regularly review transactions for quality of execution, and take action, as appropriate, for price improvement and to fulfill our best execution obligations. At all times, our foremost concern is to obtain the best execution for our Clients, regardless of any compensation factor.

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

## Margin Loans and Securities-Based Loan Programs

You may be eligible to use margin in your non-retirement Accounts or pledge your non-retirement Account assets as collateral for margin loans ("Margin Loans"). You may also be able to pledge your non-retirement Account assets as collateral for loans obtained through certain affiliated and unaffiliated loan programs ("Securities-Based Loan Programs"). It is important that you fully understand the costs, risks, and conflicts of interest involved in pledging your Account assets for a Margin Loan or Securities-Based Loan.

### Margin Loans

Certain Advisory Programs may permit margin borrowing and trading. We will not extend margin in an advisory account unless authorized by you through a separate margin agreement. You are responsible for notifying us if you decide that you no longer want to use margin in your Account. You may also discontinue use of margin in your Account according to the terms of the Client Agreement. We are not responsible for any losses resulting from our failure or delay in implementing such instructions.

- **Margin Loans Are Subject to Separate Terms and Conditions.** If you take out a Margin Loan, the terms and conditions applicable to the Margin Loan are governed by the Margin Disclosure Statement and the Client Agreement. You should review carefully the terms, conditions, and risk disclosures for Margin Loans and understand that such risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. Certain eligibility requirements must be met, and documentation in the form of a separate margin agreement must be completed prior to using margin.
- **Costs Are in Addition to Advisory Fees.** As discussed above, if you use margin to purchase additional securities, your Account Value increases and therefore the amount of fees you pay will increase. You will also be charged margin interest on the debit balance in your Account, which is in addition to the Program Fee and Platform Fee. This results in additional compensation to us. The interest charged on a Margin Loan is higher than the interest charged on affiliated Securities-Based Loans, including Priority Credit Line.
- **We Have an Incentive to Recommend the Use of Margin.** The increased asset-based fee and interest that you pay on a Margin Loan provides an incentive for your Financial Advisor to recommend the use of margin. Your Financial Advisor also has an incentive to use margin to purchase additional securities and other assets instead of selling existing securities or other assets. We address these conflicts by disclosing them to you.
- **Margin Loans May Not Be Suitable for You.** Using margin is not suitable for all investors. As described in the next paragraph, the use of margin increases leverage in your Account and therefore increases risk to a portfolio. We generally believe the use of margin is most appropriate when short in duration. Before deciding to use margin, you should consider the intended duration and total cost of the Margin Loan, as well as other options available to you, such as alternative loan options or liquidating your Account assets.
- **Using Margin Involves Higher Risks.** Generally, we believe that the use of margin adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money. You can lose more funds than amounts deposited in margin accounts. In addition, you generally will not benefit from using margin unless the performance of your Account exceeds interest expenses on the Margin Loan plus advisory fees incurred. You should also understand that the use of margin can negatively impact our ability to rebalance your account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your Account. **Please see the Margin Disclosure Statement and the Client Agreement for more details on the risks of margin use. You should read this documentation carefully.**

### Securities-Based Loan Programs

You may pledge your Account assets as collateral for Securities-Based Loan Programs with our consent and where you are eligible under the programs. The Securities-Based Loan Programs include, but are not limited to, the Priority Credit Line ("PCL") from Wells Fargo Advisors and various loan programs from our affiliate Wells Fargo Bank, N.A. ("Wells Fargo Bank"). The Secured PrimeLine program is available only in limited circumstances. In order for your Account to be eligible to serve as collateral for a Securities-Based Loan, your Account may not also serve as collateral for a Margin Loan. If you wish to use your Account as collateral for a Securities-Based Loan, we will automatically discontinue the availability of margin for your Account.

There are risks, costs, and conflicts of interests associated with Securities-Based Loan Programs. You are encouraged to speak with your Financial Advisor to the extent you have questions about how your Account may be used in connection with a Securities-Based Loan Program and how such arrangement should be taken into consideration when discussing the management of your Account.

- Securities-Based Loan Programs Are Subject to Separate Terms and Conditions. If you have elected to participate in a Securities-Based Loan Program, the terms and conditions applicable to that Securities-Based Loan Program are governed by the applicable Securities-Based Loan documents and other service agreements and are not included or described further in this brochure. You should review carefully the terms, conditions and any related risk disclosures for the Securities-Based Loan Program and understand that risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. You should understand that PCL provides more favorable protection for us in the event of your bankruptcy than loan programs through Wells Fargo Bank. Certain eligibility requirements must be met and documentation must be completed prior to obtaining Securities-Based Loans.
- Interest Rates for Securities-Based Loan Programs Differ. In certain circumstances, more than one Securities-Based Loan Program product may be available to you. The interest rate charged for PCL may be higher than interest rates available through other loan programs from Wells Fargo Bank and unaffiliated lenders. PCL is generally more profitable for us than other loan programs from Wells Fargo Bank, and gives us an incentive to recommend PCL over Securities-Based Loan Programs at Wells Fargo Bank.
- Costs Are in Addition to Advisory Fees. The costs, including interest, associated with a Securities-Based Loan Program are not included in the Program Fee or Platform Fee and will result in additional compensation to us, our affiliate, and our Financial Advisors. The interest charges on your Securities-Based Loan Program, combined with the Program Fee and Platform Fee, may exceed the income generated by your pledged Account assets and, as a result, the value of your Account may decrease. You are encouraged to consider carefully the total cost of taking out a Securities-Based Loan, and any additional compensation that WFA and your Financial Advisor will receive, when determining to take out and/or maintain a Securities-Based Loan against your Account assets.
- Financial Advisors Receive Compensation on Securities-Based Loans. In addition to receiving a portion of the Program Fee, Financial Advisors also receive compensation based on the outstanding loan balances of PCL and Securities-Based Loan Programs from Wells Fargo Bank. The Financial Advisor's compensation is reduced if the interest rate on PCL or a Securities-Based Loan from Wells Fargo Bank is discounted below a certain level, which creates an incentive for the Financial Advisor to not request for you or to discourage interest rate discounts below a certain level.
- We Have an Incentive to Recommend the Use of Securities-Based Loan Programs. Since WFA and your Financial Advisor are compensated through asset-based advisory fees paid on your Account, we benefit if you draw down on your Securities-Based Loan, which preserves asset-based advisory fee revenue and generates additional loan-related compensation, rather than sell securities or other investments in your Account, which would reduce the assets in your Account and our asset-based advisory fee revenue. This presents a conflict of interest for your Financial Advisor when addressing your liquidity needs. In addition, where a Securities-Based Loan is secured by both brokerage and advisory assets, a Financial Advisor will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because the Financial Advisor would be able to maintain advisory Account assets subject to the Program Fee and Platform Fee. We address these conflicts by disclosing them to you.
- Securities-Based Loan Programs May Not Be Suitable for You. There are other lending products that may be suitable for you and for which we and your Financial Advisor would receive different or no compensation. You are responsible for independently evaluating if a Securities-Based Loan is appropriate for your needs, if the lending terms are acceptable, and whether the Securities-Based Loan will have potential adverse tax or other consequences for you.
- There Are Limitations on the Use of Securities-Based Loan Proceeds. Except for margin accounts, where the loan proceeds can be used to purchase, carry, or trade securities, the proceeds of PCL may not be used to (a) purchase, carry, or trade securities or (b) reduce or retire any indebtedness incurred to purchase, carry, or trade securities. If your Account is used as collateral for a Securities-Based Loan, the Account is pledged to support the Securities-Based Loan and you are not permitted to withdraw funds or other assets from your Account unless sufficient amounts of collateral remain to continue supporting the Securities-Based Loan (as determined under the applicable Securities-Based Loan Program). Although you are required to satisfy such collateral requirements, you can terminate your advisory relationship with WFA, at which time the funds and assets in your account will be treated as a brokerage account at WFA and the collateral requirements for the Securities-Based Loan will continue to apply.

#### **Additional Considerations Associated with Pledging Advisory Account Assets for Margin Loans and Securities-Based Loans**

In addition to the risks mentioned above, if your Account assets are pledged or otherwise used as collateral for Margin Loans or Securities-Based Loans, the exercise of our rights and powers over your Account assets, including the disposition and sale of any and all assets pledged as collateral, may be contrary to your interests and the investment objective of your Account.

- There Are Collateral Maintenance Requirements. When you use margin to purchase securities or draw down on a Securities-Based Loan, your Account assets serve as collateral. We can increase our "house" maintenance requirements or call your Margin Loan or PCL at any time and for any reason, and are not required to provide you with advance written notice (although these approaches will be different for loan programs from Wells Fargo Bank, and may be different for loans from unaffiliated lenders). If your Account assets decline in value, so does the value of the collateral. If the required collateral is not maintained, you may need to deposit additional cash or securities as collateral or repay a partial or entire amount of the funds borrowed on short notice. You are not entitled to an extension of time on a margin call. The lender may refuse to fund any advance request due to insufficient collateral. Where the lender assigns different release rates to different asset types, you may be able to satisfy collateral maintenance requirements by selling securities with a low release rate and investing and/or holding the proceeds in assets that have a higher release rate for the loan.
- Liquidation of Securities in a Maintenance Call. Failure to promptly meet requests for additional collateral or repayment, or other circumstances including but not limited to a rapidly declining market, will cause the liquidation of some or all of the collateral supporting any Margin Loans or Securities-Based Loans in order to meet the maintenance requirements. We can sell your Account assets without contacting you. We are not required to notify you of a maintenance call. These approaches will be different for loan programs from Wells Fargo Bank, and may be different for loans from unaffiliated lenders. You will be responsible for any shortfall if your Account assets are insufficient to cover the maintenance deficiency. Even if we have notified you and provided a specific date by which you can meet a maintenance call, we can still take necessary steps to protect our financial interests, including immediately selling your Account assets without notice to you. You should understand that because your Account assets are collateral for the Margin Loans or Securities-Based Loans, in selling such assets, we will seek to protect or advance our interests (and/or those of our affiliated lender if you selected an affiliated Securities-Based Loan Program) over your interests. You should expect that our interests will not be aligned with—and will be adverse to—your interests when we sell assets during a maintenance call, and that we may sell assets that you desire to keep or sell them at prices that may be less than the value that we or you believe the assets are worth. You are not entitled to choose which Account assets are liquidated or sold to meet a maintenance call. If there are Account assets that you desire to own during the term of your Margin Loan or Securities-Based Loan, you should not pledge them as collateral. Depending on market circumstances, the prices obtained for your Account assets may be less favorable and may be less than the value that we or you believe the assets are worth. If a margin or maintenance call cannot be fully satisfied from your Account assets, you remain liable for the outstanding debt.
- Impact of Margin and Maintenance Calls on Management of Your Account. In a maintenance call, we might liquidate Account assets that you, your Financial Advisor, or your Manager otherwise would not sell, and that might not otherwise be in your best interests to sell, and you might not get to choose the assets that are liquidated. We or a third-party Manager will seek to manage your Account as agreed under your advisory Client Agreement and applicable Program Features and Fee Schedule, provided that, if a maintenance call takes place, you should expect that we or your Manager will not be able to manage your Account consistent with our or the Manager's overall strategy. In addition, in order to preserve sufficient collateral value to support the loan and avoid a maintenance call, depending on your leverage, a Financial Advisor may be inclined to invest your Account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies.
- No Legal or Tax Advice. WFA and your Financial Advisor do not provide legal or tax advice. You should consult with your own legal counsel and independent tax advisor before using securities as collateral for loans in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets.

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

Consistent with our privacy policies and applicable law, WFA and its affiliates may provide access to Client personal information to affiliated and third party service providers throughout the world. When Client information is accessed, we maintain protective measures as described in our privacy policies and notices. For more information, please see our Privacy Statement.

For more information, please read our Privacy Statement or call (855) 283-5567. With your written permission, obtained via Client Agreement or other written communication, we may provide your information electronically to your investment adviser and/or agent of such adviser. We reserve the right, at our discretion, to refuse to provide such requested information. Furthermore, in compliance with our Privacy Policy, we accept your instructions to discontinue providing such information.

## **Financial Information**

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