

Item 1: Cover Page

Global Manager Research
Global Investment Strategy
Global Portfolio Management

each a division of Wells Fargo Investment Institute (“WFII”)

401 S. Tryon Street, 2nd floor

Charlotte, NC 28202

704-715-1214

March 30, 2022

This Brochure provides information about the qualifications and business practices of the three divisions of WFII which have clients who are subsidiaries of Wells Fargo & Company (“WFC”), and which divisions include the Global Manager Research (“GMR”) division, the Global Investment Strategy (“GIS”) division, and the Global Portfolio Management (“GPM”) division. A separate WFII Part 2 brochure is also available and includes information about the qualifications and business practices of the Equity Optimization Group, Fixed Income Strategies Team, Option Strategies Group, and Social Impact Investing Team that units within “Managed Solutions”. Managed Solutions is a division within WFII. Advice provided constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. If you have any questions about the contents of this Brochure, please contact us at the telephone number above.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

WFII is registered with the SEC as an investment adviser. Registration as an investment adviser does not imply any level of skill or training. Additional information about WFII is also available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2: Material Changes from Prior Form ADV Part 2A

This updated Form ADV Part 2A contains the following material changes since our last annual update on March 30, 2021:

Items 5, 8, 9, 10, 11, 14, and 18 have been updated to include additional information relating to WFII's business practices, conflicts of interest and related risks.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes from Prior Form ADV Part 2A.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-by-Side Management	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information.....	8
Item 10: Other Financial Industry Activities and Affiliations	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....	13
Item 12: Brokerage Practices.....	16
Item 13: Review of Accounts	16
Item 14: Client Referrals and Other Compensation	16
Item 15: Custody	17
Item 16: Investment Discretion	17
Item 17: Voting Client Securities	17
Item 18: Financial Information	17

Item 4: Advisory Business

A. Firm Description

WFII is a wholly owned subsidiary of Wells Fargo Bank, N.A. (“WFB” or the “Bank”), that was formed in 1995 and registered with the SEC as an investment adviser in 2005. WFII is a bank affiliate of Wells Fargo & Company (“WFC”), a publicly held company (NYSE: WFC).

WFII is divided into separate operating divisions doing business under separate names. This brochure is for the following divisions:

- **Global Manager Research (“GMR”)**
- **Global Investment Strategy (“GIS”)**
- **Global Portfolio Management (“GPM”)**

References to any of these divisions throughout this brochure also include a reference to WFII.

GMR is primarily involved in screening and conducting due diligence on third-party investment managers and certain of their investment products for Wells Fargo’s Wealth and Investment Management (“WIM”) lines of business (“LOBs”) and another investment adviser. These include the fiduciary divisions of WFB, Wells Fargo Advisors¹ and Wells Fargo Advisors Financial Network, LLC (collectively, “WFA”). GMR’s services are also utilized by WFII’s other four divisions, including the Managed Solutions division.

GIS is primarily involved in developing capital market assumptions and asset allocation strategies for WIM, including WFB’s fiduciary divisions and WFA.

GPM develops and provides model investment portfolios to WIM LOBs including WFB, WFA and other Wells Fargo affiliates. (“Affiliate” means any entity that is controlled by, controls or is under common control with WFII.) The models are delivered on a non-customized basis to the relevant Affiliates, and no investment discretion is taken with regard to Affiliate client accounts. The Affiliates have the option whether to implement all, or a part, or none of the models provided with respect to their own clients and businesses.

B. Description of Services

GMR provides research to its clients consisting of recommendations on a limited population of investment products. These are primarily, but not limited to, the following vehicle types: mutual

¹ Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

funds, closed-end funds, exchange-traded funds or commingled products, private funds (including limited liability companies and limited partnerships), separate account managers, and offshore mutual funds.

GIS provides impersonal investment advice to its clients covering a limited scope consisting of asset allocation strategies, including recommended asset classes and sectors, but does not involve any specific issuer or security recommendations. Related capital market assumptions are also published on an impersonal basis.

GPM constructs model investment portfolios designed to meet the investment objectives of clients within WIM LOBs, which makes them available to their clients for adoption and implementation. The majority of model portfolios are constructed with mutual funds, exchange traded funds (“ETFs”), and separately managed portfolios (“SMAs”). A select number of portfolios also utilize private placement funds, some of which could be managed by WFII, or private placement funds and/or mutual funds managed by Wells Fargo Affiliates. All funds utilized in the models are recommended by GMR. A small number of specifically designed portfolios utilize individual equity and fixed income securities in addition to ETFs to construct the portfolios.

Item 5: Fees and Compensation

Currently, our compensation from Affiliates is a monthly fee based upon the costs incurred by WFII to provide its services, plus an additional amount equal to 10% of such costs (similar to a mark-up). Costs counted incurred by WFII to provide its services include corporate support services, personnel expenses and market data expenses. Fees for research services that GMR provides to other clients are negotiated on a customized basis and may include a base fee component that covers research services applicable to certain strategies as well as additional fee components that cover research services applicable to other strategies and products. WFII bills clients for the services described herein based on the negotiated terms of the arrangement.

Item 6: Performance-Based Fees and Side-by-Side Management

WFII does not charge performance-based fees and does not exercise investment discretion over any client accounts with respect to the services provided by the three divisions described herein.

Item 7: Types of Clients

WFII provides investment advisory services to various WIM LOBs, including WFB’s fiduciary divisions and WFA. WFII also provides research to a small number of non-affiliated entities as part of a custom arrangement that is expected to be in place for a limited period time. Each client has the authority to act on research, recommendations and due diligence data provided to them by WFII at their discretion.

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

A. Methods of Analysis

1. GMR – The Global Manager Research Division

GMR utilizes established and documented investment research processes to complete comprehensive and ongoing research of investment managers. This applies regardless of whether the investment manager is being evaluated as a separate account manager or whether a fund or other investment product managed by the investment manager is being evaluated. GMR applies both qualitative and quantitative analysis in order to produce an Investment Recommendation report. The factors analyzed and considered in GMR's research when making a recommendation include, but are not limited to:

- Firm organization, business risk management, and compliance infrastructure
- Executive and investment personnel- depth, experience, stability and incentive structure
- Investment philosophy and process
- Risk and return attributes/results
- Trading practices
- Product structure and viability

GMR analysts interact with investment managers under their coverage on a frequent basis. These interactions generally include receiving portfolio updates on existing products through direct calls with investment personnel, general updates as firm representatives and/or team members pass through the local office locations of GMR team members, or general update calls sponsored by the firm and/or investment team. This is in addition to the data collected on each firm or investment product both from the investment manager directly and from external sources.

2. GIS – The Global Investment Strategies Division

GIS provides asset class targets and strategy that are developed in a manner that is consistent with its overall macro-economic outlook. The GIS team uses a number of proprietary forecasting, quantitative and valuation models, fundamental economic data points and technical analysis in determining interest rate targets and sector strategies. Strategy is developed in a collaborative team approach with the group leads responsible for both the process and the results.

3. GPM – The Global Portfolio Management Division

GPM receives advice from the GMR and GIS investment research divisions of WFII to recommend products utilized for the models and to allocate model portfolios according to the asset allocation strategies promulgated by WFII. As noted previously, GMR is primarily involved in screening and conducting due diligence on third-party investment managers and certain of their

investment products for WIM LOBs including WFB's fiduciary divisions, WFA, and the other four divisions of WFII. GPM receives capital markets assumptions and asset allocation advice from GIS and will apply this advice to the models utilizing GMR's recommended products.

B. Investment Strategies and Risk of Loss

The three WFII divisions do not manage individual accounts or exercise investment discretion in any way in connection with the services described herein. Risk of loss is inherent in any investment strategy, and it is expected that clients of the three WFII divisions will disclose and manage the investment risks of their own clients in conjunction with their own clients' goals and circumstances.

Opinions contained within reports represent WFII's opinion and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally.

The advisory services described in this brochure utilize a wide range of securities and investments and draw upon multiple methods of analysis and investment techniques. General investment risks include, but are not limited to, the following:

- *Equity Risk* – Stock prices, including publicly traded REITs, may fall over short or extended periods of time.
- *Interest Rate Risk* – The value of fixed-income securities may be affected by any increase or decrease in prevailing interest rates. In general, if interest rates rise, bond prices fall, and if interest rates fall, bond prices rise.
- *Credit Risk* – Changes in the financial condition of an issuer or guarantor of a fixed-income security or a counterparty to a contractual obligation and changes in general economic conditions may impact the actual or perceived willingness or ability of an issuer, guarantor or counterparty to make timely payments of interest or principal or to otherwise honor its obligations. This risk is greater for lower-rated fixed income securities (e.g., below investment grade bonds).
- *Style Risk* – A product or strategy may follow a particular investment style that may fall out of favor in the market. The predictive powers of different methods of analysis also vary greatly. Models and rules are often modified and updated as new patterns and behaviors develop. Technical analysis (relative to fundamental analysis) and qualitative analysis (relative to quantitative analysis) may be more dependent on subjective judgment.
- *Inflation Risk* – Returns on fixed-income securities may not keep pace with inflation.
- *Foreign Securities Risk* – Foreign securities are subject to special risks, including without limitation limited liquidity, delays in settlement, less publicly available information about

companies, the impact of political, social or diplomatic events, possible seizure, expropriation or nationalization of a company or its assets, and possible imposition of currency exchange controls. Foreign markets may be extremely volatile.

- *Regulatory Risk* – The overall investment activities of the WFII and our Affiliates may limit the investment opportunities in certain markets in which limitations are imposed by regulators upon the amount of investment by affiliated investors, in the aggregate or in individual issuers. From time-to-time, activities also may be restricted because of regulatory restrictions applicable to the WFII, WFA, WFB or their Affiliates, and/or their internal policies. For example, we may be restricted from communicating a ratings change if WFII or an Affiliate has material, non-public information about the manager.
- *Information Risks* – In providing its advisory services, WFII relies on affiliated and third-party sources for information that it believes to be reliable, but WFII cannot guarantee the quality, accuracy and/or completeness of such information.
- *Business Continuity Risks* – Although WFII implements business continuity planning, there is no guarantee that WFII or its service providers will be able to maintain normal operations and/or will not lose key personnel on a temporary or long-term basis as a result of natural or man-made disasters, pandemics like COVID-19 or other unexpected disruptive events.
- *Cybersecurity Risks* – With the increased use of technologies to conduct business, WFII and its Affiliates (including WFA, WFB and WFC which maintains WFII's technology infrastructure) are susceptible to operational, information security, and related risks. In general, cyber-incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include unauthorized access to digital systems (such as through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (making network services unavailable to intended users). Cyber-incidents may cause disruptions and affect business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber-incidents affecting a fund, issuers of securities and other interests in which such a fund may invest, counterparties with which a fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties.

Item 9: Disciplinary Information

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

other disciplinary actions involving WFII and its management affiliates are reflected in WFII's Form ADV, Part 1A, which is available at <http://www.adviserinfo.sec.gov> on the Investment Adviser Public Disclosure website.

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

Item 10: Other Financial Industry Activities and Affiliations

This section describes relationships or arrangements material to WFII's advisory business that certain of its management persons have with other Affiliates. WFII's management persons are WFB, WFC and other entities and individuals who exercise a controlling influence over WFII's management or policies, or who determine the general investment advice given to clients and other clients of WFII.

Additional information concerning these direct and indirect affiliates and related persons of WFII, which include various other broker-dealers, investment companies, investment advisers, and banking organizations, is provided in WFII's Form ADV, Part 1A, which is available at <http://www.adviserinfo.sec.gov>.

A. Broker-Dealer Registration Status

WFII is not registered as a broker-dealer. However, certain of WFII's management persons are registered as broker-dealers or, in the case of individuals, as registered representatives of a broker-dealer.

B. Commodities Industry Registration Status

WFII is registered as a Commodity Pool Operator ("CPO"), and certain of its management persons are registered as an associated person of a CPO. WFII is not a registered Futures Commission Merchant ("FCM") or Commodity Trading Advisor ("CTA"), and none of its management persons are registered as (or an associated person of) an FCM or CTA.

C. Material Relationships or Arrangements With Affiliates

WFII and its management persons have relationships or arrangements with several Affiliates that are, or could be perceived as, material to WFII's advisory business or its clients. As noted above, WFII is a direct wholly-owned subsidiary of WFB and a bank affiliate of WFC. WFC is a large financial services organization that, directly and through its Affiliates, operates commercial and investment banking, brokerage, securities dealing, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include: (1) securities brokerage, trading and underwriting; (2) investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; (3) wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; (4) origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities, and foreign exchange products; (5) securities clearance, settlement financing services and prime brokerage; (6) private equity and other principal investing activities; (7) proprietary trading of securities, derivatives and loans; (8) banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; (9) insurance and annuities sales; and (10) providing research including global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy.

Conflicts of Interest

Competing Loyalties: Affiliates and individuals at WFII that control its management or policies, or determine the general investment advice given by WFII, can and do perform other duties for WFII and for Affiliates. Conflicts of interest arise from time to time in connection with these duties with respect to allocating management time, services or functions among us and other Affiliates. In their non-WFII roles, such persons may give investment advice and/or take actions that differs from, or are inconsistent with, the performance of their WFII-related duties. The compensation of these management persons may be based, in part, upon the profitability of other parts of WFII's or an Affiliate's business or the business of an Affiliate. Consequently, in carrying out their roles at WFII and these other entities, the management persons of WFII are subject to the same or similar potential conflicts with the interests that WFII and these Affiliates experience.

Restrictions from Other Activities: Owing to the investment banking or other business activities of its Affiliates, WFII's ability to transact in or recommend securities issued by companies involved in certain corporate restructuring transactions (e.g., mergers and acquisitions) may be limited by law or regulation (domestic and/or foreign). For example, our Affiliates can acquire confidential or material non-public information that prevents us or our Affiliates, for a period of time, from purchasing, selling or recommending particular securities for clients. Similarly, the purchase and/or management of some investments involve credit analysis, based in whole or in part on information that may not be readily available to the public (e.g., material, non-public information), and that can cause the client to become restricted in trading public securities of that issuer so long

as such information remains material and non-public. We and our Affiliates are not permitted to divulge or to act upon this information with respect to our advisory or brokerage activities. As a result, WFII may limit or exclude investment recommendations in a particular issuer, future, derivative, and/or other instrument.

Mitigants

In addition to the mitigants described above and throughout this brochure, WFII mitigates its conflict through reviews of the quality and continued value of the advisory services provided by Affiliates and third parties to WFII.

WFII also seeks to mitigate the risk from these conflicts through WFC's and WFII's policies, procedures, disclosure, communication protocols, and periodic conflicts training of applicable personnel. Further, Information walls are in place which are designed to allow multiple businesses to engage with the same or related clients at the same time, while mitigating any conflicts arising from such a situation. For example, information walls are designed to prevent the unauthorized disclosure of material nonpublic information and allow public side sales, trading and research activities to continue, while other businesses within WFC possess material nonpublic information.

D. Material Conflicts of Interest Relating to Other Investment Advisers

We and our Affiliates have business relationships with and receive compensation (directly or indirectly) from certain third-party investment advisers that we recommend as part of the services provided by GMR and GPM.

Conflicts of Interest

When compensation to our Affiliates varies based on our recommendations of an investment adviser (or their investment products or portfolios), this presents a conflict. WFII has a financial incentive to make the investment recommendation that maximizes profits, rather than give you disinterested advice.

In constructing strategies, GPM limits their consideration to the universe of ETFs and mutual funds that are made available to accounts (by WFA or WFB, as applicable) and recommended by GMR. GMR does not screen and conduct due diligence on all mutual funds and ETFs. GMR may, consciously or unconsciously, give preference, or more opportunities for consideration, to investment managers (or their investment products or portfolios) that offer additional compensation to Affiliates.

WFII has a conflict of interest in giving preference to the advisory services of Affiliates and in limiting its consideration to investment options that impose less additional costs on Affiliates or that generate more revenue to Affiliates. Doing so allows WFII to increase profits to WFC, but

typically narrows the universe to exclude some investments with superior performance and/or other investment metrics.

Mitigants

In addition to the mitigants described in *Item 10.C* above and throughout this brochure, WFII mitigates its conflict through reviews of the quality and continued value of the advisory services.

Wells Capital Management Incorporated, Wells Fargo Funds Management, LLC, Wells Fargo Asset Management (International) LLC, Wells Fargo Funds Distributor, LLC and Galliard Capital Management, Inc. are no longer related persons of WFII. These companies were wholly owned by WFC and formed the asset management business that WFC operated under the trade name Wells Fargo Asset Management. These companies served as adviser, sub-adviser, and distributor of a group of pooled investment vehicles commonly referred to as the “Wells Fargo Funds” and certain of the separately managed account programs offered through WFC affiliates. WFC sold the Wells Fargo Asset Management business in 2021 and the new owners subsequently renamed the business Allspring Global Investments. The sale closed on November 1, 2021.

Allspring Global Investments (“Allspring”) is the trade name used by the asset management businesses of Allspring Global Investments Holdings, LLC. This group of companies includes Allspring Funds Management, LLC, the investment adviser to each of the mutual funds within the Allspring Global family of funds, and Allspring Funds Distributor, LLC, the principal underwriter of the Allspring Global mutual funds. It also includes Allspring Global Investments, LLC, an investment adviser to pooled investment vehicles and separately managed accounts.

WFC and its affiliates, including WFII, will have no role in the management of Allspring. However, WFC will retain less than a 10% equity ownership interest in Allspring and, for a limited period of time following the close of the sale, WFC affiliates will continue to provide research and certain non-advisory transition services to Allspring for a fee. Wells Fargo Clearing Services, LLC (“WFCS”), a related person of WFII, will continue to receive compensation from Allspring for the distribution, administrative and operational services that it provides to the Allspring Global mutual funds. Additionally, WFCS and WFII will continue to provide Allspring, for a fee, with thematic recommended lists and research regarding individual equities used by Allspring to construct portfolios for separately managed accounts that are exclusively distributed by WFCS and its related persons. For a limited period of time, WFII will also continue to provide manager research to Allspring for a fee.

WFC’s equity ownership in Allspring and the agreements by WFII and its related persons to provide ongoing services and research to Allspring for a fee will provide us with a financial incentive to continue to recommend to our clients products that are managed and distributed by Allspring, including mutual funds, sweep vehicles, and separately managed account programs. Although

Allspring will not be a related person of WFII, WFII and its related persons will continue to benefit from the sales of these products to a greater extent than the sale of other third-party products in which we do not have a similar financial interest.

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

A. Code of Ethics

WFII has adopted a code of ethics (the “*Code of Ethics*”) and various other policies and procedures designed to govern the professional activities of its personnel and various aspects of their private conduct, particularly that which could present conflicts of interest between the individuals and WFII and its clients. All WFII personnel must comply with the Code of Ethics, which is designed to detect and prevent violations of securities laws while putting the interests of WFII’s clients before those of WFII personnel. Additionally, WFC maintains a company-wide Code of Ethics and Business Conduct which provides guidelines for the business practices and personal conduct that all associates and board members are expected to adopt and uphold.

WFII’s Code of Ethics imposes personal trading restrictions on all employees. The restrictions govern their own accounts and trading activity, as well as accounts over which they have control or a beneficial interest. The restrictions, which apply to the purchase and sale of certain securities and options, are designed to prevent situations where a personal transaction by a person related to WFII would be adverse or detrimental to a client of WFII. For example, designated WFII personnel must pre-clear certain securities transactions, disclose their investment accounts, and provide or cause WFII to receive annual holdings reports and quarterly transaction reports.

WFII’s Code of Ethics is available upon written request to: Wells Fargo Investment Institute Compliance, 401 S Tryon Street, 2nd Floor, MAC D1050-026, Charlotte, NC 28202-1934, or by contacting WFII’s Chief Compliance Officer, Daniel J. Mavico, via email at Daniel.Mavico@wellsfargo.com.

B. Recommendations of Securities in which WFC has a Material Financial Interest

WFII, its Affiliates and their respective employees may recommend investments in which we or they have a material financial interest. A material financial interest would include an opportunity for our Affiliates to benefit financially from the purchase or sale of an investment, from providing services in connection with an investment, or from increasing the value of an investment to an Affiliate.

Conflicts of Interest

The existence of a material financial interest in the investments that we or an Affiliate recommend presents a conflict of interest. WFC has an incentive for WFII to favor investment products, and make investment decisions, that generate the greatest financial benefit or compensation to

Affiliates when recommending assets to investments. Our Affiliates have similar incentives when providing recommendations.

- *Advising or Servicing Investments:* Strategies offered by GPM may recommend products that directly or indirectly generate additional compensation to Affiliates for managing, advising, administering, accounting or sub-accounting, distributing, sponsoring, promoting, licensing indices to, or otherwise servicing shareholders or investors in the product. Such products include registered investment companies or other collective funds, bank deposit products, equity derivatives, REITS and other equity securities, or other investment vehicles to which one or more Affiliates may be an adviser, manager, sponsor, shareholder servicer, promoter or placement agent or may have issued, structured, licensed indices to, or underwritten such vehicle.
- *Other Business Interests:* Certain of the strategies managed by WFII may recommend securities of an issuer in a position to give business to WFII or its Affiliates. WFII has an incentive to favor these investments, which may include:
 - companies that are, in turn, invested in our ultimate parent company, WFC, or that own a significant stake in an Affiliate or a joint venture with an Affiliate;
 - companies that have provided, or could provide, loans or financing to Affiliates;
 - companies who are also advisory clients of WFII or an Affiliate; and
 - companies that engage, for their own account or on behalf of their clients, our Affiliates' banking and lending services, sponsorship of deferred compensation and retirement plans, recordkeeping services, investment banking, securities research, institutional trading and prime brokerage services, custody services, and licensing arrangements involving indices.

Mitigants

In addition to the mitigants described in *Item 10* and throughout this brochure, there are controls focused on addressing the conflicts presented by the material financial interests that we and Affiliates have in the investments WFII recommends. In particular, we determine the compensation paid to WFII's investment personnel on the same basis for all assets without regard to the amount of compensation we or our Affiliates receive on different investments. As a result, WFII's investment personnel do not have a direct financial incentive to favor certain investments over others or to favor certain investment managers (or their investment products) over others.

C. Conflicts of Investing in the Same Securities, or at the Same Time, as Clients

From time to time, WFII recommends a security (or related securities, e.g., warrants, options or future) in which WFII, its Affiliates or its personnel also invest, for their own account or on behalf of their clients. For example, Affiliates of WFII are permitted to trade for their own account, or

the accounts of their clients, on the same non-discretionary advice that GPM includes in its strategies. Directors, officers and employees of WFII are permitted to buy, sell or own securities and/or options that are bought, sold or owned by WFII's clients, subject to the Code of Ethics.

Scarce Opportunities and Market Impact: In some cases, the ability to implement and trade on advice *first* gives an advantage to one account over others. Some investments (either directly, or due to the nature of underlying component assets or derivative structures) involve actual or perceived liquidity constraints that could adversely impact pricing determinations, valuation methodologies, transparency and review of asset composition, and/or the actual marketability and sale of the investment. Other investment opportunities are scarce or only actionable for a limited time before the value of the recommendation diminishes. Price movements, particularly in volatile markets or in trades involving less liquid securities, can result in later trades receiving a price that is less favorable than the price received by earlier orders for the same investment.

Timing: Differences in the timing with which advisory services are delivered can result in material differences in the performance achieved for clients. For example, differences in the timing with which GPM strategies are delivered to WFA and WFB could result in material differences when implementing the strategies. Even if WFA and WFB receive strategy information at the same time, due to the operational differences, manner and size of the advisory programs, one Affiliate could have the ability to implement and trade on these recommendations prior to another Affiliate.

WFII seeks to mitigate the risks that timing of delivery of advisory services could disadvantage certain clients, relative to other clients, by requiring its divisions to disseminate identical content to all clients entitled to receive the content in a manner such that, over time, clients do not experience material differences in performance without adequate disclosure.

Conflicting Rights and Interests: There may be situations in which GPM strategies cause clients to invest in certain parts or particular issuances or financing of an entity's capital structure at the same time that other clients, or Affiliates and their clients, are investing in or holding positions in different parts of that same entity's (or a related entity's) capital structure. These situations include, for example, investments in instruments that have differing priorities (senior or subordinated loans), have differing levels of risk and yield or return, and/or have differing levels or types of rights and benefits. In such situations, the interests of one group of clients conflicts with those of other clients and/or of Affiliates investing in the same entity. Affiliates, on behalf of themselves or their clients, and WFII on behalf of its clients, may have tax, economic or business interests or goals that are inconsistent.

When conflicts arise, an Affiliate or WFII at times could pursue or enforce rights on behalf of the Affiliate or its clients in a manner that results in an adverse effect on other clients, including Clients, with a different type of investment in the same or a related entity or transaction.

Trading Practices: WFII or its Affiliates may execute transactions for other accounts that may adversely impact the value of securities covered by GMR and included in GPM strategies. Our Affiliates' activities have the ability to affect market prices, particularly when such Affiliates manage substantial amounts of assets, creating the potential for large trades. For example, an

Affiliate could sell short a security for its own account, or the account of its clients, resulting in downward pressure on the price of the security held “long” in a GPM strategy. We address the potential for such conflicts through disclosure and, in some cases, through information barriers.

Item 12: Brokerage Practices

In connection with the services that it provides through the three divisions described herein, WFII does not maintain accounts that engage in any brokerage or trading activities on behalf of its clients.

Item 13: Review of Accounts

In connection with the services that it provides through the three divisions described herein, as noted previously, WFII does not maintain or manage accounts on behalf of any clients.

Materials prepared by the three divisions as described herein are reviewed internally before being issued.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

We and our Affiliates have arrangements pursuant to which someone, who is not a client, provides an economic benefit to us for providing our advice or other advisory services to you and other WFII clients. In addition to the arrangements described throughout the brochure, we and our Affiliates have business relationships with many investment managers, distributors and sponsors, and insurance companies and other product providers (“*Third Party Firms*”) available to our clients that are separate and apart from the advisory services covered in this brochure. For example, we or our Affiliates may effect transactions in the ordinary course of business for a mutual fund (and, if applicable, a portfolio company in which a fund may hold an interest). Any compensation paid to us or our Affiliates by the fund manager or sponsor (or any of their affiliates) is additional compensation to us for services we and our Affiliates provide to them. These Third Party Firms may direct their clients’ transactions to us. We may also make available to them research, execution, custodial, pricing, and other services offered by us in the normal course of business. We may receive compensation in connection with such transactions and other services.

From time to time, Affiliates enter into distribution agreements with asset managers, fund managers, or Third Party Firms pursuant to which WFA, WFB and other Affiliates distribute certain products and services of the Third Party Firms to our clients.

It is possible that WFII’s investment personnel will, consciously or unconsciously, favor these investments over others (to which they have less exposure or familiarity). We address the conflicts of interest in the following ways. We disclose the nature of our relationship in general with Third Party Firms. We determine the compensation paid to WFII’s investment personnel on the same basis for all client assets without regard to the amount of compensation we or our

Affiliates receive on certain investments over others. As a result, WFII's investment personnel do not have an incentive to recommend certain investments over others because they do not receive additional compensation as a result of arrangements or compensation from Third Party Firms.

B. Direct or Indirect Compensation for Client Referrals

WFII does not directly compensate any person for client referrals, and neither do its officers, directors or employees. However, certain of our Affiliates, directly and indirectly, provide compensation for client referrals to some third parties as well as some personnel who are not subject to WFII's supervision. Referral arrangements give rise to conflicts of interest because the referring party has an incentive to make the referral based on his or her interest in receiving compensation rather than to give you disinterested advice. In addition, when the compensation is based on maintaining or exceeding certain production levels (e.g., asset under management, number of new clients or product sales), the recipient has an incentive to meet those thresholds and production levels. When required by law, each referral arrangement is or will be governed by a written agreement and will be disclosed to clients.

Item 15: Custody

In connection with the services that it provides through the three divisions described herein, WFII will at no time have, or be deemed to have, custody or possession of client funds or securities.

Item 16: Investment Discretion

In connection with the services that it provides through the three divisions described herein, WFII will at no time have, or be deemed to have, investment discretion with respect to client assets.

Item 17: Voting Client Securities

In connection with the services that it provides through the three divisions described herein, WFII does not engage in any proxy voting on behalf of its clients.

Item 18: Financial Information

WFII does not require or solicit prepayment of fees in advance, has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.