

**Wells Fargo Advisors Financial Network  
Wrap Fee Brochure  
for Advisory Program Services**



801-57434

**Investment Advisory Services of Wells Fargo Advisors Financial Network, LLC**

Revised December 2023

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This wrap fee brochure provides information about the qualifications and business practices of Wells Fargo Advisors Financial Network, LLC, and FundSource®, CustomChoice, Private Investment Management, Fundamental Choice, Quantitative Choice, Asset Advisor, Personalized Unified Managed Account, Private Advisor Network and Customized Portfolios (the “Programs”). This information should be considered before becoming a Client of one of these Programs. If you have any questions about the Programs or the contents of this brochure, please contact us at the telephone number above.

This information has not been approved or verified by United States Securities and Exchange Commission or by any state securities authority. Additional Information about Wells Fargo Advisors Financial Network, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Please note that registration as an investment adviser does not imply a certain level of skill or training.

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 and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

# Summary of Material Changes

Please refer to the Wells Fargo Advisors Wrap Fee Brochures for details on any material changes to the Programs offered.

Material Changes to the Wrap Fee Brochure for Advisory Program Services since March 31, 2023:

- The Platform Fee has been reduced from 0.059% to 0.050%.
- In August 2023, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC (collectively, the "Firm") agreed to a settlement with the SEC regarding allegations that from at least 2002 through December 2022, the Firm and its predecessor firms overcharged approximately 10,945 accounts of advisory clients, for accounts opened through 2014, for more than \$26.8 million in advisory fees and failed to adopt and implement written compliance policies and procedures reasonably designed to prevent the over billing in willful violation of Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 thereunder. Specifically, from at least 2002 through 2014, certain investment adviser representatives from Wells Fargo and its predecessor firms agreed to reduce the firms' standard, pre-set advisory fee rate for certain clients at the time these clients agreed to open accounts. The representatives made handwritten or typed changes on the clients' standard investment advisory agreements that reflected the reduced fee rate. However, in certain instances, the account processing employees at Wells Fargo and its predecessor firms failed to enter the agreed-upon reduced advisory fee rate into the firms' billing systems when setting up the clients' accounts. In 2022 and 2023, the Firm corrected the advisory fees to be charged to the accounts and issued payments for the overcharged advisory fees, plus interest, to the affected account holders. Without admitting or denying the findings, the Firm consented to a settlement that included a cease and desist order, censure and civil money penalty of \$35,000,000.

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Wells Fargo Advisors Financial Network, LLC ("WFAFN"), is a broker-dealer and investment advisory Firm providing investment and other financial services to individual, corporate, and institutional Clients through a network of independent contractor representatives. It is a non-bank affiliate of Wells Fargo & Company ("Wells Fargo"), a financial holding company and bank holding company founded in 1852 and publicly held company (NYSE: WFC). Wells Fargo and its Affiliates are engaged in a number of financial businesses, including retail brokerage and investment advisory services.

WFAFN is affiliated with Wells Fargo Clearing Services, LLC ("WFCS"), a broker-dealer and investment adviser that also provides advisory and brokerage services as well as securities-execution and brokerage-clearance services to WFAFN, and other retail securities firms throughout the United States. WFCS operates under the trade name Wells Fargo Advisors ("WFA") in providing advisory and brokerage services.

WFAFN has entered into an agreement with WFA, a non-bank affiliate of WFAFN, pursuant to which WFA will act as sub-adviser and/or service provider to WFAFN with respect to the advisory Programs and services offered by the Firm. WFA is a member of the New York Stock Exchange, Inc. ("NYSE") and the principal stock exchanges in the nation, as well as FINRA and SIPC.

References are made herein to the Program Wrap Fee Brochures. The services provided under the Programs are the same in all material respects as the services provided under the Programs with the same names described in the WFA Wrap Fee Brochures, except that WFAFN will be acting as the investment adviser under the Programs rather than WFA, and WFAFN's fee structure could vary from those described in WFA's Wrap Fee Brochures. Clients should refer to this Wrap Fee Brochure rather than WFA's Wrap Fee Brochure for Program-specific information regarding the fee structure and minimum Account size that applies to Wells Fargo Advisors Financial Network, LLC Client Accounts.

The terms "Client," "you," and "your" are used throughout this document to refer to the person(s) or organization(s) who contract with us for the services described here. "WFAFN," "we," "our," and "us" refer to WFAFN together with our Affiliates, including but not limited to, Wells Fargo & Company and its agents with respect to any services provided by those agents. "Affiliate" means any entity that is controlled by, controls or is under common control with WFAFN. Each Affiliate is a separate legal entity, none of which is responsible for the obligations of the other.

"Account" means collectively or individually any brokerage Account and/or any Advisory Program Account you have with us, including any and all funds, money, securities and/or other property you have deposited with us. "Securities and/or Other Property" means, but is not limited to, money, securities, financial instruments and commodities of every kind and nature and related contracts and options, distributions, proceeds, products and accessions of all property.

## **Services, Fees and Compensation**

### **Types of Advisory Services**

FundSource®, CustomChoice, Private Investment Management, Fundamental Choice, Quantitative Choice, Asset Advisor, Personalized Unified Managed Account ("Personalized UMA"), Private Advisor Network and Customized Portfolios (collectively, the "Programs") are investment advisory Programs offered by WFAFN, as the investment adviser. Other advisory services include Financial Planning, Institutional Consulting and Retirement Plan Consulting Services. Please contact a Financial Advisor for information regarding these services.

### **Advisory Programs**

As stated earlier, WFAFN has entered into an agreement with WFA, pursuant to which WFA will provide access to its advisory Programs to WFAFN and WFA will act as sub-adviser and/or service provider to WFAFN with respect to the Programs.

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

Our Program services encompass: exchange listed securities; over the counter and foreign securities; rights and warrants; corporate, municipal and U.S. Government debt securities; securities options and futures; partnership interests involving real estate, oil and gas investments; real estate investment trusts ("REITS"), mortgage backed securities; certificates of deposit; commodities and related option and futures contracts including financial futures; commercial paper; advisory annuities; exchange-traded fund shares; closed-end mutual funds shares; open-end mutual fund shares, including load-waived mutual funds, money market funds and, with respect to the Asset Advisor Program, certain wrap class alternative investments, such as hedge funds and managed futures funds.

As a minimum criterion for providing advisory services, we typically require a college degree or satisfactory past business experience, plus the required industry examinations and registrations, if any. Unless they possess equivalent satisfactory portfolio management experience, PIM, QC and FC Financial Advisors must attain established firm or industry experience levels, and complete independent specialized portfolio management training.

As described below in the "Other Financial Industry Activities and Affiliations" section, we are engaged in a wide range of securities services. The advice given and action taken in the performance of our duties to you could 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, there are times that we are limited in our ability to divulge or act upon certain information we possess as a result of investment banking activities or other confidential sources.

## Fees and Compensation

### FundSource® Program

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to FundSource Program Accounts. The current WFAFN Program Fee for the FundSource Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult your Client Agreement.

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

### CustomChoice Program

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to CustomChoice Program Accounts. The current WFAFN Program Fee for the CustomChoice Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult your Client Agreement.

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

### Private Investment Management, Fundamental Choice and Quantitative Choice Programs

Please see the WFA Program Wrap Fee Brochure for a description of the services applicable to PIM, Fundamental Choice and Quantitative Choice Programs. The current WFAFN Program Fee for the PIM, Fundamental Choice and Quantitative Choice Programs, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult your Client Agreement.

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

### Asset Advisor Program

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to Asset Advisor Accounts. The current WFAFN Program Fee for the Asset Advisor Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult your Client Agreement.

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

### Personalized UMA Program

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to Personalized UMA Accounts. The current standard Program Fee for the Personalized UMA Program, which is negotiable, is shown below. Some Accounts opened prior to September 15, 2018 are subject to a different Program Fee or Minimum Fee. Please consult the Program Features and Fee Schedule of your Client Agreement.

Personalized UMA	Standard Program Fee
<i>Personalized UMA Multi Strategy</i>	
Optimal Blend	2.50%
Custom Blend	2.50%
Individual Mutual Fund (If used as an investment in a Custom Blend)	2.00%
Individual ETF (If used as an investment in a Custom Blend)	2.00%
Advisory Annuity (If used as an investment in a Custom Blend)	1.50%
<i>Personalized UMA Single Strategy or used as a sleeve within a Personalized UMA Multi Strategy Account</i>	
SMA Strategies - \$50,000 Minimum	2.50%
SMA Strategies - \$100,000 Minimum	2.50%
Allocation Advisors Strategies	
Strategic ETF, CAAP Plus, Tactical ETF, Active/Passive, Morningstar Strategic ETF, Morningstar High Income, Laffer Global Portfolio, Laffer Dynamic U.S. Inflation	2.25%
ESG Aware, Intuitive Investor ETF, Tactical Active/Passive	2.10%
Wells Fargo Compass Strategies	2.25%
WFII Social Impact Investing Strategies	2.25%
FundSource Optimal Blend Strategies	
Standard, Tax Managed, Capital Stability, Core American, Alternatives, Multi-Strategy, Pathways	2.00%
Foundations	2.00%

As shown in the table above, while the Standard Program Fee for a Personalized UMA Multi Strategy Account is 2.50%, different strategies and/or investments available within the Program have a Standard Fee that is less than 2.50% and which will impact the actual fee for your Account. If, for instance, you select a Multi Strategy Custom Blend with 50% of the Account allocated to an SMA strategy (Standard Fee of 2.50%), 25% of the Account allocated to a Wells Fargo Compass strategy (Standard Fee of 2.25%) and 25% of the Account allocated to a FundSource Optimal Blend (Standard Fee of 2.00%), your Standard Fee would be 2.3125% due to the weighting and Standard Fee for each strategy/investment within the Account. As a result of the different fees associated with the different strategies/investments, your actual fee rate could vary quarter to quarter based on the current value of assets in each strategy/investment at the end of each quarter. This could cause your actual fee rate to be greater than or less than the fee rate shown on your Program Features and Fee Schedule. In a Personalized UMA Single Strategy Account, your Standard Fee will be based on the Strategy selected, as shown in the table above.

#### Private Advisor Network Program

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to Network Accounts. For this Program, the Client either compensates WFAFN for its services by selecting an Execution Schedule (the Client pays a commission or markup/markdown for each trade executed in his/her Account) or a Program Fee. In addition to the Private Advisor Network charges, Clients pay for the services of the investment adviser separately. The current WFAFN Program Fee for the Private Advisor Network Program, which is negotiable, is shown below. Some accounts opened prior to June 9, 2017 may be subject to a different fee schedule. Please consult your Client Agreement.

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

Note: For Accounts invested in an Advanced Option Strategy, the advisory Program Fee and Platform Fee is calculated based on a target notional value as detailed in the Advanced Option Strategy Addendum to the Client Agreement. The target notional value is the agreed upon value of broad-based equity market index exposure that the underlying option contracts in the portfolio should represent. The target notional value does not change over time unless a new value is agreed upon in writing. The actual value of the index exposure in your Account may be significantly higher or lower than the target notional value.

For Clients wishing to utilize the selection or evaluation monitoring services of the Private Advisor Network without any execution service, the fees for such accounts, payment schedules and refunds thereof are negotiated on a case-by-case basis and may be determined as a percentage of assets under management, an annual fee, or a consideration of other factors.

## Customized Portfolios

Please see the WFA Program Wrap Fee Brochure for a description of the services and additional fee information applicable to Customized Portfolios Accounts. The current WFAFN Program Fee for the Customized Portfolios Program, which is negotiable, is shown below. Some accounts opened prior to June 9, 2017 may be subject to a different fee schedule. Please consult your Client Agreement.

Program Fee
(annualized, calculated on your account value)
2.50%

### Platform Fee and Advisory Account Credit

A Platform Fee of 0.050% will apply to certain Program Accounts ("Participating Accounts") that will help offset the costs to operate our advisory Programs. Participating Accounts that are charged the Platform Fee will be eligible to receive a credit ("Advisory Account Credit") that is calculated based on compensation we receive for networking and omnibus platform services and revenue sharing payments ("Platform Support") from mutual funds available through the Programs. Please see the WFA Program Wrap Fee Brochure for additional information about the Platform Fee and Advisory Account Credit, Participating Accounts, and the related conflicts of interest.

### Other Account Fees and Conflicts of Interest

For additional information about other fees not covered by the Program Fee as well as conflicts of interest that exist for Program Accounts, such as when investing in mutual funds and exchange traded funds in Advisory Programs, please see the WFA Program Wrap Fee Brochure.

### 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. The Platform Fee is charged in arrears and will not be refunded. Client Agreements terminated prior to the application date of any Advisory Account Credit will not be entitled to any portion of such credit (nor shall such account be subject to the Platform Fee for such quarter).

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

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

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

### Account Requirements and Types of Clients

The minimum initial Account values for the Programs described in this document are listed below. We have the right to terminate Client Accounts with written notice if they fall below minimum Account value guidelines established by us. At our discretion, we can choose to waive the minimum Account size.

<b>Program Name</b>	<b>Minimum Account Size</b>
<b>FundSource</b>	\$25,000
FundSource Foundations	\$10,000
<b>CustomChoice</b>	\$25,000
<b>Private Investment Management</b>	\$50,000
<b>Fundamental Choice</b>	\$50,000
<b>Quantitative Choice</b>	\$50,000
<b>Asset Advisor</b>	\$25,000
<b>Personalized UMA</b>	
<b>Personalized UMA Multi Strategy</b>	
Optimal Blends	\$200,000 or portfolio minimum
Customized Blends	\$10,000 subject to investment minimum
<b>Personalized UMA Single Strategy</b>	
SMA Strategies	\$50,000 subject to Manager's minimum
Allocation Advisors Strategies	
ESG Aware, Tactical Active/Passive and Intuitive Investor ETF	\$10,000
Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic U.S. Inflation	\$25,000
CAAP Plus and Tactical ETF	\$50,000
Wells Fargo Compass Asset Allocation Strategies	
Conservative Growth & Income	\$250,000
Moderate Growth & Income	\$250,000
Aggressive Growth & Income	\$250,000
Conservative Growth	\$250,000
Moderate Growth	\$250,000
Aggressive Growth	\$150,000
WFII Social Impact Investing Strategies	\$50,000
FundSource Optimal Blend	\$25,000
FundSource Foundations Optimal Blend	\$10,000
<b>Private Advisor Network</b>	\$100,000 subject to Manager's minimum
<b>Customized Portfolios</b>	
Fixed Income Portfolios	\$10,000,000
Custom Option Portfolio	\$250,000

## Types of Clients

We provide the advisory services described in this brochure to individuals, pension or profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions, as well as banks or thrift institutions.

## Portfolio Manager Selection and Evaluation

The WFA Wrap Fee Brochures describe the Portfolio Manager Selection and Evaluation in connection with the Programs. WFAFN's practice in this area is the same as that applicable to WFA.

## 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.

## Client Restrictions and Instructions

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

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



Our policy is generally to liquidate your pre-existing securities portfolio immediately and bring the Account into 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**

The advisers selected by you in Personalized UMA and Private Advisor Network employ similar methods of analysis that are described to Clients both by us and in each such adviser's Disclosure Document. The Program Managers, including WFA, each employ a variety of investment strategies depending on the Client and the Client's objectives. Such strategies ordinarily include long or short-term purchase of securities and, depending on the Client objectives and adviser's style, supplemental covered option writing. However, we also offer certain strategies that also include margin transactions, other option or trading strategies or short-sale transactions. The PIM and FC Portfolio Managers generally rely on fundamental securities analysis with some emphasis on utilizing charting or cyclical analysis. The QC and some PIM Portfolio Managers generally rely on quantitative analysis. Portfolio Managers typically develop a specific investment philosophy that will detail the mix of these analysis methods. All investment recommendations for Program Clients, including Asset Advisor, are based on an analysis of the Client's individual needs, and are drawn from research and analysis we believe reliable. Investment decisions for Allocation Advisors and Wells Fargo Compass Advisory Clients are derived from disciplined model portfolios based on established guidelines as modified to satisfy the individual investment objectives and needs of each Client. Additional information can be found in the WFA Wrap Fee Brochure for each Program.

### **Risk of Loss**

All investments shall be at your risk exclusively, and you must understand that we do not guarantee any return on the investments recommended or advised upon and will not be responsible for losses resulting from such trading or for any transactions that we have not recommended to you.

### **Proxy and Reorganizations**

The WFA Program Wrap Fee Brochure describes procedures used by us for Client proxy and reorganizations. Our practice in this area is the same as that applicable to WFA.

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

All Clients must provide information on their investment objectives, financial circumstances, risk tolerance and any restrictions they wish to impose on investment activities. We will notify you in writing at least annually to update your information and indicate if there have been any changes in your financial situation, investment objectives or instructions; and you agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Your Financial Advisor will be reasonably available to you for consultation on these matters, and will act on any changes deemed to be material or appropriate as soon as practical after we become aware of the change.

### **Client Contact with Portfolio Managers**

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

### **Additional Information**

#### **Disciplinary Information**

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

For more information on broker/dealer related disciplinary events, please visit:

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

Our investment advisory disciplinary history is available by going to:

<http://www.adviserinfo.sec.gov/>.

- In August 2023, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC (collectively, the "Firm") agreed to a settlement with the SEC regarding allegations that from at least 2002 through December 2022, the Firm and its predecessor firms overcharged approximately 10,945 accounts of advisory clients, for accounts opened through 2014, for more than \$26.8 million in advisory fees and failed to adopt and implement written compliance policies and procedures reasonably designed to prevent the over billing in willful violation of Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 thereunder. Specifically, from at least 2002 through 2014, certain investment adviser representatives from Wells Fargo and its predecessor firms agreed to reduce the firms' standard, pre-set advisory fee rate for certain clients at the time these clients agreed to open accounts. The representatives made handwritten or typed changes on the clients' standard investment advisory agreements that reflected the reduced fee rate. However, in certain instances, the account processing employees at Wells Fargo and its predecessor firms failed to enter the agreed-upon reduced advisory fee rate into the firms' billing systems when setting up the clients' accounts. In 2022 and 2023, the Firm corrected the advisory fees to be charged to the accounts and issued payments for the overcharged advisory fees, plus interest, to the affected account holders. Without admitting or denying the findings, the Firm consented to a settlement that included a cease and desist order, censure and civil money penalty of \$35,000,000.

- In December 2021, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that for more than three years beginning in November 2016, the Firm failed to store 13 million records, pertaining to 8.2 million customers, related to its anti-money laundering Customer Identification Program (CIP) in the required non-erasable and non-writable "Write Once, Read Many" (WORM) format in violation of Exchange Act Rule 17A-4(F)(2)(II)(A) and failed to notify FINRA prior to using the non-WORM compliant storage platform in violation of Exchange Act rules 17A-4(F)(3)(V) and 17A-4(F)(2)(I). Without admitting or denying the findings, the firms consented to a settlement that included a censure and fine, jointly and severally, of \$2,250,000.
- 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.
- 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.

## Other Financial Industry Activities and Affiliations

WFAFN is 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. Accounts are carried by WFCS, a qualified custodian. WFCS is an affiliate owned indirectly by Wells Fargo. WFAFN and WFCS are members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

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, WFAFN, 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 products, 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 lends money to an issuer of securities underwritten or privately placed by us. The prospectus or other offering documentation provided in connection with such underwriting or private placement will disclose to the extent required by applicable securities laws: (i) the existence of any material lending relationship by any affiliate of ours with such an issuer, and (ii) whether the proceeds of an issuance of such securities will be used by the issuer to repay any outstanding indebtedness to any of our affiliates.

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

- Wells Fargo also provides retail brokerage and investment advisory services through Wells Fargo Advisors ("WFA").
- Wells Fargo Investment Institute, Inc. ("WFII") (known prior to November 1, 2014 as Alternative Strategies Group, Inc. and before that as Wachovia Alternatives Strategies, Inc.) is a registered investment advisor and wholly owned subsidiary of Wells Fargo Bank, N.A. that provides advisory services and research to WFA and WFAFN.

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. will no longer be related persons of Wells Fargo Clearing Services, LLC ("WFCS"). These companies were wholly owned by Wells Fargo & Company ("Wells Fargo") and formed the asset management business that Wells Fargo operated under the trade name Wells Fargo Asset Management. These companies served as adviser, sub-adviser, and distributor of the Wells Fargo Funds and certain of the separately managed account programs offered through WFCS. Wells Fargo 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.

Wells Fargo will have no role in the management of Allspring. However, Wells Fargo will retain less than a 10% equity ownership interest in Allspring and, for a limited period of time following the close of the sale, continue to provide research and certain non-advisory transition services to Allspring for a fee. WFCS will continue to receive compensation from Allspring for the distribution, administrative and operational services that we provide to the Allspring Global mutual funds. Additionally, WFCS and Wells Fargo Investment Institute, Inc. ("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.

Wells Fargo's equity ownership in Allspring and the agreements by WFCS 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 WFCS, WFCS 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.

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

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 they cease being our Client.

Consistent with our privacy policies and applicable law, WFA and its affiliates 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, visit a Wells Fargo Advisors Financial Network, LLC office or call your Financial Advisor. With your written permission, obtained via your Client Agreement or other written communication, we have the right to provide your information electronically to your Manager and/or agent of your Manager. We reserve the right, at our discretion, to refuse to provide such requested information. Furthermore, in compliance with our Privacy Policy, we accept your instructions to discontinue providing such information.

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

The WFA Wrap Fee Brochures describe the Code of Ethics, Participation or Interest in Client Transactions and Personal Trading in connection with the Programs. WFAFN's practice in this area is the same as that applicable to WFA.

#### **Review of Accounts**

The WFA Wrap Fee Brochures describe the review of Accounts and reports that you receive in connection with the Programs. WFAFN's practice in this area is the same as that applicable to WFA.

#### **Prospectus Delivery**

WFA Wrap Fee Program Brochures describe circumstances pursuant to which a prospectus may not be delivered directly to accountholders if such a practice could be applicable to the Programs covered by the brochure. WFAFN's practice in this area is the same as that applicable to WFA.

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

The WFA Wrap Fee Brochures describe the payment of referral compensation in connection with the Programs. WFAFN's practice in this area is the same as that applicable to WFA.

#### **Brokerage Practices**

The WFA Wrap Fee Brochures describe the brokerage practices in connection with the Programs. WFAFN's practice in this area is the same as that applicable to WFA.

#### **Accounts Held at Unaffiliated Custodians and Broker-Dealers**

In certain cases, Clients may choose to custody their Account assets at a financial institution unaffiliated with WFCS. Generally, these custodial arrangements take the form of a delivery-versus-payment account ("DVP Account") or a brokerage account held at an unaffiliated broker-dealer ("Held-Away Account"). The WFA Wrap Fee Program Brochure contains important information specific to DVP Account and Held-Away Account arrangements. You should review this section of the WFA Wrap Fee Program Brochure when considering these types of Account arrangements.

#### **Financial Information**

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