

Investment Strategy

Weekly guidance from our Investment Strategy Committee

February 21, 2023

Asset Allocation Spotlight: Stay disciplined on the path to recovery.....2

- Allocations that include higher weights to fixed income experienced losses similar to their declines during the 2007 - 2009 equity bear market and may potentially take longer to recover than growth-oriented allocations.
- We believe maintaining consistent allocation targets can help in an effort to ensure that the allocation behaves as intended through volatile markets. Income investors should be cautious before increasing equity exposure.

Equities: A durable price reversal?.....4

- In the recent price reversal, cyclical stocks outperformed defensive and high-quality stocks – a counter trend to the past two years.
- Both market drawdowns and periods of counter-trend reversals are expected given the significant imbalances still unwinding in the economy.

Fixed Income: Mixed bond signals.....5

- The bond market continues to have long-term economic concerns noted by meaningful curve inversion, but near-term concerns have eased as high-yield spreads tighten.
- We remain unfavorable on High Yield Taxable Fixed Income but acknowledge that our thesis may take longer to play out. Until a recession materializes, we do not expect a significant pullback in high yield.

Real Assets: Sticky oil prices6

- Global oil supplies improved as 2022 progressed, but the overall supply-demand balance remains tight.
- For 2023, we suspect that the supply-demand balance could tighten even further, thanks in large part to China's economy reopening.

Alternatives: Private market opportunities.....7

- Private businesses represent over 89% of the largest companies in the U.S. and may potentially offer an untapped opportunity for investors focused only on public markets.
- In our view investors that can allocate to both private and public markets may be able to capitalize on the broadest array of opportunities while seeking to reach their financial goals.

Asset Allocation Spotlight

Stay disciplined on the path to recovery

Equity markets have gotten a strong start to this year after experiencing declines for the majority of 2022. Despite this rebound, we do not believe equities have broken out into a sustainable rally. Markets are likely to experience bouts of volatility in the coming months as they grapple with uncertainties over economic growth, geopolitics, and monetary policy. We do expect the path for equities to be higher later this year and into 2024, as markets have historically experienced strong performance in the early stages of the recovery from the bear market. Fixed-income markets have also recovered some ground after historic losses last year. We are not expecting the Federal Reserve (Fed) to raise rates as aggressively as they did, and we believe long-term rates have likely peaked. We are also expecting lower yields over the next 12 to 18 months. As with navigating any recovery, we believe patience and discipline should be key as market uncertainties persist in the near term.

In comparison to previous bear markets, 2022's stock market decline was not as severe. Peak to trough the S&P 500 Index was down 25.1% in the current bear market, compared to the near 34% decline in 2020 and the 57% decline in 2007 – 2009.¹ While we do not know yet the end date of the current bear market, we do know that, historically, returns in the year after the bear market have been strong, even if it has taken longer than average for the market to recover from the bottom. In all the bear markets since the 1940s, returns have been positive one, three, and five years post-bear.

The bond market has not typically experienced losses as deep as those in 2022. Declines in bond prices have typically been shallow compared to equity market declines, and the recovery time has been usually shorter. Though with some ups and downs, bonds had been in a long-term bull market since the 1980s.

For allocations with a large weight to fixed income, the recovery may take longer than usual for conservative investors in our view. With the steep downturn in the bond market almost matching stock market declines last year, the allocations that include a higher exposure to fixed income did not limit as much downside participation as they typically have during a downturn. The range in returns was narrow between allocations geared toward income and those geared toward growth. Peak-to-trough declines were between 18% and 23% for Moderate Income, Moderate Growth and Income, and Moderate Growth (see table below).

During the 2022 bear market, growth allocations, like Moderate Growth and Moderate Growth and Income, experienced losses less severe than other recent bear market declines. While allocations that include a higher exposure to fixed income, like Moderate Income, suffered losses like their declines during the 2007 – 2009 equity bear market.

Veronica Willis
Global Investment
Strategist

Jeremy Folsom
Program Analyst

1. Bloomberg. Current bear market peak to trough: January 3, 2022 – October 12, 2022. 2020 bear market peak to trough: February 19, 2020 – March 23, 2020. 2007 – 2009 bear market peak to trough: October 9, 2007 – March 9, 2009.

Recovery times have varied by investment objective

MI peak to trough dates	Drawdown duration (months)	Drawdown (%)	Months to recovery	MGI peak to trough dates	Drawdown duration (months)	Drawdown (%)	Months to recovery	MG peak to trough dates	Drawdown duration (months)	Drawdown (%)	Months to recovery
6/16/81–9/30/81	3.5	-7.4	5.5	6/16/81–9/30/81	3.5	-10.0	14.5	6/16/81–8/12/82	13.9	-13.5	16.4
9/1/87–1/20/88	4.6	-4.0	5.4	10/6/87–1/20/88	3.5	-10.4	8.8	10/6/87–1/20/88	3.5	-18.1	14.8
7/17/90–10/11/90	2.8	-7.2	6.2	7/17/90–10/11/90	2.8	-13.0	6.9	7/17/90–10/11/90	2.8	-18.4	7.4
4/20/02–7/23/02	3.1	-6.7	8.5	9/2/00–10/9/02	25.2	-19.1	33.5	3/25/00–10/9/02	30.5	-33.5	45.3
5/20/08–11/20/08	6.0	-17.8	14.8	10/11/07–3/9/09	16.9	-36.3	35.3	10/11/07–3/9/09	16.9	-48.9	40.2
2/21/20–3/23/20	1.1	-11.7	3.4	2/20/20–3/23/20	1.1	-22.0	5.0	2/20/20–3/23/20	1.1	-30.2	5.9
1/3/22–10/20/22	9.6	-18.4	TBD	1/5/22–10/14/22	9.3	-20.1	TBD	1/5/22–10/14/22	9.3	-22.8	TBD

Sources: © 2023 – Morningstar Direct, All Rights Reserved*, and Wells Fargo Investment Institute, as of February 10, 2023.

Data for the current drawdown is italicized and represents the trough as of February 10, 2023. Performance results for Moderate Income, Moderate Growth and Income, and Moderate Growth are calculated using blended index returns and are for illustrative purposes only. Moderate Income, Moderate Growth & Income, and Moderate Growth allocations are dynamic and change as needed with adjustments to the strategic allocations. Index returns do not represent investment performance or the results of actual trading. Index returns reflect general market results; assume the reinvestment of dividends and other distributions; and do not reflect deductions for fees, expenses, or taxes applicable to an actual investment. An index is unmanaged and not available for direct investment. **Past performance does not guarantee future results.** [See end of report for blended index compositions of the Moderate Income, Moderate Growth and Income, Moderate Growth, risks and index definitions.]

* All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. MI = Moderate Income. MGI = Moderate Growth and Income. MG = Moderate Growth. TBD = to be determined.

We expect that diversified allocations should benefit from a recovery in financial markets. Historically, diversified allocations have recovered more quickly than the stock market does by virtue of having experienced a smaller drawdown during the bear market. Despite both fixed income and equity being down sharply for 2022, diversified allocations were still down less than U.S. equities due to the inclusion of commodities. The fixed income portion of the allocation has large losses to make up, but we anticipate the equity and real asset components of the allocation should aid in the recovery. And while we expect returns in fixed income to be lower than in what we believe to be riskier assets, we still have solid yields and are expecting eventual Fed rate cuts if not this year, then in 2024.

Remaining disciplined as the market searches for a bottom and in the early stages of recovery can be difficult. In our view some of the best things an investor can do on the path to recovery is to stick to their investment plan and allocation targets, and to rebalance to maintain those targets at least annually. Maintaining a targeted allocation helps in an effort to ensure that the allocation performs as expected as the market recovers. Income investors may be tempted to add exposure to equities to aid in a quicker recovery, but we believe that decision should be made with caution. We expect continued bouts of elevated volatility in the early part of the year as the market grapples with geopolitical uncertainties, slowing economic growth, and uncertainty over monetary policy. We believe moderate tactical shifts to add risk may be appropriate once the recovery takes hold, but the decision to meaningfully change the targeted asset allocation should be driven by investor goals, risk tolerance, and time horizon, not near-term performance or market expectations.

Equities

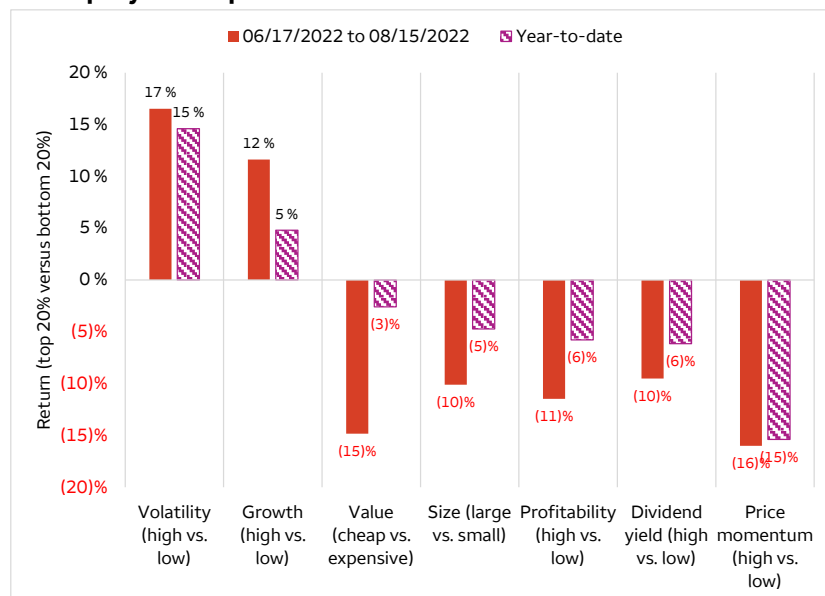
A durable price reversal?

One notable equity market trend this year is the price reversal, where the S&P 500 Index has marched above 4000, supported by the strong performance of cyclical, high-volatility, and smaller market-capitalization stocks (see chart below). This rally took place at the expense of defensive, high-profitability, and high-dividend companies that prevailed for much of the past two years. Growth stocks also returned to an upper hand versus value stocks, although by a lesser degree. Further, this price reversal is reflected in the lagging returns of high-momentum stocks that performed well over the past 12 months, as well as the comeback of Information Technology, Communication Services, and Consumer Discretionary sectors.

There is a significant imbalance in the economy, where we observe continued strength in the labor market, as well as improved consumer data on the back of deteriorating corporate profits, and the lagged effects of tightened monetary policy. If history is any guide, market volatility induced by economic imbalances and uncertainty can manifest in both price drawdowns as well as counter-trend reversals. To this point, the equity factor (see chart below) and sector performance this year has shown a strong resemblance to the bear market rally that took place between June and August of 2022.

Although we believe that counter-trend reversals may provide a valuable preview of what may potentially happen during the subsequent economic recovery, we do not believe it is time to turn the page yet. We think the impacts of a slower economy, higher interest rates, and lower market liquidity may limit the upside potential of equity prices, particularly in growth stocks, which are still currently priced at a valuation generally higher than pre-pandemic levels.

U.S. equity factor performance



Sources: Wells Fargo Investment Institute and Bloomberg. Data as of February 15, 2023. Factor return is calculated based on the relative performance between top 20% stocks and bottom 20% stocks ranked by each factor. In the chart, factors are sorted by year-to-date returns from high to low. Factor definitions shown at end of report. **Past performance does not guarantee future results.**

© 2023 Wells Fargo Investment Institute. All rights reserved.

Chao Ma, PhD, CFA, FRM

Global Portfolio and Investment Strategist



Most favorable

U.S. Large Cap Equities



Favorable

U.S. Mid Cap Equities



Unfavorable

U.S. Small Cap Equities



Most unfavorable

Developed Market
Ex-U.S. Equities



Unfavorable

Emerging Market Equities

Fixed Income

Mixed bond signals

Fixed-income markets often tell a story about the overall health and potential future direction of the economy and capital markets. In the past, the yield curve has been a powerful predictor of future economic direction, including potential recessions. We believe monitoring credit spreads may also paint a picture of market liquidity, and the perceived health of corporate balance sheets. With a meaningfully inverted curve and high-yield spreads well below the July 2022 peak, the bond market is sending mixed signals.

Yield curve

The yield curve is essentially the difference between shorter- and longer-term interest rates. The yield curve has been inverted since July 6, 2022, as markets anticipated multiple Fed rate hikes, pushing short-term rates higher. Bond market conviction that the Fed will lower inflation closer to target levels combined with the prospects for an economic slowdown has kept longer-term rates relatively contained, resulting in yield curve inversion. While an inverted curve has often been a predictor of an upcoming recession, using this indicator to time a recession can be challenging, as it may take as long as two years from initial inversion to recession.

Credit spreads

During periods of market stress, credit spreads have tended to move higher as investors seek out higher-quality fixed-income investments and the future becomes more uncertain. Last year, high-yield credit spreads hit a high near 583 basis points (100 basis points equals 1%) over the 10-year U.S. Treasury yield, indicating economic concerns and decreased investor confidence in corporate balance sheets. Recently, high-yield credit spreads have tightened to near 400 basis points over comparable Treasury securities. Current high-yield spread levels indicate that the bond market's near-term economic concerns have eased in recent months.

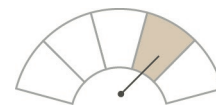
Bloomberg U.S. Corporate High Yield Bond Index



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of February 15, 2023. An index is unmanaged and not available for direct investment. See end of report for index definitions. **Past performance does not guarantee future results.**

Brian Rehling, CFA

Head of Global Fixed Income Strategy



Favorable

U.S. Taxable Investment Grade Fixed Income



Favorable

U.S. Short Term Taxable Fixed Income



Unfavorable

U.S. Intermediate Term Taxable Fixed Income



Most favorable

U.S. Long Term Taxable Fixed Income



Unfavorable

High Yield Taxable Fixed Income



Unfavorable

Developed Market Ex.-U.S. Fixed Income



Neutral

Emerging Market Fixed Income

Real Assets

“While many people are looking to the moon, wise investors will be looking beneath their feet.” — Walter Youngquist, “Our Natural Resources: How to Invest in Them”

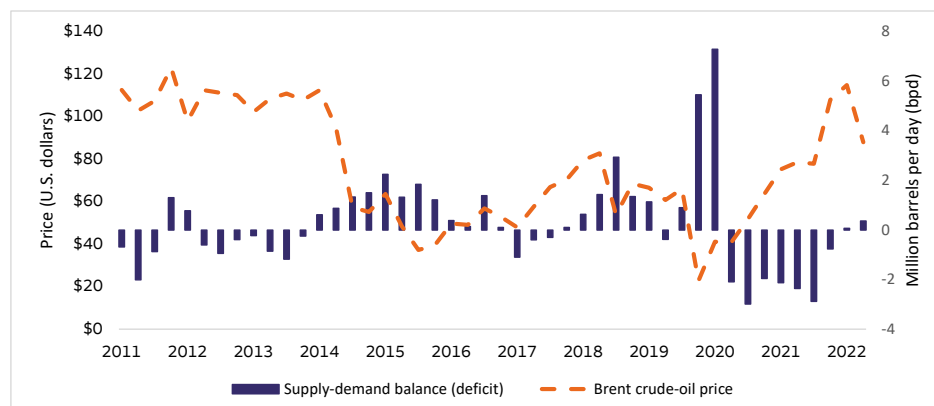
Sticky oil prices

Oil prices have retreated 38% from their March 2022 peaks. Still, today’s \$80/barrel West Texas Intermediate (WTI) crude prices are historically high. With an expected recession sometime in mid-2023, some are forecasting lower oil prices from here, but we are not. Our year-end 2023 WTI target range is \$100 – \$120/barrel. The driving force behind our forecasted higher oil price prediction is China, the world’s second-largest oil consumer. After years of COVID-19 related lockdowns, China’s economy recently reopened, and its oil demand has begun to increase.

We believe that accelerating Chinese demand may be a big deal for oil prices in 2023, and possibly 2024 too. The reason is that the three-year hike in oil prices, from \$20/barrel in 2020 to \$80/barrel today, largely happened without the help of China. The chart below highlights the price of Brent crude oil versus the global oil balance between supply and demand. The bars representing supply-demand balance that are below zero represent global demand outstripping global supply, which was the case in 2020, 2021, and the first half of 2022. It is no coincidence, though, that oil prices suffered in the second half of 2022 as supply finally began to outstrip demand.

For 2023, our forecast is that oil prices will be guided more by China’s reopening than a potential U.S. recession, and we are not the only ones with this view. The International Energy Agency expects global demand to increase by 1.9 million barrels per day (bpd) in 2023, driven by China’s reopening, though supply is expected to grow by only 1 million bpd. We believe that the Organization of Petroleum Exporting Countries has done a good job keeping member production tight since 2020.

Global crude oil supply-demand balance



Sources: Bloomberg and Wells Fargo Investment Institute. Quarterly data from March 30, 2011 – September 30, 2022. **Past performance does not guarantee future results.**

John LaForge

Head of Real Asset Strategy

Mason Mendez

Investment Strategy Analyst



Favorable
Commodities



Neutral
Private Real Estate

Alternatives

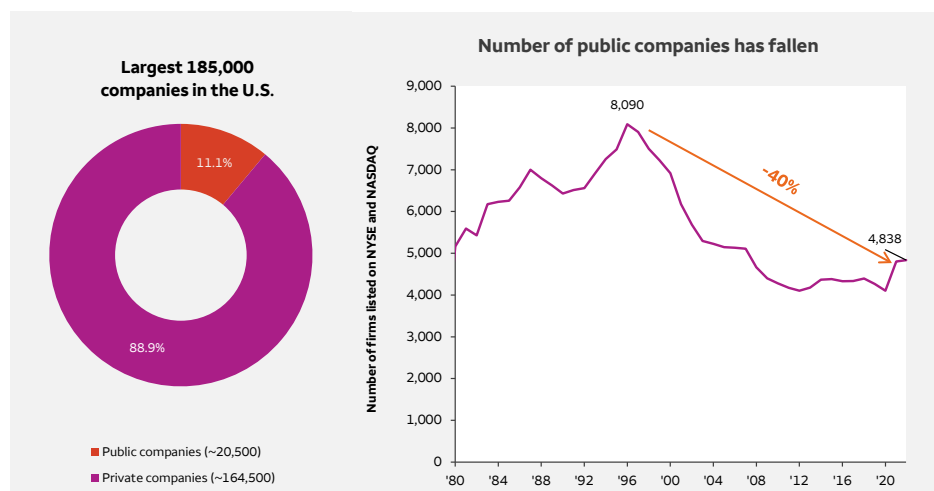
Private market opportunities

Most individuals focus on strategies that invest only in public markets. And for good reasons: publicly listed stocks and bonds are generally easy to buy and sell, aim to provide protections for investors by way of regulation, and offer standardized and readily available financial information. However, many investors may not realize the extent of the private company universe that lies outside the realm of the public markets. Among the largest companies in the U.S., private firms account for approximately 89% of the total number (see chart below). In addition, that percentage has continued to grow as the number of public companies has declined by around 40% since reaching a peak in the mid 1990s.

Many businesses today are choosing to remain private longer. In 1999, the average U.S. technology firm transitioned to the public markets after four years of operating history, and by 2019 that figure increased to 11 years.² The additional seven years (on average) that the companies remained private meant that much of the value accrued during the early, faster growth phase of a firm's life cycle benefited private market investors.

Companies that remain private aim to avoid the burden and cost of regulatory requirements and focus on longer-term strategic plans, as compared to public market entities that pay greater attention to shorter-term financial results. While we believe that there may be advantages and disadvantages to each side, investors that can allocate across private and public markets can seek to capitalize on an array of potential opportunities in an effort to reach their financial goals.

Potential opportunities in private equity



Sources: Wells Fargo Investment Institute, World Federation of Exchanges, and NAICS Association. Data as of February 14, 2023 (left chart) and November 30, 2022 (right chart).

Mark Steffen, CFA, CAIA

Global Alternative Investment Strategist



Favorable

Hedge Funds – Relative Value



Favorable

Hedge Funds – Macro



Neutral

Hedge Funds – Event Driven



Neutral

Hedge Funds – Equity Hedge



Neutral

Private Equity



Neutral

Private Debt

Alternative investments, such as hedge funds, private equity, private debt and private real estate funds are not appropriate for all investors and are only open to “accredited” or “qualified” investors within the meaning of U.S. securities laws.

2. UF Warrington College of Business website

Risk Considerations

Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Growth stocks** tend to fluctuate more than the overall market and growth may not be realized. The growth style of investing tends to shift in and out of favor. **Small- and mid-cap** stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield (junk) bonds** have lower credit ratings and are subject to greater risk of default and greater principal risk. Although **Treasuries** are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate. The **commodities** markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Investing in a volatile and uncertain commodities market may cause a portfolio to rapidly increase or decrease in value which may result in greater share price volatility. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic conditions.

Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

Alternative investments, such as hedge funds, private equity/private debt and private real estate funds, are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. They entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds. Hedge fund, private equity, private debt and private real estate fund investing involves other material risks including capital loss and the loss of the entire amount invested. A fund's offering documents should be carefully reviewed prior to investing.

Hedge fund strategies, such as Equity Hedge, Event Driven, Macro and Relative Value, may expose investors to the risks associated with the use of short selling, leverage, derivatives and arbitrage methodologies. Short sales involve leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase. The use of leverage in a portfolio varies by strategy. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Arbitrage strategies expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund.

Definitions

Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements.

Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Bloomberg U.S. Corporate High-Yield Index covers the universe of fixed-rate, non-investment-grade debt.

Bloomberg U.S. Treasury Bills (1-3 Month) Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

Bloomberg U.S. Corporate High Yield Bond Index covers the U.S.-dollar-denominated, non-investment-grade, fixed-rate, taxable corporate bond market.

Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB= or below. Included issues must have at least one year until final maturity.

J.P. Morgan Emerging Markets Bond Index (EMBI Global) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index.

S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the U.S. stock market.

West Texas Intermediate (WTI) is a grade of crude oil used as a benchmark in oil pricing.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

An index is unmanaged and not available for direct investment.

Asset Allocation Spotlight Composition Definitions

Moderate Income: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 58% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 16% S&P 500 Index, 5% Russell Midcap Index, 4% Russell 2000 Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index.

Moderate Growth and Income: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.

Moderate Growth: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 3% JPM EMBI Global Index, 31% S&P 500 Index, 14% Russell Midcap Index, 10% Russell 2000 Index, 12% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index.

Equities Definitions

Factor definitions: volatility = 1 year return volatility; growth = composite of earnings per share growth, sales growth, and asset growth; value = composite of book value to price, cash flow to price, earnings to price, earnings before interest, tax, depreciation and amortization to enterprise value, and sales to enterprise value; size = market capitalization; profitability = composite of return on equity, return on asset, and profit margin; dividend yield = annual dividend yield; price momentum = 12 months return.

General Disclosures

Global Investment Strategy (GIS) is a division of Wells Fargo Investment Institute, Inc. (WFII). WFII is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A., a bank affiliate of Wells Fargo & Company.

The information in this report was prepared by Global Investment Strategy. Opinions represent GIS' opinion as of the date of this report 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. GIS does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. This report is not intended to be a client-specific suitability or best interest analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee to its accuracy or completeness.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors.

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. CAR-0223-02896