

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

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Investment Advisory Services of Wells Fargo Advisors

Revised March 2025

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

**This information has not been approved or verified by United States Securities and Exchange Commission or by any state securities authority. Additional information about Wells Fargo Advisors 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 (WFCS), Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. WellsTrade brokerage accounts are offered through WFCS.

## Summary of Material Changes

Material Changes to the Wrap Fee Brochure for the Intuitive Investor Program since March 31, 2024:

- The **Cash Sweep Program** section has been updated to reflect that the Cash Sweep Program no longer includes a money market fund advised by an entity in which an affiliate of Wells Fargo Advisors retains an ownership interest. Additionally, the section was revised during the period and has been updated to reflect that cash investment options outside of the Cash Sweep Program are likely to generate a higher rate of interest or yield than those offered through the program, that it may be in your financial interest to change your Cash Sweep option or to invest cash balances in products offered outside of the program, and that Wells Fargo Advisors has an incentive to pay low interest rates to clients invested in the Bank Deposit Sweep Programs.
- The below language has been added to the **Services, Fees and Compensation** section of the document.

### Class Action Services

Beginning January 2025, all WFA accounts will be automatically enrolled in the Class Action Service also described in the Client Agreement. The Class Action Service authorizes WFA to automatically file a claim on your behalf if WFA receives notice of a class action lawsuit that impacts securities purchased in your Account. The terms of the Class Action Service apply to your Account unless you have opted out. You are not obligated to continue to use the Class Action Service and you may opt out at any time by notifying your Financial Advisor. The Class Action Service is a separate administrative service, is not part of the advisory services included in any Advisory Program and WFA does not act in an advisory capacity when making this service available to you. WFA will not provide legal advice regarding your participation in any class action.

Broadridge Investor Communication Solutions, Inc. ("Broadridge") administers the Class Action Service and, in exchange for administering the Class Action Service, Broadridge will retain ten percent (10%) from any class action settlement payment received on your behalf. The remainder of the class action settlement payment will be credited to your Account and will be subject to the fees described in your Client Agreement and the Program Features and Fee Schedule incorporated into your Client Agreement. In cases where WFA elects not to submit a claim for any class action for which you are otherwise entitled to submit a claim, WFA will notify you in writing in advance of the submission deadline and provide you with the individual class action notice so you may submit a claim directly to the claims administrator if you so choose. You are encouraged to carefully review the complete terms and conditions of the Class Action Service, which can be found in the Client Agreement, or to contact us should you have questions.

- The below language has been added to the **Brokerage Practices** section of the document.

Fixed income securities could be traded for you in one or more marketplaces, including alternative trading systems ("ATS" or "ATSs"), subject to our obligations for best execution. With respect to trades on ATSs, the terms of usage for a certain ATS — on which we generally conduct the vast majority of our ATS trading — provide for trade-related credits paid in cash to us. Credits begin after executing a certain aggregate volume of trades on the ATS during the year and are paid quarterly thereafter. These credits can range from 6% to 19.75% of the aggregate revenue received by the ATS. As a result, the potential to earn credits can be an additional factor in determining where we execute fixed income orders.

- In January 2025, WFCS and Wells Fargo Advisors Financial Network ("WFAFN") agreed to a settlement with the SEC regarding allegations that they failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder relating to their cash sweep program, specifically, their use of a bank deposit sweep program. The order found that WFCS and WFAFN did not adopt and implement reasonably designed policies and procedures that considered the best interests of clients when evaluating and selecting which cash sweep program options to make available to clients, including during periods of rising interest rates; or addressed the duties of WFCS and WFAFN financial advisors in managing client cash in advisory accounts, in willful violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. WFCS and WFAFN, without admitting or denying the findings, consented to a settlement that included a cease and desist order, censure, and civil money penalty of \$28 million by WFCS and \$7 million by WFAFN.

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# The Intuitive Investor Program

## Overview and Definitions

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

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

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

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

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

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

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

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

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

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

## Services, Fees, and Compensation

### Intuitive Investor Program Services

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

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

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

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

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

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

can be bought and sold throughout the trading day.

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

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

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

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

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

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

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

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

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

- All such requests will be made on a best-efforts basis.
- The Manager may limit the amount of gains or losses that can be realized in your Account.
- Performance may be adversely impacted.
- When normal trading activity resumes in your Account, the same or similar securities may be repurchased, which may generate new taxable gains or losses.
- Securities sold for a loss may not be able to be repurchased for a period of 31 days due to the Internal Revenue Service Wash Sale Rules. This may result in a higher than normal cash position for that period or the Manager may invest in substitute securities. Please note: wash sale rules apply to the Client and the household. Therefore, if you sell a stock in your taxable Account and repurchase the security in your IRA within 30 days (for example), the loss is disallowed, though the retirement Account basis is not increased. The Manager monitors your Account for tax-loss harvesting opportunities; the Manager is not responsible for considering transactions in other accounts held by you or a member of your household — including other accounts held at Wells Fargo — that may result in a wash sale.
- The replacement Program funds that the Manager recommends may not align with the investment approach that you have selected for your account.

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

## Program Fees

The standard Program Fee is as follows:

Account Value	Annual Fee
Your Account Value	0.35%

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

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

**Calculating Account Values and Fees.** Unless agreed to otherwise, we will deduct fees at the rate shown in the Fee Schedule quarterly in advance. For the purposes of calculating the Program fees, "Account Value" means the sum of the absolute market value of all Program Assets. The Program Fee will be applied to cash and cash alternatives (i.e., money market funds) included in the Account Value. Clients will, in certain interest rate environments, pay Wells Fargo Advisors more in fees with respect to sweep holdings than the interest they earn on the sweep deposits.

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

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

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

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

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

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

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

### Other Account Fees

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

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

**Cash Holdings.** You should understand that, depending on interest rates and other market factors, the yield that you earn on cash and cash alternatives, including cash sweep deposits, CDs and money market funds in an Account, has been, and may continue in the future to be, lower than the aggregate advisory fees you pay on cash assets held in an Account. As a result, depending on the interest rate environment, you may experience a negative overall investment return with respect to cash held in an Account. Furthermore, in some instances, the effective return on a cash sweep may be negative.

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

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

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

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

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

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

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

### **Cash Sweep Program**

Clients provide consent through the general account opening agreement to use our Cash Sweep Program. Through our Cash Sweep Program, you earn a rate of return on the uninvested cash balances in your Account by automatically placing ("sweeping") cash balances into a sweep program account until such balances are invested in securities or otherwise needed to satisfy obligations arising in connection with your Account. Available cash sweep options, eligibility for which depends on the specific advisory program and account type, currently consist of: interest-bearing deposit accounts at a mix of affiliated and unaffiliated banks in our Expanded Bank Deposit Sweep Program; interest-bearing deposit accounts limited to affiliated banks in our Standard Bank Deposit Sweep Program (together with the Expanded Bank Deposit Sweep Program, the "Bank Deposit Sweep Programs"); and one or more affiliated and unaffiliated Money Market Mutual Funds ("Money Market Sweep Funds"). If your Account is in the Expanded Bank Deposit Sweep Program, depending on market conditions and/or the size of your Account, cash may be swept to only Affiliated Banks, to only unaffiliated Program Banks, or to a mix of both. Bank Deposit Sweep Programs offer FDIC insurance; money market funds do not. Please refer to the Cash Sweep Program Disclosure Statement for details about the terms and conditions of the Program.

Once you sign the general account opening agreement, you will opt into the "default" Cash Sweep option for your respective advisory program and account type. You may elect not to participate in the Cash Sweep Program. If you choose not to participate in the Cash Sweep Program, you will not, except in the case of retirement accounts, earn a rate of return on cash balances prior to direct investment. You may also periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Cash Sweep Program, options which will likely generate a higher rate of interest or yield than the Cash Sweep Program. You may invest your cash in other products by providing instructions to your investment professional. Available cash will not be automatically swept into any money market mutual fund or other investment that you purchase outside of the Cash Sweep Program; each such purchase must be requested by you or your financial advisor or manager.

As returns in the Cash Sweep Program, your personal financial circumstances, and other factors change, it may be in your financial interest to change your Cash Sweep option (if another option is available for your account type), or to invest cash balances in products offered outside of the Cash Sweep Program, options which likely generate a higher rate of interest or yield.

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

### **Bank Deposit Sweep Programs**

The Bank Deposit Sweep Programs consist of interest-bearing accounts at affiliated and unaffiliated banks in our Expanded Bank Deposit Sweep Program, and interest-bearing deposit accounts at two or more affiliated banks in our Standard Bank Deposit Sweep Program. Each unaffiliated and affiliated bank is a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations. The rates of interest paid on Affiliated Bank deposits will be periodically set and reset by the Affiliated Banks in consultation with Wells Fargo Advisors. Note that these rates of interest are typically lower than money market fund yields. Wells Fargo Advisors will direct and otherwise cause the unaffiliated Program Banks participating in the Expanded Bank Deposit Sweep Program to credit interest on their respective deposits at the same rate being credited by the Affiliated Banks.

Wells Fargo Advisors benefits financially from cash balances held in the Bank Deposit Sweep Programs through payments Wells Fargo Advisors receives from Affiliated Banks and unaffiliated Program Banks. The Affiliated Banks benefit financially from cash balances held in the Bank Deposit Sweep Programs through the "spread" the Affiliated Banks earn on deposits, as described in more detail below. In addition, the management personnel and certain other employees of Wells Fargo Advisors and its affiliates

receive incentive compensation based on a number of factors, including the amount of Wells Fargo Advisors Client Bank Deposit Sweep assets held in Affiliated Banks, and the profitability of Affiliated Banks and their joint parent company, Wells Fargo & Company. Wells Fargo Advisors has a conflict of interest as a result of these benefits because it and its affiliates benefit financially from the Bank Deposit Sweep Programs and Wells Fargo Advisors chooses to include these options as default Cash Sweep options in advisory programs, instead of selecting other cash investment options that would not generate these financial benefits, and that typically pay you higher rates of interest.

Moreover, Affiliated and unaffiliated Program Banks deduct client interest from the payments they make to Wells Fargo Advisors. The higher the rate paid to clients, the lower the amount paid to Wells Fargo Advisors. Therefore, Wells Fargo Advisors has an incentive to maintain lower rates in the Bank Deposit Sweep Programs. In addition, Wells Fargo Advisors has an incentive to maintain levels of deposits in unaffiliated Program Banks that satisfy minimum deposit levels, which vary according to contractual terms, because failure to satisfy such minimums in some cases would result in reduced payments or penalties to Wells Fargo Advisors from unaffiliated Program Banks.

#### *Spread Earned by Banks*

As with other depository institutions, the profitability of the banks in the Bank Deposit Sweep Programs, including Affiliated Banks, is determined in large part by the difference or "spread" between the interest they pay on deposit accounts, such as Bank Deposit Sweep Programs, and the interest or other income they earn on loans, investments, and other assets. The banks in the Bank Deposit Sweep Programs pay rates of interest on the Bank Deposit Sweep Program deposits that are typically significantly less than the spread banks earn on deposits. The participation of the Affiliated Banks in the Bank Deposit Sweep Programs increases their respective deposits and, accordingly, overall profits.

Generally, in the Expanded Bank Deposit Sweep Program, Wells Fargo Advisors has an incentive to first place deposits with Affiliated Banks because of the spread revenue generated from these deposits. Wells Fargo & Company's periodic filings include high-level information on deposit spreads and are available at <https://www.wellsfargo.com/about/investor-relations/filings/>.

#### *Bank Payments to Wells Fargo Advisors*

As noted above, Wells Fargo Advisors receives payments from unaffiliated Program Banks and Affiliated Banks, which are calculated as a percentage of the client assets deposited in the Cash Sweep Program. The interest paid to client accounts in the Bank Deposit Sweep Programs is deducted from these payments, and Wells Fargo Advisors receives the remainder. Accordingly, Wells Fargo Advisors has an incentive to pay lower interest rates to participating client accounts. Note that the fee Wells Fargo Advisors receives from participating banks usually exceeds the interest paid to participating client accounts by a substantial amount. Moreover, note that the rates paid out to clients will typically be substantially lower than the Federal Funds Effective Rate, and may not increase as quickly as the Federal Funds Effective Rate.

In both the Standard and Expanded Bank Deposit Sweep Programs, Wells Fargo Advisors receives from the Affiliated Banks payments in an amount not to exceed a percentage (equivalent to Federal Funds Target plus 30 basis points (0.30%)) of the daily total deposit balances at the Affiliated Banks.

With respect to the unaffiliated Program Banks under the Expanded Bank Deposit Sweep Program, the financial benefits available to Wells Fargo Advisors differ as between retirement accounts and non-retirement accounts. In the case of non-retirement accounts, the amounts paid to Wells Fargo Advisors by each unaffiliated Program Bank vary. However, for retirement accounts (including IRAs), each unaffiliated Program Bank in the Expanded Bank Deposit Sweep Program will pay Wells Fargo Advisors a uniform fee up to 79% of the Federal Funds Effective Rate of the average daily total retirement account deposit balances at that unaffiliated Program Bank.

#### *Differences Between the Standard Bank Sweep Program and Expanded Bank Sweep Program*

Under the Expanded Bank Deposit Sweep Program, Wells Fargo Advisors pays a third-party administrator a fee for operational services. This fee includes an asset-based fee, which will vary based on deposit balances at the unaffiliated Program Banks. We do not pay the third-party administrator on deposits held in the Affiliated Banks or in connection with the Standard Bank Deposit Sweep Program. Accordingly, the profitability of the Expanded Bank Deposit Sweep Program increases if more assets are placed with Affiliated Banks.

As a result of the benefits to Wells Fargo Advisors and its affiliates described above, the Standard Bank Deposit Sweep Program will be more profitable to us than the Expanded Bank Deposit Sweep Program, which means Wells Fargo & Company will receive a greater benefit if you select the Standard Bank Deposit Sweep as your Cash Sweep option.

### **Money Market Sweep Funds**

The Cash Sweep Program includes some money market funds that are managed by third parties. Mutual fund companies typically offer multiple share classes with different levels of fees and expenses. When selecting the share class for the Money Market Fund used in the Cash Sweep Program, we do not necessarily select the share class with the lowest fees that is available from the fund company. The use of a more expensive share class of a Money Market Fund in the Cash Sweep Program will negatively impact your overall investment returns.

### **Additional Information**

For additional information, see the Cash Sweep Program Disclosure Statement, which we provided to you when you opened your Account. For additional information about the Cash Sweep Program, including information about how we and our affiliates benefit from the Cash Sweep Program, see the Cash Sweep Program.



## Compensation

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

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

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

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

## Account Termination

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

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

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

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

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

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

## Class Action Services

Beginning January 2025, all WFA accounts will be automatically enrolled in the Class Action Service also described in the Client Agreement. The Class Action Service authorizes WFA to automatically file a claim on your behalf if WFA receives notice of a class action lawsuit that impacts securities purchased in your Account. The terms of the Class Action Service apply to your Account unless you have opted out. You are not obligated to continue to use the Class Action Service and you may opt out at any time by contacting us at 1-800-TRADERS. The Class Action Service is a separate administrative service, is not part of the advisory services included in any Advisory Program and WFA does not act in an advisory capacity when making this service available to you. WFA will not provide legal advice regarding your participation in any class action.

Broadridge Investor Communication Solutions, Inc. ("Broadridge") administers the Class Action Service and, in exchange for administering the Class Action Service, Broadridge will retain ten percent (10%) from any class action settlement payment received on your behalf. The remainder of the class action settlement payment will be credited to your Account and will be subject to the fees described in your Client Agreement and the Program Features and Fee Schedule incorporated into your Client Agreement. In cases where WFA elects not to submit a claim for any class action for which you are otherwise entitled to submit a claim, WFA will notify you in writing in advance of the submission deadline and provide you with the individual class action notice so you may submit a claim directly to the claims administrator if you so choose. You are encouraged to carefully review the complete terms and conditions of the Class Action Service, which can be found in the Client Agreement, or to contact us should you have questions.

## Account Requirements and Types of Clients

### Account Requirements

A minimum initial Account value of at least \$500 is required. Under certain circumstances the Account minimum may be waived. We may terminate your Account with notice if they fall below minimum Account value guidelines established by us.

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

### Types of Clients

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

## Portfolio Manager Selection and Evaluation

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Client Restrictions and Instructions**

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

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

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

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

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

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

The Intuitive Investor Program offers the **Globally Diversified** portfolios and **Sustainability Focused** portfolios as described below. Each portfolio series offers nine investment objective-based portfolios.

#### **Globally Diversified portfolios**

Globally Diversified portfolios combine traditional market-capitalization-weighted ETFs intended to provide low-cost core portfolio exposures with complementary smart beta or enhanced-index ETFs within select asset classes to increase exposures to factors/ characteristics that can potentially enhance longer-term risk and return outcomes. The factors used by smart beta ETFs for screening and weighting purposes are often related to relative measures of quality, volatility, valuation, momentum, and other metrics focused on enhancing overall diversification. The individual and combined factor-related metrics and screening employed by smart beta ETFs can be similar to select screening employed by active managers in an attempt to add value over a traditional market-cap-weighted passive approach. However, because the screening/weighting approaches employed by smart beta ETFs are systematic in nature and designed to replicate broad market factor-tilted indices, their relative expenses remain low in comparison to actively managed alternatives. In combination, the portfolios selected ETFs and weightings are intended to provide a relatively low-cost approach, but with the potential for enhanced outcomes (compared to employing only a traditional market-weighted passive approach) while maintaining the relative cost efficiencies and other potential benefits of an all-ETF portfolio. Though the intention is to enhance potential longer-term outcomes relative to more traditional size-weighted passive approaches, it should be recognized that the differences in weighting methodologies can result in periods of both significant outperformance and underperformance for particular or combined smart beta ETFs versus corresponding broad market indices.

#### **Sustainability Focused portfolios**

Intuitive Investor Sustainability Focused portfolios focus on the use of ETFs that through specific index replication or systematic screening of broad market indices seek to accentuate exposures to companies with relatively strong Environmental, Social, and Corporate Governance ("ESG") practices/ratings while deemphasizing or avoiding companies with low ESG ratings and related potential controversies. The combined accentuation of these considerations is intended to increase focus on practices that can help promote a more sustainable environment and more sustainable, ethical, and community-minded businesses. The ETFs often use both inclusionary and exclusionary criteria to both increase and reduce/eliminate exposures based on relative ESG practices/

metrics and specific areas of business involvement. However, the overall approach is generally more relative in nature with greater focus on favoring companies with relatively favorable ESG practices/metrics by industry and thereby still maintaining broad industry and economic sector exposures. While this approach to investing is intended help drive more positive and less detrimental environmental and social impact, from a purely investing point of view integrating an ESG lens is also intended to serve as an additional component of risk management. The lens can help to further identify potential relative risk exposures for specific companies that could result in potential significant business and reputational risks and impairment. While over longer periods of time performance for ESG-oriented investing is generally expected to be in line with that of the broad market, given some of the inherent factor and sector biases there can be periods over the course of economic/market cycles when such strategies can substantially underperform or outperform their respective broader market indices.

Below are descriptions of the nine investment objective-based portfolios in each portfolio series that are available in the Program.

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

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

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

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

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

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

## Risks Associated with Sustainability Focused Investing

The performance of the strategies that include the evaluation of a company's performance related to identified ESG goals in the investment process may be lower than other strategies that do not include a company's performance and ESG goals in the investment evaluation process. WFII seeks to identify ETFs that it believes can offer attractive investment returns while also aligning with their specific ESG goal of its Clients, but may not be successful in achieving both. Successful application of the ESG performance analysis will depend on WFII's ability to identify and analyze a company's ESG performance data and information, and there can be no assurance that the strategy or techniques employed will be successful or that available information is adequate or accurate. Further, investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, a WFII strategy may invest in companies that do not reflect the beliefs and values of a particular investor. WFII does not provide recommendations or takes action to vote proxies, or participate in class actions, for assets in Intuitive Investor strategies.

The ETFs selected within the ESG space, and used within the Sustainability Focused portfolios, may use exclusionary criteria based on percentage of revenue derived from specified areas of business involvement. The exclusions are generally related to environmental impact or controversial products or business practices. Apart from these specific exclusions, the ETFs may use systematic means to increase weights/exposure to companies with more favorable ESG metrics/practices based on index provider and/or third-party ESG research, and reduce exposure to companies with less favorable ESG metrics/practices, while seeking to maintain overall performance within a specified threshold of the referenced broad market index. The combined process seeks to consider/emphasize ESG-related factors while also maintaining overall sufficient portfolio diversification. Examples of Environmental third-party research focus include: climate risks, biodiversity impact, fossil fuel extraction/use, waste production and management, and renewable energy. Areas of Social focus include: labor standards and practices, diversity and inclusion, product liability, consumer protection and data security, and philanthropic giving and community involvement. With respect to Governance, the focus is generally on board structures, accounting standards and practices, regulatory and compliance records, and current/potential controversies. While these areas of focus differ from more traditional investment research focused on specific company financials and operating fundamentals, many ESG factors can have material financial impact based on both potential business risks and opportunity.

In addition to its standard research and product selection process, WFII's ESG-related research focuses on the ongoing screening

and systematic weighting processes used by ETF and index providers to integrate ESG factors. WFII's research and relative assessments are applied on an ongoing basis.

## **Program Website Tool Methodology**

The suggested asset allocation strategy generated by the Program Website Tool ("Tool") is based on your answers to the questionnaire, which is comprised of a series of questions regarding, among others, your investment objective, risk tolerance, investment time frame, and liquidity. The Tool selects the suggested asset allocation strategy from one of 9 possible investment objectives. After a recommended investment objective is provided, you will then have the option to move forward with that recommendation or select an investment objective that is one step lower or one step higher on our risk scale. In addition, once an investment objective is selected, you will then have the option to select a portfolio from either our Globally Diversified series or from our Sustainability Focused series.

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

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

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

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

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

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

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

## **Proxy and Reorganizations**

You delegate proxy voting authority to a third party proxy voting service provider, currently Institutional Shareholder Services Inc. ("ISS"), which we have engaged to vote proxies on your behalf to act (or refrain from acting) with respect to proxy information related to securities, or the issuer of securities, held or formerly held in an Account. ISS will vote proxies on your behalf in accordance with its established guidelines. ISS' services do not apply to proxies they decline to vote. When using ISS' services, you will not receive proxy materials or annual reports related to securities or other property. In the case where ISS declines to vote, you will not receive proxy materials and the proxy will not be voted. You may obtain information on how proxies in your Account were voted by contacting us at (855) 283-5567.

For any corporate proposal [for investment companies registered under the Investment Company Act of 1940, including mutual funds, closed-end funds, ETFs and UITs] which does not require a proxy (e.g., tender offers or repurchase offers), neither we nor your advisor will exercise discretion in choosing an option on the proposal. Instead of exercising discretion, we will refrain from acting and these positions will be treated as unvoted. As an example, in the case of a repurchase offer by a fund, your shares will not be offered for repurchase by the fund.

You have the ability to rescind this proxy voting authorization by providing written instruction to us appointing either yourself or a third party authorized to act on your behalf. You may not delegate proxy voting authority or authority to exercise discretion on reorganization proposals to us and we will not be obligated to render any advice or take any action with respect to information related to securities, or the issuer of such securities held in the Account. Information regarding ISS' services and its U.S. Proxy

Voting Guidelines are available via ISS' website <https://www.issgovernance.com/policygateway/voting-policies>. We may change the third party proxy voting service provider and will not be deemed to have or to exercise proxy voting responsibility or authority by virtue of such action.

## Client Information Provided to Portfolio Managers

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

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

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

## Client Contact with Portfolio Managers

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

## Additional Information

### Disciplinary Information

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

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

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

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

In January 2025, WFCS and Wells Fargo Advisors Financial Network ("WFAFN") agreed to a settlement with the SEC regarding allegations that they failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder relating to their cash sweep program, specifically, their use of a bank deposit sweep program. The order found that WFCS and WFAFN did not adopt and implement reasonably designed policies and procedures that considered the best interests of clients when evaluating and selecting which cash sweep program options to make available to clients, including during periods of rising interest rates; or addressed the duties of WFCS and WFAFN financial advisors in managing client cash in advisory accounts, in willful violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. WFCS and WFAFN, without admitting or denying the findings, consented to a settlement that included a cease and desist order, censure, and civil money penalty of \$28 million by WFCS and \$7 million by WFAFN.

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 overbilling 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 August 27, 2020, Wells Fargo Clearing Services, LLC agreed to a settlement with FINRA regarding allegations that the Firm failed to reasonably supervise the activities of two former registered representatives, thus violating its own written supervisory

procedures along with NASD Rule 3010(a) and FINRA Rules 3110(a) and 2010. Between November 2012 and October 2015, the two representatives recommended that many of their customers invest a substantial portion of their assets in four high-risk energy securities, which generated multiple red flags regarding over concentration and suitability in their customers' accounts that the firm failed to reasonably investigate. The Firm has previously compensated 67 clients over \$9.7 million for losses in these investments. Without admitting or denying the findings, the Firm agreed to a settlement that included a censure, a fine of \$350,000 and restitution in the amount of \$201,498 plus interest to additional specified clients.

On February 27, 2020, the Securities and Exchange Commission ("Commission") entered an order against Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, following the Firms' offers of settlement. The Commission found that, from April 2012 through September 2019, the Firms recommended that many retail investment advisory clients and brokerage customers buy and hold single-inverse exchange-traded funds ("ETFs") without having adequate compliance policies and procedures and without providing financial advisors proper training and supervision of single-inverse ETFs. The Commission found that, as a result, certain investment adviser representatives and registered representatives made unsuitable recommendations to certain clients. The Commission found that the Firms willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, failed reasonably to fulfill their supervisory responsibilities within the meaning of Section 203(e)(6) of the Advisers Act and failed reasonably to fulfill their supervisory responsibilities within the meaning of Section 15(b)(4)(E) of the Exchange Act. The Firms consented, without admitting or denying the findings contained in the Order, to: 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; be censured; and jointly and severally pay a civil and monetary penalty in the amount of \$35,000,000.

In 2018, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC elected to participate in the Securities and Exchange Commission's Mutual Fund Share Class Selection Disclosure Initiative ("SCSD Initiative"). The SCSD Initiative provided investment advisers with the opportunity to voluntarily self-report to the SEC's Division of Enforcement possible securities law violations related to the adequacy of their disclosures concerning mutual fund share class selection and fees received pursuant to Rule 12b-1 under the Investment Company Act of 1940. As part of the SCSD Initiative, the Firms reviewed disclosures and activities related to mutual fund share class selection within advisory programs. At the conclusion of the SCSD Initiative, the Firms jointly and severally consented to a settlement agreement alleging violations of Sections 206(2) and Section 207 of the Investment Advisers Act of 1940 and entry of an order under which the Firms were censured, agreed to cease and desist from committing further violations, and agreed to pay disgorgement and prejudgment interest totaling \$17,363,847.29. The SEC did not impose a fine or civil monetary penalty in recognition of the fact that the Firms self-reported.

In December 2017, Wells Fargo Advisors agreed to a settlement with the State of Illinois Securities Department regarding allegations that it received, reviewed and/or analyzed documents and information from a financial advisory firm concerning certain money manager strategies that contained information that was later found to be false and misleading. The findings stated that we included the financial advisory firm's money manager strategies in certain of our externally managed Separately Managed Account Programs, but that we did not utilize inaccurate historical performance data in connection with our decision to on board the money manager strategies and we did not incorporate inaccurate performance data in our advertisements or Program marketing materials. Without admitting or denying the findings, the Firm agreed to a total monetary payment of \$270,000.

On December 21, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to maintain approximately one million electronic brokerage records in non-erasable and non-rewritable format, which is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings also stated that for approximately 1.5 million accounts, the Firm failed to preserve customer account form templates containing the terms and conditions related to the opening and maintenance of accounts, failed to retain certain communications and failed to notify FINRA at least 90 days prior to using new storage media to store electronic broker-dealer records. FINRA also found that the Firms failed to implement an audit system for those records, failed to provide its third party vendors full access to the storage systems, failed to implement an adequate supervisory system and failed to enforce written procedures. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,500,000. The Firms also consented to a review of its policies and procedures.

On December 5, 2016, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to a settlement with FINRA regarding allegations that the Firms failed to establish, maintain and enforce reasonable supervisory systems for the use of consolidated reports generated by their registered representatives through available applications. The findings stated that these applications allowed the Firm's representatives to manually enter information regarding customers' external accounts, assets and liabilities into a centralized table which the Firms maintained. This information would then be used to populate reports, including those that would be sent to the Firms' customers. FINRA found that the Firms did not have systems in place to review the contents of the reports, including information about customer holdings away from the Firms. In addition, the Firms supervisory systems and procedures were inadequate because there was no mechanism allowing representatives to designate which reports were actually provided to customers and the system could not distinguish between draft reports and completed reports that were sent to customers, which should have been subject to the Firms' supervisory systems designed to review customer communications. Without admitting or denying the findings, the Firms agreed to a censure and fine, jointly and severally, of \$1,000,000.

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

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

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

**Unless otherwise stated as the case, the investment advisory services offered and the underlying stock, bonds, mutual funds and other securities bought or sold through us are not deposits of any bank and are not insured or otherwise protected by the Federal Deposit Insurance Corporation ("FDIC") or another government agency. They are not obligations of any bank or any affiliate of us; are not endorsed or guaranteed by Wells Fargo, WFA, or any bank or any affiliate of us; and involve investment risk including possible loss of principal. Cash balances in Client Accounts may be held in a depository product sponsored by Wells Fargo Bank, N.A. Wells Fargo Clearing Services, LLC is not an FDIC-insured depository institution; FDIC deposit insurance only protects against the failure of an insured depository institution. Banking products and services provided by Wells Fargo Bank, N.A. Member FDIC.**

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

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

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

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

- **Wells Fargo Advisors Financial Network, LLC** is an affiliate of WFA that also provides retail brokerage and investment advisory services.
- **Wells Fargo Investment Institute, Inc.** (known prior to November 1, 2014 as Alternative Strategies Group, Inc. and before that as Wachovia Alternatives Strategies, Inc.) is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A. that provides advisory services and research to WFA.

Certain cash sweep vehicles that we offer as part of our Cash Sweep Program may also be used by our affiliates. The rate of return paid when invested in these cash sweep vehicles with our affiliates could be greater than the rate of return paid when invested in these cash sweep vehicles with WFA.

## **Material Relationships with Allspring**

Wells Fargo sold the Wells Fargo Asset Management business in 2021 and the new owners renamed the business Allspring Global Investments. The Wells Fargo Asset Management business was wholly owned by Wells Fargo prior to the transaction and included the following companies: 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. These companies, which are no longer related persons of WFCS, served as adviser, sub-adviser, and distributor of the Wells Fargo Funds and certain of the companies managed separately managed account strategies offered through WFCS.

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, investment adviser to mutual funds within the Allspring family of funds, Allspring Funds Distributor, LLC, the principal underwriter of Allspring mutual funds, and Allspring Global Investments, LLC, a model portfolio strategy provider and an investment adviser to pooled investment vehicles and separately managed accounts.

Wells Fargo has no role in the management of Allspring. However, Wells Fargo retains less than a 10% equity ownership interest in Allspring and has continued to provide certain non-advisory transition services to Allspring for a fee since the close of the sale. WFCS also receives compensation from Allspring for the distribution, administrative and operational services that we provide to the Allspring mutual funds. Although Allspring is not a related person of WFCS, WFCS and its related persons 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.

Wells Fargo's equity ownership in Allspring and the agreements by WFCS and its related persons to provide ongoing services to Allspring for a fee 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 or model portfolio strategies.

WFII charges Allspring research access fees for investment research services that WFII provides to Allspring. Allspring manages the Managed DSIP, Managed DSIP II, ESG Managed DSIP, Current Equity Income, and Income Multi Asset Portfolio strategies offered through WFA's Personalized Unified Managed Account advisory program (collectively, the "Equity Income Strategies")



utilizing information derived, in part, from certain of the research services. The research access fees are calculated based on the assets invested in the strategies, meaning that WFII earns more money when more assets are invested in the strategies. The research access fees are assessed at rates that result in WFII receiving fees that are equivalent to substantially all of the Manager fees assessed in conjunction with the Income Multi Asset Portfolio, the Current Equity Income Strategy, and the Managed DSIP strategy, and approximately half or greater of the Manager fees assessed for the Managed DSIP II strategy and the ESG Managed DSIP strategy. The fee paid to WFII is for research services WFII provides to Allspring, including: investment research that WFII provides to Allspring; and access to certain WFII research analyst teams, strategists, and associates to discuss the research and/or obtain additional research commentary on covered names, insights into sectors, etc. (collectively "Research Services"). While WFII does not provide the Research Services to other third-party Managers for utilization in managing strategies, WFII does provide the Research Services to its affiliates, WFCS and WFAFN, who in turn, may utilize the Research Services to manage strategies and who provide the investment research at no cost to WFCS and WFAFN advisory clients, WFCS and WFAFN brokerage customers, and prospective clients and customers for their individual use. As such, investors in the Equity Income Strategies are indirectly paying for investment research that others receive at no cost, and that those same investors could receive from WFCS or WFAFN for their individual use outside of the Equity Income Strategies at no cost under other circumstances. Similar investment research may be available in the marketplace at no cost or for materially lower fees than are being charged to Allspring in conjunction with the Equity Income Strategies.

WFII's receipt of a research access fee in conjunction with the Equity Income Strategies creates a material conflict of interest since it results in WFII, an affiliate of WFCS, earning more revenue when investors follow a WFCS recommendation to invest in the Equity Income Strategies than WFCS, WFII or their affiliates would earn if investors followed a recommendation from WFCS to invest in any of the other Model Manager strategies available through the Personalized UMA Program as WFCS and its affiliates earn no comparable additional revenue for investments in other Model Manager strategies. WFCS seeks to mitigate this conflict and its associated implications through disclosure, management of the financial incentive for financial advisors to recommend the Equity Income Strategies, and evaluation of the total costs of investing in the Equity Income Strategies relative to other Model Manager strategies. You should carefully consider the research access fee that is retained by WFII and our related conflict of interest when evaluating whether to invest in the Equity Income Strategies.

The Equity Income Strategies are available through Wells Fargo Bank, N.A., including through Wealth & Investment Management Trust Services, and no research access fee is applied to assets invested in the Equity Income Strategies when the assets are custodied at Wells Fargo Bank, N.A. The research access fee is also not applied to assets invested in ERISA accounts.

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

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

### **Code of Ethics**

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

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

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

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

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

For these transactions, we may act as agent or, where permitted by law, principal (including when we are acting as underwriter or selling group members). We may effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules

promulgated thereunder including any future amendments or changes to such statutes and rules. For more information see the "Brokerage Practices" section.

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

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

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

### **Personal Trading**

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

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

### **Review of Accounts**

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

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

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

These documents will be delivered to you electronically.

### **Prospectus Delivery**

The Manager is authorized to accept on your behalf delivery of prospectuses for funds registered under the Investment Company Act of 1940 (including ETFs). If the Manager accepts delivery of prospectuses on your behalf, WFA and the Manager will generally not deliver a prospectus directly to you unless you request one. You may obtain a prospectus at any time by contacting the team of Financial Advisors that are available to service your Account. Notwithstanding the authorization described in this paragraph and apart from any requests you may make for a prospectus, WFA or the Manager may, in its sole discretion, choose to deliver prospectuses directly to you.

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

From time to time, we initiate incentive Programs for our Associates, including FAs. Incentive programs compensate our Associates and FAs for attracting new assets and Clients, referring business to our affiliates (such as referrals for banking services and accounts, mortgages, lending, trusts, or insurance services) or other FAs, promoting investment advisory services and promoting green initiatives (such as raising Client awareness of paperless options). We may also initiate Programs that reward FAs who meet total production criteria, length of service requirements, participate in advanced training and improve client service.

FAs who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums and recognition trips. Portions of these programs may be subsidized by external vendors and/or our affiliates, such as mutual fund companies, insurance carriers or investment advisers. Therefore, FAs and other Associates have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services we offer.

We also enter into arrangements with other persons to whom we pay compensation for referrals to our advisory Programs. This compensation is generally in the form of a percentage of the fees described in the Program contracts. The details of such arrangements and the amount of compensation will be described in a separate disclosure provided at the time of such referrals. Additionally, we also compensate employees of Wells Fargo Bank, N.A. for referrals to WFA.

From time to time, we compensate Associates other than FAs for referrals of possible Clients to the Programs. Our FAs, not the referring Associate, will make the actual presentation and solicitation of these services. The referral compensation takes the form of a payment to the Associate of a percentage of the fees described in the Programs' contracts and results in no additional fees to you or other Clients.

Wells Fargo & Company is a full-service financial services firm with many affiliates. Wells Fargo & Company encourages its subsidiaries to use the products and services offered by affiliated firms, when appropriate. During the course of annual business planning, business with our affiliates is included in establishing our sales goals. As a result, we have an incentive to hire affiliate service providers for our advisory Programs. We recommend affiliated mutual funds to Program Clients, and hire other affiliates to provide trade execution, clearing and platform administration services for the Programs. We intend, however, to make all recommendations independent of any such goals and based solely on our obligations to consider your objectives and needs.

## **Brokerage Practices**

Under the Program, you will generally appoint us as sole and exclusive broker with respect to the referenced Account for the execution of transactions which we may execute through our affiliate and from which such affiliate will derive benefits, including benefits as a result of increased trading volumes. In connection with these transactions, we act as agent or, where permitted by law, principal (including instances wherein we or an affiliate are an underwriter or selling group member). You authorize us to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules promulgated under the Exchange Act, including any future amendments or changes to such statutes and rules.

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

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

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

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

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

**Fractional Shares.** In addition to purchasing whole ETF shares for your Advisory Account, we will facilitate purchases and sales of fractional ETF shares on your behalf, where doing so is required to ensure that the Advisory Account is allocated in accordance with the selected Portfolio. WFA will facilitate purchases and sales of fractional shares for Client Accounts on an agency basis by allocating excess fractional shares to a trade along account maintained by WFA. The trade along account will enable WFA to aggregate client orders to purchase or sell fractional shares such that they may be placed in the market as transactions in whole shares. WFA reserves the right to limit or stop facilitating transactions in fractional shares or to change its policies and procedures that pertain to transactions in fractional shares, including but not limited to its allocation and rounding procedures, at any time without prior notice to its clients. Fractional shares are typically unrecognized and illiquid outside of the Advisory Account. As a result, fractional shares are not transferrable to another account. In the event you request a transfer or liquidation of the assets in your Advisory Account, we will convert the fractional shares held in the Account to cash. However, if your Advisory Account is terminated pursuant to the terms of your Agreement, the fractional shares held in your Advisory Account will continue to be held in the standard brokerage account to which it reverts, and will be subject to the terms governing fractional share trading set forth in the brokerage account agreement, including the purchase and sale of fractional shares on a principal basis. Dividends will be allocated pro-rata based on the fractional shares held in your Advisory Account.

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

**Rollovers.** If you are rolling over assets from an employer-sponsored Qualified Retirement Plan ("QRP"), such as a 401(k), to an Individual Retirement Account ("IRA") with us, you should carefully evaluate all choices which are typically available. These four options include: leaving your assets in your former employer's plan (if permitted), rolling over the assets to your new employer's plan (if permitted), rolling your assets to an IRA with us or another firm, or cashing out the Account value. You should consider the following factors, among others, in deciding whether to keep assets in a QRP, roll over to an IRA or cash out: investment options, fees and expenses, ability to make penalty-free withdrawals and differences in creditor protection. We have a conflict of interest in connection with a rollover of your assets into an IRA and the investment of the assets with us as opposed to leaving the assets in your former employer's plan or electing one of the other options. The conflict arises because we will likely earn no compensation if you were to leave the assets in your former employer's plan or transfer to your new employer's plan. In

addition, the costs of maintaining and investing assets in an IRA with us will generally involve higher costs than the other options available to you. While we typically offer a broader range of investment options and services than an employer-sponsored QRP, there are no guarantees that the additional investment options will outperform your employer-sponsored QRP.

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

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

When feasible, Clients managed by the same discretionary manager will have trade orders aggregated as a single block transaction. This allows us to seek a more advantageous net price and not advantage one client over another. Such block orders are initiated by your discretionary manager, which can include your Financial Advisor, who determines which clients to include in the block order. We do not block trades of one discretionary manager with trades of another discretionary manager. Any benefit of such aggregation generally is allocated pro-rata among the Accounts of Clients that participated in the aggregated block transaction.

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

**Order Handling and Order Flow.** Fixed income securities could be traded for you in one or more marketplaces, including alternative trading systems ("ATS" or "ATSs"), subject to our obligations for best execution. With respect to trades on ATSs, the terms of usage for a certain ATS — on which we generally conduct the vast majority of our ATS trading — provide for trade-related credits paid in cash to us. Credits begin after executing a certain aggregate volume of trades on the ATS during the year and are paid quarterly thereafter. These credits can range from 6% to 19.75% of the aggregate revenue received by the ATS. As a result, the potential to earn credits can be an additional factor in determining where we execute fixed income orders.

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

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

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

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

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

### **Margin Loans and Securities-Based Loan Programs**

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

#### **Margin Loans**

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

**Margin Loans Are Subject to Separate Terms and Conditions.** If you take out a Margin Loan, the terms and conditions applicable to the Margin Loan are governed by the Margin Disclosure Statement and the Client Agreement. You should review carefully the terms, conditions, and risk disclosures for Margin Loans and understand that such risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. Certain eligibility requirements must be met, and documentation in the form of a separate margin agreement must be completed prior to using margin.

**Costs Are in Addition to Advisory Fees.** As discussed above, if you use margin to purchase additional securities, your Account Value increases and therefore the amount of fees you pay will increase. You will also be charged margin interest on the debit balance in your Account, which is in addition to the Program Fee. This results in additional compensation to us. The interest charged on a Margin Loan is higher than the interest charged on affiliated Securities-Based Loans, including Priority Credit Line.

**We Have an Incentive to Recommend the Use of Margin.** The increased asset-based fee and interest that you pay on a Margin Loan provides an incentive for your Financial Advisor to recommend the use of margin. Your Financial Advisor also has an incentive to use margin to purchase additional securities and other assets instead of selling existing securities or other assets. We address these conflicts by disclosing them to you.

**Margin Loans May Not Be Suitable for You.** Using margin is not suitable for all investors. As described in the next paragraph, the use of margin increases leverage in your Account and therefore increases risk to a portfolio. We generally believe the use of margin is most appropriate when short in duration. Before deciding to use margin, you should consider the intended duration and total cost of the Margin Loan, as well as other options available to you, such as alternative loan options or liquidating your Account assets.

**Using Margin Involves Higher Risks.** Generally, we believe that the use of margin adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money. You can lose more funds than amounts deposited in margin accounts. In addition, you generally will not benefit from using margin unless the performance of your Account exceeds interest expenses on the Margin Loan plus advisory fees incurred. You should also understand that the use of margin can negatively impact our ability to rebalance your account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your Account. **Please see the Margin Disclosure Statement and the Client Agreement for more details on the risks of margin use. You should read this documentation carefully.**

## **Securities-Based Loan Programs**

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

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

**Securities-Based Loan Programs Are Subject to Separate Terms and Conditions.** If you have elected to participate in a Securities-Based Loan Program, the terms and conditions applicable to that Securities-Based Loan Program are governed by the applicable Securities-Based Loan documents and other service agreements and are not included or described further in this brochure. You should review carefully the terms, conditions and any related risk disclosures for the Securities-Based Loan Program and understand that risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. You should understand that PCL provides more favorable protection for us in the event of your bankruptcy than loan programs through Wells Fargo Bank. Certain eligibility requirements must be met and documentation must be completed prior to obtaining Securities-Based Loans.

**Interest Rates for Securities-Based Loan Programs Differ.** Interest Rates for Securities-Based Loan Programs are different and have different features and eligibility criteria. More than one Securities-Based Loan Program may be available to you. The interest rate charged for one offering may be higher than interest rates available through another lender or offering.

**Costs Are in Addition to Advisory Fees.** The costs, including interest, associated with a Securities-Based Loan Program are not included in the Program Fee and will result in additional compensation to us, our affiliate, and our Financial Advisors. The interest charges on your Securities-Based Loan Program, combined with the Program Fee, may exceed the income generated by your pledged Account assets and, as a result, the value of your Account may decrease. You are encouraged to consider carefully the total cost of taking out a Securities-Based Loan, and any additional compensation that WFA and your Financial Advisor will receive, when determining to take out and/or maintain a Securities-Based Loan against your Account assets.

**Financial Advisors Receive Compensation on Securities-Based Loans.** In addition to receiving a portion of the Program Fee, Financial Advisors also receive compensation based on the outstanding loan balances of PCL and Securities-Based Loan Programs from Wells Fargo Bank. The Financial Advisor's compensation is reduced if the interest rate on PCL or a Securities-Based Loan from Wells Fargo Bank is discounted below a certain level, which creates an incentive for the Financial Advisor to not request for you or to discourage interest rate discounts below a certain level.

**We Have an Incentive to Recommend the Use of Securities-Based Loan Programs.** Since WFA and your Financial Advisor are compensated through asset-based advisory fees paid on your Account, we benefit if you draw down on your Securities-Based Loan, which preserves asset-based advisory fee revenue and generates additional loan-related compensation, rather than sell securities or other investments in your Account, which would reduce the assets in your Account and our asset-based advisory fee revenue. This presents a conflict of interest for your Financial Advisor when addressing your liquidity needs. In addition, where a Securities-Based Loan is secured by both brokerage and advisory assets, a Financial Advisor will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because the Financial Advisor would be able to maintain advisory Account assets subject to the Program Fee. We address these conflicts by disclosing them to you.

**Securities-Based Loan Programs May Not Be Suitable for You.** There are other lending products that may be suitable for you and for which we and your Financial Advisor would receive different or no compensation. You are responsible for independently evaluating if a Securities-Based Loan is appropriate for your needs, if the lending terms are acceptable, and whether the Securities-Based Loan will have potential adverse tax or other consequences for you.

**There Are Limitations on the Use of Securities-Based Loan Proceeds.** Except for margin accounts, where the loan proceeds can be used to purchase, carry, or trade securities, the proceeds of the other Securities-Based Loans available from Wells Fargo Bank or WFA may not be used to: purchase, carry, or trade securities (or margin stock in the case of loans offered by Wells Fargo Bank); or reduce or retire any indebtedness incurred to purchase, carry, or trade securities (or margin stock in the case of loans offered by Wells Fargo Bank). If your Account is used as collateral for a Securities-Based Loan, the Account is pledged to support the Securities-Based Loan and you are not permitted to withdraw funds or other assets from your Account unless sufficient amounts of collateral remain to continue supporting the Securities-Based Loan (as determined under the applicable Securities-Based Loan Program). Although you are required to satisfy such collateral requirements, you can terminate your advisory relationship with WFA, at which time the funds and assets in your account will be treated as a brokerage account at WFA and the collateral requirements for the Securities-Based Loan will continue to apply.

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

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

**There Are Collateral Maintenance Requirements.** When you use margin to purchase securities or draw down on a Securities-Based Loan, your Account assets serve as collateral. For Margin Loans and some Securities-Based Loans, the lender can increase the maintenance requirements or call the loan at any time and for any reason, and is not required to provide you with advance written notice (although these approaches will be different for other loan programs from Wells Fargo Bank, and may be different for loans from unaffiliated lenders). If your Account assets decline in value, so does the value of the collateral. If the required collateral is not maintained, you may need to deposit additional cash or securities as collateral or repay a partial or entire amount of the funds borrowed on short notice. You are not entitled to an extension of time on a margin call. The lender may refuse to fund any advance request due to insufficient collateral. Where the lender assigns different release rates to different asset types, you may be able to satisfy collateral maintenance requirements by selling securities with a low release rate and investing and/or holding the proceeds in assets that have a higher release rate for the loan.

**Liquidation of Securities in a Maintenance Call.** Failure to promptly meet requests for additional collateral or repayment, or other circumstances including but not limited to a rapidly declining market, will cause the liquidation of some or all of the collateral supporting any Margin Loans or Securities-Based Loans in order to meet the maintenance requirements. The lender can sell your Account assets without contacting you. Neither the lender nor WFA are required to notify you of a maintenance call. The details and timing of how the lender handles a maintenance call will be different for other loan programs from Wells Fargo Bank, and may be different for loans from unaffiliated lenders, but with Margin Loans and Securities-Based Loans, you will be responsible for any shortfall if your Account assets are insufficient to cover the maintenance deficiency. Even if the lender has notified you and provided a specific date by which you can meet a maintenance call, the lender can still take necessary steps to protect its financial interests, including immediately selling your Account assets without notice to you. You should understand that because your Account assets are collateral for the Margin Loans or Securities-Based Loans, in selling such assets, the lender will seek to protect or advance its interests over your interests. You should expect that the lender's interests will not be aligned with — and will be adverse to — your interests when the lender sells assets during a maintenance call, and that the lender may sell assets that you desire to keep or sell them at prices that may be less than the value that we or you believe the assets are worth. You are not entitled to choose which Account assets are liquidated or sold to meet a maintenance call. If there are Account assets that you desire to own during the term of your Margin Loan or Securities-Based Loan, you should not pledge them as collateral. Depending on market circumstances, the prices obtained for your Account assets may be less favorable and may be less than the value that we or you believe the assets are worth. If a margin or maintenance call cannot be fully satisfied from your Account assets, you remain liable for the outstanding debt.

**Impact of Margin and Maintenance Calls on Management of Your Account.** In a maintenance call, the lender might liquidate Account assets that you, your Financial Advisor, or your Manager otherwise would not sell, and that might not otherwise be in your best interests to sell, and you might not get to choose the assets that are liquidated. We or a third-party Manager will seek to manage your Account as agreed under your advisory Client Agreement and applicable Program Features and Fee Schedule, provided that, if a maintenance call takes place, you should expect that we or your Manager will not be able to manage your Account consistent with our or the Manager's overall strategy. In addition, in order to preserve sufficient collateral value to support the loan and avoid a maintenance call, depending on your leverage, a Financial Advisor may be inclined to invest your Account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies.

**No Legal or Tax Advice.** WFA and your Financial Advisor do not provide legal or tax advice. You should consult with your own legal counsel and independent tax advisor before using securities as collateral for loans in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets.

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

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

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

### **Financial Information**

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