Before you make an investment at Wells Fargo Advisors, you need to understand important differences between our brokerage and investment advisory services. This guide will help you better understand these differences, particularly in terms of our duties and obligations to you, as well as the costs for these services. Your Financial Advisor can help you determine which type, or combination of types, of services and accounts are best suited for you. Specific services are described in more detail in other documents, which are available from your Financial Advisor.

What are investment advisory services?

When we act as a registered investment advisor, our primary service is our investment advice and/or our management of your money. At your choosing, we can provide these services on either a “discretionary” basis (we and/or a third party manager/subadvisor makes the investment decisions for you based on your investment objectives and risk tolerance) or on a “nondiscretionary” basis (we provide investment advice and recommendations to you, but you make the final investment decisions).

If you select one of these services, a written agreement will describe our investment advisory relationship and our obligations to you. You will also receive a disclosure document describing the firm, the specific investment advisory service(s) selected (as well as other types of services we provide), fees, research, affiliations, and any conflicts between our interests and yours. In addition, you will receive a disclosure document specific to the Financial Advisor(s) who provides advice to you. Investment advisory programs are not designed for excessively traded or inactive accounts, and may not be suitable for all investors. Please carefully review the disclosure document provided for a full description of our services. Minimum account sizes apply to most programs.
Our duties and obligations associated with investment advisory services

If you are an investment advisory client, we owe you a fiduciary duty, which means that—legally and ethically—we must act in your best interest. In addition, we must make full and fair disclosure of all material facts, especially potential conflicts of interest, and place your interests before our own. The following list outlines our other obligations associated with our fiduciary duty:

- To have a reasonable, independent basis for our investment advice
- To acquire the best execution possible for your trades when we are responsible for placing your trades
- To ensure that investment advice is suited to your specific investment objectives, needs, and circumstances
- To obtain your consent before engaging in transactions with you for our own account, an affiliate’s account or another client’s account
- To not give one client an unfair advantage in relation to another

Financial planning

We may also offer comprehensive financial planning as an investment advisory service. This is a separate advisory service and is not specifically tied to any underlying account or service that you may select. Once we deliver the financial plan to you, the service ends. At that point, you decide whether to implement the financial plan and whether to do so through one or more brokerage or investment advisory accounts. You are not required to implement the plan through us or our affiliates.

Costs for investment advisory services

Your costs under an investment advisory account are typically an agreed-upon percentage of the assets held in your account. However, certain advisory accounts and services have different payment options.

Asset-based fee. Your fee is an agreed-upon percentage of the assets in the account. This fee covers both our investment advice to you (and, in some cases, fees paid to third-party money managers) and your trading costs (note that other costs are not included). This fee is expressed as an annual percentage (for example, 3%), but is charged to your account on a quarterly basis in advance and is typically subject to a minimum dollar amount. Each of our investment advisory services has an agreement and disclosure document that explains its fees.

Fee plus commission. In a few of our investment advisory programs, you can pay an asset-based fee equal to an agreed-upon percentage of the assets in your account plus commissions on each trade. In these programs, the asset-based fees are typically paid to a third-party money manager that you have selected to manage your account. The commissions are paid to us to cover any investment advisory services we provide, such as asset allocation services, ongoing portfolio monitoring, and portfolio adjustment recommendations, in addition to transaction costs associated with your account.
Other fee arrangements. For financial planning services, we charge a one-time advisory fee. This fee covers the financial plan only; it does not cover any fees or costs if we or another financial institution implement the plan. Investment consulting services provided to institutional clients may be provided via an asset-based fee, fee plus commission, a one-time fee, or a “hard dollar” fee. A hard-dollar fee is a set dollar amount that is paid on an agreed-upon periodic basis for services provided. In some instances, hard-dollar fees may be offset by other expenses incurred by the client.

Margin in investment advisory accounts

The use of margin is permitted in certain investment advisory programs. A margin debit balance does not reduce the market value of eligible program assets. Using margin in an investment advisory account will increase your asset-based fee. If you use margin to purchase additional securities, your total value of eligible program assets increases, as does your asset-based fee. In addition, you will be charged margin interest on the debit balance in your account.

The increased asset-based fee that you pay may provide an incentive for your Financial Advisor to recommend the use of margin. However, please note that using margin is not suitable for all investors; the use of margin increases leverage in your account and therefore increases its risk. Please see the “Margin disclosure statement,” as well as the “General account agreement and disclosure document,” for more details on the risks of margin use.

What are brokerage services?

When we act as a broker, the primary service we provide is our trading capabilities for your account. You direct all trading in your brokerage account, except in limited cases. Within this type of account, we also may provide other incidental services such as custody of your assets, research reports and recommendations to buy, sell, or hold assets in your account. It is your obligation to accept or reject any of these recommendations. We do not charge separately for these other services; they are included with the costs charged to you for your brokerage account.

When we make a recommendation to you in a brokerage account, we have an obligation to determine that our recommendation would be suitable for you based on your stated investment objective, risk tolerance, tax status, and the other financial information that you have given to us. Your Financial Advisor also may help you first identify your overall investment needs and goals and then create investment strategies designed to pursue them.

Our duties and responsibilities associated with brokerage services

When we act in a brokerage capacity, we do not enter into a fiduciary relationship with you. Except under special circumstances, a brokerage relationship is not held to the same legal standard as an investment advisory relationship. For example, in a brokerage relationship, our obligation to disclose the nature of our business, conflicts of interest, fees, and the background of our key personnel is more limited than in an investment advisory relationship.
In a brokerage relationship, we do have the following obligations:

- To deal fairly with you and have a reasonable basis for believing that any recommendations we make are suitable for you, given your investment objectives, risk tolerance, tax status, time horizon, and the other financial information you have disclosed to us
- To execute your trades with diligence and competence and to provide the best execution possible in light of prevailing market conditions
- To not charge excessive commissions and other fees
- To provide honest and complete information when recommending a purchase or sale
- To use due diligence to learn the essential facts about you

In a brokerage relationship, we can trade with you for our own account, for an affiliate, or for another client, and we can earn a profit on those trades. The capacity in which we act is always disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades.

The Envision® process

The Envision process is a client-profiling and investment planning tool that is available to you at no charge. It helps you and your Financial Advisor clearly understand your personal values and goals, and is used to create a unique investment strategy (an “Envision plan”) to help you achieve your goals. There is no requirement that you implement any suggestions that might originate from the Envision process or that you do business through us or our affiliates. You have the sole responsibility for deciding whether, when, and how to implement recommendations contained in an Envision plan. If you choose to implement the Envision plan through us, you decide whether to do so through brokerage accounts, investment advisory accounts, or a combination of both. Regardless of which service or account you choose, you can use your Envision plan to help gauge your progress toward your goals.

The Envision process is a brokerage service; it is not an investment advisory service. Unlike financial planning, it does not include a detailed analysis of insurance, real estate investment, or savings strategies. It also does not cover estate and tax planning. If you want a broader, more comprehensive planning service, financial planning is available through us as an investment advisory service.

Costs for brokerage accounts

Your costs under a brokerage account are based on a transaction charge, often called a commission. In transaction-based pricing, you pay a commission or sales charge on each transaction. Other costs and charges will also apply to your account, and you pay separately for other services you request.
Factors to consider when choosing services

Your Financial Advisor will help you determine which type, or combination of types, of services and accounts are best suited for you. This is based on your investment needs, objectives, and preferences. Some factors that may be considered are:

• Your preference for advisory services or brokerage services
• Your preference for asset-based pricing or commission-based pricing
• Your expected trade activity
• Your desire for investment advice and/or our management of your money
• Your investment preferences and the types of investments available to you
• Expected levels of cash to remain uninvested
• The features and benefits of one service versus another

Your Financial Advisor will review your investment needs and financial circumstances periodically to determine whether changes to the types of services and accounts are recommended.

Titles and designations

Our representatives are called “Financial Advisors,” and they are registered as securities agents. Your Financial Advisor’s compensation may be based on a combination of commissions and fees generated from the products sold to you. This registration entitles Financial Advisors to sell, for example, stocks, bonds, derivatives, investment-company products, and insurance products (if they hold the appropriate state insurance licenses). Most of our Financial Advisors also have additional registrations and/or licensing that permits them to offer investment advisory services. We also have representatives called “Financial Consultants.” Financial Consultants are typically registered so that they can provide both investment advisory and brokerage services in support of our Financial Advisors. Financial Consultants may receive compensation based on a salary or a percentage of the Financial Advisor’s fees generated from the products sold to you.

Our representatives have access to a variety of professional educational opportunities. These opportunities may lead to specialized designations in fields like retirement, investment management, financial planning, or mutual funds; examples of these designations include Chartered Retirement Planning Counselor™ (CRPC®), Chartered Financial Analyst® (CFA®), or Certified Investment Management Analyst™ (CIMA®). These designations require varying degrees of training and ongoing continuing-education requirements. We review each designation and its requirements thoroughly before allowing our representatives to obtain and use an industry designation. For more detail on titles and professional designations, please review our guide titled “A guide to financial professionals at Wells Fargo Advisors.”
Please note that your Financial Advisor’s or Financial Consultant’s use of any title or designation does not necessarily imply that they are providing you with any specific service related to the designation, such as financial planning or other investment advisory services. Whether you are a brokerage or investment advisory client is dictated solely by the actual services that are agreed upon and provided.

How your Financial Advisor may be compensated with bonuses and incentives

Financial Advisors who join Wells Fargo Advisors may be eligible to receive incentives, one-time or ongoing bonuses, and/or other compensation if they reach certain production levels or other targets. For example, it is a common practice in the brokerage industry for Wells Fargo Advisors and other firms to pay bonuses and/or extend forgivable or working capital loans to encourage Financial Advisors to join a new firm. This practice may provide your Financial Advisor with an incentive to recommend the transfer of your account to the new firm. Another example involves associates who refer new Financial Advisors to Wells Fargo Advisors; these associates may receive referral compensation based on the previous production of the referred Financial Advisor.

Wells Fargo Advisors also has programs whereby a retired or terminated Financial Advisor may receive compensation for an agreed-upon time frame for production generated by the new Financial Advisor servicing your accounts, even though the retired or terminated Financial Advisor may not provide further services to you. In addition, certain programs or services may provide differing compensation to your Financial Advisor, which may create an incentive to recommend one service over another to achieve or maintain certain production levels or other targets. Please review your options, including portability of assets, termination charges, fees, rates, and product offerings carefully to ensure that they are consistent with your investment objectives and needs.

From time to time, Wells Fargo Advisors initiates incentive programs for Financial Advisors and other associates. These programs include, but are not limited to, the following:

• Programs that compensate associates for referring business to its affiliates (such as referrals for mortgages, trusts, or insurance services)

• Programs that reward associates for promoting investment advisory services, preparing Envision investment plans, participating in advanced training, and improving client service

• Programs that reward Financial Advisors who meet total-production criteria

Financial Advisors 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. Note that portions of these programs may be subsidized by external vendors and Wells Fargo Advisors affiliates, such as mutual fund companies, insurance carriers, or money managers. Therefore, Financial Advisors and other associates have a financial incentive to recommend the programs and services included in these incentive programs, rather than other available products and services offered by Wells Fargo Advisors.
Talk to your Financial Advisor

Determining whether investment advisory services, brokerage services, or whether a combination of types, accounts and services are best suited for you requires an in-depth evaluation of your individual financial situation and the objectives you want to achieve. Talk to your Financial Advisor today about how Wells Fargo Advisors can best help you work toward your investment goals.

Additional financial and other benefits received by Wells Fargo & Company and Wells Fargo Advisors from affiliates

Wells Fargo & Company (Wells Fargo), one of the largest financial holding companies in the United States, provides a wide range of financial services to various mutual fund companies through subsidiaries and affiliates, including Wells Fargo Advisors. These other relationships provide financial and other benefits to Wells Fargo in addition to Wells Fargo Advisors. During the course of annual business planning, business with our affiliates is included in establishing our sales goals. As a result, Wells Fargo Advisors may have an incentive to hire affiliate service providers for our advisory program services. We may recommend affiliated advisors and mutual funds to these advisory program clients, and we may hire other affiliates to provide trade execution, clearing, and platform administration services with respect to advisory program services. However, we intend to make all recommendations independent of any such goals and based solely on our obligations to consider our clients’ objectives and needs. For more information on affiliate relationships, ask your Financial Advisor for a copy of “A guide to investing in mutual funds.”

The following chart is a summary of the investment advisory and brokerage services we offer:

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<th>Advisory services</th>
<th>Brokerage services</th>
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<tr>
<td>Separately Managed Accounts</td>
<td>Transaction-based brokerage</td>
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<tr>
<td>Masters</td>
<td>Standard brokerage account</td>
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<td>Private Advisor Network</td>
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<td>Wells Fargo Compass Advisory</td>
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<tr>
<td>Diversified Managed Allocations</td>
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<td>Customized Portfolios</td>
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<td>Allocation Advisors</td>
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<tr>
<td>Financial Advisor-Directed</td>
<td>Other advisory services</td>
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<tr>
<td>Private Investment Management (PIM®)</td>
<td>Comprehensive Financial Planning</td>
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<tr>
<td>Fundamental Choice®</td>
<td>Institutional Consulting</td>
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<tr>
<td>Quantitative Choice®</td>
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Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies.

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

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