WELLS FARGO
Investment Institute

TIMELY GUIDANCE
Institute Alert

Timely guidance that may affect your investment strategy

October 21, 2024

Global Investment Strategy Team

☑ Guidance change

☑ Forecast change

☑ Allocation change

Revising guidance to lengthen fixed-income maturities

Guidance changes

- **Global fixed income:** We are downgrading our guidance on U.S. Short Term Taxable Fixed Income to most unfavorable. We are shifting the allocation into U.S. Long Term Taxable Fixed Income, which we are upgrading from unfavorable to neutral. These moves coincide with an upgrade to our duration (a measure of a bond's interest rate sensitivity) guidance to favorable from neutral. We remain favorable on U.S. Intermediate Term Taxable Fixed Income. We are also upgrading more credit-sensitive sectors — the Credit sector and the Corporate Securities and Asset Backed Securities sub-sectors — to favorable from neutral, while downgrading U.S. Municipal Bonds to neutral from favorable.
- **Global equities:** We are downgrading the S&P 500 Index Materials sector to neutral and upgrading the Real Estate and Consumer Discretionary sectors to neutral.
- **Alternative investments:** Overall, our guidance shifts from defensive strategies to strategies with stronger correlations with equity markets. Within Equity Hedge, we are upgrading the Directional sub-strategies from neutral to favorable and downgrading the more defensive Market Neutral sub-strategy from neutral to unfavorable. We are upgrading Event Driven strategies from neutral to favorable, taking both the Activist and Merger Arbitrage sub-strategies from unfavorable to neutral. Likewise, we are downgrading the more defensive Relative Value strategy from favorable to neutral, including a downgrade of the Arbitrage sub-strategy from favorable to unfavorable. In like manner, we are downgrading another sub-strategy that has historically benefited from market dislocations, Macro-Systematic, from favorable to neutral.

Forecast changes

- **Global economy:** We are lowering our 2025 forecast for eurozone economic growth (and, as a consequence, developed-market growth) but raising our forecast for economic growth in emerging economies. These changes offset, leaving our global growth forecast target unchanged.

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- **Global equities:** We believe that current S&P 500 Index valuations could reasonably extend through the end of 2025. Using current valuations and our existing earnings-per-share (EPS) target of $270, we've raised our year-end 2025 S&P 500 Index target range to 6200 – 6400. Similarly for the Russell Midcap Index, projecting the current valuation on our existing EPS target yields a higher year-end target range of 3900 – 4100.
- **Currency exchange rates:** Given our expectation for a weaker eurozone economy, we are raising our 2025 ICE U.S. Dollar Index target range to 105 – 109, and we are lowering our dollar/euro exchange rate target range to $1.02 – $1.06.
- **Commodities:** We are raising our year-end 2025 target range for gold from $2500 – $2600 to $2800 – $2900.

Allocation changes

- We favor reallocating from U.S. Short Term Taxable Fixed Income into U.S. Long-Term Fixed Income. The tables in the appendix indicate our preferred allocations.

Table 1. Current and revised 2025 economic forecasts and year-end targets

Global economy[1]	New 2025 targets	Previous 2025 targets
Developed-market GDP growth[2]	**1.6%**	1.9%
Eurozone GDP growth	**1.1%**	2.2%
Emerging-market GDP growth	**3.3%**	3.1%

Global equities	New year-end 2025 targets	Previous year-end 2025 targets
S&P 500 Index	**6200-6400**	5900-6100
Russell Midcap Index	**3900-4100**	3700-3900

Currencies	New year-end 2025 targets	Previous year-end 2025 targets
Dollar/euro exchange rate	**$1.02-$1.06**	$1.08-$1.12
ICE U.S. Dollar Index[3]	**105-109**	102-106

Real Assets	New year-end 2025 targets	Previous year-end 2025 targets
Gold	**$2,800 - $2,900**	$2,500 - $2,600

Targets are based on forecasts by Wells Fargo Investment Institute as of October 21, 2024, and provide a forecast direction over a tactical horizon through 2025. **Values in bold indicate changes from previously published values.** *Forecasts, targets, and estimates are not guaranteed and are based on certain assumptions and on our current views of market and economic conditions, which are subject to change.* GDP = gross domestic product. 1. Average percent change from the same period a year ago. 2. Weighted average of U.S. and other developed-country forecasts. 3. The ICE U.S. Dollar Index is a weighted average of the value of the U.S. dollar relative to a basket of U.S. trade partner currencies, composed of the euro, Japanese yen, pound sterling, Canadian dollar, Swedish krona, and Swiss franc. A higher index value indicates dollar appreciation. An index is unmanaged and not available for direct investment.

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Summary

The recent rise in U.S Treasury yields and our expectation for continued Federal Reserve (Fed) interest-rate cuts in the upcoming months headline a list of factors that we believe create potential investment opportunities, and we are revising some of our targets, guidance, and allocations accordingly.

Notably, prospects for lower short-term interest rates combine with a solid U.S. economic growth outlook (and a widening economic growth lead over the eurozone) and U.S. dollar strength to generate our expectation for higher year-end price targets for the S&P 500 Index, the Russell Midcap Index, and gold. In turn, our upgraded U.S. equity outlook helps drive significant changes in our alternative investment guidance — mainly to reframe our guidance shift away from defensive strategies that attempt to help reduce the impact of market volatility and into alternative investment opportunities that focus on a broadening rally in U.S. equity prices and a less cautious stance in the S&P 500 Index sectors.

We view our changing allocation preferences across fixed income as the most prominent changes outlined in this report. Short-term interest rates have fallen rapidly, and we foresee even lower rates through 2025, but some investors have been slow to reallocate to opportunities that have the potential to outperform if interest rates fall and the economy strengthens, as we expect. For a second time since August, we favor reallocating from U.S. Taxable Short Term Fixed Income, which we are downgrading from unfavorable to most unfavorable. For most portfolio objectives, the August and October reallocations we prefer would significantly reduce short-term fixed income exposure compared to the allocations we favored at the beginning of the year.

In August, we upgraded U.S. Taxable Intermediate Term Fixed Income to favorable, and we now upgrade U.S. Long Term Taxable Fixed Income from unfavorable to neutral. Our shift to favor longer maturities implies an upgrade of duration exposure from neutral to favorable and accentuates extending maturities via a laddered strategy, investing first in the intermediate and long end of the curve and finally in short-term fixed income. Investors could consider this ranking when purchasing new fixed-income securities, redeploying maturing fixed-income securities, or reallocating among selected managers. The prospects for lower short-term interest rates also help drive upgrades from neutral to favorable for Corporate Securities and Asset Backed Securities.

Global economic forecast changes

A deepening European manufacturing slump tied partly to the impact of elevated interest rates on domestic demand and to China-led weakness in world trade have created an abrupt, second-half 2024 slowdown (see Chart 1). Weak domestic spending and weather-related disruptions also have contributed to slowing service-industry growth. Looking ahead, Europe appears to be approaching a mild recession, and, in anticipation, we are halving our 2025 eurozone economic growth target to 1.1% from 2.2%. In turn, we expect Europe's slowdown to drag down developed-market growth.

By contrast, China's government in September and October announced significant government lending, following a sequence of cumulatively deep interest-rate cuts and other incentives to buy homes. The combination should temporarily lift China's economic growth in 2025. However, the stimulus measures announced during the past 15 years have failed to support sustainable domestic growth due to deep-rooted structural problems, and we expect the latest measures to lack staying power, as well.

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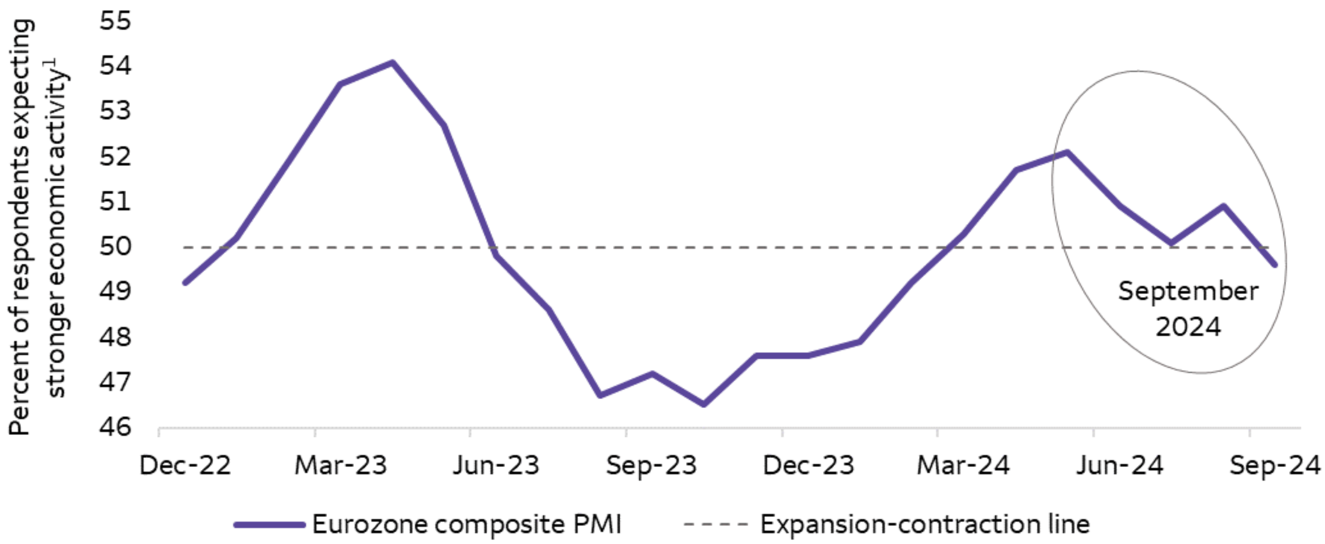
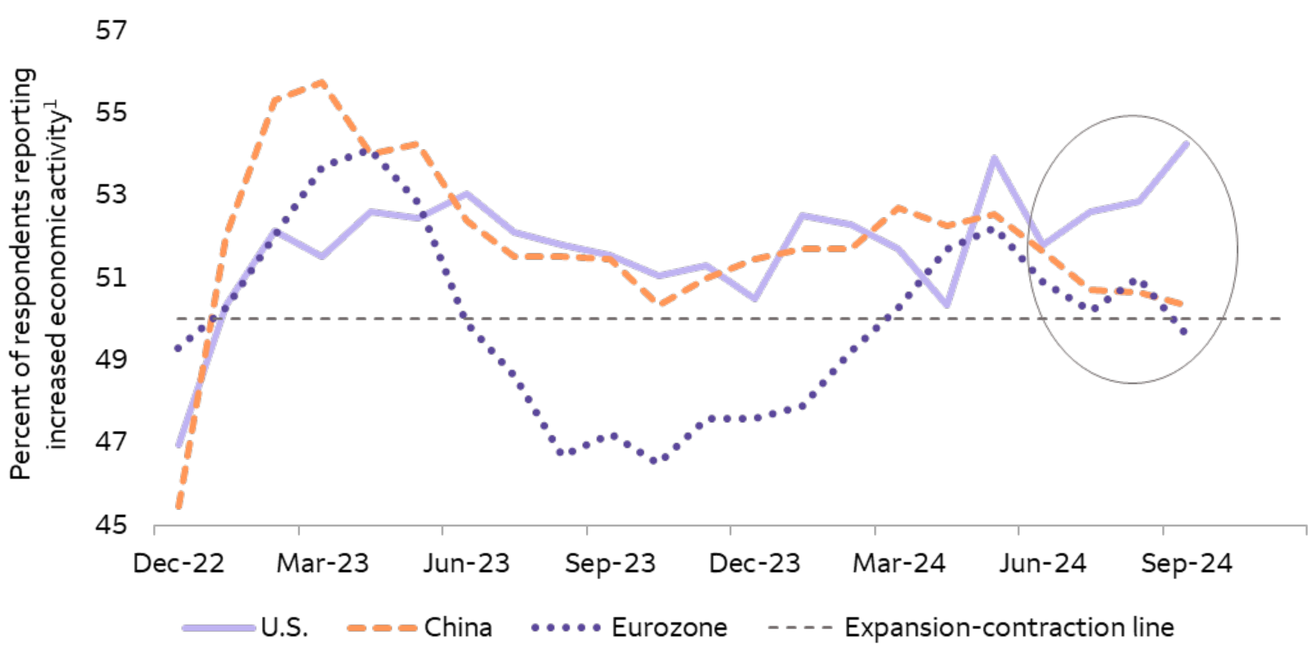
Chart 1. The eurozone economy has stumbled in the second half of 2024



Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data, December 2022 – September 2024. 1. Based on a survey of company purchasing managers.

We are not changing any of our U.S. economic forecasts. We see the U.S. remaining the main driver of global economic growth, and we expect the U.S. to widen its lead in 2025. The net effect of the global growth divergence is an unchanged 2025 global growth forecast of 2.6%, as lower developed-market growth should offset stronger emerging-market growth (see Chart 2). We still anticipate a decline in average annual international inflation next year but still believe that U.S. Consumer Price Index (CPI) inflation is poised to reaccelerate in next year's second half, lifting its 12-month rate to 3.0% by December 2025.

Chart 2. Overseas economic growth has lost steam



Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data, December 2022 – September 2024. 1. Based on the average of composite purchasing managers' indexes.

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U.S. dollar strength likely more vigorous into 2025

Our revised economic forecasts for weaker eurozone economic growth and stronger U.S. economic growth leadership reinforce expectations for a stronger dollar against the euro. At the same time, the weaker eurozone economy likely also prompts a wider interest-rate differential that likely adds to the U.S. dollar's advantage over the euro. Finally, the possibility of new U.S. tariffs under either presidential candidate adds risk for an even stronger dollar. Thanks to the euro depreciation we expect, we see the ICE U.S. Dollar Index (a weighted average of the value of the U.S. dollar relative to a basket of major currencies) moving higher.

New equity price targets the result of earnings growth and stable multiples

Accelerating earnings growth, the start of the Fed's interest-rate cutting cycle, and the apparent reduced risk of a recession have aided stocks on their run higher — in fact, the S&P 500 Index recently notched its 46th all-time high in 2024. We are not changing either our U.S. economic growth or U.S. equity index earnings targets, and we continue to expect a significant S&P 500 Index EPS increase from our forecasted $245 in 2024 to $270 in 2025.

Other constructive factors contribute to our expectation for more strengthening in investor sentiment and upside in equity prices. Specifically, we believe the Fed is likely to continue easing, which should spur a modest economic growth reacceleration and take pressure off the consumer and certain credit-sensitive industries, while our forecast for tame inflation should keep hard landing fears in the rearview. Meanwhile, policy clarity should emerge once the new government leaders are in place, and we expect long-term interest rates to stay within their recent ranges.

Put simply, we are holding steady our S&P 500 Index EPS target, but our constructive outlook and the post-election reduction in policy uncertainties make the current market multiple a reasonable expectation for year-end 2025, in our view. When we apply the 2025 EPS target of $270 to the current price-to-earnings (P/E) multiple for the S&P 500 Index, we arrive at our new target range of 6200 – 6400. A similar exercise gets us 3900 – 4100 for the Russell Midcap Index.

Equity sector updates

We are also taking this opportunity to shift some sector ratings. We are upgrading both the S&P 500 Index Real Estate and Consumer Discretionary sectors from unfavorable to neutral. Through October 15, 2024, these two sectors underperformed the composite index since March 10, 2022, and May 18, 2022, respectively. The Materials sector also underperformed from June 16, 2023 – October 15, 2024, and we are downgrading this sector from favorable to neutral.

Our sector ranking framework considers a variety of factors, which have deteriorated for Materials. The lack of follow-through from the sector index value given recent events reinforces a neutral performance in our ranking framework. Certainly, we expect a stronger economy to be a positive, but the negatives counterbalance. Higher metals prices, China stimulus announcements, and a weaker U.S. dollar should have been sizable fundamental tailwinds for the Materials sector recently, yet the sector has barely managed to keep pace with the S&P 500 Index. Our updated forecast for more pronounced U.S. dollar strength through 2025 is a headwind as well for Materials, the sector most exposed to foreign sales. We are using the tepid bounce in sector value to downgrade this sector from favorable to neutral and suggest an increase to the allocations of the Real Estate and Consumer Discretionary sectors to near benchmark weights.

Regarding the Real Estate sector, the upgrade from unfavorable to neutral reflects our view of balanced risks. We do not envision sustained outperformance over a tactical timeframe (6 to 18 months) from this typically defensive sector amid an economic rebound, but we also see little catalyst for significant underperformance as the recent bounce higher in interest rates puts the 10-year U.S. Treasury yield within our year-end target range. Additionally,

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Real Estate sentiment seemingly has passed its nadir on well-known issues in the retail and office space. The potential for further Fed easing should also help marginally for this credit-hungry sector.

Fed easing is also likely to benefit the Consumer Discretionary sector as it sparks a modest economic rebound next year, which should ease pressure on a re-energized consumer. Our ranking framework and our views of the risk-reward balance suggest an upgrade from unfavorable to neutral is the appropriate rating for Consumer Discretionary as we prepare for the expected economic pivot from slowing growth to recovery and as the consumer finally gets a reprieve from the most aggressive tightening cycle in decades.

Downgrading U.S. Short Term Taxable Fixed Income from unfavorable to most unfavorable

After being overweight to strategic allocations in short-term fixed income for several years, we believe that the Fed's interest-rate cutting cycle has initiated a new downtrend for short-term interest-rates. For this reason, we favor reallocating from this asset class into intermediate and long-term fixed income, as we expect yields in these maturities to decline (and prices correspondingly rise) while economic growth and inflation continue to slow in the coming months.

Upgrading U.S. Long Term Taxable Fixed Income from unfavorable to neutral

Longer-term yields (10+ years) have been moving rapidly in the past few months as fixed-income investors digest expected Fed rate cuts, additional disinflation and slower job growth. In early August, we took advantage of the fast decline in long yields and moved to an unfavorable view of long-term fixed income. Now, in mid-October, long yields have managed to reverse the previous decline, climbing above 4% and giving us the opportunity to extend maturities once again as we are anticipating long-term yields will fall below 4%.

Our new long-term fixed income guidance recommendation of neutral, coupled with our favorable guidance on intermediate-term fixed income, provide investors with potential opportunities to outperform cash, cash alternatives, and short-term fixed income in the near-term — especially as we expect slower economic growth and inflation in the coming months.

Upgrading duration guidance to favorable

These changes imply upgrading duration, or fixed income maturities. We believe long-term yields are retesting previous highs, and our bias on long-term yields inside our tactical framework is to the downside as inflation declines and an economic slowdown takes hold as we expect.

Keep in mind, however, that this tactical opportunity may tilt more toward the lower end of our usual 6 to 18-month tactical horizon. In the second half of 2025, we expect inflation and economic growth to reaccelerate, so while we expect yields to fall in the near term, a reacceleration in inflation and economic growth in the second half of 2025 could potentially lead to a rise in longer-term yields late in 2025. Investors following our guidance could expect additional duration guidance changes should such an environment materialize. This is also in line with our published year-end 2025 interest-rate targets.

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Upgrading the Corporate Securities sector from neutral to favorable

Our outlook for an economic soft landing, receding inflation, and labor markets finding a stronger footing with the help of the Fed cutting interest rates and expanding corporate profits make investment-grade (IG) corporates an attractive sector for investors looking for relative higher yield opportunities with better credit quality in 2025. And, because IG Corporates make up a large portion of the Credit sector, we are also upgrading Credit from neutral to favorable. In addition, the duration profile of IG corporates aligns well with our current view of extending duration.

Although IG credit spreads have compressed and are hovering below long-term averages, we believe that they will most likely remain near current levels for a while, or better yet, will compress further toward new cycle lows. The reason behind this is that we still see plenty of demand available for IG corporate bonds, especially as capital rotates out of ultra-short investments like money market funds and U.S. Treasury bills. IG corporates can offer relatively higher carry (yield) potential in a market segment that offers better liquidity than several other fixed income sectors. We believe that investors should emphasize sound credit analysis with a strong focus on selectivity among issuers and sectors. Given the relative steepness of the investment-grade corporate yield curve relative to the U.S. Treasury yield curve today, we see incremental value in intermediate-term corporate bonds.

Upgrading Asset Backed Securities from neutral to favorable

Asset-backed securities (ABS) have been a steady performer in the securitized space over the past two years, and we expect this outperformance to continue. ABS sector performance has benefited from the strength of U.S. consumers and from a stable labor market just as ABS delinquency rates have dropped and now appear mostly in line with pre-COVID levels. Demand for ABS remains particularly strong, and although credit spreads have compressed in the past few months, we still believe they have room to tighten further. We believe that ABS can provide investors with reasonable yields, important sector diversification, and relative stability. We favor higher quality, AAA-rated credit card and auto issues and would avoid subprime auto and private student-loan issues, for which we believe investors are not adequately compensated for potential risk.

Downgrading U.S. Municipal Bonds from favorable to neutral

After several years of attractive returns in U.S. Municipal Bonds, including year-to-date, we believe now is a good opportunity for fixed-income investors to consider trimming some of that exposure, especially with other fixed-income sectors displaying potential for attractive yield opportunities. Additionally, we believe that supply during the autumn of 2024 will outpace demand, so that some of the momentum that has been driving valuations to all-time highs (such as strong inflows) could revert as investors assess further policy rate cuts from the Fed.

Despite our rating downgrade, we believe municipal credit fundamentals remain favorable, and for investors in higher effective tax brackets, municipal securities remain relevant and an important part of fixed-income positioning. Our return expectation for U.S. Municipal Bonds over the next year remains positive in the low single digits, so a neutral positioning is appropriate.

Raising our gold target range for year-end 2025

Gold prices have had a sustained run in 2024, up 30.5% year-to-date through October 17. Such a gain has historically been a rarity for gold because of its defensive nature and low relative volatility. If gold were to finish 2024 up by 29%, it would be its best yearly gain since 2010.

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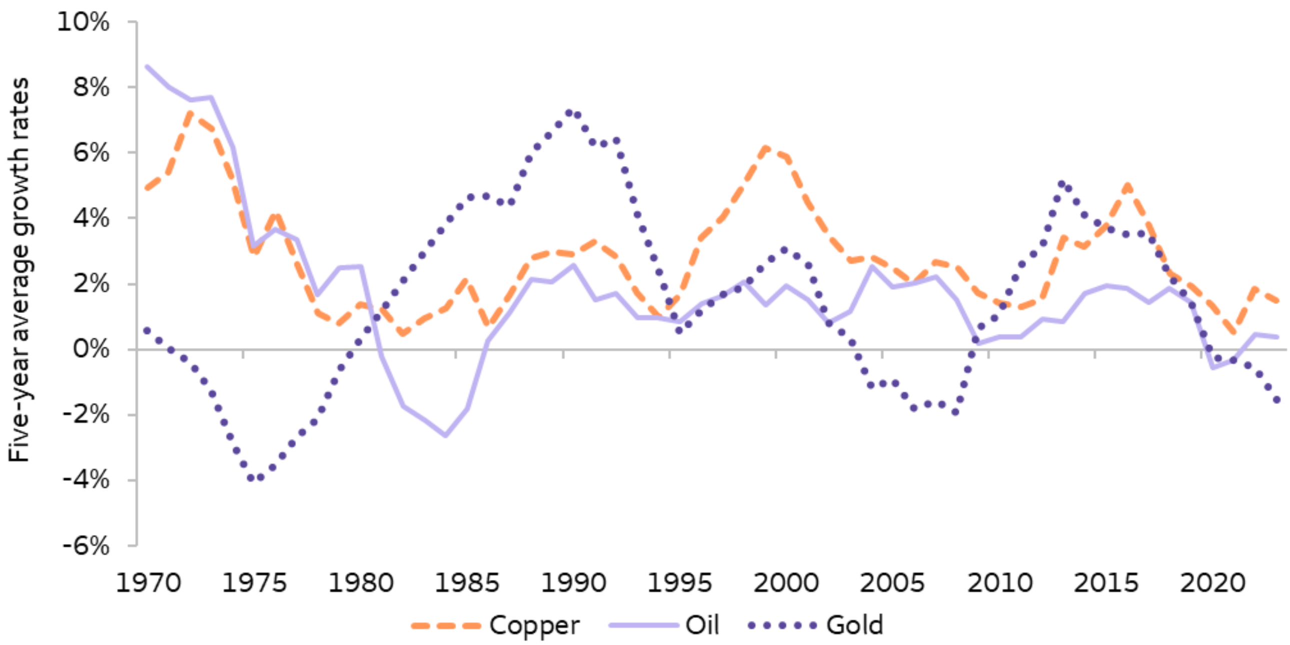
Even after such a strong 2024, gold's fundamental price drivers still appear to have upside — from strong demand, to slow supply growth, to a new global liquidity cycle. On the demand side, central banks in the emerging economies of Asia have stepped up their purchases in recent years, and we do not see this trend slowing anytime soon. The extra buying appears to be driven by concerns over growing government debt levels, especially in Western countries, but China's soft economic growth may also be stimulating demand in China.

Gold's supply-side situation may be its most compelling attribute. Gold's average production over the past five years is negative (see Chart 3), and we expect demand growth to continue to outstrip supply growth for at least the next few years. A protracted imbalance last occurred from 1999 to 2008 and marked a string of eight years of positive returns for gold.

Lastly, gold seems poised to benefit from the new global liquidity cycle, which recently kicked-off with the Fed cutting interest rates. Gold, and most other commodities, have in the past performed quite well during central bank easing cycles. The bottom line is that we remain positive on gold and the Precious Metals sector, as we have since March 2020. Today, we are increasing our 2025 target range from $2500 – $2600 to $2800 – $2900.

Chart 3. Gold production has turned negative on a five-year average basis



Sources: Bloomberg, USGS, Energy Institute, and Wells Fargo Investment Institute. Annual production data is from 1970 – 2023. **Past performance is no guarantee of future results.**

The proximity of a stronger economy alters our approach to alternative investments

As a sustainable economic growth recovery potentially approaches, and expectations for short-term rates to continue to fall, we believe it is prudent to take first steps in reducing our defensiveness and to position more constructively. The transition includes upgrades to hedge fund strategy types that correlate more closely with equity and fixed income prices, while downgrading more defensive, absolute-return-oriented strategies.

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Upgrading the Equity Hedge – Directional sub-strategy from neutral to favorable

We expect Equity Hedge – Directional strategies to benefit from an improving environment for equity prices to trend higher more broadly across sectors. Directional strategies, commonly referred to as long/short equity positions, have the flexibility to adjust their exposures based on prevailing conditions. We expect managers to increase their exposure to equity markets as the economy improves.

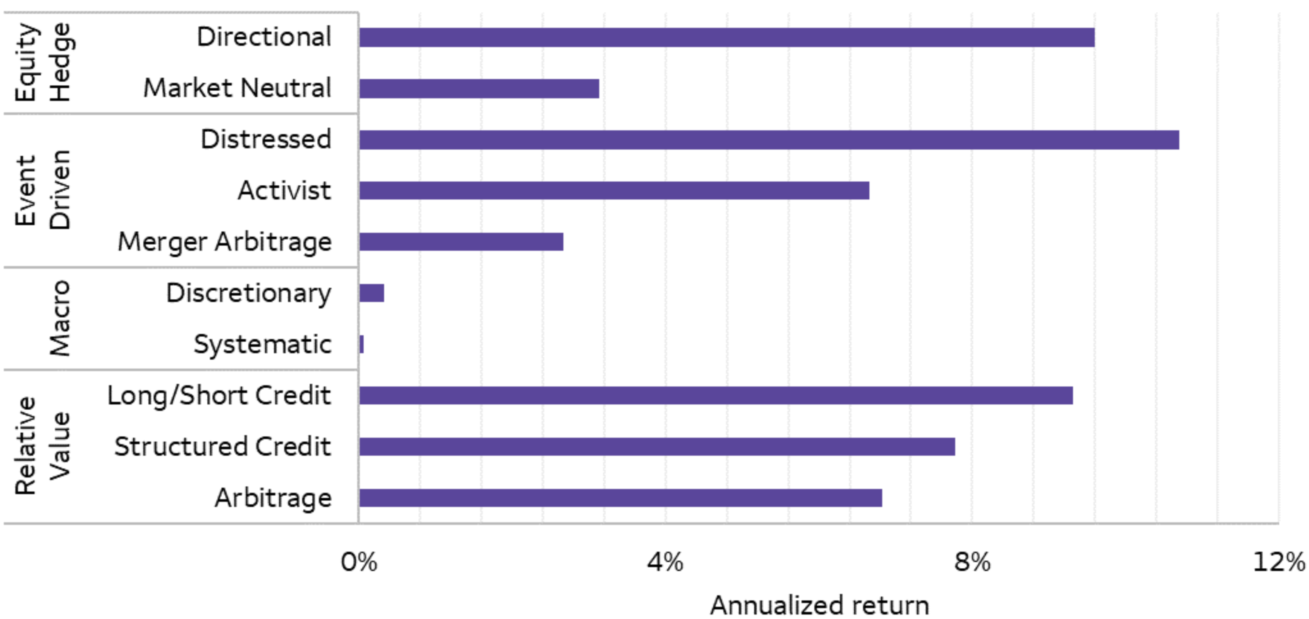
We believe that Equity Hedge – Directional sub-strategies can serve as a very effective diversifier that captures both up-market movements while seeking to limit down-market participation. Moreover, if the market begins to reward companies with attractive fundamentals and punish lower-quality firms as we expect, Directional strategies may generate excess returns in both buying and selling selectively and potentially outperform other strategies that lack the flexibility in positioning. Consequently, we are upgrading the Equity Hedge – Directional from neutral to favorable.

Downgrading Equity Hedge – Market Neutral sub-strategy from neutral to unfavorable

Equity Hedge – Market Neutral strategies are absolute-return-oriented strategies that eliminate correlations with broad market indexes, such as the S&P 500 Index, by combining stocks sales and purchases, with the idea of buying equities that rise in price, and selling those that fall in price. The expected returns are generally based on cash return plus 2% – 5% over long investment horizons.

The Equity Hedge – Market Neutral tends to significantly lag during recovery periods, when downside equity risk can be less. Given our outlook that the economy will likely achieve a soft landing and begin a gradual recovery, we believe investors should reduce allocations to Market Neutral strategies and are better served allocating to strategies with greater flexibility to adjust and increase their equity market sensitivity, as shown in Chart 4.

Chart 4. Historical performance of hedge fund strategies during periods of gradual growth and average equity returns



Sources: Hedge Fund Research (HFR) and Wells Fargo Investment Institute. Quarterly data, March 2008 – September 2024. The chart shows averaged annualized return of HFRI indexes (see definitions at the end of report) during historical periods when S&P 500 generated 7% to 15% annualized returns and real GDP growth was between 1.8% and 2.8%. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment

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Upgrading the Event Driven – Activist sub-strategy from unfavorable to neutral

Activist strategies are predominantly long-only equity strategies that buy significant equity stakes in a company with the goal of gaining influence and effecting change within an organization. The recent period of higher interest rates has caused strain on many highly leveraged businesses, which may lead to corporate management being more willing to constructively engage with activist shareholders and embrace changes that can enhance corporate value. We expect directional strategies such as Event Driven – Activist to potentially benefit from an improving environment for equities. However, an upgrade only to neutral seems prudent, as the strategy is prone to reversals while the economy pivots from slowdown to gradual recovery.

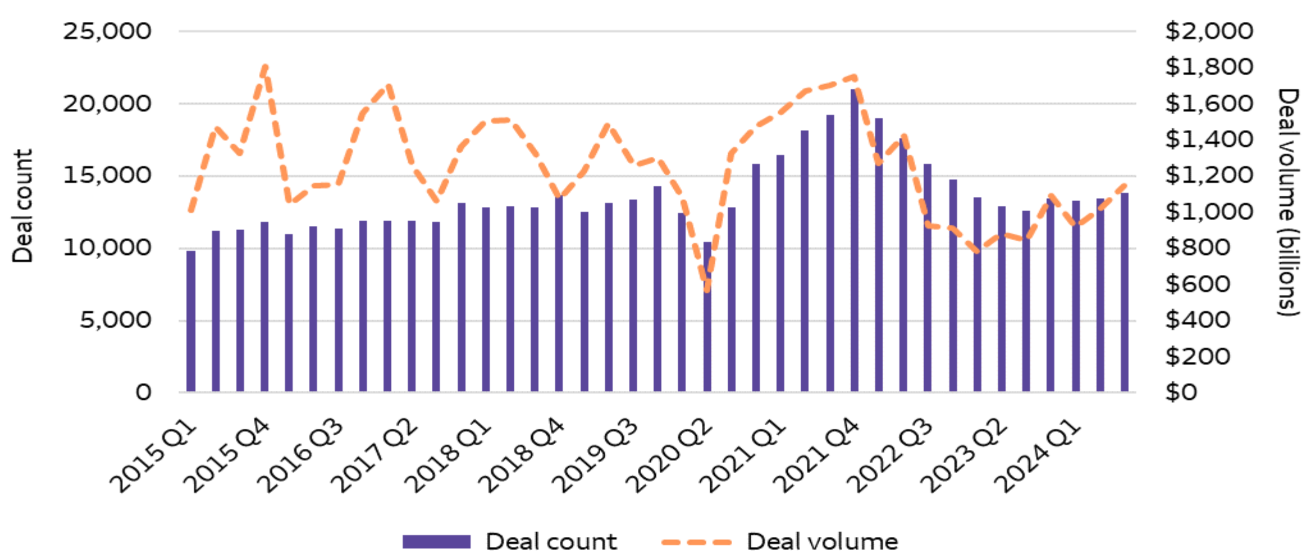
Upgrading the Event Driven – Merger Arbitrage sub-strategy from unfavorable to neutral

For most mergers, the acquirer generally offers to pay a premium for the target company's current stock price. While most of the spread (between offering price and current price) may converge very quickly after the announcement, a portion of the premium often persists and its size depends on the successful completion of the merger. Most Merger Arbitrage strategies attempt to capture this post-announcement spread. The primary drivers of these strategies include the size of the residual premium, the time it takes to complete the merger, and the risk that a merger may not be finalized. Current premiums and the length of time required to close a deal have remained in-line with longer-term averages, and deal activity has started to recover (see Chart 5).

The higher interest-rate environment, a lack of confidence by corporate leaders, and slow economic growth were contributing factors to the slowdown in deal activity since June 2022. We expect the declining interest-rate environment, improving economic growth, and more clarity in regulatory environment will further bolster confidence and increase the amount of deal activity in the coming quarters. As the recession fears continue to fade and the expected gradual recovery takes hold, we anticipate further upgrades.

Separately, we already hold a favorable rating on the Event Driven – Distressed Credit sub-strategy. As a result of upgrading these two sub-strategies to neutral, we consider that the overall category of Event Driven strategies is now favorable, upgraded from neutral previously.

Chart 5. Merger and acquisition deals have started to recover



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of September 30, 2024.

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Downgrading the Relative Value – Arbitrage sub-strategy from favorable to unfavorable

Relative Value – Arbitrage strategies are absolute return oriented and historically have offered relatively consistent returns and low correlations to traditional equity and fixed-income markets. By attempting to capture price discrepancies across a wide range of fixed income and derivative instruments, the strategies also have tended to perform well during periods of fixed-income market volatility. However, Relative Value – Arbitrage defensive strategies tend to underperform when markets move steadily higher. As the market nears the gradual recovery stage, we are downgrading this defensive sub-strategy, and downgrading the overarching Relative Value strategy from favorable to neutral.

Downgrading the Macro – Systematic sub-strategy from favorable to neutral

Systematic strategies attempt to capitalize on both positive and negative price trends across four major categories, including stocks, bonds, currencies, and commodities. Systematic strategies tend to have one of the lowest correlations (near zero) to traditional equity and fixed income markets, making them an effective diversifier. In addition, Systematic strategies historically have performed well during periods of market dislocation, when strategies with higher correlations have faltered (for example, in 2008 and 2022). These strategies also have tended to have significant cash positions, which generally benefited as short-term interest rates rose over the past two years. We believe they still have some opportunities to follow equity and commodity trends higher, but as interest rates decline and the economic outlook becomes more favorable, we have lowered our guidance for Systematic strategies to neutral, in favor of strategies that we believe have the potential to better capitalize on the expected improving economic environment.

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Illiquid Income

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**68%**	**66%**	**66%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	63%	61%	61%	-2%	0%
Short Term Taxable*	14%	9%	12%	-5%	-3%
Intermediate Taxable*	37%	40%	40%	3%	0%
Long Term Taxable*	12%	12%	9%	0%	3%
High Yield Taxable Fixed Income	2%	2%	2%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	3%	3%	3%	0%	0%
TOTAL GLOBAL EQUITIES	**8%**	**8%**	**8%**	**0%**	**0%**
U.S. Large Cap Equities	8%	8%	8%	0%	0%
U.S. Mid Cap Equities	0%	0%	0%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	0%	0%	0%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**7%**	**9%**	**9%**	**2%**	**0%**
Private Real Estate**	5%	5%	5%	0%	0%
Commodities	2%	4%	4%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**15%**	**15%**	**15%**	**0%**	**0%**
Global Hedge Funds	**11%**	**11%**	**11%**	**0%**	**0%**
Private Equity	0%	0%	0%	0%	0%
Private Debt	4%	4%	4%	0%	0%

MODERATE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**55%**	**53%**	**53%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	48%	46%	46%	-2%	0%
Short Term Taxable*	11%	6%	9%	-5%	-3%
Intermediate Taxable*	28%	31%	31%	3%	0%
Long Term Taxable*	9%	9%	6%	0%	3%
High Yield Taxable Fixed Income	2%	2%	2%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	5%	5%	5%	0%	0%
TOTAL GLOBAL EQUITIES	**20%**	**20%**	**20%**	**0%**	**0%**
U.S. Large Cap Equities	12%	12%	12%	0%	0%
U.S. Mid Cap Equities	4%	4%	4%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	4%	4%	4%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**8%**	**10%**	**10%**	**2%**	**0%**
Private Real Estate**	6%	6%	6%	0%	0%
Commodities	2%	4%	4%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**15%**	**15%**	**15%**	**0%**	**0%**
Global Hedge Funds	**11%**	**11%**	**11%**	**0%**	**0%**
Private Equity	0%	0%	0%	0%	0%
Private Debt	4%	4%	4%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Illiquid Income (continued)

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

AGGRESSIVE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**47%**	**45%**	**45%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	35%	33%	33%	-2%	0%
Short Term Taxable*	8%	3%	5%	-5%	-2%
Intermediate Taxable*	21%	24%	24%	3%	0%
Long Term Taxable*	6%	6%	4%	0%	2%
High Yield Taxable Fixed Income	4%	4%	4%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	8%	8%	8%	0%	0%
TOTAL GLOBAL EQUITIES	**25%**	**25%**	**25%**	**0%**	**0%**
U.S. Large Cap Equities	15%	15%	15%	0%	0%
U.S. Mid Cap Equities	6%	6%	6%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	4%	4%	4%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**9%**	**11%**	**11%**	**2%**	**0%**
Private Real Estate**	7%	7%	7%	0%	0%
Commodities	2%	4%	4%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**17%**	**17%**	**17%**	**0%**	**0%**
Global Hedge Funds	**11%**	**11%**	**11%**	**0%**	**0%**
Private Equity	0%	0%	0%	0%	0%
Private Debt	6%	6%	6%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Illiquid Growth and Income

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**36%**	**34%**	**34%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	29%	27%	27%	-2%	0%
Short Term Taxable*	7%	2%	5%	-5%	-3%
Intermediate Taxable*	17%	20%	20%	3%	0%
Long Term Taxable*	5%	5%	2%	0%	3%
High Yield Taxable Fixed Income	4%	4%	4%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	3%	3%	3%	0%	0%
TOTAL GLOBAL EQUITIES	**32%**	**32%**	**32%**	**0%**	**0%**
U.S. Large Cap Equities	18%	21%	21%	3%	0%
U.S. Mid Cap Equities	6%	6%	6%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	5%	5%	5%	0%	0%
Emerging Market Equities	3%	0%	0%	-3%	0%
TOTAL GLOBAL REAL ASSETS	**9%**	**11%**	**11%**	**2%**	**0%**
Private Real Estate**	5%	5%	5%	0%	0%
Commodities	4%	6%	6%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**21%**	**21%**	**21%**	**0%**	**0%**
Global Hedge Funds	**10%**	**10%**	**10%**	**0%**	**0%**
Private Equity	8%	8%	8%	0%	0%
Private Debt	3%	3%	3%	0%	0%

MODERATE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**27%**	**25%**	**25%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	19%	17%	17%	-2%	0%
Short Term Taxable*	4%	0%	2%	-4%	-2%
Intermediate Taxable*	11%	13%	13%	2%	0%
Long Term Taxable*	4%	4%	2%	0%	2%
High Yield Taxable Fixed Income	4%	4%	4%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	4%	4%	4%	0%	0%
TOTAL GLOBAL EQUITIES	**38%**	**38%**	**38%**	**0%**	**0%**
U.S. Large Cap Equities	20%	24%	24%	4%	0%
U.S. Mid Cap Equities	8%	8%	8%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	6%	6%	6%	0%	0%
Emerging Market Equities	4%	0%	0%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**10%**	**12%**	**12%**	**2%**	**0%**
Private Real Estate**	6%	6%	6%	0%	0%
Commodities	4%	6%	6%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**23%**	**23%**	**23%**	**0%**	**0%**
Global Hedge Funds	**10%**	**10%**	**10%**	**0%**	**0%**
Private Equity	10%	10%	10%	0%	0%
Private Debt	3%	3%	3%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Illiquid Growth and Income (continued)

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

AGGRESSIVE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**21%**	**19%**	**19%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	12%	10%	10%	-2%	0%
Short Term Taxable*	3%	0%	0%	-3%	0%
Intermediate Taxable*	7%	10%	10%	3%	0%
Long Term Taxable*	2%	0%	0%	-2%	0%
High Yield Taxable Fixed Income	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	6%	6%	6%	0%	0%
TOTAL GLOBAL EQUITIES	**46%**	**46%**	**46%**	**0%**	**0%**
U.S. Large Cap Equities	24%	26%	26%	2%	0%
U.S. Mid Cap Equities	8%	8%	8%	0%	0%
U.S. Small Cap Equities	2%	2%	2%	0%	0%
Developed Market Ex-U.S. Equities	7%	7%	7%	0%	0%
Emerging Market Equities	5%	3%	3%	-2%	0%
TOTAL GLOBAL REAL ASSETS	**10%**	**12%**	**12%**	**2%**	**0%**
Private Real Estate**	6%	6%	6%	0%	0%
Commodities	4%	6%	6%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**21%**	**21%**	**21%**	**0%**	**0%**
Global Hedge Funds	**7%**	**7%**	**7%**	**0%**	**0%**
Private Equity	11%	11%	11%	0%	0%
Private Debt	3%	3%	3%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Illiquid Growth

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**1%**	**1%**	**1%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**10%**	**8%**	**8%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	7%	5%	5%	-2%	0%
Short Term Taxable*	2%	0%	0%	-2%	0%
Intermediate Taxable*	5%	5%	5%	0%	0%
Long Term Taxable*	0%	0%	0%	0%	0%
High Yield Taxable Fixed Income	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**56%**	**56%**	**56%**	**0%**	**0%**
U.S. Large Cap Equities	26%	29%	29%	3%	0%
U.S. Mid Cap Equities	9%	10%	10%	1%	0%
U.S. Small Cap Equities	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Equities	12%	12%	12%	0%	0%
Emerging Market Equities	6%	2%	2%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**10%**	**12%**	**12%**	**2%**	**0%**
Private Real Estate**	5%	5%	5%	0%	0%
Commodities	5%	7%	7%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**23%**	**23%**	**23%**	**0%**	**0%**
Global Hedge Funds	**7%**	**7%**	**7%**	**0%**	**0%**
Private Equity	13%	13%	13%	0%	0%
Private Debt	3%	3%	3%	0%	0%

MODERATE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**1%**	**1%**	**1%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**4%**	**4%**	**4%**	**0%**	**0%**
U.S. Taxable Investment Grade Fixed Income	2%	2%	2%	0%	0%
Short Term Taxable*	0%	0%	0%	0%	0%
Intermediate Taxable*	2%	2%	2%	0%	0%
Long Term Taxable*	0%	0%	0%	0%	0%
High Yield Taxable Fixed Income	2%	2%	2%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**66%**	**64%**	**64%**	**-2%**	**0%**
U.S. Large Cap Equities	26%	29%	29%	3%	0%
U.S. Mid Cap Equities	13%	13%	13%	0%	0%
U.S. Small Cap Equities	4%	4%	4%	0%	0%
Developed Market Ex-U.S. Equities	14%	13%	13%	-1%	0%
Emerging Market Equities	9%	5%	5%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**10%**	**12%**	**12%**	**2%**	**0%**
Private Real Estate**	5%	5%	5%	0%	0%
Commodities	5%	7%	7%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**19%**	**19%**	**19%**	**0%**	**0%**
Global Hedge Funds	**2%**	**2%**	**2%**	**0%**	**0%**
Private Equity	14%	14%	14%	0%	0%
Private Debt	3%	3%	3%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Illiquid Growth (continued)

May include fixed-income, equities, real assets, and alternative investments

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

AGGRESSIVE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**1%**	**1%**	**1%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**0%**	**0%**	**0%**	**0%**	**0%**
U.S. Taxable Investment Grade Fixed Income	0%	0%	0%	0%	0%
Short Term Taxable*	0%	0%	0%	0%	0%
Intermediate Taxable*	0%	0%	0%	0%	0%
Long Term Taxable*	0%	0%	0%	0%	0%
High Yield Taxable Fixed Income	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**74%**	**72%**	**72%**	**-2%**	**0%**
U.S. Large Cap Equities	24%	27%	27%	3%	0%
U.S. Mid Cap Equities	15%	15%	15%	0%	0%
U.S. Small Cap Equities	6%	6%	6%	0%	0%
Developed Market Ex-U.S. Equities	17%	17%	17%	0%	0%
Emerging Market Equities	12%	7%	7%	-5%	0%
TOTAL GLOBAL REAL ASSETS	**7%**	**9%**	**9%**	**2%**	**0%**
Private Real Estate**	2%	2%	2%	0%	0%
Commodities	5%	7%	7%	2%	0%
TOTAL ALTERNATIVE INVESTMENTS**	**18%**	**18%**	**18%**	**0%**	**0%**
Global Hedge Funds	**0%**	**0%**	**0%**	**0%**	**0%**
Private Equity	18%	18%	18%	0%	0%
Private Debt	0%	0%	0%	0%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. **Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of this report for important disclosures.

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Liquid Income

May include fixed-income, equities, and real assets

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**82%**	**80%**	**80%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	76%	74%	74%	-2%	0%
Short Term Taxable*	17%	12%	15%	-5%	-3%
Intermediate Taxable*	45%	48%	48%	3%	0%
Long Term Taxable*	14%	14%	11%	0%	3%
High Yield Taxable Fixed Income	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	3%	3%	3%	0%	0%
TOTAL GLOBAL EQUITIES	**14%**	**14%**	**14%**	**0%**	**0%**
U.S. Large Cap Equities	12%	12%	12%	0%	0%
U.S. Mid Cap Equities	2%	2%	2%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	0%	0%	0%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**2%**	**4%**	**4%**	**2%**	**0%**
Commodities	2%	4%	4%	2%	0%

MODERATE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**69%**	**68%**	**68%**	**-1%**	**0%**
U.S. Taxable Investment Grade Fixed Income	60%	59%	59%	-1%	0%
Short Term Taxable*	13%	9%	12%	-4%	-3%
Intermediate Taxable*	36%	39%	39%	3%	0%
Long Term Taxable*	11%	11%	8%	0%	3%
High Yield Taxable Fixed Income	4%	4%	4%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	5%	5%	5%	0%	0%
TOTAL GLOBAL EQUITIES	**27%**	**27%**	**27%**	**0%**	**0%**
U.S. Large Cap Equities	18%	18%	18%	0%	0%
U.S. Mid Cap Equities	5%	5%	5%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	4%	4%	4%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**2%**	**3%**	**3%**	**1%**	**0%**
Commodities	2%	3%	3%	1%	0%

AGGRESSIVE INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**61%**	**59%**	**59%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	47%	45%	45%	-2%	0%
Short Term Taxable*	11%	6%	9%	-5%	-3%
Intermediate Taxable*	27%	30%	30%	3%	0%
Long Term Taxable*	9%	9%	6%	0%	3%
High Yield Taxable Fixed Income	6%	6%	6%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	8%	8%	8%	0%	0%
TOTAL GLOBAL EQUITIES	**35%**	**35%**	**35%**	**0%**	**0%**
U.S. Large Cap Equities	21%	21%	21%	0%	0%
U.S. Mid Cap Equities	7%	7%	7%	0%	0%
U.S. Small Cap Equities	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Equities	7%	7%	7%	0%	0%
Emerging Market Equities	0%	0%	0%	0%	0%
TOTAL GLOBAL REAL ASSETS	**2%**	**4%**	**4%**	**2%**	**0%**
Commodities	2%	4%	4%	2%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. Asset allocation and diversification are investment methods used to manage risk. They do not assure or guarantee better performance and cannot eliminate the risk of investment losses. Your individual allocation may be different than the strategic long-term allocation above due to your unique individual circumstances, but is targeted to be in the allocation ranges detailed. The asset allocation reflected above may fluctuate based on asset values, portfolio decisions, and account needs.

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Liquid Growth and Income

May include fixed-income, equities, and real assets

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**50%**	**48%**	**48%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	39%	37%	37%	-2%	0%
Short Term Taxable*	9%	4%	7%	-5%	-3%
Intermediate Taxable*	23%	26%	26%	3%	0%
Long Term Taxable*	7%	7%	4%	0%	3%
High Yield Taxable Fixed Income	6%	6%	6%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	5%	5%	5%	0%	0%
TOTAL GLOBAL EQUITIES	**44%**	**44%**	**44%**	**0%**	**0%**
U.S. Large Cap Equities	23%	28%	28%	5%	0%
U.S. Mid Cap Equities	8%	7%	7%	-1%	0%
U.S. Small Cap Equities	2%	2%	2%	0%	0%
Developed Market Ex-U.S. Equities	7%	7%	7%	0%	0%
Emerging Market Equities	4%	0%	0%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**4%**	**6%**	**6%**	**2%**	**0%**
Commodities	4%	6%	6%	2%	0%

MODERATE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**41%**	**38%**	**38%**	**-3%**	**0%**
U.S. Taxable Investment Grade Fixed Income	30%	27%	27%	-3%	0%
Short Term Taxable*	7%	1%	4%	-6%	-3%
Intermediate Taxable*	17%	20%	20%	3%	0%
Long Term Taxable*	6%	6%	3%	0%	3%
High Yield Taxable Fixed Income	6%	6%	6%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	5%	5%	5%	0%	0%
TOTAL GLOBAL EQUITIES	**53%**	**53%**	**53%**	**0%**	**0%**
U.S. Large Cap Equities	27%	31%	31%	4%	0%
U.S. Mid Cap Equities	10%	11%	11%	1%	0%
U.S. Small Cap Equities	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Equities	8%	8%	8%	0%	0%
Emerging Market Equities	5%	0%	0%	-5%	0%
TOTAL GLOBAL REAL ASSETS	**4%**	**7%**	**7%**	**3%**	**0%**
Commodities	4%	7%	7%	3%	0%

AGGRESSIVE GROWTH AND INCOME	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**33%**	**30%**	**30%**	**-3%**	**0%**
U.S. Taxable Investment Grade Fixed Income	20%	17%	17%	-3%	0%
Short Term Taxable*	4%	0%	2%	-4%	-2%
Intermediate Taxable*	12%	15%	15%	3%	0%
Long Term Taxable*	4%	2%	0%	-2%	2%
High Yield Taxable Fixed Income	7%	7%	7%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	6%	6%	6%	0%	0%
TOTAL GLOBAL EQUITIES	**61%**	**62%**	**62%**	**1%**	**0%**
U.S. Large Cap Equities	31%	36%	36%	5%	0%
U.S. Mid Cap Equities	12%	12%	12%	0%	0%
U.S. Small Cap Equities	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Equities	9%	9%	9%	0%	0%
Emerging Market Equities	6%	2%	2%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**4%**	**6%**	**6%**	**2%**	**0%**
Commodities	4%	6%	6%	2%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. Asset allocation and diversification are investment methods used to manage risk. They do not assure or guarantee better performance and cannot eliminate the risk of investment losses. Your individual allocation may be different than the strategic long-term allocation above due to your unique individual circumstances, but is targeted to be in the allocation ranges detailed. The asset allocation reflected above may fluctuate based on asset values, portfolio decisions, and account needs.

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Liquid Growth

May include fixed-income, equities, and real assets

Updated for strategic allocation as of July 16, 2024, and for tactical allocation as of October 21, 2024.

CONSERVATIVE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**19%**	**17%**	**17%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	16%	14%	14%	-2%	0%
Short Term Taxable*	4%	0%	2%	-4%	-2%
Intermediate Taxable*	9%	12%	12%	3%	0%
Long Term Taxable*	3%	2%	0%	-1%	2%
High Yield Taxable Fixed Income	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**74%**	**74%**	**74%**	**0%**	**0%**
U.S. Large Cap Equities	33%	37%	37%	4%	0%
U.S. Mid Cap Equities	13%	13%	13%	0%	0%
U.S. Small Cap Equities	5%	5%	5%	0%	0%
Developed Market Ex-U.S. Equities	14%	14%	14%	0%	0%
Emerging Market Equities	9%	5%	5%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**5%**	**7%**	**7%**	**2%**	**0%**
Commodities	5%	7%	7%	2%	0%

MODERATE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**11%**	**9%**	**9%**	**-2%**	**0%**
U.S. Taxable Investment Grade Fixed Income	8%	6%	6%	-2%	0%
Short Term Taxable*	2%	0%	0%	-2%	0%
Intermediate Taxable*	6%	6%	6%	0%	0%
Long Term Taxable*	0%	0%	0%	0%	0%
High Yield Taxable Fixed Income	3%	3%	3%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**82%**	**82%**	**82%**	**0%**	**0%**
U.S. Large Cap Equities	35%	39%	39%	4%	0%
U.S. Mid Cap Equities	14%	14%	14%	0%	0%
U.S. Small Cap Equities	6%	6%	6%	0%	0%
Developed Market Ex-U.S. Equities	15%	15%	15%	0%	0%
Emerging Market Equities	12%	8%	8%	-4%	0%
TOTAL GLOBAL REAL ASSETS	**5%**	**7%**	**7%**	**2%**	**0%**
Commodities	5%	7%	7%	2%	0%

AGGRESSVE GROWTH	Strategic Allocation	Tactical Allocation	Prior Tactical Allocation	Active Weight	Changes to Tactical Allocation
TAXABLE CASH ALTERNATIVES	**2%**	**2%**	**2%**	**0%**	**0%**
TOTAL GLOBAL FIXED INCOME	**0%**	**0%**	**0%**	**0%**	**0%**
U.S. Taxable Investment Grade Fixed Income	0%	0%	0%	0%	0%
Short Term Taxable*	0%	0%	0%	0%	0%
Intermediate Taxable*	0%	0%	0%	0%	0%
Long Term Taxable*	0%	0%	0%	0%	0%
High Yield Taxable Fixed Income	0%	0%	0%	0%	0%
Developed Market Ex-U.S. Fixed Income	0%	0%	0%	0%	0%
Emerging Market Fixed Income	0%	0%	0%	0%	0%
TOTAL GLOBAL EQUITIES	**93%**	**91%**	**91%**	**-2%**	**0%**
U.S. Large Cap Equities	37%	41%	41%	4%	0%
U.S. Mid Cap Equities	16%	16%	16%	0%	0%
U.S. Small Cap Equities	7%	7%	7%	0%	0%
Developed Market Ex-U.S. Equities	18%	18%	18%	0%	0%
Emerging Market Equities	15%	9%	9%	-6%	0%
TOTAL GLOBAL REAL ASSETS	**5%**	**7%**	**7%**	**2%**	**0%**
Commodities	5%	7%	7%	2%	0%

Source: Wells Fargo Investment Institute, October 21, 2024. Evenweight includes a +/- 100 basis points band around strategic allocation. One hundred basis points = 1.00%. Strategic allocations as of July 2024. Strategic allocations are updated annually. Tactical allocations are updated periodically. *Wells Fargo Advisors only. Asset allocation and diversification are investment methods used to manage risk. They do not assure or guarantee better performance and cannot eliminate the risk of investment losses. Your individual allocation may be different than the strategic long-term allocation above due to your unique individual circumstances, but is targeted to be in the allocation ranges detailed. The asset allocation reflected above may fluctuate based on asset values, portfolio decisions, and account needs.

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Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Small- and mid-cap stocks** are generally more volatile, subject to greater risks and are less liquid than large company stocks. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield (junk) bonds** have lower credit ratings and are subject to greater risk of default and greater principal risk. **Municipal** bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes. Municipal bonds are subject to credit risk and potentially the Alternative Minimum Tax (AMT). Quality varies widely depending on the specific issuer. Municipal securities are also subject to legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income. **Asset backed securities** (ABS) are backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt. **Currency** risk is the risk that foreign currencies will decline in value relative to that of the U.S. dollar. Exchange rate movement between the U.S. dollar and foreign currencies may cause the value of a portfolio's investments to decline. The **commodities** markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Investing in a volatile and uncertain commodities market may cause a portfolio to rapidly increase or decrease in value which may result in greater share price volatility. Investments in **gold** and gold-related investments tend to be more volatile than investments in traditional equity or debt securities. Such investments increase their vulnerability to international economic, monetary and political developments. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic conditions.

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

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

Definitions

Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

ICE U.S. Dollar Index is a weighted average of the value of the U.S. dollar relative to a basket of U.S. trade partner currencies, comprised of the euro, Japanese yen, pound sterling, Canadian dollar, Swedish krona, and Swiss franc. A higher index value indicates dollar appreciation.

Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index. Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

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

S&P 500 Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Real Estate Index comprises those companies included in the S&P 500 that are classified as members of the GICS Real Estate sector.

Note: HFRI Indices have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI Indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

HFRI Equity Hedge Index: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short. The HFRI Equity Hedge Index is a composite of the hedge funds that employ the alternative strategies and who report their performance figure to HFRI. The number of hedge funds reporting may vary between each reporting period.

HFRI Event Driven Index: Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

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HFRI Relative Value Index maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

An index is unmanaged and not available for direct investment.

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