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# Asset Allocation Model Portfolios

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*Selectively combining active management and index investing*

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### **Inside:**

Working with Chris Eckert

Introduction to the Asset Allocation Model Portfolios

Four Strategies Based on Investment Objective and Risk Tolerance

Select Series Model Portfolios

Smart Beta ETF Model Portfolios

Sustainable Investing Model Portfolios

Page 2

Page 3

Page 4

Page 5

Page 9

Page 12

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## Working with Chris Eckert

Investing can be an intimidating prospect for many people. Today's capital markets are complex, and the thought of sifting through thousands of available investments can be overwhelming. Most investors simply do not have the time or experience to gather and analyze all of the data necessary to make informed investment decisions. In such situations, it may make sense to work with an experienced professional who understands your financial needs and can dedicate the time and resources to help you meet them.

For over 40 years, Christopher Eckert has been helping investors prepare for and navigate through significant life events and financial transitions. To learn more about how his wealth management process can help you meet the challenges these major life transitions pose to your financial goals, please visit his website or call for a complimentary consultation.

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# Asset Allocation Model Portfolios

## What are the Asset Allocation Model Portfolios?

They are strategic and tactical asset allocation portfolios that are diversified across asset classes and investment styles, can incorporate both passive and actively managed investments and are managed on a discretionary basis.

## Which asset classes can be included?

Cash-alternatives, fixed-income, US equity and international equity.

## What is the eligible universe of securities?

Open-end mutual funds, closed-end mutual funds, exchange-traded funds (ETFs) and exchange-traded notes (ETNs).

## What is the security selection process?

Eligible securities go through an in-depth research and evaluation process; key evaluation criteria can include investment strategy, track record, manager tenure and experience, expense ratios, tracking error, style purity, liquidity and relative strength rankings, amongst other factors.

## The importance of asset allocation

Modern theory on portfolio diversification states that appropriate asset allocation—the process of distributing assets across different investment instruments and asset classes—can create portfolios that produce the highest potential returns for a given level of expected risk, as measured by the volatility, or fluctuation, of portfolio value over time.

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

## Passive Management

A passively managed investment is typically designed to mimic a benchmark in an attempt to match but not exceed the benchmark's returns before expenses. Most exchange-traded funds (ETFs) are considered passively managed investments.

## Active management

An actively managed portfolio relies on the expertise of a portfolio manager to choose the investment's holdings in an attempt to outperform a predetermined benchmark over the course of a full market cycle. Most mutual funds are actively managed.

## Active vs. passive Investments

An important consideration when determining investment selection is the choice between active and passive investments—either for individual asset allocations or for the portfolio as a whole. Changing market cycles, the investor's time horizon and the volatility, liquidity and efficiency of individual asset classes can all affect the decision whether to choose active or passive investments for your portfolio.

## What are the key features of investing in the Asset Allocation Model Portfolios?

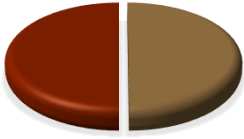
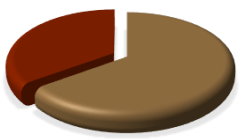
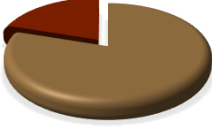

- Diversification
- Flexibility
- In-depth investment due-diligence
- Account consolidation
- Strategic and tactical investment advice
- Disciplined portfolio rebalancing



Advisors

# Asset Allocation Model Portfolios

Four asset allocation strategies based on investment objective and risk tolerance

Strategies			
Income and Growth	Growth and Income	Growth	Aggressive Growth
<p><b>Investment Objective</b> Seeks current income plus growth of income and principal</p>	<p><b>Investment Objective</b> Seeks growth of capital and current income</p>	<p><b>Investment Objective</b> Seeks long term growth of capital with a modest income sleeve</p>	<p><b>Investment Objective</b> Seeks long term growth of capital</p>
<p><b>Investor Risk Tolerance</b> Moderately Conservative</p>	<p><b>Investor Risk Tolerance</b> Moderate</p>	<p><b>Investor Risk Tolerance</b> Moderately Aggressive</p>	<p><b>Investor Risk Tolerance</b> Aggressive</p>
<p><b>Target Allocation</b></p>	<p><b>Target Allocation</b></p>	<p><b>Target Allocation</b></p>	<p><b>Target Allocation</b></p>
<p>Equity 50%</p>  <p>Fixed Income 50%</p>	<p>Fixed Income 35%</p>  <p>Equity 65%</p>	<p>Fixed Income 20%</p>  <p>Equity 80%</p>	 <p>Equity 100%</p>
<p><b>Portfolios Available</b></p> <ul style="list-style-type: none"> <li>• Select 15 Growth &amp; Income 50/50 Model Portfolio</li> <li>• Smart Beta ETF 50/50 Model Portfolio</li> <li>• Sustainable Investing 50/50 Model Portfolio</li> </ul>	<p><b>Portfolios Available</b></p> <ul style="list-style-type: none"> <li>• Select 15 Growth &amp; Income 65/35 Model Portfolio</li> <li>• Smart Beta ETF 65/35 Model Portfolio</li> <li>• Sustainable Investing 65/35 Model Portfolio</li> </ul>	<p><b>Portfolios Available</b></p> <ul style="list-style-type: none"> <li>• Select 15 Growth 80/20 Model Portfolio</li> <li>• Smart Beta ETF 80/20 Model Portfolio</li> <li>• Sustainable Investing 80/20 Model Portfolio</li> </ul>	<p><b>Portfolios Available</b></p> <ul style="list-style-type: none"> <li>• Select 10 Growth Model Portfolio</li> <li>• Smart Beta ETF Equity Model Portfolio</li> <li>• Sustainable Investing Growth Model Portfolio</li> </ul>

# Select Series Model Portfolios

Selectively combining active management and index investing through select fund-companies

portfolio holdings as of: 10/17/24

## What is Indexing?

Indexing is a passive investment strategy that attempts to track the returns of a specific market index as closely as possible by holding all or a representative selection of securities in the index.

## Why Use Index Funds?

Low costs, risk management through diversification and tax efficiency.

## Why Use Active Managers?

Opportunity of outperformance.

## About Vanguard

While Vanguard is mostly known for its low-cost index mutual funds and exchange-traded funds (ETFs), they also offer a variety of low-cost, actively managed mutual funds.

## About Fidelity

Fidelity is well-known for its extensive lineup of actively managed mutual funds and star portfolio managers, supported by one of the largest research teams in the industry.

## About American Funds

Capital Group, home of American Funds, has their own time-honored investment philosophy, combining deep research, a long-term investment horizon and their hallmark multi-manager portfolio system.

## Select 10 Growth Model Portfolio

Current Equity Holdings (100%)	Symbol	Target Allocation
Capital Group Dividend Value ETF	CGDV	10%
Fidelity Advisor Biotechnology I	FBTIX	10%
Fidelity Advisor Equity Growth I	EQPGX	10%
Fidelity Advisor Financial Services I	FFSIX	10%
Fidelity Advisor Gold I	FGDIX	10%
Fidelity Advisor Industrials I	FCLIX	10%
Fidelity Advisor Utilities I	FUGIX	10%
Vanguard Growth ETF*	VUG	10%
Vanguard Mega Cap 300 Growth ETF*	MGK	10%
Vanguard Utilities ETF*	VPU	10%

### Select 10 Growth Model Portfolio Guidelines

- Inventory of equity mutual fund and ETFs from select fund companies is established.
- Each mutual fund and ETF is evaluated and a matrix is created to compare the inventory of mutual funds and ETFs versus each other.
- Ranking criteria will include trend, relative strength versus the market and relative strength versus peers.
- The 10 highest rated equity mutual fund and ETFs will be placed in the portfolio and be equally weighted.
- The inventory of mutual fund and ETFs will generally be evaluated and re-rated on a regular basis.
- Whenever there is a change in the portfolio's holdings, the whole portfolio will be rebalanced so that each mutual fund and ETF is equally weighted.
- The portfolio is only rebalanced when there is a change in the portfolio's holdings.

## Select 15 Growth & Income Model Portfolio

Current Fixed Income Holdings (35%)	Symbol	Target Allocation
Vanguard Short-Term Bond Index ETF*	BSV	7%
Vanguard Short-Term Investment Grade Adm	VFSUX	7%
Vanguard Intermediate-Term Bond Index ETF*	BIV	7%
Vanguard Intermediate Term Investment Grade Adm	VFIDX	7%
Vanguard High-Yield Corporate Adm	VWEAX	7%
Current Equity Holdings (65%)		
Capital Group Dividend Value ETF	CGDV	6.5%
Fidelity Advisor Biotechnology I	FBTIX	6.5%
Fidelity Advisor Equity Growth I	EQPGX	6.5%
Fidelity Advisor Financial Services I	FFSIX	6.5%
Fidelity Advisor Gold I	FGDIX	6.5%
Fidelity Advisor Industrials I	FCLIX	6.5%
Fidelity Advisor Utilities I	FUGIX	6.5%
Vanguard Growth ETF*	VUG	6.5%
Vanguard Mega Cap 300 Growth ETF*	MGK	6.5%
Vanguard Utilities ETF*	VPU	6.5%

### Select 15 Growth & Income Model Portfolio Guidelines

- Weighting of 65% to the same 10 equity mutual funds and ETFs that comprise the Select 10 Growth Model Portfolio.
- Weighting of 35% to a diversified portfolio of fixed income mutual funds and ETFs.

## Equity Inventory

Equity	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>US Large Cap Value</b>			
American Funds American Mutual F2	AMRFX	0.38	
Capital Group Dividend Value ETF	CGDV	0.33	New 08/05/24
Fidelity Advisor Dividend Growth I	FDGIX	0.59	
Fidelity Advisor Equity Income I	EQPIX	0.65	
Fidelity Advisor Equity Value I	FAIVX	0.90	
Vanguard Equity Income Adm	VEIRX	0.19	
Vanguard High Dividend Yield ETF*	VYM	0.06	
Vanguard Mega Cap Value ETF*	MGV	0.07	
Vanguard Russell 1000 Value ETF*	VONV	0.08	
Vanguard S&P 500 Value ETF*	VOOV	0.10	
Vanguard Value Index ETF*	VTV	0.04	
Vanguard Windsor Adm	VWNEX	0.28	
Vanguard Windsor II Adm	VWNAX	0.26	
<b>US Large Cap Core</b>			
American Funds Fundamental Investors F2	FINFX	0.39	
American Funds Investment Co of America F2	ICAFX	0.38	
American Funds Washington Mutual F2	WMFFX	0.38	
Fidelity Advisor Capital Development I	FDEIX	0.72	
Fidelity Advisor Diversified Stock I	FDTIX	0.59	
Fidelity Advisor Growth & Income I	FGIOX	0.66	
Fidelity Advisor Large Cap I	FALIX	0.65	
Fidelity Advisor Leveraged Company Stock I	FLVIX	0.79	
Fidelity Advisor Mega Cap Stock I	FTRIX	0.63	
Vanguard Dividend Appreciation ETF*	VIG	0.06	
Vanguard Dividend Growth Inv	VDIGX	0.30	
Vanguard ESG U.S. Stock ETF*	ESGV	0.09	
Vanguard FTSE Social Index Inv*	VFTAX	0.14	
Vanguard Growth and Income Adm	VGIAX	0.26	
Vanguard Large Cap Index ETF*	VV	0.04	
Vanguard Mega Cap ETF*	MGC	0.07	
Vanguard Russell 1000 ETF*	VONE	0.08	
Vanguard Russell 3000 ETF*	VTHR	0.10	
Vanguard Tax-Managed Capital Appreciation Adm*	VTCLX	0.09	
Vanguard 500 Index ETF*	VOO	0.03	
<b>US Large Cap Growth</b>			
American Funds AMCAP F2	AMCFX	0.44	
American Funds Growth Fund of America F2	GFFFX	0.40	
Capital Group Growth ETF	CGGR	0.39	
Fidelity Advisor Equity Growth I	EQPGX	0.72	05/01/24
Fidelity Advisor Growth Opportunities I	FAGCX	1.65	
Fidelity Advisor New Insights I	FINSX	0.45	
Fidelity Advisor Stock Selector All Cap I	FBRNX	0.63	
Fidelity Blue Chip Growth ETF	FBCG	0.59	
Vanguard Diversified Equity Inv	VDEQX	0.35	
Vanguard Growth Index ETF*	VUG	0.04	06/05/23
Vanguard Mega Cap Growth ETF*	MGK	0.07	06/05/23

\* Index based mutual fund or ETF

Equity	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>US Large Cap Growth (con'd)</b>			
Vanguard Russell 1000 Growth ETF*	VONG	0.08	
Vanguard S&P 500 Growth ETF*	VOOG	0.10	
Vanguard US Growth Adm	VWUAX	0.25	
<b>US Mid Cap Value</b>			
Fidelity Advisor Mid Cap Value I	FMPOX	0.81	
Fidelity Advisor Value I	FVIFX	0.88	
Fidelity Advisor Value Strategies I	FASOX	0.89	
Vanguard Mid-Cap 400 Value Index ETF*	IVOV	0.15	
Vanguard Mid-Cap Value Index ETF*	VOE	0.07	
Vanguard Selected Value Inv	VASVX	0.38	
<b>US Mid Cap Core</b>			
Fidelity Advisor Mid Cap II I	FIIMX	0.74	
Fidelity Advisor Stock Selector Mid Cap I	FMCCX	0.74	
Vanguard Extended Market Index ETF*	VXF	0.06	
Vanguard Mid-Cap Index ETF*	VO	0.04	
Vanguard S&P Mid-Cap 400 ETF*	IVOO	0.10	
Vanguard Strategic Equity Inv	VSEQX	0.17	
<b>US Mid Cap Growth</b>			
Vanguard Mid-Cap 400 Growth Index ETF*	IVOG	0.15	
Vanguard Mid-Cap Growth Index ETF*	VOT	0.07	
Vanguard Mid Cap Growth Inv	VMGRX	0.35	
<b>US Small Cap Value</b>			
Fidelity Advisor Small Cap Value I	FCVIX	1.03	
Vanguard Russell 2000 Value ETF*	VTWV	0.15	
Vanguard S&P Small-Cap 600 Value ETF*	VIOV	0.15	
Vanguard Small-Cap Value Index Adm*	VBR	0.07	
<b>US Small Cap Core</b>			
Fidelity Advisor Stock Selector Small Cap I	FCDIX	0.94	
Fidelity Advisor Small Cap I	FSCIX	1.08	
Vanguard Russell 2000 ETF*	VTWO	0.10	
Vanguard Small-Cap Index ETF*	VB	0.05	
Vanguard S&P Small-Cap 600 ETF*	VIOO	0.10	
Vanguard Strategic Small-Cap Equity Inv	VSTCX	0.26	
Vanguard Tax-Managed Small-Cap Adm*	VTMSX	0.09	
<b>US Small Cap Growth</b>			
Fidelity Advisor Small Cap Growth I	FCIGX	1.07	
Vanguard Explorer Adm	VEXRX	0.34	
Vanguard Russell 2000 Growth ETF*	VTWG	0.15	
Vanguard Small-Cap Growth Index ETF*	VBK	0.07	
Vanguard S&P Small-Cap 600 Growth ETF*	VIOG	0.15	

\*\*Gross expense ratio as reported in fund's prospectus - Morningstar December 2023

## Equity Inventory

Equity	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>Sector</b>			
Fidelity Advisor Consumer Discretionary I	FCNIX	0.77	
Fidelity Advisor Consumer Staples I	FDIGX	0.74	
Fidelity Advisor Energy I	FANIX	0.74	
Fidelity Advisor Financials I	FFSIX	0.77	New 08/05/24
Fidelity Advisor Health Care I	FHCIX	0.72	
Fidelity Advisor Industrials I	FCLIX	0.76	01/02/24
Fidelity Advisor Materials I	FMFEX	0.76	
Fidelity Advisor Real Estate I	FHEIX	0.84	
Fidelity Advisor Technology I	FATIX	0.72	
Fidelity Advisor Utilities I	FUGIX	0.75	New 08/05/24
Vanguard Communication Services Index ETF*	VOX	0.10	
Vanguard Consumer Discretionary Index ETF*	VCR	0.10	
Vanguard Consumer Staples Index ETF*	VDC	0.10	
Vanguard Energy Index ETF*	VDE	0.10	
Vanguard Financials Index ETF*	VFH	0.10	
Vanguard Health Care Index ETF*	VHT	0.10	
Vanguard Industrials Index ETF*	VIS	0.10	
Vanguard Information Technology Index ETF*	VGT	0.10	
Vanguard Materials Index ETF*	VAW	0.10	
Vanguard Real Estate Index ETF*	VNQ	0.12	
Vanguard Utilities Index ETF*	VPU	0.10	New 08/05/24
<b>Industry</b>			
Fidelity Advisor Biotechnology I	FBTIX	0.74	New 08/05/24
Fidelity Advisor Gold I	FGDIX	0.77	New 08/05/24
Fidelity Advisor Global Commodity Stock I	FFGIX	0.92	
Fidelity Advisor Semiconductors I	FELIX	0.74	
Fidelity Advisor Telecommunications I	FTUIX	0.78	
<b>Global Large Cap Value</b>			
<b>Global Large Cap Core</b>			
American Funds Capital World Growth & Income F2	WGIFX	0.90	
American Funds Global Insight F2	AGVGX	0.56	
<b>Global Large Cap Growth</b>			
American Funds Global Growth Portfolio F2	PGWFX	0.57	
American Funds New Economy F2	NEFFX	0.52	
American Funds New Perspective F2	ANWFX	0.52	
Capital Group Global Growth Equity ETF	CGGO	0.47	
Fidelity Advisor Global Capital Appreciation I	FEUIX	0.97	
Fidelity Advisor Worldwide I	FWIFX	0.94	
Vanguard Global Equity Inv	VHGEX	0.41	
<b>Global Small/Mid</b>			
American Funds SMALLCAP World F2	SMCFX	0.77	

\* Index based mutual fund or ETF

Equity	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>International Real Estate</b>			
Fidelity Advisor International Real Estate I	FIRIX	0.92	
Vanguard Global ex-U.S. Real Estate ETF*	VNQI	0.12	
<b>International Large Value</b>			
Vanguard International High Dividend Yield ETF*	VYMI	0.22	
Vanguard International Value Inv	VTRIX	0.38	
<b>International Large Core</b>			
American Funds International Growth & Income F2	IGFFX	0.65	
Vanguard FTSE All-World ex-US Index ETF*	VEU	0.08	
Vanguard FTSE Developed Markets Index ETF*	VEA	0.05	
<b>International Large Growth</b>			
American Funds EuroPacific Growth F2	AEPFX	0.57	
American Funds International Vntg F2	AIVFX	0.64	
Capital Group International Focus Equity ETF	CGXU	0.54	
Fidelity Advisor Overseas I	FAOIX	1.08	
Fidelity Advisor Diversified International I	FDVIX	0.91	
Fidelity Advisor International Capital Appreciation I	FCPIX	0.98	
Fidelity Advisor International Discovery I	FIADX	0.99	
Fidelity Advisor International Growth I	FIIIX	1.02	
Vanguard International Dividend Appreciation ETF*	VIGI	0.15	
Vanguard International Growth Adm	VWILX	0.34	
<b>International Small/Mid</b>			
Fidelity Advisor International Small Cap I	FIXIX	1.02	
Fidelity Advisor International Small Cap Opportunitie	FOPIX	1.20	
Vanguard FTSE All-World ex-US Small-Cap ETF*	VSS	0.07	
Vanguard International Explorer Inv	VINEX	0.41	
<b>Regional</b>			
Fidelity Advisor Canada I	FICCX	0.86	
Fidelity Advisor China Region I	FHKIX	0.93	
Fidelity Advisor Europe I	FHJMX	0.86	
Fidelity Advisor Japan I	FJPIX	1.09	
Vanguard FTSE Europe ETF*	VGK	0.11	
Vanguard FTSE Pacific ETF*	VPL	0.08	
<b>Emerging Markets</b>			
American Funds Developing World Growth & Income	DWGHX	0.88	
American Funds New World F2	NFFFX	0.68	
Fidelity Advisor Emerging Asia I	FERIX	0.97	
Fidelity Advisor Emerging Markets I	FECMX	0.89	
Fidelity Advisor Focused Emerging Markets Asia I	FIMKX	1.03	
Vanguard FTSE Emerging Markets Index ETF*	VWO	0.08	

\*\*Gross expense ratio as reported in fund's prospectus - Morningstar December 2023

## Fixed Income Inventory

Fixed Income	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>Broad Market</b>			
American Funds Bond Fund of America F2	ABNFX	0.330	
Fidelity Advisor Total Bond I	FEPIX	0.500	
Vanguard Total Bond Market ETF*	BND	0.030	
<b>Ultra Short Term</b>			
Vanguard Ultra Short Bond ETF*	VUSB	0.10	
<b>Short Term</b>			
American Funds Short Term Bond Fund of America F2	SBFFX	0.40	
Fidelity Advisor Short-Term Bond I	FBNIX	0.30	
Fidelity Advisor Limited-Term Bond I	EFIPX	0.30	
Vanguard Short-Term Bond ETF*	BSV	0.04	05/01/23
Vanguard Short-Term Treasury ETF*	VGSH	0.04	
Vanguard Short-Term Treasury Adm	VFIRX	0.10	
Vanguard Short-Term Federal Adm	VSGDX	0.10	
Vanguard Short-Term Corporate Bond ETF*	VCSH	0.04	
Vanguard Short-Term Investment Grade Adm	VFSUX	0.10	01/24/17
<b>Intermediate Term</b>			
American Funds Intermediate Bond Fund of America	IBAFX	0.37	
American Funds Strategic Bond F2	ANBFX	0.43	
American Funds US Government Securities F2	GVTFX	0.36	
Fidelity Advisor Government Income I	FVIIX	0.50	
Fidelity Advisor Investment Grade Bond I	FGBPX	0.50	
Vanguard Intermediate-Term Bond ETF*	BIV	0.04	05/01/23
Vanguard Intermediate-Term Treasury Index ETF*	VGIT	0.04	
Vanguard Intermediate-Term Treasury Adm	VFIUX	0.10	
Vanguard Intermediate-Term Corporate Bond ETF*	VCIT	0.04	
Vanguard Intermediate-Term Investment Grade Adm	VFIDX	0.10	01/24/17
<b>Long Term</b>			
Vanguard Long-Term Bond ETF*	BLV	0.04	
Vanguard Long-Term Treasury ETF*	VGLT	0.04	
Vanguard Long-Term Treasury Adm	VUSUX	0.10	
Vanguard Extended Duration Treasury ETF*	EDV	0.06	
Vanguard Long-Term Corporate Bond ETF*	VCLT	0.04	
Vanguard Long-Term Investment Grade Adm	VWETX	0.12	

\* Index based mutual fund or ETF

Fixed Income	Symbol	**Gross Expense Ratio	Date added to portfolio
<b>GNMA/Mortgage-Backed</b>			
American Funds Mortgage F2	MFAFX	0.38	
Fidelity Advisor Mortgage Securities I	FMSCX	0.52	
Vanguard Mortgage-Backed Securities ETF*	VMBS	0.04	
Vanguard GNMA Adm	VFIJX	0.11	
<b>Corporate</b>			
American Funds Corporate Bond F2	BFCGX	0.43	
Vanguard ESG U.S. Corporate Bond ETF*	VCEB	0.12	
<b>High Yield</b>			
American Funds American High Income F2	AHIFX	0.43	
Fidelity Advisor High Income I	FGTMX	0.99	
Fidelity Advisor High Income Advantage I	FAHCX	0.75	
Vanguard High-Yield Corporate Adm	VWEAX	0.13	08/02/16
<b>Multi Sector</b>			
American Funds Multi-Sector Income F2	MIAYX	0.47	
Fidelity Advisor Strategic Income I	FSRIX	0.72	
<b>Inflation Protected</b>			
American Funds Inflation Linked Bond F2	BFIGX	0.40	
Vanguard Short-Term Inflation-Protected Securities	VTIP	0.04	
Vanguard Inflation-Protected Securities Adm	VAIPX	0.10	
<b>Global</b>			
American Funds Capital World Bond F2	BFWFX	0.60	
Vanguard Total World Bond ETF*	BNDW	0.05	
<b>International</b>			
Vanguard Total International Bond ETF*	BNDX	0.07	
<b>Emerging Markets</b>			
American Funds Emerging Markets Bond F2	EBNFX	0.67	
Fidelity Advisor New Markets Income I	FGZMX	0.83	
Vanguard Emerging Markets Government Bond ETF*	VWOB	0.20	

\*\*Gross expense ratio as reported in fund's prospectus - Morningstar December 2023



# Smart Beta ETF Model Portfolios

Selectively combining active management and index investing

portfolio holdings as of 10/17/24

## What is Beta?

A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to a benchmark or the market as a whole.

## What is Smart Beta?

Smart beta strategies are designed to add value by systematically selecting, weighting and rebalancing portfolio holdings on the basis of characteristics other than market capitalization.

## Embracing Factors

The recognition of key drivers of risk and return - or factors - is at the heart of smart beta investing. Factors are investment characteristics that help explain the risk and return behavior of a security.

## The Smart Beta Advantage

As factors tend to rotate in and out of favor over time, a smart beta ETF portfolio that tilts toward those ETFs with the best performing factors may help increase diversification, reduce volatility and provide the potential for better returns relative to a market-cap weighted

## Common Factor Methodologies

- **Value:** companies underpriced relative to intrinsic value, often measured by low price to earnings and low price to book ratios.
- **Growth:** companies expected to experience faster than average growth, often measured by revenues, earnings or cash flow.
- **Size:** companies with smaller market capitalization that may be underpriced
- **Quality:** companies exhibiting strong profitability, healthy balance sheets and stable cash flows.
- **Low Volatility:** companies exhibiting lower price volatility than the market average, usually measured by beta or standard deviation.
- **Momentum:** companies that are appreciating in price and benefitting from positive sentiment.
- **Dividend:** weighting dividend paying companies by high dividend yield or by dividend growth characteristics.
- **Equal Weighted:** allocates the same weighting to each company of an index.

## Smart Beta ETF Equity Model Portfolio

Current Equity Holdings (100%)	Symbol	Target Allocation
Invesco FTSE RAFI US 1000 ETF*	PRF	10%
Invesco S&P MidCap Momentum ETF*	XMMO	10%
Invesco S&P 500 Quality ETF*	SPHQ	10%
Invesco S&P 500 Top 50 ETF*	XLG	10%
iShares Core S&P U.S. Value ETF*	IUSV	10%
iShares Edge Edge MSCI USA Quality Factor ETF*	QUAL	10%
iShares U.S. Equity Factor ETF*	LRGE	10%
SPDR S&P 500 Value ETF*	SPYV	10%
WisdomTree US Quality Dividend Growth ETF*	DGRW	10%
Vanguard Mega Cap Value ETF*	MGV	10%

## Smart Beta ETF Equity Model Portfolio Guidelines:

- Inventory of equity ETFs is established based upon common factor methodologies discussed above.
- Each ETF is evaluated and a matrix is created to compare the inventory of ETFs versus each other.
- Ranking criteria will include trend, relative strength versus the market and relative strength versus peers.
- The 10 highest rated ETFs will be placed in the portfolio and be equally weighted.
- The inventory of ETFs will generally be evaluated and re-rated on a regular basis.
- Whenever there is a change in the portfolio's holdings, the whole portfolio will be rebalanced so that each ETF is equally weighted.
- The portfolio is only rebalanced when there is a change in the portfolio's holdings.

## Smart Beta ETF Growth & Income Model Portfolio

Current Fixed Income Holdings (35%)	Symbol	Target Allocation
SPDR Barclays 1-3 Month T-Bill ETF*	BIL	7%
SPDR Portfolio Aggregate Bond ETF*	SPAB	7%
iShares Core 1-5 Year USD Bond ETF*	ISTB	7%
iShares 0-5 Year High Yield Corporate Bond ETF*	SHYG	7%
iShares Broad USD Investment Grade Corp Bond ETF*	USIG	7%

## Current Equity Holdings (65%)

Invesco FTSE RAFI US 1000 ETF*	PRF	6.5%
Invesco S&P MidCap Momentum ETF*	XMMO	6.5%
Invesco S&P 500 Quality ETF*	SPHQ	6.5%
Invesco S&P 500 Top 50 ETF*	XLG	6.5%
iShares Core S&P U.S. Value ETF*	IUSV	6.5%
iShares Edge Edge MSCI USA Quality Factor ETF*	QUAL	6.5%
iShares U.S. Equity Factor ETF*	LRGE	6.5%
SPDR S&P 500 Value ETF*	SPYV	6.5%
WisdomTree US Quality Dividend Growth ETF*	DGRW	6.5%
Vanguard Mega Cap Value ETF*	MGV	6.5%

## Smart Beta ETF Growth & Income Model Portfolio Guidelines:

- Weighting of 65% to the same 10 ETF's that comprise the Smart Beta ETF Equity Model Portfolio.
- Weighting of 35% to a diversified portfolio of fixed income ETFs.





# Sustainable Investing Model Portfolios

*Selectively combining active management and index investing*

portfolio holdings as of 10/17/24

## What is Sustainable Investing?

According to the Global Sustainable Investment Alliance (GSIA), sustainable investing is an investment approach that considers environmental, social and governance (ESG) factors in portfolio selection and management.

## Why consider Sustainable Investing?

The perception used to be that incorporating social responsibility into investment decisions might somehow sacrifice returns. Not anymore. In fact, there is now strong evidence that this approach can potentially help de-risk, diversify and enhance returns.

## Why are more and more investors being drawn to Sustainable Investing:

- Exert a positive impact on society.
- Align a financial portfolio with personal values.
- Potentially improve portfolio risk and/or return characteristics.

## The three pillars of Sustainable Investing:

- **Exclusion:** excludes individual companies or entire industries from portfolios if their areas of activity conflict with an investor's values.
- **Integration:** combines environmental, social and governance factors with traditional financial considerations; includes techniques such as positive screening of ESG companies or the incorporation of ESG risks and growth opportunities into the security valuation and selection process.
- **Impact Investing:** designed explicitly to help generate positive social or environmental impact alongside financial returns; often involves investments in private markets and targets themes such as community development, education, healthcare and microfinance.

## Sustainable Investing Equity Model Portfolio

Current Equity Holdings (100%)	Symbol	Target Allocation
American Century Sustainable Equity Inv	AFEIX	10%
DWS ESG Core Equity I	DESGX	10%
Invesco Water Resources ETF*	PHO	10%
iShares ESG Advanced MSCI USA ETF*	USXF	10%
iShares MSCI KLD 400 Social Index ETF*	DSI	10%
Neuberger Berman Sustainable Equity I	NBSLX	10%
Parnassus Core Equity I	PRILX	10%
Pioneer Y	PYODX	10%
Putnam Sustainable Leaders Y	PNOYX	10%
Xtrackers S&P 500 ESG*	SNPE	10%

## Sustainable Investing Equity Model Portfolio Guidelines

- Inventory of equity mutual fund and ETFs is established based upon sustainable investing characteristics and factors discussed above. To be considered for inclusion, all mutual funds and ETFs must have an Average or higher Morningstar Sustainability Rating. (see disclosures for criteria definition)
- Each mutual fund and ETF is then evaluated and a matrix is created to compare the inventory of mutual funds and ETFs versus each other. Ranking criteria will include trend, relative strength versus the market and relative strength versus peers.
- The 10 highest rated mutual funds and ETFs will be placed in the portfolio and be equally weighted. The inventory of mutual funds and ETFs will generally be evaluated and re-rated on a regular basis. Whenever there is a change in the portfolio's holdings, the whole portfolio will be rebalanced so that each ETF is equally weighted. The portfolio is only rebalanced when there is a change in the portfolios holdings.

## Sustainable Investing Growth & Income Model Portfolio

Current Fixed Income Holdings (35%)	Symbol	Target Allocation
Calvert Short Duration Income I	CDSIX	7%
Calvert Bond I	CBDIX	7%
Calvert Core Bond I	CLDIX	7%
Impax High Yield I	PXHIX	7%
Invesco Floating Rate ESG Y	AFRYX	7%

## Current Equity Holdings (65%)

American Century Sustainable Equity Inv	AFEIX	6.5%
DWS ESG Core Equity I	DESGX	6.5%
Invesco Water Resources ETF*	PHO	6.5%
iShares ESG Advanced MSCI USA ETF*	USXF	6.5%
iShares MSCI KLD 400 Social Index ETF*	DSI	6.5%
Neuberger Berman Sustainable Equity I	NBSLX	6.5%
Parnassus Core Equity I	PRILX	6.5%
Pioneer Y	PYODX	6.5%
Putnam Sustainable Leaders Y	PNOYX	6.5%
Xtrackers S&P 500 ESG*	SNPE	6.5%

## Sustainable Investing Growth & Income Model Portfolio Guidelines

- Weighting of 65% to the same 10 mutual funds and ETFs that comprise the Sustainable Investing Equity Model Portfolio.
- Weighting of 35% to a diversified portfolio of sustainable fixed income mutual funds and ETFs.





# Disclosures & Definitions

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**Mutual Funds and Exchange-Traded Products (ETPs) are sold by prospectus. Before investing, please consider the investment objectives, risks, charges and expenses of the fund carefully. The prospectus, and, if available, the summary prospectus, contains this and other information and can be obtained by calling the fund company, the ETP sponsor, or your Financial Advisor. You should read it carefully before investing.**

Exchange-Traded Funds are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed, or sold, may be worth more or less than their original cost. Exchange Traded funds may yield investment results that, before expenses, generally correspond to the price and yield of a particular index. There is no assurance that the price and yield performance of the index can be fully matched.

Beta is a measure of the volatility of the fund's total returns to the general market as represented by a corresponding benchmark index of the fund. A beta of more than 1.00 indicates volatility greater than the market, and a beta of less indicates volatility less than the market.

There is no assurance that any fund will meet its investment objective or that the use of smart beta strategies will produce excess returns even if such strategies have done so in the past. Using smart beta ETF selection strategies as a substitute for selecting ETFs tracking more well-known, market-cap or price-weighted indices can be risky, as exposure offered by these strategies could differ significantly from that provided by strategies that select an ETF tracking a market-cap-weighted or price-weighted index.

An investment's social policy could cause it to forgo opportunities to gain exposure to certain industries, companies, sectors or regions of the economy which could cause it to underperform similar portfolios that do not have a social policy. There is no guarantee that any investment strategy will be successful. Risks associated with investing in Environmental, Social, and Governance (ESG)-related strategies can also include a lack of consistency in approach and a lack of transparency in manager methodologies. Some ESG investments may be dependent on government tax incentives and subsidies and on political support for certain environmental technologies and companies. There may also be challenges such as a limited number of issuers and the lack of a robust secondary market. There are many factors to consider when choosing an investment portfolio and ESG data is only one of those components. Investors should not place undue reliance on ESG principles when selecting an investment.

The Morningstar Sustainability Rating for funds helps investors measure portfolio-level risk from environmental, social, and governance, or ESG, factors. To evaluate portfolios, Morningstar uses ratings from Sustainalytics that measure a company's material ESG risk. After evaluation, they roll up the company-level scores on an asset-weighted basis to get a portfolio score. A fund with high ESG risk relative to its Morningstar Global Category would receive 1 globe. A fund with low ESG risk would receive 5 globes. The Morningstar Sustainability Rating for funds helps investors make comparisons across industries and better understand and manage total ESG risk in their investments.

The value style of investing cannot guarantee appreciation in the market value of the fund's holdings. The return and principal value of stocks fluctuate with changes in market conditions. The value type of investing tends to shift in and out of favor. Intrinsic Value is the actual value of a company, or an asset, based on an underlying perception of its true value including all aspects of the business in terms of both tangible and intangible factors. This value may or may not be the same as the current market value.

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