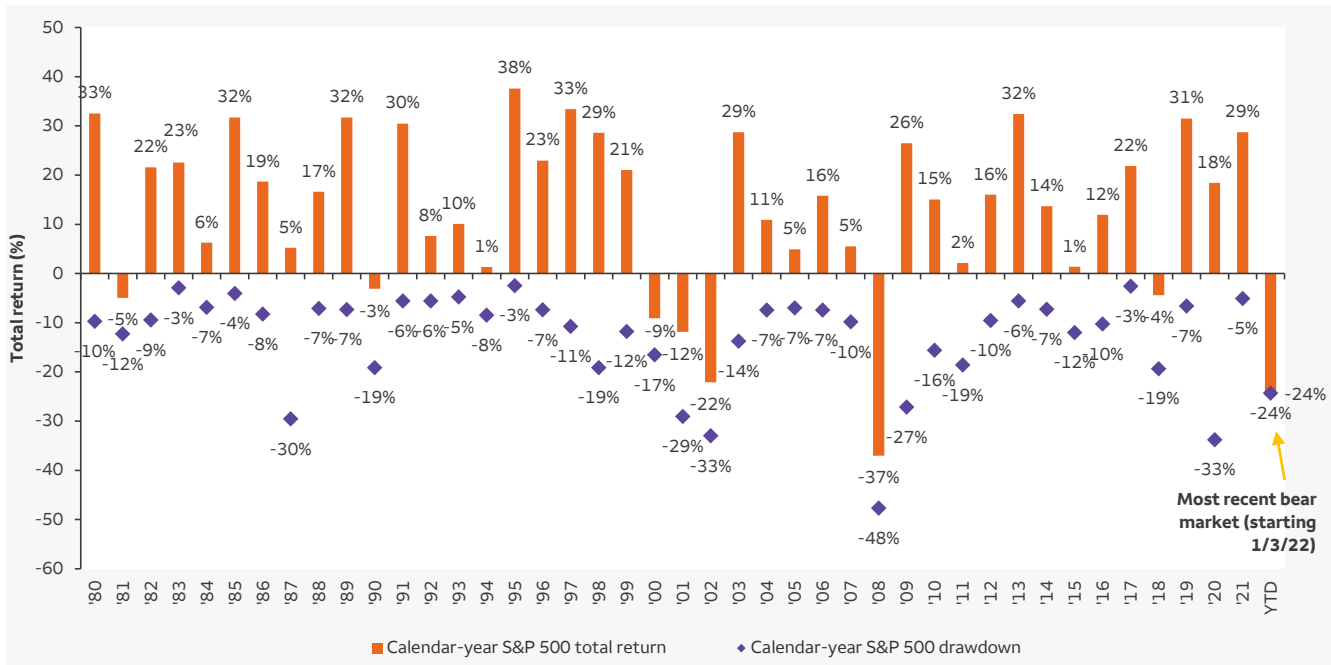


Staying the course



Sources: © 2022 – Morningstar Direct, All Rights Reserved, and Wells Fargo Investment Institute. Data from January 1, 1980 to September 30, 2022. For illustrative purposes only. YTD = year to date. Severe intra-year corrections do not necessarily indicate subpar performance for the calendar year. Analysis was compiled using the daily price of the S&P 500 Total Return Index. **Past performance is no guarantee of future results.** All investing involves risk including the possible loss of principal.

Total return of the S&P 500 Index and calendar-year drawdowns since 1980

Market corrections and downturns can be difficult to endure. The chart shows, however, that corrections of at least 10% are common for the S&P 500 Index. The orange bars represent the total return each year for the S&P 500 Index, while the purple diamonds represent the largest market drops from peak to trough for each calendar year.

In the 42 years from 1980 through 2021, 23 years (or 55%) saw drawdowns of at least 10%. The S&P 500 Index finished with a negative total return in 7 of those 23 years. In the six years when the calendar-year drawdown was 20% or more, as it was through the first three quarters of 2022, the index finished negative three of those years.

What it may mean for investors

Volatility, while not easy to endure, has been a common occurrence in equity markets. However, over the past four decades, investors who stayed the course — and avoided trading into and out of markets — generally have been rewarded for their patience. We believe sell-offs like the ones we have seen in 2022 can offer opportunities for investors to purchase high-quality stocks at reasonable prices.

This chart was excerpted from Q4 2022 *Market Charts*

Investment and Insurance Products: > NOT FDIC Insured > NO Bank Guarantee > MAY Lose Value

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.

An index is unmanaged and not available for direct investment.

General Disclosures

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

The information in this report was prepared by Global Investment Strategy. Opinions represent GIS' opinion as of the date of this report and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally. GIS does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

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

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

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. CAR-1022-01968