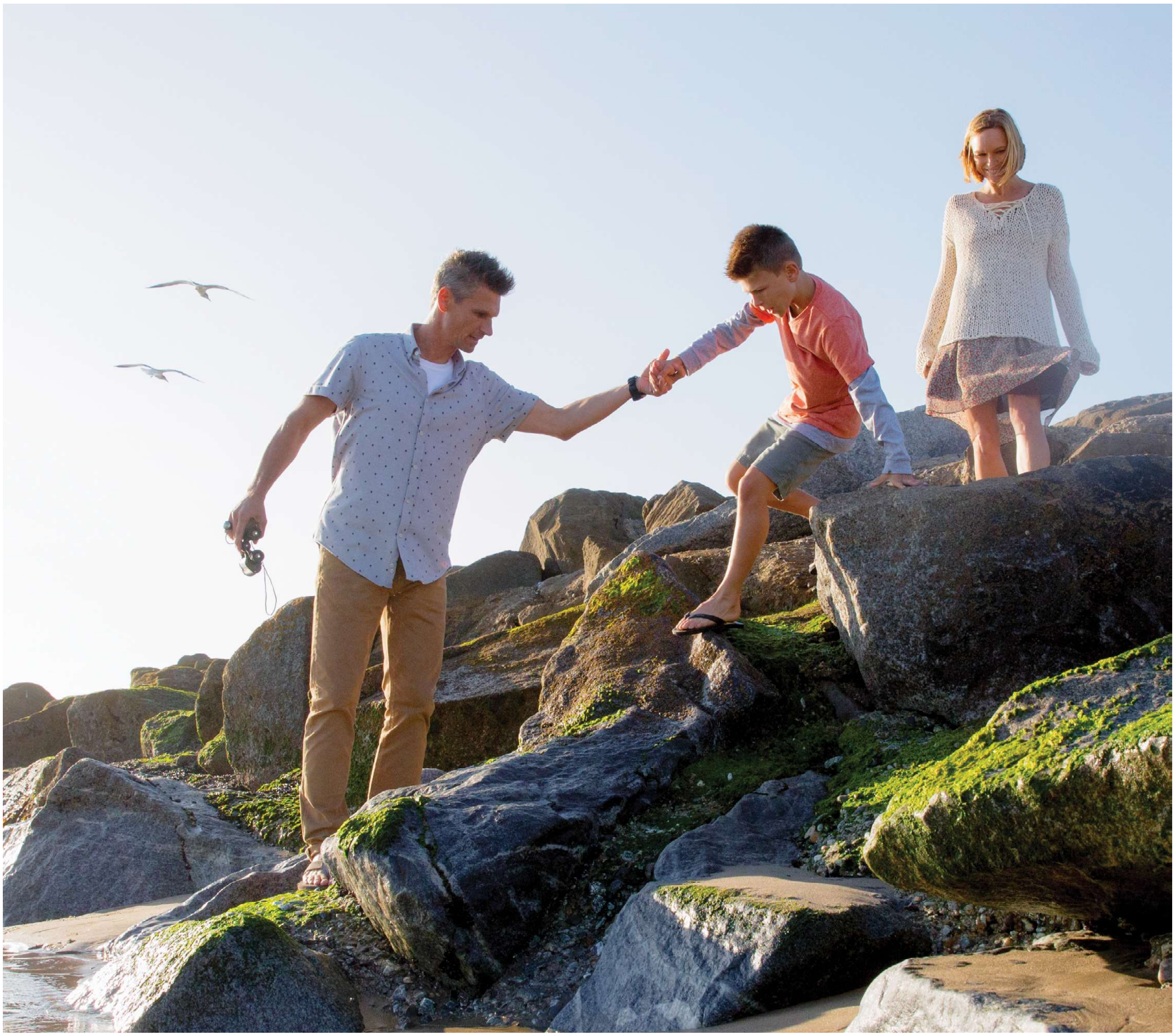
Advisors

Guide to buying annuities



Investment and Insurance Products are:
- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

Summary of the key points contained in this disclosure document

Before you purchase your annuity contract, make sure that you read and understand this guide. While reading this guide, pay special attention to these key points.

Before you buy any investment

It is important to review your financial situation, investment objectives, risk tolerance, time horizon, diversification needs, and need for liquidity. Wells Fargo Advisors wants to make sure that if you are considering purchasing an annuity contract, you have also considered other investment options available to you, including mutual funds and life insurance.

Annuity contracts are designed generally for long-term retirement savings and should not be considered a short-term investment option. For most investors, investing in pretax investment options such as IRAs, 403(b)s, and 401(k)s should generally be fully taken advantage of before investing in an annuity contract.

The liquidation of current assets to purchase an annuity product may result in tax consequences, early withdrawal penalties, or other costs or penalties. You may wish to consult your tax advisor or lawyer before taking such action.

While you will be able to have access to your money in an annuity contract by surrendering your contract or making a withdrawal, an annuity contract generally contains a surrender penalty, assessed by the issuing insurance company, for premature surrenders or withdrawals. Surrenders or withdrawals from an annuity contract before age 59½ may incur a 10% tax penalty in addition to ordinary income tax.

Financial advisors can sell a variety of fixed and variable annuity contracts to meet your specific needs.

How can this guide educate me, and how can I educate myself?

This guide will help you better understand annuity contracts in general and the costs associated with various annuity contract types and features, as well as how your financial advisor and Wells Fargo Advisors are compensated when you invest in an annuity contract. Of course, this guide is not meant to replace the annuity prospectus, the underlying fund prospectuses, statements of additional information, or other offering material prepared by the insurance company. Please read these documents carefully before purchasing an annuity contract. Some of these documents will also describe the annuity contract features that you can choose as you work with your financial advisor.

Your annuity contract documentation should be kept with your other important documents. With most annuity contracts, the annuitant cannot be changed but the owner may be changed, however there may be tax implications. We recommend that you review your contract periodically or when there has been a change in your family situation.

As always, if you have any questions about your annuity investments, please contact your financial advisor.

What is an annuity contract?

An annuity is a contract between you (the contract owner) and an insurance company. You purchase an annuity contract by making either a single payment or a series of payments. Once an annuity contract has been purchased, the insurance company agrees to make periodic payments to you, beginning either immediately or at some future date. Depending on the insurance company's policy, you may have to begin making withdrawals, either systematically or as an annuitization, when you reach a specific age (i.e., age 80 or 90) as described in the contract or offering material prepared by the insurance company. Not all of the annuity contracts and benefits described below are available in all states. Ask your financial advisor about what is available in your state.

We have a responsibility to consider reasonably available alternatives in making a recommendation. We do not need to evaluate every possible alternative either within our products or outside the firm in making a recommendation. We are not required to offer the "best" or lowest cost product. While cost is a factor that we take into consideration in making a recommendation, it is not the only factor.

You should consider factors such as those below prior to accepting a recommendation:

- The potential risks, rewards, and costs in purchasing and in the future selling of an investment.
- Your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, and risk tolerance.
- The investment's objectives, characteristics (including any special or unusual features), liquidity, volatility, and likely performance in a variety of market and economic conditions.
- For complex products, you should consider whether less complex or costly products achieve the same objectives.

By accepting a recommendation, you acknowledge that you have considered the above factors to your satisfaction.

Types of annuity contracts

Annuity contracts can be divided into two different types: immediate and deferred. With an immediate annuity, you can convert assets into income and start receiving income payments right away; with a deferred annuity, assets accumulate, tax-deferred, until withdrawals are made, usually during retirement.

Annuity contracts, both immediate and deferred, are offered in two ways: fixed and variable. Some annuity contracts are offered as a combination of fixed and variable. A fixed annuity contract is credited with a fixed or set interest rate, which is guaranteed by the insurance company. A variable annuity fluctuates depending on the investment performance of the investments selected. We also describe another kind of fixed annuity called a fixed indexed annuity.

Throughout this guide, the word "guarantee" refers to guarantees that are backed by the claims-paying ability of the issuing insurance company. If the insurance company is unable to meet the claims, the payments may not be made.

Annuity and insurance products have certain guaranteed elements as well as certain non-guaranteed elements that you should be aware of. Non-guaranteed elements could include such things as premium amounts, cap rates, participation rates, and interest rate renewals. Some of these elements may have a minimum guarantee, but above that minimum, the amount or rate may be subject to change based on the insurer's discretion. Please review the prospectus, offering documents, any hypotheticals or illustrations to understand what elements are guaranteed and what elements are non-guaranteed.

The following is a more detailed look at the various types of annuity contracts available today.

Immediate annuities

An immediate annuity provides a stream of income for a specified period of time that you select. This stream of income is typically referred to as an annuitization. You pay a single purchase payment, and income payments typically begin 30 days later. Once you have selected a payment plan (monthly, quarterly, semi-annual, or annual), income payments will last for the length of time selected. Payment options include:

- period- or term-certain annuitization where payments are made for a specified period or term such as 10 years;
- life annuitization where payments last for the life or joint life of the contract annuitant(s);
- life with period-certain annuitization where payments last the longer of the life of the annuitant(s) or the period-certain periods; or,
- life with cash or installment refund, where payments last for the life of the annuitant, and if the annuitant dies before receiving the full premium back, the remaining premium amount is paid out in a lump sum or series of payments.

Upon death of the owner/annuitant of an immediate annuity, if the payment period has not ended and the contract payments are continued under the contract, the contract beneficiaries will receive the remainder of the required payments. Once the payment period has ended, the owner/annuitant will not receive any additional payments and will not receive any additional principal payment. These payout options typically cannot be changed once the client has selected them. An immediate annuity can be purchased on either a variable or fixed basis.

Immediate variable annuities

Immediate variable annuities offer a stream of income payments that will change during the term of the payout period. These payments will vary up or down following the first payment depending on the performance of the underlying subaccounts owned in the contract. The underlying subaccounts are in professionally-managed investment options that invest in the stock and/or bond with potentially more income than immediate fixed annuities, but your income payments will be subject to market fluctuation.

Immediate fixed annuities

Immediate fixed annuities offer a fixed stream of income payments that do not change during the term of the payout period. Unlike immediate variable annuities, immediate fixed annuities generally do not provide any protection against inflation as payments made are fixed during the term of the immediate annuity.

Given the irrevocable nature of these contracts, investors should carefully consider their financial needs before they enter into one of these contracts.

Deferred annuities

A deferred annuity allows you to accumulate money tax-deferred for long-term goals such as retirement. When you are ready to receive income from your annuity, you can withdraw funds as needed, or set up a regular withdrawal schedule guaranteed by the insurance company, which would last over a given time period in the same manner as for immediate annuities. Deferred annuities can be purchased on either a fixed or variable basis. If you purchase an annuity within a tax-qualified retirement plan, such as an IRA or 401(k), you will get no additional tax advantages from the annuity. Therefore, you should consider whether your annuity purchase would be more appropriate in a non-tax-qualified account. You should consider buying an annuity in a tax-qualified retirement account only if it makes sense because of the annuity's other unique features and benefits, such as lifetime income payments, death benefit protection, or an attractive interest rate on a fixed annuity. You should assess whether these other features and benefits of the annuity and the associated costs justify the purchase within a tax-qualified plan.

There are several types of deferred annuities: fixed annuities, variable annuities, indexed variable annuities, and fixed indexed annuities.

Deferred fixed annuities

A deferred fixed annuity contract has a guaranteed fixed interest rate for a stated period of time. Depending on the terms of the contract, the issuing insurance company may adjust the rate periodically. When you buy a deferred fixed annuity contract, your money is placed in the general account of the insurance company. A specified rate of return (less any surrender charges) is guaranteed by the insurance company for a specified period of time and backed by its claims-paying ability. How the insurance company sets its rates depends on the terms of the annuity contract. Some annuity contracts offer multiple guaranteed interest periods with differing guaranteed interest rates. At the expiration of the period, you can choose to continue the annuity contract for the same period at a new guaranteed rate, or you can choose a different period at its new guaranteed rate. Depending on the annuity contract, other options may be available, such as making a withdrawal, surrendering the annuity contract without a surrender charge, or beginning to receive periodic payments. Some fixed annuity contracts contain a Market Value Adjustment (MVA) feature. If a withdrawal above the free withdrawal amount is made prior to the end of the rate guarantee period, an MVA may apply. This MVA may be positive or negative, depending on the interest rate environment at the time of withdrawal. A negative MVA would cause a reduction to the contract value in addition to any applicable surrender charges. Generally speaking, MVAs are negative in an increasing interest rate environment and positive in a declining interest rate environment.

Sometimes an insurance company guarantees the initial interest rate for a period of time, typically three to five years, but then resets the interest rate periodically, at its own discretion. In addition, if you make a withdrawal or surrender your contract during the surrender charge period, a surrender charge may be assessed (see discussion of fees and charges later in the guide).

Deferred fixed annuities offer a guaranteed minimum rate of interest, not subject to equity market volatility. The rate, once set for the period, is not affected by fluctuations in market interest rates or the insurance company's yearly profit. However, deferred fixed annuities offer little flexibility, generally no adjustment against inflation, and less potential for growth than variable deferred annuities. Please read the contract and/or offering material, and consult with your financial advisor on the interest rates and the terms of the interest-rate guarantees, before purchasing a fixed annuity.

Deferred income annuities

A deferred income, or longevity annuity, is a fixed annuity designed to provide a guaranteed income stream after a waiting period of two years or more. The income is paid out in the same manner as a fixed immediate annuity described above. The income stream will vary based on the age at which the income starts and the payment method chosen. Flexibility to change the income start date may be limited based on the product chosen. Deferred income annuities are generally irrevocable, so investors should carefully consider their liquidity and income needs prior to purchasing one of these contracts.

Deferred fixed indexed annuities

A deferred fixed indexed annuity is a type of fixed annuity that credits interest based on changes in a market index, such as the S&P 500. A fixed indexed annuity is an insurance contract and is not invested in securities or the associated index; however, the change in the index will determine how much interest is credited to the contract. Typically, when the index is up during the specified period, then interest is credited, but that interest is subject to a cap or a spread. The cap or spread may significantly limit the upside potential when the index is rising. If the associated index is down during the specified period, there will not be any interest credited to the annuity contract; however, your contract will not decline in value. Fixed indexed annuities generally have a surrender charge period lasting from five to eight years. Liquidating or surrendering a contract before expiration of the holding period will typically reduce your return, may void any guarantees, and may result in a negative return. In addition, if you make a withdrawal or surrender your contract during the surrender charge period, a surrender charge and MVA (see explanation above) may be assessed.

Strategies — There are different methods to calculate the gain in the index to which the annuity is linked. These methods are complex and vary by insurance company. There are three primary crediting methods:

- Point-to-point — Uses the change in the index value on an annual or biennial basis and credits interest based on the change during that period.

- Monthly average — Compares the average index value over a 12 month period with the index value at the beginning of the term. If the average value is greater than the beginning index value, then interest would be credited.
- Monthly sum — Measures the index gain (up to a cap) or loss each month and sums those returns over a 12 or 24 month period. If the sum is positive, interest is credited to the contract.

Regardless of the calculation used, if the index value declines during the period, you may not receive interest for that period, but your contract will not decline in value. Note that if you have elected an optional rider, the associated fee could reduce your contract value.

Caps and spreads — The interest credited to an index annuity will typically be subject to a cap rate or a spread rate. These rates are set periodically by the insurance company, as outlined in your contract.

- Cap rate — A cap rate limits the amount of interest that will be credited to your contract during the crediting period. For example, if the contract has a 5% cap rate and the index returned 15% during the period, only 5% would be credited to the contract. The cap may be reduced or increased at the discretion of the insurance carrier at the end of each crediting period.
- Spread rate — A spread rate reduces the amount of interest credited to your contract during the crediting period. For example, if the contract has a spread rate of 1.50% and the index returned 7% during the period, 5.50% (7% return less the 1.5% spread) would be credited to the contract. The spread may be increased or decreased at the discretion of the insurance carrier at the end of each crediting period.

You should understand when the insurance carrier can change the cap and spread rates and what the minimum cap rates or maximum spread rates are prior to purchasing an indexed annuity.

Index Options — A fixed indexed annuity may have several index options to choose from. Typically a well known index such as the S & P 500 is available. Insurance carriers may also offer customized index options. These may employ strategies to limit the volatility of returns. It is important to note that the returns on these customized options can vary widely from traditional indices linked to the stock market.

Fixed accounts — Many indexed annuities have a fixed account option. Amounts allocated to this option are credited a fixed interest rate set by the insurance carrier, and are not tied to an index. The interest rate may be changed at the end of each term (typically annual) at the discretion of the insurance carrier, but never at a rate less than the minimum guarantee rate set forth in the contract.

Deferred variable annuities

A deferred variable annuity generally offers a diverse selection of investment options, usually referred to as subaccounts. These subaccounts have varying investment objectives and risk levels. Be sure that the investment options you select are consistent with and appropriate for your particular investment goals and objectives. The return on a variable annuity investment will depend on your investment allocation and the performance of the subaccounts you choose. You may experience a negative return in a variable annuity subaccount. If you make a withdrawal or surrender your contract during the surrender charge period (see below), a surrender charge may be assessed. In addition, you can transfer your money from one investment option to another without paying current tax on your investment income and gains.

This is an important feature because it permits you to change your investment strategy (for example, from moderate risk to conservative risk), or change from poorly performing subaccounts to other subaccounts, without surrendering the contract. Dividends, interest, and capital gains remain invested, tax-deferred, until withdrawals are made, allowing you to control when income taxes are paid.

Excessive trading between subaccount investment options, otherwise known as “market timing,” is not a permitted activity. The insurance company may charge a fee for excessive transfers and freeze subaccount transfer privileges if “market-timing” activities occur. Often a variable annuity also includes a fixed account, which offers a guaranteed fixed interest rate for a stated period of time. This means that during the accumulation phase of a deferred variable annuity, you can allocate your investment not only to one or more variable investment options, but to a fixed investment option as well.

Indexed variable annuity

Indexed variable annuities (also known as Registered Indexed Linked Annuities) are designed to provide an additional option to potentially grow retirement assets within a tax-deferred annuity. Investment options available within indexed variable annuities are similar to those offered in traditional variable annuities and fixed indexed annuities. The key difference is the availability of index options that include buffer or floor strategies. A buffer strategy provides protection against a certain amount of loss during the strategy period. For example, if your contract has a 10% buffer, and the index declined 15%, the insurance carrier would absorb the first 10% of losses, and you would be responsible for the remaining 5%. A floor strategy limits the amount of loss you would have during the strategy period. For example, if your contract has a 10% floor, and the index declined 15%, you would be responsible for the first 10% of loss, and the insurance carrier would absorb the remaining 5%. These index options offer downside protection to help limit investment loss due to market downturns, however they will not eliminate the potential for market loss. Should you liquidate your contract, there is no guarantee that you will receive your principal back.

Indexed variable annuities include investment options with cap rates that may limit the upside potential of the investment. This is described in the "Deferred indexed annuities" section above.

Like traditional variable annuities, an indexed variable annuity may include a return of premium death benefit. This means your beneficiaries receive the original premiums (less withdrawals) paid into the contract, regardless of the current market value of the annuity contract.

Similar investments offered outside of an annuity, such as mutual funds or market-linked investments, may be available at a lower cost. Index returns are not fund returns. An index is unmanaged and not available for direct investment. Past performance is no guarantee of future results.

Annuity fees and charges

There are several types of fees and charges in an annuity contract. Be sure you understand all these expenses before you invest. They will affect the value of your account and the return on your annuity.

If you withdraw money from an annuity contract or surrender the contract within a certain period of time after investing (the "surrender charge period," typically three to 10 years), the insurance company may assess a contingent deferred sales charge or CDSC. Usually, the surrender charge is a percentage of the purchase payment withdrawn, and it declines gradually over the surrender charge period. For example, a 7% charge might apply in the first year after investing, 6% in the second year, 5% in the third year, and so on, until the surrender charge no longer applies. New surrender charge periods usually start with each new purchase payment invested in the annuity, so new purchase payments may extend the surrender charge period beyond the original surrender charge period established at the purchase date.

However, many contracts will allow you to withdraw part of your account value each year — generally your annual interest earned, cumulative earnings, or up to 10% or 15% of your purchase payment — without paying a surrender charge (tax penalties may still apply, however). Some annuities do not have a surrender charge period or surrender charges. Your financial advisor can discuss any surrender period and charges associated with the annuity you are considering. When choosing an annuity contract, you should consider all charges and benefits — not just surrender charges.

Fixed annuity fees and charges

When you buy a fixed annuity, your money is placed in the general account of the insurance company. When the insurance company sets the interest rate to be credited to an annuity contract, it usually considers not only the prevailing market rates, but also the costs of issuing and maintaining the annuity contract. Your financial advisor is paid a commission for selling the fixed annuity to you. The insurance company pays this commission out of its assets, which include any profits it makes on the annuity contracts.

Fixed indexed annuity fees and charges

Surrender charges and annual contract charges may apply to an index annuity, as outlined above. For complete information on how the interest rate will be credited and on the fees and charges associated with an index annuity, please consult your financial advisor. Your financial advisor is paid a commission for selling an indexed annuity. The insurance company pays this commission out of its assets. See the discussion of fixed annuity fees and charges above.

Variable annuity fees and charges

In addition to the surrender charges mentioned on the previous page, variable annuities have other expenses you should be aware of. These fees and charges will reduce the value of your account and the return on your investment. They can include:

- Mortality and expense (M&E) risk charge. This charge is equal to a certain percentage of your account value, typically from 1.15% – 1.45% per year for retail contracts or 0.10% to 0.55% for advisory contracts. The M&E risk charge can be used by the insurance company to offset the costs of selling the variable annuity, such as a commission paid to your financial advisor for selling the variable annuity to you, and to compensate the insurance company for the insurance risks that it assumes under the insurance contract.
- Administrative fees. The insurer may deduct charges to cover recordkeeping and other administrative expenses. This may be charged as a flat account maintenance fee (perhaps $25 or $30 per year) and/or as a percentage of your account value (typically about 0.15% per year). Some insurance companies waive the flat account maintenance fee on larger account values.
- Subaccount expenses. You will also pay fees and expenses imposed by the underlying investment options in a variable annuity. The fees and expenses of the subaccounts include annual operating expenses such as management fees, 12b-1 (distribution) fees, cost of shareholder mailings, and other expenses. These expenses can range from 0.25% annually for money-market subaccounts to as much as 2% or more. On average, subaccounts cost between 0.90% – 1.10% annually. For a detailed explanation of these expenses, see the prospectus for the underlying funds.
- Fees and charges for other features. Certain features offered by some variable annuities — such as a stepped-up death benefit, a bonus credit feature, a guaranteed minimum income benefit, a guaranteed minimum withdrawal benefit, a guaranteed minimum accumulation benefit, or an earnings enhancement benefit — often carry additional fees and charges. Some of the features and options will be discussed below. Often the variable annuity contract will provide that once you have elected a particular benefit, you cannot later have that benefit removed. Therefore, before making any selection, you should discuss the long-term consequences with your financial advisor, including the long-term costs of such benefits.

Other charges, such as fees for transferring part of your account from one investment option to another, may also apply, and certain additional restrictions may be imposed upon your contract when you elect these features. You can find a description of the charges, and other important information for any variable annuity that you are considering, in its prospectus.

Indexed variable annuity fees and charges

In addition to surrender charges mentioned previously, indexed variable annuities may have other expenses that may be applied. Some products have a Mortality and Expense or contract charge, similar to variable annuities. This charge may be applied to the entire contract or to the variable subaccounts. In addition, a charge may be applied for the death benefit feature or other optional features. Additional information on contract fees and charges can be found in the product prospectus.

Types of variable annuity contract structures

Insurance companies offer many types of contract structures to meet various investor needs. The structures offered vary in many ways, including the surrender charge, surrender charge period, and ongoing M&E costs, and are categorized into several different share classes. Insurance companies can offer variable annuity contracts with no surrender charge period (often called C share annuities), surrender charge periods of three to four years (L share annuities), and surrender charge periods of six to seven years (B share annuities). Bonus credit annuities offer a bonus credit of 2% to 6%, based on the amount invested in the annuity, and can have even longer surrender charge periods of seven to 10 years. Advisory share annuities (sometimes referred to as I shares) have no surrender charge and must be purchased in an advisory account. Wells Fargo Advisors may not offer certain share classes.

Generally, annuities impose the surrender charge during the initial period that begins after the contract is purchased. However, some will begin a new surrender charge period with each subsequent payment. Once the surrender charge period ends, the contract is out of surrender and no further surrender charges will apply to withdrawals. However, gains on withdrawals are still subject to income tax and, if taken prior to age 59½, a 10% IRS penalty tax may apply.

M&E expenses are an ongoing cost, typically listed as an annual cost and applied daily to the contract. Generally, the M&E fees are represented differently across share class and have an inverse relationship to surrender charges. The cumulative effect of the M&E fees should be considered in conjunction with risk tolerance, investment objectives, age, and time horizon in determining the appropriate share class to purchase. Wells Fargo Advisors offers B and Advisory (i.e., I) share classes.

B share annuities do not have an initial sales charge, but do have a surrender (CDSC) charge. You will pay this sales charge when you make a partial or full surrender from the annuity during the CDSC period. The product prospectus will specify the terms of the surrender schedule. A typical B share surrender schedule averages five to seven years, with the surrender charge ranging from 5% to 9% and decreasing until it reaches zero. B share annuities generally offer the lowest ongoing cost as the M&E charges are lower than other share class options. B shares are generally the most appropriate choice for investors with no short-term liquidity concerns and/or with a need for long-term optional riders. Some insurance carriers may offer the following optional features that may be purchased for an additional cost.

- Premium bonus — This feature offers a premium enhancement or purchase payment credit that provides the purchaser with an upfront return on their principal. The amount of the credit will vary by contract. In all cases, purchase payment credits are treated as earnings for distribution purposes and may be subject to income tax. The premium bonus will typically range from 2% to 6%, and will cost an additional 0.40% to 0.70%. This cost will go away after the CDSC period is completed.
- Example: You purchase a variable annuity contract that offers a bonus credit of 5% on the initial purchase payment. You make a purchase payment of $20,000. The insurance company issuing the contract adds a bonus credit of $1,000 to your account, raising the total initial amount of the contract to $21,000.
- You need to carefully consider the net benefit that the bonus feature can offer you and whether or not the additional fee paid for the bonus outweighs the benefit that the bonus provides. The fees may equal or exceed the bonus received and the CDSC period may be extended. In some products, the bonus credit does not "vest" until after a period of time or "vests" in increasing percentages over a period of time. In other products, the bonus credit is credited immediately but may be recaptured if the contract is surrendered or a withdrawal is made during a specified period of time.
- Shortened surrender charge — This feature provides the flexibility of a shorter declining CDSC schedule of four years. The cost for this additional feature will range from 0.35% to 0.50%. This cost will go away after the CDSC period is completed. Shortened surrender charge options may be appropriate for investors willing to pay higher annual costs for greater liquidity. When purchasing an optional long-term income rider, and a shortened surrender charge option, you should consider the long-term nature of the rider when deciding whether or not you

want to pay an additional cost for a shorter CDSC period. Your financial advisor will receive lower compensation if you elect an optional shortened surrender charge feature.

Advisory share annuities have no back-end surrender charges. M&E charges contained in advisory share annuities are typically lower than other share classes, but advisory share annuities must be purchased in an advisory account. Depending on the advisory fee arrangement, over time, your total expenses to own this annuity inside your investment advisory account may be greater than the total expenses to own a similar annuity outside your investment advisory account. Advisory annuities are appropriate for clients who want to receive ongoing advice on their annuity within the advisory account relationship.

These annuity contract structures vary in features, the fees and expenses charged, and the compensation paid to your financial advisor. Please ask your financial advisor to explain the contract structures available to make sure that any contract you purchase matches your investment time horizon and financial goals.

Summary of share classes

Share Class	"B share"	"C share" (Not offered by WFA)	Liquidity rider/ Shortened surrender period (not offered by WFA)	"I share" (Advisory share)	Bonus credit annuity (not offered by WFA)	Traditional "L share" (not offered by WFA)
Typical Surrender Charge	5% – 9% declining over the surrender period	None	5% – 7% declining over the surrender period	None	7% – 9% declining over the surrender period	5% – 7% declining over surrender period
Typical Surrender Period	5 – 7 years	None	4 years	None	7 – 10 years	3 – 4 years
Typical M&E expense	1.15% – 1.45%	1.60% – 1.95%	1.45% – 1.80%, reducing by 0.35% – 0.50% after 4th year	0.30% – 0.65%	1.40% – 1.75%	1.60% – 1.75%
Annual dollar cost of M&E expense on a hypothetical $10,000 investment	$115 – $145	$160 – $195	$145 – $180 years 1 – 4 $110 – $130 after year 4	$30 – $65	$140 – $175	$160 – $175
Client considerations	Generally the lowest long-term cost. Most appropriate when using long-term optional riders.	Highest M&E, for clients who want full liquidity. Generally not appropriate when using long-term optional riders.	Higher M&E for 4 years, for clients who want more flexibility and liquidity. Lower long-term cost vs. Traditional "L share."	M&E typically lower, but additional advisory fee should be considered. Most appropriate for clients who want ongoing advice.	2% – 6% bonus payments. Bonus should not be used to offset surrender charges if replacing another annuity.	Greater liquidity with higher M&E.

Optional annuity features

Annuities offer many features you may want to consider. They may be included as part of the contract, or they may be optional features or riders that you elect at the time of purchase.

Each optional feature typically carries a charge. This approach gives you the ability to select and pay for only the features you need. Since you may not be able to change your initial selection later, you should carefully consider these optional features before making a selection.

Optional features that can be added to contracts include guaranteed minimum death benefits, a bonus credit, guaranteed minimum income benefits, guaranteed minimum accumulation benefits, guaranteed minimum withdrawal benefits, and long-term care benefits.

These features do not guarantee against day-to-day market fluctuations, and may be affected by subsequent additions or withdrawals during the accumulation phase of your annuity contract. However, they do provide additional features that may be valuable to you. If purchasing on a variable annuity contract, these features typically require limitations on the investment options you can choose.

There is no guarantee that this insurance feature, if purchased, will ever come into effect. Therefore, it is possible that you will receive no additional benefit for having incurred the additional expenses and contract restrictions associated with these riders.

It is important to note that the benefit base is not a cash or account value, and so is not indicative of the market value of your contract at any given point in time during the accumulation phase.

Guaranteed minimum death benefit (GMDB)

Deferred annuity contracts usually provide for a death benefit if the owner and/or the annuitant dies while the contract is still in the accumulation phase. The payout structure of the death benefit varies by contract. The benefit can be payable as a lump sum or as annuity payments that generally must be paid in a specified period of time. If a spouse is the sole beneficiary, the spouse may have the additional option of continuing the contract tax-deferred.

Variable annuity contracts have traditionally offered a GMDB during the accumulation period. The GMDB is generally equal to the greater of (a) the contract value or (b) purchase payments less prior withdrawals. Several annuity contracts allow you, for an additional charge, to "step-up" or "ratchet" the death benefit up to the contract value on a specified date (i.e., annually). In addition, some contracts will raise the GMDB floor at a specified rate (i.e., 5% annually) for an additional charge.

Guaranteed minimum income benefit (GMIB)

A GMIB is typically offered as an optional feature or rider to a variable annuity contract for an additional charge, generally ranging from 1.00% to 1.25%. Contracts with GMIBs have a waiting period, typically 10 years, before the benefit can be exercised. Age limits may also apply. For some contracts, if the benefit is exercised, only fixed immediate annuity payments are available.

The GMIB ensures under certain conditions that the owner may annuitize the contract based on the greater of (a) the actual account value or (b) a "benefit base" equal to purchase payments credited with some interest rate (usually between 3% and 7%) or the maximum anniversary value of the account prior to annuitization. The benefit guarantees that under the stated conditions, the contract owner will receive a minimum cash flow beginning at a future date as described above.

Guaranteed minimum withdrawal benefit (GMWB)

A GMWB (sometimes called a Guaranteed Lifetime Withdrawal Benefit or GLWB) guarantees that you will receive a minimum withdrawal amount from your contract each year. This minimum amount may guarantee the return of your initial investment through systematic withdrawals over time and/or for your life. The amount of withdrawal that can be taken each year is typically between 4% and 7%. These withdrawals may be taken immediately or deferred until a later time. This feature often includes a step-up provision during a deferral period that is based on an annual interest rate (usually between 5% and 7%) and/or the contract value at specified periods (i.e., annually or quarterly). Once withdrawals begin, the step-up provisions may change. Many GMWBs offer a joint option that allows the guarantee to be based on the life of both spouses. This feature does not require you to make withdrawals from your contract, and the withdrawals may be started and stopped at any time. It is important to note that a withdrawal exceeding the guaranteed annual amount may have a detrimental effect on the benefit base. The cost for this feature typically ranges from 1.00% to 1.50% or more, depending on the benefit.

Guaranteed minimum accumulation benefit (GMAB)

A GMAB guarantees that after a specified period of time you will receive a minimum contract value. This minimum amount may be the amount of the initial premium or the initial premium with a growth or step-up component. This growth component may be based on the performance of the underlying investments or on a set percentage of the initial premium. Some GMABs may provide a buffer against losses. You would be subject to any losses greater than the buffer amount. For example, if you had a 10% buffer and the value was down 15% at the end of the specified period, you would lose 5%. The specified time period for these benefits may range from 5 to 20 years. At the end of the specified period, if your contract value is less than a guaranteed amount, the insurance carrier will add the difference into your contract. The cost for this feature typically ranges from 0.50% to 1.50%.

Some variable annuities may offer other optional features. Please review their costs and benefits with your financial advisor.

Long-term care benefit

A long-term care benefit is designed to provide an enhanced payment if a client meets certain criteria related to ongoing health issues. These issues may include the inability to perform certain activities of daily living (i.e., bathing, eating, dressing, toileting, continence, and transferring) or cognitive impairment. Some form of underwriting is typically required prior to the purchase of long-term care products, and the cost of the coverage will vary based on your age and the product type. Benefits received for qualified long-term care expenses are typically federal income tax-free. If you have a long-term care benefit, but never access it for long-term care, then typical annuity taxation would apply. Long-term care benefits may be available on both fixed and variable annuities. You should also consider other forms of long-term care insurance that may provide higher amounts of coverage, such as traditional long-term care coverage or life insurance with long-term care benefits.

Investment Only Variable Annuity (IOVA)

IOVA contracts are designed to provide a lower cost option to invest for the purpose of tax-deferral. An IOVA does not have any of the guarantees listed in the sections above. There are no guaranteed death benefits that are associated with a traditional variable annuity, so beneficiaries receive the market value of the contract, even if it is lower than the premiums paid. There are also no GMIB, GMWB, or GMAB living benefits to provide protection in the event of a market downturn. All of the investment risk is borne by you, and should you liquidate your contract, there is no guarantee that you will receive your principal back. Since the primary benefit of this kind of contract is the tax-deferral benefit, Wells Fargo Advisors does not offer IOVAs within an IRA or qualified plan unless a death benefit or other protection feature can be added to the contract. These plans already provide tax-deferral, so there is no added benefit to purchasing an IOVA within them. Similar investments offered outside of an annuity, such as mutual funds, may be available at a lower cost.

Free look provision

You have the right to cancel your annuity contract within the free look provision period (usually 10 days following delivery of your annuity contract or whatever period is required by your state). If you exercise this provision, you will receive a refund in accordance with the terms of the contract and your state's regulations. In some instances, if the market value of the contract has declined during the free look period, you may not receive your entire initial purchase payment.

Loans and withdrawals

Loans and withdrawals have a negative impact on cash values and may also diminish any death benefit, guaranteed minimum living benefit, value of riders, or other features of your contract. Some contracts may also require a minimum value to keep an existing contract in force and you, the owner of the contract, have the responsibility to maintain such minimums to preserve the features of the contract.

Loans are generally not available from an annuity contract, except in certain qualified plans. If the annuity is part of a qualified plan, the loan must be repaid prior to the employee's termination from the employer or the amount will be considered a withdrawal, and will be subject to the penalty and taxes discussed on page 12. Please refer to your annuity contract for a complete description of these options.

Annuity tax issues

Although annuities generally allow your investment to be held on a tax-deferred basis, you should be aware of certain tax issues before you purchase an annuity. For example:

- Gains or earnings on withdrawals from annuities, including partial withdrawals and surrenders, may be taxable. Generally, a withdrawal or distribution from an annuity consists of both an earnings component (taxable) and a principal component (non-taxable return of investment). If you take a taxable withdrawal before age 59½, you may have to pay a 10% penalty to the IRS on the amount of the gain in your contract, in addition to your normal income taxes.
- Taxable distributions from an annuity are generally taxed at the contract owner's ordinary income-tax rate and do not get the benefit of lower tax rates received by certain capital gains and dividends under current tax laws.
- If an annuity contract is owned by a non-natural entity (such as a corporation, partnership, or LLC), the contract is generally not eligible for tax-deferral.
- IRS Revenue ruling 2011-38 applies to situations where an annuity holder uses a portion of the cash value of an existing annuity contract to purchase another annuity, commonly called a partial exchange. Withdrawals made from either contract within 180 days following the exchange will invalidate the tax-free nature of the exchange.
- The death of a contract owner (and, in some cases, the death of an annuitant) may result in taxable distributions that must be made from the contract within a specified period of time.
- Upon the death of the owner/annuitant of a contract, gains may be taxable to the beneficiary; the annuity assets may be included in the owner's estate; there is no step-up in the tax basis; and annuity assets will bypass probate, unless the contract owner's estate is the named beneficiary or no beneficiary is named. You should review your beneficiary designations periodically. Designations can be changed during the term of the annuity. Upon the death of the owner or annuitant, the insurance company should be notified immediately and settlement options reviewed.
- The tax-deferral benefit offered by annuities provides no additional tax benefit if they are held in tax-qualified accounts such as an IRA, 403(b), or 401(k). Special rules governing annuities issued in connection with a tax-qualified retirement plan restrict the amount that can be contributed to the contract during any year, the time when amounts can be paid from the contract, and the amount of any death benefit that may be allowed. In addition, the rules provide for different results when distributions, including death benefits, are made from these types of annuity contracts.

If you have purchased your annuity as an investment plan in an IRA account, the IRA custodian will be responsible for any tax reporting with respect to the annuity. Since distributions from an IRA must be reported, distributions will be paid and reported from the custodial account, which may include other assets in addition to your annuity contract. Therefore, if you wish to take a distribution from your annuity, you should first contact your financial advisor, not the insurance company. Please consult your tax advisor and consider all the tax consequences before purchasing an annuity.

Tax-free exchange of annuities

Section 1035 of the Internal Revenue Code allows you to exchange an existing annuity contract for a new one without paying any taxes on the income and investment gains in the original annuity account. The “1035 exchange” can be useful if another annuity has features that you prefer, such as a better optional benefit, different annuity payout options, or a wider choice of investments.

However, you may be required to pay surrender charges on your original annuity if you are still in the surrender charge period. In addition, a new surrender charge period generally begins when you exchange into the new annuity. This means that, for a significant period (as much as 10 years), you typically will be subject to a surrender charge (which can be as high as 9% of your withdrawals) if you withdraw funds from the new annuity. If your original contract hasdecreased in value below its living or death benefit, you will be giving up the difference by surrendering the contract. Further, the new annuity may have higher annual fees and charges than your existing annuity, which can reduce your returns.

What should I consider before investing in an annuity?

Annuities are long-term investments designed to meet retirement and other long-range goals. Annuities are not appropriate for pursuing short-term investment goals, because substantial taxes and charges from the insurance company may apply if you withdraw your money early. Variable annuities also involve investment risks.

Before investing in any annuity contract, you should learn about the specific annuity you are considering.

Variable annuities are sold by prospectus. You should request a prospectus and any other available material from the insurance company or from your financial advisor and read it carefully before you invest. The prospectus contains important information about the annuity contract that you should carefully consider before you invest — including risks, fees and charges, investment options, benefits, annuity payout options, and other important information.

You should compare the benefits and costs of the annuity to other annuities and to other types of investments, such as mutual funds and life insurance, which could be more appropriate for your situation.

Before you decide to purchase an annuity, consider the following questions:

- Are you taking advantage of all your other tax-deferred opportunities, such as 401(k)s and IRAs?
- Will you use the annuity primarily to save for retirement or a similar long-term goal?
- Are you investing in the annuity through a retirement plan or IRA (which would mean that you are not receiving any additional tax-deferral benefit from the annuity)? If so, are there features and benefits in the annuity contract, other than tax-deferral, that make an annuity purchase appropriate?
- Are you willing to take the risk that your account value may decrease if the underlying investment options in an annuity perform poorly?
- Do you understand the features of the annuity?
- If you are considering a fixed annuity, do you understand how interest will be credited to the annuity contract?
- Do you understand all of the fees and expenses that the annuity charges?
- Do you intend to keep your money in the annuity long enough to avoid paying any surrender charges if you have to withdraw money?
- If a variable annuity offers a bonus credit, will the bonus outweigh any higher fees and charges that the product may carry?
- Are there features of the annuity that you could purchase separately at a lower cost?
- Have you consulted with a tax advisor and considered all the tax consequences of purchasing an annuity, including the effect of annuity payments on your tax status in retirement or death benefit payments to your beneficiaries?
- If you are exchanging one annuity for another, do the benefits of the exchange outweigh the costs — such as any surrender charges you will have to pay if you withdraw your money before the end of the surrender period for the new annuity?

Insurance company ratings

The insurance company guarantees many features in the annuity, including rates of return for fixed accounts and the features discussed previously, such as the GMDB, GMIB, GMWB, or GMAB. Therefore, the financial strength of the issuing insurance company is very important because the claim paying obligation resides solely and exclusively with the company that issues the contract, not the parent corporation that owns the issuing company. There is no assurance that the current parent company will continue to own the issuing company for the life of the contract.

Several independent, nationally-recognized rating agencies regularly review the financial records of insurance companies to assess their strength and claims-paying ability. The stronger and more secure the issuing company, the more likely it is that the issuing company will be able to pay the benefits offered. However, even a strong rating does not ensure that the issuing company will be able to meet all of its obligations under the annuity contracts. For information about insurance company ratings, ask your financial advisor to provide the ratings, or contact the following rating agencies: A.M. Best Company (ambest.com), Fitch's (fitchratings.com), Standard & Poor's Corporation (standardandpoors.com), and Moody's Investor Service (moodys.com). These ratings do not relate to the past performance or potential performance of the annuity's subaccounts.

Wells Fargo & Company uses a careful review process to select the insurance companies that we do business with. We utilize the rating agency reports, third party research, and internal risk management research to approve companies that we offer, and we monitor financial strength on an ongoing basis.

When insurance companies are not able to meet their obligations, there are safety nets in place through the state guaranty associations. Guaranty funds offer protection up to a limit (which varies by state) to contract holders. For more information about these safety nets, you can go to the National Organization of Life and Health Guaranty Associations website, nolhga.com

The role of your financial advisor

In order to discuss or sell an annuity contract, your financial advisor must be a licensed insurance agent. As a licensed agent, your financial advisor will provide you with information about annuities including features, benefits, risks, and other characteristics needed for you to evaluate the contract, and whether it fits your needs. You can obtain information about the status of your financial advisor's insurance license by visiting the website of your state's department of insurance.

Wells Fargo & Company appreciates your confidence and wants to make your brokerage, banking, and annuity relationships clear and convenient for you. Your Wells Fargo Advisors financial advisor may serve as your relationship manager not only for your brokerage accounts and services with Wells Fargo Advisors, but also for products, such as annuities, and services with Wells Fargo Bank, N.A., including trust accounts of which you may be a beneficiary or agency accounts in which you may have an interest.

The responsibilities of Wells Fargo Advisors and your financial advisor, when acting in a brokerage or investment advisor capacity or in introducing you to insurance services or a banking product or service, are different from the responsibilities of Wells Fargo Bank and your financial advisor when acting in a role as relationship manager for a Wells Fargo Bank trust or agency account. Your financial advisor, in a brokerage or investment advisory capacity, may recommend or assist you with a transaction that does not concern the Wells Fargo Bank trust or agency account for which he or she will be compensated. If you decide to enter into such a transaction, you will receive specific disclosures in connection with the transaction, including all relevant information and a description of the compensation that your financial advisor will receive. You will have the opportunity to ask for more information about the compensation to your financial advisor on such a transaction.

How compensation is paid to Wells Fargo Advisors and your financial advisor

Wells Fargo & Company's subsidiaries and your financial advisor are paid by the issuing insurance carriers whose products we sell. The subsidiaries include Wells Fargo Clearing Services, LLC, Wells Fargo Advisors Financial Network, LLC, Wells Fargo Wealth Brokerage Insurance Agency, LLC, Wells Fargo Advisors Insurance Agency, LLC, and a number of other affiliated insurance agencies registered in the states where we conduct business. Wells Fargo Bank and its subsidiaries receive compensation and other payments in many forms including commissions, residuals or trails, marketing support payments, payments for training and education, and fees for reinsurance transactions. The following sections outline how Wells Fargo and its advisors are paid. For helping you choose an annuity, Wells Fargo Advisors and your financial advisor are paid in ways that vary based on the type of annuity, the issuing insurance company, the share class, and the amount invested. Compensation for Advisory share differs from commission-based products.

Commission-based products

As mentioned above, Wells Fargo Advisors is paid by the issuing insurance company if we sell you their annuity. Under an agreement with the insurance company, Wells Fargo Advisors is paid based on the amount of the purchase payments. Your financial advisor's initial compensation is based on an initial compensation formula applied to the purchase payments. This type of compensation is typically referred to as a commission. Commissions paid to Wells Fargo Advisors range from 0.50% of purchase payments to 5% of purchase payments. For example, a $10,000 transaction in an annuity would pay a commission ranging from $95 to $500. A portion of this commission is credited to the financial advisor.

Wells Fargo Advisors also receives ongoing payments, known as trail commissions, on invested assets that are held in your annuity for more than one year. These ongoing payments are set by the insurance company, and Wells Fargo Advisors generally pays a portion of the trail commissions to financial advisors. Trail commissions generally range from 0% to 1.00% per year on invested assets. Invested assets of $10,000 would equate to a maximum trail of $100 per year assuming there is no growth in the annuity value. In general, the greater the initial commission paid, the lower the trail; and the lower the initial commission, the greater the trail.

Commissions and trails paid to Wells Fargo Advisors vary by product type and may vary by insurance carrier. Additions to older contracts may pay different commission rates to Wells Fargo Advisors. In addition, trail commissions will vary on older annuities.

The compensation formula to determine the amount of payment from Wells Fargo Advisors to your financial advisor is the same for all annuities. Some insurance companies may not pay a uniform commission rate for sales of their annuities than other companies. However, Wells Fargo Advisors does have limits on compensation paid. Branch managers and regional sales managers may also receive monetary incentives based on the revenues and profits of their branches, though not based on the sale of any specific product.

Advisory share products

The insurance carrier does not pay a commission to Wells Fargo Advisors when an advisory share class annuity is purchased. Wells Fargo Advisors and your financial advisor are compensated based on the schedule set forth in your Advisory Program Agreement. Your fee is an agreed upon percentage of the assets in the account. This fee is expressed as an annual percentage (for example, 1.5%), but is charged to your account on a quarterly basis, in advance, and is subject to a minimum dollar amount. This fee is not automatically deducted from the annuity, but is deducted from liquid assets held in your advisory account or another linked account.

As we mentioned earlier, financial advisors can offer you a variety of fixed and variable annuities that are available through Wells Fargo Advisors. While Wells Fargo Advisors offers a broad platform with respect to the variety and number of insurance carriers and annuity products our financial advisors can sell or recommend, we have not reviewed every insurance company or product available for purchase. We reserve the right in the future to limit branch access to insurance carriers and annuity marketing companies that do not provide marketing support or meet other criteria. A list of other important information can be found in the "Other insurance company relationships" section of this guide.

Other compensation your financial advisor may receive from Wells Fargo Advisors

From time to time, the firm initiates incentive programs for associates, including financial advisors. These programs may compensate them for attracting new assets and clients, referring business to our affiliates (such as referrals for mortgages, trusts, or insurance services), and promoting investment advisory services. We may also initiate programs that reward financial advisors who meet total production criteria, prepare Envision® investment plans, participate in advanced training, and/or improve client service.

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

Financial advisors who join Wells Fargo Advisors may be eligible to receive incentives, one-time or ongoing bonuses, and/or other compensation if they reach certain production levels or other targets, which may include attaining commission and/or assets under management objectives within a specific time period after joining the firm. For example, it is a common practice in the brokerage industry for Wells Fargo Advisors and other firms to pay bonuses and/or extend forgivable or working capital loans to encourage financial advisors to join a new firm. The practice may provide your financial advisor with an incentive to recommend the transfer of your account to the new firm. Another example involves associates who refer new financial advisors to Wells Fargo Advisors; these associates may receive referral compensation based on the previous production of the referred financial advisor.

Wells Fargo Advisors also has programs whereby a retired financial advisor may receive compensation for an agreed-upon time frame for production generated by the new financial advisor servicing your accounts, even though the retired financial advisor may not provide further service to you.

How you can get additional information

If you have questions about what role your financial advisor or any other Wells Fargo & Company team member is serving, or what compensation will be paid to your financial advisor for the purchase of an annuity contract, please ask your financial advisor.

Wells Fargo Advisors' relationships with insurance companies

At Wells Fargo Advisors, in addition to the commissions described above, we receive marketing support payments from many of the insurance companies whose annuities we sell. These payments are made by the insurance company, an affiliate of the insurance company, or the investment management company that serves as manager of the underlying investment options for variable annuities. The payments may be used to pay for training and educational conferences and meetings for our financial advisors, company wholesalers, various administrative and recordkeeping costs, educational meetings and seminars for our current and prospective clients, and due-diligence evaluations of the claims-paying ability of the insurance companies whose annuities we sell.

For commission-based products, marketing support payments are usually calculated as a percentage of annuity sales and/or the total assets held in annuities sold by Wells Fargo Advisors as well as annual payments of up to $350,000 per insurance company. For variable annuities, the payments are based on sales and can range as high as 0.20% of your total purchase amount. If, for example, you invested $10,000 in an annuity contract through Wells Fargo Advisors, we could be paid up to $20 for marketing support. In addition, for invested assets that continue to be held in your annuity a year later, we can receive an additional payment of up to 0.05% annually of the dollar value. On a $10,000 holding, that would be an additional $5 per year.

For Advisory share class annuities, non-qualified assets (i.e., annuities not held within an IRA, 401(k), or other ERISA-based accounts) that continue to be held in your annuity a year later, Wells Fargo Advisors receives up to 0.10% annually of the dollar value. On a $10,000 holding, that would be an additional $10 per year.Insurance companies may also pay state insurance initial appointment fees and appointment renewal fees on behalf of Wells Fargo & Company's insurance agencies and financial advisors. Appointment fees typically do not exceed $100 per appointment.

None of these payments are passed on to your financial advisor as commissions or ongoing payments. However, the payments may be used to fund some of the general benefits provided to your financial advisor that are described above. We believe that these financial arrangements do not affect the advice your financial advisor offers you.

Insurance companies and their affiliates use a variety of sources for funding the commissions and payments described above. The funding sources may include, but are not limited to, the fees and charges assessed by the insurance company under the annuity contract; revenues from the underlying investment options, if any, received by the insurance company, an affiliate of the insurance company, or the investment management company that serves as manager of the underlying investment options for variable annuities; and investment earnings on amounts allocated to the general account of the insurance company. Some of the information on certain of these funding sources and payments for variable annuities can be found in the prospectus or statement of additional information for the annuity, which is available on request from the insurance company. You can also find additional information regarding revenues from the underlying investment options in their prospectuses and statements of additional information.

The insurance companies at the end of this guide pay Wells Fargo Advisors for marketing support and/or service fees. For an updated list, see **wellsfargo.com** or **wellsfargoadvisors.com**.

Other insurance company relationships

Wells Fargo & Company and/or its affiliates have business relationships with some of the insurance companies that could include, among other things, providing underwriting services and other financing activities, advice on mergers and acquisitions, reinsurance, and commercial lending arrangements.

More specifically, as part of our relationships with insurance companies:

- Allspring Global Investments may be utilized as an underlying investment or subadvisor on the subaccounts. Allspring Global Investments ("Allspring") is the trade name used by the asset management businesses of Allspring Global Investments Holdings, LLC. This group of companies includes Allspring Funds Management, LLC, the investment adviser to each of the mutual funds within the Allspring Global family of funds, and Allspring Funds Distributor, LLC, the principal underwriter of the Allspring Global mutual funds. It also includes Allspring Global Investments, LLC, an investment adviser to pooled investment vehicles and separately managed accounts.
- Wells Fargo will have no role in the management of Allspring. However, Wells Fargo will retain less than a 10% equity ownership interest in Allspring and, for a limited period of time following the close of the sale, continue to provide research and certain non-advisory transition services to Allspring for a fee. WFCS will continue to receive compensation from Allspring for the distribution, administrative and operational services that we provide to the Allspring Global mutual funds. Additionally, WFCS and Wells Fargo Investment Institute, Inc. ("WFII") will continue to provide Allspring, for a fee, with thematic recommended lists and research regarding individual equities used by Allspring to construct portfolios for separately managed accounts that are exclusively distributed by WFCS and its related persons. For a limited period of time, WFII will also continue to provide manager research to Allspring for a fee.

- Wells Fargo's equity ownership in Allspring and the agreements by WFCS and its related persons to provide ongoing services and research to Allspring for a fee will provide us with a financial incentive to continue to recommend to our clients products that are managed and distributed by Allspring, including mutual funds, sweep vehicles, and separately managed account programs. Although Allspring will not be a related person of WFCS, WFCS and its related persons will continue to benefit from the sales of these products to a greater extent than the sale of other third-party products in which we do not have a similar financial interest.
- Sometimes the annuity contracts offered are customized for Wells Fargo Advisors.
- Wells Fargo & Company affiliates currently have reinsurance agreements with insurance carriers, which issue annuities through Wells Fargo Advisors. Reinsurance is the practice in which one insurance company, called the reinsurer, assumes some or all of the liability of another insurance company on insurance contracts it has issued. Such arrangements can result in either a financial gain or loss to those affiliates.
- Goals are not based on any particular carrier. We intend to make all recommendations based solely on our obligations to consider the clients' objectives and needs.

Should you have any questions about the affiliated subaccounts offered, the availability of products offered by financial advisors, or whether the annuity contract has been customized for Wells Fargo Advisors, ask your financial advisor.

Below is a list of insurance companies and annuity marketing companies that paid Wells Fargo Advisors for marketing support, account administration, or recordkeeping services in 2023. The companies that pay marketing support and the formulas by which they compensate us are subject to change in the future.

Allianz

Athene

Brighthouse Financial

Corebridge Financial

Equitable Holdings

Global Atlantic

Jackson National

Lincoln Financial Group

MassMutual Ascend

Nationwide

New York Life

Pacific Life

Prudential Financial

Symetra

Transamerica Life Insurance

Annuities are long-term investments appropriate for retirement funding and are subject to market fluctuations and investment risk. Fees are charged to pay for death benefits and other riders guaranteed by the issuing insurance company. Withdrawals from an annuity before age 59½ may incur a 10% tax penalty in addition to ordinary income tax, and surrender charges generally apply in the early years of the contract.

Variable annuities are long-term investments appropriate for retirement funding and are subject to market fluctuations and investment risk.

Advisory accounts are not designed for excessively traded or inactive accounts, and may not be appropriate for all investors. Please carefully review the Wells Fargo Advisors advisory disclosure document for a full description of our services.

To learn more about annuities, ask your financial advisor, or visit the following websites:

Wells Fargo Clearing Services, LLC — Private Client Group and Wells Fargo Advisors Financial Network — **wellsfargoadvisors.com**

Wells Fargo Advisors — Wealth Brokerage Services (in-bank financial centers) — **wellsfargo.com**

Insured Retirement Institute — **irionline.org**

Financial Industry Regulatory Authority — **www.finra.org**

U.S. Securities and Exchange Commission — **sec.gov**

Securities and insurance products

Throughout this guide, the word “guarantee” refers to guarantees backed by the claims-paying ability of the issuing insurance company. If the insurance company is unable to meet the claims, the payments may not be made. Annuities are available through insurance subsidiaries of Wells Fargo & Company and other underwriters.
Not available in all states.

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies.

Favorable investment performance could result in a contract value that exceeds the benefit of the rider. In that case, the investor gets no additional benefits for the costs associated with the rider and investment returns would be reduced by the additional expense.

Over time the total expense of owning an annuity in an advisory account may be higher than in a retail account.

Wells Fargo Advisors is not a legal or tax advisor. However, its financial advisors will be glad to work with you, your accountant, tax advisor, and/or lawyer to help you meet your financial goals.