

Data as of December 31, 2025

Cash Alternatives returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
Bloomberg 1-3 Month U.S. Treasury Bill Index	0.3	1.0	4.3	4.3	4.9	3.2	2.2	1.5	5.3	5.1	1.5	0.0	0.5

Global Fixed Income returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
Bloomberg Multiverse Index	0.3	0.3	8.4	8.4	4.3	-1.9	1.5	1.3	-1.3	6.0	-16.0	-4.5	9.0
Bloomberg U.S. Aggregate Bond Index	-0.1	1.1	7.3	7.3	4.7	-0.4	2.0	2.4	1.3	5.5	-13.0	-1.5	7.5
Bloomberg U.S. Aggregate 1-3 Year Index	0.4	1.2	5.4	5.4	4.8	2.0	2.1	1.7	4.4	4.6	-3.7	-0.5	3.1
Bloomberg U.S. Aggregate 5-7 Year Index	0.0	1.4	8.3	8.3	5.2	0.3	2.2	2.5	1.8	5.5	-10.8	-2.3	7.9
Bloomberg U.S. Aggregate 10+ Year Index	-1.4	0.0	6.6	6.6	2.8	-5.0	1.9	3.4	-4.1	6.4	-27.1	-2.5	16.1
Bloomberg U.S. Agg Gov/Credit	-0.3	0.9	6.9	6.9	4.6	-0.6	2.2	2.6	1.2	5.7	-13.6	-1.7	8.9
Bloomberg U.S. Treasury	-0.3	0.9	6.3	6.3	3.6	-1.0	1.4	1.9	0.6	4.1	-12.5	-2.3	8.0
Bloomberg U.S. Corporate High Yield Index	0.6	1.3	8.6	8.6	10.1	4.5	6.5	6.0	8.2	13.4	-11.2	5.3	7.1
Bloomberg U.S. Municipal Bond Index	0.1	1.6	4.2	4.2	3.9	0.8	2.3	3.3	1.1	6.4	-8.5	1.5	5.2
Bloomberg U.S. Municipal High Yield Index	-0.2	1.1	2.5	2.5	6.0	2.2	4.3	5.3	6.3	9.2	-13.1	7.8	4.9
J.P. Morgan GBI Global Ex U.S. (Unhedged)	0.1	-2.0	6.9	6.9	0.8	-6.2	-0.7	-0.9	-7.8	4.0	-21.9	-9.5	10.5
J.P. Morgan GBI Global Ex U.S. (Hedged)	-0.6	0.3	1.3	1.3	3.7	-0.8	1.9	2.7	2.3	7.6	-12.1	-2.1	4.4
J.P. Morgan EMBI Global	0.5	3.0	13.5	13.5	9.8	1.7	4.3	4.5	5.7	10.5	-16.5	-1.5	5.9
J.P. Morgan GBI EM Global Diversified (Local Currency)	1.5	3.3	19.3	19.3	9.5	1.1	3.9	1.4	-2.4	12.7	-11.7	-8.7	2.7
BofA Preferred Stock Fixed Rate Index	0.5	-0.3	5.1	5.1	7.4	1.6	4.0	5.0	7.1	10.2	-14.6	2.2	6.9
Bloomberg Global Inflation Linked Index	0.4	0.7	9.1	9.1	3.6	-2.5	1.5	1.9	-3.7	5.8	-22.9	2.7	12.7

Global Equities returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
S&P 500 Index	0.1	2.7	17.9	17.9	23.0	14.4	14.8	14.1	25.0	26.3	-18.1	28.7	18.4
S&P 500 Equal Weight Index	0.4	1.4	11.4	11.4	12.8	10.5	11.7	11.9	13.0	13.9	-11.4	29.6	12.8
Dow Jones Industrial Average	0.9	4.0	14.9	14.9	15.3	11.6	13.1	12.5	15.0	16.2	-6.9	20.9	9.7
NASDAQ Composite Index	-0.5	2.7	21.1	21.1	31.4	13.3	17.6	16.7	29.6	44.6	-32.5	22.2	44.9
Russell 1000 Index	0.0	2.4	17.4	17.4	22.7	13.6	14.6	13.9	24.5	26.5	-19.1	26.5	21.0
Russell 1000 Growth Index	-0.6	1.1	18.6	18.6	31.1	15.3	18.1	16.6	33.4	42.7	-29.1	27.6	38.5
Russell 1000 Value Index	0.7	3.8	15.9	15.9	13.9	11.3	10.5	10.8	14.4	11.5	-7.5	25.2	2.8
Russell MidCap Index	-0.3	0.2	10.6	10.6	14.3	8.7	11.0	11.1	15.3	17.2	-17.3	22.6	17.1
Russell MidCap Growth Index	-1.3	-3.7	8.7	8.7	18.6	6.6	12.5	12.2	22.1	25.9	-26.7	12.7	35.6
Russell MidCap Value Index	0.1	1.4	11.0	11.0	12.3	9.8	9.8	10.3	13.1	12.7	-12.0	28.3	5.0
Russell 2000 Index	-0.6	2.2	12.8	12.8	13.7	6.1	9.6	9.5	11.5	16.9	-20.4	14.8	20.0
Russell 2000 Growth Index	-1.3	1.2	13.0	13.0	15.6	3.2	9.6	9.9	15.2	18.7	-26.4	2.8	34.6
Russell 2000 Value Index	0.2	3.3	12.6	12.6	11.7	8.9	9.3	8.7	8.1	14.6	-14.5	28.3	4.6

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

Global Equities returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
MSCI All Country World Index (ACWI)	1.1	3.4	22.9	22.9	21.2	11.7	12.3	10.4	18.0	22.8	-18.0	19.0	16.8
MSCI ACWI (Local Currency)	0.8	3.7	20.2	20.2	21.0	12.7	12.5	11.4	20.7	22.2	-15.6	21.4	14.8
MSCI EAFE Index	3.0	4.9	31.9	31.9	17.8	9.5	8.7	7.1	4.3	18.9	-14.0	11.8	8.3
MSCI EAFE Index (Local Currency)	2.1	6.2	21.2	21.2	16.5	12.0	9.1	8.9	11.8	16.8	-6.5	19.2	1.3
MSCI EM Index	3.0	4.8	34.4	34.4	17.0	4.7	8.9	4.2	8.1	10.3	-19.7	-2.2	18.7
MSCI EM Index (Local Currency)	2.6	5.7	32.1	32.1	18.3	7.1	10.0	7.0	13.7	10.3	-15.2	0.1	19.5
MSCI Frontier Markets Index	4.8	6.6	47.5	47.5	22.0	10.1	8.3	5.7	9.9	12.2	-26.1	20.1	1.7
MSCI Frontier Markets Index (Local Currency)	4.1	6.8	41.2	41.2	23.6	12.9	10.4	8.0	15.2	16.1	-21.2	23.3	1.1

Real Assets returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
FTSE EPRA/NAREIT Developed Index	-1.0	-0.5	10.7	10.7	7.8	3.8	4.2	5.5	2.0	10.9	-24.4	27.2	-8.2
Bloomberg Commodity Index	-0.3	5.8	15.8	15.8	4.0	10.6	5.7	-1.1	5.4	-7.9	16.1	27.1	-3.1
Alerian MLP Index	-1.6	3.8	9.8	9.8	20.0	25.9	8.8	6.3	24.4	26.6	30.9	40.2	-28.7
S&P Global Infrastructure Index	-0.7	2.4	22.6	22.6	14.6	11.0	9.4	8.0	15.1	6.8	-0.2	11.9	-5.8
Bloomberg Sub WTI Crude Oil Index	-1.3	-5.7	-7.9	-7.9	0.9	15.7	2.1	-6.5	13.7	-2.0	24.9	61.6	-50.7
U.S. Dollar Index	-1.1	0.6	-9.4	-9.4	-1.7	1.8	0.0	1.5	7.1	-2.1	8.2	6.4	-6.7

Alternative Investments returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
HFRI Fund Weighted Composite Index	1.6	2.9	12.6	12.6	10.2	7.1	6.6	5.2	9.8	8.1	-4.1	10.2	11.8
HFRI Relative Value Index	0.5	1.4	7.5	7.5	7.7	5.9	5.3	4.9	8.6	7.0	-0.7	7.6	3.4
HFRI Macro Index	1.9	3.6	7.2	7.2	4.0	5.7	3.9	2.6	5.5	-0.3	9.0	7.7	5.4
HFRI Event Driven Index	1.5	2.2	11.0	11.0	10.4	7.6	7.0	5.6	9.8	10.4	-4.8	12.4	9.3
HFRI Equity Hedge Index	1.8	3.3	17.3	17.3	13.5	8.0	8.1	6.2	11.9	11.4	-10.1	11.7	17.9
Wilshire Liquid Alternative Index	-0.8	0.3	6.0	6.0	5.6	3.1	2.8	2.3	4.4	6.2	-5.6	4.7	3.2

Liquid Investment Objectives returns	MTD	QTD	YTD	1-year	3-year	5-year	10-year	15-year	2024	2023	2022	2021	2020
Conservative Income	-0.1	1.4	9.0	9.0	7.5	1.9	3.5	3.3	4.7	8.7	-13.5	2.5	8.2
Moderate Income	0.1	1.7	10.8	10.8	9.4	3.4	5.2	5.0	6.7	10.6	-14.1	5.2	10.7
Aggressive Income	0.2	1.9	12.2	12.2	10.8	4.5	6.4	6.2	8.1	12.1	-14.4	7.2	12.4
Conservative Growth & Income	0.3	2.1	13.5	13.5	11.6	5.3	7.2	6.4	9.1	12.4	-14.3	8.3	14.0
Moderate Growth & Income	0.4	2.3	14.6	14.6	12.9	6.2	8.2	7.3	10.5	13.7	-14.7	10.2	14.8
Aggressive Growth & Income	0.5	2.4	15.6	15.6	14.2	7.2	9.0	8.2	12.0	15.1	-15.1	12.1	15.0
Conservative Growth	0.6	2.7	17.7	17.7	15.3	8.0	9.6	8.5	12.7	15.6	-15.7	13.5	16.0
Moderate Growth	0.8	2.8	19.0	19.0	16.3	8.6	10.2	9.0	13.6	16.5	-16.2	14.4	16.6
Aggressive Growth	0.9	3.1	20.9	20.9	17.4	9.2	10.8	9.3	14.4	16.9	-16.6	15.1	17.0

Sources: Bloomberg, © Morningstar Direct, All Rights Reserved<sup>1</sup>, and Wells Fargo Investment Institute. Dynamic strategic allocations are as of December 31, 2025. Index return information and performance results for the Investment Objectives are provided for illustrative purposes only. Performance results do not represent actual trading or experience of any individual investor. In addition, results do not reflect the impact of any fees, expenses, or taxes applicable to an actual investment. The indices reflect the historical performance of the represented assets and assume the reinvestment of dividends and other distributions. HFR performances for the most recent month are preliminary. Investment objectives assume the recommended asset allocation and are rebalanced quarterly. Dynamic allocations change as needed with adjustments to the strategic allocations. The objectives represent the benchmark-only returns and do not represent any manager selection. MTD = month to date, QTD = quarter to date, YTD = year to date. An index is unmanaged and not available for direct investment. Please see the end of the report for risk considerations and index definitions. **Past performance is no guarantee of future results.**

## Index definitions

### Cash Alternatives

**Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

### Global fixed income

**Bloomberg Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

**Bloomberg U.S. Aggregate Bond Index** is composed of the Bloomberg Capital U.S. Government/Credit Index and the Bloomberg Capital U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

**Bloomberg U.S. Aggregate 1-3 Year Bond Index** is the one to three year component of the Bloomberg U.S. Aggregate Index, which represents fixed-income securities that are SEC-registered, taxable, dollar-denominated, and investment-grade.

**Bloomberg U.S. Aggregate 5-7 Year Bond Index** is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 5-7 years.

**Bloomberg U.S. Aggregate 10+ Year Bond Index** is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 10 years or more.

**Bloomberg U.S. Aggregate Government/Credit (Agg Gov/Credit) Index** is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

**Bloomberg U.S. Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issues by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting.

**Bloomberg U.S. Corporate High Yield Bond Index** is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

**Bloomberg U.S. Municipal Bond Index** represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million and a remaining maturity of at least one year.

**Bloomberg U.S. Municipal High Yield Index** measures the non-investment grade and non-rated U.S. dollar-denominated, fixed-rate, tax-exempt bond market within the 50 United States and four other qualifying regions (Washington DC, Puerto Rico, Guam and the Virgin Islands).

**JPMorgan GBI Global ex-U.S. (Unhedged)** in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

**JPMorgan GBI Global ex-U.S. (Hedged)** is an unmanaged market index representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

**JP Morgan Emerging Markets Bond Index Global (EMBI Global)**, which currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

**J.P. Morgan Government Bond Index-Emerging Markets Global Diversified** tracks the performance of bonds issued by emerging market governments and denominated in the local currency of the issuer.

**ICE BofA Fixed Rate Preferred Securities Index** tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market.

**Bloomberg Global Inflation Linked Index** measures the investment-grade, government inflation-linked debt from 12 different developed market countries.

### Global equities

**S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the U.S. stock market. Returns assume reinvestment of dividends and capital gain distributions.

**S&P 500 Equal Weight Index** is the equal-weight version of the widely used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in S&P 500 EW is allocated a fixed weight – or 0.2% of the index total at each quarterly rebalance.

**Dow Jones Industrial Average** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.

**NASDAQ Composite Index** measures the market value of all domestic and foreign common stocks, representing a wide array of more than 5,000 companies, listed on the NASDAQ Stock Market.

**Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

**Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

**Russell Midcap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000<sup>®</sup> Index.

**Russell Midcap Growth Index** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap Value Index** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

**Russell 2000 Growth Index** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2000 Value Index** measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

**MSCI All Country World Index (USD/Local)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 23 emerging markets.

**MSCI EAFE Index (USD/Local)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of 21 developed markets, excluding the U.S. & Canada.

**MSCI Emerging Markets (EM) Index (USD/Local)** is a free float-adjusted market capitalization index that is designed to measure equity market performance of 23 emerging market countries.

**MSCI Frontier Markets Index (USD/Local)** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Frontier Markets Index consists of 24 frontier market country indexes.

### **Real assets**

**FTSE/EPRA NAREIT Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide.

**Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements.

**Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis and on a total-return basis.

**S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

**Bloomberg Sub WTI Crude Oil** is a commodity subindex of the Bloomberg CI composed of futures contracts on crude oil. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**U.S. Dollar Index** indicates the general int'l value of the USD. The index does this by averaging the exchange rates between the USD and major world currencies.

### **Alternative investments**

**HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of \$50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

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

**HFRI Macro Index:** Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposed to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

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

**HFRI Equity Hedge Index:** Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50 percent exposure to, and may in some cases be entirely invested in, equities, both long and short.

Note: While the HFRI Indexes are frequently used, they have limitations (some of which are typical of other widely used indexes). These limitations include survivorship bias (the returns of the indexes may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indexes, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI Indexes are based on information hedge fund managers decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included

in the index until the date that they cease operations. Therefore, these indexes may not be complete or accurate representations of the hedge fund universe and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

The **Wilshire Liquid Alternative Index<sup>SM</sup>** measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative Index<sup>SM</sup> is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index<sup>SM</sup>, Wilshire Liquid Alternative Global Macro Index<sup>SM</sup>, Wilshire Liquid Alternative Relative Value Index<sup>SM</sup>, Wilshire Liquid Alternative Multi-Strategy Index<sup>SM</sup>, and Wilshire Liquid Alternative Event Driven Index<sup>SM</sup>.

#### **Liquid investment objectives**

**Conservative Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 76% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 3% J.P. Morgan EMBI Global, 12% S&P 500 Index, 2% Russell Midcap Index, 2% Bloomberg Commodity Index.

**Moderate Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 60% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% J.P. Morgan EMBI Global, 18% S&P 500 Index, 5% Russell Midcap Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index.

**Aggressive Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 47% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 8% J.P. Morgan EMBI Global, 21% S&P 500 Index, 7% Russell Midcap Index, 7% MSCI EAFE Index, 2% Bloomberg Commodity Index.

**Conservative Growth & Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 39% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% J.P. Morgan EMBI Global, 25% S&P 500 Index, 8% Russell Midcap Index, 7% MSCI EAFE Index, 4% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.

**Moderate Growth & Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% J.P. Morgan EMBI Global, 30% S&P 500 Index, 10% Russell Midcap Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.

**Aggressive Growth & Income Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 20% Bloomberg U.S. Aggregate Bond Index, 7% Bloomberg U.S. Corporate High Yield Bond Index, 6% J.P. Morgan EMBI Global, 34% S&P 500 Index, 12% Russell Midcap Index, 9% MSCI EAFE Index, 6% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.

**Conservative Growth Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 16% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 35% S&P 500 Index, 13% Russell Midcap Index, 3% Russell 2000 Index, 14% MSCI EAFE Index, 9% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index.

**Moderate Growth Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 37% S&P 500 Index, 14% Russell Midcap Index, 4% Russell 2000 Index, 15% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index.

**Aggressive Growth Liquid** = 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 39% S&P 500 Index, 16% Russell Midcap Index, 5% Russell 2000 Index, 18% MSCI EAFE Index, 15% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index.

#### **Dynamic strategic allocations**

Dynamic strategic allocations change each year with changes made to the strategic allocations, representing performance that follows our guidance as it changes.

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## Risk considerations

**Asset allocation, including strategic asset allocation, does not guarantee investment returns or eliminate risk of loss. All investing involves risk including the possible loss of principal. There can be no assurance that any investment strategy will be successful. Investments fluctuate with changes in market and economic conditions and in different environments due to numerous factors some of which may be unpredictable.**

### Asset class risks

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve.

**Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Small- and mid-cap stocks** are generally more volatile, subject to greater risks and are less liquid than large company stocks. **Growth stocks** may be more volatile than other stocks and there is no guarantee growth will be realized. There are no guarantees that **value stocks** will increase in value or that their intrinsic values will eventually be recognized by the overall market. Both growth and value types of investing tend to shift in and out of favor. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation, and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield (junk) bonds** have lower credit ratings and are subject to greater risk of default and greater principal risk. Although **Treasuries** are considered free from credit risk, they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate. **Municipal bonds** offer interest payments exempt from federal taxes, and potentially state and local income taxes. Municipal bonds are subject to credit risk and potentially the Alternative Minimum Tax (AMT). Quality varies widely depending on the specific issuer. Municipal securities are also subject to legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income. **Preferred securities** have special risks associated with investing. Preferred securities are subject to interest rate and credit risks. Preferred securities are generally subordinated to bonds or other debt instruments in an issuer's capital structure, subjecting them to a greater risk of non-payment than more senior securities. In addition, the issue may be callable which may negatively impact the return of the security. The **commodities** markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Investing in a volatile and uncertain commodities market may cause a portfolio to rapidly increase or decrease in value which may result in greater share price volatility. Investments in **master limited partnerships (MLPs)** involve certain risks which differ from an investment in the securities of a corporation. MLPs may be sensitive to price changes in oil, natural gas, etc., regulatory risk, and rising interest rates. A change in the current tax law regarding MLPs could result in the MLP being treated as a corporation for federal income tax purposes which would reduce the amount of cash flows distributed by the MLP. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic conditions.

**Alternative investments**, such as hedge funds, are not appropriate for all investors and are available only to persons who are "accredited investors" or "qualified purchasers" within the meaning of U.S. securities laws. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Hedge funds trade in diverse complex strategies and employ techniques including the use of short sales, leverage, arbitrage, and derivatives. Strategies, such as Equity Hedge, Event Driven, Macro and Relative Value, may be affected in different ways and at different times by changing market conditions and could be out of market favor for considerable periods with adverse consequences for the investor. These strategies expose investors to the risks associated with the use of short selling, leverage, derivatives, and arbitrage methodologies. Short sales involve leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase. The use of leverage in a portfolio varies by strategy. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty, and management risks. Arbitrage strategies expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund. Long/short investing does not guarantee lower risk associated with equity markets, capitalization, sector swings or other factors and may have higher turnover with additional tax consequences. Activist Strategies employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently or prospectively engaged in a corporate transaction, security issuance/repurchase, asset sales, division spinoff or other catalyst oriented situation. Distressed Securities strategies invest in, and might sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation. This may involve reorganizations, bankruptcies, distressed sales, and other corporate restructurings. Market neutral is a type of long-short strategy that takes both long and short equity positions and attempts to hedge out all market exposure by offsetting positions. There is no guarantee a fund will be able to maintain equity market neutrality. Structured credit strategies aim to generate returns via positions in the credit sensitive area of the fixed income markets. The strategy generally involves the purchase of corporate bonds with hedging of interest rate exposure.

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