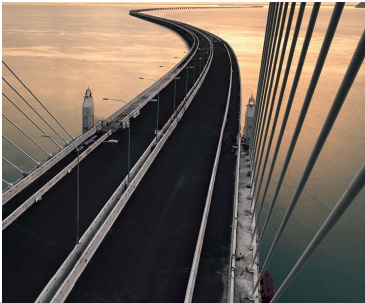


# Investment Strategy



Weekly guidance from our Investment Strategy Committee May 12, 2025

## Asset Allocation Spotlight: Rebalancing in a down market ..... 2

- All major equity classes have rebounded strongly amid optimism that the Trump administration will back off from its most extreme trade policies, along with better than expected earnings from mega-tech companies.
- We recommend a nimble approach to rebalancing for all major asset classes, as we anticipate range-bound markets toward year end.

## Equities: Earnings outlooks have been mixed ..... 4

- First-quarter earnings reports have been solid, but forward guidance has been mixed given ongoing tariff uncertainty.
- In this environment, our guidance prioritizes quality and profitability. We favor U.S. over international equities, and among the U.S. markets, we favor U.S. Large and Mid Cap Equities over low-quality U.S. Small Cap Equities.

## Fixed Income: Preferred stock still an option ..... 5

- Given the higher volatility of the Preferred Securities sub-sector, we recommend that exposure to this sub-sector be diversified among a variety of issuers, sectors, and structures. We strongly recommend that investors consider a professional manager to oversee their preferred allocations.
- Investors should not purchase allocations in the Preferred Securities sub-sector without a full understanding of its risks. We currently have a neutral guidance on the Preferred Securities sub-sector.

## Real Assets: Oil — Tariffs, recession risks, and OPEC+ ..... 6

- Aggressive tariff announcements, economic growth fears, and supply concerns have weighed on oil prices.
- In the coming months, we expect prices to struggle to move meaningfully higher while these uncertainties cloud the outlook. Yet, by year end we see the supply and demand outlook improving alongside sentiment and prices.

## Alternatives: Liquid alternative strategies held up through volatility ..... 7

- Equity Hedge, Event Driven, Global Macro, and Relative Value strategies within liquid alternative mutual funds generally outperformed the S&P 500 Index during the March – April correction.
- Event Driven and Relative Value strategies tend to have absolute-return objectives, which they demonstrated by reporting small gains year to date as of April.

## Current tactical guidance ..... 8

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

# Asset Allocation Spotlight

**Doug Beath**

Global Investment Strategist

## Rebalancing in a down market

After the S&P 500 Index plunged 11% over just three trading days following President Donald Trump's announcement imposing massive tariffs on U.S. trading partners on April 2 and then his threat to fire Federal Reserve (Fed) Chair Jerome Powell, equity markets have experienced a sharp turnaround. Specifically, since the recent bottom on April 8, the S&P 500 has rebounded 14.2% and is currently trading just 7% (as of May 2) below its record high, set on February 19.

Key factors behind the market's quick turnaround include President Trump's decision on April 9 to pause reciprocal tariffs — spurred by mounting stress in the bond market, the president's walking back previous comments regarding Chair Powell, and better-than-expected quarterly results and guidance from mega-tech companies.

A more detailed recap of the market's roller-coaster ride in April up to the present shows the following:

### Global equities

During the sell-off in early April, U.S. large-, mid-, and small-cap equities along with emerging market equities posted similar declines of near-to-low double digits, while developed market equities dropped just 1.7%.<sup>1</sup> The rebound phase was solid across all major equity classes — with gains of around 15% — amid optimism that the Trump administration will back off from its most extreme trade policies. International equities, particularly European equities, have significantly outperformed the U.S. this year due to higher-than-expected earnings forecasts, more stimulus spending from Europe, cheaper valuations, and a weak U.S. dollar relative to other developed countries' currencies.

The Information Technology and Communication Services sectors dragged indexes lower after the April 2 tariff announcement but have been the biggest drivers of the rebound, partly due to the Trump administration's exemptions on phones and other technology devices from its 145% tariff on imports from China. Two defensive sectors — Utilities and Consumer Staples — have also been among the best performers since the market lows, while Financials and Energy have lagged during the recent rally.

### Fixed Income

Investment-grade fixed income, which first rallied during the tariff turmoil as a perceived safe-haven asset, abruptly reversed course following the president's April 2 announcement, with the U.S. dollar dropping sharply in a sign that investors' confidence in the U.S. might be shaken. Bond markets (investment grade and high yield) have since calmed down in the past few weeks, coinciding with the rebound in global equities.

### Real Assets

Oil prices dropped in April to four-year lows based on trade uncertainties and global growth fears. OPEC<sup>2</sup> and its allies (OPEC+)<sup>3</sup> have also added pressure, agreeing to bring on new supply after previously announcing production cuts. In contrast, gold has been making new highs due to potential inflation from tariffs, global central bank demand, and a weakening U.S. dollar.

---

1. Sell off phase was 4/02/25-4/08/25. Rebound phase was 4/09/25-5/02/25.

2. OPEC = Organization of the Petroleum Exporting Countries.

3. OPEC+ = a group of 24 oil-producing nations, made up of the 14 members of OPEC and 10 other non-OPEC members.

© 2025 Wells Fargo Investment Institute. All rights reserved.

## What it means for investors

Despite the sharp rebound in most risk assets, markets are by no means out of the woods, and we expect more volatility along with some resistance as investors continue to evaluate the tariff situation and its impact on the global economy and corporate earnings. Our current forecast is for equity markets to enter a relatively wide trading range once the current rebound phase encounters additional headwinds, before advancing further later in the year and into 2026 as the focus shifts from tariff-related uncertainties to the potential positive outcomes of tax cuts and deregulation.

In the meantime, we favor the following rebalancing strategies specific to our current guidance:

### Global equities

- Stock-bond allocation — Avoid chasing the recent stock market rally and rebalance to designated stock-bond allocations. Look for opportunities to raise cash on market strength, as we anticipate stocks to be range-bound over the next several quarters.
- Consider trimming Developed Market ex-U.S. Equities in light of significant outperformance year to date and reinvesting in high-quality U.S. Large Cap and Mid Cap Equities. Europe and Japan are more dependent on exports than the U.S. and are vulnerable to tariffs. We also anticipate the U.S. dollar to moderately appreciate as major foreign central banks have more leeway to cut rates, plus we expect the U.S. to lead a growth recovery into 2026.
- Consider cutting back on U.S. Small Caps and Emerging Market Equities, which have weaker balance sheets and are more susceptible to a potential economic deceleration.
- Consider realizing some profits in the Information Technology and Industrials sectors, which have outperformed during the rebound phase, and consider adding to Energy and Financials which have lagged.

### Fixed Income

- Consider trimming long-term, investment-grade holdings with 10-year U.S. Treasury yields currently at year-end target levels.
- Structure a laddered, investment-grade portfolio and rebalance with more emphasis on intermediate-term bonds.
- Avoid the temptation to overweight cash and short-term fixed income in extremely volatile markets. We anticipate three additional rates cuts from the Fed this year, reducing the attractiveness of cash-alternative holdings.
- With the recent pullback in high-quality municipal bonds, tax-sensitive investors may consider increasing allocations. We think it's highly unlikely that municipals will lose their tax-exempt status.

### Real Assets

- Crude oil prices are near peak pessimism due to global recession fears and increased supply from OPEC+ nations. We expect more clarity on the tariff situation and stronger economic growth toward the end of the year. The recent pullback in energy stocks and master limited partnerships (MLPs) provides an opportunity for long-term investors to rebalance and dollar-cost-average.
- Gold price has advanced nearly 23.4% year-to-date (as of May 2, 2025), even with the recent pullback, and has exceeded the midpoint of our year-end target range (\$3,000 to \$3,200). We remain favorable on gold, but favor being nimble with this asset class and using our year-end 2025 targets to add or trim positions as prices move lower or higher.
- Notwithstanding the downside and upside volatility in energy and gold, we favor broad exposure to Commodities for investors as market movements and rotations between commodity sectors and sub-sectors is common. We favor a structured rebalancing strategy or dollar-cost-averaging plan for investors currently underweight Commodities, particularly in volatile markets.

# Equities

**Chris Haverland**  
Global Equity Strategist

## Earnings outlooks have been mixed

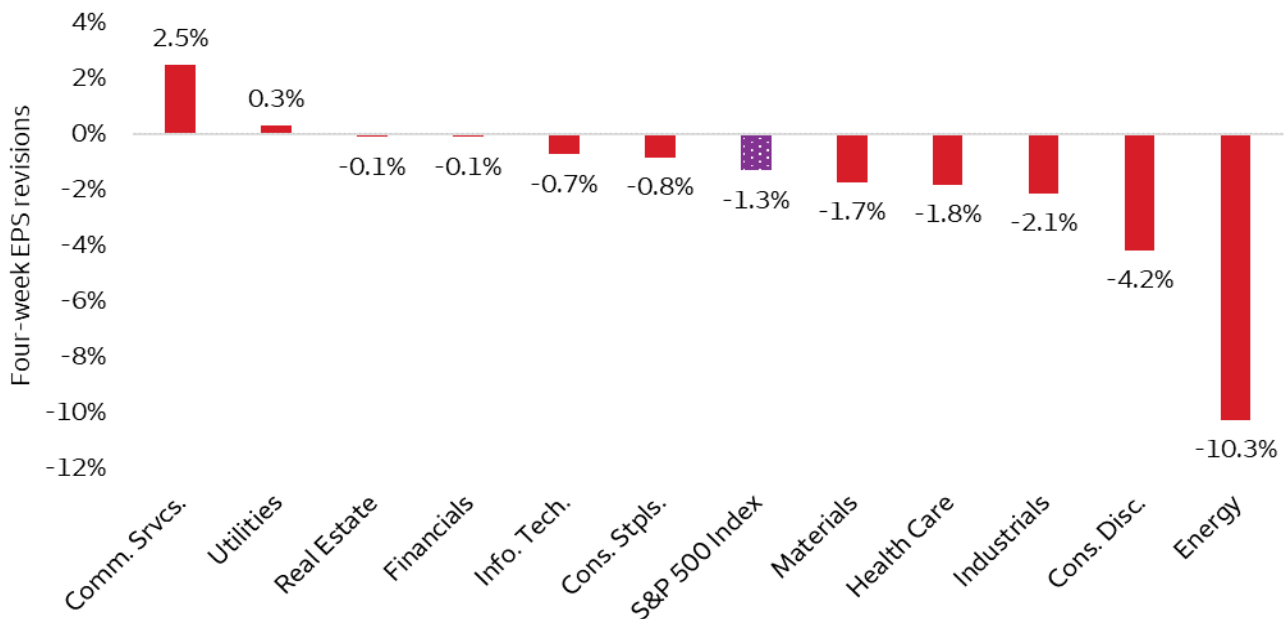
Equity markets have been extremely volatile since the start of earnings season as investors assess the impact of the Trump administration’s trade policy on the economy and earnings. First-quarter earnings reports, however, have shown solid profit growth. With 80% of the S&P 500 Index reporting, revenue growth is tracking toward 5%, and earnings are on pace to grow 12% – 13%.

Seven of 11 sectors have posted earnings growth, with the Health Care, Communication Services, and Information Technology sectors leading the way. The Energy sector is the biggest laggard as oil prices sank early in the year. Company outlooks have been mixed, with some pulling guidance and others providing multiple scenarios given tariff uncertainty.

Large banks mostly beat expectations and reaffirmed guidance. Technology giants generally beat expectations and reaffirmed artificial-intelligence related capital-expenditures guidance. Even so, management commentary has been cautious, with overall mentions of the words “recession” and “uncertainty” spiking. Mixed outlooks have led analysts to cut full-year earnings estimates for most sectors over the past four weeks (see chart below).

In response to the policy uncertainty and expectations for weaker economic growth, we recently lowered our 2025 S&P 500 Index earnings target to \$260, which is below the Bloomberg consensus estimate of \$265 and implies about a 5% growth rate. In this environment, our guidance prioritizes quality and profitability. We favor U.S. over international equities, and among the U.S. markets, we favor U.S. Large and Mid Cap Equities over low-quality U.S. Small Cap Equities.

### 2025 Bloomberg consensus estimates revised lower over the past month



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of May 7, 2025. EPS = earnings per share.

## Fixed Income

**Brian Rehling**

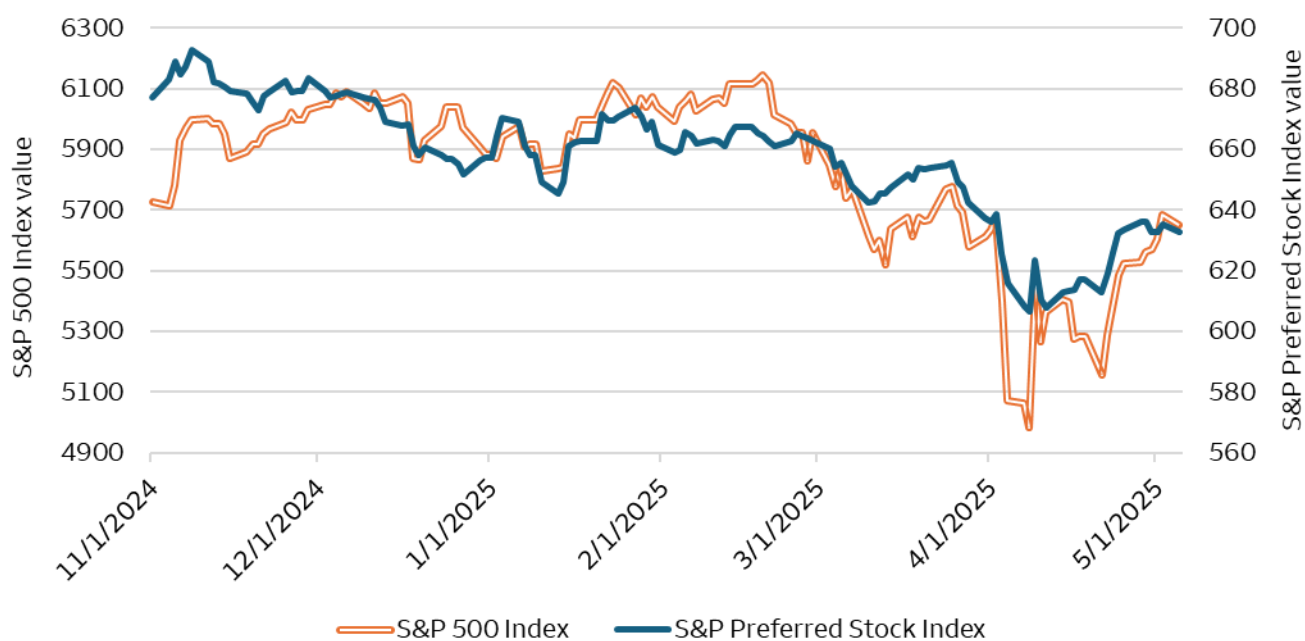
Head of Global Fixed Income Strategy

### Preferred stock still an option

There are a number of features that investors may embrace when adding higher-yielding securities to their portfolio. These can include longer maturities, lower credit quality, less liquidity, and a loss of structural protection. Preferred Securities contain most, if not all, of these qualities. These qualities can also enhance the volatility of this sub-sector during times of market stress.

Recently, markets have experienced heightened volatility. Typically, when interest rates rise, longer-dated fixed-income securities fall in value, and when interest rates fall, longer-dated securities rise in value. While preferred stock often has very long or even perpetual maturities, its performance tends to correlate better to current market risk appetite rather than interest-rate movements. Given the Preferred Securities sub-sector's high correlation with risk sentiment, it has experienced some challenging performance as investors have looked to reduce risk exposure. For investors focused on income generation, we remain neutral on the Preferred Securities sub-sector, and the sell-off provides a more attractive entry point; however, the sub-sector is susceptible to meaningful price declines should markets adopt a risk-off stance.

#### Preferred stock correlation to the S&P 500 Index



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of May 5, 2025. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Investors should expect preferred securities to be one of the more volatile areas within fixed-income, and this volatility must be accepted as a trade-off for the higher yields inherent in the sub-sector. We recommend investors focus on long-term income generation when purchasing preferred securities and strongly recommend that investors consider a professional manager to oversee their preferred allocations.

## Real Assets

*"You may have to fight a battle more than once to win it." — Margaret Thatcher*

**Austin Pickle, CFA**

Investment Strategy Analyst

### Oil — Tariffs, recession risks, and OPEC+

The West Texas Intermediate (WTI) oil price was over \$70 per barrel as recently as April 2. Since then, the price has tumbled and currently is sitting in the \$50 - \$60 range (as of May 7). What happened and what do we expect going forward?

Aggressive tariff announcements and related economic growth fears have been significant headwinds. OPEC+ also announced in early April a larger-than-expected supply increase in response to some members overproducing beyond their agreed-upon quotas. This barrage weighed on prices, and the resultant near 20% April decline was steep enough to earn it a spot in the top 15 worst monthly oil price declines of the past 40 years (see table). And these headwinds have not abated. Tariff uncertainty and recession fears remain, and in early May OPEC+ once again announced another larger-than-expected supply increase.

In the coming months, we expect prices to struggle to move meaningfully higher while these uncertainties cloud the outlook. Yet, when we look toward year end, a brighter picture emerges. Trade policy progress and a modestly accelerating economy should improve the demand outlook. Meanwhile, U.S. supply is likely to be restrained given the time spent below the \$65 average new oil well breakeven price, and OPEC+ will have reduced its spare capacity.<sup>4</sup> In short, we expect the supply and demand balance to modestly improve, which should raise investor sentiment and prices by year end.

#### The 15 worst WTI oil price monthly declines

Rank	Date	Monthly return	6-month forward returns	12-month forward returns	18-month forward returns
1	Mar-20	-54.2%	96.4%	188.9%	266.4%
2	Oct-08	-32.6%	-24.6%	13.6%	27.1%
3	Feb-86	-29.6%	19.9%	25.2%	48.8%
4	Jan-86	-28.4%	-40.8%	-0.4%	13.5%
5	Jan-91	-24.3%	0.7%	-12.3%	1.5%
6	Nov-98	-22.2%	50.1%	119.2%	158.6%
7	Nov-18	-22.0%	5.1%	8.3%	-30.3%
8	Mar-86	-21.4%	41.8%	80.7%	88.0%
9	Nov-21	-20.8%	73.3%	21.7%	2.9%
10	Jul-15	-20.8%	-28.7%	-11.7%	12.1%
11	Dec-00	-20.8%	-2.1%	-26.0%	0.2%
12	Nov-08	-19.7%	21.8%	42.0%	35.9%
13	Dec-14	-19.5%	11.6%	-30.5%	-9.3%
<b>14</b>	<b>Apr-25</b>	-18.6%			
15	Nov-90	-18.1%	-26.8%	-25.6%	-23.4%
Median		-21.4%	8.3%	10.9%	12.8%
% positive		0%	64.3%	57.1%	78.6%

Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data: March 1983 – April 2025. As of May 6, 2025. **Past performance is no guarantee of future results.**

4. Spare capacity refers to the amount of oil production that can be quickly brought online.

## Alternatives

**Arun Kumar, CFA**

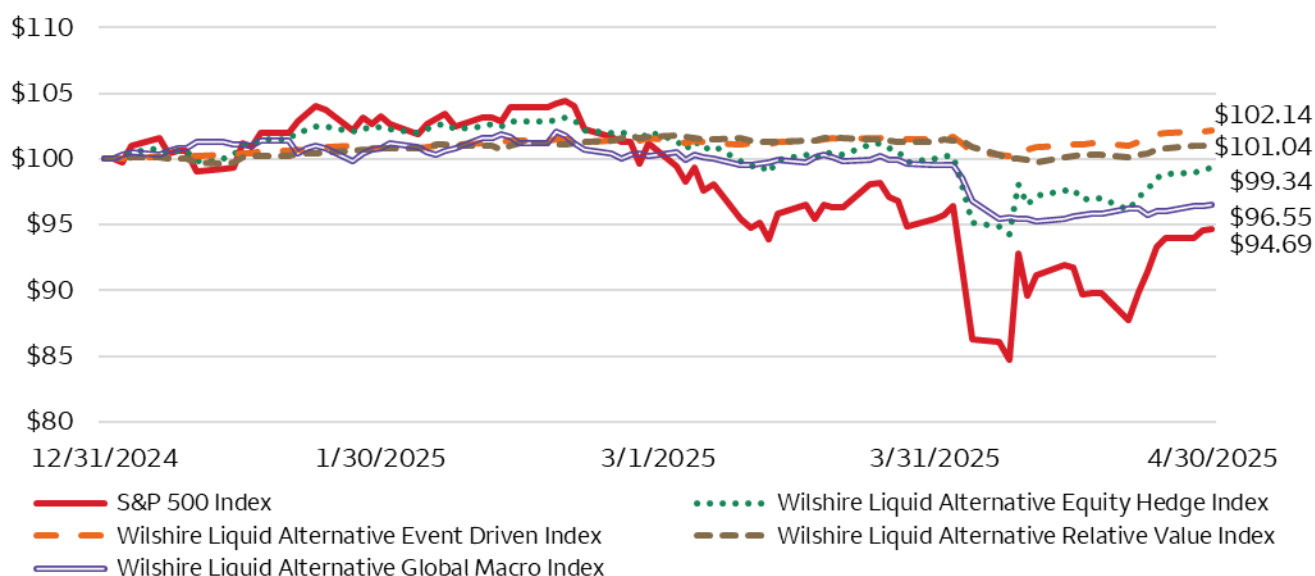
Lead Retail Research Analyst

### Liquid alternative strategies held up through volatility

We review April monthly and year-to-date performance for liquid alternative Equity Hedge, Event Driven, Global Macro, and Relative Value strategies. The chart shows year-to-date performance of various Wilshire Liquid Alternative indexes, which track the respective liquid alternative mutual funds. In line with our favorable outlook, Event Driven and Relative Value strategies generated gains year to date, while all four strategies outperformed during the vicious March – April drawdown in the S&P 500 Index (with an 18.9% peak-to-trough decline).

- The Wilshire Liquid Alternative Equity Hedge Index started with some weakness in March as the tariff news emerged. During April, losses came from growth and large-cap technology stocks, which were widely held by funds. Offsetting gains came from strategies with sizable stock or market hedges.
- The Wilshire Liquid Alternative Event Driven Index reported small gains for April and year to date. Gains came from merger-arbitrage deals, even as mergers experienced heightened concerns from the global equity volatility. We have a favorable outlook on Distressed Credit strategies, but mutual funds do not typically provide exposure to such securities due to liquidity requirements.
- The Wilshire Liquid Alternative Global Macro Index reported declines from price-based trend-following strategies. Such strategies experienced large price swings as the U.S. dollar weakened. Oil, natural gas, and copper prices fell while gold rallied to historic levels during April.
- The Wilshire Liquid Alternative Relative Value Index reported small losses in April but had gains year to date. Gains came from convertible-arbitrage strategies, which generated income from convertible bond positions, while its stock hedges also gained from falling equity prices.

#### Price performance of S&P 500 Index and liquid alternative indexes (growth of \$100)



Sources: Bloomberg and Wells Fargo Investment Institute. Data from January to April 2025. Wilshire Liquid Alternative Equity Hedge, Event Driven, Global Macro, and Relative Value indexes provide representative performance of the four broad categories of hedge funds used within Wells Fargo Investment Institute. These indexes have daily track records going back to July 2014 and include '40 Act mutual funds that have at least six months of returns for being included in the index. Included funds pursue the respective investment strategy as defined by Wilshire Manager Research. Further details are available at <https://www.wilshireindexes.com>. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Alternative investments, such as hedge funds, private equity, private debt and private real estate funds are not appropriate for all investors and are only open to "accredited" or "qualified" investors within the meaning of U.S. securities laws.

© 2025 Wells Fargo Investment Institute. All rights reserved.

## Tactical guidance\*

### Cash Alternatives and Fixed Income

Most Unfavorable	Unfavorable	Neutral	Favorable	Most Favorable
	U.S. Long Term Taxable Fixed Income U.S. Short Term Taxable Fixed Income	Cash Alternatives Developed Market Ex-U.S. Fixed Income Emerging Market Fixed Income High Yield Taxable Fixed Income U.S. Intermediate Term Taxable Fixed Income		

### Equities

Most Unfavorable	Unfavorable	Neutral	Favorable	Most Favorable
	Emerging Market Equities	Developed Market Ex-U.S. Equities U.S. Small Cap Equities	U.S. Large Cap Equities U.S. Mid Cap Equities	

### Real Assets

Most Unfavorable	Unfavorable	Neutral	Favorable	Most Favorable
		Private Real Estate	Commodities	

### Alternative Investments\*\*

Most Unfavorable	Unfavorable	Neutral	Favorable	Most Favorable
		Hedge Funds—Equity Hedge Hedge Funds—Relative Value Private Equity Private Debt	Hedge Funds—Event Driven Hedge Funds—Macro	

Source: Wells Fargo Investment Institute, May 12, 2025.

\*Tactical horizon is 6-18 months

\*\*Alternative investments are not appropriate for all investors. They are speculative and involve a high degree of risk that is appropriate only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program. Please see end of report for important definitions and disclosures.



## Risk considerations

Forecasts and targets are based on certain assumptions and on views of market and economic conditions which are subject to change.

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. **Sector** investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility. **Technology** and internet-related stocks, especially of smaller, less-seasoned companies, tend to be more volatile than the overall market. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield (junk) bonds** have lower credit ratings and are subject to greater risk of default and greater principal risk. **Municipal bonds** offer interest payments exempt from federal taxes, and potentially state and local income taxes. These bonds are subject to interest rate and credit/default 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. The **commodities** markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Investing in a volatile and uncertain commodities market may cause a portfolio to rapidly increase or decrease in value which may result in greater share price volatility. Investments in **gold** and gold-related investments tend to be more volatile than investments in traditional equity or debt securities. Such investments increase their vulnerability to international economic, monetary and political developments. There are special risks associated with investing in **preferred** securities. Preferred securities are subject to interest rate and credit risks. Interest rate risk is the risk that preferred securities will decline in value because of changes in interest rates. Credit risk is the risk that an issuer will default on payments of interest and principal. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic conditions. Investment in **Master Limited Partnerships (MLPs)** involves 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. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from Net Asset Value and other material risks.

A periodic investment plan such as dollar cost averaging does not assure a profit or protect against a loss in declining markets. Since such a strategy involves continuous investment, the investor should consider his or her ability to continue purchases through periods of low price levels.

Alternative investments, such as hedge funds, private equity/private debt and private real estate funds, are speculative and involve a high degree of risk that is 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. They entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds. Hedge fund, private equity, private debt and private real estate fund investing involves other material risks including capital loss and the loss of the entire amount invested. A fund's offering documents should be carefully reviewed prior to investing.

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

## Definitions

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

S&P Preferred Stock Index measures the performance of preferred stocks listed in U.S. with a market capitalization over \$100 million.

Wilshire Liquid Alternative Equity Hedge Index measures the performance of the equity hedge strategy component of the Wilshire Liquid Alternative Index. Equity hedge investment strategies predominantly invest in long and short equities. The objective of the Wilshire Liquid Alternative Equity Hedge Index is to provide a broad measure of the equity hedge sub-strategy of the liquid alternative market. The index weights are derived from the assets under management (AUM) for each constituent fund with caps on weighting applied at both category and strategy level.

Wilshire Liquid Alternative Event Driven Index measures the performance of the event driven strategy component of the Wilshire Liquid Alternative Index. Event driven strategies predominantly invest in companies involved in corporate transactions such as mergers, restructuring, distressed, buy backs, or other capital structure changes. The objective of the Wilshire Liquid Alternative Event Driven Index is to provide a broad measure of the event driven sub-strategy of the liquid

alternative market. The index weights are derived from the assets under management (AUM) for each constituent fund with caps on weighting applied at both category and strategy level.

Wilshire Liquid Alternative Global Macro Index measures the performance of the global macro strategy component of the Wilshire Liquid Alternative Index. Global macro strategies predominantly invest in situations driven by the macro-economic environment across the capital structure as well as currencies and commodities. The objective of the Wilshire Liquid Alternative Global Macro Index is to provide a broad measure of the global macro sub-strategy of the liquid alternative market. The index weights are derived from the assets under management (AUM) for each constituent fund with caps on weighting applied at both category and strategy level.

Wilshire Liquid Alternative Relative Value Index measures the performance of the relative value strategy component of the Wilshire Liquid Alternative Index. Relative value strategies are focused on the valuation discrepancy in the relationships between markets or securities. The objective of the Wilshire Liquid Alternative Relative Value Index is to provide a broad measure of the relative value sub-strategy of the liquid alternative market. The index weights are derived from the assets under management (AUM) for each constituent fund with caps on weighting applied at both category and strategy level.

An index is unmanaged and not available for direct investment.

#### **General disclosures**

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

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

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

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

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. PM-11092026-7951709.1.1