



# REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST

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Reporting Period September 30, 2014

FOR INSTITUTIONAL USE ONLY - NOT FOR USE WITH INDIVIDUAL INVESTORS



# Current market status

## Growth and geopolitical concerns weighed on equity prices

### Equity Market

- Equity markets swooned in September as a variety of factors influenced investors, but the S&P 500 still managed a positive return of 1.1% for 3Q14.

### During 3Q14

- Small caps, as represented by the Russell 2000, were the worst-performing U.S. equity class, dropping -7.4%, while the Russell mid-cap was down -1.7%.
- Growth stocks outperformed value stocks.
- Within the S&P 500, sector performance was mixed, with health care, technology and telecoms posting solid returns, while energy suffered deep losses.
- Developed markets had a poor 3Q14 as the MSCI EAFE Index declined -5.8%. The declines for U.S. investors were attributable to the continued strengthening of the U.S. dollar and concerns over the lackluster economic recovery in Europe.
- In emerging markets, currency also had a negative impact for U.S. investors as a confluence of issues drove the MSCI Emerging Markets Index down -3.4%.
- REITs retreated during 3Q, with domestics holding up better than international REITs.
- A rising dollar and a series of short-term concerns weighed on 3Q commodity returns.

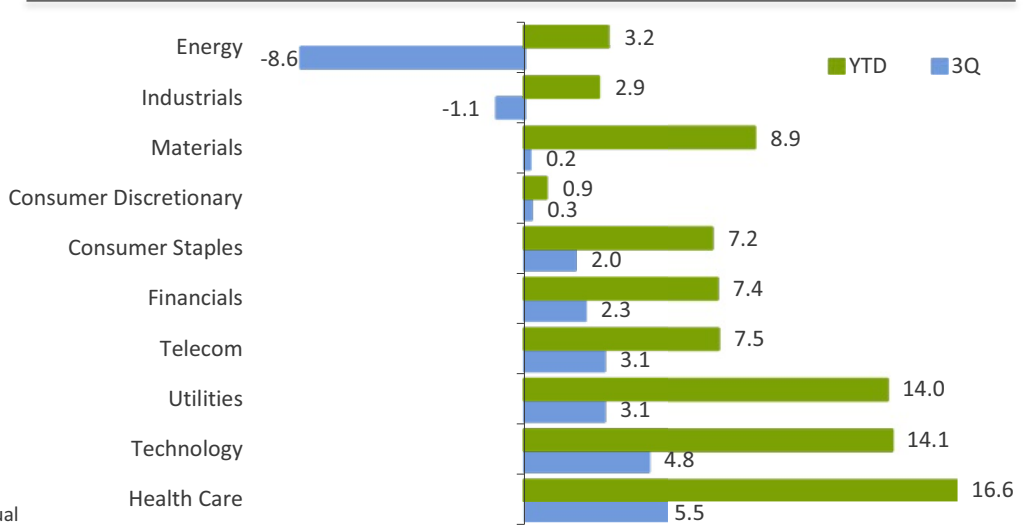
\*Annualized returns  
 \*\*You cannot invest directly in an index. Index returns do not include management fees, so your actual returns may differ from those listed in the charts. Past performance is no guarantee of future results.  
 Sources: Bloomberg Finance LLP., FactSet, 10/14

### Equity & Real Asset Total Returns\*\*

Period Ending September 30, 2014

| Indexes                 | Sept   | 3-Mo    | YTD    | 1 Yr   | 3 Yr*  | 5 Yr*  | 10 Yr* |
|-------------------------|--------|---------|--------|--------|--------|--------|--------|
| S&P 500                 | -1.40% | 1.13%   | 8.34%  | 19.73% | 22.99% | 15.70% | 8.11%  |
| Russell 1000 Growth     | -1.45% | 1.49%   | 7.89%  | 19.15% | 22.45% | 16.50% | 8.94%  |
| Russell 1000 Value      | -2.06% | -0.19%  | 8.07%  | 18.89% | 23.93% | 15.26% | 7.84%  |
| Russell Mid Cap         | -3.34% | -1.66%  | 6.87%  | 15.83% | 23.79% | 17.19% | 10.34% |
| Russell 2000            | -6.05% | -7.36%  | -4.41% | 3.93%  | 21.26% | 14.29% | 8.19%  |
| MSCI EAFE (net)         | -3.84% | -5.88%  | -1.38% | 4.25%  | 13.65% | 6.56%  | 6.32%  |
| MSCI ACWI ex-US (net)   | -4.84% | -5.27%  | 0.00%  | 4.77%  | 11.79% | 6.03%  | 7.06%  |
| MSCI EM (net)           | -7.41% | -3.49%  | 2.43%  | 4.30%  | 7.19%  | 4.42%  | 10.68% |
| FTSE EPRA/NAREIT Global | -6.31% | -3.96%  | 6.59%  | 5.25%  | 14.17% | 9.58%  | -      |
| Dow UBS Commodity       | -6.23% | -11.83% | -5.59% | -6.58% | -5.34% | -1.37% | -1.04% |

### S&P 500 Sector Returns



# Current market status

## Bond prices fell in September as yields climbed

### Fixed Income market

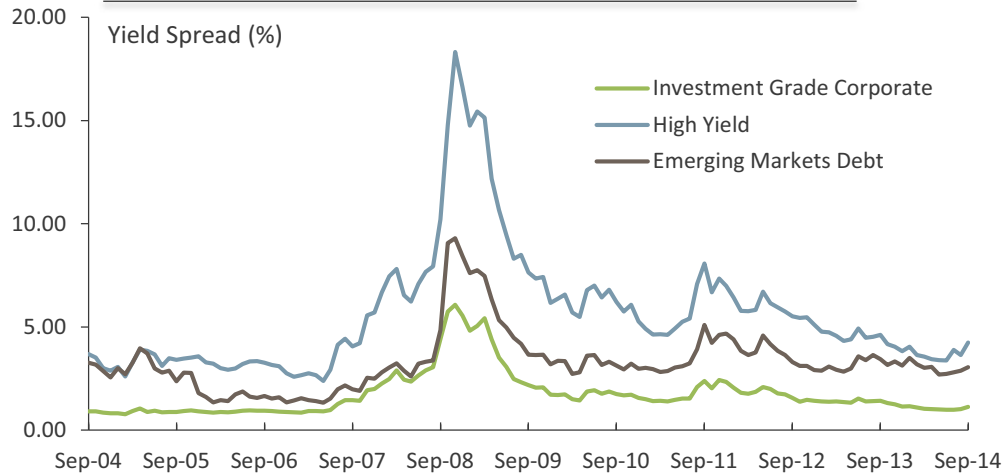
- The yield on the 10-year Treasury ended 3Q14 at 2.52%, about where it started the quarter, at 2.53%. Poor economic news from outside the U.S. and recent Fed comments then drove the 10-year below 2% by mid-October.
- All classes had negative returns in September, but all remained positive YTD.
- In 3Q14 the BarCap U.S. Aggregate Bond index was up +0.17%, supported by mortgages and U.S. long-duration government issues, while the TIPs, corporate, high-yield and foreign indices all ended 3Q14 in negative territory
- Bond yields were driven lower in spite of continued firming in the U.S. economy, as a result of weaker growth abroad, a stronger dollar and risk aversion of investors.
- Investment-grade corporate bonds lost -0.11% as spreads widened and supply spiked. Higher-rated credits outperformed BBBs, and financials outperformed non-financials.
- High-yield bonds (which often follow equities) lost -1.92%, as yields rose and spreads widened.

### Fixed Income Total Returns\*\*

Period Ending September 30, 2014

| Indexes                       | Sept   | 3-Mo   | YTD    | 1 Yr   | 3 Yr*  | 5 Yr*  | 10 Yr* |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Citigroup 3-mo T-bill         | 0.00%  | 0.01%  | 0.03%  | 0.04%  | 0.05%  | 0.08%  | 1.51%  |
| BarCap 1-3 Yr Gov             | -0.06% | 0.03%  | 0.45%  | 0.52%  | 0.51%  | 1.07%  | 2.61%  |
| BarCap Interm Gov             | -0.34% | 0.02%  | 1.56%  | 1.14%  | 0.90%  | 2.50%  | 3.68%  |
| BarCap Interm Credit          | -0.78% | -0.11% | 3.34%  | 4.04%  | 4.09%  | 5.17%  | 4.88%  |
| BarCap Interm Gov/Credit      | -0.51% | -0.03% | 2.22%  | 2.20%  | 2.01%  | 3.42%  | 4.05%  |
| BarCap Long Treasury          | -1.86% | 2.69%  | 15.15% | 11.60% | 1.99%  | 6.98%  | 6.80%  |
| BarCap Long Gov/Credit        | -2.52% | 1.04%  | 12.97% | 12.87% | 4.75%  | 8.04%  | 7.01%  |
| BarCap Mortgage-Backed        | -0.16% | 0.18%  | 4.22%  | 3.78%  | 2.07%  | 3.48%  | 4.69%  |
| BarCap US Aggregate Bond      | -0.68% | 0.17%  | 4.10%  | 3.96%  | 2.43%  | 4.12%  | 4.62%  |
| BofA Merrill Lynch High Yield | -2.10% | -1.92% | 3.61%  | 7.23%  | 10.94% | 10.37% | 8.21%  |
| JPMorgan GBI Global ex US     | -4.41% | -5.40% | 0.35%  | -1.11% | -1.45% | 1.20%  | 4.13%  |
| JPMorgan EMBI Global Dvsfd    | -1.81% | -0.59% | 8.02%  | 9.67%  | 7.95%  | 8.03%  | 8.32%  |

### Credit Spreads to Treasuries



\*Annualized returns  
 \*\*You cannot invest directly in an index. Index returns do not include management fees, so your actual returns may differ from those listed in the charts.  
 Past performance is no guarantee of future results. Sources: Bloomberg Finance LLP., Barclays Capital, 10/14

# The global economy

## Labor market remains healthy; consumer confidence suffers a setback

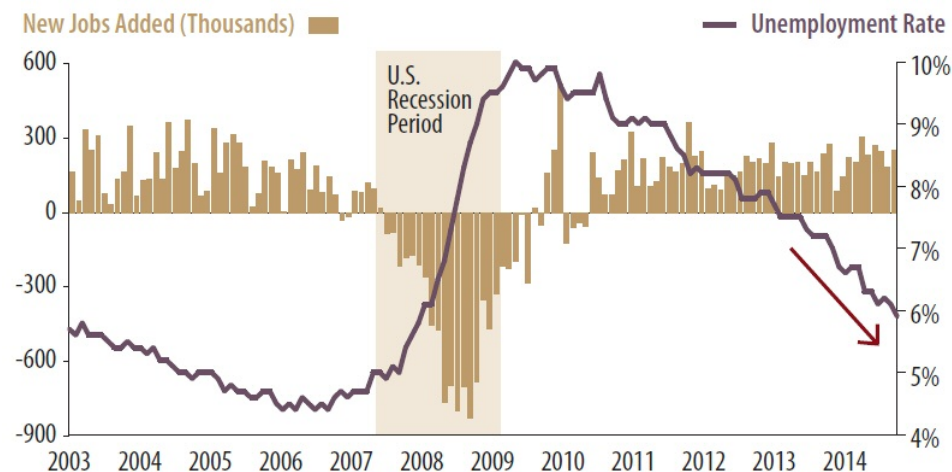
### U.S.

- The unemployment rate fell to 5.9% in September, partly because labor-force participation fell to a new low of 62.7%.
- The housing recovery remains solid but monthly data is choppy. New-home sales increased 18% in August, while existing-home sales slipped -1.8%. Housing starts rose 6.3% in September, pulling the annual pace of new home construction back above the million mark.
- Consumer confidence had been increasing consistently for the past five months, but it suffered a setback in September largely due to geopolitical concerns.
- Higher production and lower demand has pressured oil prices.

### Non-U.S.

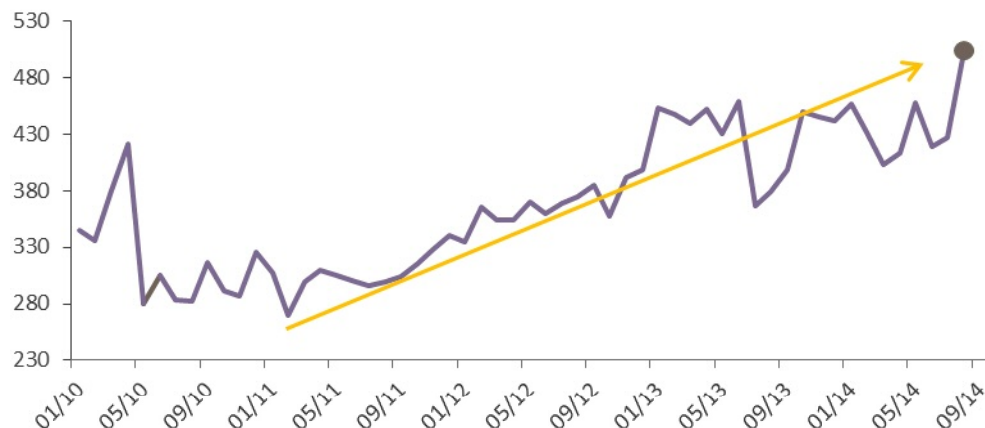
- The eurozone continued to release soft economic data and the European Central Bank (ECB) will begin the purchase of bonds by mid-October in an effort to reignite the economy.
- The Japanese economy continues to show mixed signals as it deals with the impacts of the recent tax increase.
- China's central bank continues to implement policies to stimulate the economy, while India's overall economic outlook has improved over the past 12 months.

### New jobs added help push U.S. unemployment rate below 6%



### New home sales surged in August

U.S. New One Family Houses Sold Annual Total SAAR (Thousands)



Sources: FactSet, 10/7/14

# The outlook

## U.S. economy on track to expand further

### The economy

- 2Q14 U.S. GDP growth was raised once again to 4.6%. Full-year 2014 growth is expected to be 2.1% and 2.8% for 2015.
- The Index of Leading Economic Indicators rose 0.2% in August.
- The Institute for Supply Management (ISM) Manufacturing survey decreased -2.4 pts. to 56.6 in September, and the Services survey was down -1 pt. to 58.6. Although both readings remain in expansion territory, there was evidence of a slowdown in business activity and new orders during the month.

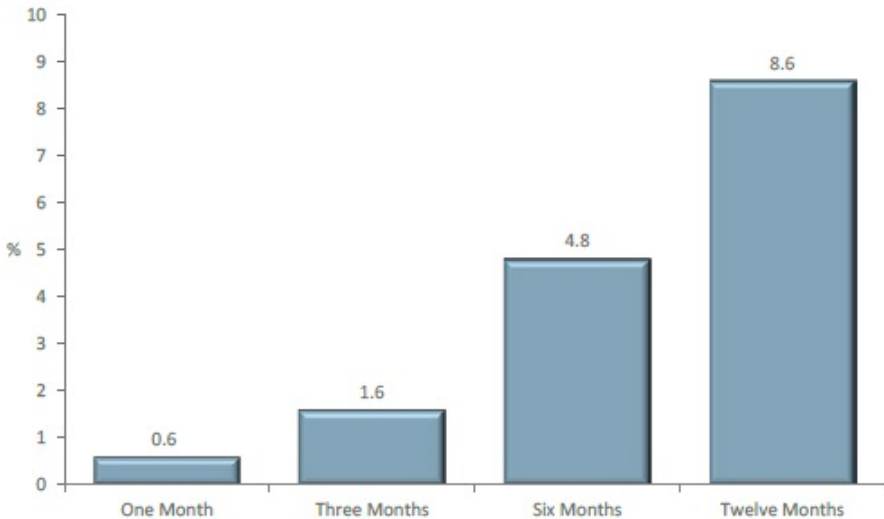
### The markets

- Domestic equity prices are approaching fair value, with the S&P 500 ending 3Q14 at about 15.2 x earnings. International equities are attractively priced, but may be volatile as the Fed unwinds quantitative easing and currencies fluctuate
- Interest rates to rise in the near to intermediate term, which likely will be a drag on bond performance. Expect heightened volatility in high yield and emerging market debt, but both offer relatively attractive yields.

### Economic and Rate Forecasts

|                           | (NEW) 2015E | 2014E      | 2013  | 2012  |
|---------------------------|-------------|------------|-------|-------|
| Global GDP Growth         | 3.7%        | 3.4%       | 3.0%  | 3.4%  |
| U.S. GDP Growth           | 2.8%        | 2.1%       | 2.2%  | 2.3%  |
| Inflation                 | 1.8%        | 2.0%       | 1.5%  | 2.1%  |
| Unemployment Rate         | 5.4%        | 5.8%       | 6.7%  | 7.8%  |
| Fed Funds Rate            | 0.75%       | 0.25%      | 0.25% | 0.25% |
| 10-Yr U.S. Treasury Yield | 3.00-3.50%  | 2.75-3.00% | 3.04% | 1.76% |
| 30-Yr U.S. Treasury Yield | 3.50-4.00%  | 3.50-3.75% | 3.97% | 2.87% |

### S&P Index returns after initial Fed rate hike (1928 – 2014)



Sources: FactSet, 10/7/14, Ned Davis Research 9/9/14, Bloomberg Finance, LLP, Wells Fargo Wealth Management Strategy Team

# Investment policy summary

## REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST

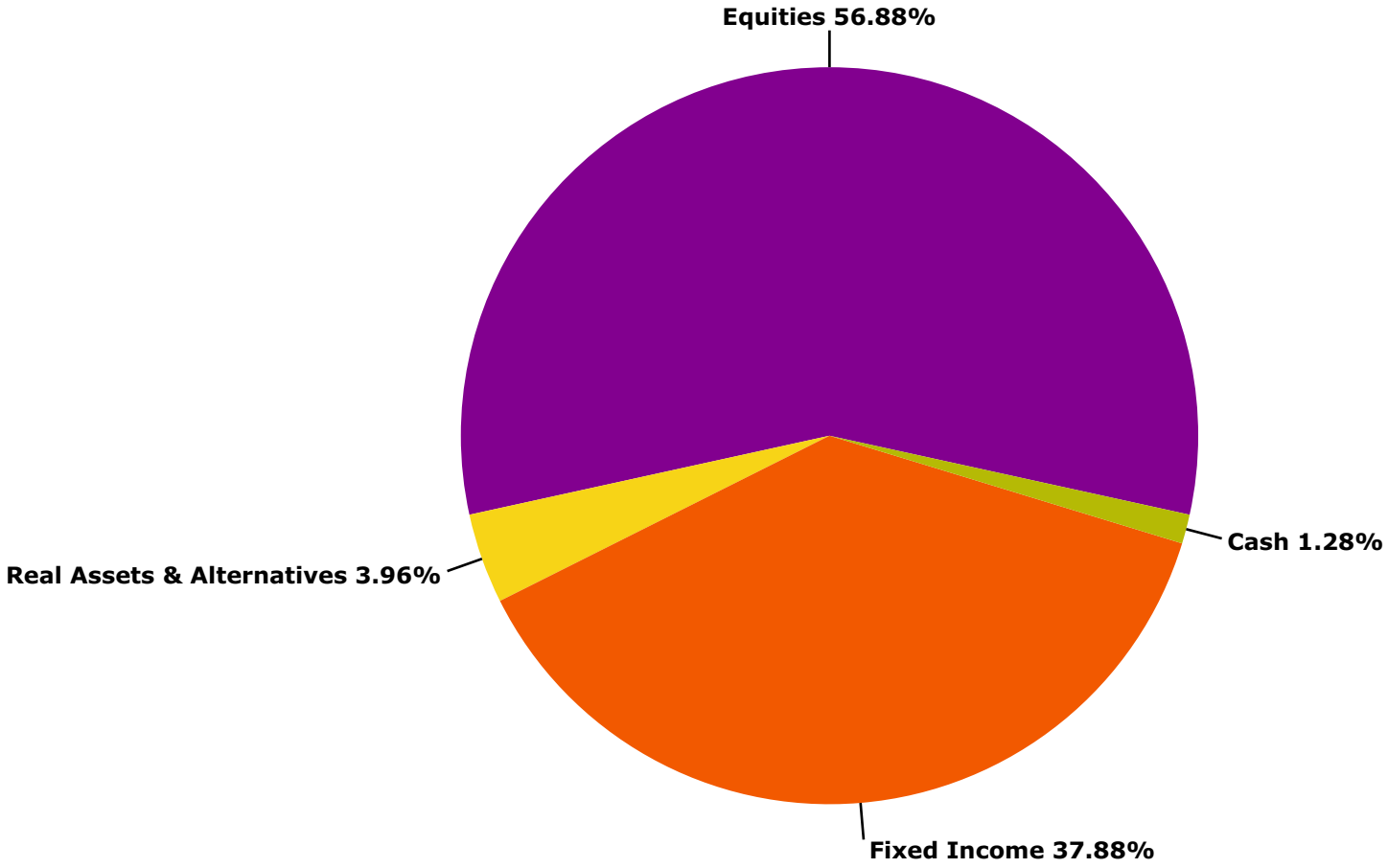
Reporting Period: 09/30/2014

| Asset Class                           | Investment Policy* | Actual Allocation | Deviation     |
|---------------------------------------|--------------------|-------------------|---------------|
| <b>Equities</b>                       | <b>55.00%</b>      | <b>56.88%</b>     | <b>1.88%</b>  |
| International Equities                | 15.00%             | 15.73%            | 0.73%         |
| Large Cap Growth                      | 5.00%              | 5.28%             | 0.28%         |
| Large Cap Value                       | 5.00%              | 5.07%             | 0.07%         |
| Mid Cap Core                          | 10.00%             | 0.00%             | -10.00%       |
| S&P 500 Funds                         | 10.00%             | 15.14%            | 5.14%         |
| Small Cap                             | 10.00%             | 7.86%             | -2.14%        |
| <b>Real Assets &amp; Alternatives</b> | <b>5.00%</b>       | <b>3.96%</b>      | <b>-1.04%</b> |
| Real Estate                           | 2.50%              | 1.55%             | -0.95%        |
| Commodities & Natural Resources       | 2.50%              | 2.41%             | -0.09%        |
| <b>Fixed Income</b>                   | <b>37.00%</b>      | <b>37.88%</b>     | <b>0.88%</b>  |
| Total Return Bonds                    | 37.00%             | 37.88%            | 0.88%         |
| <b>Cash &amp; Cash Equivalents</b>    | <b>3.00%</b>       | <b>1.28%</b>      | <b>-1.72%</b> |
| Money Market                          | 3.00%              | 1.28%             | -1.72%        |

\* The current investment policy/guideline on file is dated June 2012

# Asset allocation

**REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST**  
Reporting Period: 09/30/2014



# Asset allocation

## REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST

Reporting Period: 09/30/2014

|  | Market Value           | Actual Allocation | Equity Allocation | Real Assets & Alternatives Allocation | Fixed Income Allocation | Cash Allocation | Other Allocation |
|--|------------------------|-------------------|-------------------|---------------------------------------|-------------------------|-----------------|------------------|
| <b>Equities Managers</b>                       |                        |                   |                   |                                       |                         |                 |                  |
| Wells Fargo/MFS Value CIT F                    | \$784,557.08           | 2.54%             | 4.47%             |                                       |                         |                 |                  |
| Wells Fargo/TRP Instl Eq Inc Mgd CIT F         | \$778,653.14           | 2.52%             | 4.44%             |                                       |                         |                 |                  |
| Wells Fargo/BlackRock S&P500 Idx CIT F         | \$4,672,759.34         | 15.14%            | 26.63%            |                                       |                         |                 |                  |
| Delaware US Growth Instl                       | \$829,163.91           | 2.69%             | 4.73%             |                                       |                         |                 |                  |
| Wells Fargo/TRP Inst Lg-Cap Gr Mgd F           | \$798,748.20           | 2.59%             | 4.55%             |                                       |                         |                 |                  |
| Wells Fargo/BlackRock S&P MidCap Idx F         | \$2,407,515.68         | 7.80%             | 13.72%            |                                       |                         |                 |                  |
| Wells Fargo/Multi-Manager Sm Cap CIT F         | \$2,424,367.73         | 7.86%             | 13.82%            |                                       |                         |                 |                  |
| Wells Fargo/Causeway Intl Val CIT F            | \$1,536,073.00         | 4.98%             | 8.75%             |                                       |                         |                 |                  |
| Harbor International Institutional             | \$1,201,201.80         | 3.89%             | 6.85%             |                                       |                         |                 |                  |
| Wells Fargo/Lazard International Equity CIT F  | \$1,221,753.53         | 3.96%             | 6.96%             |                                       |                         |                 |                  |
| Acadian Emerging Markets Instl                 | \$893,721.05           | 2.90%             | 5.09%             |                                       |                         |                 |                  |
| <b>Total</b>                                   | <b>\$17,548,514.46</b> | <b>56.88%</b>     | <b>100.00%</b>    |                                       |                         |                 |                  |
| <b>Real Assets &amp; Alternatives Managers</b> |                        |                   |                   |                                       |                         |                 |                  |
| Vanguard REIT Viper                            | \$479,742.45           | 1.55%             |                   | 39.26%                                |                         |                 |                  |
| ALPS CorCmdty Mgmt CompleteCmdty Strat I       | \$742,072.87           | 2.41%             |                   | 60.74%                                |                         |                 |                  |
| <b>Total</b>                                   | <b>\$1,221,815.32</b>  | <b>3.96%</b>      |                   | <b>100.00%</b>                        |                         |                 |                  |
| <b>Fixed Income Managers</b>                   |                        |                   |                   |                                       |                         |                 |                  |
| Federated Total Return Bond Instl              | \$3,164,481.60         | 10.26%            |                   |                                       | 27.07%                  |                 |                  |
| Metropolitan West Total Return Bond I          | \$3,180,281.62         | 10.31%            |                   |                                       | 27.21%                  |                 |                  |
| Wells Fargo/BlackRock U.S. Agg Bd Idx F        | \$5,344,103.03         | 17.32%            |                   |                                       | 45.72%                  |                 |                  |
| <b>Total</b>                                   | <b>\$11,688,866.25</b> | <b>37.88%</b>     |                   |                                       | <b>100.00%</b>          |                 |                  |
| <b>Cash &amp; Cash Equivalents Managers</b>    |                        |                   |                   |                                       |                         |                 |                  |
| Wells Fargo Short Term Investment F            | \$395,079.34           | 1.28%             |                   |                                       |                         | 100.00%         |                  |
| <b>Total</b>                                   | <b>\$395,079.34</b>    | <b>1.28%</b>      |                   |                                       |                         | <b>100.00%</b>  |                  |
| <b>Total Assets</b>                            | <b>\$30,854,275.37</b> | <b>100.00%</b>    |                   |                                       |                         |                 |                  |



# Performance

## REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST

Reporting Period: 09/30/2014

|   | 3 Months      | YTD           | 1 Year        | 3 Years*      | 5 Years*      | 10 Years*    | 12/2003<br>Since<br>Inception* |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------------------------|
| <b>Total Portfolio (gross of fees)</b>          | <b>-1.48%</b> | <b>3.35%</b>  | <b>8.31%</b>  | <b>13.73%</b> | <b>10.41%</b> | <b>6.72%</b> | <b>6.26%</b>                   |
| <i>RTA</i>                                      | -1.77%        | 3.76%         | 10.16%        | 13.44%        | 10.57%        | 6.69%        | 6.73%                          |
| <b>Equities Portfolio</b>                       | <b>-2.31%</b> | <b>2.74%</b>  | <b>11.26%</b> | <b>20.20%</b> | <b>13.68%</b> | <b>7.70%</b> |                                |
| <i>Standard &amp; Poor's 500 Stock Index</i>    | 1.13%         | 8.33%         | 19.70%        | 22.97%        | 15.69%        | 8.10%        |                                |
| International Equities                          | -4.72%        | -2.68%        | 0.80%         | 10.18%        | 2.85%         | 6.44%        |                                |
| Large Cap Growth                                | 0.49%         | 4.92%         | 17.31%        | 23.17%        | 16.54%        | 8.77%        |                                |
| Large Cap Value                                 | -0.85%        | 4.27%         | 14.41%        | 22.27%        | 14.17%        | 7.10%        |                                |
| S&P 500 Funds                                   | 1.12%         | 8.33%         | 19.71%        | N/A           | N/A           | N/A          |                                |
| Small Cap                                       | -4.97%        | -0.32%        | 9.56%         | 23.10%        | 16.47%        | 9.36%        |                                |
| Mid Cap   | -3.99%        | 3.21%         | 11.79%        | N/A           | N/A           | N/A          |                                |
| <b>Real Assets &amp; Alternatives Portfolio</b> | <b>-6.41%</b> | <b>7.30%</b>  | <b>5.60%</b>  | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>   |                                |
| <i>90-Day US Treasury Bill + 3%</i>             | 0.75%         | 2.27%         | 3.04%         | 3.05%         | 3.08%         | 4.55%        |                                |
| Real Estate                                     | -3.10%        | 14.11%        | 13.13%        | N/A           | N/A           | N/A          |                                |
| Commodities & Natural Resources                 | -9.93%        | -2.50%        | N/A           | N/A           | N/A           | N/A          |                                |
| <b>Fixed Income Portfolio</b>                   | <b>0.24%</b>  | <b>4.01%</b>  | <b>4.08%</b>  | <b>3.92%</b>  | <b>5.40%</b>  | <b>5.28%</b> |                                |
| <i>Barclays Aggregate Bond Index</i>            | 0.17%         | 4.10%         | 3.96%         | 2.43%         | 4.12%         | 4.62%        |                                |
| Total Return Bonds                              | 0.24%         | 4.01%         | 4.08%         | 3.92%         | 5.40%         | 5.28%        |                                |
| <b>Cash &amp; Cash Equivalents Portfolio</b>    | <b>0.04%</b>  | <b>0.11%</b>  | <b>0.15%</b>  | <b>0.19%</b>  | <b>0.20%</b>  | <b>1.79%</b> |                                |
| <i>90-Day US Treasury Bill</i>                  | 0.01%         | 0.03%         | 0.04%         | 0.06%         | 0.07%         | 1.44%        |                                |
| Money Market                                    | 0.04%         | 0.11%         | 0.15%         | 0.18%         | 0.19%         | 1.79%        |                                |
| <b>Russell 1000</b>                             | <b>0.65%</b>  | <b>7.97%</b>  | <b>19.01%</b> | <b>23.23%</b> | <b>15.90%</b> | <b>8.46%</b> |                                |
| <b>Russell 1000 Value</b>                       | <b>-0.19%</b> | <b>8.07%</b>  | <b>18.89%</b> | <b>23.93%</b> | <b>15.26%</b> | <b>7.84%</b> |                                |
| <b>Russell 1000 Growth</b>                      | <b>1.49%</b>  | <b>7.89%</b>  | <b>19.15%</b> | <b>22.45%</b> | <b>16.50%</b> | <b>8.94%</b> |                                |
| <b>Russell 2000</b>                             | <b>-7.36%</b> | <b>-4.41%</b> | <b>3.93%</b>  | <b>21.26%</b> | <b>14.29%</b> | <b>8.19%</b> |                                |
| <b>MSCI EAFE</b>                                | <b>-5.88%</b> | <b>-1.38%</b> | <b>4.25%</b>  | <b>13.65%</b> | <b>6.56%</b>  | <b>6.32%</b> |                                |
| <b>MSCI ACWI Ex USA</b>                         | <b>-5.27%</b> | <b>0.00%</b>  | <b>4.77%</b>  | <b>11.79%</b> | <b>6.03%</b>  | <b>7.06%</b> |                                |
| <b>Barclays US Agg Bond</b>                     | <b>0.17%</b>  | <b>4.10%</b>  | <b>3.96%</b>  | <b>2.43%</b>  | <b>4.12%</b>  | <b>4.62%</b> |                                |
| <b>Citi Treasury Bill 3 Mon</b>                 | <b>0.01%</b>  | <b>0.03%</b>  | <b>0.04%</b>  | <b>0.05%</b>  | <b>0.08%</b>  | <b>1.51%</b> |                                |

\* Annualized Returns

# Performance

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## **REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST**

The Funds are NOT FDIC Insured, are NOT obligations or deposits of Wells Fargo Bank, are NOT guaranteed by the Bank, and involve investment risk, including possible loss of principal. All values are not audited and subject to revision. Returns are reported gross of management fees and certain transaction costs and expenses charged to the Funds and the account unless otherwise noted.

# Cash flow

## REGIONAL TRANSPORTATION AUTHORITY DEFINED BENEFIT PLAN & TRUST

Reporting Period: 09/30/2014

| <b>Portfolio Summary</b>        | <b>3 Months</b> | <b>YTD</b>   | <b>1 Year</b> | <b>3 Years</b> | <b>5 Years</b> | <b>10 Years</b> | <b>12/2003<br/>Since Inception</b> |
|---------------------------------|-----------------|--------------|---------------|----------------|----------------|-----------------|------------------------------------|
| Beginning Market Value          | \$31,669,118    | \$29,635,069 | \$28,626,856  | \$20,484,963   | \$17,371,356   | \$12,105,637    | \$241,644                          |
| Net Contributions & Withdrawals | -351,063        | 198,196      | -157,106      | 467,822        | 1,583,427      | 4,604,759       | 16,626,057                         |
| Investment Gain/Loss            | -463,780        | 1,021,011    | 2,384,524     | 9,901,491      | 11,899,493     | 14,143,879      | 14,228,218                         |
| Fees                            | -23,290         | -67,984      | -89,169       | -206,860       | -241,644       | -241,644        | -241,644                           |
| Ending Market Value             | \$30,854,275    | \$30,854,275 | \$30,854,275  | \$30,854,275   | \$30,854,275   | \$30,854,275    | \$30,854,275                       |

# Disclosures

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Wells Fargo, as your fiduciary asset manager, offers Wells Fargo Managed Allocation Portfolios, a discretionary asset allocation strategy designed for institutional trust clients seeking a diversified portfolio of selected mutual funds or bank collective funds, including both proprietary investments (Wells Fargo Advantage Funds) and non-proprietary investments (non-Wells Fargo Advantage Funds.)

The investment objective is to realize an annual total return consistent with the risk profile of the client. Wells Fargo will seek to achieve the risk objective chosen by investing the account's assets in mutual funds or bank collective funds. Wells Fargo may also invest the fixed income component in individual U.S. Government obligation issues or other fixed income securities rated investment grade or higher. The portfolios of the mutual funds or bank collective funds may hold common stock, fixed income securities and money market instruments, among other possible types of investments. Wells Fargo Managed Allocation Portfolios are not registered investment products, and therefore are not required to comply with provisions of the Investment Company act of 1940.

The proportion of the account's assets to be invested in each asset class represented by one or more mutual funds or bank collective funds or individual fixed income investments will be determined by Wells Fargo in light of the account's diversification requirements, liquidity needs, and aversion to risk as specified by the investment objective and the plan, trust or other limitation requirements detailed by the client. Wells Fargo will establish initial target allocation percentages among the asset classes that are suitable for the risk profile selected. In order to achieve the investment objective of the account, Wells Fargo may vary the target allocation percentages within the ranges specified, as well as the investments utilized from time to time within each asset class. The account will be reviewed periodically to insure that the actual proportions in each asset class are within the current target allocation for the selected profile. (Cash flow and differing investment performance of each investment within the selected profile may affect the actual proportions of each asset class in the account over time.) If the actual proportions are not within the range of the target allocation at the time of the periodic account review, the account will be rebalanced in order to reflect the current target allocation more closely.

Wells Fargo Funds Management, LLC, a wholly-owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for the Wells Fargo Advantage Funds<sup>SM</sup> Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member NASD/SIPC, an affiliate of Wells Fargo & Company.

For more complete information about Wells Fargo Advantage Funds including risks, fees and expenses, obtain a current prospectus by calling 800-222-8222, or accessing the Web site at [www.wellsfargo.com/advantagefunds](http://www.wellsfargo.com/advantagefunds). For more complete information about non-Wells Fargo Advantage Funds and Wells Fargo collective funds, please contact your investment professional or account administrator. Please read the mutual fund prospectuses or collective fund disclosure statements carefully before investing.

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