

U.S. Ultra Short Plus

Portfolio benchmark: Bloomberg Barclays Short-Term U.S. Government/Corporate Index | As of September 30, 2018

Investment objective

Our team's objective is to outperform the Bloomberg Barclays Short-Term U.S. Government/Corporate Index by actively managing the four key elements of total return: duration, yield curve positioning, sector allocation and security selection. We utilize a disciplined relative value approach, seeking strategic opportunities from a "top-down" macroeconomic analysis and tactical opportunities from "bottom-up" fundamental securities analysis.

Our investment process begins with a "top-down" macroeconomic view developed by the senior portfolio management staff. The macro-view focuses on those variables that have the most significant impact on overall economic conditions and the level and direction of interest rates. Factors considered include the pace and composition of GDP growth, employment dynamics, inflation trends, monetary and fiscal policy, and the international economic and political environment. Operating within a comprehensive risk control framework, we seek to add value by actively managing the portfolio's duration and yield curve weightings to reflect our macroeconomic view.

At the level of issue selection, our discipline is driven primarily by a "bottom-up" process of fundamental securities analysis performed by dedicated specialists within each sector. In the Treasury and agency sectors, we look for relative value through rigorous quantitative modeling. Analysis of mortgage- and asset-backed securities depends on an understanding of the structure of a particular issue as well as the characteristics of the underlying collateral. Within the corporate market we focus on identifying positive credit dynamics such as deleveraging potential, expanding franchise value, and improving industry fundamentals. We believe this primary research, in conjunction with in-depth knowledge of industries, companies, and their management teams will enable us to identify credit trends that can generate excess returns. Sector allocation decisions among Treasuries, agencies, mortgage- and asset-backed securities and corporate bonds reflect both our macroeconomic view and a fundamentals-based assessment of relative value.

Over the long term, the team attempts to derive equal amounts of excess return from each of the four decision levels noted above. We believe this diversified approach to alpha generation combined with our risk control discipline will promote consistency in performance over time.

Risk management

Duration: The Portfolio's effective duration will typically fall between 0.25 and 0.75, a range which brackets the approximate average 0.50 duration of the Portfolio's benchmark index.

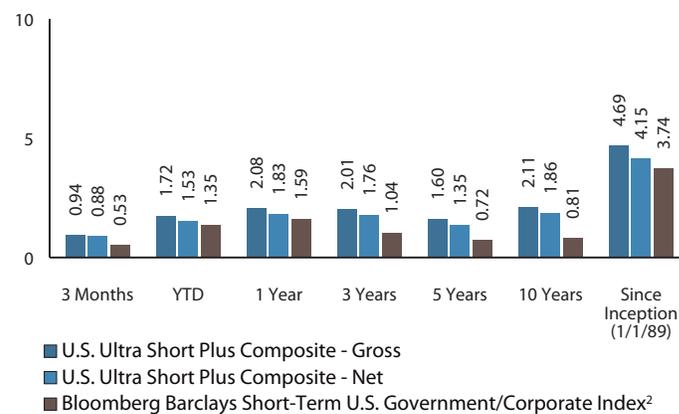
Yield Curve: The Portfolio generally focuses on bonds in the 0-3 year portion of the yield curve.

Sector Allocation: While sector allocations may be periodically altered in response to relative value considerations, the Portfolio generally emphasizes corporate bonds and mortgage-backed and asset-backed securities (MBS/ABS) over the course of a full market cycle.

Security Selection: In pursuit of a high degree of diversification individual holdings are typically limited to 0.5 percent to 2.0 percent of assets (excluding Treasury and government agency securities).

Investment performance¹

Historical returns (%)



Past performance is not indicative of future results.

Duration - contribution to effective duration³

| Duration | Portfolio | Benchmark |
|----------|-----------|-----------|
| <1 | 0.34 | 0.49 |
| 1yr-2yr | -0.02 | 0.00 |
| 2yr-3yr | 0.16 | 0.00 |
| 3yr-4yr | -0.01 | 0.00 |
| >4yr | 0.02 | 0.00 |

All returns for periods greater than one year are annualized.

¹ Source: Wells Fargo Asset Management.

² Composite index consists of the Bloomberg Barclays 9-12 Mos. U.S. Treasury Index prior to January 1, 2005 and the Bloomberg Barclays Short-Term U.S. Government/Corporate Index since January 1, 2005.

³ This information is based on a representative account within the U.S. Ultra Short Plus Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the U.S. Ultra Short Plus Composite, 2) Wells Fargo Asset Management represents that the holdings, characteristics and risk profile are representative of the strategy/style of the U.S. Ultra Short Plus Composite. Any changes to the representative account must be approved by one of the Co-Heads of Portfolio Risk Management and Analytics. Source: Wells Fargo Asset Management.

Note: The GIPS® compliant presentation can be found at the end of this presentation, including information on net returns.

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Sector breakdown (% of assets)³

| | Portfolio | Benchmark |
|----------------------------|-----------|-----------|
| Credit | 58.4 | 22.3 |
| Mortgage/Other Securitized | 26.7 | 0.0 |
| Asset Backed | 10.3 | 0.0 |
| Government | 0.2 | 77.6 |
| Cash | 4.4 | 0.1 |

Investment team

| | Position |
|---------------------------|---------------------------|
| Janet Rilling, CFA | Senior Portfolio Manager |
| Jay Mueller, CFA | Senior Portfolio Manager |
| Christopher Kauffman, CFA | Senior Portfolio Manager |
| Michael Schueller, CFA | Portfolio Manager/Analyst |
| Michal Stanczyk | Portfolio Manager/Analyst |
| Noah Wise, CFA | Senior Portfolio Manager |

Global credit research platform

| U.S. based | Position |
|------------------------|---------------------------------|
| James Newton, CFA | Co-Head, Global Credit Research |
| Ambreesh Bansal, CFA | Research Analyst |
| Matthew Cox, CFA | Research Analyst |
| Dominic Delia | Research Analyst |
| Scott Dreier, CFA | Research Analyst |
| Ali Gardo, CFA | Research Analyst |
| James Fitzpatrick, CFA | Research Analyst |
| Donald Henken, CFA | Research Analyst |
| Heidi Hermann, CFA | Research Analyst |
| Jodi McGlynn | Research Analyst |
| Nashat Moin | Research Analyst |

Portfolio and benchmark summary³

| | Portfolio | Benchmark |
|--------------------|-----------|-----------|
| Effective duration | 0.48 | 0.49 |
| Convexity | -0.01 | 0.00 |
| Effective yield | 2.31 | 2.46 |
| OAS | 57 | 12 |
| Average quality | A+ | AA+ |

| | Position |
|---------------------|--------------------|
| Andrew Reed, CFA | Portfolio Manager |
| Robert McHenry | Product Specialist |
| Brian Prucyk, Ph.D. | Research Analyst |
| Zhonghui (Grace) Wu | Research Analyst |
| Ben Olson | Portfolio Analyst |
| Mark Clegg, CFA | Trader |

| Europe based | Position |
|-------------------------|---------------------------------|
| Duncan Warwick-Champion | Co-Head, Global Credit Research |
| Brian Barry, CFA | Research Analyst |
| Paul Davey, CFA | Research Analyst |
| Cristiano Mela | Research Analyst |
| Robert Montague | Research Analyst |
| David Moon, CFA | Research Analyst |
| Mike Murphy | Research Analyst |
| Manola Perrone | Research Analyst |
| Michie Yana, CFA | Research Analyst |

³ This information is based on a representative account within the U.S. Ultra Short Plus Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the U.S. Ultra Short Plus Composite, 2) Wells Fargo Asset Management represents that the holdings, characteristics and risk profile are representative of the strategy/style of the U.S. Ultra Short Plus Composite. Any changes to the representative account must be approved by one of the Co-Heads of Portfolio Risk Management and Analytics. Source: Wells Fargo Asset Management.

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GIPS® Compliant Presentation

| Period | Gross Annual Return (%) | Net Annual Return (%) | Primary Index Return (%) | Composite 3 Yr Std Dev (%) | Primary Index 3 Yr Std Dev (%) | Internal Dispersion (%) | Number of Accounts | Composite Assets (\$-mm) | Total Firm Assets (\$-mm) |
|--------|-------------------------|-----------------------|--------------------------|----------------------------|--------------------------------|-------------------------|--------------------|--------------------------|---------------------------|
| 2017 | 1.86 | 1.60 | 0.98 | 0.36 | 0.14 | N.A. | 1 | 1,421.08 | 385,111 |
| 2016 | 2.08 | 1.83 | 0.80 | 0.36 | 0.12 | N.A. | 1 | 1,552.86 | 330,718 |
| 2015 | 0.88 | 0.62 | 0.26 | 0.28 | 0.06 | N.A. | 1 | 1,544.97 | 349,342 |
| 2014 | 0.86 | 0.61 | 0.18 | 0.40 | 0.06 | N.A. | 1 | 1,839.23 | 351,065 |
| 2013 | 1.18 | 0.93 | 0.25 | 0.50 | 0.07 | N.A. | 1 | 1,808.20 | 357,113 |
| 2012 | 2.50 | 2.25 | 0.36 | 0.79 | 0.10 | N.A. | 1 | 1,212.79 | 332,154 |
| 2011 | 1.22 | 0.96 | 0.37 | 1.47 | 0.23 | N.A. | 1 | 1,228.78 | 330,855 |
| 2010 | 4.34 | 4.08 | 0.68 | 2.66 | 0.63 | N.A. | 1 | 1,189.68 | 365,552 |
| 2009 | 9.42 | 9.15 | 1.47 | 2.72 | 0.70 | N.A. | 1 | 763.11 | 363,451 |
| 2008 | -6.00 | -6.24 | 3.67 | 2.34 | 0.56 | N.A. | 1 | 575.74 | 252,048 |

Source: Wells Fargo Asset Management

Primary Index = Bloomberg Barclays Short-Term U.S. Government/Corporate Index

1. Wells Fargo Asset Management (WFAM) (formerly named Wells Capital Management) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. WFAM has been independently verified for the periods from January 1, 1997 through December 31, 2017. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

2. For the purpose of complying with GIPS, the GIPS firm is defined as WFAM. Since the GIPS firm's creation in 1996, the firm has acquired a number of investment teams and/or assets through mergers or acquisitions which include assets and/or investment teams from Wells Capital Management, Norwest Investment Management Inc., Sutter Advisors, LLC, Montgomery Asset Management, Benson Associates, Strong Financial Corporation, Evergreen Investments, Wells Fargo Asset Management, LLC (International) (formerly named First International Advisors, LLC), Metropolitan West Capital Management, LLC, EverKey Global Partners, ECM Asset Management Limited, Analytic Investors, LLC and Golden Capital Management, LLC (GCM). Effective July 1, 2018, the GIPS firm also includes assets under management of Wells Fargo Asset Management Luxembourg S.A. and Wells Fargo Funds Management, LLC (WFFM).

3. The U.S. Ultra Short Plus Composite (Composite) (formerly named the Ultra Short Plus Fixed Income Composite) consists of all discretionary accounts managed in this style. The Composite contains accounts investing primarily in Treasuries, mortgages, and investment-grade corporate bonds. Accounts typically have a duration of up to one year. Certain accounts included in the Composite may utilize futures, options, swaps, and forward contracts for the purposes of hedging or creating synthetic positions. The accounts have the ability to invest up to 100% of their assets in such securities. More restrictive investment limitations may be imposed. Such securities have ranged from 2.5% to 15.9% of composite assets. Investment results are measured versus the Bloomberg Barclays Short-Term U.S. Government/Corporate Index. Effective January 1, 2018, Thomas Price no longer serves as a portfolio manager for the strategy. The Composite was created in 1993. The Composite inception date is January 1, 1989.

4. Composite returns are net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars, and reflect the reinvestment of dividends and other earnings. Gross Composite returns do not reflect the deduction of investment advisory fees. Net Composite returns are calculated using a model investment advisory fee, which is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance period. Any changes to the fee schedule are reflected in the calculation of the net Composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. WFAM's fee schedules are available upon request and may also be found in Part 2 of Form ADV. The published fee schedule for this strategy is 0.25% for the first \$50mm, 0.20% for the next \$50mm and 0.15% over \$100mm. Additional information regarding WFAM's policies for valuing accounts, calculating performance and preparing compliant presentations are available upon request.

5. Internal dispersion is the equal weighted standard deviation of the annual gross returns of all accounts included in the Composite for the entire year. For years where there are 5 or fewer accounts in the Composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The 3-year annualized standard deviation measures the variability of the gross Composite returns and the index returns over the preceding 36-month time period.

6. Index returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. The Bloomberg Barclays Short-Term U.S. Government/Corporate Index represents securities that have fallen out of the U.S. Government/Corporate Index because of the standard minimum one year to maturity constraint. For comparison purposes, the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

7. Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third-parties that use different security pricing and performance methodologies. **Past performance is not indicative of future results.** As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. For a complete list of WFAM composite descriptions, please see <https://wellsfargo.com/about-us/business-risk-compliance.jsp>.

As of March 31, 2018, the Customized Fixed Income team was renamed WFAM Multi Sector Fixed Income – Plus team and the Ultra Short Plus Fixed Income strategy was renamed the U.S. Ultra Short Plus strategy. The philosophy and process of the team and strategy remain unchanged.

Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest-rate changes and their impact on the strategy and its price can be sudden and unpredictable. The use of derivatives may reduce returns and/or increase volatility. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. This strategy is exposed to foreign investment risk and mortgage- and asset-backed securities risk. Consult the investments offering document, investment management agreement, and/or the adviser's Form ADV Part 2 for additional information on these and other risks.

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