

U.S. High Yield Bond

Portfolio benchmark: ICE BofAML U.S. High Yield Constrained Index | As of September 30, 2018

Investment philosophy/approach

We are a bottom-up manager that invests across all sub-investment grade credit quality segments. Our philosophy focuses on bottom-up credit fundamentals with an emphasis on the relative risk/reward characteristics of each individual credit. We buy securities where there

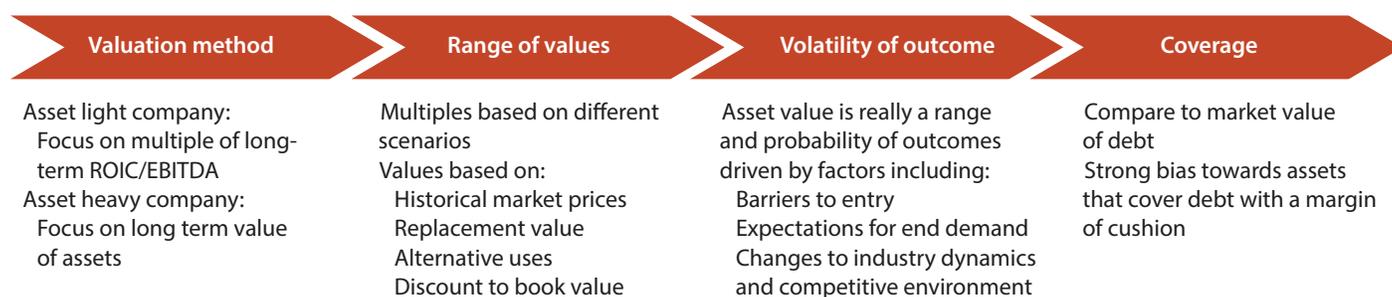
is ample asset coverage (protection) along with strong free cash flow generation. Our objective is to generate alpha through credit selection while managing credit risk, avoiding credit deterioration, and diversifying our portfolio. We believe this will deliver attractive returns with less volatility over the benchmark.

Investment process

At the center of our investment process is how we assess intrinsic value differently. We believe that an intrinsic value must be justified by

long-term return on invested capital and an asset is only worth what it ultimately generates in income over its life.

Our process to determine intrinsic value and asset coverage

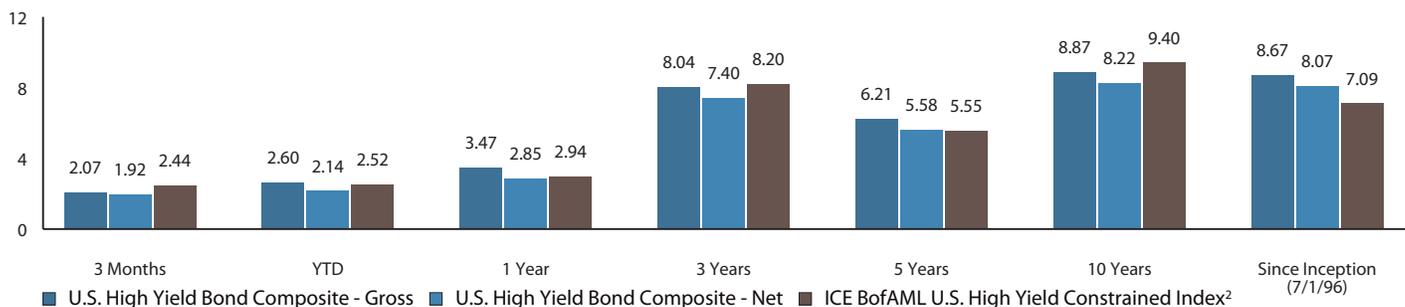


Key advantages

Attribute	Benefit
Resources of a stable parent	Large team of experienced credit analysts, well positioned to sustain performance
Diligent credit process	Rigorous, bottom-up research with documented rationale supporting investment thesis leads to strong risk adjusted returns
Deep understanding of capital structures/covenants	Understanding issue-level complexities and whether compensated for related risk has resulted in a long history of downside protection
Client focus	Accessible team focused on exceeding client expectations
Ability to be nimble	Size of team relative to AUM allows us to focus on less covered issues and increase probability of generating differentiated returns and alpha

Investment performance¹

Historical returns (%)



Past performance is not indicative of future results.

All returns for periods greater than one year are annualized.

¹ Source: Wells Fargo Asset Management.

² Composite index consists of the BofAML U.S. High Yield Master II Unconstrained Index prior to June 1, 2005 and the BofAML U.S. High Yield Master II Constrained Index since June 1, 2005.

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

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Portfolio characteristics

	Portfolio ³	Benchmark
YTM	5.76	6.53

Investment team

	Position
Philip Susser	Managing Director and Team Co-Head Senior Portfolio Manager
Niklas Nordenfelt, CFA	Managing Director and Team Co-Head Senior Portfolio Manager
Thomas Price, CFA	Managing Director and Head of Short Term High Yield Senior Portfolio Manager
Chris Lee, CFA	Head of Trading
Eric Bjorklund	Trader
Alexander Yu	Trader/Portfolio Analyst
Adam Wiener	Portfolio Analyst

Global credit research platform

U.S. based	Position
James Newton, CFA	Co-Head, Global Credit Research
11 Investment professionals	Global research resources

	Portfolio ³	Benchmark
YTW	5.55	6.29

	Position
Mike Mallardi	Co-Director of HY Research
Henry Naah	Co-Director of HY Research
Alex Basman, CFA	Senior Analyst
Marianne Beyer, CFA	Senior Analyst
James Brown, CFA	Senior Analyst
Kevin Maas, CFA	Senior Analyst
Cheryl Ngo	Senior Analyst
Oscar Olivas, CFA	Senior Analyst
Steven Pfeiffer, CFA	Senior Analyst
Maya Sarda	Senior Analyst
Brian Keller, CFA	Research Analyst
Robert McHenry	Research Analyst
Patricia Calzado Real	Research Analyst

Europe based	Position
Duncan Warwick-Champion	Co-Head, Global Credit Research
8 Investment professionals	Global research resources

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

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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	8.19	7.55	7.48	5.11	5.59	0.28	7	1,795.22	385,111
2016	15.88	15.20	17.49	5.47	6.02	0.34	6	1,727.94	330,718
2015	-3.17	-3.75	-4.61	4.73	5.26	0.70	6	1,505.91	349,342
2014	4.97	4.34	2.51	3.83	4.44	0.13	8	1,803.83	351,065
2013	5.94	5.31	7.41	4.80	6.43	N.A.	6	1,142.48	357,113
2012	13.49	12.82	15.55	5.22	7.02	0.16	6	1,338.84	332,154
2011	5.77	5.14	4.37	8.28	10.96	0.44	8	1,747.53	330,855
2010	12.80	12.14	15.07	13.51	16.76	0.31	8	1,893.62	365,552
2009	46.66	45.81	58.10	13.43	16.64	3.25	8	2,238.34	363,451
2008	-19.99	-20.48	-26.11	10.87	13.12	0.59	8	547.11	252,048

Source: Wells Fargo Asset Management

Primary Index = ICE BofAML U.S. High Yield Constrained 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. 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. The U.S. High Yield Bond Composite has been examined for the periods from January 1, 2003 through December 31, 2017. The verification and performance examination reports are available upon request.

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. High Yield Bond Composite (Composite) (formerly named the U.S. High Yield Composite) includes all discretionary accounts over \$5 million managed in this style. The style seeks to maximize total return with a high level of current income in below investment-grade bonds. The process is bottom-up with a focus on credit analysis of individual securities rated primarily BB or lower. The objective is to outperform the ICE BofAML U.S. High Yield Constrained Index. In order to manage exposure to the market (as cash flows dictate from time-to-time), the portfolio manager may invest in the credit-linked certificates DJ Trac-X N/A HY and similar liquid, basket-like derivative instruments. The Composite was created in October 2001. The Composite inception date is July 1, 1996.

4. Composite returns are net of transaction costs and non-redimable 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 0.60% for the first \$50mm and 0.50% over \$50mm. Effective April 1, 2009, the Significant Cash Flow (SCF) policy to temporarily remove accounts from the Composite was amended to place client initiated cash inflows of either cash and/or securities into a temporary cash account until the cash can be fully invested in the strategy. Effective September 1, 2011, the SCF policy was amended to also temporarily remove accounts from the Composite if a single or series of preannounced client initiated withdrawals of cash and/or securities exceeds 15% or more of the accounts previous day's market value. 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 ICE BofAML U.S. High Yield Constrained Index is a market value-weighted index of all domestic and yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3, but are not in default. The index limits any individual issuer to a maximum of 2% benchmark exposure. 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 U.S. High Yield Fixed Income team was renamed WFAM U.S. High Yield Fixed Income team and the U.S. High Yield Fixed Income strategy was renamed the U.S. High Yield Bond 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 fund and its price can be sudden and unpredictable. Loans are subject to risks similar to those associated with other below-investment-grade bond investments, such as risk of greater volatility in value, credit risk (for example, risk of issuer default), and risk that the loan may become illiquid or difficult to price. 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). This strategy is exposed to foreign investment risk, high-yield securities risk, and mortgage- and asset-backed securities risk. High-yield securities have a greater risk of default and tend to be more volatile than higher-rated debt securities. 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.

Wells Fargo Asset Management (WFAM) is the trade name for certain investment advisory/management firms owned by Wells Fargo & Company. These firms include but are not limited to Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC. Certain products managed by WFAM entities are distributed by Wells Fargo Funds Distributor, LLC (a broker/dealer and Member FINRA). WCM 316753 1018