

# WellsTrade<sup>®</sup> Mutual Fund Screened List



The WellsTrade Mutual Fund Screened List (Screened List) is a pre-selected broad group of no load mutual funds, screened from the wide universe of available no load funds, to help make your investment selection easier. There are thousands of mutual funds available to you through WellsTrade. With the Screened List, the universe of no load mutual funds is reduced to those meeting the criteria WellsTrade has established, in order to save you time and help make it easier for you to select those that may be appropriate for you. The Screened List is updated quarterly, so you should review it regularly for current information.

## Not a Recommendation

The WellsTrade Mutual Fund Screened List is not a personalized recommendation to buy or sell any specific fund or an endorsement of any particular fund for your specific individual circumstances. It is important that you consider this information in the context of your own personal risk tolerance, time horizon, liquidity needs, and investment goals. Investments outside the Screened List are also available to satisfy asset classes and investment needs. Keep in mind that investing involves risk and the value of your investments will fluctuate over time, and you may gain or lose money. To view all mutual funds available, visit WellsTrade's online screener or call 1-800-TRADERS.

WellsTrade Mutual Fund Screened List criteria (how mutual funds make the list):

- The fund must be available to purchase in WellsTrade and must be open to new investors.
- The list will include only no load funds; both no transaction fee (NTF) and transaction fee (TF) funds.
- Target date funds (TDFs) and sector funds are included.
- The minimum initial investment amount for the fund is \$2,500 or less.
- The fund must be at least 5 years old (see exception for TDFs below).
- The fund manager's tenure must be at least 3 years.
- The fund's assets under management (AUM) must be at least \$100 million (see exception for TDFs below).
- Funds included are within asset classes that align with both Morningstar categories and the Wells Fargo Investment Institute's Capital Market Assumptions (CMA) categories used in Strategic Asset Allocations. CMA's are estimates of how asset classes may respond during various market environments. For more information, please access the Asset Allocation Strategy Reports found in the Research>Commentary & Strategy by searching for Asset Allocation when logged into your account.
- Funds that meet the criteria listed above are then subjected to analysis of their long-term performance for risk-reward metrics as defined below.

As part of this performance analysis, the funds are compared against relevant peers and benchmarks. Using Morningstar data, funds are ranked against their peer group using the Sharpe Ratio (absolute risk/reward measure) and Information Ratio (Risk/reward measure versus benchmark).

1. At the end of the quarter, each fund's Sharpe Ratio and Information Ratio (Morningstar data points) for the preceding three years are calculated. This is repeated at each quarter end in the fund's history, up to 15 years. This provides up to 49 three-year snapshots of the risk-adjusted return metrics during the fund's track record.
2. These Sharpe Ratios and Information Ratios for each time period are then compared to the results from similar funds in each Morningstar Category, and a percentile rank is created (e.g. a large cap growth fund would be ranked against all other funds in the Morningstar Large Cap Growth Category).
3. The multiple time period ranks are averaged into cumulative Sharpe Ratio and Information Ratio ranks, which are then averaged for a final overall rank.
4. Funds that rank overall in the top third of their peer group are eligible for inclusion on the list.
5. Funds are displayed alphabetically.
6. If more than five funds meet all criteria, only five funds with the highest ranks are selected for the list.
7. In the event there is more than one no load mutual fund with the same fund family and same category, the no load fund with the lowest gross expense ratio from the most recent prospectus will be displayed. If the expense ratios are the same, both funds will be displayed.

TARGET DATE FUNDS (TDFs): Due to the nature of TDFs, which are usually offered in five year increments, we present TDFs in their entire series. As a result, there are three amendments to the Screened List criteria:

- The AUM for an entire series of TDFs must be at least \$300 million
- At least half of the series TDFs must be at least 5 years old
- The individual ranks of a fund family's TDFs series will be averaged, and the average score of the series must be in the top third.

## Compensation to Wells Fargo Advisors

Among other forms of compensation, Wells Fargo Advisors receives compensation from mutual fund complexes on all NTF funds and some TF funds; these funds are denoted for your convenience with an asterisk. Wells Fargo Advisors receives:

- a) Trails or trailing commissions. The firm may receive ongoing payments in the form of 12b-1 fees ("trails") for marketing and distribution services, which are outlined in the fund prospectus.
- b) Networking / Omnibus fees. Fees designed to compensate Wells Fargo Advisors for providing varying degrees of customer account and administrative services for those Wells Fargo Advisors client accounts holding mutual funds. The following are examples of networking and omnibus platform services: the processing of purchases, redemptions and exchanges, check processing, dividend reinvestments, preparation and mailing of consolidated account statements, delivery of fund proxies and shareholder materials, tax reporting, maintaining ownership records, and other sub accounting and record-keeping services; and/or
- c) Revenue Sharing fees. Fees paid to Wells Fargo Advisors for providing continuing due diligence, training, operations and systems support and marketing with respect to mutual fund companies and their funds. Revenue sharing fees are usually paid by the fund's distributor, investment advisor, or an affiliate of the fund, as a percentage of Wells Fargo Advisors' aggregate value of client assets invested in the funds.

Please see the "Guide to Investing in Mutual Funds" for more information.  
([https://saf.wellsfargoadvisors.com/emx/dctm/Marketing/Marketing\\_Materials/Mutual\\_Funds/e6244.pdf](https://saf.wellsfargoadvisors.com/emx/dctm/Marketing/Marketing_Materials/Mutual_Funds/e6244.pdf))

### Investment and Insurance Products are:

- \* Not Insured by the FDIC or Any Federal Government Agency
- \* Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- \* Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

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