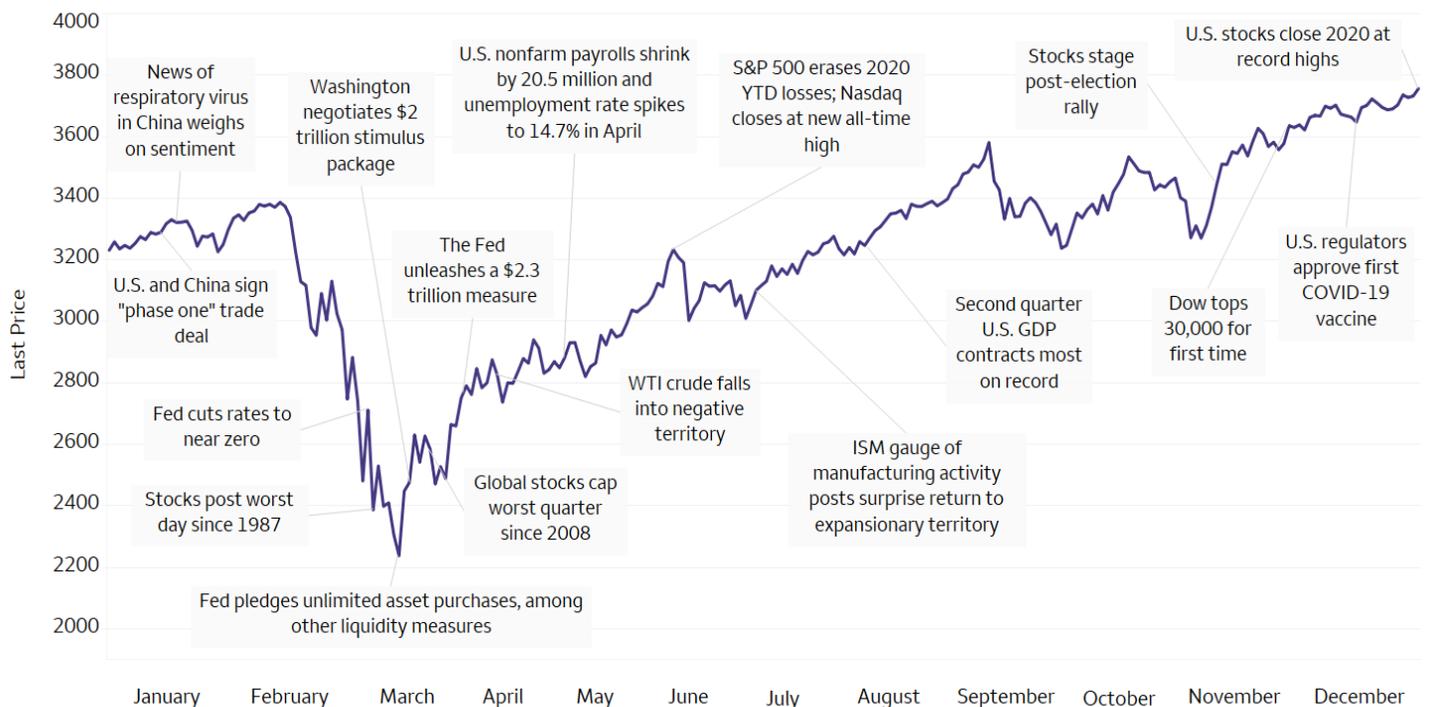


2020 Annual Commentary

2020 was an unprecedented year, both for the world at large and for the financial markets. It was a year for superlatives, as the longest bull market on record gave way to the fastest (and then shortest) bear market in history. A strong start to 2020 was upended as the coronavirus spread across the globe, bringing with it financial and economic turmoil. Trillions of dollars of fiscal and monetary stimulus helped stem the fallout, paving the way for a nearly v-shaped rebound in global equities that saw the S&P 500 add \$14 trillion in value in the year's final nine months. U.S. benchmarks were buoyed by so-called "stay at home" stocks, extending the recent outperformance of mega cap tech companies while some cyclical sectors had a year to forget. Perceived "safe-haven" assets advanced, with U.S. Treasury yields sinking to record lows amid massive intervention from the Federal Reserve, while gold had its best annual performance in a decade.

S&P 500 Index: 2020 Performance



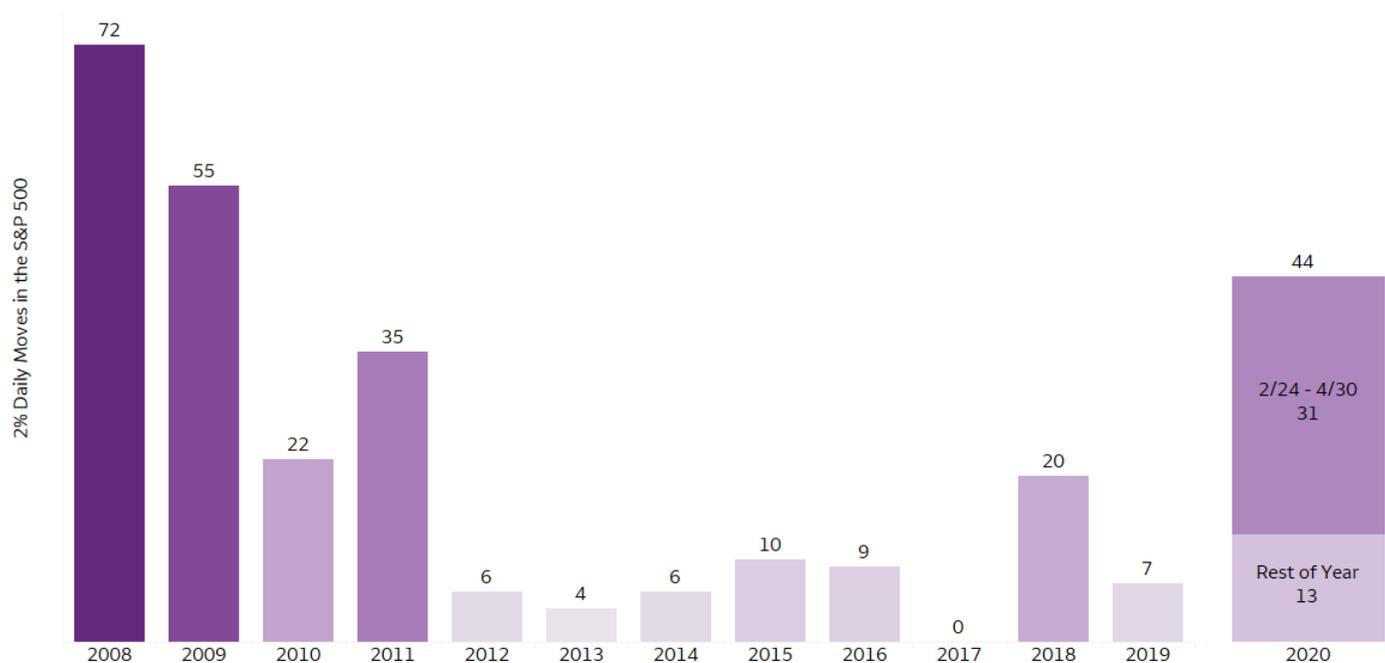
Source: Bloomberg as of December 31, 2020

Given the tumultuous events and seismic shifts experienced throughout 2020, it can be easy to forget how investors entered the year with a decidedly more optimistic outlook. The S&P 500 rallied nearly 30% in 2019, capping a decade which had seen the longest and most perseverant bull market in history. After hiking interest rates for the first time since the Financial Crisis the prior year, the Federal Reserve had pivoted back to an accommodative stance in 2019, cutting interest rates and signaling that monetary policy would remain supportive. Another source of volatility in 2018 had been the ongoing trade conflict between the U.S. and China. Those fears were also allayed to a certain extent heading into 2020, as Washington and Beijing had just finalized a "phase one" trade deal. Meanwhile, the labor market continued to show strength, with the U.S. unemployment rate hovering near a 50-year low of 3.5%.

U.S. stocks started the year strong, with the continued outperformance in Technology and tech-like stocks pushing the Nasdaq Composite 2% higher in January. Strong fourth-quarter earnings results and a dovish tone to the first Federal Reserve meeting of the year helped offset the news trickling in of a virus originating in Wuhan, China. Investors mostly overlooked the coronavirus concerns at the start of the year, as most news outlets predicted a swift containment and limited fallout. Investors began to take more notice on January 30, however, as the novel coronavirus surpassed the total case count from SARS on the same day that the US Centers for Disease Control and Prevention (CDC) confirmed the first U.S. case of human-to-human transmission. Despite the growing concern, the S&P 500 closed at a record high on February 19, having gained nearly 5% in the first seven weeks of 2020. It would prove to be the last record high for nearly seven months, as a steady stream of worrying headlines and growing case counts led to increasing concern among investors.

As the virus spread from China to the rest of the globe, including a flurry of cases in California and Washington, the CDC issued a warning to prepare for a widespread outbreak. As Covid-19 headlines worsened, the financial markets experienced near-historic volatility in the final week of February. The S&P 500 notched its worst weekly performance since the Financial Crisis, tumbling more than 11%. Government bonds rallied, with the yield on 10 and 30-year Treasuries falling to record lows, while gold prices jumped as a perceived “flight to safety” took hold throughout the spring. The jump in volatility was pronounced, with the CBOE Volatility Index (VIX) more than doubling in just a week to its highest level since 2011. In the ensuing period of uncertainty, the S&P 500 would go on to move 2% (up or down) in 25 of the next 33 sessions, after experiencing just seven such moves in all of 2019.

S&P 500 Index 2% Daily Moves – Year by Year Since 2008



Source: Bloomberg as of December 31, 2020

As the virus continued to proliferate, governments around the world took action, installing unprecedented lockdown measures that dealt a crushing blow to the global economy. Corporations began cutting costs and withdrawing guidance, with banks in particular suspending buybacks and setting cash aside to cover the expected onslaught of loan defaults. In March and April alone, 22 million Americans lost their jobs, sending the unemployment rate to a 40-year high of nearly 15%. The volatility peaked on March 12, with the S&P 500 plunging 9.5% for its worst single-session performance since the “Black Monday” crash of 1987. The March 12 rout officially ended the longest bull market in U.S. history, with the 23 trading days representing the quickest-ever transition from record high to bear market. The nadir was reached on March

23, with the S&P 500 having lost 34% in just 33 calendar days. Stocks tied to themes such as travel and leisure were the hardest hit, with most airlines, cruise ship operators, and hotels losing more than half of their value in just over a month.

Given the unprecedented upheaval experienced in both everyday life and in the capital markets, governments and central banks were quick to take action in an attempt to stem the fallout from the Covid-19 virus. The U.S. Federal Reserve cut interest rates to zero at an extraordinary Sunday meeting on March 15, and subsequently pledged nearly unlimited support for the markets in the form of asset purchases and other liquidity measures the following week. By late March, a deeply divided U.S. government began to set aside partisan politics in hopes of passing a much-needed economic stimulus package. On March 27 President Trump signed the CARES Act, a massive \$2.2 trillion relief bill which featured direct payments to millions of households, extended unemployment benefits, and the Paycheck Protection Program (PPP), which offered forgivable loans to small businesses. The steps taken by the Fed and U.S. government were mirrored by central banks and governments around the globe, and subsequent injections of stimulus and liquidity trickled in for the remainder of 2020. In total, nearly \$8.3 trillion (roughly \$22 billion per day) in stimulus was deployed or promised in 2020 in the U.S. alone.

Asset Class and Index Performance 2020 by Period

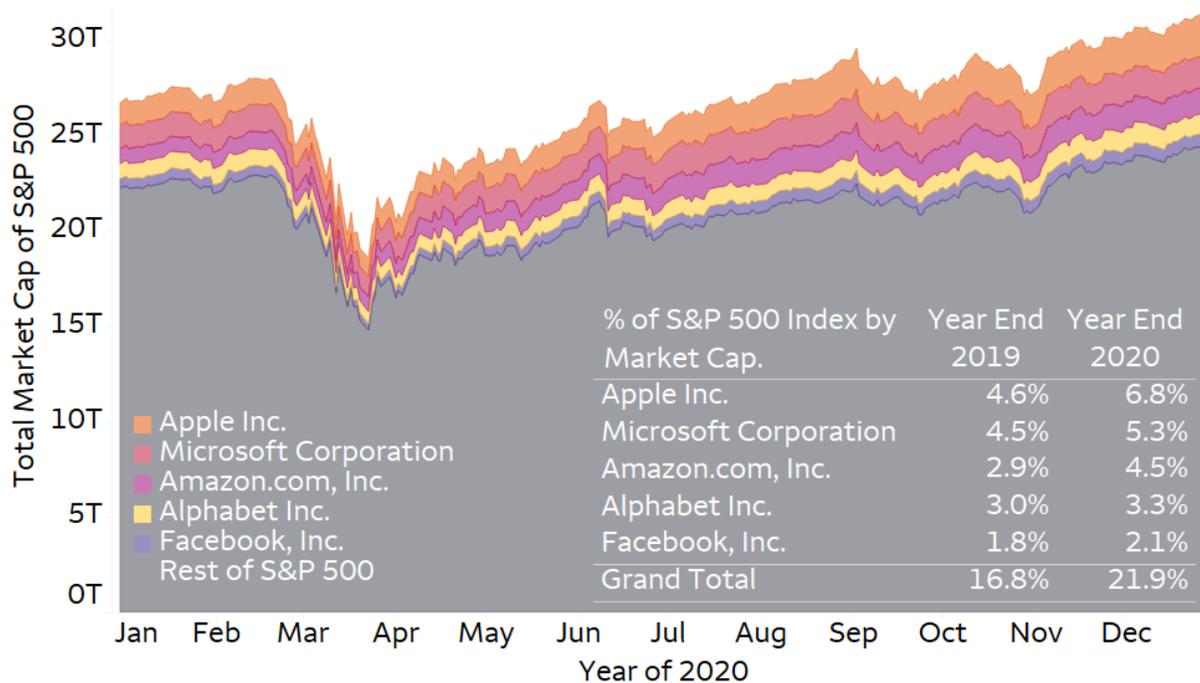
	Jan 1-Feb 19	Feb 19-March 23	March 23-Dec 31	FY2020
Nasdaq Composite	9.4%	-30.1%	87.9%	43.6%
Russell 1000 Growth	9.1%	-31.5%	83.6%	37.1%
COMEX Gold	5.3%	-3.3%	19.7%	21.9%
Russell 2000	1.4%	-40.8%	97.0%	18.4%
S&P 500	4.8%	-33.9%	67.9%	16.3%
MSCI Emerging Markets Index	-1.0%	-31.3%	70.3%	15.8%
Bloomberg Barclays US Agg Bond Index	2.0%	-0.9%	6.4%	7.5%
MSCI EAFE Index	-0.9%	-32.9%	58.6%	5.4%
Russell 1000 Value	0.9%	-38.3%	61.0%	0.1%
WTI Crude	-12.7%	-56.2%	107.7%	-20.5%

Source: Bloomberg as of December 31, 2020

The massive stimulus seemed to shore up investor sentiment by late March, as the unprecedented liquidity and cheaper valuations inspired a torrid stretch of buying from investors. Reports of the imminent passing of the CARES Act sparked the best three-session performance (+17.6% from March 24-26) for the S&P 500 in nearly a century, and by April 20 the S&P 500 had already rallied nearly 30% from its late-March bottom. Leading the market rebound were stocks that investors predicted would benefit from the new trends forced upon the world by the pandemic. Department stores and brick-and-mortar businesses slumped while eCommerce names soared, travel and leisure companies tumbled while **Zoom Video Communications Inc., Peloton Interactive Inc.**, and other “work from home” winners surged. The high-flying stocks which had led the way in for much of the final leg of the bull market also outperformed during the market’s comeback, with the FAAMG cohort steadily increasing in value throughout the summer. By the end of 2020, **Apple, Microsoft, Amazon,**

Alphabet, and Facebook would make up nearly 22% of the total market capitalization of the S&P 500, while the seven largest companies in the index (adding in **Tesla** and **Walmart**) combined to add nearly \$3.4 trillion in market cap.

S&P 500 & FAAMG Change in Market Capitalization: 2020



Source: Bloomberg as of December 31, 2020

Following the rapid sell-off and sharp April rebound, a new period of slow, steady gains took hold for U.S. stocks. Investors watched as governments slowly loosened lockdown restrictions, and began to take growing confidence from reports of several companies developing potential Covid-19 vaccine candidates. Also boosting sentiment was better-than-anticipated corporate earnings results in the second and third quarter, with corporations weathering the pandemic as the massive fiscal and monetary stimulus measures unleashed around the globe bolstered consumer spending and economic activity. The economic fallout from the virus was severe, with U.S. GDP falling 31.4% in the second quarter, but the rebound was nearly as prominent, with GDP recovering 33.4% in the third quarter. The S&P 500 went on to post five straight monthly gains in the middle of 2020 (+12.7% in April, +4.5% in May, +1.8% in June, +5.5% in July, and +7% in August) before reaching an all-time high on Aug. 18, ending the shortest bear market in history.

Following the late-spring and summer rally, the next period of 2020 was characterized by a confluence of positive (vaccine optimism, stimulus expectations, and economic recovery) and negative (rising Covid-19 infections and hospitalizations, 2020 election uncertainty, inaction on a fifth U.S. stimulus bill) influences on investor sentiment. After surging nearly 60% between March 23 and September 1, the S&P 500 went on to slump more than 6% in the ensuing two month period. Much of the attention and volatility centered on the 2020 U.S. Presidential election. Heading into Election Day, pollsters were widely predicting a so-called “blue wave” scenario, in which former Vice President Joe Biden would unseat incumbent President Donald Trump and the Democrats would take control of both houses of Congress. Market participants also contended with concerns about a delayed election result, given the Covid-19 pandemic and record mail-in voting. As the ballots were counted on election night, it was unclear which party would take the White House and Senate, given historically tight races in key battleground states. Clarity began to surface in the days following the election, with Vice President Joe Biden emerging victorious in the Presidential election, while Republicans held a 50-48 lead in the Senate pending two special run-off elections in Georgia.

Investors were emboldened by the results, with the S&P 500 jumping more than 7% in the first week of November. The rally then deepened as late stage trials revealed that vaccine candidates from **Pfizer/BioNTech** and **Moderna** showed more than 90% efficacy in preventing the Covid-19 virus. The S&P 500 went on to post a double-digit November gain, though the dynamics of the rally had changed from the summer. Value-oriented and cyclical stocks tied to economic re-opening, which had meaningfully lagged for most of 2020, went on to outperform in the final two months of the year as investors eyed a potential return to economic normalcy in 2021. Small caps, banks, airlines, and Energy stocks led the final leg of the 2020 advance, with the long-awaited news of a fifth coronavirus stimulus bill adding fuel to a 3.7% December increase for the S&P 500.

S&P 500 Sector Performance in 2020 with FAAMG*

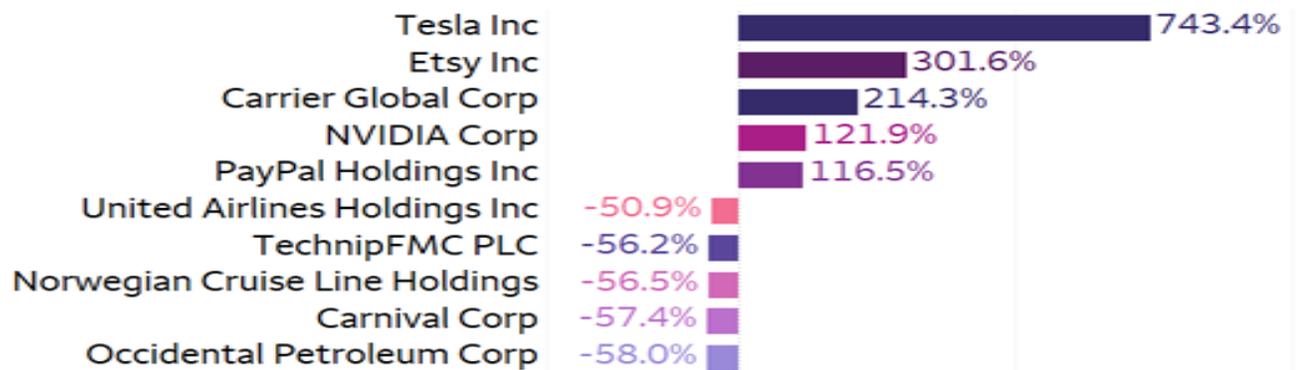
	First Half	Second Half	FY2020
S&P 500 Index	-4.0%	21.2%	16.3%
FAAMG	23.8%	23.3%	52.4%
Information Technology	14.2%	24.5%	42.2%
Consumer Discretionary	6.6%	23.9%	32.1%
Communication Services	-1.0%	23.4%	22.2%
Materials	-8.0%	28.4%	18.1%
Healthcare	-1.7%	13.4%	11.4%
Industrials	-15.5%	29.0%	9.0%
Consumer Staples	-7.1%	15.8%	7.6%
Utilities	-12.6%	11.2%	-2.8%
Financials	-24.6%	27.2%	-4.1%
Real Estate	-10.0%	5.3%	-5.2%
Energy	-37.0%	-0.5%	-37.3%

Source: Bloomberg as of December 31, 2020*FAAMG represented by an equal weight portfolio of Facebook, Amazon, Apple, Microsoft and Alphabet

The S&P 500 and Dow Jones Industrial Average both finished the year at record highs, posting annual gains of 16.3% and 7.3%, respectively. The Nasdaq Composite jumped 43.6% in 2020, its best annual performance since 2009. Technology stocks paced the gains, surging 42% with the help of standout years for Apple (+80%) and Microsoft (+41%) as well as a 51% advance for the Philadelphia Semiconductor Index. Consumer Discretionary stocks also outperformed, thanks in large part to Amazon's 76% increase. The Communication Services sector finished third, with Google-parent Alphabet and Facebook both overcoming increasing regulatory scrutiny to gain more than 30% for the year. The best performing stock in the S&P 500 was a company that only joined the index in late December. Tesla surged 743%, as record vehicle deliveries helped the electric carmaker become the sixth-largest U.S. company by market cap at year's end. Financials

underperformed, as banks were forced to cut dividends and suspend buybacks in March as the economic fallout from the pandemic worsened. Real Estate stocks lagged as well, with commercial real estate prices tumbling as brick and mortar businesses struggled to stay afloat during the lockdown. Energy stocks brought up the rear, with the sector experiencing the worst annual performance (-37%) in three decades following a tumultuous year for oil prices. WTI crude contracts briefly traded below \$0 in April during the height of the pandemic amid supply and storage gluts and falling demand. While prices more doubled in the second half of the year, WTI crude still posted a 2020 loss of more than 20%.

S&P 500 Top 5, Bottom 5 Performers in 2020

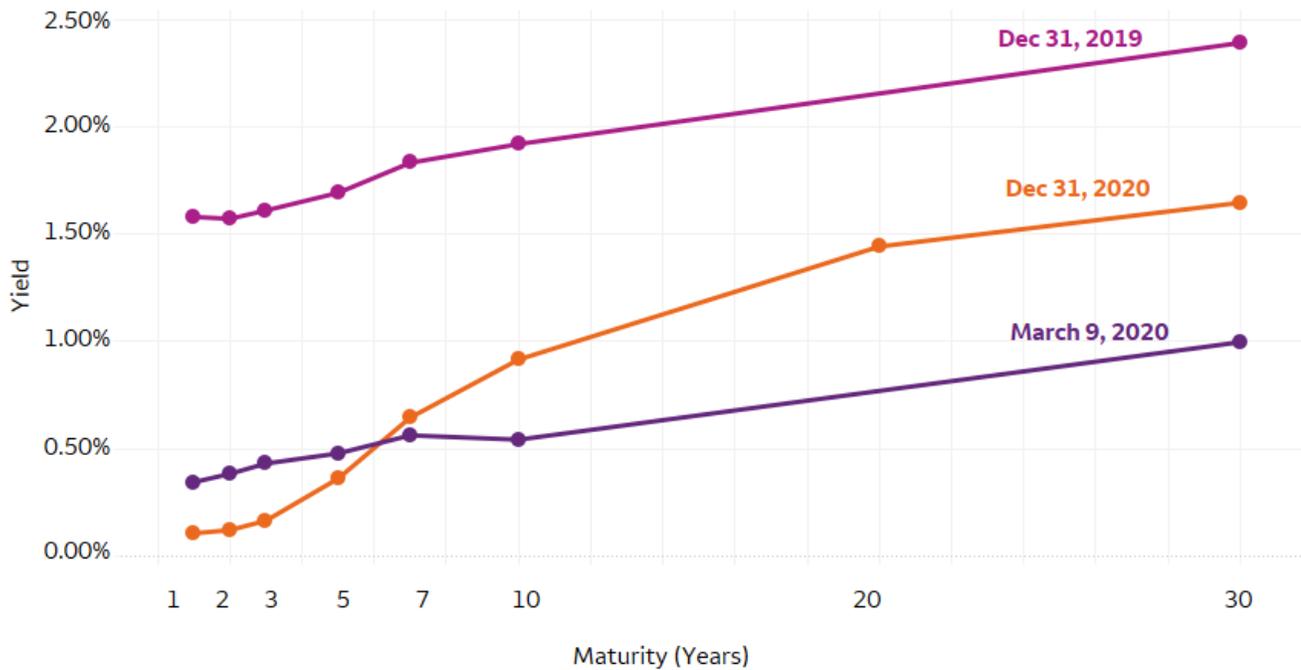


Source: Bloomberg as of December 31, 2020

Thanks in large part to weakness in oil prices, the Bloomberg Commodity Index finished the year with a 3.5% annual decline. Not all commodities had an off year, however, as the metals complex rode a second-half rally to a strong 2020 performance. Copper (+25.7%) surged amid robust demand from China, which recovered from the pandemic faster than most of its global counterparts. The biggest single beneficiary of the Covid-19 pandemic and the corresponding fallout may have been gold. COMEX gold prices rallied nearly 25% in 2020, the best annual performance since 2010, as a perceived “flight to safety” in the first half of the year sent prices soaring. The yellow metal, which is often seen as a hedge against inflation, also benefited from falling interest rates and weakness in the U.S. dollar, which slumped 6.7% against a basket of its peers in 2020.

Much like the equity market, the fixed income market experienced a topsy-turvy 2020. Coming into the year, the yield on the benchmark 10-year note stood at 1.91%, having fallen the previous year as the Fed cut interest rates and assumed a more accommodative monetary policy stance. Yields fell further as the pandemic worsened, with the 10-year (0.32%) and 30-year (0.997%) maturities touching record lows on March 9. As liquidity dried up and sentiment bottomed, high yield corporate bond yields moved in the other direction. The spread between high yield benchmarks and Treasuries of 10-year maturities (The CSI BARC Index) reached as high as 10.88%, widening from just over 3% at the start of the year. Following the massive intervention from the Federal Reserve and other central banks, and as sentiment improved, Treasury yields eventually inched higher, with the 10-year yield settling into a trading range between 0.50% and 0.80% for most of the year. By the end of December, the yield on the benchmark 10-year note had climbed back to 0.91%, exactly 100 basis points below where it finished 2019. Meanwhile, the spread between 10-year High Yield corporate bonds and 10-year U.S. Treasuries settled back down to 3.27%, near where it began 2020. Overall, the Bloomberg Barclays U.S. Aggregate Bond Index finished with a 7.5% annual increase.

United States Treasury Yield Curve Comparison: 2020



Source: Bloomberg as of December 31, 2020

Disclaimers

Ticker	Price	Ticker	Price	Ticker	Price
ZM	337.32	ETSY	177.91	TSLA	705.67
PTON	151.72	CARR	37.72	GOOGL	1752.64
MRNA	104.47	OXY	17.31	MSFT	222.42
PFE	36.81	CCL	21.66	NFLX	540.73
BNTX	81.52	NCLH	25.43	FTI	9.40
AAPL	132.69	NVDA	522.20	UAL	43.25
FB	273.16	PYPL	234.20	WMT	144.15

Source: Bloomberg as of December 31, 2020 4:00 p.m. ET

All investing involves risks including the possible loss of principal. Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions and the perception of individual issuers. Investments in equity securities are generally more volatile than other types of securities. Dividends are not guaranteed and are subject to change or elimination. Additional information available upon request. Past performance is not a guide to future performance. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee as to its accuracy or completeness. This material is published solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Opinions and estimates are as of a certain date and subject to change without notice.

Definitions

An index is unmanaged and not available for direct investment.

The 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.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

The U.S. Dollar Index (DXY) indicates the general international value of the U.S. dollar. The index does this by averaging the exchange rates between the U.S. dollar and major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Chicago Board Options Exchange (CBOE) Volatility Index (VIX) reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. 1st & 2nd month expirations are used until 8 days from expiration, then the 2nd and 3rd are used.

The Philadelphia Semiconductor Index is a modified capitalization-weighted index comprised of companies that are involved in the design, distribution, manufacturing, and sale of semiconductors

The Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

CSI BARC Index is calculated by taking the Barclays Capital US Corporate High Yield Yield to Worst minus the US Generic Government 10 Year Yield.

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. ©2021 Wells Fargo Clearing Services, LLC. All rights reserved. CAR#-0121-00132