Steps to help secure your retirement
Agenda

Welcome and introduction

1. Challenges
2. Where you stand today
3. Getting to where you want to be
4. Picturing your retirement
5. Your dreams and goals
Retirement
Focusing on your future

My three greatest hopes for retirement
1. _____________________________
2. _____________________________
3. _____________________________

My three greatest worries for retirement
1. ______________________________
2. ______________________________
3. ______________________________
The five questions

1. What is one of the biggest threats to my retirement?
2. When should I begin Social Security?
3. How much can I spend in retirement?
4. How should I invest during retirement?
5. Am I on track?
Challenges

- Approximately **70%** of Americans now turning 65 will need long-term care during retirement.¹
- It is estimated a couple will need as much as **$368,000** to cover health care in retirement.²
- **38%** of working Americans are unsure how much they’ve saved for retirement.³

² EBRI December 2017, Vol. 38, No. 10. 90% chance of having enough savings to cover health care costs for retirees with drug expenses at the 90th percentile who have Medigap Plan F to supplement Medicare Parts A, B, and D. For a man, the cost could be as much as $177,000 and for a woman, $198,000.
³ 2018 Wells Fargo Retirement Study
Proper retirement planning is key

- Maintain standard of living
- Generate retirement income to last your lifetime
- Know where you are.
- Determine where you are going.
- Follow your plan.
Challenges

- **38%** of workers say living to age 85 would be a “financial hardship”.¹
- **42%** of workers expect to live between age 85 and beyond.¹
- Only **45%** of working Americans say they have a detailed financial plan – less than all other generations.¹

¹ 2018 Wells Fargo Retirement Study
Challenges

- Experiencing poor investment performance
- Living far longer than you imagined
- Dealing with increased inflation
- Facing health concerns and possible medical costs
- Paying taxes
- Supporting parents and/or children
- Encountering the unexpected
Underestimating the time you will spend in retirement

Americans are living longer

Source: Social Security Administration (ssa.gov) Retirement & Survivors Benefits: Life Expectancy Calculator as of Jan. 2018
Forgetting about inflation’s effects

Inflation’s powerful effects

If prices rise 3% annually:

<table>
<thead>
<tr>
<th>Today</th>
<th>Five years from now</th>
<th>10 years from now</th>
<th>20 years from now</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.00</td>
<td>86¢</td>
<td>74¢</td>
<td>54¢</td>
</tr>
</tbody>
</table>

Relative worth

Source: Consumer Price Index
The inflation factor

<table>
<thead>
<tr>
<th>Item</th>
<th>1990</th>
<th>2017</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loaf of bread(^1)</td>
<td>$0.68</td>
<td>$1.33</td>
<td>96%</td>
</tr>
<tr>
<td>Electricity (per 500 KWH)(^1)</td>
<td>$41.87</td>
<td>$68.88</td>
<td>65%</td>
</tr>
<tr>
<td>Gallon of gas (unleaded)(^1)</td>
<td>$1.02</td>
<td>$2.41</td>
<td>136%</td>
</tr>
<tr>
<td>Movie ticket(^2)</td>
<td>$4.22</td>
<td>$8.97</td>
<td>113%</td>
</tr>
</tbody>
</table>

Sources:
\(^1\) BureauofLaborStatistics.com
\(^2\) The National Association of Theater Owners
**Food for thought**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meal for two for a month (age 51-70)</td>
<td>$585.70</td>
</tr>
<tr>
<td>Over one year</td>
<td>$7,028.40</td>
</tr>
<tr>
<td>During retirement (30 years)</td>
<td>$210,852.00</td>
</tr>
<tr>
<td>Inflated at 2.5%</td>
<td>$316,279.90</td>
</tr>
</tbody>
</table>

Source: US Department of Agriculture  
Official USDA Food Plans: Cost of Food at home, U.S. Average, April 2017  
Moderate cost plan for family of 2 (Man and Woman)  
This information is hypothetical and is provided for illustrative purposes only.
Having unrealistic investment expectations

Market timing — The risk of missing major opportunities
Ibbotson Large Company Stock Index annualized returns, 1998-2017

Source: ©2017 Morningstar, Inc. All rights reserved. Stocks in this example are represented by the Ibbotson® Large Company Stock Index 1998-2017. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs 1998-2017. This example does not include fees or commissions. Past performance is no guarantee of future results. This chart is for illustrative purposes only and is not indicative of the performance of any specific investment. An investor cannot invest directly in an index. Returns and principal invested in stocks are not guaranteed. Holding a portfolio of securities for long-term does not ensure a profitable outcome, and investing in securities involves risk of loss.
Step 2: Where you stand today

- What are your assets and liabilities?
- What are your sources of retirement income?
- What is your benefits situation?
- How much insurance do you have?
- Is there any likelihood of an inheritance?
- Do you have potential company benefits?
- Does your family know where your key documents are?
- What do you want your legacy to be?
The importance of staying invested

Source: Morningstar and National Bureau of Economic Research (NBER). The market is represented by the Standard & Poor’s 500®, which is an unmanaged group of securities considered a representation of the U.S. stock market in general. Cash is represented by the S&P/BGCantor U.S. Treasury Bond Index which is comprised of sub-indices that are differentiated by the range of maturities of its constituents. This index seeks to measure the performance of the U.S. Treasury Bond market maturing in 0 to 1 years. Past performance is not guarantee of future results. This information is hypothetical and is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. The data assume reinvestment of income and do not account for taxes or transaction costs.
Getting to where you want to be

Moderate Growth and Income

- Your need for income vs. growth
- Types of risk
- Need to rebalance
- Asset allocation

Moderate Growth & Income

Growth and income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets. Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.

The hypothetical portfolio allocation is for illustrative purposes only. Your needs and risk tolerances will vary, and your individualized portfolio should be designed with that in mind.
## Annual returns for key indexes (2003-2017)

*Ranked in order of performance (best to worst)*

| Year | Eng-Mkt Equities | Emg-Mkt Equities | High-Yield Fixed | In-Grade Fixed | Cash Alternatives | U.S. Large Cap Equities | U.S. Mid-Cap Equities | U.S. Smaller-Cap Equities | U.S. Long-Term Bond | Commodity | MSCI Port (4A w/o PC) | MSCI Port (4A w/o PC) | MSCI Port (4A w/o PC) | MSCI Port (4A w/o PC) | Hedge Funds | Other | CPI | CPI | CPI | CPI |
|------|------------------|------------------|-------------------|-----------------|------------------|------------------------|------------------------|------------------------|------------------------|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|-----|----|----|----|----|
| 2003 | 12.4%            | 5.2%             | 25.1%             | 12.6%           | 5.9%             | 13.7%                  | 10.7%                  | 17.8%                  | 17.1%                  | 11.2%     | 10.3%                | 9.0%                 | 17.0%                | 12.4%                | 14.4%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2004 | 12.9%            | 8.2%             | 24.0%             | 12.5%           | 7.8%             | 14.7%                  | 10.7%                  | 17.8%                  | 16.3%                  | 12.8%     | 9.3%                 | 9.8%                 | 17.1%                | 13.2%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2005 | 11.2%            | 7.5%             | 21.3%             | 11.3%           | 5.9%             | 13.7%                  | 10.7%                  | 17.8%                  | 17.6%                  | 11.7%     | 10.4%                | 9.3%                 | 17.1%                | 12.9%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2006 | 14.3%            | 10.5%            | 24.5%             | 14.2%           | 8.2%             | 16.8%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2007 | 15.5%            | 11.4%            | 26.5%             | 15.1%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2008 | 20.4%            | 18.3%            | 26.5%             | 15.5%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2009 | 18.4%            | 16.4%            | 26.5%             | 15.5%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2010 | 20.4%            | 18.3%            | 26.5%             | 15.5%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2011 | 18.6%            | 16.4%            | 26.5%             | 15.5%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2012 | 18.6%            | 16.4%            | 26.5%             | 15.5%           | 8.5%             | 17.9%                  | 10.7%                  | 17.8%                  | 16.3%                  | 13.3%     | 11.5%                | 8.8%                 | 17.1%                | 12.9%                | 12.9%      | 11.9%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2013 | 11.8%            | 7.7%             | 21.4%             | 11.9%           | 5.8%             | 13.6%                  | 10.6%                  | 17.8%                  | 17.3%                  | 12.3%     | 10.9%                | 9.2%                 | 17.0%                | 12.7%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2014 | 10.7%            | 6.3%             | 20.0%             | 11.9%           | 5.8%             | 13.6%                  | 10.6%                  | 17.8%                  | 17.3%                  | 12.3%     | 10.9%                | 9.2%                 | 17.0%                | 12.7%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2015 | 12.8%            | 8.8%             | 22.5%             | 12.6%           | 6.5%             | 14.3%                  | 10.6%                  | 17.8%                  | 17.2%                  | 13.2%     | 11.7%                | 9.7%                 | 16.8%                | 12.7%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2016 | 10.0%            | 5.3%             | 20.8%             | 12.4%           | 6.0%             | 13.9%                  | 10.6%                  | 17.8%                  | 17.2%                  | 13.2%     | 11.7%                | 9.7%                 | 16.8%                | 12.7%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|
| 2017 | 11.2%            | 7.2%             | 21.3%             | 12.4%           | 6.0%             | 13.9%                  | 10.6%                  | 17.8%                  | 17.2%                  | 13.2%     | 11.7%                | 9.7%                 | 16.8%                | 12.7%                | 14.2%      | 13.0%| 1.9%| 3.3%| 2.7%| 1.3%|

**Sources:** Wells Fargo Investment Institute and Morningstar Direct. As of 12/31/2017. Hypothetical and past performance do not guarantee future results. An Index is unmanaged and not available for direct investment. Please see pages 3–4 for definitions of the Indices, descriptions of the asset class risks, and the composition of the Hypothetical Moderate Growth & Income Portfolio and hypothetical 60%/40% Portfolio. The data assume the reinvestment of all income and dividends and do not account for taxes and transaction costs. The average is the 15-year compounded (geometric) annual growth rate. Information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. Average is calculated as geometric mean. Average is calculated as 15 years from 2003–2017.
Volatility is normal

A history of stock market declines (as of December 2017)

This study shows how frequently declines in the Dow have occurred since 1948. As you can see, they have been regular events.

<table>
<thead>
<tr>
<th>Type of decline</th>
<th>Average frequency*</th>
<th>Average length†</th>
<th>Last occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine (5% or more)</td>
<td>About three times a year</td>
<td>46 days</td>
<td>June 2016</td>
</tr>
<tr>
<td>Moderate (10% or more)</td>
<td>About once a year</td>
<td>117 days</td>
<td>February 2016</td>
</tr>
<tr>
<td>Severe (15% or more)</td>
<td>About once every three years</td>
<td>275 days</td>
<td>October 2011</td>
</tr>
<tr>
<td>Bear market (20% or more)</td>
<td>About once every 6 years</td>
<td>425 days</td>
<td>March 2009</td>
</tr>
</tbody>
</table>

Source: Capital Research and Management Company, as measured by the unmanaged Dow Jones Industrial Average. Past performance is no guarantee of future results. An index is unmanaged and is unavailable for direct investment.

* Assumes 50% recovery of lost value after each decline.
† From market high to market low
How much can you take out of your portfolio?

<table>
<thead>
<tr>
<th>Withdrawal Rate</th>
<th>100/0</th>
<th>75/25</th>
<th>50/50</th>
<th>25/75</th>
<th>0/100</th>
</tr>
</thead>
<tbody>
<tr>
<td>3%</td>
<td>90%</td>
<td>95%</td>
<td>98%</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td>4%</td>
<td>77%</td>
<td>80%</td>
<td>84%</td>
<td>82%</td>
<td>55%</td>
</tr>
<tr>
<td>5%</td>
<td>60%</td>
<td>59%</td>
<td>53%</td>
<td>31%</td>
<td>8%</td>
</tr>
<tr>
<td>6%</td>
<td>45%</td>
<td>38%</td>
<td>23%</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>7%</td>
<td>31%</td>
<td>21%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Chance of a portfolio lasting 30 years

Analysis conducted by Wells Fargo Advisors’ Advisory Services Group using 50,000 simulations. For stocks, a mean return of 8% and standard deviation of 16.5% was utilized. For bonds, it was 4.10 and 5% respectively. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. This simulation (commonly referred to as Monte Carlo) generates random returns based on the historical standard deviation forming a normal distribution around the mean. After returns for each asset class are generated, the returns are further refined by factoring in approximate 75-year correlations among the asset classes. This will result in a universe of returns for each asset class. The portfolio’s weighted average return is calculated based on each asset class’s weight in that scenario’s asset allocation, in effect rebalancing every year. The analysis does not contain information related to any specific security and as such does not favor any certain or specific security. To evaluate the impact that unpredictable markets may have on financial objectives, the simulation measures these objectives against 1,000 randomly generated market performance scenarios. It uses both historical averages and volatility (ups and downs of the market as a standard of risk) of stocks, bonds and cash to generate the random portfolio return scenarios.
5 basic estate planning documents
5 basic estate planning documents

1. Will
2. Durable power of attorney
3. Power of attorney for health care
4. Living will
5. Revocable living trust
Every adult, regardless of age or net worth, should have these four basic documents:

1. Will
2. Durable power of attorney
3. Power of attorney for health care
4. Living will
Asset Class Risks

Asset allocation is an investment method used to help manage risk. It does not ensure a profit or protect against a loss.

**Commodities:** The commodities markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or other factors affecting a particular industry or commodity.

**Equity Securities:** Stocks are subject to market risk, which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors.

**Fixed Income:** Investments in fixed-income securities are subject to market, interest rate, credit/default, liquidity, inflation and other risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and/or principal. This risk is heightened in lower rated bonds. High yield fixed income securities (junk bonds) are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity. U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest if held to maturity and are subject to interest rate risk.

**Foreign/Emerging Markets:** Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets.

**Hedge Funds:** Hedge Funds are available only to persons who are “accredited investors” or “qualified purchasers” within the meaning of U.S. securities laws. Hedge funds trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the investor.

**Real Estate:** Investing in real estate investment trusts (REITs) has special risks, including possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions.

**Small/Mid-Cap:** The prices of small/mid-company stocks are generally more volatile than large-company stocks. They often involve higher risks because of smaller and mid-sized companies may lack the management expertise, financial resources, product diversification, and competitive strengths to endure adverse economic conditions.
Asset Class Definitions

Hypothetical 60%/40% Portfolio: Composed of 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

Hypothetical Moderate Growth & Income Portfolio (4 Asset Groups without Private Capital): 30% Bloomberg Barclays U.S. Treasury Bill 1-2 Months, 11% Bloomberg Barclays U.S. Aggregate (5-7Y), 6% Bloomberg Barclays U.S. Aggregate (10+), 6% Bloomberg Barclays U.S. Corporate High Yield Index, 5% JPM GBI Global Ex-U.S. TR USD Index, 7% JPM EMBI Global TR USD Index, 20% S&P 500 Index, 8% Russell Mid Cap TR USD Index, 5% MSCI EAFE GRI USD Index, 5% MSCI EM GRI USD Index, 5% FTSE EPRA NAREIT Developed TR USD Index, 25% Bloomberg Commodities Index, 3% HFRI Relative Value Arbitrage Index, 6% HFRI Macro Index, 4% HFRI Event Driven Index, 2% HFRI Equity Hedge Index.

The compositions of the Hypothetical Moderate Growth & Income Portfolio and the Hypothetical 60%/40% Portfolios are for illustrative purposes only. Hypothetical results do not represent actual trading results, and the actual results achieved may not represent the experience of any individual investor. In addition, hypothetical results do not reflect the impact of any fees, expenses, or taxes applicable to an actual investment. The indices reflect the historical performance of the represented assets and assume the reinvestment of dividends and other distributions. Hypothetical and past performance results are no guarantee of future results. HFRI Relative Value Arbitrage Index tracks funds that attempt to take advantage of relative pricing discrepancies between instruments, including equities, debt, options, and futures. Managers may use mathematical, fundamental, or technical analysis to determine misvaluations. Securities may be mispriced relative to the underlying security, related securities, groups of securities, or the overall market. HFRI Macro Index tracks managers that trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top-down and bottom-up theses, quantitative and fundamental approaches, and long- and short-term holding periods. HFRI Event Driven Index is also known as “corporate life cycle” investing. This involves investing in opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, bankruptcy reorganizations, recapitalizations, and share buybacks. The portfolio of some event driven and managers may shift in majority weighting between risk arbitrage and distressed securities, while others may take a broader scope, instruments include long and short common and preferred stocks, as well as debt securities and options. Leverage may be used by some managers. Fund managers may hedge against market risk by purchasing S&P 500 put options or put option spreads. HFRI Equity Hedge (Total) Index is a fund-weighted index of select hedge funds focusing on equity hedge strategies. Equity hedge investing consists of a long holding of long equities hedged at all times with short sales of stocks and/or stock index options.

Cash Alternatives: Bloombergs Barclays U.S. Treasury Bills (1-3M) Index is representative of money market funds. Commodities: Bloomberg Commodity Index is a broadly diversified Index of commodity futures on 20 physical commodities, subdivided into energy, U.S. agriculture, livestock, precious metals, and industrial metals sectors. Commodity weights are derived in a manner that attempts to fairly represent the importance of a diversified group of commodities to the world economy. Emerging-Market Equities: MSCI Emerging Markets Index (MSCI EM) is a free float-adjusted capitalization index designed to measure equity market performance of emerging markets. Developed Market Ex-U.S. Fixed Income: JP Morgan Global Ex-United States Index (JPM GBI Global Ex-U.S.) is a total return index, capitalization weighted index, rebalanced monthly, consisting of the following countries: Australia, Germany, Spain, Belgium, Italy, Sweden, Canada, Japan, United Kingdom, Denmark, Netherlands, and France. Emerging-Market Fixed Income: JPM EMBI Global Index is a U.S. dollar-denominated, investable, market capitalization-weighted index representing a broad universe of emerging market sovereign and quasi-sovereign debt. While producible in the asset class, have become more diverse, focusing on both local currency and corporate issuance, there is currently no widely accepted aggregate index reflecting the broader opportunity set available in these asset class, evolving. By using the same index provider as the one used in the developed market bonds asset class, there is consistent categorization of countries among developed international bonds (ex. U.S.) and emerging market bonds. High Yield Taxable Fixed Income: Bloomberg Barclays U.S. Corporate High Yield Bond Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities in this index are classified as “High Yield” if the middle rating of Moody’s, Fitch, and S&P is Ba1/BB+/BB, or below. Included issues must have at least one year until final maturity. Inflation-CPI: IA SIBI U.S. Inflation Index is a custom unmanaged index designed to track the U.S. inflation rate. Developed Market Ex-U.S. Equities: MSCI EAFE Index (Europe, Australasia, Far East) Index (MSCI EAFE GR) is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. U.S. Taxable Investment-Grade Fixed Income: Bloomberg Barclays U.S. Aggregate Bond Index is composed of the Bloomberg Barclays U.S. Government/Credit Index and the Bloomberg Barclays U.S. Mortgage-Backed Securities Index and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities. U.S. Large-Cap Equities: S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock’s weight in the index proportionate to its market value. U.S. Mid-Cap Equities: Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index, which represent approximately 25% of the total market capitalization of the Russell 1000® U.S. Small-Cap Equities: Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 80% of the total market capitalization of the Russell 3000® Index. Public Real Estate: FTSE EPRA NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs in developed countries worldwide. Hedge Funds: HFRI Fund Weighted Composite Index is a fund-weighted (equal-weighted) index designed to measure the total returns net of fees of the approximately 2,000 hedge funds that compose the index. Constituent funds must have at least $50 million under management or a track record of greater than 12 months.

The HFRI Indices are based on information self-reported by hedge fund managers that elect to, on their own, at any time, whether or not they want to provide, or continue to provide, information to HFRI Asset Management, LLC. (HFRI). Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these Indices may not be complete or accurate representations of the hedge fund universe and may be biased in several ways. CPI (consumer price index) measures the price of a fixed basket of goods and services purchased by an average consumer.
Important:
The projections or other information generated by Envision regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

Envision methodology:
Based on accepted statistical methods, the Envision tool uses a simulation model to test your Ideal, Acceptable and Recommended Investment Plans. The simulation model uses assumptions about inflation, financial market returns and the relationships among these variables. These assumptions were derived from analysis of historical data. Using Monte Carlo simulation the Envision tool simulates 1,000 different potential outcomes over a lifetime of investing varying historical risk, return, and correlation amongst the assets. Some of these scenarios will assume strong financial market returns, similar to the best periods of history for investors. Others will be similar to the worst periods in investing history. Most scenarios will fall somewhere in between.

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