Resolution #14-0219-035

Approving Investment Policy Statement with Wells Fargo Bank

WHEREAS, the status of the Gaă Çhing Ziibî Daăwaa Aniśhinaábek (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribal Council, pursuant to Article IV, Section 7 (i)(2) of the Constitution, has the power to manage any funds within the exclusive control of the Tribe and to appropriate such funds for the benefit of the Tribe and its members; and

WHEREAS, the Tribe wishes to establish an Investment Policy Statement with Wells Fargo Bank for the purposes of investing certain funds that are either reserved or utilized to fund operations on a periodic basis; and

WHEREAS, the details governing the investment account at Wells Fargo Bank are included in the attached Investment Policy Statement; and

WHEREAS, the Tribal Council has from time to time, by resolution, designated the persons authorized to sign transfer documents for movement of funds from the investment account governed by the Investment Policy Statement as required to facilitate normal operations; and
WHEREAS, the nature of the investment account is such that Tribal Council has determined that a restricted number of individuals should be allowed the ability to sign documents that will affect transfers from these accounts; and

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council approves the Investment Policy Statement with Wells Fargo Bank; and

IT IS FURTHER RESOLVED THAT, the Tribal Council desires to amend and redesignate the persons authorized to sign for transfers from certain accounts to only include the name of Tribal Government officials holding office that is subject to election to public office; and

IT IS FURTHER RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby designates the persons listed below as authorized signers on the investment account governed by the Investment Policy Statement maintained by the Tribe at Wells Fargo Bank:

Designate the following individuals as Authorized Signers on the Wells Fargo Investment where applicable:

- Gary DiPiazza
- Delano Peters
- Frankie Medacco
- Michael Ceplina
- Marty Wabindato
- Pat Ruiter
- Shannon Crampton
- Virgil Johnson
- Sandy Mezeske
- Larry Romanelli

IT IS FURTHER RESOLVED THAT all transactions on this account will require the signatures of two authorized signers; and
IT IS FURTHER RESOLVED THAT the Tribal Council hereby directs the Tribal Recorder to sign all bank signature cards, or other required documents, as the Secretary for the organization; and

IT IS FINALLY RESOLVED THAT the Tribal Council hereby directs that a fully executed copy of this Resolution be delivered by the Tribal Recorder to the Chief Financial Officer within five business days of the date of this resolution so that the necessary signature documents can be obtained and completed.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 9 FOR, 0 AGAINST, 0 ABSTAINING, and 0 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on February 19, 2014, at the Little River Band’s Government Center in Manistee, Michigan, with a quorum being present for such vote.

Sandy Mezeske, Tribal Council Recorder

Virgil Johnson, Tribal Council Speaker

Attest:

Distribution: Council Records
Tribal Ogema
Tribal Court
Legal Department
Accounting Department
Investment Policy Statement

Prepared for:
Little River Band of Ottawa Indians
375 River Street
Manistee, Michigan 49660-2729 United States

Regarding Little River Band of Ottawa Indians

Prepared by:
Timothy L. Van Volkinburg
Purpose of the Investment Policy Statement

The purpose of this Investment Policy Statement is to establish an understanding as to the investment goals, objectives, and management policies for this portfolio.

The investment policy will also:

1. Establish overall standards for the management of the assets held in the Portfolio.
2. Define overall investment parameters to help manage risk in the Portfolio in accordance with the identified risk tolerance.
3. Communicate the intent of this plan to the appropriate parties.
4. Provide a written strategy and standard, which will guide the decisions regarding the management of the Portfolio assets, including any restrictions to the management of the assets.
5. Establish a methodology for evaluating the performance of the Portfolio and its components.

This statement should be reviewed periodically and revisions should be made as necessary to reflect changes in circumstances or objectives. All revisions must be made in writing and distributed to the appropriate parties.

Investment Authority

Sole Authority

Investment Objective

Fixed Income

Primary emphasis on a high level of current income through holdings of fixed-income investments; no emphasis on potential capital appreciation. Assets are predominantly held in fixed-income securities or other income-producing vehicles with low to moderate levels of principal volatility. This objective can be considered for low- to moderate-risk-tolerant investors seeking current income to meet possible withdrawal needs and desiring to protect principal over a period from several months to an entire rate cycle. Real assets (real estate and commodities) and complementary strategies (hedge funds and private equity) may be utilized to improve the return/risk relationship of the portfolio. Client suitability, liquidity needs, investment minimum requirements, and investor qualifications will be considered before investing in complementary strategies.

Investment Horizon

The Client has an investment horizon of 7 to less than 11 years.

This is the amount of time before all, or a significant portion (at least 50%) of the Portfolio assets are anticipated to be distributed.

Tax Sensitivity

Client is aware that any investments made in this account may be subject to U.S. Federal or State reporting and/or taxes, including but not limited to income, withholding, generation skipping, gift or estate tax. Client should consult with Client's own legal and tax advisors regarding the types of investments to be made in this account, and regarding all assets transferred into this account to determine the U.S. tax consequences of such investments.

If applicable, the Client is a non-resident alien (NRA), assets may be subject to U.S. Federal or State reporting and/or taxes depending upon the types of investments.

If applicable, external money managers utilized by the Bank will manage client assets in accordance with previously disclosed investment styles. The money managers will not alter their investment selections or their investment style to take into consideration the U.S. Federal or State tax consequences of such investments to non-resident alien clients, which may result in an account being subject to certain U.S. Federal or State taxes (including but not limited to income, capital gains, estate or gift taxes) and/or reporting.

Risk Tolerance

Historical capital market data, together with modern investment theory, indicate a relationship between the level of risk (volatility) and the level of return that can be expected. Higher returns are typically associated with higher risk; therefore the risk profile of the aggregate plan assets should parallel the volatility of the total plan benchmark.

Conservative

The risk tolerance (the amount of market correction you can tolerate without making an emotional decision to sell) of the Client can be described as "conservative." The Client has a low tolerance for risk and uncertainty and is willing to accept only a modest amount of risk to achieve the return objective set forth in this investment policy statement. The Client understands that the actual level of risk in the portfolio, as well as the overall portfolio investment returns, may be higher or lower than the Client's stated tolerance and objective.
Asset Allocation Strategy

After consideration of the Client's investment objective, risk tolerance, and other portfolio specifications, the initial allocation will be:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
<td>1.00%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>80.00%</td>
</tr>
<tr>
<td>Domestic Investment Grade</td>
<td>84.00%</td>
</tr>
<tr>
<td>High Yield</td>
<td>6.00%</td>
</tr>
<tr>
<td>Equity</td>
<td>6.00%</td>
</tr>
<tr>
<td>U.S. Large Cap</td>
<td>6.00%</td>
</tr>
<tr>
<td>U.S. Small Cap</td>
<td>2.25%</td>
</tr>
<tr>
<td>International</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

Asset allocation does not assure or guarantee better performance and cannot eliminate the risk of investment losses. Portfolio may invest based on tax optimized strategies with the goal of improving after-tax returns through active tax loss harvesting.

Portfolio rebalancing shall be performed periodically to remain consistent with the established asset allocation. At a minimum, the Plan's assets, governed by this policy, shall be reviewed annually, and trading costs shall be considered if cash flow is insufficient to effect the rebalancing. The allocation does not involve market timing and is intended to represent a diversified approach to investing based upon the Client's investment horizon.

Specialty Assets

Client has no Specialty Assets, including real estate, closely held business, mineral interests, loans and notes as part of the Portfolio.

Investment Vehicles

Each asset class may include individual securities, separately managed accounts, mutual funds, ETFs and other investment vehicles. Most if not all, investment vehicles used in the Client's Portfolio have been vetted through an established due diligence process conducted by a separate Manager Research group.

Timing of Initial Allocation

The Client has indicated a desire to have the Wells Fargo Investment Professional fully allocate this portfolio toward the recommended asset allocation within the next 12 months.
Liquidity and Distribution Requirements

The Client has not indicated a need for regular distributions from the assets under this Investment Policy Statement; therefore the investment decisions of the Manager or Wells Fargo should not be influenced by distribution requirements. The Client will provide adequate notice to Wells Fargo for any significant distributions that require all or part of the assets to be liquidated in order to make the distribution.

Performance Evaluation or Monitoring

1. Performance of the Portfolio will be monitored, measured, and reported on a quarterly basis and evaluated over a three-year time period.

2. The following quantitative standards will be a basis for measurement:
   a) Wells Fargo will seek to obtain a compounded annual rate of return of the total Portfolio over three year periods equal to or exceeding the performance objectives of the Portfolio.
   b) Wells Fargo will seek an annual return of the total Portfolio equal to or exceeding a weighted blend of the selected benchmarks.

3. Performance will be measured against the appropriate index benchmark according to the characteristics of the respective asset classes, as determined by Wells Fargo. Index benchmarks represent aggregate characteristics of broad markets and are intended to serve as a relative comparison of portfolio performance vs broader market performance. Individual client portfolio performance may vary from that of the benchmark. The most commonly used benchmarks for the respective asset classes are described on the Benchmarks and Descriptions page. However, other benchmarks that are more closely aligned to your unique situation may be shown in future performance communications. See attached benchmarks and descriptions.

4. In addition, the following qualitative standards will be a basis for measurement when Mutual Funds and Separate Account Managers are selected:
   a) The Manager’s adherence to the investment policies and guidelines of the Client, where applicable
   b) The Manager’s consistency in the application of its own investment philosophy
   c) The Manager’s risk control management versus the Plan’s tolerance for risk

Special Circumstances

The Client has not indicated a need for special consideration and, as such, does not require separate handling.

Restrictions

Based on the Client Risk Questionnaire, the following asset classes, securities, and/or sectors, will be excluded from this portfolio:
Investment(s) to be restricted or excluded from portfolio:

- Domestic only (no international)
- No Real Estate
- No Commodities
- No Complementary Strategies

Additional Client Information

Approximately $240,000 will be invested in equities over the next 3 months.
Approximately $60,000 more in equities quarterly thereafter.
Signatories

I/We, the Client(s) or the undersigned person(s) delegated with Investment Authority for the assets under this Investment Policy Statement, accept the above description and direction of investment objectives.

By: [Signature]  
The Client(s) or Authorized Signature  
Date: 19 Feb 14

By: [Signature]  
The Client(s) or Authorized Signature (if more than one)  
Date: 2-15-14

The Bank acknowledges the Investment Policy as outlined herein and agrees to monitor and/or restructure the objectives of this policy as deemed necessary on an ongoing basis.

By: [Signature]  
WF Investment Manager Signature  
Date: 

Investment Products: > NOT FDIC Insured > NO Bank Guarantee > MAY Lose Value  
IPS: 173764
Benchmarks and Descriptions

Indexes represent securities widely held by investors. You cannot invest in an index.

Barclays Aggregate Bond
The Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and ten years.

Barclays High Yield U.S. Corporate Bond
The U.S. Corporate High-Yield Index the covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB- or below. The index excludes Emerging Markets debt. The index was created in 1986, with index history backfilled to January 1, 1983. The U.S. Corporate High-Yield Index is part of the U.S. Universal and Global High-Yield Indices.

Citigroup Treasury Bill - 3 Month
This index measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.

Russell 2000
The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Russell Midcap
The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

S&P 500
Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy. S&P 500 is a core component of the U.S. indices that could be used as building blocks for portfolio construction. It is also the U.S. component of S&P Global 1200.
Glossary

Alpha
Measures nonsystematic return or the return that cannot be attributed to the market; thus it can be thought of as how the manager performed if the market had no gain or loss.

Annual Yield
The current cash income received from investment in an asset class. Bonds provide yield in the form of interest payments and stocks through dividends. Fees are not included in the calculations.

Asset Allocation
The process of determining what proportions of your portfolio holdings are to be invested in the various asset classes.

Asset Class
A standard term which broadly defines a category of potential investments.

Asset Mix
The percentage weightings (or mix) of different asset classes to be held in the portfolio. There may be separate asset mixes for the taxable and tax-deferred holdings in a portfolio.

Batting Average
A measure of a manager's ability to beat the market consistently. It is calculated by dividing the number of quarters (or months) in which the manager beat or matched an index by the total number of quarters (or months) in the period. For example a manager who meets or outperforms the market every quarter in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

Beta
Measures the risk level of the manager. Beta measures the systematic risk or the return that is attributable to market movements. In contrast alpha measures the nonsystematic return of the portfolio.

Dividend Yield
The ratio of the annual dividend payout to the market price of the stock.

Down-Market Capture Ratio
A measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero.

Downside Risk-Adjusted Return
The return of the portfolio after being adjusted for downside risk. It is calculated by taking the return earned measured as a fraction minus a risk tolerance variable multiplied by the downside variance (or downside risk squared).

Efficient Frontier
Plots the asset mixes ranging from conservative to aggressive that provide the best trade-off of risk and return. These "efficient" asset mixes provide (1) the maximum available assumed return for a given level of risk and (2) the minimum available level of risk for a given level of assumed return.

Glossary Term
Glossary Description

Historic Annual Return
Historic Annual Return is based on historical data [of indices representing the relevant asset classes].

Information Ratio
A measure of value added by the manager. It is the ratio of (annualized) excess return above the benchmark to (annualized) tracking error.

Market Capitalization
The value of a corporation as determined by the market price of its issued and outstanding shares of common stock.

Price-to-Book Ratio
The Price to Book ratio is a widely used ratio in stock analysis and figured by dividing each stocks share price by its per share book value. This ratio helps equity managers determine if a stock is overvalued.

Risk
The unpredictability of investment returns. The chance that the actual return from investment in an asset class will be different from its assumed return. Risk is measured statistically using standard deviation.

Risk-Adjusted Return
The return earned minus a fraction of the downside risk. The fraction of the risk subtracted depends on the investor's degree of risk aversion.

R-Squared
A statistic that measures the reliability of alpha and beta in explaining the return of a manager as a linear function of the market.

Sharpe Ratio
The Sharpe Ratio measures excess return per unit of risk. The Sharpe Ratio relates the difference between the portfolio's return and the return of the risk free rate to the standard deviation of the portfolio returns for the same period.

Standard Deviation
A gauge of risk that measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average the higher the standard deviation. Since it measures total variation of return, standard deviation is a measure of total risk unlike beta which measures market risk.

Tracking Error
A measure of how closely a manager's returns track the returns of a benchmark. If a manager tracks a benchmark closely then tracking error will be low.

Trailing Period Returns
Trailing Period Returns cover periods ending on a specified date. For example a three-year trailing return as of June 30 2000 is the return for the period between July 1 1997 and June 30 2000.

Treynor Ratio
One of two alternative yet similar methods of measuring excess return per unit of risk. (The other method is the Sharpe Ratio.) In the case of the Treynor Ratio risk is measured using Beta which is an index dependent measure. The Treynor Ratio relates the difference between the portfolio return and the risk-free rate to the portfolio beta for a given time period.

Up-Market Capture Ratio
Up-market capture ratio is a measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero.

Upside Potential Ratio
The Upside Potential Ratio is a measure of the ability to exceed an investor's minimal acceptable return (MAR) relative to the amount of downside risk he or she is taking. It is the ratio of Upside Potential to Downside Risk.

Weighted Average Market Capitalization
Represents the average value of the companies in a composite measured by market price of issued and outstanding stock weighted by the percentage of the holding in a composite. This measure offers a more accurate view of the size of companies that make up the composite being reported.

Yield
The return to a bondholder who holds a bond until it matures.

Yield to Maturity
A measure of the average return earned on a bond if held until maturity. It takes into account the bond's current market price, maturity date and interest payments. Yield to maturity is a measure of a bond's internal rate of return based on the assumption that all interest payments from the bond are reinvested at an interest rate equal to the bond's yield to maturity.
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This report illustrates principles of diversification and asset allocation so you can evaluate the investments you currently own. To help you evaluate your current investments, we compared a hypothetical portfolio modeled after your current portfolio and a hypothetical proposed portfolio. You should review this report carefully including accuracy of how assets are categorized and your risk tolerance assessment, as they are critical components of the analysis. Your risk tolerance, investment objectives, financial resources, current investment mix and life event planning will define your most suitable investment strategy.

The information in this report compares returns and other characteristics of your current portfolio to a proposed asset allocation selected based upon your current investment profile as represented. This report contains hypothetical results, calculated based upon the information and assumptions that you provided or that are disclosed in the report. This report does not attempt to address all financial issues that may impact you and is limited to the areas addressed to in the report. Hypothetical results do not reflect actual manager allocation decisions, as well as material market and economic factors that would affect decision making. The asset allocation references in this report may fluctuate based on asset values, portfolio decisions, and client needs. As circumstances change, your investment allocation should be reviewed and adjusted as needed as portfolio results will fluctuate with market and economic conditions. Asset allocation and/or diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses; past performance does not indicate future results. The value or income associated with a security or an investment may fluctuate. There is always the potential for loss as well as gain. Investments discussed in this presentation are not insured by the Federal Deposit Insurance Corporation (FDIC) and may be unsuitable for some investors depending on their specific investment objectives and financial position. Additional information on any securities mentioned is available upon request.

When you select an investment that has potential for higher returns, remember you are also choosing a higher level of risk.
Disclosures

To help us assess your investment needs, we have developed risk tolerance categories or investment statements. Your risk tolerance level will provide guidance regarding the types of investment vehicles that may be appropriate for you. As circumstances change, your risk tolerance should be reviewed and adjusted as needed.

This report may propose a plan to make regular, systematic investments in the future. Systematic investing does not assure a profit and does not protect against loss in declining markets. Such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities. You should consider your financial ability to continue purchases through periods of low price levels.

This report is meant to be updated from time to time as changes occur in your life, your investments, and your goals. It is imperative to review and revise your financial plan regularly to keep pace with changes in the tax laws, investment climate, economic conditions, actual future investment results, rate of inflation, and other impacting circumstances. If you fail to review your financial plan on a regular basis and adjust it as necessary, your actual financial outcome could differ dramatically from the results in this report.

Hypothetical projections included in this report are for illustrative purposes only and are not intended to represent past or future performance of any specific investment. Returns for individual accounts may be higher or lower than the performance data shown, and may receive more or less than the original investment upon termination of the account. Your portfolio and associated results will fluctuate with market and economic conditions and will reflect the volatility of your selected investments. There is no guarantee that a specific rate of return will be achieved; the price or value of the investments in this report may fluctuate, and there is always the potential for loss as well as gain. Past performance is no guarantee of future results.

Effects of fees on performance. Returns illustrated in this report do not reflect fees that you may incur; the actual performance of your portfolio will vary, and will be reduced by any fees. You may wish to view plans with lower return assumptions to better understand the impact changing assumptions may have. The compounded effect of the deduction of fees over time will be affected by the amount of the fee, the time period, and the account's investment performance. For example, an amount with a 1% annualized fee, deducted quarterly, with five-year annualized performance of 10% before fees, will have a net annualized performance of 8.93%. Compounding will similarly affect the account's performance on a cumulative basis. The difference between gross-of-fee and net-of-fee returns depends on a variety of factors and this example represents a simplified illustration only.

Financial indices are for illustrative purposes only, do not represent actual account performance, and are unmanaged and are not available for direct investment. The composition and performance of an index may differ from the compositions and performance of an investment style to which it is compared. Index performance figures do not reflect actual trading or material economic and market factors that would affect decision-making, as would be the case in managing actual client portfolios. Performance results in actual portfolios will be reduced by fees, actual trading costs and other expenses. Indexes represent securities widely held by investors. You can not invest in an index.

Some alternative investments and complementary strategies may be available to pre-qualified investors only. Hedge strategies and private investments may be speculative and involve a high degree of risk. Hedge strategies and private investment performance can be volatile. An investor could lose all or a substantial amount of his or her investment. There is no secondary market for the investor's interest in a hedge fund or private equity investment and none is expected to develop. There may be restrictions on transferring interests in a hedge fund or private equity investment.

Fixed income securities are subject to availability and market fluctuation. These securities may be worth less than the original cost upon redemption. Certain high-yield/high-risk bonds carry particular market risks and may experience greater volatility in market value than investment-grade corporate bonds. Corporate bonds generally provide higher yields than U.S. Treasuries while incurring higher risk. Municipal bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes; unlike U.S. Treasuries, municipal bonds are subject to credit risk and potentially the Alternative Minimum Tax (AMT). Quality varies widely depending on the specific issuer. Government bonds and Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. Interest from certain municipal bonds may be subject to state and/or local taxes and in some instances, the alternative minimum tax.

Investing in foreign securities presents certain risks that may not be present in domestic securities, including: currency fluctuation, the potential for diplomatic and political instability, regulatory and liquidity risks, foreign taxation, and differences in auditing and other financial standards. These risks are generally intensified in emerging markets.

The investments referred to in this report may use options strategies. Options carry a high level of risk and may not be suitable for all investors. Because of the short-term nature of options, it is likely that the investor will trade them more frequently than stocks or bonds, and that each time an option-related trade is effected, the investor will be charged a commission. Commissions on option transactions generally amount to a higher percentage of the principal than commissions for normal stock trades. Additionally, investors should not buy options unless they are prepared to lose the total amount of premiums and commissions paid. Investors should not sell covered call options unless they are prepared to deliver the related securities at the strike price upon exercise of the option.

Real estate investments carry a certain degree of risk and may not be suitable for all investors.

There are additional risks associated with investments in smaller and/or newer companies that are not present in companies
Disclosures

with larger capitalizations.

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. Treasuries are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. Interest income from U.S. Treasury and some government agency securities is generally subject to federal income taxation, but may be exempt from some state and local taxes. Most federal agency bonds are not backed by the full faith and credit of the federal government, however, they may offer some type of guarantee by the issuing agency.

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