

# FundSource<sup>SM</sup>

Professionally-managed, diversified mutual fund portfolios

## Is this program right for you?

FundSource is designed for investors who:

- Want a diversified portfolio of mutual funds that fits their personal investment goals
- Value the expertise offered by professional investment managers in constructing a portfolio and managing it using a disciplined investment strategy
- Appreciate a program that includes active portfolio management, ongoing analysis on mutual funds, automatic rebalancing and quarterly performance monitoring

*FundSource is a program that offers professionally managed portfolios of mutual funds tied to specific investment objectives. Portfolios are built from a selection of more than 230 mutual funds recommended by Wells Fargo Advisors' Manager Strategy Group after an extensive appraisal process. A key element of the program is an advice process to help you choose the predefined portfolio — or create a customized portfolio using recommended funds — that best fits your investment goals and tolerance for risk.*

## A sophisticated approach to mutual fund investing

Many investors own mutual funds as a way to pursue their investment goals. Too often though, they end up with too many or too few, ones that don't work well together or ones that don't make sense given their circumstances. FundSource may be an answer to those problems. With FundSource, you get access to carefully constructed blends of mutual funds based on the analysis and advice of investment professionals. It is a program designed with the types of services and features previously available primarily to institutional and ultra-high-net-worth investors.

FundSource provides a framework for establishing an investment strategy that takes into account your financial goals, tolerance for risk and your willingness to make adjustments as your life changes. Your financial professional will ask questions and take you through a process to create an investment plan tailored to your needs.

## Professional portfolio management

FundSource offers two alternative approaches to asset allocation strategy. One is based on a strategic (long-term) asset allocation and the other on a more dynamic (short- to intermediate-term) asset allocation strategy. Both investment approaches are based on time-proven investment disciplines implemented by many institutional investors to help remove emotional decisions from investing. The asset allocations for the FundSource program follow the Wells Fargo Advisors Investment Strategy Committee's recommended asset allocations, which are based on the Committee's investment outlook. The committee, which consists of Wells Fargo Advisors' top economists, analysts and strategists, meets regularly to look at economic and market trends and determine the optimal asset allocation blends to help achieve a client's return objectives.

Analysis and monitoring of the mutual funds is provided by Wells Fargo Advisors' Manager Strategy Group, which is composed of 15 investment professionals with more than 160 years of aggregate investment experience. The Manager Strategy Group is focused exclusively on evaluating money managers and constructing portfolio models, which includes an extensive and continuous appraisal process of the performance of both the funds within a portfolio and the fund families' portfolio managers. FundSource leverages investment perspectives of world-class institutional money managers and constructs portfolios to take advantage of opportunities based on insight and extensive research.

## Optimal Blends portfolios targeted to meet specific needs

Since all investments entail risk, each portfolio is designed to line up with particular risk tolerance levels and investment horizons. In keeping with its highly personalized approach, FundSource offers more than 30 Optimal Blends portfolios, each of which contains specific asset allocations and mutual fund mixes to meet investors' individual objectives.

The cornerstone of the FundSource program is the extensive analysis process used by the Manager Strategy Group when selecting mutual funds for these portfolios. The group evaluates a broad range of funds in all asset classes and investment styles to identify funds that perform differently under varying market conditions. The Manager Strategy Group then uses quantitative\* and qualitative measures† to select unaffiliated “best of breed” funds for these classes and styles. The FundSource analytical process focuses both on the merits of the individual funds and on how the various funds complement one another.

FundSource also offers a number of portfolios that address particular circumstances. These include tax-managed asset allocation portfolios for tax-sensitive investors, socially responsive portfolios for clients interested in investing in socially aware mutual funds and global opportunity portfolios for investors seeking a more dynamic asset allocation and opportunistic investment approach.

## A greater level of customization

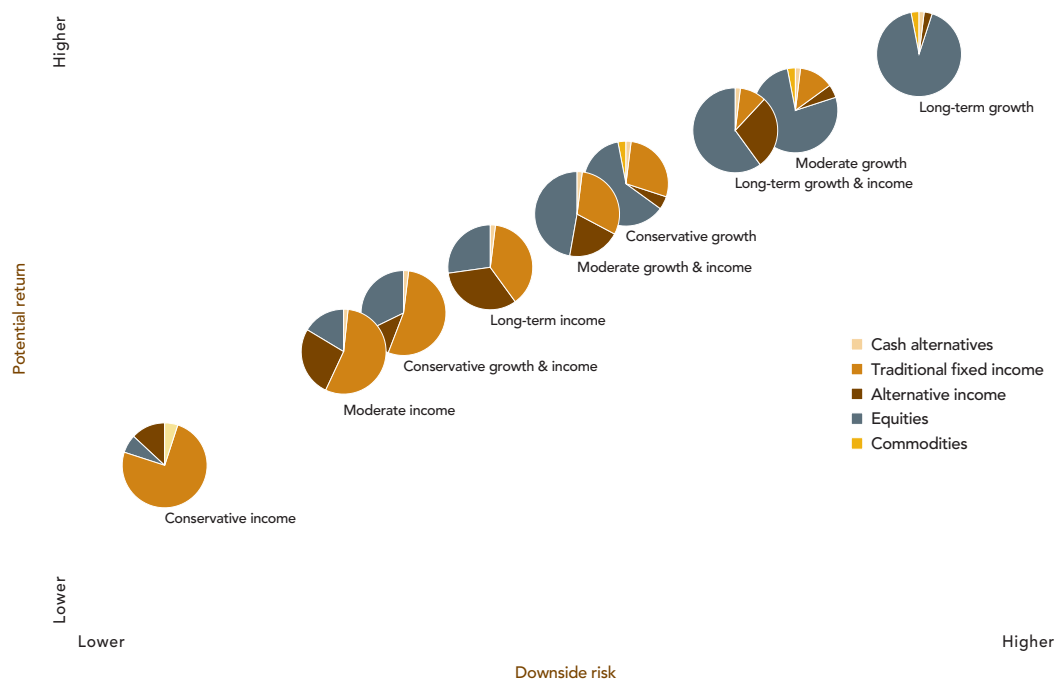
If you need additional customization to meet a specific need, your financial professional can work with you to create a Customized Blend using the Manager Strategy Group's recommended funds. This ensures the funds in your portfolio will be monitored by the Manager Strategy Group.

\*Quantitative analysis seeks to understand behavior by using mathematical and statistical modeling, measurement and research. By assigning a numerical value to variables, quantitative analysts try to replicate reality mathematically.

†Qualitative analysis uses subjective judgment based on nonquantifiable information such as management expertise, industry cycles, strength of research and development and labor relations.

## FundSource asset allocation models

Moving left to right, this chart shows FundSource<sup>SM</sup> allocation recommendations with increasing levels of portfolio risk and correspondingly higher levels of potential return. Investors with similar investment objectives may have different risk tolerances, therefore our asset allocation models provide allocation recommendations for investors with degrees of risk tolerance.



Traditional fixed income includes all investment-grade debt. Alternative income includes high-yield debt, emerging markets debt and REITS. Commodities equals basic goods used in commerce that are generally interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. There are special risks associated with an investment in real estate, including credit risks, interest rate fluctuations, and the impact of varied economic conditions.

Buying commodities allows for a source of diversification for those sophisticated persons who wish to add commodities to their portfolios and who are prepared to assume the risks inherent in the commodities market. Any purchase represents a transaction in a non-income-producing commodity and is highly speculative. Therefore, commodities should not represent a significant portion of an individual's portfolio.

High-yield bonds, also known as junk bonds, are subject to greater risk of loss of principal and interest, including default risk, than higher-rated bonds. Bond prices fluctuate inversely to changes in interest-rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment.

The prices of small-and mid-cap company stocks are generally more volatile than large company stocks. They often involve higher risks because small-and mid-cap companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

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. Investing in emerging markets normally accentuates these risks.

## The consulting process

FundSource offers a highly personalized approach, tailoring an investment plan to your unique needs. The program utilizes a four-step process to help investors pursue their goals:

**Identify investment objectives.** Your financial professional will first help you identify your goals as they relate to your investment plan and timeframe. This information will determine what kind of mutual fund portfolio you need to develop.

**Establish risk tolerance.** The next step involves understanding your risk tolerance. Virtually every investment involves some degree of risk. In general, investors who have been willing to tolerate wider swings in the value of their investments have enjoyed higher long-term returns — so investors seeking higher returns should be comfortable with a higher level of risk.

**Set investment strategy.** Once you have agreed on your goals and risk tolerance, your financial professional will help you establish an investment strategy based on asset allocation.\* Asset allocation — the principle of diversifying your investments across stocks, bonds, cash and their subclasses — helps match the appropriate FundSource portfolio with your investment needs.

**Monitor portfolio.** Each quarter, FundSource provides you with a comprehensive progress review that's concise and easy-to-understand. Funds are continually evaluated to assure style consistency and discover opportunities. The program includes automatic rebalancing to maintain the portfolio's initial target allocation and diversification strategy.

## Benefits of a managed portfolio

By appointing experienced investment professionals to manage your portfolio and rebalance your investment mix when necessary, you free yourself from the time-consuming task of choosing and actively monitoring investments. Since decisions regarding your overall asset allocation are made by Wells Fargo Advisors' Investment Strategy Committee, while fund selections are handled by Wells Fargo Advisors' Manager Strategy Group, you benefit from the experience, diversification and in-depth analysis applied to all FundSource Optimal Blends. The program also features automatic rebalancing and quarterly reports with results compared to select benchmarks.

\*Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

## The next step

To learn more about how FundSource portfolios can be tailored to your investment goals, talk to your financial professional today.

## FundSource summary

- Professionally managed portfolios of mutual funds from top institutional mutual fund families
- FundSource program provides a disciplined framework for implementing an investment strategy based on your goals and risk tolerance
- Professional portfolio management includes asset allocation decisions, mutual fund selection and ongoing portfolio monitoring
- Choice of preselected Optimal Blends portfolios or Customized Blend portfolios targeted to specific investment objectives
- Long-term asset allocation strategy which can help avoid pitfalls of reacting to near-term events

*The mutual funds in the FundSource program are available by prospectus only. Please consider the investment objectives, risk, charges and expenses carefully before investing. The prospectuses, which contain this and other information, can be obtained by calling your financial professional. Read it carefully before you invest.*

*The FundSource program is not designed for excessively traded or inactive accounts and may not be suitable for all investors. Please carefully review the advisory disclosure document for a full description of our services. The minimum account size for this program is \$25,000.*

Our firm does not provide tax or legal advice. Be sure to consult with your own tax and legal advisors before taking any action that would have tax consequences.

**Investment and Insurance Products: ► NOT FDIC Insured ► NO Bank Guarantee ► MAY Lose Value**

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