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Environmental, Social and Governance (ESG) Analysis Transcript

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

[Image on screen: Investment and Insurance Products: Not FDIC Insured, No Bank Guarantee, May Lose Value]

[Image on screen: Wells Fargo Wealth and Investment Management]

[Image on screen: Environmental, Social and Governance (ESG) Analysis]

The term ESG, standing for Environmental, Social and Governance, is used frequently in reference to responsible or sustainable investing.

But what does it mean and what are the potential benefits of ESG analysis?

Simply put ESG is data that can be used in fundamental financial analysis to help identify potential environmental, social, and governance risks and opportunities that can impact a company's performance.

The "E," or environmental data, may help identify and track the commitment and progress companies have made in solving environmental challenges.

Or it may help reveal potential risks a company faces due to climate change that could threaten profitability — for example it could show a company has key facilities exposed to frequent extreme weather events.

The "S," or social data, focuses on a company's regard for employees' health and safety, their commitment to diversity and inclusion, product liability, and data privacy.

Companies with diverse and inclusive cultures may drive creativity, innovation and problem-solving. Ultimately contributing to greater employee engagement and customer satisfaction.

The “G,” or governance factors, include looking at; the quality and diversity of the board of directors, accounting practices, executive compensation, and other issues related to corporate governance. Many of these are key factors in helping to determine how well a company is managed and its potential value over the long term.

ESG information helps investors better understand various environmental, social, and governance factors that may positively or negatively impact a manager's risk/return assessment of a company.

To learn more, contact your Wells Fargo Financial professional.

[Image on screen: Wells Fargo Wealth and Investment Management To learn more contact your Wells Fargo financial professional]

All investing involves some degree of risk, whether it is associated with market volatility, purchasing power or a specific security. There is no assurance any investment strategy will be successful. Asset allocation does not guarantee a profit nor does diversification protect against loss.

An investment's social policy could cause it to forgo opportunities to gain exposure to certain industries, companies, sectors, or regions of the economy which could cause it to underperform similar portfolios that do not have a social policy. There is no guarantee that any investment strategy will be successful. Risks associated with investing in Environmental, Social, and Governance (ESG)-related strategies can also include a lack of consistency in approach and a lack of transparency in manager methodologies.

Some ESG investments may be dependent on government tax incentives and subsidies and on political support for certain environmental technologies and companies. There may also be challenges such as a limited number of issuers and the lack of a robust secondary market. There are many factors to consider when choosing an investment portfolio and ESG data is only one of those components. Investors should not place undue reliance on ESG principles when selecting an investment.

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