The Managed Diversified Stock Income Plan (DSIP) Portfolio provides you with the opportunity to invest in a selection of Wells Fargo Advisors Diversified Stock Income Plan stocks. It may be a valuable tool in your search for growing income and capital appreciation.

WHAT IS THE DIVERSIFIED STOCK INCOME PLAN

The Diversified Stock Income Plan (DSIP) is a pre-selected, diversified, regularly reviewed list of stocks that have attractive current yields and are chosen based on the likelihood that the companies will consistently raise their annual dividends. Dividends are not guaranteed and are subject to change or elimination. Exclusive to Wells Fargo Advisors, this list of companies is compiled based on analysis conducted by the firm’s Advisory Services Group. When reviewing a company, these analysts look for the following to determine the likelihood of rising annual dividends:

- Solid financial condition
- Secure dividend with an attractive current yield
- Positive prospects for dividend growth over time

The Managed Option

With approximately 100 stocks on the DSIP list at any time, selecting and maintaining a diversified portfolio can be time-consuming for you. The Advisory Services Group (ASG) offers a solution through a privately managed model of the Diversified Stock Income Plan list. The Managed DSIP Portfolio is intended to best represent the ideals of the Diversified Stock Income Plan list and is designed to offer you a convenient way to potentially generate income and capital appreciation from your equity investments.

Although this is a discretionary program, you still enjoy the benefits of individual stock ownership. Because of social concerns or other issues, you may impose reasonable restriction on the securities held in your portfolio. In addition, you may request tax selling, as you have established your own cost basis of the individual company shares. Investors should keep in mind that an investment in stocks will fluctuate with changes in market conditions and may be worth more or less than the original investment.
USE THE MANAGED DSIP PORTFOLIO TO ADDRESS RISK

Volatility

The Managed DSIP Portfolio potentially helps counteract volatility diversification. The portfolio includes companies across multiple market capitalizations from various sectors of the economy. Each stock inevitably experiences periods of general price fluctuation, but diversification may help smooth out overall returns. Dividend payments that have increased over time have demonstrated an ability to cushion the fall of stock prices, notably in a rising interest rate environment.

Inflation

Growth is critical to outpacing inflation, or the general increase in the price level of goods and services. Companies in the Diversified Stock Income Plan are chosen for their potential to pay not just dividends but increasing dividends. This strategy offers the potential for a growing income stream and accordingly, a natural inflation hedge.

THE MANAGED DSIP PORTFOLIO PROCESS

Through the Wells Fargo Compass Advisory program, quantitative analysis is performed to pick approximately 50 companies that best emulate the entire list to constitute the Managed DSIP Portfolio. The analysis uses historical data to rate each company on the Diversified Stock Income Plan list according to several fundamental variables, including earnings, valuation, asset size and sector.

The Managed DSIP Portfolio is intended to be a long-term investment. It is not, however a static portfolio. On a periodic basis and each time there is a change in the Diversified Stock Income Plan list, and on a periodic basis, whether due to valuation or fundamental company changes, the analysis is again applied to the entire list. If the analysis results in a redefined Managed DSIP Portfolio, each client’s holdings are automatically updated to reflect the new income.

THE BENEFITS OF WELLS FARGO ADVISORS’ ADVISORY SERVICES GROUP

For those investors with the means, ability and time to devote to constructing a solid portfolio of dividend-paying stocks, the Wells Fargo Advisors Diversified Stock Income Plan list may be a valuable resource.

By choosing Wells Fargo Advisors Advisory Services Group to help you manage a continually updated portfolio that strives to emulate the entire Diversified Stock Income Plan list, you’re adding structure and oversight to an already thoughtfully and carefully selected set of securities while freeing yourself from maintaining it.

It’s just one more way Wells Fargo Advisors is fully invested in its clients. We furnish services that can be of real value to you by putting your interest first.
Please note that all indices are unmanaged and do not take into account any fees or expenses of investing in the individual securities they track, and that individuals cannot invest directly in an index.

The **Russell 3000 Value Index** measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The **S&P 500 Index** measures the performance of large capitalization U.S. stocks. The S&P 500 is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX and NASDAQ. The weightings make each company’s influence on the Index performance directly proportional to that company’s market value.

Keep this in mind while reviewing the above chart:

Although we strive to outperform the stock market indexes over a market cycle, there is no guarantee that our portfolio will achieve these results. As an equity investor, you should understand that stocks generally carry greater risk than financial instruments such as the U.S. Treasury bills and bonds, money market funds, and CDs. Yet historically, common stocks have generally provided higher rates of return than these other types of investments, despite the fact that annual returns may fluctuate. Past performance is no guarantee of

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**Wells Fargo Compass Managed DSIP Portfolio**

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<th><strong>Investment Objective</strong></th>
<th>Current and growing income with the potential opportunity for long-term capital appreciation</th>
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<tbody>
<tr>
<td><strong>Suitable Benchmark</strong></td>
<td>– S&amp;P 500</td>
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</table>
| **Portfolio Characteristics** | – All market capitalizations  
– Portfolio dividend yield appear secure and rising  
– Securities limited to Wells Fargo Advisors Diversified Stock Income Plan list |
| **Anticipated Turnover** | 30% annual average                                                                  |
| **Account Minimum**      | $50,000                                                                             |
| **Diversification**      | Approximately 50 names                                                              |
what will happen in the future. All deposited assets are managed on a discretionary basis, which may create a capital gain or loss depending on your cost basis for the securities. Because tax considerations are not a factor when managing these portfolios, please consult your accountant or attorney for tax advice on transactions. Wells Fargo Advisors does not render tax advice.

The fees for Wells Fargo Compass Advisory program are asset based and assessed quarterly in advance. There is a minimum fee of $1000 per calendar year to maintain this type of account. Account services may include advisory services, performance measurement, transaction costs and custody and trading. Please be aware that the annual advisory fee does not include the annual fees and expenses of any exchange traded funds, closed end funds, or mutual funds purchased in this program. Fund expenses should be considered additional costs. Advisory accounts are not designed for excessively traded or inactive accounts so that they may not be suitable for all investors. Please carefully review the Wells Fargo Advisors advisory disclosure document for a full description of our services, including fees and expenses.

Wells Fargo Advisors is the trade name used by two separate registered broker-dealers: Wells Fargo Advisors, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, non-bank affiliates of Wells Fargo & Company

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