

FX, Rates and Commodities Macro Products

Market Making, Information Handling and Hedging Disclosure¹

This disclosure is intended to clarify certain aspects of the trading relationship between you and Wells Fargo Bank, N.A. and its affiliates (collectively, “**Wells Fargo**”) in connection with requests by you for the quotation or execution of transactions involving macro products, including, without limitation, the exchange of currencies (“**FX**”) and the exchange, purchase and sale of physical commodities in cash and forward markets, as well as over-the-counter derivative transactions based upon FX, commodities and interest rates as underliers (collectively, “**Macro Products**”²).

Wells Fargo dealing and market making in Macro Products. Wells Fargo is a dealer and market maker in a relation to a wide variety of Macro Products. As such, Wells Fargo engages in price quoting, order taking, trade execution and other related activities with counterparties and other dealers and for Wells Fargo’s account and may maintain positions in various Macro Products, whether as the result of trades with, or orders or trade requests received from, you or other counterparties, as part of our market making, hedging and/or risk management strategy. Wells Fargo may receive requests from multiple counterparties for quotations and multiple orders for the execution of transactions in the same or related Macro Products, and may seek the execution of transactions requests from a variety of counterparties relating to such Macro Products. In order to manage such requests, Wells Fargo may trade prior to or alongside a counterparty’s requested transaction in order to facilitate execution with one or more counterparties, to source liquidity and to manage risks. We may choose not to hedge or to hedge only a portion of positions that we execute with you, and may unwind or adjust any hedge from time to time in our sole discretion, with any profit or loss resulting from such hedging activity, including from the spread, if any, between the price shown to you and the cost to us of the corresponding hedge transaction, accruing solely to Wells Fargo. Our financial market activities may, individually or in the aggregate, materially affect the value of the underlier of Macro Products, either positively, or negatively, and may adversely affect your transaction economics and there exists the potential that Wells Fargo’s interests may conflict with, diverge from or adversely impact your interests.

Wells Fargo may pre-hedge. Unless otherwise prohibited, including by applicable law or regulation, or unless you have expressly instructed your Wells Fargo salesperson in writing to not pre-hedge a particular transaction, Wells Fargo may engage in pre-hedging activity. This means that when you indicate your interest in a potential transaction or provide us with a request to enter into a transaction (each, an “Anticipated Transaction”), Wells Fargo may use that information to accumulate inventory and engage in hedging prior to executing your Anticipated Transaction (collectively “pre-hedging”). Any transactions entered into by us with a view to facilitating your Anticipated Transaction will be entered into by Wells Fargo as principal, not as agent for you, could be at different prices from the price at which Wells Fargo executes your transaction, may affect the market price of or liquidity for the Macro Products you are buying and/or selling and may result in profit or loss to Wells Fargo. In each case Wells Fargo may take into consideration applicable market conditions (such as liquidity), transaction size and other factors it considers relevant.

Results not guaranteed. While pre-hedging is designed to facilitate order execution, to manage risk and/or to benefit the pricing Wells Fargo is able to offer in connection with a Macro Product transaction request, there is no guarantee that pre-hedging will achieve the desired result. Notwithstanding such design, prevailing markets and circumstances, as well as Wells Fargo market making and other risk management activities, may adversely affect your interests such as through an impact on the market price (from your perspective; resulting in a less favorable fill) or the liquidity for transactions you are buying or selling. Pre-hedging may also result in a profit or loss to Wells Fargo, which will be for Wells Fargo’s own account.

¹ This disclosure supplements other applicable terms of dealing, ancillary trading documentation, and any relevant disclosures or notices you may have previously received, or may receive in the future.

² Macro Products, for the purposes of this disclosure, do not include securities.