A Guide to Investing in Opportunity Zone Funds

What you should know before you invest

Before you make an investment decision, it is important for you to review and discuss with your financial advisor the following factors with respect to a recommendation to invest in opportunity zone funds:

- The potential risks, rewards, and costs in purchasing and in the future selling of a security.
- Your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, and risk tolerance.
- The security's investment objectives, characteristics (including any special or unusual features), liquidity, volatility, and likely performance in a variety of market and economic conditions.
- For complex products, you should consider whether less complex or costly products achieve the same objectives.

We have a responsibility to consider reasonably available alternatives, but we are not required to evaluate every possible alternative either within our products or outside the firm, nor are we required to offer the "best" or lowest cost product in making a recommendation. While cost is a factor that we take into consideration in making a recommendation, it is not the only factor.

This guide will help you better understand the general investment characteristics and risk factors and costs associated with investments in opportunity zone funds, as well as how your financial advisor and Wells Fargo Advisors are compensated when you invest in these products. When considering tax planning opportunities, you should discuss tax strategy objectives with your legal or tax advisor.

For detailed information about a particular opportunity zone fund, you should read the private placement memorandum (PPM) and other offering documents for that fund. This guide is not an invitation to subscribe for interests in any Fund and is intended for educational and information purposes only.

What is an opportunity zone fund?

The 2017 Tax Cuts and Jobs Act (TCJA) created the Opportunity Zone program. An opportunity zone is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. A state can nominate an area as an opportunity zone. The nomination must be certified by the Secretary of the U.S. Treasury, which administers the program through the Internal Revenue Service. The U.S. Treasury department has certified opportunity zones in all fifty states, Washington, D.C., and five U.S. territories. The zones are located in both urban and rural areas. Each certification is valid for 10 years and offers investors the ability to defer tax on capital gains from the sale of existing property that are reinvested within 180 days into a designated opportunity zone. The investment offers two potential tax benefits: temporary capital gains deferral and no taxable gains on the qualified opportunity fund investment if held for 10 or more years.

Corporations or partnerships can form an opportunity zone fund by self-certifying when filing their federal income tax return. To qualify as an opportunity zone fund, the corporation or partnership must invest at least 90% of its assets in “Qualified Opportunity Zone Property,” which are businesses or properties (including real property) located in areas designated as qualified opportunity zones.

Opportunity zone funds are typically not available to the general public and are often limited to institutional investors and qualified high net worth individuals. Opportunity zone funds often organize as limited partnerships and seek investors called limited partners to pool investor capital for investing in eligible Opportunity Zone Property. You should be aware that these funds are a relatively new product and still subject to potential regulatory change, which creates additional risk for this product and its potential tax benefits.

Investment characteristics

Characteristics of opportunity zone funds include, but are not limited to:

Capital commitment. In an opportunity zone fund, the fund’s managers can seek capital from a number of institutional and/or qualified high net worth individual investors through “capital commitments,” which can be a large investment. Similar to a closed-end fund, after one or more fundraising stages (called “closings”), additional new investors are not accepted. A fund will not launch if it does not receive a minimum level of capital commitments.

Capital calls. Generally, opportunity zone funds are “needs-based” investments. This means that limited partners of the fund will commit to giving the fund manager installments of capital, up to a predetermined dollar amount, on an as-needed basis. As investment opportunities are identified, the manager will send investors a formal notice to submit the money they committed to the fund. This formal notice is a “capital call” and is a contractual obligation that each limited partner must satisfy. Capital calls may occur only once or multiple times throughout the life of the fund. A situation could arise where the capital gains an investor expected to use to fund the opportunity zone fund investment do not materialize. However, once the investment commitment is made, the investor must comply with all capital calls (whether there are available qualifying capital gains or not), and do so in a timely manner as agreed. The investor will generally need to be ready to deploy capital gain funds generated within 180 days of the sale of the property or securities that generate the gains.

There can be serious consequences for an investor who fails to satisfy a capital call. A fund’s offering documents typically provide a number of potential actions against investors who fail to meet capital calls. For example, a fund may require defaulting investors to forfeit their entire ownership interest in the fund and offer the other fund investors the ability to purchase the forfeited interest.

Capital distributions. Over the long term, the investments that the managers make in the portfolio may become a realized profit to the fund if those managers sell, merge, recapitalize, or bring the investments to the public market at a higher value. If the fund makes such a profit, the opportunity zone fund will typically dispense those proceeds to its partners on a pro-rata basis through a capital distribution. Capital distribution issuance is at the discretion of the fund manager. Not all opportunity zone funds will hold investments for the full tax realization period, which would require investors to owe taxes on any opportunity zone fund gains and potentially risk capital gain tax advantages.

Investor characteristics

Opportunity zone funds are not appropriate for all investors. Prospective investors are required to meet minimum financial eligibility guidelines to invest in opportunity zone funds. Please refer to the PPM and other offering documents of a fund for the investor eligibility requirements for that fund. These investments offer the potential of unique tax advantages for investors willing to invest in low-income and economically distressed areas. As outlined in more detail below, there are unique and additional risks associated with investments in opportunity zones that you should consider before investing. Each investor will have a unique tax situation and should consult their own tax advisor before investing. You should evaluate your individual financial condition and your ability to tolerate risk before you invest in these funds.

Opportunity zone funds typically do not register with the Securities and Exchange Commission (SEC); consequently, they can offer or sell securities to only certain types of individuals known as “accredited investors or who otherwise qualify within the meaning of U.S. securities laws.

“Accredited investors” generally include individuals with a net worth of at least $1 million (exclusive of the value of the primary residence) individually or jointly with his or her spouse or spousal equivalent, or an individual who earns an individual annual income of at least $200,000, or a joint annual income with a spouse or spousal equivalent of at least $300,000 for the past two calendar years, with the reasonable expectation that the income will continue in the current calendar year. An entity will generally qualify as an “accredited investor,” if it has at least $5 million in investable assets.

In calculating net worth for purposes of determining accredited investor qualification, generally an investor’s equity in his or her primary residence is excluded. Investors must also reduce their net worth by: (i) any mortgage debt assumed on their primary residence in excess of the primary residence’s fair market value (i.e., an under-water mortgage); and (ii) the total amount of any loan or additional indebtedness secured against their primary residence (i.e., a home equity loan or line of credit) incurred 60 days prior to purchasing a fund.

Though requirements may vary by fund, most offerings at Wells Fargo Advisors require investors to meet SEC guidelines of a “qualified purchaser,”. A “qualified purchaser,” generally includes individuals with at least $5 million in investments, and entities (e.g., corporations, foundations) with at least $25 million in investments. In addition, Wells Fargo Advisors may impose it’s own requirements on potential investors in opportunity zone funds.

Prior to investing, it is important to recognize that regardless of your eligibility to qualify financially to invest in these products, you must understand the products’ risks and characteristics, including tax implications, and be able to bear those risks — including the potential loss of the entire investment.

Diversification. Wells Fargo Advisors believes that you should diversify your investments. We recommend that you observe an asset allocation strategy and not overweight your overall portfolio in any one class of securities, particularly in private equity and private real estate funds, including opportunity zone funds. It is important to note asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss.

Certain risks

The risks listed below are some of the key risks associated with investing in opportunity zone funds; however, this is not an exhaustive list of risks for these products. Please refer to the specific fund’s offering documents for a more comprehensive and detailed listing of risks associated with that fund.

Investing in opportunity zones is speculative. The TCJA created opportunity zones and they are newly formed entities with no operating history. There is no assurance of investment return, property appreciation, or profits. The ability to resell the fund’s underlying investment properties or businesses is not guaranteed. Investing in opportunity zone funds may involve a higher level of risk than investing in other established real estate offerings.

Long-term investment. Unlike mutual funds, which generally invest in publicly traded securities and offer daily liquidity, opportunity zone funds have illiquid underlying investments that may not be easy to sell and the return of capital and realization of gains, if any, from an investment will generally occur only upon the partial or complete disposition or refinancing of such investments. Opportunity zone funds have limited provisions for redemptions and you should therefore expect that they will not receive a return of capital for an extended period (if at all), with expected holding periods of more than 10 years. As a result, investments into opportunity zone funds are not appropriate for all investors, especially those who need liquidity. An opportunity zone fund manager may choose to hold onto an investment beyond 10 years. Before investing, it is important to read and consider carefully the detailed information in the fund’s offering documents, including details about the investment’s objectives, risk/return profile, fees, and the fund’s potential holding periods.

Illiquidity and limited transferability. Opportunity zones funds are not “liquid” (they cannot be sold or exchanged for cash quickly or easily), and the interests are typically non-transferable without the consent of a fund’s managing member. As private funds, there may be no established secondary markets available for opportunity zone fund interests and no such market may develop. Given this lack of an active trading market for fund interests, any sale to a replacement investor performed in accordance with the fund transfer restrictions may result in a discounted sale price relative to current valuations.

Wells Fargo Advisors does not participate in, or receive compensation for, such secondary sales. As a result of this illiquidity and restrictions on transferability, opportunity zone funds are generally only appropriate for sophisticated investors who have carefully considered their financial capability to bear large fluctuations in value and hold these investments for the long term.

Lack of portability. Most private equity and real estate offerings, which include opportunity zone funds, are unique to the selling firm. In most cases, if you or your financial advisor leave Wells Fargo Advisors, your investments will be unable to transfer to another firm.

Difficult valuation assessment. The portfolio holdings in opportunity zone funds may be difficult to value because financial markets or exchanges do not usually quote or trade the holdings. As such, market prices for most of a fund's holdings will not be readily available. Additionally, it may be hard to quantify the impact a manager has had on underlying investments until the manager sells the investments.

Leverage. Opportunity zone funds may use leverage in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage may potentially enhance returns and increase the number of investments that can be made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the assets underlying such investments.

Unregistered investment. While many opportunity zone fund managers register with the SEC as investment advisors, other managers of these funds are not registered, and so are subject to less regulatory oversight. Moreover, the opportunity zone funds themselves, along with the securities issued by each, are not registered with the SEC. Unregistered investments have less regulatory oversight, and may offer less investor protection. This lack of SEC regulation can make it difficult for you to independently verify information that is reported by the fund manager.

No assurance of achieving tax benefits. It is possible, due to tax, regulatory, or investment decisions, that a fund, or its investors, are unable to realize any tax benefits. Accordingly, opportunity zone funds generally provide no assurances that an investor will realize any tax benefit or that the fund itself will satisfy all the requirements of the opportunity zone regulations for an investor to be able to realize the associated tax benefits. You should evaluate the merits of the underlying investment and not solely invest in an opportunity zone fund for any potential tax advantage.

Other important risk information

Opportunity zone funds are not appropriate for all investors and are only open to "accredited investors" and/or "qualified purchasers" within the meaning of the U.S. securities laws. They are speculative, highly illiquid, and are designed for long-term investment, and not as trading vehicles. There is no assurance that any investment strategy pursued by the fund will be successful or that the fund will achieve its intended objective. Investments in these funds entail significant risks, volatility, and capital loss, including the loss of the entire amount invested. The increased risk of investment loss is only appropriate for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund for which the fund does not represent a complete investment program.

While you may potentially benefit from the ability of opportunity zone funds to potentially defer and reduce capital gains and realize tax-exempt capital appreciation, consideration should be given as the tax benefits outweigh the performance and returns you may realize by investing in more traditional investments. The investments themselves can carry significant risks.

Opportunity zone funds are subject to market, funding, liquidity, capital, regulatory, and other material risks. There is no guarantee any investment strategy will be successful under all market conditions. The value of any property may decline as a result of a downturn in the property market and/or economic and market conditions. Investments in an opportunity zone fund bear the highest level of risk among real estate strategies as they typically involve a significant amount of "value creation" through the development of underperforming properties in less competitive markets. There is no guarantee value appreciation will be achieved and the operating company may be forced to sell properties at a lower price than anticipated. There is often limited (or even non-existent) liquidity and a lack of transparency regarding the underlying assets. Opportunity zone investments often demand long holding periods to allow for disposition and exit strategy. Each exit strategy has its advantages and disadvantages. There is no guarantee any exit decision will be successfully implemented and concluded. There is generally no secondary market for interests and restrictions on transferring such interests. Opportunity zone funds involve other material risks including capital loss and the loss of the entire amount invested. A fund's offering documents should be carefully reviewed prior to investing.

Opportunity Zones are economically distressed communities. Investors should, therefore, carefully assess each investment opportunity on its own merits exclusive of any potential tax benefit. There can be no assurance that any tax-managed strategy will be successful or will not be changed or eliminated because of legislation or regulation.

Consult with your tax advisor

Wells Fargo Advisors, its affiliates, and your financial advisor are not tax or legal advisors. Opportunity zone funds have unique tax issues that you should discuss with your tax and legal advisor prior to investing. You should discuss with your tax or legal advisor whether any tax benefits of the Opportunity Zone program benefit your tax situation and outweigh the potential risks involved in this investment. An opportunity zone fund involves unique tax reporting requirements that may be more complex, including state tax rules that may be different than federal tax treatment.

In general, if an investor sells any asset that generates a capital gain and invests an amount equal to, or less than, the realized capital gain within 180 days into an opportunity zone fund, the taxpayer could defer taxation of the eligible capital gains up to December 31, 2026 ("Investment Cutoff Date") or when the investment in the opportunity zone fund is sold or exchanged, whichever is earlier. The capital gains tax will be due with the first tax filing following the Investment Cutoff Date.

If the opportunity zone fund investment is held for 10 years from the time you invest in the opportunity zone fund, any capital appreciation generated by the opportunity zone fund investments receives a 100% fair market value basis step-up (effectively making the appreciation on opportunity zone fund investment tax-free after a 10-year hold).

Tax treatment

Generally, investors in opportunity zone funds are subject to income taxes on the income and/or capital gains distributed to them from those funds. In some years, your tax liabilities may exceed any distributions received from a fund. Additionally, you may be subject to various limitations on your ability to use your allowable share of deductions and losses from the fund (for example, passive loss limitations, investment interest limitations, capital loss limitations, and limitations on the deductibility of miscellaneous itemized deductions).

Opportunity zone funds are not appropriate for retirement accounts such as IRAs. Investors considering using retirement accounts or tax-exempt entities, such as endowments or foundations, should consult with their legal or tax advisor and their financial tax professional. Regardless of the type, before investing in an opportunity zone fund, accounts should be scrutinized for tax consequences with your legal or tax adviser. There are a number of adverse tax consequences that should be taken into account when considering an investment in opportunity zone funds. Most are organized as limited partnerships (LPs), which for tax purposes are "pass-through" entities where the income, expense, and other tax items of the partnership are "passed through" to you on a Schedule K-1. You report these items on your individual tax returns. Due to possible delayed delivery of the Schedule K-1, you may need to file an extension on your tax return.

In an effort to maximize profits, an opportunity zone fund manager may choose to liquidate an investment prior to realization of any tax benefit. As noted above, prior to investing, a fund's offering document should be consulted to understand potential holding periods, tax implications, and risks, among other important considerations.

Tax deferral

Under current federal law, the federal income tax on any deferred capital gains that are invested in an opportunity zone fund will be due as if the gain were recognized on December 31, 2026. Most funds will have to be in the realization period in order to capitalize on tax-exempt capital appreciation for their partners. There likely will not be a distribution to pay your tax liability for 2026 when the tax on the deferred capital gains will be due. As a result, you will have to pay the tax from sources other than its investment in the opportunity zone fund. Tax laws and regulations are subject to change at any time and can have a substantial impact on your individual situation. Consult your tax advisor prior to investing.

Costs of investing in opportunity zone funds

The expenses associated with opportunity zone funds are significantly higher than many other traditional investment vehicles. There are no limits on the fees opportunity zone funds can charge you, and several types of fees and charges are associated with these funds. You need to understand these expenses before investing. These fees and expenses will reduce the value of your total investment and your return. You should analyze the added cost against the benefits obtained by investing in opportunity zone funds.

All fees and expenses associated with the fund must be disclosed in the fund offering documents. Prior to investing, you should carefully review these charges and expenses and understand their implication regarding your potential investment. Typical fees and expenses include, but are not limited to, the following:

Performance or incentive fee. An opportunity zone fund may charge a performance-based fee referred to as "carried interest." This fee is usually a fixed percentage of the performance and typically accrues only after the fund's net returns clear a predefined hurdle rate of return.

As an example, assume that an opportunity zone fund has a carried interest charge of 20% and a pre-established 8% hurdle rate. A total return of 10% (net of management fee) by the fund in any given year would entitle the manager to collect 20% (performance incentive fee) on 2% of the profits or, in other words, those returns that were in excess of its 8% hurdle rate. This would result in a total net return to you of 9.6%. A performance fee could motivate a fund manager to take greater risks in the hope of generating a larger return to receive a higher fee.

Placement fee (generally applied only to brokerage share classes). The placement fee is a front-end sales charge (a sales charge that must be paid immediately upon purchase) paid to the placement agent. In turn, the agent may pay a portion of those fees to affiliated or unaffiliated registered broker-dealers or other entities involved in the offer and sale of the opportunity zone fund interests.

For brokerage accounts, you may pay Wells Fargo Advisors directly prior to investing into an opportunity zone fund, or Wells Fargo Advisors may receive all or a portion of the placement fee that you otherwise pay to the fund or fund manager. Wells Fargo Advisors uses this fee to compensate its financial advisors.

Management fee. You are charged an annual management fee on the value of your investment. This fee is the cost of a fund manager making the investment decisions for you and for managing the fund. The fund manager typically receives a fee of 1% to 2% of net assets, although this amount depends on various factors, including the type of fund.

For brokerage accounts, all or a portion of the management fee may be paid to Wells Fargo Advisors to compensate it and your financial advisor for distribution and marketing, as well as for other continued services provided to the fund and your account. This fee is often called a "trail fee," which alternatively (or a portion of which) may be treated as a separate fund fee or expense. See the "trail fee" section below.

Transaction and administrative expenses. As a limited partner, you are charged a pro-rated percentage (based on your investment) of all transactional, administrative, and other expenses incurred by the fund. These expenses are not paid directly as a fee, but rather are deducted from the fund's assets, resulting in the reduction of investment returns.

Trail fees (generally applied only to brokerage share classes). As noted above, in lieu of paying trail fees from (or exclusively from) the management fee, some funds may charge trail fees. All or a portion of the trail fees are generally paid to fund placement agents for the on-going services provided to the fund and investor accounts.

For brokerage accounts, Wells Fargo Advisors generally receives all or a portion of the trail fee, which is used, in part, to compensate your financial advisor.

How your Financial Advisor and Wells Fargo Advisors are compensated on opportunity zone funds

Wells Fargo Advisors and your financial advisor receive payments depending on the investment offering, amount invested, and share class you select. For helping you invest in these investment offerings, Wells Fargo Advisors and your financial advisor are compensated in ways that vary depending on the selected investment. Investment products pay Wells Fargo Advisors from the fees paid by you. Part of that payment then goes to your financial advisor, and the remainder is retained by Wells Fargo Advisors. This creates an incentive for us to recommend products that pay us additional compensation over those that do not pay additional compensation or that pay smaller amounts of additional compensation.

For brokerage accounts, a financial advisor's compensation is based on the sales fees mainly set by the investment offerings and described in the offering documents. For advisory accounts, a financial advisor's compensation is based on a percentage of the assets in the account rather than on the sales fees associated with a given investment product.

The compensation formula that determines the amount of payment to your financial advisor is the same across many investment products. Some investment products, however, may carry higher sales charges than others, which may create an incentive for the financial advisor to recommend those investments. Typically, registered funds have higher upfront sales charges and lower investment minimums than unregistered funds due to the costs associated with filing the registration statement.

Additional compensation received by Wells Fargo Advisors from Fund Parties

In addition to transaction-based commissions received by Wells Fargo Advisors and your financial advisor, Wells Fargo Advisors may receive compensation paid by investment managers, their affiliates, and/or in some instances a distributor (each a “Fund Party” and collectively, “Fund Parties”), that is not related to individual transactions, a specific share class, or account type.

This “non-commission” compensation received by Wells Fargo Advisors from a Fund Party may include payments for administrative support, operational support, training, educational conferences and meetings, and other general services provided to investment offerings, investment managers, or their affiliates. This compensation may be paid directly by a Fund Party or charged as a fund expense and can be broken down into general categories:

- Service compensation
- Revenue sharing
- Training and education support
- Data agreements

This additional compensation creates an incentive for us to recommend products where we receive this compensation over products for which we do not receive this compensation or receive smaller amounts of compensation. This additional compensation may also influence the selection of opportunity zone funds that Wells Fargo Advisors and its associates make available for recommendation. Wells Fargo Advisors reserves the right to restrict the opportunity zone funds that we offer to clients based on payment of additional compensation.

Please note these compensation arrangements may be described in the prospectus or PPM for each investment offered by Wells Fargo Advisors. We included this section to provide you with disclosure about the compensation agreements between Wells Fargo Advisors, Fund Parties, and associated potential conflicts of interest.

Service fees

These fees are paid by Fund Parties to compensate Wells Fargo Advisors for providing certain client account and administrative services for those Wells Fargo Advisors’ clients holding opportunity zone funds. All or part of this compensation paid by Fund Parties may be rebated to client accounts holding interests of such fund in order to offset a portion of fees and expenses associated with the account. Examples of services provided include assisting in the administrative review of subscription documentation, operational support processes and other general services provided to investment managers. Service fees are paid either at an annual rate of up to 75 basis points of the aggregate net asset value of applicable shares held by clients of Wells Fargo Advisors; or at a one-time rate of up to 200 basis points of the client commitment at the time of commitment. These fees are often disclosed in investment offering documents, which you should refer to for additional information.

Revenue sharing

Revenue sharing may be paid by a Fund Party to Wells Fargo Advisors for providing certain services including subscription process support, ongoing training, operations and systems support, and marketing to financial advisors and clients with respect to the investment offering. These fees are typically paid to Wells Fargo Advisors from the Fund Parties’ revenues and profits, not from the investment offering’s assets. However, Fund Parties’ revenues or profits may in part be derived from fees earned from services provided to an investment offering.

- Fund Parties pay Wells Fargo Advisors revenue sharing compensation either at an annual rate of up to 25 basis points of the aggregate net asset value of applicable shares held by clients of Wells Fargo Advisors; or at a one-time rate of up to 100 basis points. These fees are often disclosed in the investment's offering documents, which you should refer to for additional information.

- Please see the document titled "Wells Fargo Advisors Revenue Sharing Summary" for list of alternative fund managers and/or funds with whom Wells Fargo Advisors has a revenue sharing arrangement.

Revenue sharing rates can differ depending on the Fund Parties, and in some cases, we receive different revenue sharing rates for certain investment offerings offered by the same Fund Party. In addition, not all Fund Parties pay revenue sharing, as a result we have an incentive to include investment offerings on our platform and recommend investments or managers that pay revenue sharing and/or pay a higher rate.

Training and education compensation

These fees compensate Wells Fargo Advisors for providing client account and administrative services for those Wells Fargo Advisors' customer accounts holding certain opportunity zone funds. In recent years, Fund Parties have outsourced many of these operations functions to broker-dealers, such as Wells Fargo Advisors. Wells Fargo Advisors offers multiple ways for managers to provide training and education to our financial advisors in local branch offices or in larger group settings, including at the national level.

- Certain managers have agreed to dedicate resources and funding to provide this training and education at our nationally-organized events. This commitment could lead our financial advisors to focus on investments offered by these managers versus those offered by managers which are not represented during support sessions.
- Wells Fargo Advisors selects the managers that participate in the training and education events based on a variety of qualitative and quantitative criteria and may provide supplemental sales and financial data to these firms. The subset of managers that offers this support and participates in nationally-organized training and education events may change periodically.
- Managers may also provide compensation to offset or reimburse Wells Fargo Advisors for costs incurred in conducting comprehensive training and educational meetings for its financial advisors. These meetings or events are held to teach financial advisors about the product characteristics, sales materials, customer support services, and successful sales techniques as they relate to various offerings.
- Separately, managers may host financial advisors for education and conferences at the manager's headquarters, regional office, or other locations. Likewise, occasionally, managers will reimburse Wells Fargo Advisors for expenses incurred by individual branch offices in connection with conducting training and education meetings, conferences, or seminars for financial advisors and customers. Also, financial advisors may receive promotional items, meals, entertainment, or other noncash compensation from managers.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of investment managers whose investment offerings are offered by Wells Fargo Advisors, it is not possible for all managers to participate in a single meeting or event. Consequently, those investment managers who do participate in training or educational meetings, seminars, or other events gain an opportunity to build relationships with financial advisors; these relationships could lead to additional sales of that particular investment manager's products.

Data agreements

Wells Fargo Advisors works with various alternative investment managers to provide aggregated alternative investments sales data for a fee. These payments are not attributable to a particular account or holding, nor does the service include any information identifiable to a particular account or holding. The payments may be up to $50,000 per year for data agreements from alternative investment managers. These payments are paid to us and retained by us and are not directly shared with financial advisors.

Talk to your Financial Advisor

Determining whether opportunity zone funds are an appropriate investment strategy for you requires an in-depth evaluation of your individual financial situation and the objectives you want to achieve. Talk to your legal or tax advisor and your financial advisor today about how opportunity zone funds may help you work toward your investment goals.

Additional information

To learn more about opportunity zone funds, ask your financial advisor or visit the websites of the following organizations for further information:

- Wells Fargo Advisors
- Financial Industry Regulatory Authority
- U.S. Securities and Exchange Commission
- Securities Industry and Financial Markets Association

Disclosures

Alternative investments, such as opportunity zone funds, are not appropriate for all investors. They are speculative, highly illiquid, and are designed for long-term investment, and not as trading vehicles. These funds carry specific investor qualifications which can include high income and net-worth requirements as well as relatively high investment minimums. The high expenses associated with alternative investments must be offset by trading profits and other income which may not be realized. Unlike mutual funds, alternative investments are not subject to some of the regulations designed to protect investors and are not required to provide the same level of disclosure as would be received from a mutual fund. An investor should review the private placement memorandum, subscription agreement and other offering materials for complete information regarding terms, including all applicable fees, as well as the specific risks associated with a fund before investing.

This material is for informational purposes only and does not constitute an offer to sell, or the solicitation of an offer to buy or sell any securities.

We work with various alternative investment advisors and/or managers to provide aggregated sales data for a fee. These payments are not attributable to a particular account or holdings, nor does the service include any information identifiable to a particular account or holding. The payments range up to $50,000 per year for data agreements from alternative investment advisors and/or managers. These payments are paid to us and retained by us and are not directly shared with financial advisors.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors..

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