WELLS FARGO

Where Do We Go From Here?

Beyond the Great Recession

Darrell L. Cronk, CFA
Senior Director of Investments

A Note about Disclosures

Please be sure to read the important disclosures at the end of this presentation

Investment and Insurance Products:

- Are NOT insured by the FDIC or any other federal government agency
- Are NOT deposits of or guaranteed by the Bank or any Bank affiliate
- May Lose Value

Together we'll go far

Today's Agenda

Where are we in this economic cycle?

Where are we in this market cycle?

Investment Themes and Strategies

Economic Data Trends

Fewer indicators are improving.

	Improving	Mixed	Deteriorating
March 2009	35%	30%	35%
June 2010	54%	42%	6%
August 2010	41%	34%	25%

Source: Wells Fargo Wealth Management, FactSet, 8/11/2010

Based on an in-house evaluation of 56 weekly, monthly and quarterly economic indicators.

U.S. Recovery – Slowly Growing

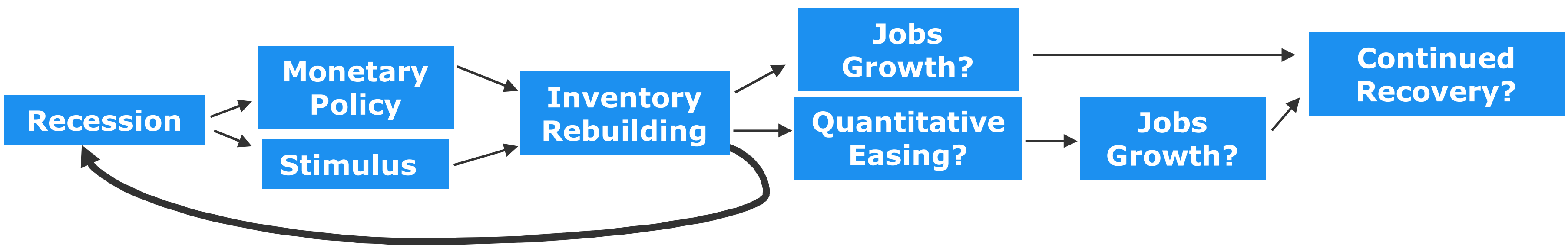
WELLS FARGO

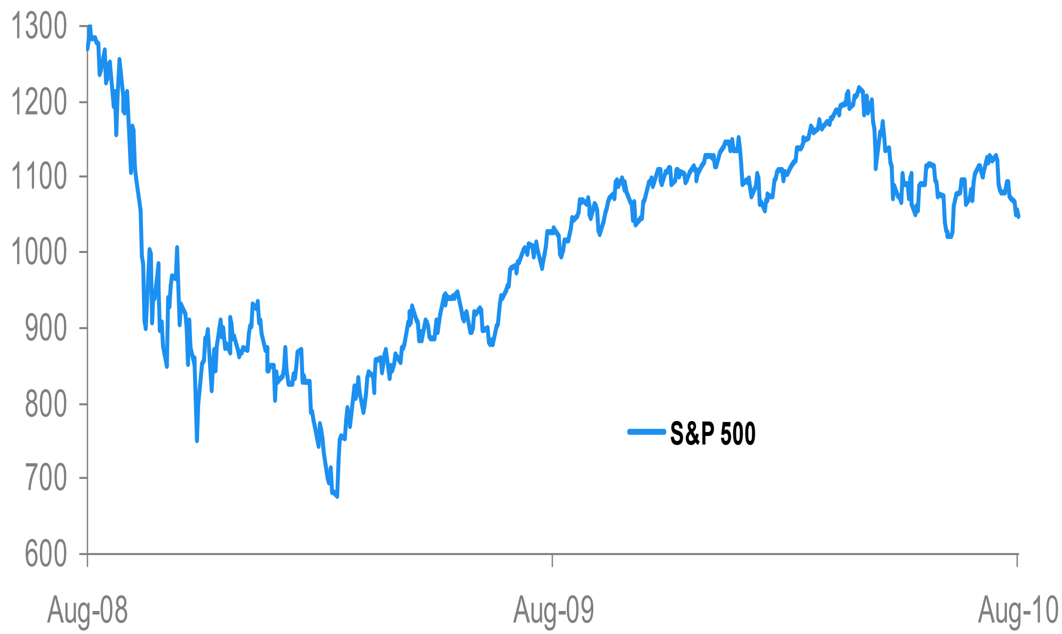
Second-quarter growth slowed to 1.6%.

Source: Wells Fargo Wealth Management, Bureau of Economic Analysis, 8/2010

U.S. Recovery – What's Next

What's next for the U.S. Economy and U.S. capital markets?





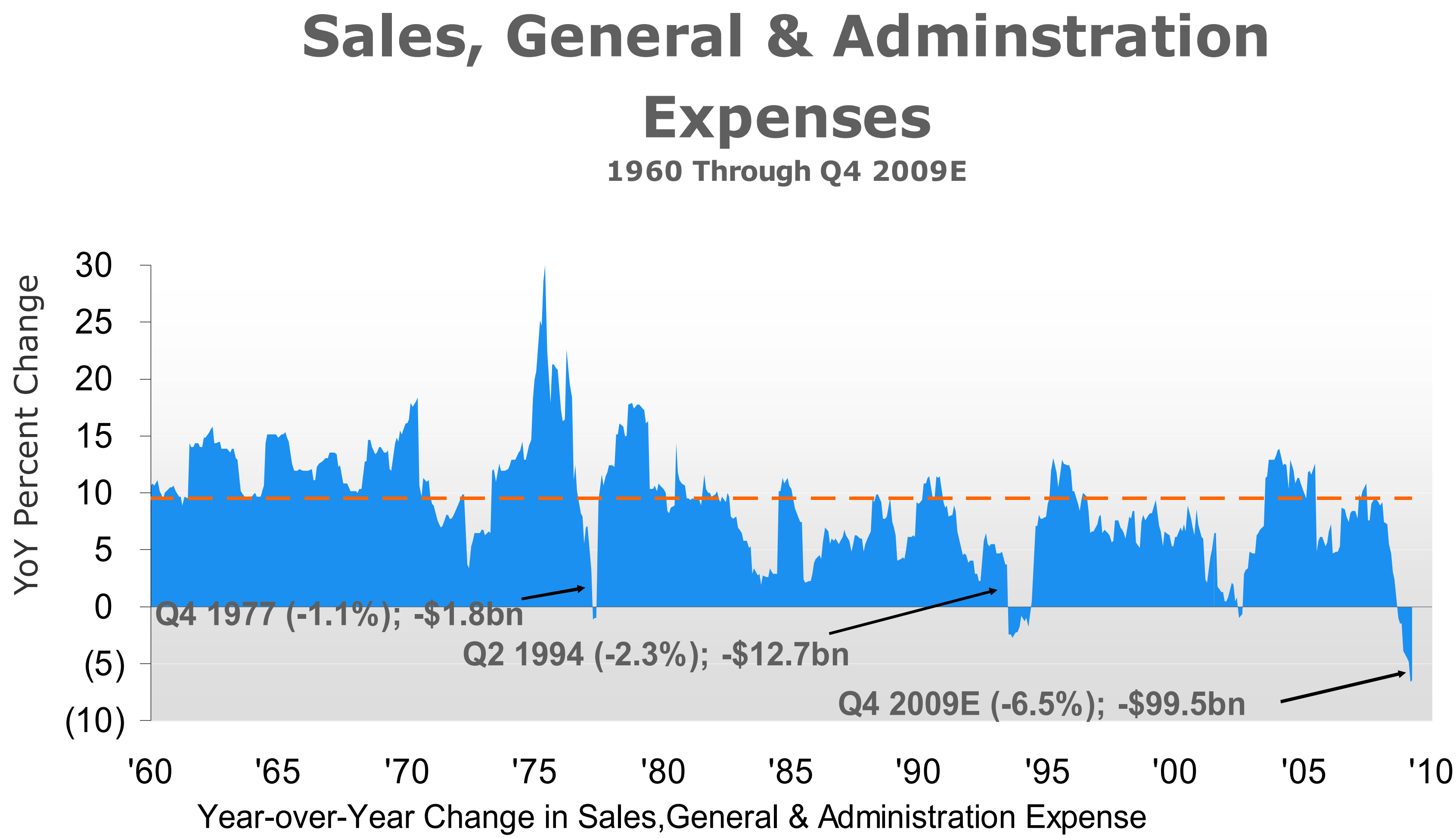
Source: Wells Fargo Wealth Management, Bloomberg Finance, LLP, 8/2010

Businesses in Better Shape

Cash as a percentage of assets has risen sharply.

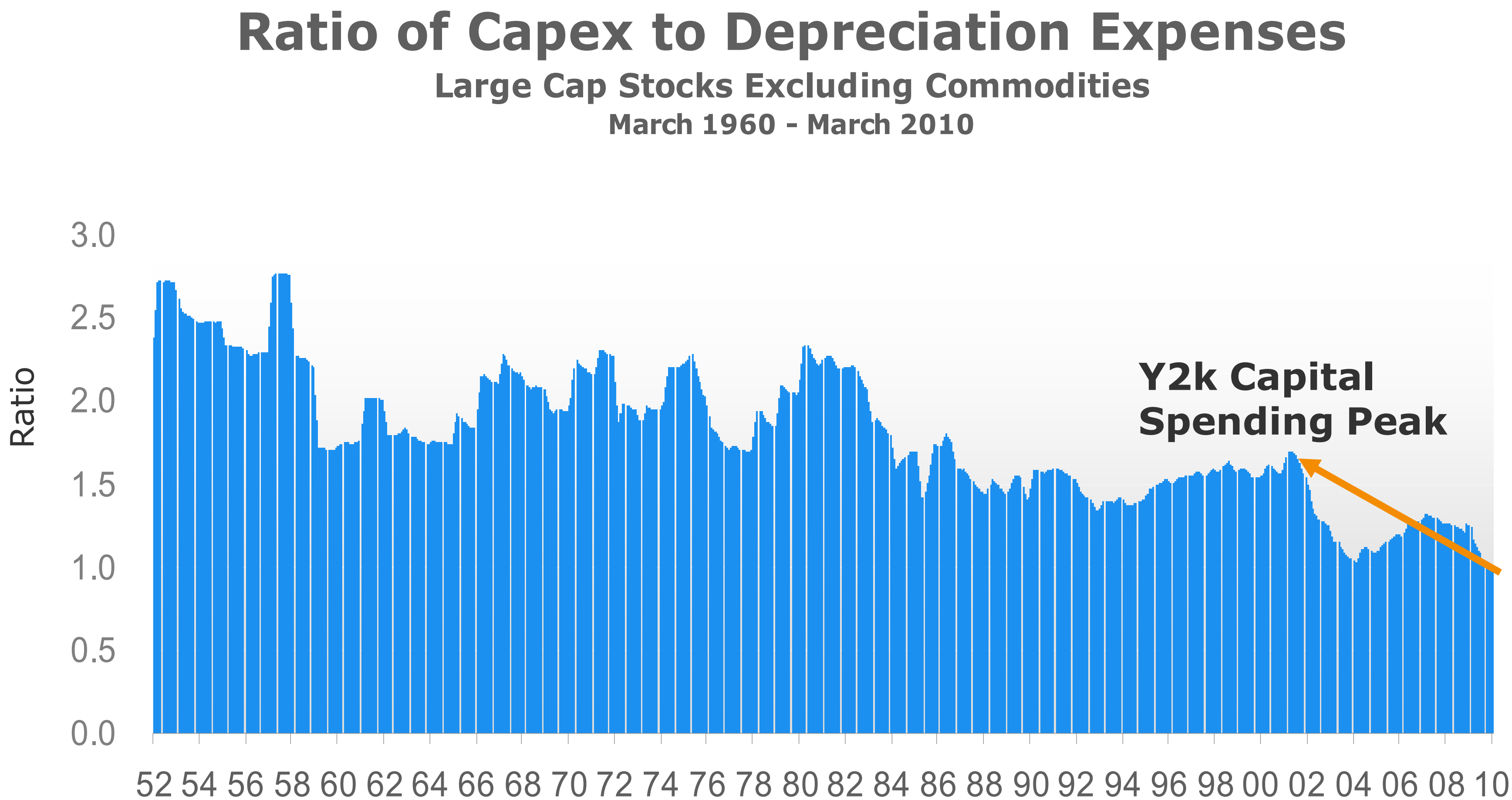
Data source: Bloomberg Finance LLP, as of 04/07/10

Operating Leverage as Earnings Driver



Data Source: Empirical Research Associates, 12/09

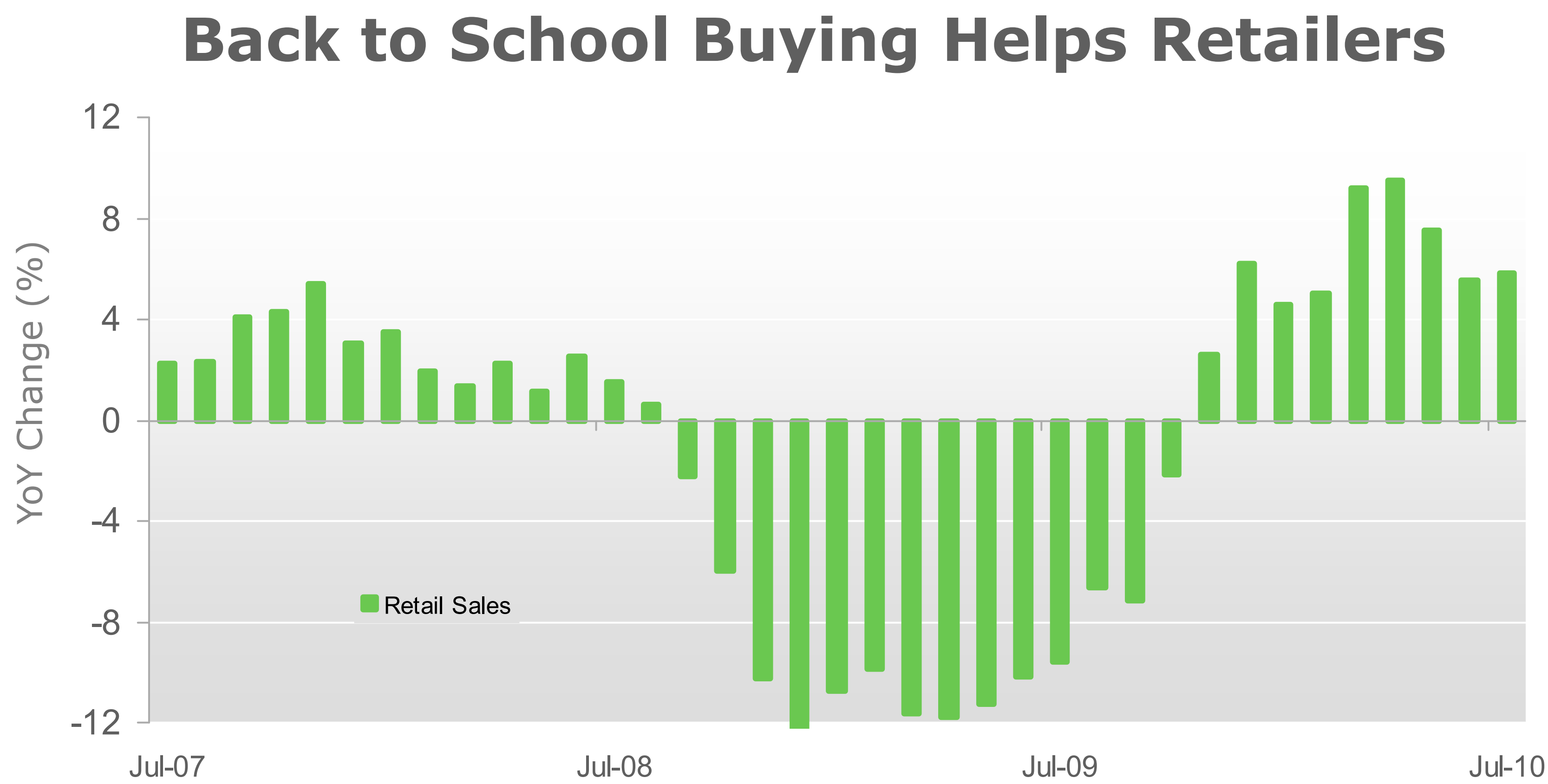
Capital Spending Pent-Up Demand



Data source: Empirical Research, 06/06/10

Retail Sales Turn Up

Tax holidays and promotions led retail sales higher in July.



Source: FactSet, 8/2010

Home Sales Suffer as Tax Credit Expires

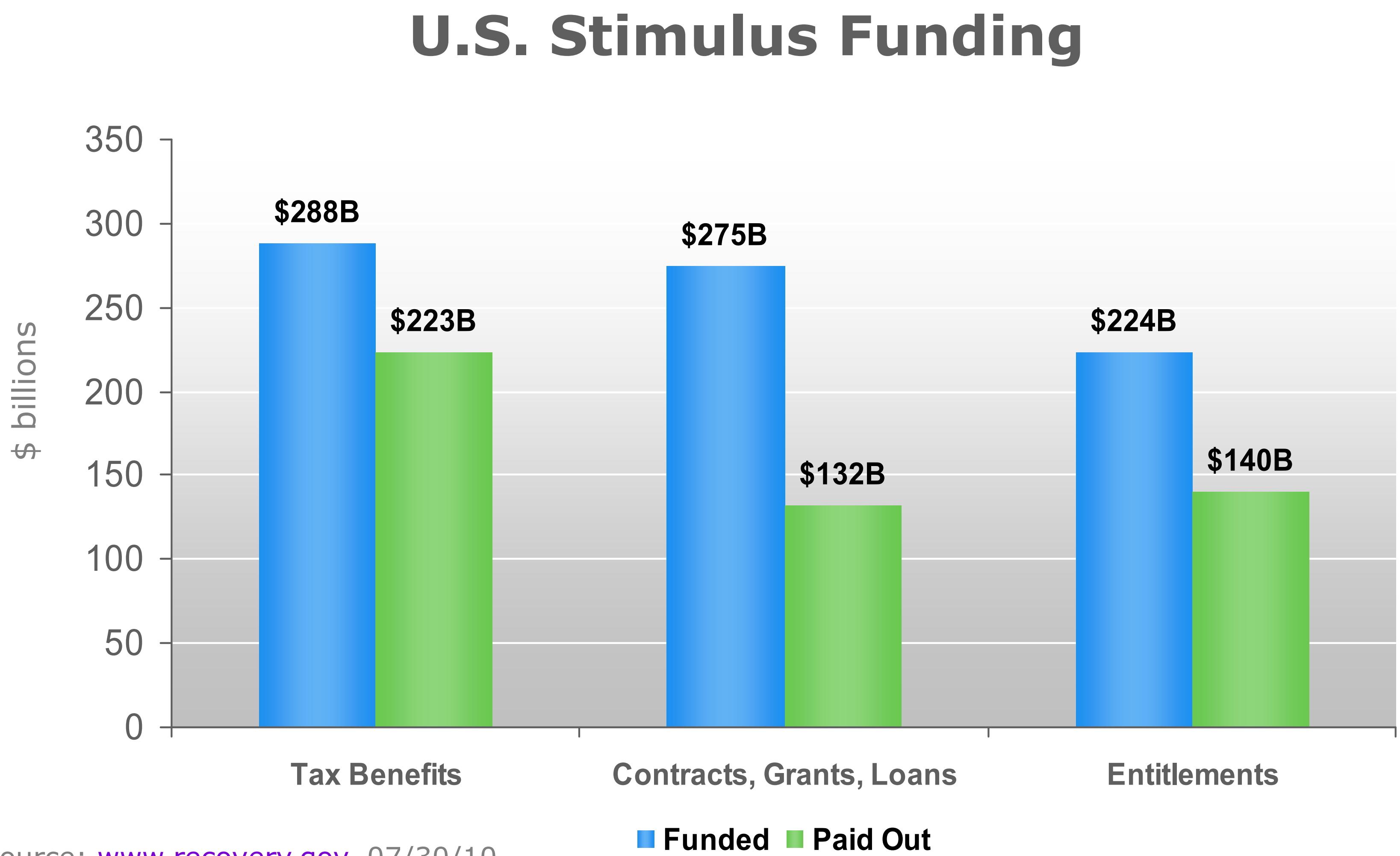
Low prices and low mortgage rates may provide some support in the second half.

Home Sales hit Record Low

Source: FactSet, 08/10

Stimulus Spending is Winding Down

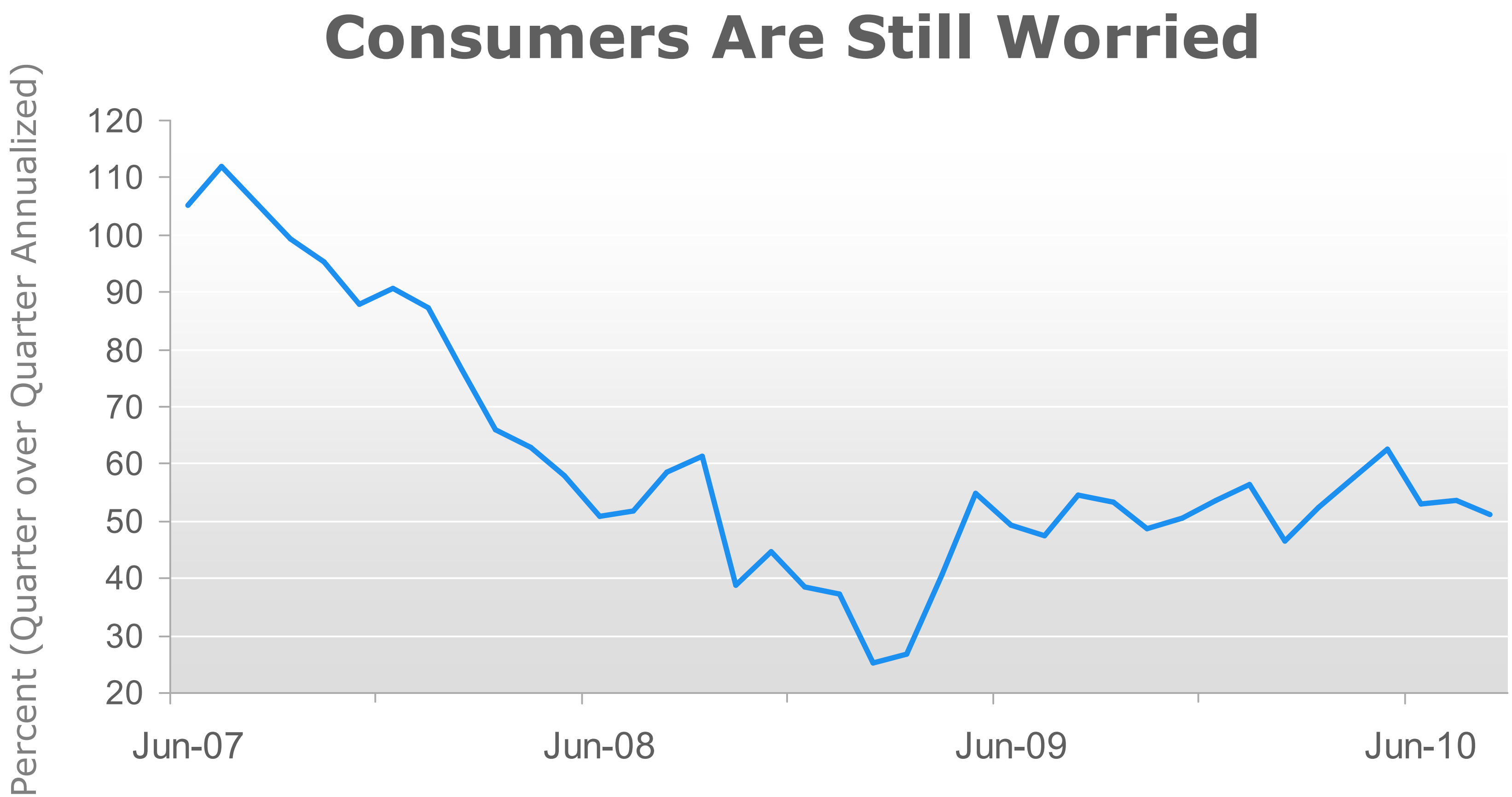
About 63 percent of the U.S. stimulus has been distributed.



Source: www.recovery.gov, 07/30/10

Consumer Confidence has Yet to Recover

Negative headlines are weighing on consumer confidence.

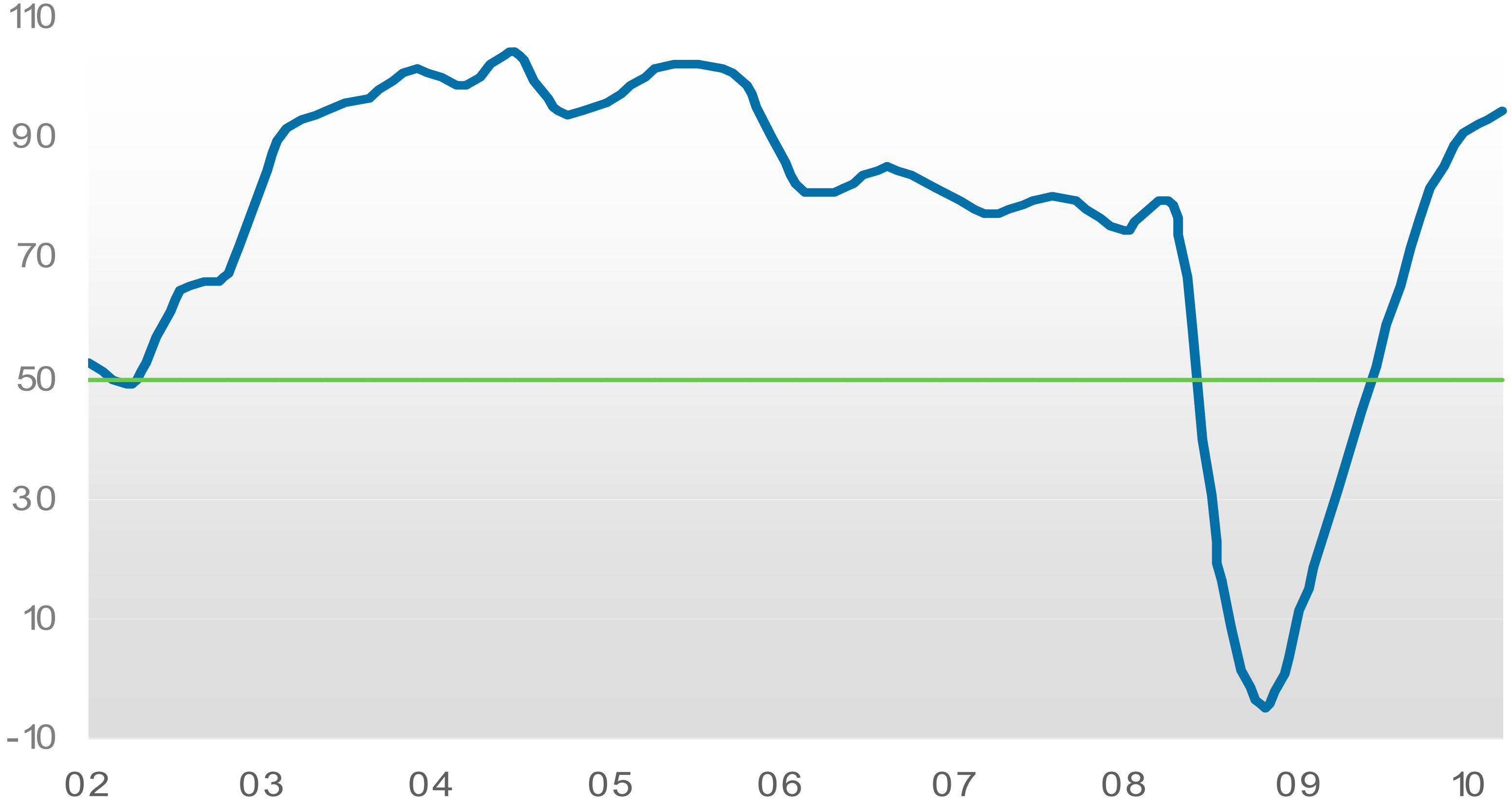


Source: FactSet, 9/2010

CEO's Are More Optimistic

WELLS FARGO

Businesses have excess cash to invest in capital spending projects and debt reduction in 2010.

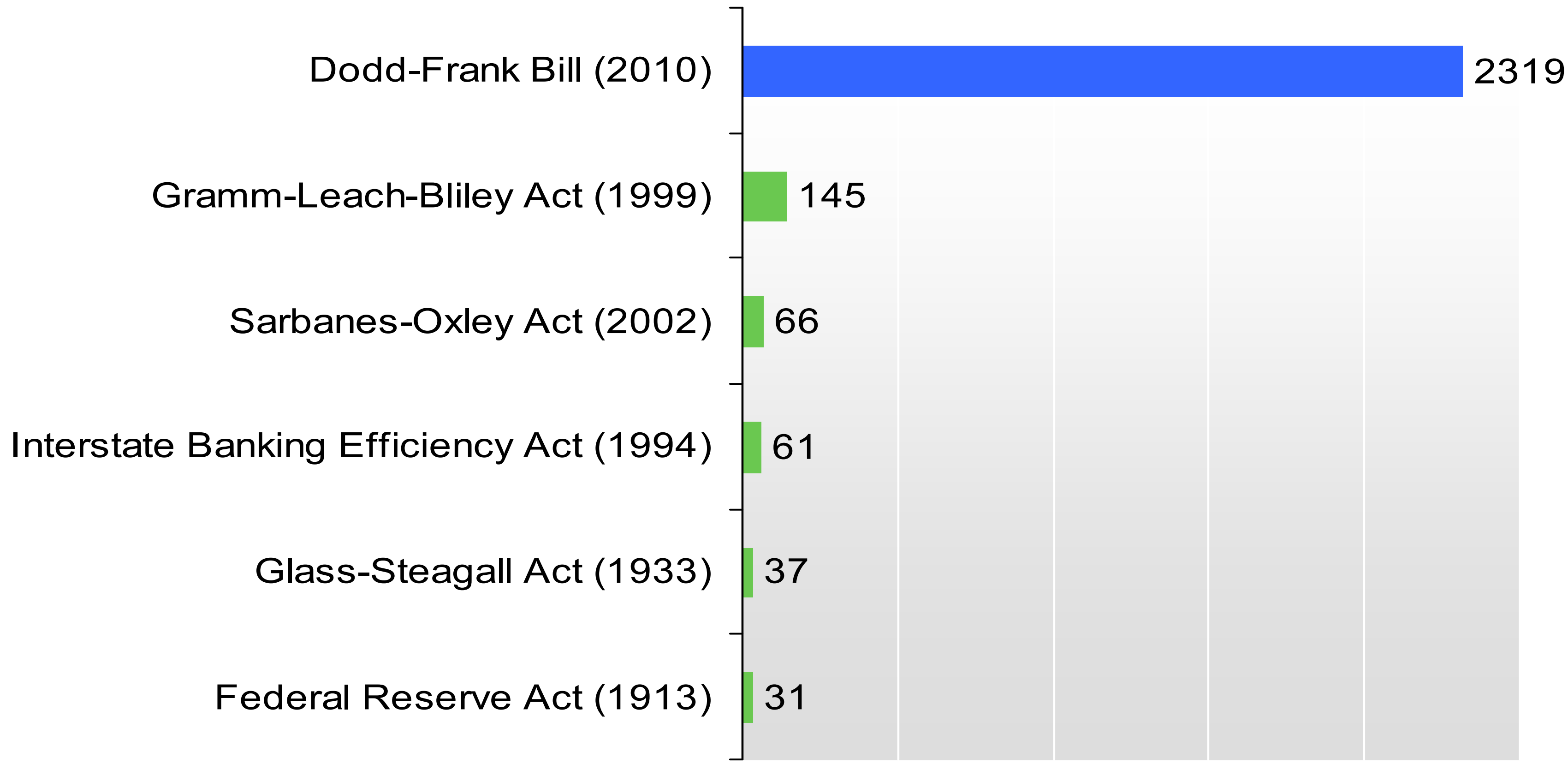


Source: *Business Roundtable, 6/23/10, Results can range from -50 to +150 with +50 being the threshold between expansion and contraction.*

U.S. Policy is Adding to Uncertainty

WELLS FARGO

Complex legislation may be causing decision makers to take a "wait and see" approach.

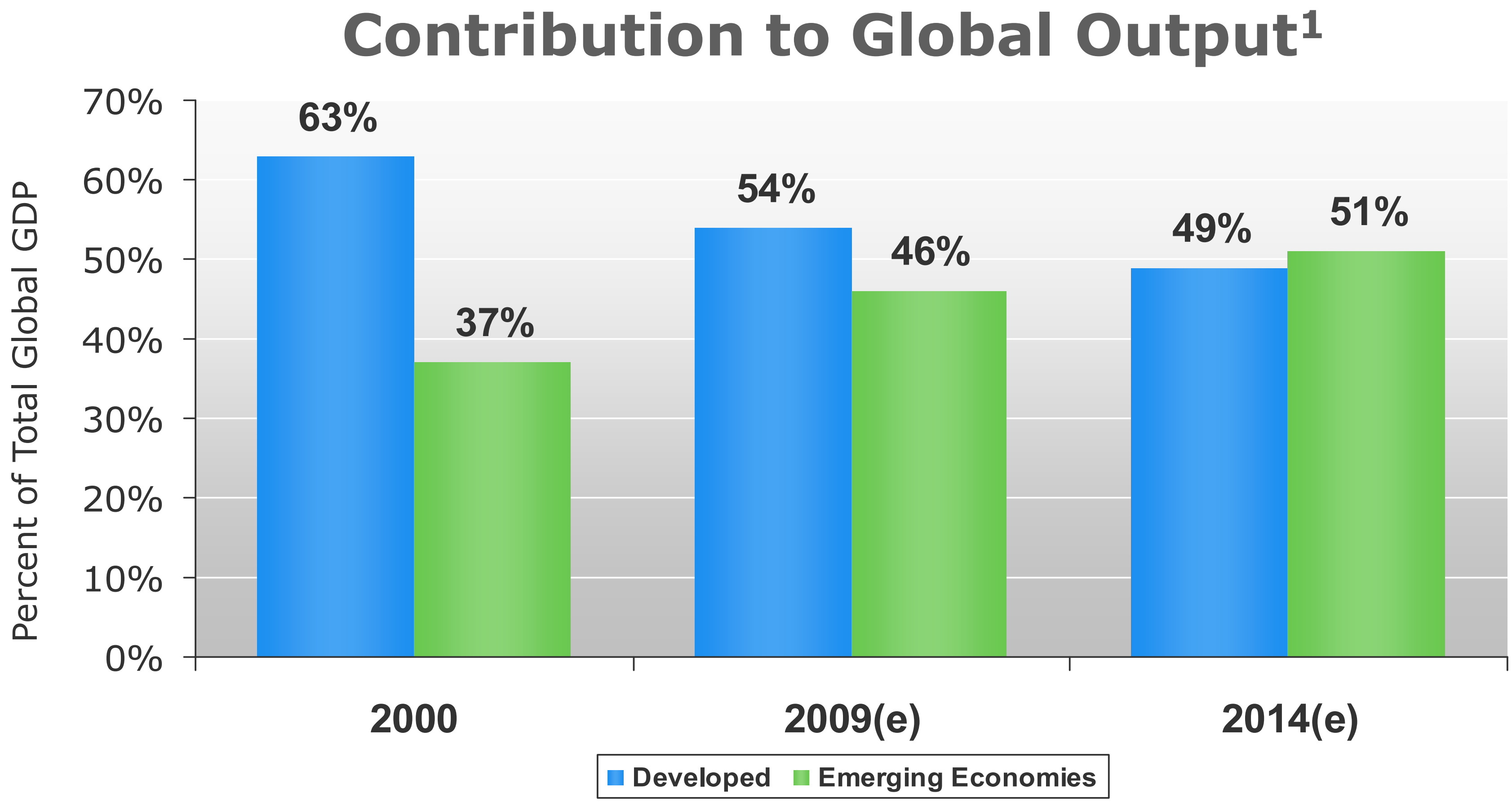


Sources: Wells Fargo Wealth Management, 7/2010, Strategies Research Partners, LLC, The Library of Congress

Relative Contributions Changing

WELLS FARGO

The relative share of global output from emerging economies has gained over the past decade.

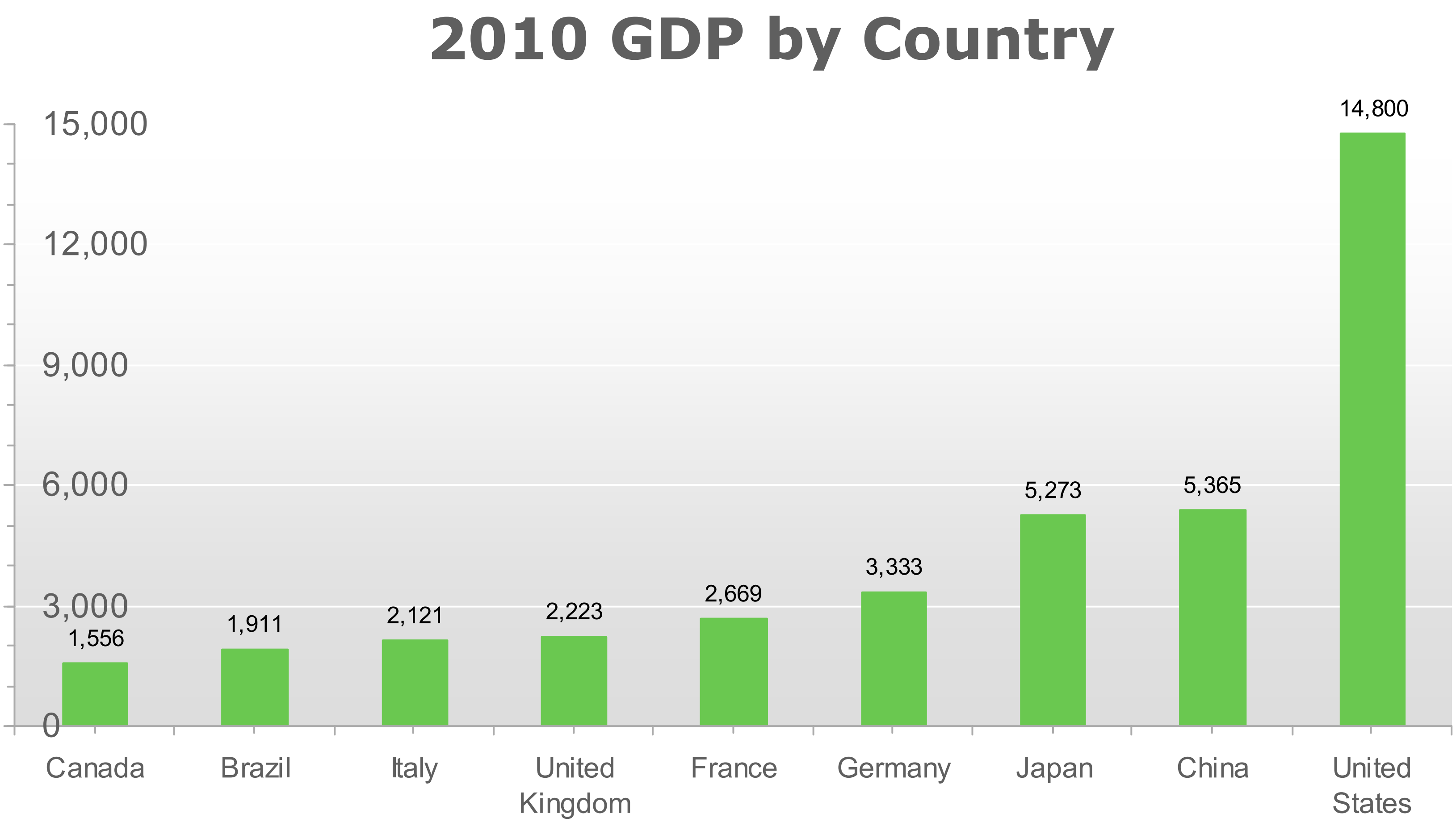


[1] PPP Gross domestic product based on purchasing-power-parity (PPP) share of world total, 2009 IMF estimates

Source: IMF, World Economic Outlook, 10/09

China Moves Into Second Place

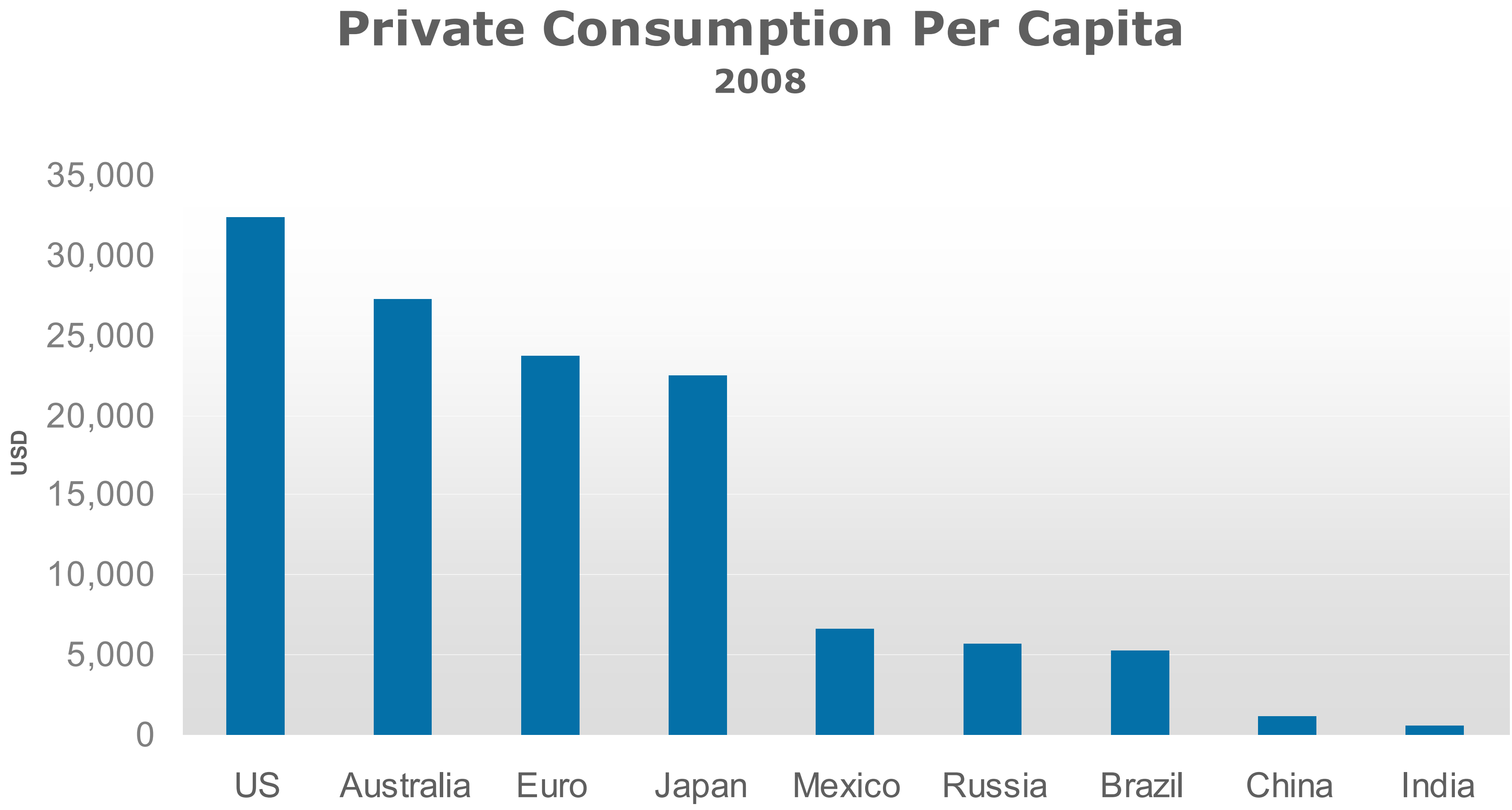
China overtook Japan in the second quarter to become the world's second largest economy.



Source: IMF Estimates, 9/2010

The Potential of the Global Consumer

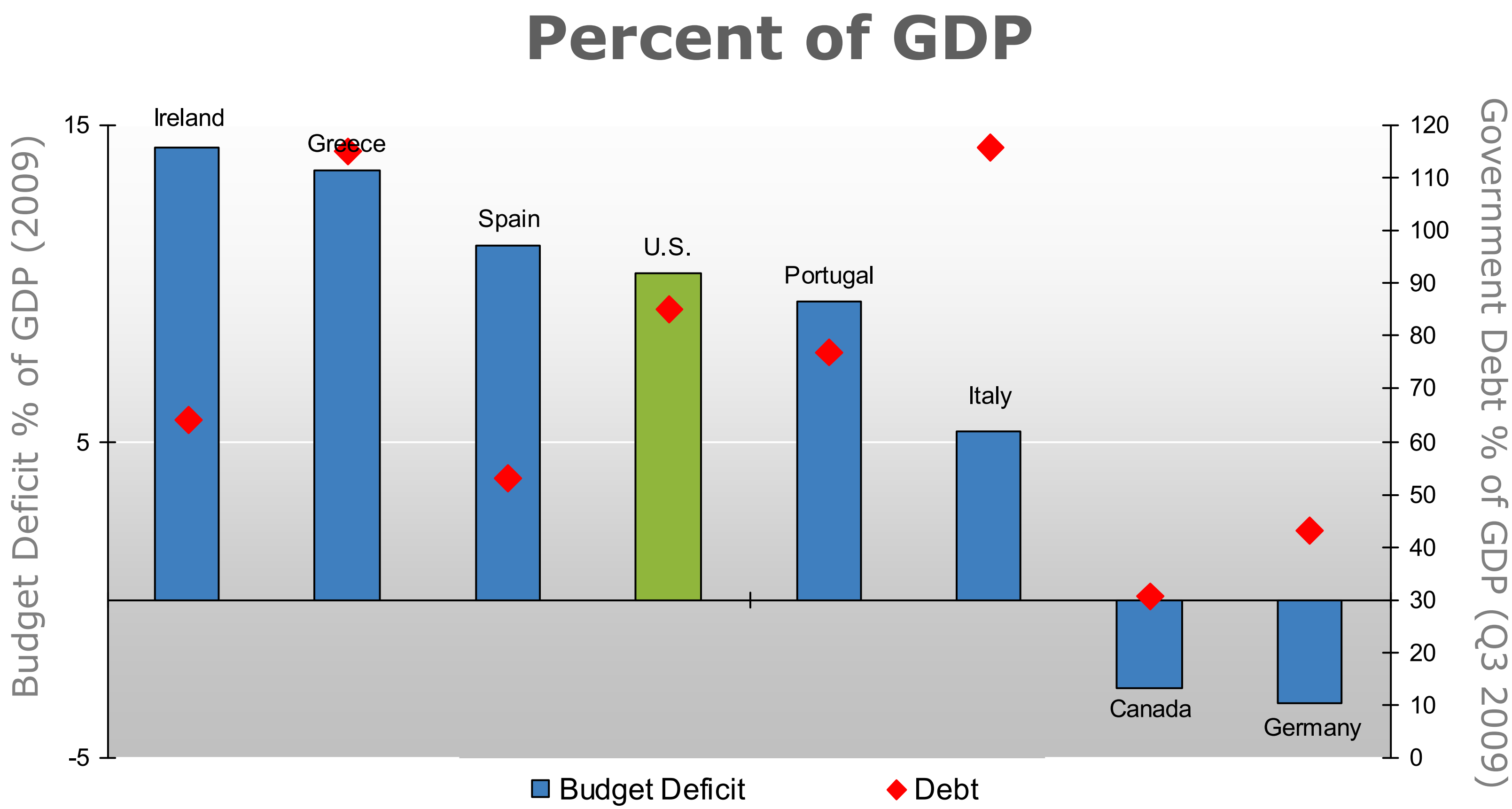
Emerging economies per capita consumption still low.



Data source: Wealth Management Research, IMF, European Central Bank, 03/31/10

Eurozone Debt Hampering Recovery

Overextension of sovereign debt has private investors shying away from fiscally-challenged Eurozone countries.



Sources: Ned Davis Research, IMF, Haver Analytics, 05/10

Today's Agenda

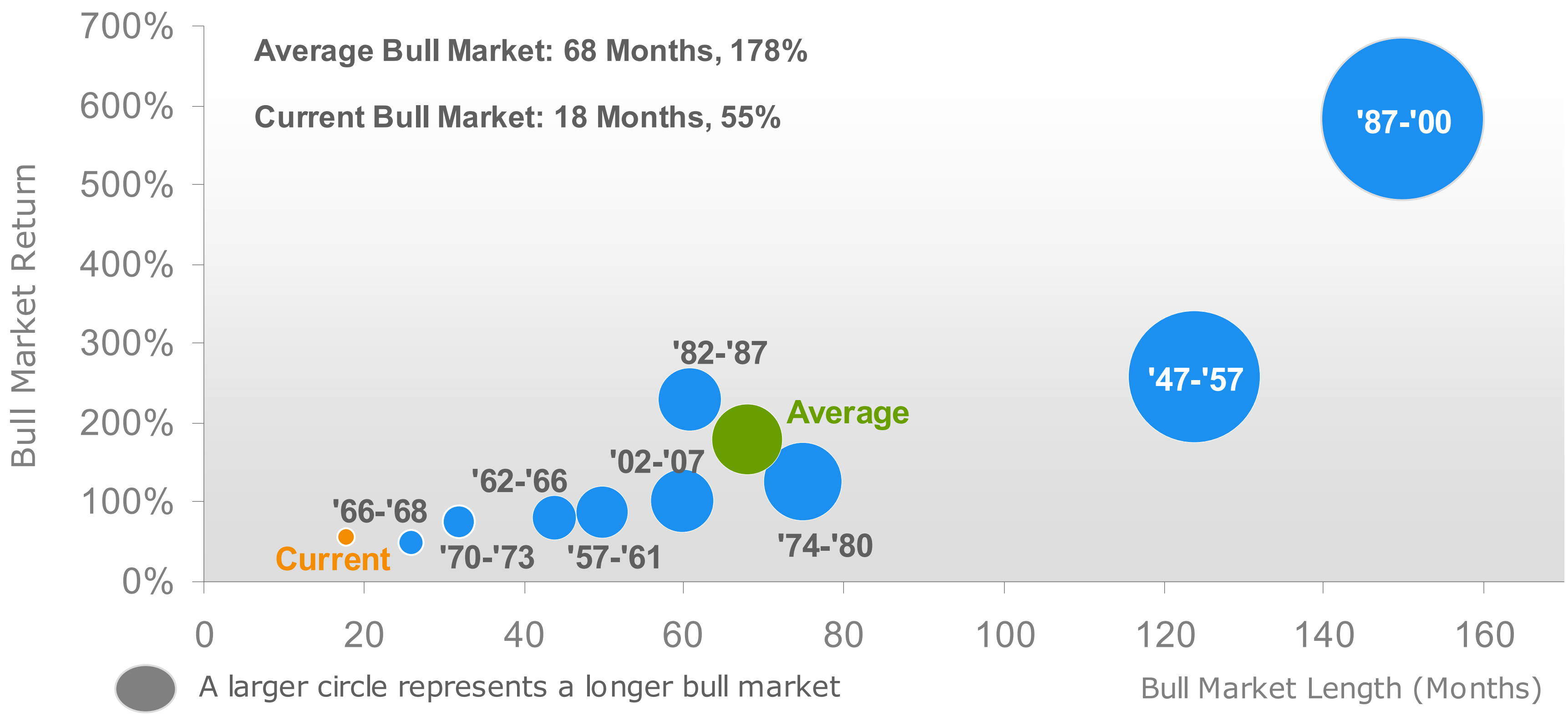
Where are we in this economic cycle?

Where are we in this market cycle?

Investment Themes and Strategies

Bull Markets Historical Perspective

The latest bull market is off to a good start. History shows we may only be in the early stages.



Past Performance is no guarantee of future results.

Source: Bloomberg Finance LLP, as of 09/10

“Riskier” Assets Out-Perform “Safer” Ones

Since the market bottom on March 9, 2009:

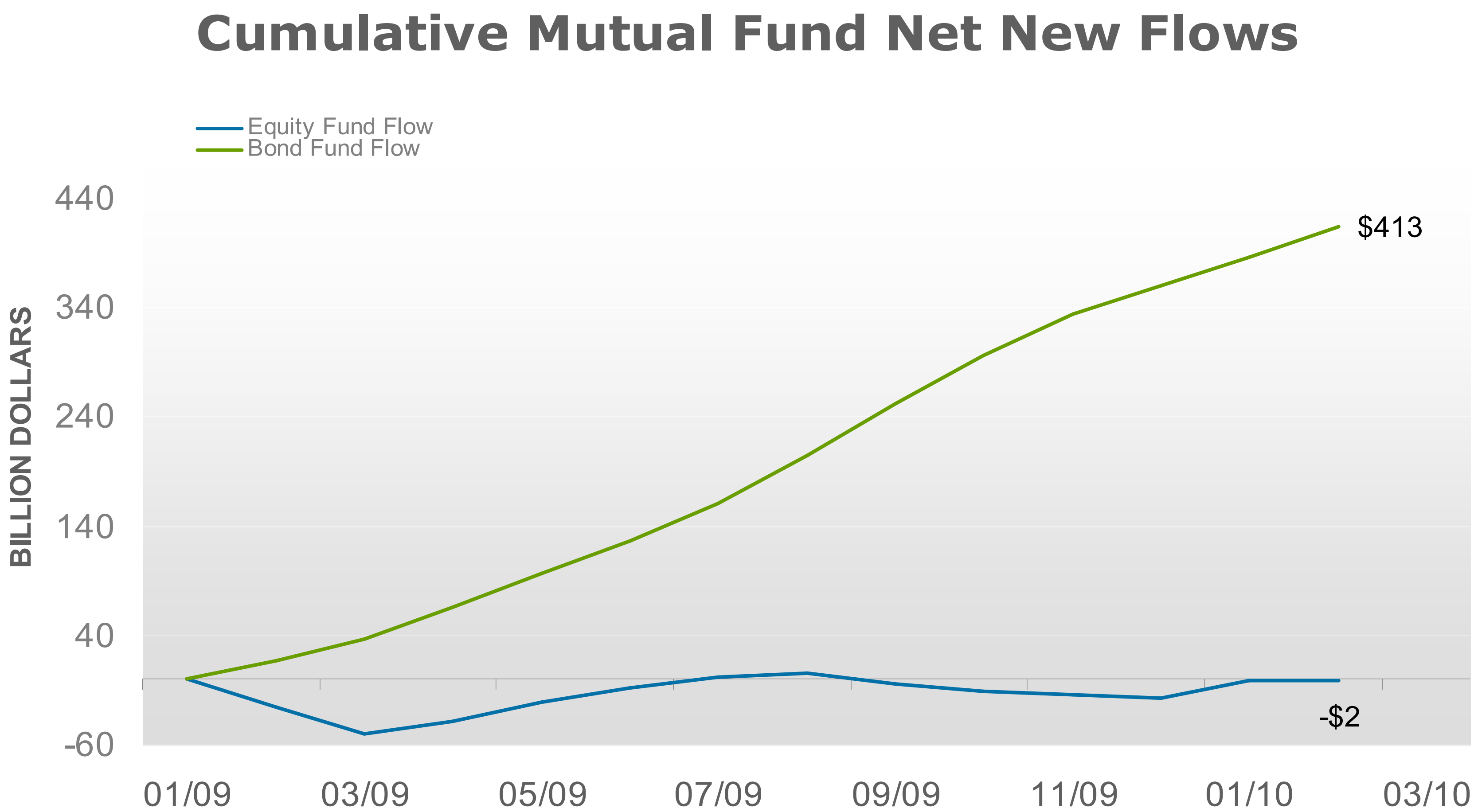
Asset class	Total Return (03/09/09-06/30/10)
U.S. Large Cap Stocks	65.2%
U.S. Small Cap Stocks	94.2%
Developed International Stocks	59.7%
Emerging Markets Stocks	93.0%
U.S. Investment Grade Bonds	17.6%
U.S. High Yield Bonds	49.2%
Commodities	17.3%
Real Estate	137.9%
U.S. Treasury Bills	0.2%
U.S. 10-Year Treasury Bond	-10.53%
Money Market rates	0.1%

Data source: Bloomberg Finance LLP, as of 06/30/10

Bonds still Attracting the most Investment

WELLS FARGO

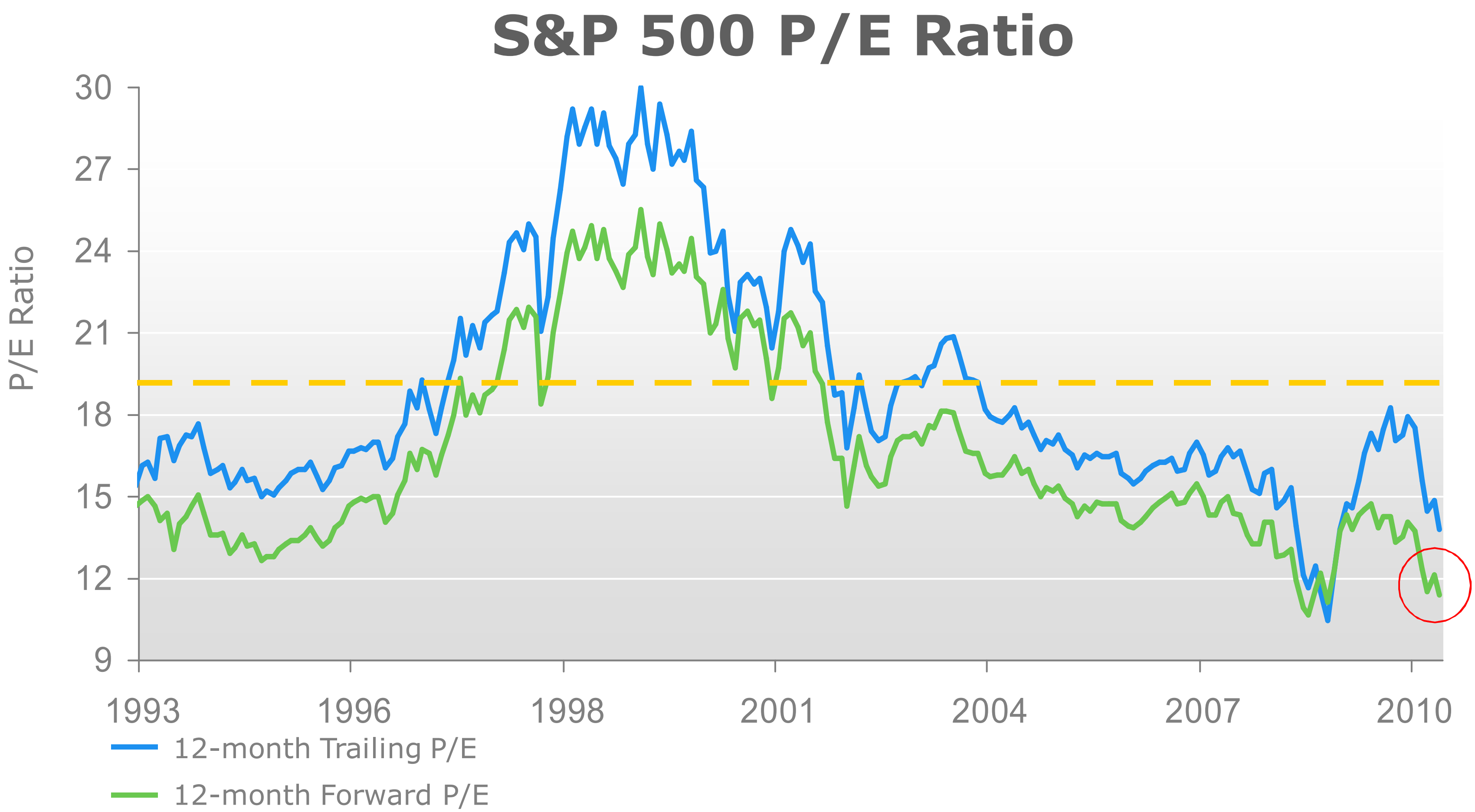
Investors still showing a preference for bonds over equities.



Data source: Wealth Management Research, ICI, 03/31/10

S&P 500 Index Historical Price to Earnings

Equity valuations have fallen recently and look attractive based on forward earnings estimates.

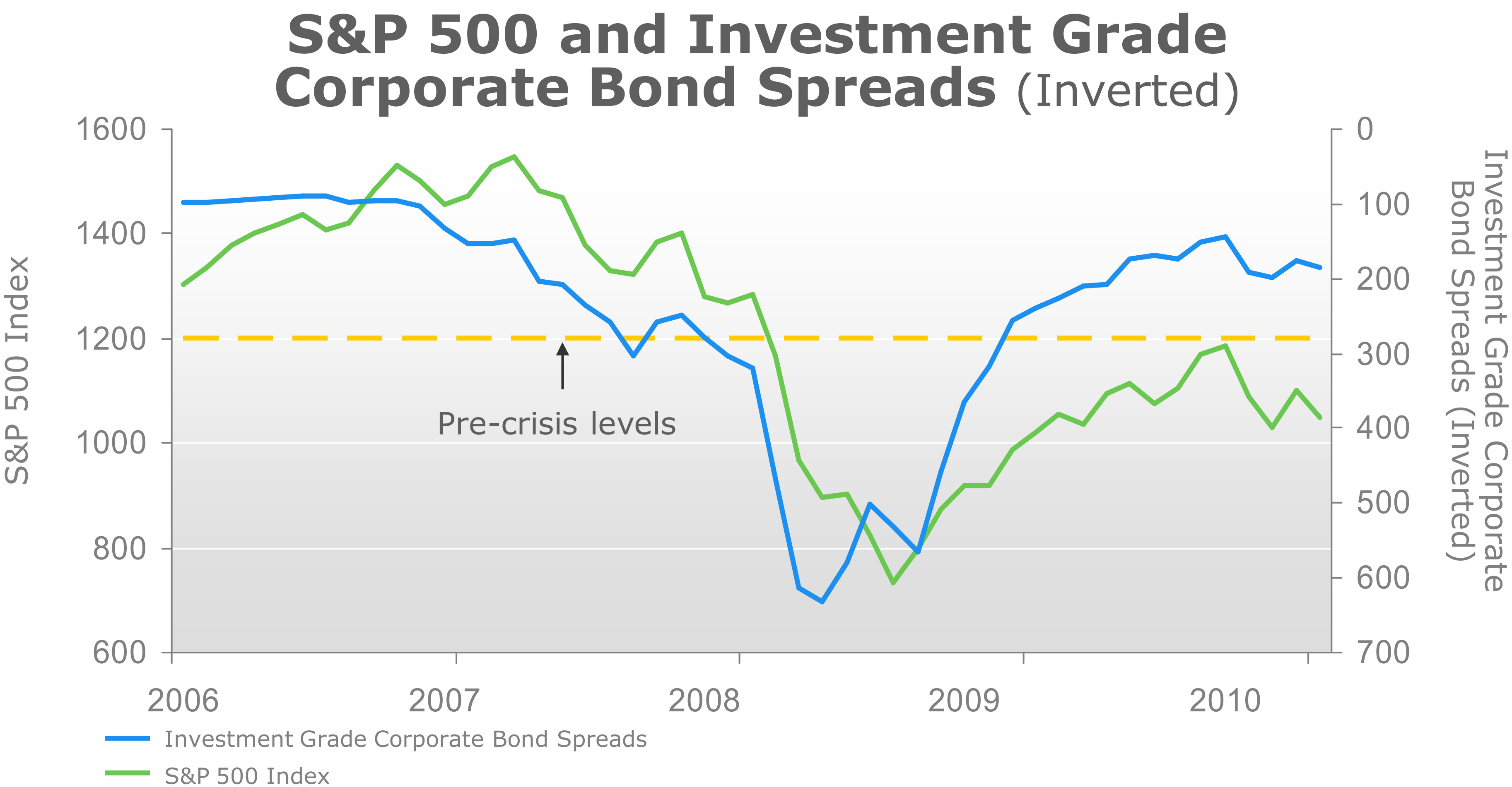


Source: FactSet, as of 09/10

Relationship Between Equity and Credit

WELLS FARGO

Credit markets have returned to pre-crisis levels. We expect equity markets to follow.

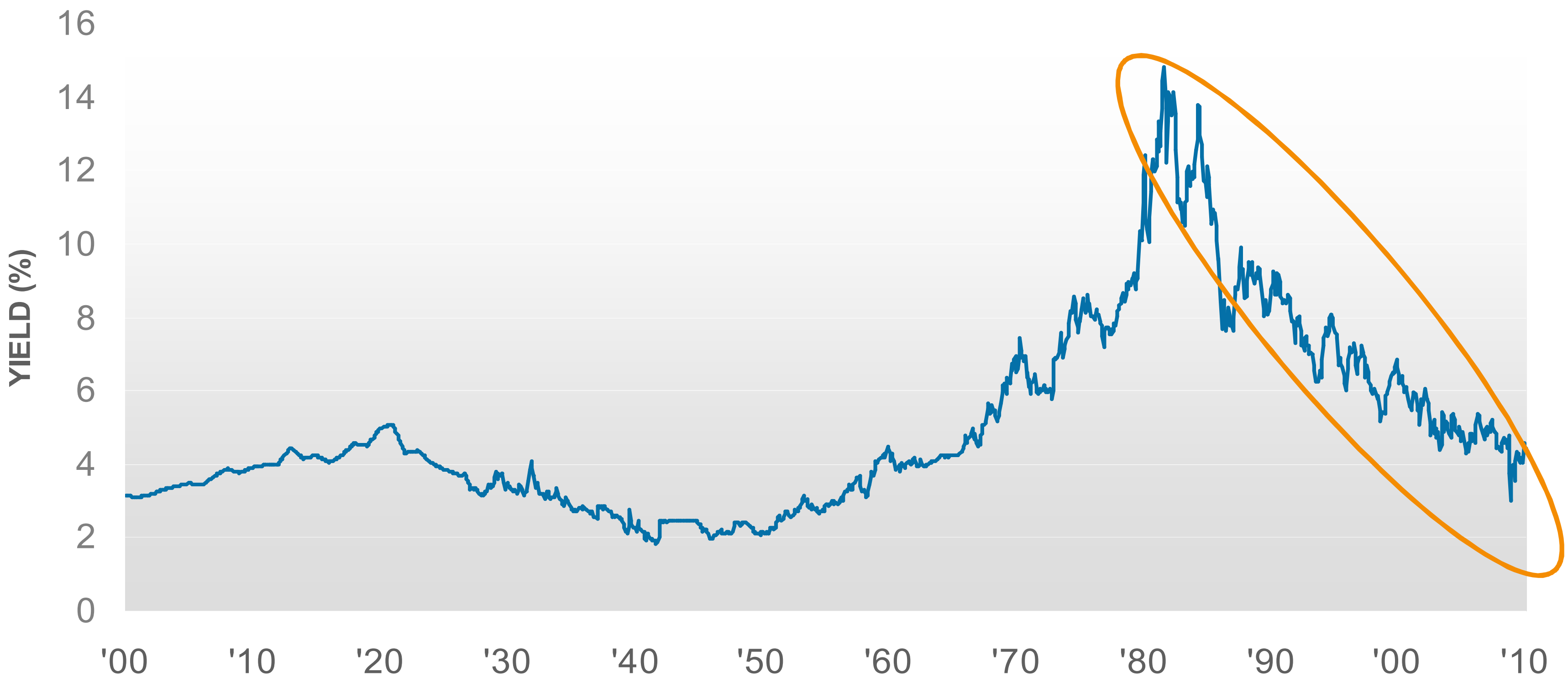


Source: Bloomberg Finance, LLP, Barclays Capital, as of 08/31/10

Yet Equity Markets Better Positioned

Bonds may be coming to the end of a 30 year bull run as interest rates begin to move higher.

Long Term Treasury Yields



Data source: Wealth Management Research, ICI, 03/31/10

Inflation/Duration Dilemma

	+ 2 % rise in interests rates	+ 3% rise in interest rates
5 year maturity	-8.7%*	-12.7%*
10 year maturity	-15.3%*	-22.0%*

* Percentages equal total return resulting from interest rate rises

Data source: Bloomberg Finance LLP, as of 12/31/09

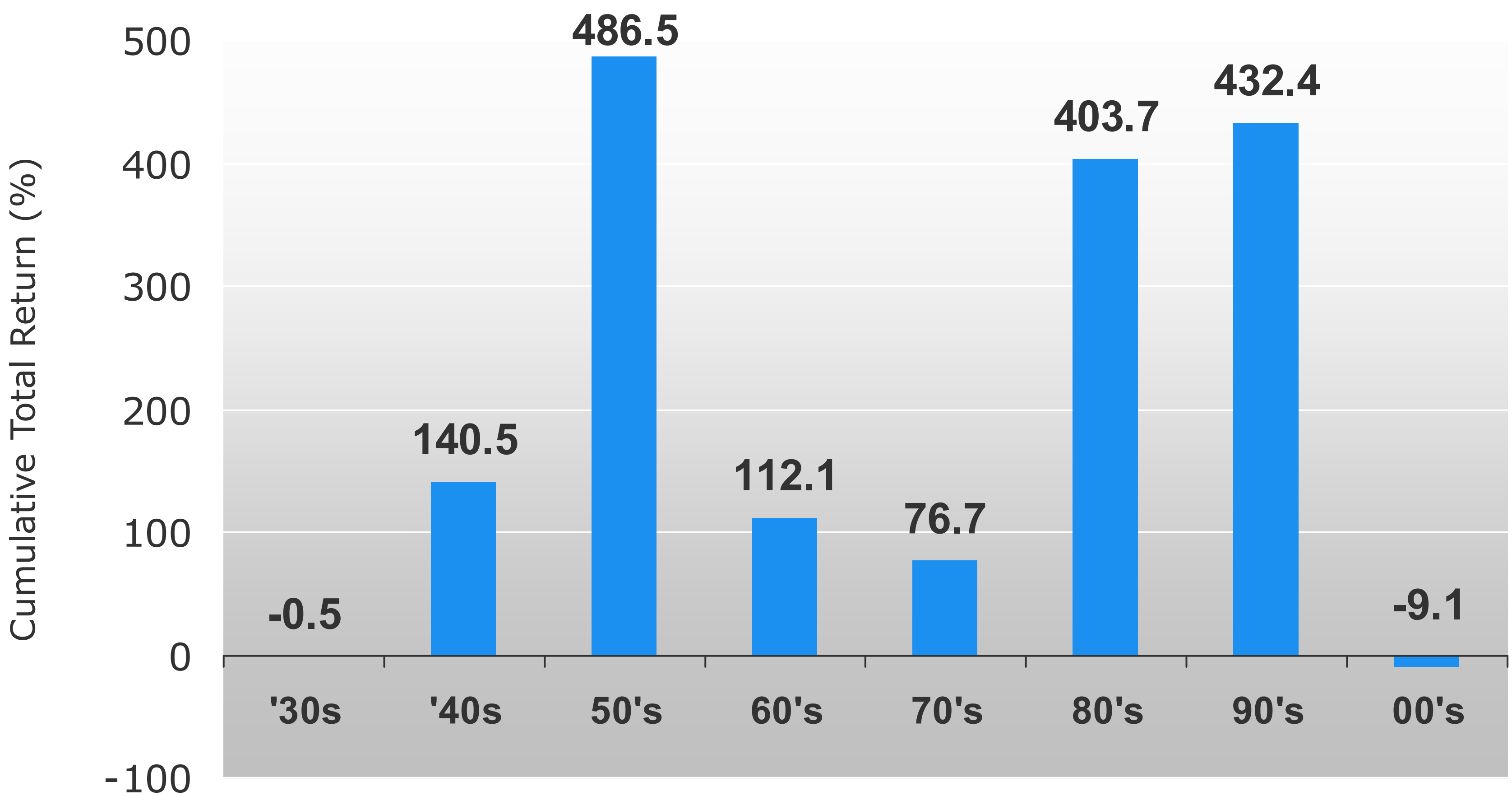
Cash on Sidelines Quiz

- **Money market fund balances and average yield:**
  - **$3.0 Trillion at 3 Basis Points**
- **Number of years to double your money at that yield:**
  - **2400 Years**
- **According to the Middle Class Millionaire Book by Russ Alan Prince and Lewis Schiff, investors with $1 - $10 million in net worth want how much to feel “wealthy”?**
  - **$24 million**

Decades of Returns

WELLS FARGO

The last decade was not kind to investors concentrated in domestic equities.



Past Performance is no guarantee of future results

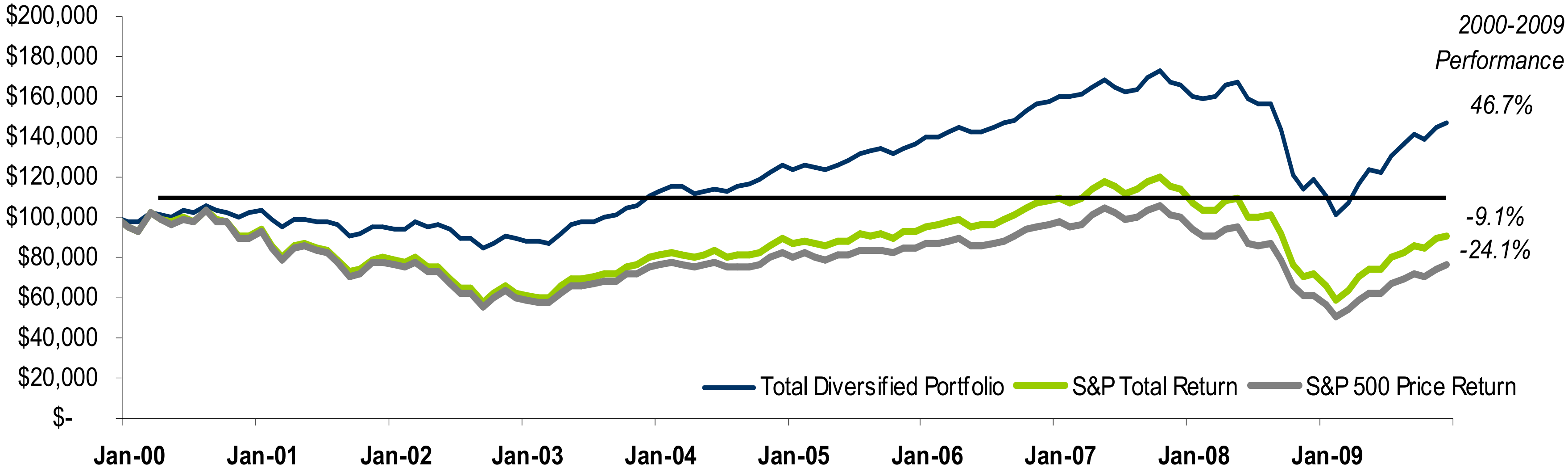
Data source: Bloomberg Finance LLP, as of 12/31/09

The Power of Diversification

The "lost decade" for stocks was not "lost" for well-diversified investors.

Cumulative returns over the last decade

Value of $100,000 invested
January 2000 through December 2009



Total diversified portfolio consists of the following: 13.5% U.S. Taxable Bonds (Barclays Capital U.S Government Credit Total Return Index); 13.5% U.S. Tax-Exempt Bonds (Barclays Capital Municipal Total Return Index); 35.75% Large Cap Stocks (S&P 500 Total Return Index); 19.25% International Developed (Morgan Stanley Capital International Europe, Australia, Far East & Canada gross return Index in U.S. dollars); 11% Real estate investment trusts (FTSE NAREIT Equity REIT Total Return Index); 7% commodities (Dow Jones UBS Commodity Total Return Index in U.S. Dollars).

Data source: Bloomberg Finance LLP, as of 12/31/09

Why Asset Allocation Matters Quiz

WELLS FARGO

Appropriate strategic asset allocation may have helped you recover more quickly from the downturn. This Math quiz will show you why:

- **What return do you need to make to recover from a 10 percent decline in your portfolio?**
  - **11 percent**
- **What return do you need to make to recover from a 25 percent decline in your portfolio?**
  - **33 percent**
- **What return do you need to make to recover from a 57 percent decline in your portfolio?**
  - **133 percent**

Asset allocation cannot not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Today's Agenda

Where are we in this economic cycle?

Where are we in this market cycle?

Investment Themes and Strategies

2010 Wealth Investment Themes

- Global recovery
- Re-engineering the system
- Risk control
- Higher interest rates, inflation & taxes
- U.S. dollar diversification

Key Points – 2010 Strategy Highlights

- Prepare for the triple threat of higher inflation, higher interest rates & higher taxes.
- Focus on high quality, dividend paying & cash rich companies.
- Capital spend trend – overweight Tech & Industrials.
- Overweight commodities – not just gold & Oil.
- Maintain globally diversified portfolios.
- Avoid long duration exposure in fixed income portolios

Asset Classes

Tactical adjustments:

Underweight	Overweight
▪ Treasury Bonds ▪ Agency Bonds ▪ Duration ▪ Value Style ▪ International Developed Markets Bonds ▪ International Developed Markets Equity ▪ Public REITS	▪ Corporate Bonds ▪ U.S. Large-Cap ▪ Growth Style ▪ International Emerging Markets Equity ▪ Commodities ▪ Conservative and Diversified Hedge Funds[1]

[†]Strategic or neutral recommendation is 0%. Asset class may not be underweighted because short positions in any asset class are prohibited.
[1]Some complementary strategies may be available to pre-qualified investors only.
Suggestions as of 09/10

Disclosures

- Morgan Stanley Capital International (MSCI) Emerging Markets Global Index is a market capitalization-weighted benchmark index made up of equities from 29 developing countries.
- The JP Morgan Global Ex United States Index is a total return, market capitalization weighted index, rebalanced monthly consisting of the following countries: Australia, Germany, Spain, Belgium, Italy, Sweden, Canada, Japan, United Kingdom, Denmark, Netherlands, and France.
- Barclays Capital U.S. Aggregate Bond Index (formerly known as Lehman Brothers U.S. Aggregate Bond Index) represents U.S. domestic, taxable and dollar-denominated securities. The index covers the U.S. investment grade fixed rate bond market, including government and corporate securities, mortgage pass-through securities and asset-backed securities between one and ten years.
- Barclays Capital U.S. Corporate Bond Index (from Lehman Brothers U.S. Corporate Bond Index) includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- Barclays Capital U.S. Treasury Index (formerly known as Lehman Brothers U.S. Treasury Index) includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.
- Barclays Capital Municipal Bond Index (from Lehman Brothers Municipal Bond Index) represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least $3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.
- The Barclay's Capital U.S. TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.
- The Barclays Capital High Yield Bond Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.
- The J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Additional information is available upon request.