



Core List

Quarterly Review – First Quarter 2022

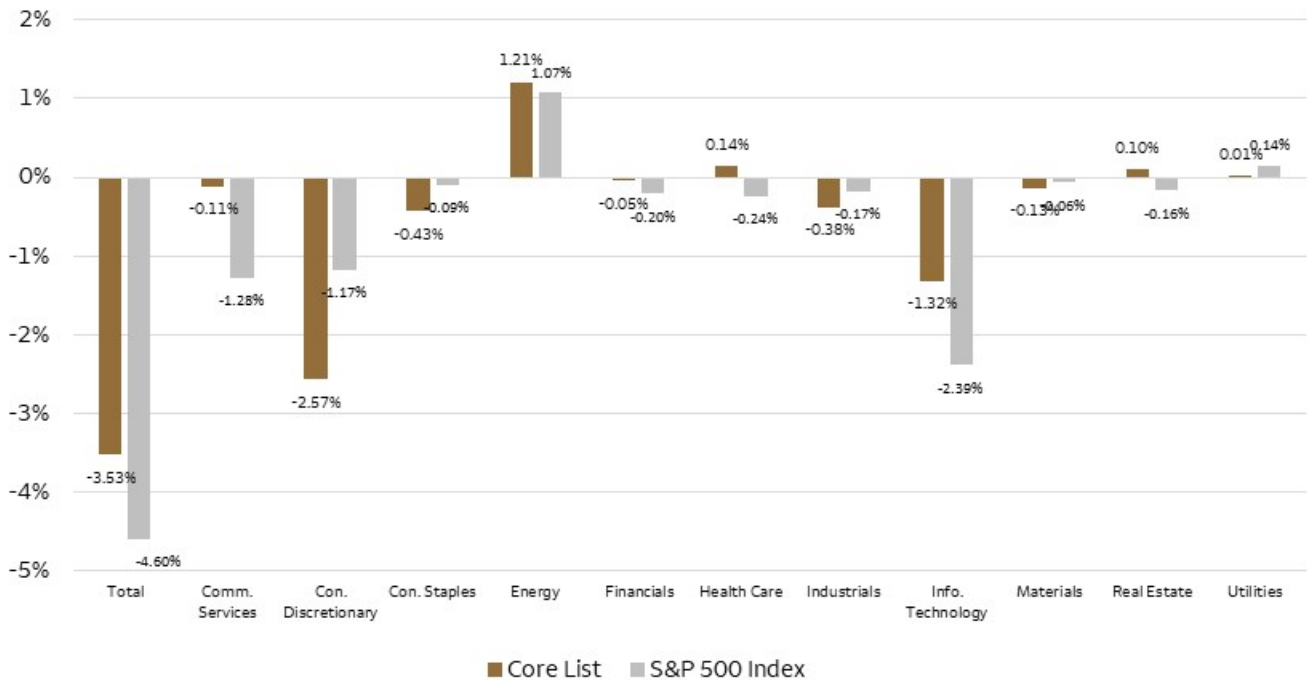
Core List Overview

The Core List is comprised of blue chip, industry-leading, companies that we believe can withstand the test of time. The objective is to provide a list of high-quality stocks that can be used to build a well-diversified portfolio or can be used to supplement an existing portfolio.

Performance Summary

The Core List outperformed the S&P 500 by roughly 110 basis points (100 basis points equals one percent) during first quarter 2022. The benchmark S&P 500 generated a -4.60% total return for the first quarter, while the Core List returned -3.53%. The Core List benefited from relative outperformance within the Communication Services, Energy, Financials, Real Estate, Health Care and Information Technology sectors. In terms of weaker industry sectors, the Consumer Staples, Consumer Discretionary, Industrials, Materials, and Utilities sectors weighed on Core List performance as companies within these industries generated weaker returns versus the benchmark during the quarter.

First Quarter 2022 Core List and S&P 500 Sector Performance



Source: FactSet, Wells Fargo Advisors. Performance numbers are through 3/31/2022. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Please see pages 11-12 of this report for Important Disclosures, Disclaimers and Analyst Certification

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

The first quarter 2022 Core List performance was positively impacted by larger allocations to Energy and Health Care along with a roughly equal weighting to Financials and smaller allocations to Information Technology and Communication Services. Conversely, the relatively larger allocation within Consumer Staples and a smaller allocation to Materials were detractors to Core List performance. With respect to security selection, companies within Communication Services, Financials, Health Care, and Real Estate were positive contributors to performance. On the negative side, security selection within the Consumer Discretionary, Consumer Staples, Energy, Industrials, and Utilities sectors detracted from Core List performance.

Additions & Removals

There were no revisions to the Core List during first quarter 2022.

Returning Value to Shareholders

We favor large companies that are considered industry leaders and, in addition, companies with strong cash-generating potential that may have established policies of returning value to shareholders either in the form of share buybacks or dividend policies that have withstood the test of time. Although it is not a requirement for inclusion in the Core List, many well-established industry-leading companies have historically been consistent dividend-paying companies.

We believe the Core List stocks continue to be on-target returning value to shareholders in the form of dividends and/or share buybacks. Dividend increases (as a percent increase over the dividend paid the previous twelve months) for Core List stocks averaged roughly 13.9% for the twelve months ended March 31, 2022. The dividend percentage change excludes one-time special dividend payments. When comparing common dividends paid by Core List companies in the twelve months ending March 31, 2022 to the common dividends paid in the twelve months ending March 31, 2021, we note common dividends for 48 companies have increased and there were no common dividend reductions.

The common dividend growth calculations include a large common dividend increase by TJX Companies Inc. (TJX - \$62.71). The increase was due to the company reinstating its common dividend in March 2021. On March 30, 2020 TJX Companies disclosed that due to the significant economic uncertainty resulting from the COVID-19 pandemic, the company did not intend to declare a common dividend in its fiscal 2021 first quarter; in May 2020 the company also indicated it did not intend to declare a common dividend during its fiscal 2021 second quarter. However, in December 2020 TJX Companies announced the reinstatement of its common dividend beginning with the common dividend payable in March 2021 and TJX Companies has paid four additional common dividends since that time. The dividend reinstatement resulted in TJX shareholders receiving one common dividend in the twelve months ended March 31, 2021 and four common dividends in the twelve months ended March 31, 2022.

The table on the following page details common dividend changes for Core List companies during the twelve months ended March 31, 2022. The calculations do not include Mastercard Incorporated which was added to the Core List following the end of first quarter 2022. Excluding the unusual TJX Companies common dividend growth, the average common dividend increase for the Core List for the twelve months ended March 31, 2022 would have been 8.3%.

Dividend Changes in the Last Twelve Months Ended March 31, 2022

Company	Symbol	Market Cap (Millions)	Recent Price	Dividends Paid 12 Months Ended 3/31/2022	Dividends Paid 12 Months Ended 3/31/2021	Percent Change	Sector
TJX Companies Inc	TJX	\$74.1	\$62.71	\$1.04	\$0.26	300.0%	Consumer Discretionary
Oracle Corporation	ORCL	\$203.3	\$76.21	\$1.28	\$0.96	33.3%	Information Technology
Lowe's Companies, Inc.	LOW	\$132.0	\$197.06	\$3.00	\$2.30	30.4%	Consumer Discretionary
Abbott Laboratories	ABT	\$211.1	\$119.64	\$1.82	\$1.53	19.0%	Health Care
Aflac Incorporated	AFL	\$41.3	\$63.37	\$1.39	\$1.17	18.8%	Financials
Landstar System, Inc.	LSTR	\$5.7	\$152.92	\$0.96	\$0.82	17.8%	Industrials
Parker-Hannifin Corporation	PH	\$35.6	\$277.07	\$4.12	\$3.52	17.0%	Industrials
Danaher Corporation	DHR	\$189.4	\$264.56	\$0.84	\$0.72	16.7%	Health Care
UnitedHealth Group Incorporated	UNH	\$490.2	\$520.94	\$5.80	\$5.00	16.0%	Health Care
BlackRock, Inc.	BLK	\$100.6	\$662.94	\$17.27	\$15.02	15.0%	Financials
Broadcom Inc.	AVGO	\$240.6	\$586.95	\$15.40	\$13.70	12.4%	Information Technology
NIKE, Inc. Class B	NKE	\$203.4	\$129.07	\$1.13	\$1.01	11.9%	Consumer Discretionary
Home Depot, Inc.	HD	\$310.6	\$300.11	\$6.85	\$6.15	11.4%	Consumer Discretionary
Microsoft Corporation	MSFT	\$2,055.2	\$274.03	\$2.36	\$2.14	10.3%	Information Technology
Linde plc	LIN	\$157.5	\$309.72	\$4.35	\$3.95	10.2%	Materials
Accenture Plc Class A	ACN	\$196.9	\$310.80	\$3.70	\$3.36	10.1%	Information Technology
NextEra Energy, Inc.	NEE	\$145.2	\$73.95	\$1.58	\$1.44	10.1%	Utilities
Procter & Gamble Company	PG	\$386.9	\$161.25	\$3.48	\$3.16	10.0%	Consumer Staples
Stryker Corporation	SYK	\$93.7	\$248.31	\$2.59	\$2.36	9.8%	Health Care
Starbucks Corporation	SBUX	\$89.7	\$77.92	\$1.88	\$1.72	9.3%	Consumer Discretionary
Comcast Corporation Class A	CMCSA	\$205.7	\$45.38	\$1.00	\$0.92	8.7%	Communication Services
Medtronic Plc	MDT	\$144.7	\$107.80	\$2.47	\$2.28	8.3%	Health Care
Omnicom Group Inc	OMC	\$16.3	\$79.01	\$2.80	\$2.60	7.7%	Communication Services
Raytheon Technologies Corporation	RTX	\$150.1	\$100.49	\$2.04	\$1.90	7.4%	Industrials
Apple Inc.	AAPL	\$2,643.8	\$161.79	\$0.88	\$0.82	7.3%	Information Technology
Illinois Tool Works Inc.	ITW	\$63.6	\$203.35	\$4.72	\$4.42	6.8%	Industrials
CMS Energy Corporation	CMS	\$20.8	\$71.76	\$1.77	\$1.66	6.5%	Utilities
Paychex, Inc.	PAYX	\$47.4	\$131.35	\$2.64	\$2.48	6.5%	Information Technology
Merck & Co., Inc.	MRK	\$213.8	\$84.59	\$2.64	\$2.48	6.5%	Health Care
JPMorgan Chase & Co.	JPM	\$372.5	\$126.81	\$3.80	\$3.60	5.6%	Financials
Chevron Corporation	CVX	\$310.6	\$160.95	\$5.44	\$5.16	5.4%	Energy
PepsiCo, Inc.	PEP	\$238.1	\$172.15	\$4.30	\$4.09	5.1%	Consumer Staples
Johnson & Johnson	JNJ	\$477.3	\$181.54	\$4.24	\$4.04	5.0%	Health Care
Becton, Dickinson and Company	BDX	\$72.6	\$255.04	\$3.40	\$3.24	4.9%	Health Care
U.S. Bancorp	USB	\$75.5	\$50.83	\$1.76	\$1.68	4.8%	Financials
Automatic Data Processing, Inc.	ADP	\$94.0	\$223.52	\$3.83	\$3.66	4.6%	Information Technology
M&T Bank Corporation	MTB	\$22.3	\$172.41	\$4.60	\$4.40	4.5%	Financials
Novartis AG Sponsored ADR*	NVS	\$199.4	\$89.21	\$2.17	\$2.09	4.0%	Health Care
Sysco Corporation	SYY	\$45.0	\$88.80	\$1.86	\$1.80	3.6%	Consumer Staples
Kinder Morgan Inc Class P	KMI	\$43.4	\$19.15	\$1.08	\$1.05	2.9%	Energy
Cisco Systems, Inc.	CSCO	\$213.2	\$51.36	\$1.48	\$1.44	2.8%	Information Technology
Coca-Cola Company	KO	\$282.2	\$65.25	\$1.68	\$1.64	2.4%	Consumer Staples
Colgate-Palmolive Company	CL	\$68.2	\$81.10	\$1.80	\$1.76	2.3%	Consumer Staples
Walgreens Boots Alliance Inc	WBA	\$39.3	\$45.54	\$1.90	\$1.86	2.2%	Consumer Staples
V.F. Corporation	VFC	\$21.2	\$54.58	\$1.98	\$1.94	2.1%	Consumer Discretionary
Chubb Limited	CB	\$87.9	\$206.10	\$3.18	\$3.12	1.9%	Financials
Walmart Inc.	WMT	\$433.1	\$156.86	\$2.20	\$2.16	1.9%	Consumer Staples
Emerson Electric Co.	EMR	\$55.6	\$93.60	\$2.04	\$2.01	1.5%	Industrials
Public Storage	PSA	\$70.5	\$402.36	\$8.00	\$8.00	0.0%	Real Estate
Alphabet Inc. Class A	GOOGL	\$1,584.3	\$2,392.71	\$0.00	\$0.00	0.0%	Communication Services
Salesforce, Inc.	CRM	\$169.5	\$171.43	\$0.00	\$0.00	0.0%	Information Technology
Walt Disney Company	DIS	\$215.4	\$118.27	\$0.00	\$0.00	0.0%	Communication Services
Average				Average		13.9%	

Source: FactSet data & Wells Fargo Advisors. Prices and data as of 4/22/2022.

*Novartis' dividend reflects a 15% foreign tax withholding and 35% Swiss withholding tax; current gross dividend is \$3.34 per share (based upon 3/10/2022 CHF/USD exchange rate).

Core List by Sector

Company	Symbol	Price	Market Cap (Billions)	Dividend per Share	Dividend Yield	TTM Revenues (billion)	Int'l Sales	Consensus NTM EPS Estimate	NTM PE	Consensus L-T EPS Growth Estimate	Date Added to List
Communication Services (average)			\$505.4		1.5%	\$115.3	36%		15.9x	16%	
Alphabet, Inc.	GOOGL	\$2,392.71	\$1,584.3	\$0.00	0.0%	\$257.5	54%	\$116.45	20.5x	17%	8/11/14
Comcast Corp.	CMCSA	\$45.38	\$205.7	\$1.08	2.4%	\$116.4	22%	\$3.54	12.8x	15%	3/26/19
The Walt Disney Co.	DIS	\$118.27	\$215.4	\$0.00	0.0%	\$73.0	20%	\$4.78	24.7x	43%	4/1/20
Omnicom Group, Inc.	OMC	\$79.01	\$16.3	\$2.80	3.5%	\$14.3	49%	\$6.65	11.9x	4%	4/10/08
Consumer Discretionary			\$138.5		2.2%	\$64.1	29%		19.1x	19%	
The Home Depot, Inc.	HD	\$300.11	\$310.6	\$7.60	2.5%	\$151.2	8%	\$16.12	18.6x	5%	1/7/93
Lowe's Cos., Inc.	LOW	\$197.06	\$132.0	\$3.20	1.6%	\$96.2	6%	\$13.43	14.7x	22%	7/6/06
NIKE, Inc.	NKE	\$129.07	\$203.4	\$1.22	0.9%	\$46.9	61%	\$4.32	29.9x	15%	8/2/16
Starbucks Corp.	SBUX	\$77.92	\$89.7	\$1.96	2.5%	\$30.4	30%	\$3.39	23.0x	9%	1/16/18
The TJX Cos., Inc.	TJX	\$62.71	\$74.1	\$1.18	1.9%	\$48.5	21%	\$3.20	19.6x	99%	11/10/09
VF Corp.	VFC	\$54.58	\$21.2	\$2.00	3.7%	\$11.6	50%	\$3.51	15.5x	34%	11/10/09
Consumer Staples			\$213.3		2.5%	\$140.7	40%		20.8x	6%	
The Coca-Cola Co.	KO	\$65.25	\$282.2	\$1.76	2.7%	\$38.7	66%	\$2.49	26.2x	8%	10/21/92
Colgate-Palmolive Co.	CL	\$81.10	\$68.2	\$1.88	2.3%	\$17.4	67%	\$3.24	25.0x	5%	12/29/97
PepsiCo, Inc.	PEP	\$172.15	\$238.1	\$4.30	2.5%	\$79.5	44%	\$6.65	25.9x	7%	10/21/92
Procter & Gamble Co.	PG	\$161.25	\$386.9	\$3.65	2.3%	\$79.6	56%	\$6.06	26.6x	6%	1/6/98
Sysco Corp.	SYU	\$88.80	\$45.0	\$1.88	2.1%	\$60.7	17%	\$3.73	23.8x	-2%	10/21/92
Walgreens Boots Alliance, Inc.	WBA	\$45.54	\$39.3	\$1.91	4.2%	\$135.9	15%	\$4.39	10.4x	2%	7/13/93
Walmart, Inc.	WMT	\$156.86	\$433.1	\$2.24	1.4%	\$572.8	18%	\$6.77	23.2x	7%	10/21/92
Energy			\$177.0		4.7%	\$86.4	28%		12.6x	17%	
Chevron Corp.	CVX	\$160.95	\$310.6	\$5.68	3.5%	\$156.3	56%	\$16.02	10.0x	34%	8/9/06
Kinder Morgan, Inc.	KMI	\$19.15	\$43.4	\$1.11	5.8%	\$16.6	1%	\$1.13	16.9x	-1%	8/12/14
Financials			\$116.7		2.8%	\$39.5	27%		12.5x	6%	
Aflac, Inc.	AFL	\$63.37	\$41.3	\$1.60	2.5%	\$22.1	70%	\$5.22	12.1x	-	6/4/97
BlackRock, Inc.	BLK	\$662.94	\$100.6	\$19.52	2.9%	\$20.3	36%	\$39.83	16.6x	6%	5/21/18
Chubb Ltd.	CB	\$206.10	\$87.9	\$3.20	1.6%	\$41.0	30%	\$14.74	14.0x	12%	7/9/20
JPMorgan Chase & Co.	JPM	\$126.81	\$372.5	\$4.00	3.2%	\$124.5	24%	\$11.61	10.9x	-1%	3/28/11
M&T Bank Corp.	MTB	\$172.41	\$22.3	\$4.80	2.8%	\$5.9	0%	\$14.31	12.0x	14%	3/28/11
U.S. Bancorp	USB	\$50.83	\$75.5	\$1.84	3.6%	\$23.1	0%	\$4.62	11.0x	5%	3/28/11
Health Care			\$232.5		1.8%	\$70.9	50%		19.1x	9%	
Abbott Laboratories	ABT	\$119.64	\$211.1	\$1.88	1.6%	\$44.5	61%	\$4.33	27.7x	6%	4/10/08
Becton, Dickinson & Co.	BDX	\$255.04	\$72.6	\$3.48	1.4%	\$19.9	46%	\$12.29	20.7x	7%	3/30/07
Danaher Corp.	DHR	\$264.56	\$189.4	\$1.00	0.4%	\$30.3	62%	\$10.30	25.7x	12%	8/18/05
Johnson & Johnson	JNJ	\$181.54	\$477.3	\$4.52	2.5%	\$94.9	50%	\$10.25	17.7x	4%	4/10/08
Medtronic Plc	MDT	\$107.80	\$144.7	\$2.52	2.3%	\$31.8	48%	\$5.79	18.6x	9%	7/1/15
Merck & Co., Inc.	MRK	\$84.59	\$213.8	\$2.76	3.3%	\$50.4	54%	\$7.27	11.6x	11%	10/26/09
Novartis AG	NVS	\$89.21	\$199.4	\$2.16	2.4%	\$51.6	98%	\$6.14	14.5x	5%	1/31/07
Stryker Corp.	SYK	\$248.31	\$93.7	\$2.78	1.1%	\$17.1	28%	\$9.76	25.4x	10%	10/23/19
UnitedHealth Group, Inc.	UNH	\$520.94	\$490.2	\$5.80	1.1%	\$297.6	3%	\$22.44	23.2x	13%	7/6/06
Industrials			\$62.1		1.8%	\$24.0	32%		17.4x	11%	
Emerson Electric Co.	EMR	\$93.60	\$55.6	\$2.06	2.2%	\$18.5	56%	\$5.14	18.2x	11%	10/21/92
Illinois Tool Works, Inc.	ITW	\$203.35	\$63.6	\$4.88	2.4%	\$14.5	54%	\$9.05	22.5x	11%	8/9/06
Landstar System, Inc.	LSTR	\$152.92	\$5.7	\$1.00	0.7%	\$7.2	0%	\$11.00	13.9x	5%	7/6/06
Parker-Hannifin Corp.	PH	\$277.07	\$35.6	\$4.12	1.5%	\$15.3	37%	\$18.77	14.8x	11%	7/11/17
Raytheon Technologies Corp.	RTX	\$100.49	\$150.1	\$2.04	2.0%	\$64.4	13%	\$4.78	21.0x	16%	8/18/05
Information Technology			\$620.8		1.5%	\$80.8	47%		23.4x	13%	
Accenture Plc	ACN	\$310.80	\$196.9	\$3.88	1.2%	\$56.7	67%	\$11.25	27.6x	13%	11/10/09
Apple, Inc.	AAPL	\$161.79	\$2,643.8	\$0.88	0.5%	\$378.7	58%	\$6.23	26.0x	12%	7/1/15
Automatic Data Processing, Inc.	ADP	\$223.52	\$94.0	\$4.16	1.9%	\$15.7	13%	\$7.15	31.3x	14%	10/21/92
Broadcom, Inc.	AVGO	\$586.95	\$240.6	\$16.40	2.8%	\$28.5	81%	\$36.84	15.9x	14%	7/11/17
Salesforce, Inc.	CRM	\$171.43	\$169.5	\$0.00	0.0%	\$26.5	36%	\$4.66	36.8x	18%	12/22/20

Company	Symbol	Price	Market Cap (Billions)	Dividend per Share	Dividend Yield	TTM Revenues (billion)	Int'l Sales	Consensus NTM EPS Estimate	NTM PE	Consensus L-T EPS Growth Estimate	Date Added to List
Cisco Systems, Inc.	CSCO	\$51.36	\$213.2	\$1.52	3.0%	\$51.5	41%	\$3.58	14.3x	7%	6/18/98
Mastercard, Inc.	MA	\$351.18	\$344.2	\$1.96	0.6%	\$18.9	68%	\$10.17	34.5x	21%	4/20/22
Microsoft Corp.	MSFT	\$274.03	\$2,055.2	\$2.48	0.9%	\$184.9	50%	\$9.86	27.8x	16%	11/19/93
Oracle Corp.	ORCL	\$76.21	\$203.3	\$1.28	1.7%	\$41.8	54%	\$5.06	15.1x	10%	7/1/15
Paychex, Inc.	PAYX	\$131.35	\$47.4	\$2.64	2.0%	\$4.5	1%	\$3.97	33.1x	10%	9/15/97
Materials			\$157.5		1.5%	\$30.8	64%		26.1x	11%	
Linde Plc	LIN	\$309.72	\$157.5	\$4.68	1.5%	\$30.8	64%	\$11.89	26.1x	11%	8/14/06
Real Estate Investment Trusts (REITs)			\$70.5		2.0%	\$3.4	0%		26.1x	8%	
Public Storage	PSA	\$402.36	\$70.5	\$8.00	2.0%	\$3.4	0%	\$15.42	26.1x	8%	12/20/16
Utilities			\$83.0		2.4%	\$15.6	0%		25.8x	9%	
CMS Energy Corp.	CMS	\$71.76	\$20.8	\$1.84	2.6%	\$7.4	0%	\$2.89	24.8x	8%	9/19/18
NextEra Energy, Inc.	NEE	\$73.95	\$145.2	\$1.70	2.3%	\$23.7	0%	\$2.74	26.9x	9%	6/21/11
Core List Average¹			\$271.8		2.1%	\$73.0	37%		18.4x	10%	12/30/07
S&P 500		\$4,272	\$71.5	\$60.32	1.4%	\$26.4	32%	\$237	18.0x	13%	

Source: FactSet, Wells Fargo Advisors, company reports.

¹Simple average for market cap, dividend yield, revenues, int'l sales, date added. Harmonic average for PE. Median for EPS growth estimate.

TTM = trailing twelve months, NTM = next twelve months, EPS = earnings per share, funds from operations used for real estate investment trusts, PE = price to earnings ratio, L-T = long-term

Core List by Sector

Symbol	Sub-Industry	Price	52-Week Low	52-Week High	NTM EV / EBITDA	Net Cash Position (Billions)	Net Debt / Capital	Fiscal Year End	Last Reported Results	S&P Credit Rating
Communication Services (avg)					9.2x	16%				
GOOGL	Interactive Media & Services	\$2,392.71	\$2,193.62	\$3,030.93	11.2x	\$111.1	-40%	Dec	02/02/22	AA+
CMCSA	Cable & Satellite	\$45.38	\$44.27	\$61.80	7.7x	-\$98.5	48%	Dec	01/27/22	A-
DIS	Movies & Entertainment	\$118.27	\$118.15	\$189.22	14.2x	-\$42.4	28%	Oct	02/10/22	BBB+
OMC	Advertising	\$79.01	\$65.76	\$91.61	7.0x	-\$1.6	27%	Dec	04/20/22	BBB+
Consumer Discretionary					13.3x	70%				
HD	Home Improvement Retail	\$300.11	\$293.59	\$420.61	13.3x	-\$43.9	99%	Jan	02/22/22	A
LOW	Home Improvement Retail	\$197.06	\$182.08	\$263.31	11.0x	-\$28.0	114%	Jan	02/23/22	BBB+
NKE	Footwear	\$129.07	\$116.75	\$179.10	21.7x	\$0.7	-3%	May	03/22/22	AA-
SBUX	Restaurants	\$77.92	\$77.78	\$126.32	14.2x	-\$17.0	129%	Oct	02/02/22	BBB+
TJX	Apparel Retail	\$62.71	\$57.92	\$77.35	11.5x	-\$6.3	34%	Jan	02/23/22	A
VFC	Apparel Accessories & Luxury Goods	\$54.58	\$51.02	\$90.79	12.1x	-\$5.9	50%	Apr	01/28/22	A-
Consumer Staples					14.1x	56%				
KO	Soft Drinks	\$65.25	\$52.28	\$67.00	22.4x	-\$31.6	47%	Dec	02/10/22	A+
CL	Household Products	\$81.10	\$72.20	\$85.61	16.2x	-\$7.0	83%	Dec	01/28/22	AA-
PEP	Soft Drinks	\$172.15	\$141.73	\$177.24	17.5x	-\$36.4	62%	Dec	02/10/22	A+
PG	Household Products	\$161.25	\$130.30	\$165.35	18.7x	-\$22.6	32%	Jun	04/20/22	AA-
SYY	Food Distributors	\$88.80	\$68.05	\$91.53	13.9x	-\$8.8	80%	Jul	02/08/22	BBB-
WBA	Drug Retail	\$45.54	\$42.90	\$55.96	8.0x	-\$33.1	56%	Aug	03/31/22	BBB
WMT	Hypermarkets & Super Centers	\$156.86	\$132.01	\$160.77	12.0x	-\$42.6	30%	Jan	02/17/22	AA
Energy					7.1x	34%				
CVX	Integrated Oil & Gas	\$160.95	\$92.86	\$174.76	5.5x	-\$28.9	17%	Dec	01/28/22	AA-
KMI	Oil & Gas Storage & Transportation	\$19.15	\$15.01	\$20.19	10.1x	-\$32.5	51%	Dec	04/21/22	BBB
Financials					10.9x	22%				
AFL	Life & Health Insurance	\$63.37	\$51.28	\$67.20	-	-	7%	Dec	02/03/22	A-
BLK	Asset Management & Custody Banks	\$662.94	\$660.15	\$973.16	11.3x	\$0.0	-	Dec	04/13/22	AA-
CB	Property & Casualty Insurance	\$206.10	\$155.78	\$218.99	10.6x	-	21%	Dec	02/02/22	A
JPM	Diversified Banks	\$126.81	\$125.02	\$172.96	-	-	64%	Dec	04/13/22	A-
MTB	Regional Banks	\$172.41	\$128.46	\$186.95	-	-	10%	Dec	04/20/22	BBB+
USB	Diversified Banks	\$50.83	\$49.78	\$63.57	-	-	9%	Dec	04/14/22	A+
Health Care					14.5x	26%				
ABT	Health Care Equipment	\$119.64	\$105.36	\$142.60	18.4x	-\$9.0	-	Dec	04/20/22	A+
BDX	Health Care Equipment	\$255.04	\$235.13	\$280.62	14.7x	-\$15.7	37%	Sep	02/03/22	BBB
DHR	Life Sciences Tools & Services	\$264.56	\$238.32	\$333.96	18.6x	-\$20.7	27%	Dec	04/21/22	BBB+
JNJ	Pharmaceuticals	\$181.54	\$155.72	\$185.94	13.0x	-\$3.1	-	Jan	04/19/22	AAA
MDT	Health Care Equipment	\$107.80	\$98.38	\$135.89	15.8x	-\$16.6	18%	Apr	02/22/22	A
MRK	Pharmaceuticals	\$84.59	\$70.89	\$91.40	9.3x	-\$26.5	36%	Dec	02/03/22	A+
NVS	Pharmaceuticals	\$89.21	\$79.09	\$95.17	11.9x	-\$2.7	3%	Dec	02/02/22	AA-
SYK	Health Care Equipment	\$248.31	\$236.09	\$281.16	19.4x	-\$9.9	36%	Dec	01/28/22	A-
UNH	Managed Health Care	\$520.94	\$383.12	\$553.29	15.8x	-	-	Dec	04/14/22	A+
Industrials					11.7x	31%				
EMR	Electrical Components & Equipment	\$93.60	\$86.72	\$105.99	11.6x	-\$4.9	23%	Sep	02/02/22	A
ITW	Industrial Machinery	\$203.35	\$195.25	\$249.81	15.8x	-\$6.4	55%	Dec	02/03/22	A+
LSTR	Trucking	\$152.92	\$139.12	\$188.63	9.0x	\$0.0	8%	Dec	04/21/22	-
PH	Industrial Machinery	\$277.07	\$266.94	\$340.00	10.7x	-\$5.9	46%	Jun	02/03/22	BBB+
RTX	Aerospace & Defense	\$100.49	\$78.81	\$106.02	13.8x	-\$25.7	24%	Dec	01/25/22	A-
Information Technology					15.6x	15%				
ACN	IT Consulting & Other Services	\$310.80	\$276.88	\$417.37	15.3x	\$4.7	-8%	Aug	03/17/22	AA-
AAPL	Technology Hardware Storage & Peripherals	\$161.79	\$122.25	\$182.94	18.9x	-\$73.9	30%	Sep	01/28/22	AA+
ADP	Data Processing & Outsourced Services	\$223.52	\$184.85	\$248.96	20.8x	-\$0.9	20%	Jun	01/26/22	AA-
AVGO	Semiconductors	\$586.95	\$419.14	\$677.76	13.1x	-\$28.1	47%	Oct	03/04/22	BBB-
CRM	Application Software	\$171.43	\$171.10	\$311.75	16.2x	-\$3.8	5%	Jan	03/02/22	A+
CSCO	Communications Equipment	\$51.36	\$50.10	\$64.29	9.7x	\$11.8	-16%	Jul	02/17/22	AA-

Symbol	Sub-Industry	Price	52-Week Low	52-Week High	NTM EV / EBITDA	Net Cash Position (Billions)	Net Debt / Capital	Fiscal Year End	Last Reported Results	S&P Credit Rating
MA	Data Processing & Outsourced Services	\$351.18	\$305.61	\$401.50	24.5x	-\$6.2	28%	Dec	01/27/22	A+
MSFT	Systems Software	\$274.03	\$238.07	\$349.67	17.7x	\$48.1	-19%	Jun	01/26/22	AAA
ORCL	Systems Software	\$76.21	\$70.23	\$106.34	10.9x	-\$40.5	79%	May	03/11/22	A
PAYX	Data Processing & Outsourced Services	\$131.35	\$96.12	\$141.92	21.6x	\$0.2	-13%	May	03/30/22	-
Materials					15.3x		21%			
LIN	Industrial Gases	\$309.72	\$267.51	\$352.18	15.3x	-\$12.4	21%	Dec	02/10/22	A
Real Estate Investment Trusts					26.0x		40%			
PSA	Specialized REITs	\$402.36	\$269.55	\$421.76	26.0x	-\$6.7	40%	Dec	02/23/22	A
Utilities					14.6x		62%			
CMS	Multi-Utilities	\$71.76	\$57.92	\$73.76	13.1x	-\$12.0	63%	Dec	02/03/22	BBB+
NEE	Electric Utilities	\$73.95	\$69.79	\$93.73	16.4x	-\$54.7	61%	Dec	04/21/22	A-
Core List Average¹					13.0x		35%			A
S&P 500		\$4,272	\$4,057	\$4,819	12.6x		31%			

Source: FactSet, Wells Fargo Advisors, company reports.

¹Simple average for return on invested capital, debt/capital, debt/EBITDA, credit rating. Harmonic average for EV/EBITDA.

NTM = next twelve months, EV = enterprise value, EBITDA = earnings before interest, taxes, depreciation and amortization

Core List Resources

We provide a wide variety of resources to assist you and your Financial Advisor in developing a well-diversified portfolio. These resources include, but are not limited to the following reports:

Core List by Sector - The Core List by Sector is an easy to read representation of the Core List separated by sectors. This list is useful when equity ideas are needed for building portfolios from scratch, rebalancing or adjusting portfolio sector weightings.

Sample Portfolio - The Sample Portfolio was developed to demonstrate how the Core List can be utilized to create a list of stocks to help build a portfolio. Although all equities on the Core List are appropriate for inclusion in the Sample Portfolio at any given time, we evaluate the Sample Portfolio on a monthly basis and make appropriate changes to that list to reflect more shorter-term market, company and/or industry factors.

Quarterly Performance Reports - The performance of the Core List is published on a quarterly basis, benchmarked against the S&P 500. In simple terms, the calculation of the performance of the list spans from the time a stock is added to the list to the time that it is removed.

How can you participate?

Tell your Financial Advisor that you would like to invest in companies that are included in the Core List. Work together to construct a well-diversified portfolio of an appropriate number of stocks based on the size of your portfolio and your investment objective. We recommend that you select stocks from at least eight sectors of the eleven S&P 500 sectors spread across several industry groups.

Although diversification is an important tool for helping to reduce risk, having a large number of individual stocks in your portfolio makes it increasingly difficult to keep track of each security's progress. In addition, if one stock represents only a fraction of the value of your portfolio, it will have less impact on the total return of your portfolio. Diversification does not guarantee a profit or protect against loss. Each client's needs are different. You and your Financial Advisor should determine whether a particular stock is appropriate for you, keeping in mind how the stock will fit into your existing portfolio.

Risks

Although we believe that the companies on the Core List are outstanding companies with solid track records, past performance does not guarantee future results. We cannot be sure that the track record for these companies will remain solid. It is also possible that whatever traits the companies possess are entirely reflected in their stocks' market prices. In that case, even historically solid operating results may lead to investment losses or returns that do not outperform.

There will be times when the stocks of companies that have less impressive track records may outperform stocks of fundamentally better companies. New companies, or newly public companies with no track records, will not qualify for the Core List. Yet, these more speculative stocks may provide greater returns in exchange for the assumption of more risk. Smaller companies, in general, may also provide greater performance for periods of time. The Core List generally includes large companies; a portfolio of Core List stocks will not capture small-stock performance. The prices of small-cap company stocks are generally more volatile than large company stocks. They often involve higher risks because smaller companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

Investors who invest solely in a portfolio of Core List stocks face benchmark risk. Some sectors and industries will have more companies that meet the requirements for the Core List than will others. Conversely, some economic sectors will be more heavily represented in the S&P 500, or other indexes, than they are on the Core List. If the stocks in the sectors that are more heavily represented in various indexes were to turn in strong performances, it would be difficult for a portfolio of Core List stocks to match or beat the index returns.

Definitions

The Core List is comprised of blue chip, industry-leading companies that we believe can withstand the test of time. The objective is to provide a list of high-quality stocks that can be used to build a well-diversified portfolio or can be used to supplement an existing portfolio.

In an attempt to provide a more complete picture about the stocks that are on the Core List, we offer a few statistics about the companies. We periodically download these statistics from FactSet. Bear in mind that prices and estimates are constantly changing, so as soon as we publish these numbers they're outdated.

Market capitalization (cap): Diluted shares outstanding multiplied by the price. It's a measure of how large a company is and the stake that common shareholders have in the total enterprise.

Dividend Yield: The current indicated dividend per share of a stock divided by its current price per share. For example, a stock with a price of \$100 per share paying an indicated dividend of \$5 per share annually would have a dividend yield of 5%.

Enterprise value: A measure of the total size of a company. It's calculated by taking market capitalization plus debt, preferred shares and other equity stakes minus cash and cash equivalents. For banks and firms with a lot of debt, the enterprise value will be substantially larger than the market cap. For firms with a lot of cash, the enterprise value will be smaller than the market cap.

Industry Group: As defined by S&P. Periodically, our Equity Strategists publish a list of industry groups that appear attractive over the short-term. Although we try to represent all sectors and industries, we use this information to better gauge particular industry outlooks for equity inclusion and/or exclusion decisions.

EPS Estimates, FY1, FY2: Consensus EPS estimates for the current uncompleted fiscal year (FY1) and for the next fiscal year (FY2).

P/E: Price to earnings ratio based on FY1 and FY2 consensus estimates. A commonly used valuation metric. P/E ratios vary widely by sector.

3-year average P/E: The average price to earnings ratio during the last three years.

Estimated Long-Term (L-T) Growth Rate: From First Call, the analyst consensus estimate for the firm's long-term (five years or more) growth rate. In our experience, analysts tend to overestimate the growth potential for their companies and this number tends to be too high.

PEG (P/E to Long-Term Growth Rate): A metric favored by some "value" investors who look to buy companies with a favorable long-term growth rate and attractive valuation or a "PEG of less than 1." We calculate the PEG using the First Call estimated long-term growth rate and price to earnings ratio on next 12 months earnings. In our experience, a PEG ratio is helpful in industries where growth is relatively steady in a wide range of economic conditions. PEG ratios are not particularly helpful for cyclical sectors (energy, materials), slow growth sectors (financials), in situations where earnings are volatile (an early stage tech or biotech company), or growth is slowing significantly (a maturing technology company).

Debt to capital ratio: A measure of how much debt an enterprise has versus its entire capital base. The capital base includes shareholders equity and debt. A lower number is generally better.

Price to book value: A valuation metric that compares the company's price to its "book value." Book value is what is left over after subtracting liabilities from assets. This metric can be misleading if a company has a large amount of goodwill (which is treated as an asset) or the value of its assets is declining.

Fiscal year end: The month in which a company's fiscal year ends.

Last reported results: The date the company last reported its quarterly results. U.S. companies typically report quarterly while some European and companies report semi-annually.

American Depositary Receipt (ADR) is a stock that trades in the United States but represents a specified number of shares in a foreign corporation. ADRs are bought and sold on American markets just like regular stocks, and are issued/sponsored in the U.S. by a bank or brokerage. If the home currency is devalued, this can result in a loss to the ADR holder, even if the company had been performing well.

Notes

All estimates contained in this report are consensus estimates from sources believed to be reliable.

IMPORTANT DISCLOSURES

Disclosure information . . . For important disclosure information, please contact:

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Disclaimers

Prices and estimates are as of April 22, 2022 unless indicated otherwise.

You should be aware that investments can fluctuate in price, value and/or income, and you may get back less than you invested. We recommend that existing shareholders consider their objectives, their risk tolerance, and the size of their positions relative to their portfolios when evaluating their holdings.

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions and the perception of individual issuers. Investments in equity securities are generally more volatile than other types of securities. There is no guarantee dividend-paying stocks will return more than the overall market. Dividends are not guaranteed and are subject to change or elimination.

The prices of small and mid-cap company stocks are generally more volatile than large company stocks. They often involve higher risks because smaller companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

Investing in foreign securities, including ADRs, presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater price volatility.

Diversification does not guarantee a profit or protect against loss.

Investments that are concentrated in a specific sector, industry, country or commodity increases its vulnerability to any economic, political, currency or regulatory development, which may result in greater price volatility.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility. The **Communication Services** sector is subject to the risks associated with rising interest rates which could increase debt service costs, competition, increased costs to providers due to potential for large equipment upgrades. Risks associated with the **Consumer Discretionary** sector include, among others, apparel price deflation due to low-cost entries, high inventory levels and pressure from e-commerce players; reduction in traditional advertising dollars, increasing household debt levels that could limit consumer appetite for discretionary purchases, declining consumer acceptance of new product introductions, and geopolitical uncertainty that could affect consumer sentiment. **Consumer Staples** industries can be significantly affected by competitive pricing particularly with respect to the growth of low-cost emerging market production, government regulation, the performance of the overall economy, interest rates, and consumer confidence. The **Energy** sector may be adversely affected by changes in worldwide energy prices, exploration, production spending, government regulation, and changes in exchange rates, depletion of natural resources, and risks that arise from extreme weather conditions. Investing in **Financial** services companies will subject an

investment to adverse economic or regulatory occurrences affecting the sector. Some of the risks associated with investment in the **Health Care** sector include competition on branded products, sales erosion due to cheaper alternatives, research and development risk, government regulations and government approval of products anticipated to enter the market. There is increased risk investing in the **Industrials** sector. The industries within the sector can be significantly affected by general market and economic conditions, competition, technological innovation, legislation and government regulations, among other things, all of which can significantly affect a portfolio's performance. **Materials** industries can be significantly affected by the volatility of commodity prices, the exchange rate between foreign currency and the dollar, export/import concerns, worldwide competition, procurement and manufacturing and cost containment issues. **Real estate** investments have special risks, including possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Risks associated with the Technology sector include increased competition from domestic and international companies, unexpected changes in demand, regulatory actions, technical problems with key products, and the departure of key members of management. **Technology** and Internet-related stocks, especially smaller, less-seasoned companies, tend to be more volatile than the overall market. **Utilities** are sensitive to changes in interest rates, and the securities within the sector can be volatile and may underperform in a slow economy.

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