All information is as of 12-31-09 unless otherwise indicated.

Wells Fargo Advantage Asia Pacific Fund (SASPX)

Portfolio Manager: Anthony L. T. Cragg
Subadvisor: Wells Capital Management
Category: Diversified Pacific/Asia

FUND STRATEGY

- Active fundamental investment discipline combines rigorous bottom-up and top-down analysis to provide core exposure to the Asia Pacific region.
- Conscious de-emphasis of country and sector weights, seeking to maximize benefits of stock selection.
- Attempt to balance between growth and value and large and small caps, using a "core-satellite" portfolio construction process.

AVERAGE ANNUAL TOTAL RETURNS* (AS OF 12-31-09)

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (12-31-93)
Asia Pacific Fund–Investor	5.13%	40.76%	40.76%	-3.92%	6.84%	3.18%	3.87%
MSCI All Country Asia Pacific Index	2.30%	37.59%	37.59%	-2.94%	5.61%	1.19%	–

*Returns for periods of less than one year are not annualized.

Figures quoted represent past performance, which is no guarantee of future results. *Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current month-end performance is available at the Fund's Web site, www.wellsfargo.com/advantagefunds. Investor Class shares are sold without a front-end sales charge or contingent deferred sales charge. The Fund has a redemption fee of 2.00% deducted from the net proceeds of shares redeemed or exchanged within 30 days after purchase. Performance data does not reflect the deduction of this fee, which, if reflected, would reduce the performance.*

The adviser has committed, through January 31, 2010, to waive fees and/or reimburse expenses to maintain the Fund's net expense ratio at 1.65%. Without these reductions, the Fund's returns would have been lower and rankings and ratings may have been lower. The Fund's gross expense ratio is 2.10%.

Please keep in mind that high double-digit returns were primarily achieved during favorable market conditions. You should not expect that such favorable returns can be consistently achieved. A Fund's performance, especially for very short time periods, should not be the sole factor in making your investment decision.

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KEY DRIVERS OF PERFORMANCE

- The Fund outperformed its benchmark, the MSCI All Country Asia Pacific Index, for the quarter and the 12-month period that ended December 31, 2009.
- Economic conditions continued to improve across the region, but rising concerns about the sustainability of growth subdued absolute returns for the quarter. Economically sensitive sectors continued to perform well, led by rising commodity prices.
- Stock selection was responsible for the bulk of our relative outperformance, as the overall market became more expensive. We managed well during that environment, particularly within the industrials sector, where stock selection accounted for the majority of the excess return for the quarter.

MARKET AND PORTFOLIO OVERVIEW

The investment environment remained broadly supportive as we saw upgrades across the region, both in terms of Gross Domestic Product (GDP) and in corporate earnings. GDP growth expectations for 2010 ranged from as high as 9% in China, to 7% in India, and 4.5% in Indonesia. Earnings growth expectations are on the order of 20% to 30%. But while the data remained favorable, investor sentiment appeared to take a more cautious turn, evidenced by the modest gains. Investors and analysts alike are paying more attention to the timing and impact of less stimulative monetary and fiscal policy by central banks within the region and globally as well. The fine-tuning has already begun in China with the recent reintroduction of taxes on the sale of small cars and an increase of the required down payment on second homes.

We continued to adapt the portfolio to the changing investment environment. We lightened up on our exposure to the consumer, based on our view that a speculative element has crept into the market, and especially so within China. We also decreased our weighting to Korea and Japan because of the increasing disparity of growth rates between the more developed and less developed economies. Cash levels also grew as we remained sensitive to valuations.

(See pages 10–11 for important information.)

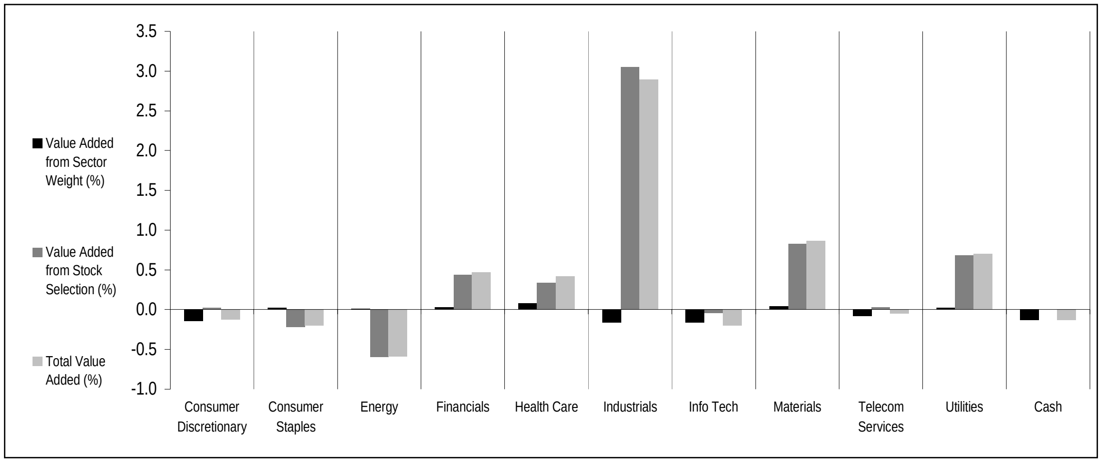
CONTRIBUTORS

- The Fund's industrials investments performed well in an otherwise lackluster sector, driven by our core holdings within infrastructure. For a long time, infrastructure has been a significant theme within the Fund because solid infrastructure is required in order to maintain the growth that Asian economies have experienced. These stocks tended to lag during the third quarter as investors preferred stocks with greater operating leverage, but they led this quarter due to their more secured revenue sources. That these more defensive stocks did so well may be a signal that investors are taking a less aggressive stance. Alternative infrastructure stocks, such as Trina Solar, also performed well as oil prices appear to have stabilized at about $70 per barrel, making solar economically viable.
- Within materials, gold miners and steel producers performed well, driven by increasing demand for both metals, albeit for different reasons. POSCO (see page 6), a Korean steel manufacturer, advanced 28% this quarter on rising demand from Korean auto makers that have been gaining global market share. Real Gold Mining advanced 31% after analysts upped their earnings-per-share estimates by 19%. Despite the sector advancing 66% this year, we continue to think that valuations remain at reasonable levels because they are underpinned by rising commodity prices.
- The excess return within the utilities sector is connected to the infrastructure theme rather than exposure to more traditional, staid utilities companies. Illustrative is our investment in Energy Development Corp, which develops geothermal energy. Its shares advanced 28% during the quarter on a favorable change in the tax laws, but more importantly, consensus expectations are for the company to grow revenue by 15% next year and to generate 30% profit margins.

DETRACTORS

- In energy, results from stock selection were poor. Our investments within the sector were tilted toward refiners with the expectation that refining margins would improve; however, we saw very few signs of that happening. Even with higher oil prices, refiners are not making much money at the moment, and these stocks are currently under review. Inpex (see page 7), a Japanese integrated oil company, also performed poorly. Because of its large weighting within the Fund, it was one of the largest detractors.

ASIA PACIFIC FUND VERSUS MSCI ALL COUNTRY ASIA PACIFIC INDEX



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Cash
Sector Weights (average weight during the quarter)											
Asia Pacific Fund	11.34%	6.43%	5.66%	22.66%	1.71%	20.39%	5.72%	11.88%	6.37%	3.70%	3.56%
MSCI All Country Asia Pacific Index	11.63%	5.67%	5.15%	28.09%	3.20%	12.83%	13.39%	11.03%	4.77%	4.23%	0.00%
Over/Underweight	-0.30%	0.76%	0.51%	-5.43%	-1.49%	7.56%	-7.67%	0.85%	1.60%	-0.53%	3.56%
Sector Returns											
Fund Sector Return	3.53%	0.31%	-6.21%	2.59%	16.08%	15.57%	4.27%	18.22%	-3.82%	14.92%	3.44%
Index Sector Return	4.31%	3.52%	3.08%	0.48%	-1.98%	0.25%	5.40%	9.49%	-4.44%	-3.03%	0.00%
Relative Return	-0.78%	-3.21%	-9.29%	2.11%	18.06%	15.32%	-1.13%	8.73%	0.62%	17.95%	3.44%

Source: FactSet

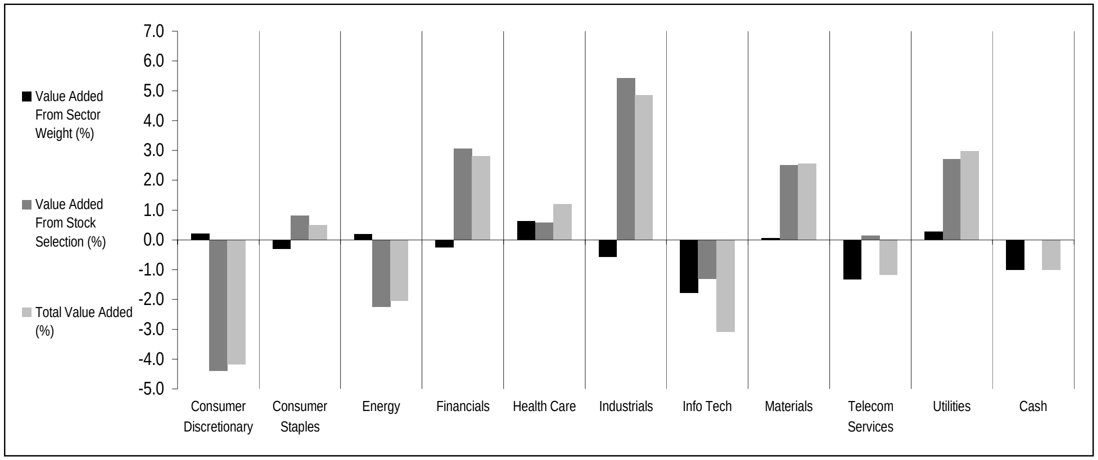
Past performance is no guarantee of future results.

Sector weights are subject to change and may have changed since the date specified. See page 10 for important information.

KEY DRIVERS OF PERFORMANCE

- The past year presented one of the most difficult investment environments that most investors have ever faced, but our long tenure investing in Asian markets—having navigated the 1997 Asian financial crisis—may have given us an edge in managing through this crisis. The key to success this year was our understanding of the massive shifts in investor sentiment and knowing how to position the portfolio during the panic and recovery. We entered the year with the Fund defensively positioned, knowing that there was a disconnect between fundamentals and sentiment, and that sentiment typically trumps fundamentals during a crisis. We were, however, caught a bit off guard by the speed at which sentiment turned and stock prices rebounded.
- The Fund trailed its benchmark during the second and third quarters, but we expected that by sticking to our investment discipline we would be able to make up the relative shortfall and did so during the fourth quarter.
- A few of our long-term investment themes continued to develop as we had expected, and better in some cases. Growing Asian demand for gold—both as a store of value and for jewelry—played out much better than we had anticipated as gold became a hedge against the U.S. dollar. Within the materials sector, our gold-mining stocks far outpaced the rise in gold prices, with some of our stocks rising nearly 200% for the year. Our more diversified mining stocks, such as BHP Biliton, also benefited from our infrastructure theme, as demand for base metals, coal, and iron ore was robust for most of the year.
- Within the industrials sector, our infrastructure theme benefited from the government stimulus programs executed by central banks. Much of that benefit played out within our Chinese investments, such as Shanghai Industrial Holdings and Beijing Enterprises Holdings, both of which far outpaced the broad sector's return.
- Lastly, our consumer theme continued to produce above-average results. We have long been believers that diet is one of the first improvements that consumers make as their incomes rise, so we have been investors in food products manufacturers, such as Nestle India, and food retailers, such as Alliance Global Group. Those investments provided fairly consistent outperformance throughout the year.
- Stock-picking was most difficult within the consumer discretionary sector, given how expectations about the health of the consumer evolved over the year. Our overweight to hotels and restaurants hurt our results in the first quarter, affecting the Fund for the year.

ASIA PACIFIC FUND VERSUS MSCI ALL COUNTRY ASIA PACIFIC INDEX



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Cash
Sector Weights (average weight during the past 12 months)											
Asia Pacific Fund	13.43%	8.08%	5.80%	18.67%	1.73%	19.08%	5.59%	10.66%	9.08%	4.29%	2.65%
MSCI All Country Asia Pacific Index	11.81%	5.74%	4.97%	26.71%	3.54%	13.40%	12.90%	10.48%	5.48%	4.93%	0.00%
Over/Underweight	1.62%	2.34%	0.83%	-8.04%	-1.81%	5.68%	-7.31%	0.18%	3.60%	-0.64%	2.65%
Sector Returns											
Fund Sector Return	18.22%	34.77%	22.42%	57.44%	36.49%	56.20%	38.61%	89.80%	2.60%	57.64%	0.12%
Index Sector Return	50.90%	24.77%	61.13%	41.07%	3.10%	27.76%	62.07%	66.34%	1.04%	-5.29%	0.00%
Relative Return	-32.68%	10.00%	-38.71%	16.37%	33.39%	28.44%	-23.46%	23.46%	1.56%	62.93%	0.12%

Source: FactSet and Wells Fargo Funds Management, LLC.
Past performance is no guarantee of future results.

Sector weights are subject to change and may have changed since the date specified. See page 10 for important information.

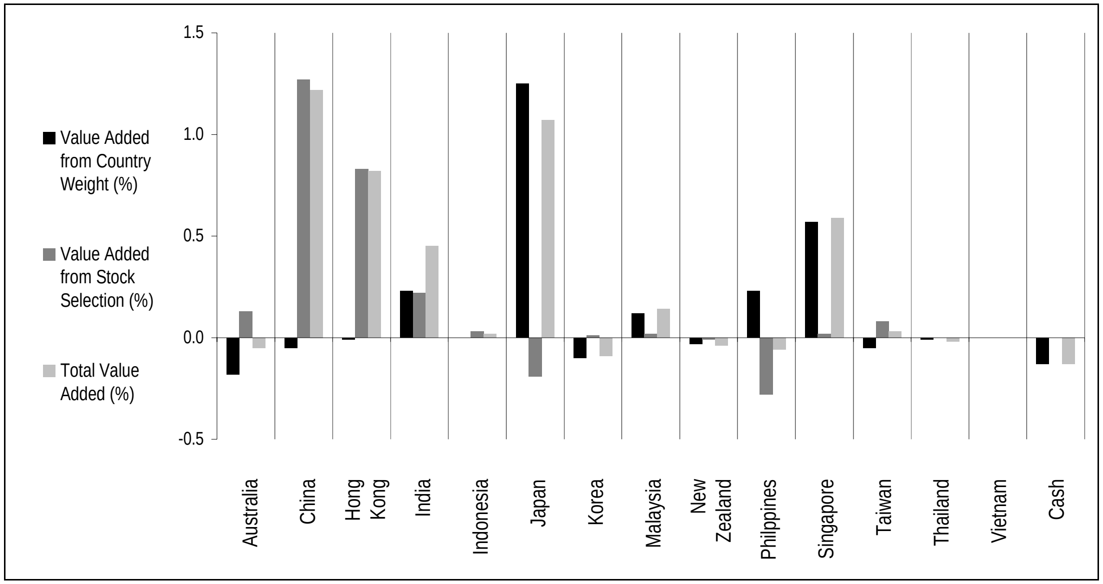
COUNTRY CONTRIBUTORS

- The excess return within China was attributable to stock selection. Our best-performing stock was in the technology sector, where Semiconductor Manufacturing Corp. returned 48%. We typically don't find many investment opportunities within the sector, given that many Asian tech firms are just manufacturers of other countries' intellectual property, which tends to be a lower-margin business. Our infrastructure companies reversed course from the previous quarter and were among our largest contributors.
- Our results in Hong Kong were tied directly to the growth in China. Illustrative was our investment in Hainan Meilan Airport Co. It operates airports on the mainland and benefited from increased traffic. Its shares rose 69% on a number of analysts' upgrades.
- We increased our weighting to India throughout the year, and our overweight was additive this quarter. We had success with Apollo Hospitals; its shares benefited from a 25% rise in revenue.

COUNTRY DETRACTORS

- Selection was weak in the Philippines as shares in Metro Pacific Investment fell 19%. Investors continued to digest the impact of its recent recapitalization.

ASIA PACIFIC FUND VERSUS MSCI ALL COUNTRY ASIA PACIFIC INDEX



	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	New Zealand	Philippines	Singapore	Taiwan	Thailand	Vietnam	Cash
Country Weights (average weight during the quarter)															
Asia Pacific Fund	10.61%	14.14%	9.23%	8.91%	0.82%	14.58%	10.04%	4.07%	1.79%	3.23%	10.64%	4.22%	2.99%	0.00%	3.56%
MSCI All Country Asia Pacific Index	16.57%	11.09%	4.75%	4.58%	1.13%	41.49%	7.83%	1.66%	0.22%	0.26%	2.79%	6.84%	0.79%	0.00%	0.00%
Over/Underweight	-5.96%	3.05%	4.48%	4.33%	-0.31%	-26.91%	2.21%	2.41%	1.57%	2.97%	7.85%	-2.62%	2.20%	0.00%	3.56%
Country Returns															
Fund Country Return	5.91%	19.12%	13.04%	10.33%	8.85%	-3.91%	2.58%	7.25%	0.84%	2.12%	10.32%	9.73%	2.38%	0.00%	3.44%
Index Country Return	4.95%	9.70%	3.64%	7.85%	5.25%	-2.75%	2.32%	6.73%	0.11%	9.81%	10.00%	8.10%	1.06%	0.00%	0.00%
Relative Return	0.96%	9.42%	9.40%	2.48%	3.60%	-1.16%	0.26%	0.52%	0.73%	-7.69%	0.32%	1.63%	1.32%	0.00%	3.44%

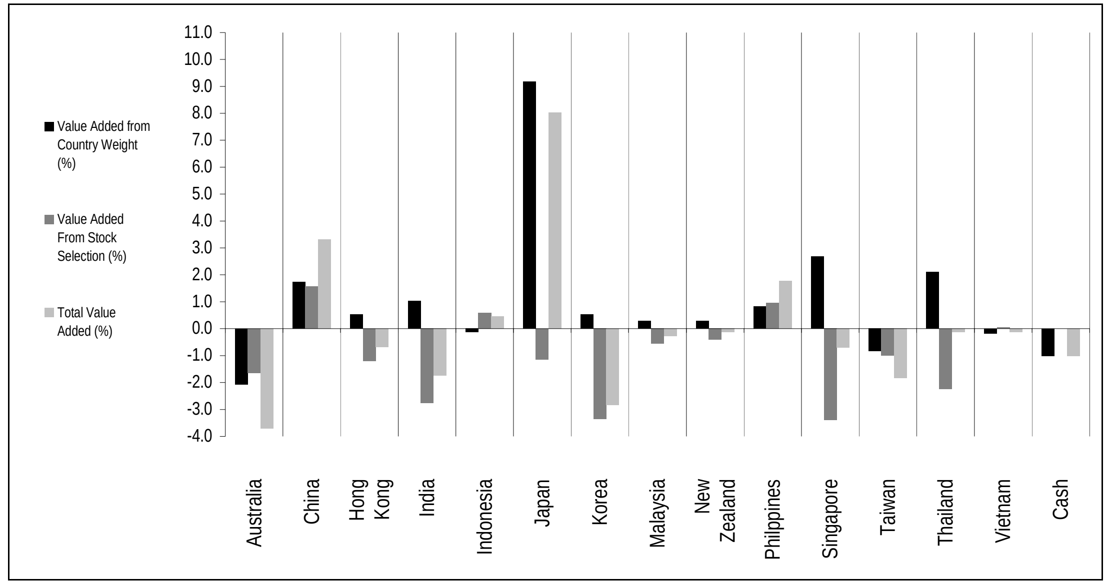
Source: FactSet

Past performance is no guarantee of future results. Country weights are subject to change and may have changed since the date specified. See page 10 for important information.

KEY DRIVERS OF PERFORMANCE

- Our active approach to country allocations provided a consistent source of excess return, which was primarily attributable to our underweight to Japan and our overweight to China. Japan is frequently cited as a poor place to invest because of its low relative growth rates, but we consistently find good investment opportunities—particularly export-oriented companies—such as our core holding in Mitsubishi Corp., which was among our top performers this year. While we did have other strong performers in Japan, our results from stock selection fell short because of our underweight to the Japanese auto industry.
- We were pleased with our results in China. It can be a difficult market to invest in, as it is often subject to hot money flows and can frequently trade at speculation valuations. Our ability and willingness to make sector calls were important factors in our success, as the deviation of sector returns was wide, ranging from -4% for telecom to 200+% for technology. We were overweight the materials sector as part of our gold and infrastructure themes, which provided nearly half of the excess return within the country. Our industrials investments were also successful.
- We were systematically underweight Australia, most notably to its financials sector, which hurt our relative results for both the weighting decision and the selection effect.

ASIA PACIFIC FUND VERSUS MSCI ALL COUNTRY ASIA PACIFIC INDEX



	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	New Zealand	Philippines	Singapore	Taiwan	Thailand	Vietnam	Cash
Country Weights (average weight during the past 12 months)															
Asia Pacific Fund	9.20%	17.40%	6.95%	5.55%	0.79%	17.22%	8.92%	3.51%	2.18%	3.00%	9.86%	4.41%	6.12%	0.44%	2.65%
MSCI All Country Asia Pacific Index	14.49%	10.33%	4.71%	3.98%	0.94%	46.43%	7.31%	1.61%	0.21%	0.26%	2.57%	6.41%	0.75%	0.00%	0.00%
Over/Underweight	-5.29%	7.07%	2.24%	1.57%	-0.15%	-29.21%	1.61%	1.90%	1.97%	2.74%	7.29%	-2.00%	5.37%	0.44%	2.65%
Country Returns															
Fund Country Return	59.15%	71.50%	43.69%	53.16%	198.67%	-0.14%	32.15%	36.95%	33.45%	99.51%	40.36%	57.65%	40.73%	10.56%	0.12%
Index Country Return	77.02%	62.49%	60.88%	103.08%	126.39%	6.44%	69.82%	52.82%	52.06%	67.97%	74.71%	80.32%	77.31%	0.00%	0.00%
Relative Return	-17.87%	9.01%	-17.19%	-49.92%	72.28%	-6.58%	-37.67%	-15.87%	-18.61%	31.54%	-34.35%	-22.67%	-36.58%	10.56%	0.12%

Source: FactSet and Wells Fargo Funds Management, LLC.

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REPRESENTATIVE PORTFOLIO HOLDINGS

Firm Name Country/Sector	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
POSCO South Korea/Materials	Contributor	1.07%	POSCO is a steel manufacturer, producing steel, as well as designing and constructing industrial plants, residential and commercial buildings, and civil engineering projects. The company also trades steel and steel products worldwide. POSCO is based in South Korea and was founded in 1968.	We purchased POSCO in September 2009. We had been wary of the steel industry throughout the downturn, but we began paying attention to POSCO when some of our Korean analysts—also previously negative on the industry—started to notice that trends were working in POSCO's favor. It sells primarily to three industries: shipbuilding, which is at over-capacity and thus stagnant; the construction industry, which has been neutral; and the auto industry, which is where POSCO's growth has accelerated. Korean auto-makers like Hyundai and Kia have increased market share throughout the downturn, and POSCO—one of their key suppliers—benefited as a result. The company has solid management, an attractive balance sheet compared with its main competitors, Arcelor Mittal and Tata Steel, and is expanding regionally into India and Indonesia without damaging its financial position. During the quarter, POSCO announced an earnings upgrade and an upbeat estimate of 60% quarter-on-quarter growth, giving it a valuation we think is attractive for such a well-run company with solid growth prospects. Even though the company is relatively new to the portfolio, we view it as a core holding. We like its position in the growing Korean auto industry, as well as a financial position that should allow it to take advantage of improvements in the broader economy.
Tianjin Development Holdings Hong Kong/Industrials	Contributor	1.31%	Tianjin Development Holdings operates ports and commercial properties in China. The company also operates toll roads, as well as electric, water, and thermal power utilities. Tianjin Development Holdings is based in Hong Kong.	Tianjin Development Holdings, a holding since 2007, is a classic Chinese holding company, involved in everything from toll roads to wine to container businesses. While the breadth of its holdings makes the parent company subject to a conglomerate discount, we believe that many of those holdings are attractive in their own right. The reason is that most of the holdings are in Tianjin, a region we believe will become increasingly important for investors in China. Tianjin could be considered a second-tier Chinese city, behind Beijing and Shanghai in terms of importance, due in part to its proximity to Beijing. Tianjin is one of the most important ports in all of China, and the recently completed high-speed rail line connecting it to Beijing speaks to that prominence. Even further, Tianjin has one of the strongest property markets in the country, which we believe makes Tianjin Development a good play on the local property market. The company returned over 100% on the year, but its forward price-to-earnings ratio is only 11, making it a relatively cheap way, in our opinion, to get exposure to a crucial region of China. In the future, we expect that the company and the region may benefit when China turns its attention to the export sector, making Tianjin's ports likely beneficiaries of improved trade. As such, we view it as a core holding.

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name Country/Sector	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Bumrungrad Hospital Thailand/Health Care	Detractor	0.58%	Bumrungrad Hospital in Thailand is one of the largest hospitals in southeast Asia, with 554 beds, 30 specialty service centers, and over 1 million patients annually, many from outside of Thailand. The hospital was founded in 1980 and is based in Bangkok, Thailand.	Bumrungrad was a specific disappointment in a sector that we believe is an attractive growth story in the region overall. The hospital recently completed a major renovation that added a significant number of beds, and it was the first hospital in Asia to receive Joint Commission International Accreditation. When we purchased the stock in April 2008, we liked the hospital’s medical expertise and its ability to draw in medical tourists from around the world. But we also liked its growth strategy, which was to find ways to export its expertise by building other facilities throughout the world. Medical tourism accounts for up to 20% of the company’s business, and also tends to be higher-margin because of the other ancillary spending that accompanies hospital stays by foreigners. The worldwide recession affected both medical tourism and the ability of the company to expand. The company relied on Middle Eastern patients to make up for the falling number of Westerners, but the recent problems in the Middle East hurt both the number of patients and the amount they spent on hospital services. Bumrungrad’s subsidiary, established to build facilities around the world but mainly in the Middle East, also suffered. We like the theme of investing in the health care infrastructure in Asia but have been trimming the position on growth concerns. We continue to look for companies that will benefit from the secular growth within health care.
Inpex Corporation Japan/Energy	Detractor	1.97%	Inpex Corporation is a Japanese holding company, specializing in the exploration, development, production, and shipping of natural gas and petroleum. With 64 subsidiaries and 20 affiliated companies, Inpex has major exploration projects worldwide. The company was founded in 2006 and is based in Tokyo.	We repurchased Inpex in March 2009, having held it in the portfolio previously. We view Inpex as an asset play within the energy sector, based on the value of the resources it has and its valuation components. We believe the company is cheap on a production basis and is trading at a discount because it is domiciled in Japan. When we first bought the stock in March 2009, we were also encouraged by the company’s growth prospects, which we believe will be driven by its Australian liquid natural gas project, called Ichthys. Japanese stocks generally performed poorly during the quarter. But beyond Inpex being domiciled in Japan, investors were concerned about the security of its funding source for the capital requirements of Ichthys, despite the fact that the project is essentially pre-sold. Capital markets are still tight for companies engaged in expansion and restructuring projects. While we acknowledge the difficult investment environment in Japan, we continue to hold our investment in Inpex because we believe that its fundamental investment thesis is still intact. We believe that the issues that surfaced during the quarter are short-term in nature, rather than a deterioration in Inpex’s true fundamentals.

MARKET SUMMARY

Entering the fourth quarter, we were concerned about the effect that the extraordinary market run-up since March was having on valuations. Given the relatively flat performance of the MSCI Asia Pacific index during the quarter, our concern was justified. The market momentum slowed during the quarter, but at least the market is still moving in a broadly positive direction, driven by liquidity flows to the region, the economic recovery, and continued government spending. What is restraining the markets, at least in the short term, appears to be the valuation picture after the year's dramatic gains. Inflation, as well, appears to be rearing its head in select markets.

The first glimpses of inflation began surfacing in the region, in India particularly but with some signs in China. Inflation in India reached 12% year-over-year in October. These economies are among the relatively few that have clearly answered the question of whether growth can be sustained, leaving open the related questions of how that growth will affect inflation and what the possible actions of the governments will be. We expect the Reserve Bank of India to begin raising rates in January or February 2010.

Governments in the region began lightly applying the brakes, as well. China's successful stimulus has allowed it to begin slowly removing government-backed measures in targeted areas. It reinstituted a car tax on sales of smaller cars and raised the required down payment on second homes or investment properties from 40% to 50%.

Other countries haven't fared as well, particularly Japan. Visits to Japan this quarter confirmed what we've suspected for some time: Japan continues to look like its weak economy will stay weak for some time. The government announced in December another stimulus package, as it attempts to pump 7 trillion yen into local Japanese economies and public works projects. What we hear from the companies we visit is that they can't grow in Japan and are instead focused on using Japanese domestic consumption as a way to generate cash for expansion in other areas in Asia. However, we anticipate that global institutional investors would rather invest directly in developing economies, not through a Japanese company that has broader Asian exposure. The growth rates between Japan and the rest of the booming Asian region continue to diverge, and our portfolio weights have changed accordingly.

Infrastructure stocks were major beneficiaries of the cautious stance that investors maintained during the quarter, given the fact that the companies' long-term contracts are in many cases secured by government spending. Our infrastructure investments performed well after being held back on a relative basis in the middle two quarters of the year. For Asian economies to continue to grow at their present rates, they must continue to develop improved infrastructure right across the board—from roads, railways, telecom, airports, ports, bridges, and more. In developing economies, infrastructure isn't as defensive an investment as it is in developed markets, but functions more like a growth industry in and of itself due to the pace of development. And from our point of view, there's a fairly clear line between government spending and which infrastructure plays will benefit. Following that spending, we strive for a mix between traditional infrastructure, like roads and concrete makers, and newer types, like those involved in building out geothermal and wind power facilities, a formula that we found successful during the quarter.

OUTLOOK

Many Asia Pacific economies had a terrible year in terms of GDP—especially when compared with their more heated growth rates in years past—but forecasts for next year are for significant GDP gains ranging from 2% at the worst to 10% at the best. Historically, when a bad year has been followed by such a strongly positive reversal, the stock market typically gains as well. So we believe that stock markets in the region next year may be in store for continued gains, albeit at a slower rate. However, the picture is complicated by the specter of inflation and the possibility of a growing asset bubble in the region.

We believe that even though the markets will most likely move in the same upward direction as most of 2009, they should do so at a slower pace. Much of 2009 was spent recovering losses from 2008, and doing so at an accelerated rate. Valuations have now appreciated to the point where an investor can't simply invest in anything and still be successful. Selectivity will most likely be the key to outperformance in 2010.

In addition to valuations, what could keep growth tame during the year is the growing possibility of significant inflation and government actions taken to it. Inflation will likely be more and more of a concern as the year unfolds. Governments have already begun to withdraw stimulus from selective parts of the economy and stand to do so even further in the coming year. The trick will be to avoid areas that may be hurt the most as stimulus is withdrawn.

We are still long-term bulls on Asian consumers and growing domestic demand, believing that this is a key theme to take advantage of Asian growth. Exports to Western nations dropped severely during the recession, but domestic demand—combined with well-targeted government stimulus plans—was enough to keep economies in positive growth territory. However, we do expect export demand to pick up slightly in 2010 as Western economies continue their recovery. One way to play the potential export recovery may be to invest in companies that facilitate exports, such as ports or cargo companies, rather than taking a stand on any particular exporter.

Many analysts are wary about a growing asset bubble in developing economies. The thesis is that unprecedentedly low interest rates in the United States will likely force investors to allocate even more funds to Asia, since that is where the only real growth is at the moment. The United States obviously has its own economic problems that have caused investors to shift funds elsewhere, but so does the rest of the developed world, particularly European nations. Given the limited growth opportunities elsewhere, some analysts expect that capital will continue to flow into Asia, creating the prospect of an asset bubble that may ultimately burst. We think this scenario is unlikely, since we expect that healthy GDP growth will continue, and the continued development of capital markets should be able to effectively absorb excess liquidity and put it to productive use, which may support future stock market gains.

TOP HOLDINGS

Stock	% of Net Assets
Mitsubishi Corporation	2.34%
BHP Billiton Limited	2.08%
Samsung Electronics Company Limited	2.03%
iShares MSCI Japan Index Fund	1.96%
Beijing Enterprises Holdings Limited	1.87%
Zhaojin Mining Industry Company Limited	1.86%
Daiwa Securities Group Incorporated	1.85%
INPEX Holdings Incorporated	1.76%
Hainan Meilan International Airport Company Limited	1.47%
Tianjin Development Holdings Limited	1.44%

PORTFOLIO CHARACTERISTICS

	Fund	MSCI All Country Asia Pacific Index
Weighted Average Market Cap	$18.50B	$30.75B
Weighted Median Market Cap	$6.97B	$15.37B
EPS Growth (3- to 5-year forecast)	12.52%	11.92%
P/E Ratio (trailing 12-month)	18.20x	19.72x
Turnover[1]	179.99%	–
P/B	1.78x	1.61x
P/S	1.37x	0.89x
Number of Equity Holdings	114	983

FUND FACTS

Inception Date	12-31-93
Net Expense Ratio–Investor	1.65%
Assets–All Share Classes	$367.28M

Sources: FactSet, Zephyr Analytics
Portfolio holdings and characteristics are subject to change and may have changed since the date specified. The holdings listed should not be considered recommendations to purchase or sell a particular security.
1. Calculated based on a one-year period.

PERFORMANCE

	1 Year	3 Year	5 Year	10 Year
Asia Pacific Fund–Investor	40.76%	-3.92%	6.84%	3.18%
MSCI All Country Asia Pacific Index	37.59%	-2.94%	5.61%	1.19%
Lipper Pacific Region Funds Average	38.40%	-3.49%	6.23%	2.04%
Morningstar Diversified Pacific/Asia Average	34.70%	-2.92%	6.15%	1.23%

RANKINGS AND RATINGS

Morningstar Total Return Rankings–Investor Class (as of 12-31-09)

Morningstar Category:	Diversified Pacific/Asia
1 Year	12 out of 47 funds
3 Year	18 out of 32 funds
5 Year	10 out of 27 funds
10 Year	2 out of 17 funds
Overall Morningstar Rating™	★★★

The Overall Morningstar Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 32 funds in the Diversified Pacific/Asia category, based on risk-adjusted return as of 12-31-09.

PERFORMANCE AND VOLATILITY MEASURES[2]

	Fund
Alpha	1.62%
Beta	1.12
Sharpe Ratio	-0.17
Standard Deviation	28.23%
R-Squared	0.91
Information Ratio	0.05
Upside Capture	127.41%
Downside Capture	115.78%
Tracking Error	9.18%

Past performance is no guarantee of future results.

2. Calculated for Investor Class shares based on a three-year period. Relative measures are compared with the Fund's benchmark.

Benchmark Descriptions:

The Lipper Averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper Average represents a universe of funds that are similar in investment objective. You cannot invest directly in a Lipper Average.

The Morgan Stanley Capital International (MSCI) All Country Asia Pacific Index is a total return, capitalization-weighted index that measures the performance of stock markets in 15 Pacific region countries, including Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, and Thailand. You cannot invest directly in an index. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group. The total return of the Morningstar Category Average does not include the effect of sales charges. You cannot invest directly in a Morningstar Category Average.

Attribution Analysis:

Performance attribution and sector and country returns are calculated using the Brinson, Hood, and Beebower attribution model. Data from FactSet has been adjusted by Wells Fargo Funds Management to account for the impact of fair value pricing for the 12-month period. As such, performance attribution calculations may differ from the Fund's actual investment results.

Definition of Terms:

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta).

Beta measures the sensitivity of rates of return on a fund to general market movements. The benchmark beta is 1.00 by definition.

Downside Capture measures a fund's replication of its benchmark during periods of negative returns. During periods of negative benchmark returns, a downside capture ratio less than 100% reflects product performance greater than the benchmark, and a downside capture ratio greater than 100% reflects performance less than the benchmark.

Information Ratio measures the consistency of excess return (return in excess of a benchmark). This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return.

R-squared is a measurement of how similar a fund's historical performance has been to that of the benchmark. The measure ranges from 0.0, which means that the fund's performance bears no relationship to the performance of the index, to 1.0, which means that the fund's performance was perfectly synchronized with the performance of the benchmark.

Sharpe Ratio measures the potential reward offered by a mutual fund relative to its risk level. The ratio uses a fund's standard deviation and its excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance.

Standard Deviation represents the degree to which an investment's performance has varied from its average performance over a particular time period.

Tracking Error measures the extent to which a manager's performance mimics that of a benchmark. The value is the standard deviation of the difference between a fund's performance and a benchmark's performance.

Upside Capture measures a fund's replication of its benchmark during periods of positive returns. During periods of positive benchmark returns, an upside capture ratio greater than 100% reflects product performance greater than the benchmark, and an upside capture ratio less than 100% reflects performance less than the benchmark.

Risks: Stock fund values fluctuate in response to the activities of individual companies and general market and economic conditions. Foreign investments are especially volatile and can rise or fall dramatically due to differences in the political and economic conditions of the host country. These risks are generally intensified in emerging markets. The use of derivatives may reduce returns and/or increase volatility. Active trading results in increased turnover and trading expenses and may generate higher short-term capital gains. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). This Fund is exposed to regional risk and smaller-company securities risk. Consult the Fund's prospectus for additional information on these and other risks.

The views expressed in this document are as of December 31, 2009, and are those of the portfolio manager(s). The views are subject to change at any time in response to changing circumstances in the market and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally, or any Wells Fargo Advantage Fund. Any specific securities discussed may or may not be current or future holdings of the Fund. The securities discussed should not be considered recommendations to purchase or sell a particular security.

Investor Class shares incepted on December 31, 1993. Performance shown prior to April 11, 2005, for the Investor Class shares reflects the performance of the Investor Class shares of the Strong Asia Pacific Fund.

Please note, some of the Morningstar® proprietary calculations, including the Morningstar Rating™ and rankings, are not customarily calculated based on adjusted historical returns; however, in some cases, the investment's independent rating and ranking metric is compared against the retail mutual fund universe break points to determine its hypothetical rating and ranking. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees, unless otherwise indicated), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. (Each share class is counted as a fraction of one fund within this scale and is rated separately, which may cause slight variations in the distribution percentages.) Across U.S.-domiciled Diversified Pacific/Asia funds, the Asia Pacific Fund received two stars among 32 funds, three stars among 27 funds, and three stars among 17 funds for the three-, five-, and ten-year periods, respectively. Morningstar Ratings are for the Investor share class only; other classes may have different performance characteristics. Past performance is no guarantee of future results.

Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus, containing this and other information, visit www.wellsfargo.com/advantagefunds. Read it carefully before investing.

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NOT FDIC INSURED ▪ NO BANK GUARANTEE ▪ MAY LOSE VALUE

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