

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

## Wells Fargo Advantage Capital Growth Fund (WFCDX)

**Portfolio Managers:** Michael Harris, CFA; Thomas J. Pence, CFA

**Subadvisor:** Wells Capital Management

**Category:** Large Cap Growth

### FUND STRATEGY

- Conduct a rigorous research process designed to “surround the company” and develop unique fundamental insights.
- Perform a thorough analysis of a company’s current balance sheet to gain insight into its potential to execute its business model and achieve future growth objectives.
- Surround companies by analyzing competitors, suppliers, and customers up and down the market-capitalization spectrum.
- Maintain valuation targets as part of a strong sell discipline and risk-management process.
- Construct portfolios with a unique process that includes core holdings, developing situations, and valuation opportunities.

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

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (11-3-97)
Capital Growth Fund—Admin	7.45%	35.17%	35.17%	-4.38%	0.18%	1.45%	6.02%
Russell 1000® Growth Index	7.94%	37.21%	37.21%	-1.89%	1.63%	-3.99%	–

\*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](http://www.wellsfargo.com/advantagefunds). Administrator Class shares are sold without a front-end sales charge or contingent deferred sales charge.*

*The adviser has committed, through November 30, 2010, to waive fees and/or reimburse expenses to maintain the Fund’s net expense ratio at 0.94%. 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 1.14%.*

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.

### KEY DRIVERS OF PERFORMANCE

- The Fund slightly underperformed its benchmark, the Russell 1000 Growth Index, for the quarter. Stock selection was the primary source of the underperformance. The Fund also underperformed for the 12-month period that ended December 31, 2009.
- The quarter’s underperformance was primarily attributable to weak security selection within the consumer staples and information technology sectors. Holdings in the communications-equipment and Internet-software industries were among the biggest detractors.
- Security selection was strongest in consumer discretionary, where we continued to find attractive opportunities in developing situations—particularly in areas with exposure to the value-conscious consumer, such as Amazon.com and Priceline.com.

### MARKET AND PORTFOLIO OVERVIEW

After the low-quality, high-beta rally of the second quarter, the market returned to a more rational environment in the second half of 2009. We view the market rally during the year as one primarily driven by price/earnings (P/E) expansion without much change to earnings growth. Companies have been successful at delivering better-than-expected earnings through cost cutting and inventory restocking rather than top-line growth. We believe that forward earnings growth should be favorable due to strong operating leverage, attractive free-cash-flow yields and a return of unit growth. We also saw exceptionally high correlations among stock prices over the past several quarters, creating headwinds for our fundamental, bottom-up stock selection process. Based on our historical experience, we expect that a decrease in stock correlations and a resumption of top-line growth should further enhance our ability to add value through our “surround the company” research.

Earlier in the year, we had an emphasis on more stable, core-growth stocks, which negatively influenced performance, as lower-quality companies most levered to economic recovery performed the best. We have since increased exposure to developing situations and reduced our exposure to lower-risk, core-growth stocks.

(See pages 8–9 for important information.)

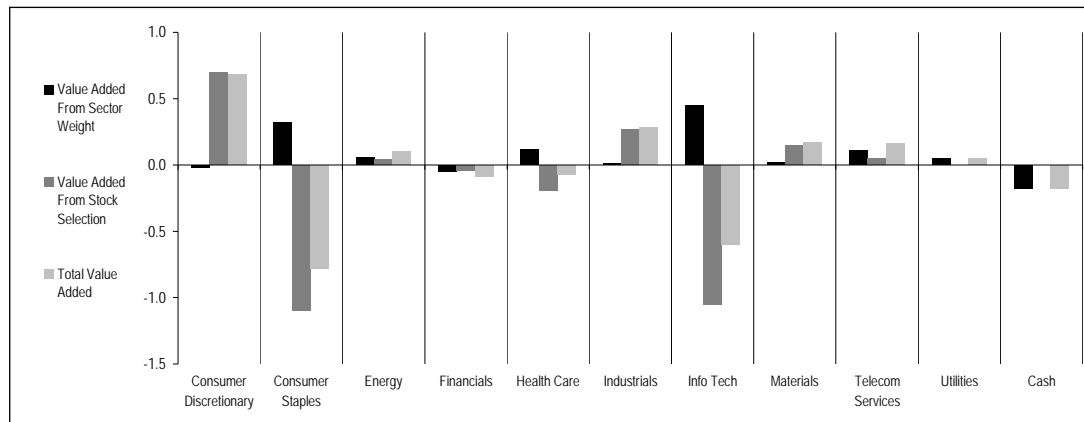
**CONTRIBUTORS**

- Our stock selection was strongest in consumer discretionary for the quarter. We believe that stock selection started to work again in the sector as the market became more rational and investors rewarded companies that were best poised for growth and also able to provide value to consumers. That recognition by investors was particularly evident in the performance of our holdings directly related to e-commerce, such as Amazon.com (see page 4) and Priceline.com.
- We continued to be deliberately cautious on the industrials sector and maintained an underweight position during the quarter. A primary reason for this positioning is that many industrial companies—such as engineering and construction—are essentially infrastructure companies, which we consider to be mid- to late-cycle firms. These types of companies tend to realize new contracts and orders fairly slowly compared with the more economically sensitive airline industry. Our focus within the sector has been on early-cycle names that are exposed to a recovery in housing, such as Ingersoll Rand. The company has benefited from its deep exposure to HVAC within both commercial and industrial construction.

**DETRACTORS**

- Although our underweight position within consumer staples benefited the portfolio, weak security selection detracted from performance. We have maintained an underweight position in the sector, as we have not found compelling growth opportunities. Another factor influencing that underweight was the mid-year Russell index reconstitution, which resulted in this sector becoming the second largest within the large cap growth space. Of the names we held during the quarter, our focus was on companies exposed to international demographic changes, particularly within emerging countries. With upward of a billion people entering the middle class in emerging markets, leading consumer staples companies such as Avon and Coca-Cola Enterprises (see page 5) are selling strongly in these markets and growing market share. We remain optimistic about Avon, but we sold Coca-Cola Enterprises during the quarter to make room for what we believed were more attractive opportunities.

**CAPITAL GROWTH FUND VERSUS RUSSELL 1000 GROWTH INDEX**



Consumer Discretionary Consumer Staples Energy Financials Health Care Industrials Info Tech Materials Telecom Services Utilities Cash

**Sector Weights (average weight during the quarter)**

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Cash
Capital Growth Fund	11.82%	4.14%	6.73%	5.96%	10.32%	8.64%	44.68%	4.48%	2.10%	0.00%	1.12%
Russell 1000 Growth Index	10.50%	16.18%	4.31%	5.05%	16.02%	10.12%	32.33%	3.98%	0.58%	0.92%	0.00%
Over/Underweight	1.32%	-12.04%	2.42%	0.91%	-5.70%	-1.48%	12.35%	0.50%	1.52%	-0.92%	1.12%
<b>Sector Returns</b>											
Fund Sector Return	13.52%	-15.31%	6.03%	0.96%	4.96%	10.01%	9.36%	6.92%	18.71%	0.00%	0.05%
Index Sector Return	7.74%	5.39%	5.36%	1.76%	6.74%	6.88%	11.90%	6.48%	15.90%	3.04%	0.00%
Relative Return	5.78%	-20.70%	0.67%	-0.80%	-1.78%	3.13%	-2.54%	0.44%	2.81%	-3.04%	0.05%

Source: FactSet

Past performance is no guarantee of future results.

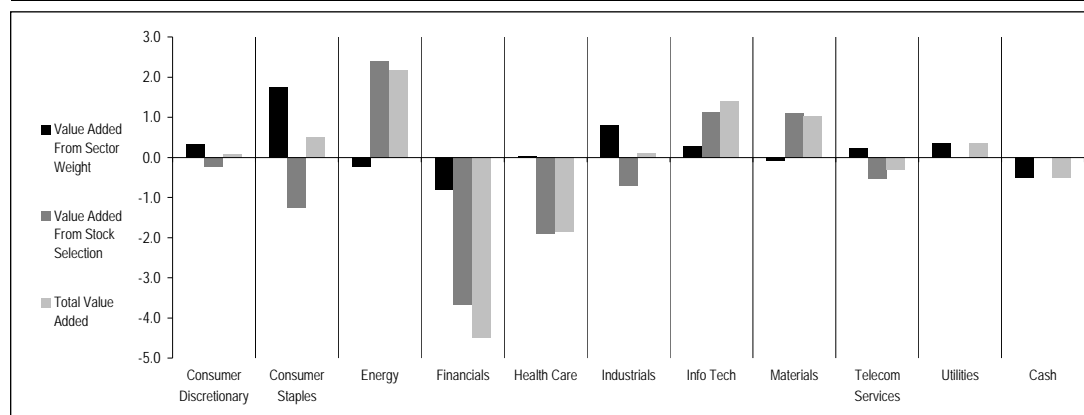
Sector weights are subject to change and may have changed since the date specified.

When reviewing performance attribution on our portfolio, it is vital to remember that we construct our portfolio from the bottom up, one stock at a time. Each stock is included in the portfolio based on its own investment thesis. To help manage risk, we are aware of our sector and security weights, but we do not include a holding to obtain a sector distribution to resemble an index. Our exposure to any given sector is a result of our security selection process.

**KEY DRIVERS OF PERFORMANCE**

- The stock market recovered in dramatic fashion from significant losses at the beginning of 2009. In January and February, our increased exposure to core-growth holdings with high-quality fundamentals contributed to outperformance in the first-quarter market decline. After the market bottomed on March 9, the highest-risk stocks led in the rally, specifically in the initial stages of the recovery during the second quarter. In the second half of the year, the market regained a more rational posture supported by fundamental improvement. However, economic influences and severe market rotation, particularly in the second quarter, ultimately led to underperformance for the 12-month period.
- We began the year heavily invested in core-growth positions, which detracted from performance as the springtime rally rewarded high-beta, cyclical stocks. As the rally moderated in the late spring, signs that the recovery might be sustainable began to emerge, including stronger industrial production and stabilizing housing starts. As a result of this data and our bottom-up fundamental research, we trimmed our core positions and increased our weights in developing situations and valuation opportunities early in the third quarter and maintained this positioning through the end of the year.
- During the fourth quarter, we saw signs of a transition to the market beginning to reward sustainable growth. The high-beta rally of the spring had faded, and the market began to be driven by more concrete, positive economic indicators.
- We continued to find cyclical growth opportunities within the industrials and materials sectors during the year. In the second half of 2009, we shifted our focus within technology to more secular growers such as software companies and reduced exposure to cyclical growers such as semiconductors. We are encouraged that the Fund's performance improved in the fourth quarter, which we view as further validation of our research discipline and adherence to our investment process.
- Although we were disappointed with the Fund's underperformance in 2009, we are optimistic that the Fund is well-positioned for potential leadership in 2010 from secular areas of growth such as technology.

**CAPITAL GROWTH FUND VERSUS RUSSELL 1000 GROWTH INDEX**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Cash
<b>Sector Weights (average weight during the past 12 months)</b>											
Capital Growth Fund	12.96%	5.56%	8.22%	7.16%	12.69%	7.54%	36.18%	4.52%	2.74%	0.00%	2.37%
Russell 1000 Growth Index	10.19%	14.91%	6.28%	4.33%	15.69%	11.27%	31.25%	3.96%	0.66%	1.40%	0.00%
Over/Underweight	2.77%	-9.35%	1.94%	2.83%	-3.00%	-3.73%	4.93%	0.56%	2.08%	-1.40%	2.37%
<b>Sector Returns</b>											
Fund Sector Return	42.82%	-4.54%	62.42%	-1.27%	9.23%	12.00%	67.24%	70.41%	30.97%	0.00%	0.19%
Index Sector Return	42.52%	17.08%	32.32%	34.49%	21.79%	26.25%	62.02%	43.62%	41.21%	16.43%	0.00%
Relative Return	0.30%	-21.62%	30.10%	-35.76%	-12.56%	-14.25%	5.22%	26.79%	-10.24%	-16.43%	0.19%

Source: FactSet  
**Past performance is no guarantee of future results.**  
 Sector weights are subject to change and may have changed since the date specified.

When reviewing performance attribution on our portfolio, it is vital to remember that we construct our portfolio from the bottom up, one stock at a time. Each stock is included in the portfolio based on its own investment thesis. To help manage risk, we are aware of our sector and security weights, but we do not include a holding to obtain a sector distribution to resemble an index. Our exposure to any given sector is a result of our security selection process.

## REPRESENTATIVE PORTFOLIO HOLDINGS

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Amazon.com Inc. (AMZN)	Contributor	2.21%	Amazon.com operates retail Web sites that offer a broad range of items under various categories, with a focus on selection, price, and convenience. The company focuses on three primary customer sets: consumers, sellers, and developers. Amazon.com was founded in 1994 and is based in Seattle.	<p>Our original thesis for longtime holding Amazon.com was based primarily on two drivers of potential market-share gains. The first is the continuing shift from brick-and-mortar to online retailing, which is still only about 7% of total retail sales in the United States. The second is that Amazon.com has continued to take market share within online retailing, currently representing about 10%. Taken together, the firm still has less than 1% of the overall retail market. We like the convenience and attractive pricing that the company offers and believe that it has a significant runway for future growth.</p> <p>Amazon.com was a strong contributor to performance during the quarter, its shares gaining more than 44%. The company reported revenue, earnings, and operating margins that all beat expectations during the period.</p> <p>We remain optimistic about Amazon.com, which we consider a developing situation within our portfolio construction process. Our third-party checks have been highly positive, and we continue to like the company's business model from a free-cash-flow perspective. We also like its innovative products such as the Kindle reader, which should drive top-line growth and provide higher margins. The Kindle also adds an annuity-type sale in online books. We acknowledge that the company's valuation has risen, but we believe that its multiple is fair, based on our growth expectations and that its margin-expansion potential continues to be underestimated by the Street.</p>
Delta Air Lines Inc. (DAL)	Contributor/Buy	1.62%	Delta Air Lines provides scheduled air transportation for passengers and cargo in the United States and internationally. As of December 31, 2009, Delta, its Northwest subsidiary, and the Delta Connection carriers offered service to 368 destinations in 66 countries. Delta also participates in a trans-Atlantic joint venture with Air France KLM. Delta Air Lines was founded in 1924 and is based in Atlanta.	<p>Delta Air Lines is a valuation opportunity that we have held previously with successful results and that we reinvested in during the fourth quarter of 2009. We were attracted to Delta primarily because of how aggressively the overall airline industry had reduced capacity as the recession weakened demand, cutting it to pre-9/11 levels in many areas. We were encouraged to find through our "surround the company" research that much of the capacity had been removed permanently as aircraft were either parted out, converted to freight carriers, or sold to developing countries. We believed that with the industry now right-sized and with no way for capacity to increase quickly, any uptick in demand should result in stronger pricing. We were specifically attracted to Delta because we believed that it was the best-positioned airline to benefit from an economic recovery, as well as from significant cost savings as a result of its Northwest merger.</p> <p>Delta was a strong contributor to performance during the quarter, as signs began to emerge of the pricing improvement that we had expected.</p> <p>As a valuation opportunity, we would not expect Delta to be a long-term holding. We would likely take some profits if it continued to move higher, but we think that it still has upside potential as a result of continued pricing improvement as business demand comes back. We also like that Delta appears to be ahead of schedule in terms of realizing the cost synergies from the Northwest merger.</p>

*(Continued on next page.)*

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Yahoo! Inc. (YHOO)	Detractor	1.84%	Yahoo! is a leading global provider of Internet services to users, advertisers, publishers, and developers. Yahoo! provides services through its owned and operated online properties, as well as a distribution network of third-party entities. Yahoo! was founded in 1994 and is based in Sunnyvale, California.	<p>We owned Yahoo! previously and added it back into the portfolio as a developing situation in the third quarter of 2009. We like the company's planned partnership with Microsoft for search, which will let Yahoo! eliminate significant R&amp;D costs by powering its search with Microsoft's Bing engine. We acknowledge that Yahoo! will see lower revenue from search, but we believe that its margins should be much higher. We like that Yahoo! will be able to focus on its display business. We are also encouraged that its viewership increased dramatically after it revamped its homepage to display content more relevant to the feedback from search queries and click-throughs.</p> <p>Yahoo! was a detractor during the quarter, despite reporting solid earnings that beat expectations. We believe that the Street may have been looking for more discussion of its near-term top-line outlook as opposed to cost management.</p> <p>We continue to like Yahoo! and believe that its valuation remains highly attractive. We like the cost management and believe that it should lead to a solid uplift in margins. We are optimistic that the top-line growth should come as the economy recovers, and we are encouraged to see signs of a return to ad spending. We also like the company's new management team of CEO Carol Bartz from Autodesk and CFO Tim Morse from Altera. We have had experience as a result of previous investments with both and are confident in their ability to manage costs and show strong business execution.</p>
Coca-Cola Enterprises (CCE)	Detractor/Sell	0.00%	Coca-Cola Enterprises is the world's largest marketer, producer, and distributor of Coca-Cola products. The company operates in 46 U.S. states and Canada and is the exclusive Coca-Cola bottler for all of Belgium, continental France, Great Britain, Luxembourg, Monaco, and the Netherlands. Its sales represent 16% of The Coca-Cola Company's worldwide volume.	<p>Coca-Cola Enterprises entered the portfolio as a developing situation in the second quarter of 2009. Our thesis for the company was based primarily on signs of increased volume in North America and improvement in profitability as many of its higher-cost hedges were rolling off. We were also encouraged that Coca-Cola Enterprises was aligning more closely with its parent company to try to drive higher-margin products through the system.</p> <p>Coca-Cola Enterprises was a detractor during the quarter. The company reported earnings that showed solid profitability, but we were a bit disappointed by signs of a reversal in its North American volumes. Although volumes had been up 10% before our purchase, they were down 5% during the quarter—even after allowing for an intentional shift away from lower-margin toward higher-margin products.</p> <p>We sold Coca-Cola Enterprises during the quarter partially because of the disappointing top-line results and partially because we were starting to find a number of more attractive opportunities. As the economic environment improved mid-year, we began to find several other opportunities that we believed had better near-term prospects. We prefer not to have such a short holding period, but the reality is that the investment environment is always changing, and as we find attractive new opportunities, we have to find a way to get them into the portfolio.</p>

## MARKET SUMMARY

The past year was not particularly kind for growth managers in general, but we were fairly pleased with our positioning overall. It was a challenging 12 months, as investors continued to focus intensely on the very near term. In that environment, we were pleased with the Fund's strong absolute performance for 2009. Although we were disappointed that the Fund underperformed its benchmark Russell 1000 Growth Index for the fourth quarter and the year, we point out that most of the underperformance occurred during the second quarter's low-quality rally. That type of environment has historically not been supportive of our bottom-up investment process that focuses on fundamentals. The second quarter's underperformance was primarily attributable to our reduced exposure in financials and our defensive core-growth positioning in consumer discretionary companies. We were encouraged that the Fund's performance gap narrowed through the balance of the year as investors began to refocus on company fundamentals.

During the challenging period of April and May, we remained true to our growth style and did not shift into the high-risk, highly levered, very low-quality companies that were leading the rally. Some managers did make that shift and ended up benefiting, but that is not what our investment process is designed to do. We are bottom-up growth investors. Our "surround the company" research process focuses on finding companies that are executing well and growing their businesses. Our investment process is not top-down, and we do not invest based on macro calls. We consider a reliable and verifiable set of assumptions in calculating each company's potential for earnings production and then try to determine a fair price to pay for those companies.

Valuation is currently not the most challenging part of the process, as we believe that growth stocks are trading at highly attractive valuations. Part of the reason that 2009 was challenging, however, was that little information was either reliable or verifiable. Given our experience through multiple market environments, we are familiar with these types of brief low-quality flare-ups and have historically made up for any underperformance in future periods. We saw similar rallies in the fourth quarter of 2001 and December 2002, when we also underperformed the index but later made up those gaps. What is different in the recent period is that earnings growth has not yet arrived. The market multiple expanded about 30% in 2009, whereas the total return of the S&P 500 Index was about 26%. The differential was earnings, which saw no growth and actually declined from what had been expected at the beginning of the year.

In general, stock performance during 2009 was uncharacteristically most correlated with debt on the balance sheet. The companies that outperformed the most in 2009 tended to be the most highly levered, but those firms are generally characterized by weaker growth prospects and do not fit into our investment process. Many highly levered companies benefited from receiving a "get-out-of-jail-free card" as the bond market rallied. As 2009 came to a close, we believed that the market was set to enter a period when earnings should again correlate with stock-price performance. Our process has historically done well in that type of environment.

## OUTLOOK

Going forward, we think that the table has been set for much higher growth than expected in 2010. We are optimistic that the environment is shifting to a stock-pickers' market, in which correlations decline and growth actually matters again. We believe that the market is about to enter a growth cycle, based on the significant incremental margins resulting from the massive corporate cost cutting. We doubt that the United States will be the low-cost leader in the production of petrochemicals, fertilizers, and steel, but we do think it can be a leading innovator in technology, consumer brands, and medical technology.

We continue to closely watch the credit markets, where spreads have tightened significantly and yields are extremely low. In 25 years in the business, this is the first time that we have seen investors extremely bullish on global bond markets but bearish on equity markets. We believe that scenario does not make sense because bonds are the cost of capital for corporations. If the cost of capital declines significantly, then companies do not need much of a return to invest and generate earnings. Further, we have never seen a spike in spreads like we saw in early 2009. Yet, spreads are now back to where they were in the early 1980s, when the federal funds rate was at about 10%. We believe that the current combination of a federal funds rate near zero and spreads at the same levels they were at in the 1980s represents powerful potential rocket fuel for corporations.

We are encouraged by the overall health of corporations, many of which have piled up a lot of cash on their balance sheets. Many have low-cost debt, high cash balances, strong free cash flows, and high productivity. We believe that companies are holding cash to retain their credit ratings as they remain unsure about whether another shoe is yet to drop. As proof that the fear has not subsided, companies are not following the historical pattern of ramping up production in response to increasing orders. We think that should make the catch-up even more powerful and that earnings forecasts for many firms may be too low.

We also believe that expectations for overall Gross Domestic Product (GDP) in 2010 may be too low. The U.S. economy just experienced one of its worst recessions in history. After the 1981–1982 recession, earnings jumped 75% and GDP was above 5%. We are not looking for those types of numbers, but we believe that Wall Street's growth expectations may be too conservative. If companies start to spend, we believe that earnings growth may be much stronger and that overall GDP growth could come in at about 3.5% to 4%.

We acknowledge that consumers have been pummeled and that job growth is key to the recovery. However, we view the current cycle as more like "your father's recession" than the shallower recessions more recently. We believe that what this economy needs is jobs, not lower interest rates or better access to credit for consumers. Job growth is what led economies to recover and earnings to take off in the 1950s, '60s, and '70s. In those decades, job growth picked up when companies gained comfort to resume spending. We believe that increasing orders, low inventories, and high productivity mean that companies will likely have to ramp up production and spending in 2010. We believe that should drive capital expenditures, earnings, wages, jobs, GDP, and all the other things that will likely pull the economy into your father's old-fashioned type of recovery.

## Fund Information

QUARTERLY REPORT: Q4 2009

## TOP HOLDINGS

Stock	% of Net Assets
Apple Incorporated	5.00%
Microsoft Corporation	4.82%
Google Incorporated—CI A	4.29%
Cisco Systems Incorporated	3.21%
Oracle Corporation	2.85%
MasterCard Incorporated—CI A	2.65%
DirecTV Group Incorporated—CI A	2.62%
Avon Products Incorporated	2.62%
Motorola Incorporated	2.55%
Juniper Networks Incorporated	2.46%

## PORTFOLIO CHARACTERISTICS

	Fund	Russell 1000 Growth Index
Weighted Average Market Cap	\$61.89B	\$77.62B
Weighted Median Market Cap	\$26.59B	\$39.02B
EPS Growth (3- to 5-year forecast)	13.32%	11.33%
P/E Ratio (trailing 12-month)	25.18x	19.43x
Turnover <sup>1</sup>	170.29%	—
P/B	3.13x	3.60x
P/S	1.61x	1.58x
Number of Equity Holdings	57	623

## FUND FACTS

Inception Date	11-3-97
Net Expense Ratio—Admin	0.94%
Assets—All Share Classes	\$1,485.99M

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
Capital Growth Fund—Admin	35.17%	-4.38%	0.18%	1.45%
Russell 1000 Growth Index	37.21%	-1.89%	1.63%	-3.99%
Lipper Large-Cap Growth Funds Average	35.03%	-2.69%	0.89%	-2.90%
Morningstar Large Growth Average	35.68%	-2.89%	1.21%	-2.11%

## RANKINGS AND RATINGS

Morningstar Total Return Rankings—Administrator Class (as of 12-31-09)

Morningstar Category:	Large Growth
1 Year	806 out of 1,796 funds
3 Year	1,091 out of 1,548 funds
5 Year	875 out of 1,276 funds
10 Year	72 out of 698 funds

Overall Morningstar Rating™ ★★

The Overall Star Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 1,548 funds in the Large Growth category, based on risk-adjusted return as of 12-31-09.

PERFORMANCE AND VOLATILITY MEASURES<sup>2</sup>

	Fund
Alpha	-2.15%
Beta	1.09
Sharpe Ratio	-0.30
Standard Deviation	22.15%
R-Squared	0.94
Information Ratio	-0.45
Upside Capture	100.51%
Downside Capture	108.77%
Tracking Error	5.93%

Past performance is no guarantee of future results.

2. Calculated for Administrator 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 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.

**The Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index.

**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. 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 foreign investment 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.

Administrator Class shares inceptioned on June 30, 2003. Performance shown prior to the inception of the Administrator Class reflects the performance of the Investor Class shares and includes expenses that are not applicable to and are higher than those of the Administrator Class shares. The Investor Class shares of the predecessor fund inceptioned on November 3, 1997.

Please note, some of the Morningstar<sup>®</sup> proprietary calculations, including the Morningstar Rating<sup>™</sup> 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 breakpoints 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 Large Growth funds, the Capital Growth Fund received two stars among 1,548 funds, two stars among 1,276 funds, and four stars among 698 funds for the three-, five-, and ten-year periods, respectively. Morningstar Ratings are for the Administrator 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](http://www.wellsfargo.com/advantagefunds). Read it carefully before investing.*

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