

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

# Wells Fargo Advantage Discovery Fund<sup>SM</sup> (WFDDX)

**Portfolio Managers:** James M. Leach, CFA; Thomas J. Pence, CFA

**Subadvisor:** Wells Capital Management

**Category:** Small/Mid 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 (12-31-87)
<b>Discovery Fund–Admin</b>	6.65%	38.66%	38.66%	-1.43%	3.13%	5.92%	10.49%
<b>Russell 2500™ Growth Index</b>	5.57%	41.66%	41.66%	-3.13%	2.00%	-0.18%	–

\*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 February 28, 2010, to waive fees and/or reimburse expenses to maintain the Fund’s net expense ratio at 1.15%. 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 1.25%.*

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 outperformed its benchmark, the Russell 2500 Growth Index, for the quarter. Stock selection was the primary source of this outperformance. The Fund underperformed for the 12-month period that ended December 31, 2009.
- The quarter’s outperformance was primarily attributable to our holdings within the consumer discretionary sector, particularly our positions in auto components companies. Our focus on companies in this industry that have strong balance sheets and effective inventory-control measures benefited Fund performance.
- Security selection was weakest in financials, particularly in capital markets companies. Within the small/mid cap space, regional banks have remained susceptible to the continued constraints on credit, as well as local commercial loans that have fallen into default.

## MARKET AND PORTFOLIO OVERVIEW

In looking back at the past year, the market did not broadly reward active asset management. In general, stocks during 2009 were uncharacteristically correlated with debt on the balance sheet. The companies that outperformed the most tended to be the most highly levered, but those firms are generally characterized by weaker growth prospects and do not fit within our process. Unfortunately, our lack of exposure to firms with heavy debt on their balance sheets detracted from our performance in the first half of the year. However, we were pleased to have narrowed that deficit through the remainder of the year.

Looking forward, we are optimistic that the investing environment is shifting to reward stock-picking and that the market is evolving to one in which correlations decline and growth matters again. We believe that the market is about to enter a growth cycle based on significant incremental margins as a result of the massive corporate cost cutting, and we are optimistic that earnings should again correlate with stock-price performance. Our process has historically done well in that type of environment.

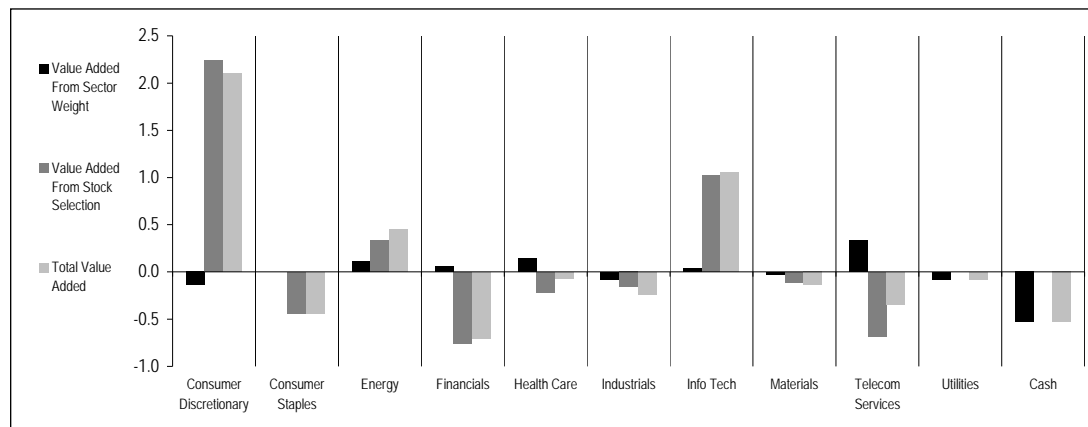
**CONTRIBUTORS**

- Stock selection was strongest in the consumer discretionary sector 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 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 Priceline.com. It also includes our holdings within the auto components industry, such as TRW Automotive, Autoliv, and Dana Holding. These auto-related companies have exposure to the value-conscious consumer seeking to prolong the life of an existing family vehicle versus taking on the debt and associated payments of a new car.
- Stock selection was also strong within the information technology (IT) sector. One of our strongest contributors was Veeco Instruments, a maker of LED chips and a component supplier to the hard-drive industry. We have seen a consistent uptick in penetration for LED chips, not only for hard drives but also in the television market. As a result of channel checks across our network of retailers, we believe that LED TVs will likely be the next generation of flat-panel television technology. This belief is due to a lower cost of manufacturing and shipping, which benefits the TV manufacturers, as well as a superior picture quality, which should appeal to early adopters of the technology. Veeco is currently only one of two suppliers of these chips, and with high barriers to entry within this space, we believe that the firm has a strong competitive position.

**DETRACTORS**

- Our security selection in financials, particularly capital markets companies, detracted significantly from performance. We focused on this industry in particular in recent quarters because of the void that had been left within the fixed-income market after the collapse of Lehman Brothers and Bear Stearns in 2008. However, as the quarter unfolded, we determined that government regulation and oversight within this market is likely to remain a heavy overhang. Although the timing of this oversight remains unclear, the lack of visibility led us to exit Knight Capital Group (see page 5) during the quarter.

**DISCOVERY FUND VERSUS RUSSELL 2500 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 quarter)</b>											
Discovery Fund	19.90%	3.21%	8.02%	6.66%	12.44%	11.77%	27.00%	0.46%	6.33%	0.00%	4.22%
Russell 2500 Growth Index	17.04%	4.54%	4.70%	8.38%	19.17%	14.89%	23.77%	4.86%	1.53%	1.12%	0.00%
Over/Underweight	2.86%	-1.33%	3.32%	-1.72%	-6.73%	-3.12%	3.23%	-4.40%	4.80%	-1.12%	4.22%
<b>Sector Returns</b>											
Fund Sector Return	16.65%	-7.37%	13.20%	-8.72%	1.83%	3.59%	11.40%	0.11%	3.39%	0.00%	0.02%
Index Sector Return	5.00%	6.01%	9.05%	1.72%	3.14%	5.79%	7.53%	6.52%	12.24%	12.78%	0.00%
Relative Return	11.65%	-13.38%	4.15%	-10.44%	-1.31%	-2.20%	3.87%	-6.41%	-8.85%	-12.78%	0.02%

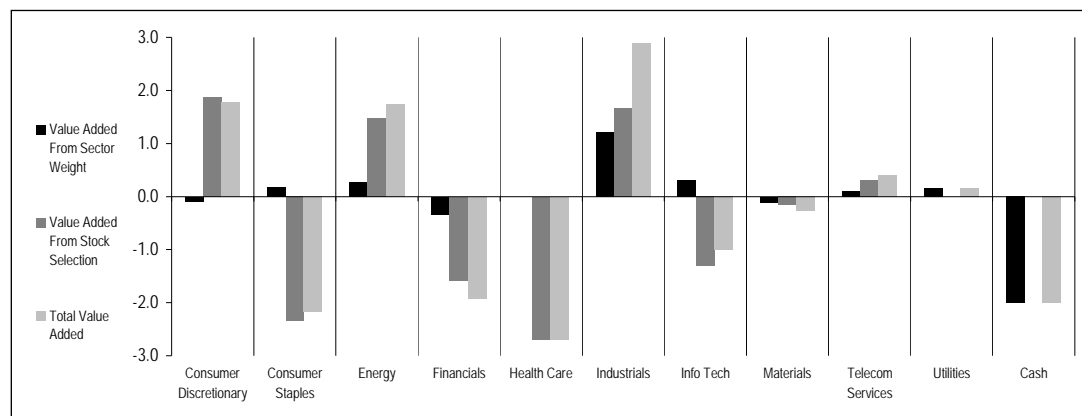
Source: FactSet  
**Past performance is no guarantee of future results.**  
 Sector weights are subject to change and may have changed since the date specified.

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 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.
- The names that we held in industrials, consumer discretionary, and energy were representative of our mid-year shift toward more cyclical growers and developing situation in these sectors.
- Although health care detracted for the year, we have found many compelling growth opportunities in the smaller market cap range. We have been able to gain product-specific exposure, particularly to distributors and to life science companies. Our rigorous fundamental research process continued to show solid fundamentals for the names we held in the sector, but the potential impact of health care reform and reimbursement risks remained concerns for investors.
- 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.

**DISCOVERY FUND VERSUS RUSSELL 2500 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>											
Discovery Fund	17.75%	3.21%	7.27%	6.85%	13.99%	12.68%	25.03%	3.61%	5.32%	0.00%	4.24%
Russell 2500 Growth Index	16.39%	4.19%	5.60%	7.09%	20.87%	16.76%	21.86%	4.76%	1.45%	0.98%	0.00%
Over/Underweight	1.36%	-0.98%	1.67%	-0.24%	-6.88%	-4.08%	3.17%	-1.15%	3.87%	-0.98%	4.24%
<b>Sector Returns</b>											
Fund Sector Return	71.75%	-17.10%	102.29%	6.98%	14.02%	29.96%	55.77%	33.30%	31.21%	0.00%	0.14%
Index Sector Return	56.87%	36.66%	63.45%	27.50%	31.03%	21.05%	61.62%	54.89%	33.58%	27.86%	0.00%
Relative Return	14.88%	-53.76%	38.84%	-20.52%	-17.01%	8.91%	-5.85%	-21.59%	-2.37%	-27.86%	0.14%

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
AsialInfo Holdings Inc. (ASIA)	Contributor	1.76%	AsialInfo Holdings is a leading provider of high-quality telecommunications software solutions and IT security products and services in China. Its largest customers are China's major telecom carriers: China Mobile, China Unicom, and China Telecom. AsialInfo was founded in 1993 in Dallas and moved its major operations to China in 1995.	<p>We invested in AsialInfo in the second quarter of 2009 as a developing situation based on the company's position as a leading provider of software and services for China's growing wireless telecommunications networks. China's deregulation of the industry put the country's three carriers—China Mobile, China Unicom, and China Telecom—on an even playing field. The resulting competition among them to offer the best service and coverage led to significant spending on 3G software and services. AsialInfo was gaining market share as a result of few other players competing in the Chinese market, and it was also seeing margin expansion as a result of leverage from the increasing sales. As part of our "surround the company" research, we gained conviction to make an investment by talking to AsialInfo, the Chinese carriers, industry experts, and others.</p> <p>AsialInfo was among our top contributors to performance during the quarter. The company's shares gained more than 52% as investors reacted positively to its deal to buy Linkage, one of its main competitors, and its better-than-expected earnings report.</p> <p>We remain optimistic about AsialInfo's long-term growth prospects, although we are reviewing its valuation in light of the significant recent share-price gains. We believe that AsialInfo should continue to see big business wins as the carriers roll out by provinces. The Linkage merger has also made the company the <i>de facto</i> standard for 3G in China, which we believe should help on pricing as a result of little competition.</p>
Virgin Media Inc. (VMED)	Contributor	1.16%	Virgin Media is a leading entertainment and communications business, providing broadband, television, mobile telephone, and fixed line telephone services in the United Kingdom. The company operates through three main segments: consumer, business, and content. Virgin Media was founded in 1993 and is based in New York.	<p>We initiated a position in Virgin Media as a developing situation in the first quarter of 2009 based on several factors. First, pricing was improving significantly after British Telecom—which is the 800-pound gorilla in the market—increased its rates by about 7% to 8%, thereby raising pricing for all the other carriers in the market. Virgin Media also benefited from an earlier price increase in 2008, as well as from its wholesale purchases of lines for bundled products. Second, we liked that Virgin Media was deleveraging. The company had cleaned up some of the debt on its balance sheet and cut expenses. We also saw potential added sizzle for Virgin Media in the broadband network it was installing. It was unclear how that opportunity would play out, but we were optimistic that strong demand for the increased speed would help boost pricing.</p> <p>Virgin Media was a contributor to performance during the quarter. The company's shares gained more than 21% during the period after it reported strong earnings that beat expectations and subscriber numbers increased, as we had expected.</p> <p>We trimmed our position in Virgin Media a bit into the stock-price strength. However, we subsequently raised our price target as the firm continued to produce better-than-expected results. Its average revenue per user had been stabilizing but is now starting to accelerate across all segments. With the increased valuation, we are doing more work to determine whether the firm is fairly valued or still has potential upside.</p>

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
<p>Knights Capital Group Inc. (NITE)</p>	<p>Detractor/Sell</p>	<p>0.00%</p>	<p>Knights Capital Group is a global capital markets firm that provides market access and trade execution services across multiple asset classes to buy- and sell-side firms. Knights hybrid market model features complementary electronic and voice trade execution services in global equities and fixed-income, as well as foreign exchange, futures, and options. Knights Capital Group was founded in 1995 and is based in Jersey City, New Jersey.</p>	<p>Knights Capital Group was a valuation opportunity that we sold during the quarter. When we originally invested in the company in the second quarter of 2009, it was hitting on multiple cylinders from a growth perspective. We liked that Knights was not involved in the governments Troubled Asset Relief Program (TARP) and were especially excited about prospects for its fixed-income business. The company also had several other growth opportunities and was expanding geographically. We spent a lot of time talking to people about the potential for Knights fixed-income business, including competitors, brokers, and others. It was clear that a middle-market void had been left as a result of the failures of Bear Stearns and Lehman Brothers.</p> <p>Knights was a detractor during the quarter as the company reported earnings that missed expectations, even though its underlying growth strategy appeared to remain intact. Knights was also dragged down by concerns about potential regulation of "dark pools" and IOI (indication of interest) business, which are among its key platforms.</p> <p>We sold Knights during the quarter because of the lack of clarity about the potential regulation. We were not overly concerned about the earnings miss, as we determined that it was a result of front-loading of expenses related to the companies growth. However, the regulatory issue represented a binary event that increased Knights risk profile. As a result, we decided to exit the position to focus on other opportunities.</p>
<p>Iridium Communications Inc. (IRDM)</p>	<p>Detractor</p>	<p>1.08%</p>	<p>Iridium Communications offers global mobile satellite services that provide critical voice and data services for areas not served by terrestrial communications networks. Iridium serves many commercial markets, as well as the U.S. Department of Defense and other U.S. and international government agencies. Iridium Communications is based in Bethesda, Maryland.</p>	<p>Our original thesis for developing situation Iridium Communications was based primarily on the many unique opportunities we saw for its satellite network. We are particularly excited about the rapid growth coming from the data side of its business, especially in machine-to-machine applications. Some examples are ocean buoy monitors used by fishermen and weather organizations, tracking of GPS transmitters on aircraft for drug-enforcement purposes, trucking, ship navigation, and multiple military applications. We like Iridiums high-revenue-stream model, as the company generates revenue in multiple ways: the device sale, a monthly fee regardless of usage, and another fee based on usage.</p> <p>Iridium was a detractor for the quarter, although it reported solid earnings and strong demand. We believe that the companies shares were pressured by the sale of warrants issued at the time of its IPO in September 2009. The stock went straight up after the IPO but then fell back and has not been able to get back to the deal price.</p> <p>We continue to be optimistic about the opportunities for Iridiums satellite network. Our view is that the pressure on the stock was the result of financial market issues, rather than fundamental issues. We acknowledge the risk in the need for the company to replace its entire satellite network around 2013 to 2014, but Iridium is in the process of raising money now, and we believe that it will be successful in that effort.</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 2500 Growth Index for 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 and that the Fund outperformed the index during the fourth quarter 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.

**TOP HOLDINGS**

Stock	% of Net Assets
SBA Communications Corporation—CI A	3.26%
Equinix Incorporated	2.81%
Veeco Instruments Incorporated	2.66%
Concho Resources Incorporated	2.66%
NetLogic Microsystems Incorporated	2.65%
LHC Group Incorporated	2.09%
Neutral Tandem Incorporated	2.08%
Micron Technology Incorporated	2.06%
F5 Networks Incorporated	2.06%
Urban Outfitters Incorporated	2.01%

**PORTFOLIO CHARACTERISTICS**

	Fund	Russell 2500 Growth Index
Weighted Average Market Cap	\$3.59B	\$2.31B
Weighted Median Market Cap	\$2.85B	\$2.20B
EPS Growth (3- to 5-year forecast)	15.50%	15.00%
P/E Ratio (trailing 12-month)	17.81x	18.80x
Turnover <sup>1</sup>	201.47%	—
P/B	2.35x	2.80x
P/S	0.85x	1.17x
Number of Equity Holdings	69	1,581

**FUND FACTS**

Inception Date	12-31-87
Net Expense Ratio—Admin	1.15%
Assets—All Share Classes	\$404.51M

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
Discovery Fund—Admin	38.66%	-1.43%	3.13%	5.92%
Russell 2500 Growth Index	41.66%	-3.13%	2.00%	-0.18%
Lipper Mid-Cap Growth Funds Average	40.40%	-3.27%	1.63%	0.11%
Morningstar Mid-Cap Growth Average	39.11%	-3.09%	1.76%	0.34%

**RANKINGS AND RATINGS**

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

Morningstar Category:	Mid-Cap Growth
1 Year	462 out of 812 funds
3 Year	240 out of 727 funds
5 Year	202 out of 631 funds
10 Year	35 out of 338 funds

Overall Morningstar Rating™ **★★★**

The Overall Morningstar Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 727 funds in the Mid-Cap Growth category, based on risk-adjusted return as of 12-31-09.

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

	Fund
Alpha	1.58%
Beta	0.96
Sharpe Ratio	-0.16
Standard Deviation	24.84%
R-Squared	0.90
Information Ratio	0.19
Upside Capture	102.78%
Downside Capture	98.14%
Tracking Error	7.94%

**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 2500 Growth Index** measures the performance of those Russell 2500 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. Smaller-company stocks tend to be more volatile and less liquid than those of larger companies. 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 April 11, 2005. Performance shown prior to the inception of the Administrator Class reflects the performance of the Investor Class shares of the predecessor fund, Strong Discovery Fund, and includes expenses that are not applicable to and are higher than those of the Administrator Class shares.

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 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 Mid-Cap Growth funds, the Discovery Fund received three stars among 727 funds, three stars among 631 funds, and four stars among 338 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.

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