

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

Wells Fargo Advantage Small Cap Growth Fund (WMNIX)**

Portfolio Managers: Jerome "Cam" Philpott, CFA; Stuart Roberts

Subadvisor: Wells Capital Management

Category: Small Cap Growth

FUND STRATEGY

- Conduct rigorous fundamental research on small to mid capitalization companies at an early or transitional stage of development, leading to unique insight before the market discovers their potential.
- Focus on companies that have sustainable earnings growth over the next two to three years, strong balance sheets, effective management teams, and competitive market positions.
- Maintain a strong awareness of company valuation in seeking to buy stocks trading at a discount to their growth rates.
- Follow a disciplined, two-tiered portfolio construction process that concentrates the core of the portfolio in our most seasoned (first-tier) positions while maintaining prudent diversification in smaller, less-seasoned (second-tier) positions.

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

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (7-13-90)
Small Cap Growth Fund—Admin	4.94%	51.05%	51.05%	1.15%	6.17%	0.46%	10.02%
Russell 2000® Growth Index	4.14%	34.47%	34.47%	-4.00%	0.87%	-1.37%	—

*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. 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 1.20%. 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 1.35%.

***The Small Cap Growth Fund is closed to new investors; however, you may purchase A, C, Investor, Administrator, and Institutional Class shares under limited circumstances. Please refer to the Statement of Additional Information for additional details.*

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 2000 Growth Index, for the quarter. The Fund's excess return was due to strong stock selection, which accounted for all of the outperformance. The Fund significantly outperformed the index for the 12-month period that ended December 31, 2009.
- Security selection was broad-based and particularly strong in industrials. Commercial services and supplies companies, along with professional services holdings, added the most to relative and absolute return within the sector. Sykes Enterprises (see page 4) was a notable first-tier contributor.
- Security selection was also strong in the information technology (IT) sector, primarily within the Internet software and services industry, including first-tier holdings such as GSI Commerce and VistaPrint.

MARKET AND PORTFOLIO OVERVIEW

At the close of the third quarter, as we reviewed the trauma of the prior 18 months, negative sentiment continued to dominate the market. However, we were optimistic that this negativity would continue to work its way out of the investor mindset in the subsequent months. Our view is that as companies continue to report strong earnings in the face of skepticism, growth becomes more sustainable across the market by shifting investor focus from what could go wrong to what is going right. We believe that the fourth quarter affirmed that this negativity is working itself out of the system. During the quarter, companies generally reported solid earnings that beat expectations. However, most did not drastically raise expectations, and the market did not over-reward those companies that outperformed consensus estimates. As 2009 came to a close, we believed that stocks were at a level at which investors were looking for earnings—rather than sentiment or multiple expansion, as occurred earlier in the year—to drive the market forward in 2010.

(See pages 8–9 for important information.)

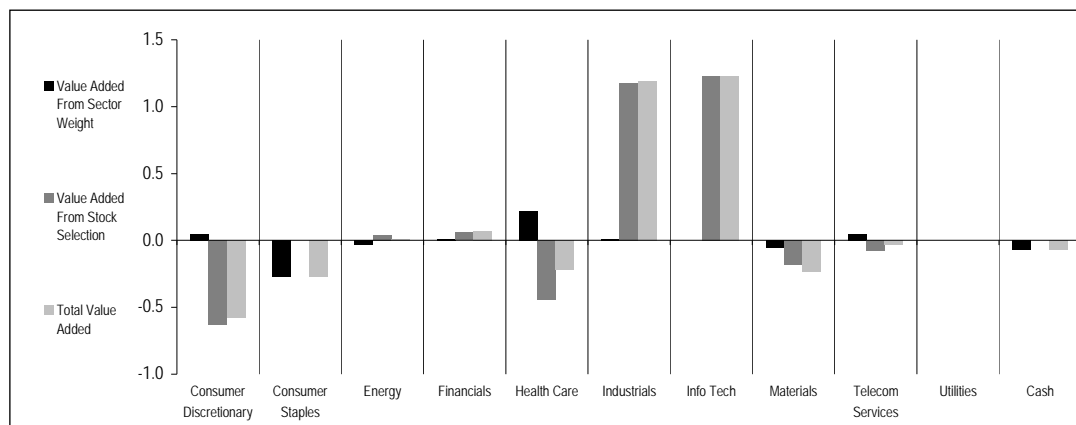
CONTRIBUTORS

- The industrials sector's performance improved during the fourth quarter after having lagged for most of the year. We believe that corporate budgets began to incorporate the need for additional resources to accommodate higher customer activity, which we believe should continue in 2010. Our strongest performance within this sector came from the professional services and commercial services industries. First-tier positions Sykes Enterprises (see page 4) and InnerWorkings both posted double-digit returns for the quarter.
- Within the technology sector, our holdings in the Internet software and services industry were our standout contributors. A significant concentration of small cap companies with exposure to e-commerce has benefited from an acceleration of the secular shift to online retailing in recent years. Additional strength within the sector came from communications equipment industry holdings. Shares of second-tier holding DG FastChannel, a leading digital technology provider, gained 33% during the quarter after the company posted record quarterly earnings.

DETRACTORS

- Within the consumer discretionary sector, we have tended to invest in media names, as well as hotels, casinos, and leisure-focused companies such as Great Wolf Resorts, Pinnacle Entertainment, and Scientific Games (see page 5). Although these companies reported solid results during the quarter that were in-line with our expectations, we believe that shareholders were looking for another sharp rally similar to what occurred in the spring. Our view is that during the quarter there was a shareholder migration within the sector, as investors turned to other areas for early cycle trades that they were not finding in the consumer space. We remain confident in the fundamentals of the companies we hold within the sector and believe that their long-term growth prospects far outweigh the near-term noise that pressured their shares during the quarter.

SMALL CAP GROWTH FUND VERSUS RUSSELL 2000 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)											
Small Cap Growth Fund	18.12%	0.00%	3.22%	6.38%	15.40%	20.10%	30.83%	1.47%	3.67%	0.00%	0.81%
Russell 2000 Growth Index	16.23%	3.99%	4.11%	5.87%	23.91%	14.68%	26.94%	2.40%	1.65%	0.22%	0.00%
Over/Underweight	1.89%	-3.99%	-0.89%	0.51%	-8.51%	5.42%	3.89%	-0.93%	2.02%	-0.22%	0.81%
Sector Returns											
Fund Sector Return	1.78%	0.00%	11.25%	1.42%	-1.09%	10.05%	7.85%	-3.21%	3.74%	0.00%	0.02%
Index Sector Return	5.10%	11.28%	10.14%	1.66%	1.49%	3.98%	4.18%	9.48%	5.58%	3.07%	0.00%
Relative Return	-3.32%	-11.28%	1.11%	-0.24%	-2.58%	6.07%	3.67%	-12.69%	-1.84%	-3.07%	0.02%

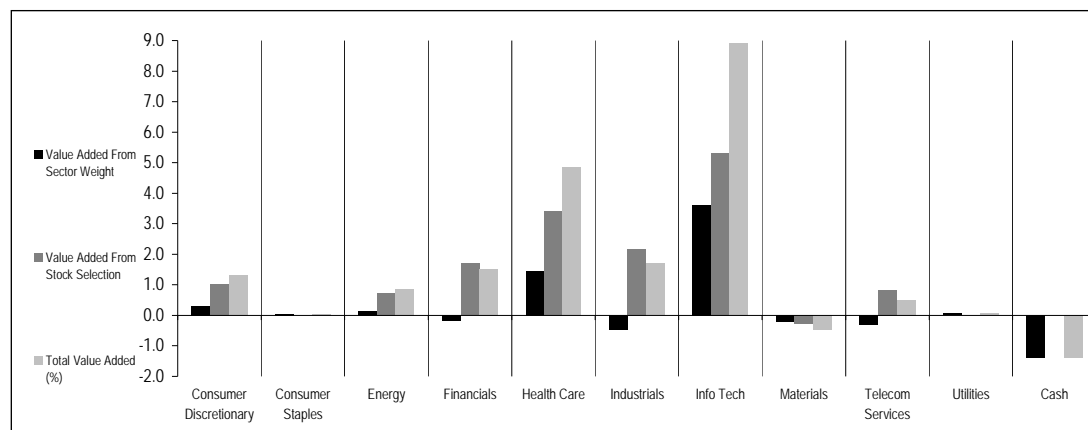
Source: FactSet
Past performance is no guarantee of future results.
 Sector weights are subject to change and may have changed since the date specified.

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

- Our focus on fundamentally strong companies that concentrate on organic, rather than acquisitive, growth continued to contribute to the Fund's strong outperformance over the rolling 12-month period. The first quarter of 2009 was characterized by strong performance from low-beta companies and defensive sectors, while the second quarter saw performance leadership shift to high-beta companies in cyclical sectors. In each scenario, investors tended to reward companies when they posted results that were not as bad as expected. Through the end of the third quarter and into the fourth quarter, top-line growth remained weak, but many companies beat expectations for bottom-line earnings as a result of significant cost cutting. Investors were looking for guidance in the second half of 2009, and that improvement in earnings helped to fuel optimism within the market.
- Results within the information technology sector were a significant source of outperformance during the year. It has been clear to us that there is a secular shift toward online retailers, which was more evident this past holiday season than ever before. Within the small cap space, there tends to be a strong opportunity for investment in companies exposed to this migration toward online spending, such as priceline.com, Shutterfly, and Orbitz Worldwide. Looking ahead, we continue to see opportunities across technology, as many firms in the sector play an important role in how companies improve productivity and streamline their cost structures.
- Health care contributed over the past 12 months as we remained significantly underweight the index. Within the small cap space in particular, where many of our holdings in the sector are one-product companies, the proposed health care reform in Washington had the potential to be devastating to companies susceptible to reimbursement risk. As 2009 came to a close, the proposed legislation looked more benign than it had mid-year, which we view as a positive for our positions within the sector going forward.
- Looking ahead to 2010, we are aware that investors expect growth and that companies will likely need to put up strong results to see solid share-price performance. We do not think that companies will continue to see significant share-price gains from posting results that are merely not as bad as expected.

SMALL CAP GROWTH FUND VERSUS RUSSELL 2000 GROWTH 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)											
Small Cap Growth Fund	16.19%	0.00%	3.07%	6.70%	15.20%	18.62%	33.38%	0.67%	3.64%	0.00%	2.48%
Russell 2000 Growth Index	14.75%	3.52%	5.12%	5.56%	24.91%	16.08%	25.28%	2.52%	1.67%	0.54%	0.00%
Over/Underweight	1.44%	-3.52%	-2.05%	1.14%	-9.71%	2.54%	8.10%	-1.85%	1.97%	-0.54%	2.48%
Sector Returns											
Fund Sector Return	67.41%	0.00%	68.61%	33.88%	43.35%	23.17%	76.54%	38.79%	41.38%	0.00%	0.14%
Index Sector Return	58.46%	34.89%	42.32%	11.09%	22.45%	12.12%	60.40%	48.04%	22.77%	14.58%	0.00%
Relative Return	8.95%	-34.89%	26.29%	22.79%	20.90%	11.05%	16.14%	-9.25%	18.61%	-14.58%	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
Sykes Enterprises Inc. (SYKE)	Contributor	2.48%	Sykes Enterprises is a global provider of customer contact management solutions and services in the business process outsourcing (BPO) arena. Sykes provides an array of sophisticated customer contact management solutions, which include customer assistance, health care and roadside assistance, technical support, and product sales to its clients' customers. Sykes was founded in 1977 and is based in Tampa, Florida.	<p>Sykes Enterprises is a longtime first-tier holding. We were attracted to the company's higher-end outsourced call center services, which provide highly trained workers with diverse language capabilities across multiple global geographies. The higher level of services that Sykes offers enhances the customer experience for clients and commands a higher price point than the low-end providers. Customers generally call a company when they have a problem, so poor call center services typically result in customer churn. We liked the company's broad diversification of end markets and low customer-concentration risk.</p> <p>Sykes was among our top contributors to performance during the quarter. The company's shares gained more than 22% after it announced an agreement to buy ICT Group, which gives it more exposure in Europe. ICT offers a similar high-end focus as Sykes, but it does not have the same scale or efficiency. As a result, we think Sykes has an opportunity to significantly enhance ICT's revenues and operating margins over the next two to three years.</p> <p>We continue to like Sykes and believe that it has strong growth prospects as more companies continue to assess their cost structures and look for outsourcing solutions. Our view is that the economic turmoil of recent years has increased these opportunities and may result in enhanced growth rates for Sykes.</p>
TeleTech Holdings Inc. (TTEC)	Contributor	0.73%	TeleTech is a leading global provider of technology-enabled business process outsourcing solutions, which include outsourced business process, customer management, and marketing services for a variety of industries. As of December 31, 2009, the company provided services from about 36,000 workstations across 71 delivery centers in 17 countries. TeleTech was founded in 1982 and is based in Englewood, Colorado.	<p>TeleTech is a second-tier position that operates in a similar business to Sykes Enterprises. The company also offers higher-end outsourced call center services, although its business is a bit less diversified than that of Sykes. We like TeleTech's business also, but the company remains a smaller position within the portfolio because its business is a bit more cyclical in nature. TeleTech is exposed to the travel market, and wireless carrier Sprint is its biggest customer. TeleTech provides a good illustration of how we position the portfolio when we find multiple attractive opportunities within one industry. We think of our exposure to these end markets together because TeleTech and Sykes offer very similar services. Together, the two companies represent a first-tier position, although Sykes commands a first-tier position by itself because we believe that it is a bit better positioned on the margin as a result of its lower customer concentration and more diverse end markets.</p> <p>TeleTech was a contributor to performance during the quarter. The company posted solid earnings and continued to grow its business. We believe that its shares did not advance as much as Sykes' because it lacked the benefit of Sykes' acquisition of ICT. We continue to like TeleTech, although it is likely to remain a second-tier position as long as Sykes is in the portfolio. That said, if Sykes were to reach our price target and exit the portfolio, it is possible that TeleTech could become a first-tier position.</p>

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Synchronoss Technologies Inc. (SNCR)	Contributor	1.52%	Synchronoss Technologies is a leading global provider of on-demand transaction management software platforms that automate subscriber activation, order management, and service provisioning for all connected devices across any communication service from any channel. The company works mostly with wireless carriers, but it has expanded into cable and some e-commerce platforms. Synchronoss was founded in 2000 and is based in Bridgewater, New Jersey.	<p>Synchronoss Technologies is a first-tier holding that has been in the portfolio for a couple of years. We like the breadth of the company's business, which concentrates on providing activation software to consumer device companies as well as to carriers. Activation is important because if it is not done well, the carriers are unable to bill minutes accurately to collect revenue, which is their lifeblood. For example, Apple sells the iPhone, but AT&T Wireless only collects revenue if the activation is done properly. As a result, there are a lot of barriers to entry to Synchronoss' business. We recognized an opportunity to initiate a position a couple of years ago when the company's shares came under pressure due to what we believed was a misperception about how revenue related to the iPhone would flow through the income statement. The company executed well after that, and it moved into the top tier after adding more platforms and demonstrating that it could expand its business beyond the iPhone. Synchronoss was a strong contributor for the quarter and the year. It continued to show solid execution, improve its platforms, and broaden its customer base.</p> <p>We remain optimistic about Synchronoss. The company continues to execute well on the growth roadmap that it laid out a couple of years ago. During the quarter, the company announced a large contract, which we believe was likely with Nokia. It is also moving into e-commerce platforms and expanding internationally.</p>
Scientific Games Corp. (SGMS)	Detractor	2.34%	Scientific Games is a leading integrated supplier of instant tickets, systems, and services to lotteries worldwide; server-based gaming machines and systems; interactive sports betting terminals and systems; and wagering systems and services to pari-mutuel operators. The company is also a licensed pari-mutuel gaming operator in Connecticut, Maine, and the Netherlands and is a leading supplier of prepaid phone cards to telephone companies. Scientific Games was founded in 1984 and is based in New York.	<p>Scientific Games is a first-tier holding that has seasoned within the portfolio over the last year. We like the company's end markets and see strong growth potential for lotteries, as states and municipalities increasingly turn to them to raise funds for operations. We also see significant international growth prospects for the company. Scientific Games operates in essentially a duopoly, and it is difficult for competitors to get the critical scale to break into the business. We followed the firm for a long time before we invested because we thought the CEO at the time was not focused enough on operations, maximizing margins, and controlling expenses. We gained conviction to invest in the firm after a new CEO, Joseph Wright, came in a couple of years ago and tightened capital spending, increased cash flow, and cleaned up the balance sheet.</p> <p>Scientific Games was a detractor during the quarter as concerns about a management change continued to pressure its shares. Investors are taking a "wait and see" attitude after Scientific Games announced in October that Mr. Wright planned to retire and that the company's president and COO, Michael Chambrello, would take over as CEO.</p> <p>We remain optimistic about Scientific Games. We understood that Mr. Wright would not be a longtime CEO, and we are comfortable that Mr. Chambrello plans to continue the improvements. None of the company's end markets have changed, and we believe that Scientific Games should continue to see margin expansion and scale efficiencies.</p>

MARKET SUMMARY

We were pleased that the portfolio outperformed its benchmark, the Russell 2000 Growth Index, for the fourth quarter, even as the absolute returns of the index moderated. During the quarter, many companies continued to report solid earnings, although they did not broadly raise expectations as in the previous quarter. Although the broad market advance continued, the significant multiple expansion of previous quarters moderated as companies tended to see less reward for reporting stronger-than-expected numbers.

In looking across various business sectors, industrials saw some strength in the fourth quarter after having been a laggard for most of the year. We think that the quarter's strength was partially attributable to a catch-up in performance after weaker performance during the first nine months of the year. As macro data on manufacturing, payrolls, and industrial production improved, we believe that investors began to gain greater conviction that economic growth should strengthen in 2010. We are seeing that trend within our professional services holdings, where companies are releasing budgets for 2010 as customers are starting to behave more constructively. That compares with a year ago when companies were releasing limited information on budgets and spending plans. Firms have also cut their cost structures significantly and are sized for a much lower level of activity than they are generally seeing now. That has resulted in high levels of worker productivity, which has historically led to increasing hiring. Professional services plays into that as companies try to find workers who can quickly help them meet higher demand.

Despite the signs of business improvement, investors continued to wrestle with questions over whether the recovery is merely the result of public stimulus and whether enough private spending exists to sustain the recovery. How the transition from public to private spending occurs remains a significant concern. We believe that jobs growth is key to many of those questions. Our view is that improving jobs data should help boost private spending. We do not think that a second stimulus bill is necessary because less than half of the first stimulus money was spent in 2009, and a significant amount of spending is still slated for 2010. Aggregate demand is also starting to increase from the private side—evident in auto production, payrolls, hours worked, and other metrics. That type of data gives us optimism that private spending is likely on the horizon and should be able to handle the transition. The question of when the Fed will take away its balance sheet stimulus is significant, but we believe that it is likely an issue for late 2010 and 2011.

A metric that we have focused on is corporate debt levels. We have examined the companies in the portfolio to see which have debt that matures in the 2012 to 2014 window. Our research has shown that many companies across the market have a large quantity of debt coming due in that time frame. We are encouraged to see some of our companies taking advantage of current conditions to restructure debt because we believe that companies that wait are likely to face a risk of having to pay higher spreads and absolute coupons. As bottom-up, fundamental investors, we do not form top-down views on inflation or other macro indicators. That said, we do expect the yield curve to rise, which would put upward pressure on companies' cost of funds, along with the pressure caused by the aggregate amount of debt that is coming due in those years. As a result, we believe that companies that can refinance now may do better than those that wait.

OUTLOOK

Looking forward into 2010, we believe that stocks ended 2009 at a level at which investors are looking for earnings, rather than sentiment or multiple expansion, to dictate the movement in stock prices. We believe that most investors are expecting the economy to show positive growth, but that they are going to want to see strength in corporate earnings rather than a macro event such as payroll growth to increase their valuations for stocks. We view it as a similar situation to what occurred in 1992 and 2004. Those years produced more muted advances after strong rallies in 1991 and 2003, respectively. Multiples compressed in 1992 and 2004, as investors looked at the level of earnings that were coming through rather than pushing the market up on sentiment. Investors now expect growth, so companies need to put up good results to have positive stock-price performance, rather than just showing numbers that weren't as bad as expected earlier in 2009. We believe that the market is now in the earnings-driven phase of its advance and that the extent of that advance in 2010 will depend on the strength of earnings.

Investors will also have to start digesting a number of issues in the second half of 2010. These include how the Fed will remove its balance sheet stimulus from the economy and how rising interest rates will affect consumer behavior. We believe that those issues are unlikely to affect stocks in the first half of 2010 but that they should become significant issues in the second half of the year. Until then, we believe that earnings are likely to be the primary driver of growth.

In terms of consumer strength, we believe that international consumers were generally less affected by the global economic slowdown than were domestic consumers. We think international consumers are a bit stronger in aggregate, although in talking with our companies we are seeing that the U.S. consumer is proving more resilient than had been expected. We acknowledge that the amount of leverage is unlikely to return to previous levels, but we are seeing evidence that consumers are spending again. We believe that consumer behavior over the next five years is likely to be more muted than in recent years, but the extreme levels of fear that were evident in the spring have largely dissipated even though the official unemployment rate is higher now than it was then. People who have jobs appear to be more confident about keeping their jobs than they were in March. Consumers may not be poised to lever up personally, but they seem to have become more comfortable in spending a portion of their paychecks. We expect to see payroll growth turn positive in coming quarters, which should help U.S. consumer spending.

We are more optimistic about the prospects for increased capital spending on the corporate side than we are about consumer spending. Businesses are healthier than consumers in aggregate because of high levels of cash on their balance sheets and other metrics. In talking with individual companies, we are already seeing budgets for 2010 that are better than we had expected. Various business surveys are also showing better capital spending trends than had been expected across industries, particularly within information technology. We continue to have strong exposure to professional services, which benefit from that phenomenon, as well as to the underlying IT companies themselves. Overall, we are confident in the fundamentals of the stocks in the portfolio, and we think that the fundamentals of the broader market are also continuing to improve.

TOP HOLDINGS

Stock	% of Net Assets
GSI Commerce Incorporated	3.28%
SkillSoft PLC ADR	2.61%
Sykes Enterprises Incorporated	2.48%
Gartner Incorporated	2.42%
Scientific Games Corporation	2.34%
Cbeyond Incorporated	2.27%
Global Cash Access Holdings Incorporated	2.08%
National Cinemedia Incorporated	1.83%
Resources Connection Incorporated	1.79%
Shutterfly Incorporated	1.79%

PORTFOLIO CHARACTERISTICS

	Fund	Russell 2000 Growth Index
Weighted Average Market Cap	\$1.06B	\$1.09B
Weighted Median Market Cap	\$1.00B	\$0.95B
EPS Growth (3- to 5-year forecast)	17.50%	16.00%
P/E Ratio (trailing 12-month)	17.87x	16.23x
Turnover ¹	73.27%	–
P/B	2.26x	2.73x
P/S	1.14x	1.16x
Number of Equity Holdings	99	1,275

FUND FACTS

Inception Date	7-13-90
Net Expense Ratio–Admin	1.20%
Assets–All Share Classes	\$961.72M

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
Small Cap Growth Fund–Admin	51.05%	1.15%	6.17%	0.46%
Russell 2000 Growth Index	34.47%	-4.00%	0.87%	-1.37%
Lipper Small-Cap Growth Funds Average	36.20%	-4.90%	0.23%	-0.18%
Morningstar Small Growth Average	35.46%	-4.89%	0.37%	0.60%

RANKINGS AND RATINGS

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

Morningstar Category:	Small Growth
1 Year	54 out of 778 funds
3 Year	20 out of 669 funds
5 Year	8 out of 563 funds
10 Year	156 out of 317 funds

Overall Morningstar Rating™ ★★★★★

The Overall Morningstar Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 669 funds in the Small Growth category, based on risk-adjusted return as of 12-31-09.

PERFORMANCE AND VOLATILITY MEASURES²

	Fund
Alpha	6.47%
Beta	1.06
Sharpe Ratio	-0.03
Standard Deviation	27.41%
R-Squared	0.93
Information Ratio	0.72
Upside Capture	113.04%
Downside Capture	95.37%
Tracking Error	7.85%

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 2000 Growth Index measures the performance of those Russell 2000 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. 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 incepted on June 9, 2003. Performance shown prior to the inception of the Administrator Class reflects the performance of the Class A shares and includes expenses that are not applicable to and are higher than those of the Administrator Class shares, but does not include Class A sales charges. If it did include Class A sales charges, returns would be lower.

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 Small Growth funds, the Small Cap Growth Fund received four stars among 669 funds, five stars among 563 funds, and three stars among 317 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. Read it carefully before investing.

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