

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

Wells Fargo Advantage Small Cap Opportunities Fund (NVSOX)**

Portfolio Manager: Jenny B. Jones

Subadvisor: Schroder Investment Management North America Inc.

Category: Small Cap Growth

FUND STRATEGY

- We invest in small-cap domestic stocks that typically fall into the core space but have a growth bias. Our lead portfolio manager has 29 years of dedicated small-cap investing experience.
- To manage risk, we diversify the sources of growth in our portfolio into three types: mispriced growth, "steady eddies," and turnarounds.
- We invest only in companies in which we have a strong conviction, as well as a thorough understanding of their risks and opportunities that we gain through bottom-up research. For us, this means analyzing a company's business model, interviewing its management, and assessing its financials to determine a valuation.
- Our deep experience in assessing small-cap stocks, combined with our bottom-up valuation, gives us a disciplined sell ethic that is vital in the relatively more volatile world of small-cap investing.

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

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (8-1-93)
Small Cap Opportunities Fund—Admin	5.67%	33.82%	33.82%	0.24%	5.46%	10.42%	13.13%
Russell 2000® Index	3.87%	27.17%	27.17%	-6.07%	0.51%	3.51%	—

*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 1.30%.

**The Fund is closed to new investors.

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

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KEY DRIVERS OF PERFORMANCE

- The Fund outperformed its benchmark, the Russell 2000 Index, for the quarter and 12-month period that ended December 31, 2009.
- We invest in companies with solid business models selling at reasonable prices. Our bias toward high-quality companies benefited returns during the recent quarter.
- Stock selection drove outperformance, particularly within the health care, industrials, consumer staples, and technology sectors, while investments in certain individual holdings, such as Investment Technology Group (ITG) and others within the financials sector, held back additional gains.

MARKET AND PORTFOLIO OVERVIEW

The quarter marked a transition in broad market leadership from low quality to high quality and from small cap to large cap. The low-quality rally that led the market advance from its bottom in March through September ran out of steam during the quarter. Also in contrast with prior trends, earnings fundamentals seemed to be better for larger-cap companies relative to smaller-cap companies, despite similar valuations.

Our portfolio did not purposely favor any particular sector. We continued to emphasize bottom-up stock selection, seeking companies with attractive business models, good business fundamentals, and sensible financial structures that sell at reasonable prices.

During the quarter, we found investment opportunities among both mispriced growth stocks and steady eddies at approximately the same pace. These two types of companies performed similarly overall, as investors favored steady eddies' defensive characteristics during October's market decline but bid up mispriced growth stocks during November's market rebound. In December, there was little difference in the returns of steady eddies and mispriced growth stocks. Mispriced growth companies account for nearly 53% of the portfolio, while steady eddies account for approximately 43%. Turnaround stocks comprise nearly 4% of assets and are toward the lower end of their typical range.

(See pages 8–9 for important information.)

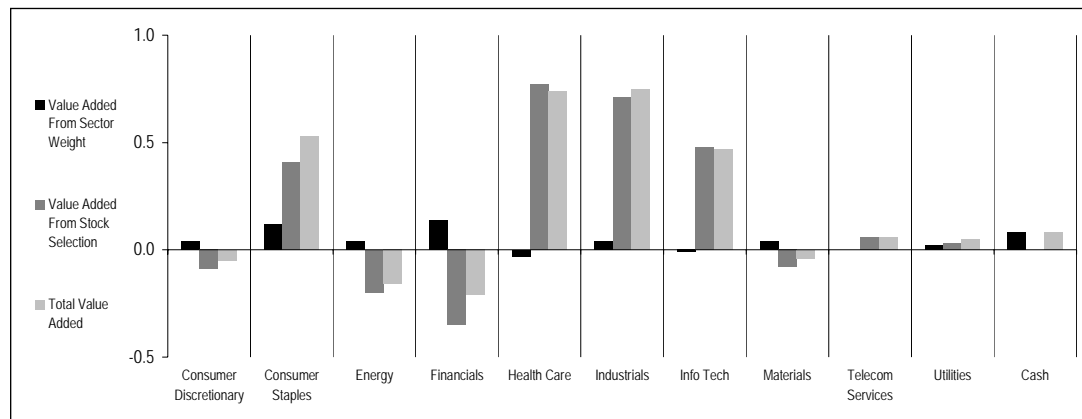
CONTRIBUTORS

- Most of our outperformance came during October, when renewed investor concerns generally led to declining stock prices. Our steady eddie allocation, which is still toward the higher end of its 20% to 50% range, benefited returns, along with our bias for high-quality and attractive earnings trends. From a sector perspective, technology, health care, industrials, and consumer staples holdings aided results.
- Within the industrials sector, commercial services and supplies holdings, which lagged earlier in 2009, posted notable gains. Waste Connections Inc. (see page 4) gained over 15%, as its low-leveraged business focusing on noncompetitive markets has translated into stable and attractive cash flows, characteristic of steady eddies.
- Technology holdings, particularly those within the enterprise networking industry, have benefited from corporate efforts to cut costs and increase efficiencies. However, if valuations continue to be stretched, as they have been recently, we may reduce positions.
- Our success within the health care sector has been broad-based, with the majority of outperformance coming from product, service, and managed care industries. We find the valuations within the sector interesting and are trying to position the portfolio to benefit from upcoming new legislation and health care reform.

DETRACTORS

- Four of the ten largest individual detractors were financial holdings. We are looking for companies likely to thrive in the next stage of the recovery. This meant a change to our previous, more conservative mindset toward banks. We are now seeking those banks looking to grow their loan portfolios.
- Within the capital market industry, ITG (see page 5) posted negative results due to declines in trading volumes; we believe this is a short-term setback, as trading volumes are unlikely to stay at depressed levels. Additionally, Lazard Ltd. declined and caution ensued, resulting from the death of the CEO and a drop-off in investment banking volumes. We remain positive on longer-term prospects for the company due to strengths in its bankruptcy and restructuring business—regarded as one of the best on Wall Street—and asset management division, which provides a stable revenue stream.

SMALL CAP OPPORTUNITIES FUND VERSUS RUSSELL 2000 INDEX



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

	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 Opportunities Fund	12.07%	6.96%	5.33%	14.34%	15.89%	12.93%	18.77%	4.85%	0.77%	4.17%	3.13%
Russell 2000 Index	13.86%	3.42%	5.07%	20.18%	14.12%	15.80%	18.60%	4.62%	1.08%	3.26%	0.00%
Over/Underweight	-1.79%	3.54%	0.26%	-5.84%	1.77%	-2.87%	0.17%	0.23%	-0.31%	0.91%	3.13%
Sector Returns											
Fund Sector Return	2.96%	13.73%	3.24%	-0.17%	8.04%	10.31%	5.77%	8.22%	12.69%	7.14%	-34.29%
Index Sector Return	4.08%	7.69%	7.05%	1.80%	2.73%	3.67%	3.44%	10.29%	5.87%	7.00%	0.00%
Relative Return	-1.12%	6.04%	-3.81%	-1.97%	5.31%	6.64%	2.33%	-2.07%	6.82%	0.14%	-34.29%

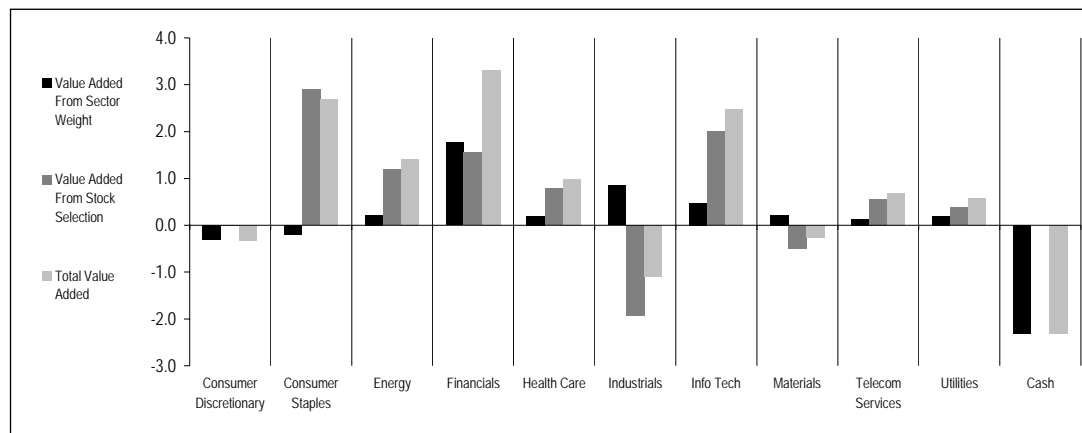
Source: FactSet
Past performance is no guarantee of future results.
 Sector weights are subject to change and may have changed since the date specified.

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 holdings within the financials, consumer staples, and technology sectors contributed notably to outperformance.
- Outperformance within the technology sector came largely from software and service holdings, benefiting from a corporate trend of centralizing information technology centers in order to control costs. We identified this as a coming theme two years ago and have seen the benefits of our positioning over the last 12 months.
- Our outperformance within the consumer staples sector was concentrated among personal products and food-related companies. We saw great value in companies that sell products that people tend to buy regardless of the economic environment.
- As financial stocks remained under pressure for most of 2009, we looked for companies with conservative management of their loan portfolios that were well-positioned to survive the financial crisis. As a result, we were underweight commercial banks and were selective in our holdings, which proved beneficial. During the fourth quarter, as confidence in an economic and financial recovery increased, surviving banks that were aggressive in growing their loan portfolios posed greater opportunities. While we maintained our positions in many financial holdings, we also began to take advantage of high-quality companies that have the ability to grow significantly through the next stage of the recovery.
- Huron Consulting was the largest individual detractor from returns. The stock fell nearly 70% in one day in early August after the company unexpectedly announced that it would need to restate its financials for the past few years, that the CEO was leaving, and that the CFO would leave at year end. Due to our concerns about the company's viability going forward, we sold the stock.
- Our cash position of nearly 10% detracted from returns during the market rebound. Cash is a residual of our investment process. Because valuations have been relatively high, there has been a mismatch between when stocks were sold and when others were purchased. Our investment process focuses on business models and financials relative to stock prices. We have been waiting for the right price to enter into new positions or add to existing holdings.

SMALL CAP OPPORTUNITIES FUND VERSUS RUSSELL 2000 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 Opportunities Fund	11.57%	5.64%	5.33%	14.89%	14.39%	11.48%	18.86%	4.95%	0.64%	3.58%	8.32%
Russell 2000 Index	12.95%	3.71%	4.71%	20.32%	14.89%	15.86%	18.41%	4.09%	1.21%	3.81%	0.00%
Over/Underweight	-1.38%	1.93%	0.62%	-5.43%	-0.50%	-4.38%	0.45%	0.86%	-0.57%	-0.23%	8.32%
Sector Returns											
Fund Sector Return	58.72%	88.53%	69.53%	7.21%	27.41%	1.20%	73.12%	46.61%	64.22%	14.12%	-34.26%
Index Sector Return	60.71%	23.68%	40.97%	-1.38%	22.71%	13.89%	59.70%	61.03%	26.87%	7.92%	0.00%
Relative Return	-1.99%	64.85%	28.56%	8.59%	4.70%	-12.69%	13.42%	-14.42%	37.35%	6.20%	-34.26%

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
Waste Connections Inc. (WCN)	Contributor	2.53%	Waste Connections is a solid-waste services company that offers waste collection, disposal, and recycling services to residential, commercial, and industrial customers in the southern and western United States. The company is based in Folsom, California, and was founded in 1997.	<p>Our portfolio is allocated into three categories: steady eddies, mispriced growth stocks, and turnarounds. Waste Connections has functioned as a steady eddy for us since we first initiated a position in April 2005. We also made some significant additions to the position between February and June 2009, when valuations looked even more attractive than they had been.</p> <p>We liked the company's stable business model, steady cash-generating ability, and its lower leverage compared with its competitors. Its markets were also smartly chosen, emphasizing noncompetitive markets that gave the company stable prices and steady cash flow, characteristics we look for with our steady eddies. And management put its free cash flow to good use, buying up smaller waste management operations to further cement itself as the main provider in its chosen markets.</p> <p>During the quarter, the market saw what we have been seeing all along: a well-run company with an impressive return on invested capital through its free-cash-flow generation.</p> <p>One potential problem for the company is lower volumes due to the broad-based economic problems. However, we think that construction spending will pick up, and with it an increased need for Waste Connections' services.</p>
Cooper Companies (COO)	Contributor	1.24%	Cooper produces a focused suite of health care products in its two business units. CooperVision manufactures disposable and specialty soft contact lenses, ranging from cosmetic lenses to lenses that correct astigmatism. CooperSurgical produces medical devices, such as diagnostic tools and surgical instruments used primarily by gynecologists and obstetricians. Based in Pleasanton, California, the company was founded in 1980 and operates worldwide.	<p>We've held Cooper Companies since June 2006, viewing it as a turnaround situation, with a new CEO and a new contact lens product as well. The company has since made great progress executing on its plan.</p> <p>When we first bought Cooper, sell-side analysts had seemingly given up on the stock, but we viewed its new management and new products positively and thought the company had a solid plan to turn itself around and increase its margins. The company did, in fact, increase its gross margins to 56%, a number that finally shocked the Street out of its long complacency regarding the stock.</p> <p>The company was also ahead on earnings and revenue, but most importantly, it reported seeing a healthy contact lens market. The worry had been that contact lenses were a somewhat discretionary purchase and that the industry wouldn't hold up well during a down economy. That proved not to be the case.</p> <p>Indeed, although Cooper bottomed with the rest of the economy in November 2008, it wasn't dragged down in the subsequent January and February 2009 pullback. Instead, Cooper continued to surprise, and the stock rose in the process. We are still optimistic on the stock, although we watch its valuations due to its recent success.</p>

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Investment Technology Group (ITG)	Detractor	0.57%	Investment Technology Group offers a wide range of technology solutions to the investment industry, such as portfolio compliance monitoring systems, trading costs reduction tools, and pricing models for mutual funds. The company was founded in 1983 and is based in New York.	<p>We purchased Investment Technology Group as a mispriced growth stock in August 2007 because we liked the future of the electronic market trading business, as well as the specifics of ITG's business model. We added to our position in the fall of 2008 and the spring of 2009, as its price became more attractive.</p> <p>We believe that the company will benefit from the growing trend toward moving stock trading onto purely electronic platforms. ITG is well-positioned because of its best execution measurements and its commission-sharing agreements. Specifically, the market is heading more toward the direct market access broker model—execution-only brokers who provide no research—and ITG is strongly positioned in that regard.</p> <p>The company has expanded market share in this area, but it has been grabbing a bigger slice of what we believe is a temporarily smaller pie. The main problem for the company this year is that it's largely dependent on trading volume for its revenue, and volume has been down. Investors have been liquidating equities more than buying them, which has directly affected trading volume, and thus ITG's earnings.</p> <p>We believe that trading volume will come back. In addition, ITG rolled out trading platforms in the United Kingdom and Asia, which should help to both add volume to its trading and diversify its revenue sources.</p>
Ambassadors Group (EPAX)	Detractor	0.86%	The Ambassadors Group is an educational company that provides international and domestic travel programs for grade school, middle school, and high school students, with programs dedicated to areas of cultural learning, sports, and leadership. A Citizens Ambassador Program offers foreign travel experience to professionals. The Spokane, Washington, company was founded in 1967.	<p>Ambassadors Group was a disappointment this year. The company runs educational trips for students, and we liked several aspects of its business model. In the long run, we think the educational-travel industry is poised for significant growth. We also like that the company receives its payments from students before it incurs any travel expenses, putting it in a negative capital expenditure situation. The company has revamped its targeted mailing lists, as well, which should help to improve its response rate and make its marketing efforts more cost-effective.</p> <p>When we bought the company in August 2007, the Street was ignoring it, making it a mispriced growth stock in our portfolio. The problem since then, however, has been the toll that the recession has taken on this economically sensitive business. The trips Ambassadors Group arranges are not cheap and are clear luxuries in a time when luxuries are difficult for many families to fund. The company released a weak earnings report in October and further disappointed by reporting that it wasn't going to hit the volume analysts were expecting. The stock was pummeled accordingly.</p> <p>While the recession hurt the company's revenue, it also lowered its costs, which we believe will continue through the next year, even after student volume starts to return to the program. We still hold the company and believe it holds long-term value.</p>

MARKET SUMMARY

The markets spent the better part of the year, including the fourth quarter, coming to terms with low-quality stocks amid a recession and recovery. From a dramatic decline at the beginning of the year to a sustained, low-quality rally from March to September, investors' attitudes toward low-quality stocks seemed to steer the markets. By the fourth quarter 2009, the low-quality outperformance that drove the rally from the market bottom started to run out of steam. The quarter began with a market pullback away from low quality in October, followed by a modest rally in November, and an uneasy period of coexistence in December between stocks all over the quality spectrum, with no clear leader in the quality space. Our portfolio is biased toward higher-quality stocks, so our ability to outperform in a year in which low quality dominated for large stretches highlights the virtues of our process: buy solid companies with strong business models and understandable finances.

The Russell 2000 lost 6.8% in October, while our Fund limited losses to 3.5%, an indication that the low-quality rally stalled, at least temporarily. November saw a modest advance, but not at the overheated pace from earlier in the year. We underperformed in November, but December was more of a return to form. We ended by outperforming the index by 1.8 percentage points for the quarter and 6.7 percentage points for the year.

It's perhaps no accident that the low-quality rally stumbled just as the recovery began to take hold in the fourth quarter. A preference for earnings is winning out over the momentum of non-earners and other low-quality stocks, such as the smallest of small caps and companies with low return on equity. The realization in March that the economy did not completely collapse naturally led to a certain amount of euphoria, but when euphoria waned, the market reasserted its demands that companies prove their worth.

We don't view the fourth quarter in isolation, however. The broader point is that investors don't invest in isolated periods, picking to ride the rally when it is strongest and intuitively avoiding the market when it is at its worst. The good times can bleed into the worst of times imperceptibly. From March 9 to September 30, 2009, for example, the Russell 2000 rode the back of low-quality stocks for a 74% gain, a striking number in isolation. But that's cold comfort to investors who also rode those stocks down from November 2008 to March 2009, such that a 74% gain didn't even bring them back to the starting point.

We stayed true to our bottom-up process during the quarter, searching for companies with solid business models, capable management, and understandable financials. As the recovery took hold more firmly during the quarter, our portfolio's allocation between mispriced growth stocks, steady eddies, and turnarounds took a gradual tilt toward mispriced growth stocks. Previously in the economic crisis, we were drawn to business models that were more defensive, like our steady eddies, which helped protect on the downside. At the end of the quarter, our allocation stood at 53% mispriced growth stocks, 43% steady eddies, and 4% turnarounds. There was no clear differentiation between the categories in terms of total performance for the quarter, but steady eddies outperformed in October, mispriced growth stocks in November, and the two stayed roughly even in December.

OUTLOOK

We have been skeptics about the prospects of the U.S. economy for the past three years, largely because we were concerned about the health of the consumer. We anticipated the credit bubble because of our negative view of consumer indebtedness, but we did not foresee the extremes that resulted after it burst. But after a long period of justified skepticism, we are now believers in the economic recovery and expect to see a positive 2010.

The story for next year will be earnings growth, and the challenge for investors will be to find companies where earnings growth occurs because of growing revenue, and not just from cost controls that were instituted throughout 2009. The companies able to perform this difficult task will most likely be those that exited the recession in a strong enough position to take market share from competitors.

For example, we are interested in banks that are aggressively growing their loan portfolios. Previously, our skepticism about the consumer and our unease about the growing bubble in the housing market kept us focused on banks that had conservatively managed their loan portfolios. What we wanted were banks that would be positioned to ride out the bubble and its inevitable bursting, allowing them to take market share from—or even acquire—competitors that had overextended themselves. With the recovery taking hold, we believe that many banks in our portfolio are well-positioned to grow earnings by taking revenue away from their competitors. We've also added other banks to the portfolio as well, such as Hudson Valley and Simmons First National.

While we are dedicated small cap managers, we recognize that large caps appear to have the edge entering 2010. Large caps outperformed in 2009 and that trend will likely continue, although we will refrain from speculating about how long that outperformance will last. Valuations don't appear to be drastically different for small caps versus large caps; the main difference is that earnings seem to be pulling through better for large caps.

As for sectors, technology was a standout for us in 2009, especially enterprise technology, where we anticipated increased spending by businesses seeking to lower costs through technology. However, we anticipate moving from an overweight to an underweight in 2010. Valuations in the sector are becoming increasingly expensive as our competitors chase returns by overweighting technology. If the trend continues, we will most likely have a harder time finding attractively valued stocks in the sector, and our weighting would naturally drop as a residual of our bottom-up process.

We continue to watch the health care sector closely and anticipate maintaining or possibly increasing our overweight next year. The perception of negative consequences stemming from health care reform has created many interesting valuation opportunities, with some companies more able to take advantage of the legislation than others.

One threat the portfolio faces next year is a revival of a low-quality rally. However, we are optimistic that a recovering economy will allow investors to focus more on fundamentals and earnings growth through revenue gains.

TOP HOLDINGS

Stock	% of Net Assets
Waste Connections Incorporated	2.53%
Reinsurance Group of America Incorporated	1.87%
St. Mary Land & Exploration Company	1.81%
PSS World Medical Incorporated	1.73%
NBTY Incorporated	1.72%
Scientific Games Corporation	1.59%
Gartner Incorporated	1.49%
Sanderson Farms Incorporated	1.48%
Arbitron Incorporated	1.38%
Parametric Technology Corporation	1.35%

PORTFOLIO CHARACTERISTICS

	Fund	Russell 2000 Index
Weighted Average Market Cap	\$1.59B	\$1.01B
Weighted Median Market Cap	\$1.30B	\$0.89B
EPS Growth (3- to 5-year forecast)	13.00%	12.50%
P/E Ratio (trailing 12-month)	16.87x	15.63x
Turnover ¹	67.66%	—
P/B	1.85x	1.63x
P/S	0.94x	0.84x
Number of Equity Holdings	138	2,007

FUND FACTS

Inception Date	8-1-93
Net Expense Ratio—Admin	1.20%
Assets—All Share Classes	\$658.84M

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 Opportunities Fund—Admin	33.82%	0.24%	5.46%	10.42%
Russell 2000 Index	27.17%	-6.07%	0.51%	3.51%
Lipper Small-Cap Core Funds Average	31.90%	-5.66%	0.65%	5.86%
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	411 out of 778 funds
3 Year	37 out of 669 funds
5 Year	23 out of 563 funds
10 Year	6 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	5.50%
Beta	0.86
Sharpe Ratio	-0.09
Standard Deviation	21.78%
R-Squared	0.96
Information Ratio	1.10
Upside Capture	91.61%
Downside Capture	79.56%
Tracking Error	6.14%

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 Index measures the performance of the 2,000 smallest companies in the Russell 3000[®] Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. 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. 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 inception on August 1, 1993. Prior to April 11, 2005, the Administrator Class was named the Institutional Class.

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 Opportunities Fund received five stars among 669 funds, five stars among 563 funds, and five 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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