

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

Wells Fargo Advantage Small Cap Value Fund (SSMVX)

Portfolio Manager: I. Charles Rinaldi
Subadvisor: Wells Capital Management
Category: Small Cap Value

FUND STRATEGY

- Take a broad, flexible approach to value investing based on the belief that value opportunities come in different forms within different markets.
- Use a team approach to idea generation that consists of three sets of independent screens: intrinsic value, relative value, and contrarian value.
- Use a research-driven process that seeks to identify early trends on undervalued companies through the use of trend analysis, correlation analysis, and an identifiable positive dynamic or catalyst.
- We prefer to be long-term investors when possible, as long as the company is executing and its valuation remains reasonable. Our ability to be long-term investors results in low turnover.

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

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (12-31-97)
Small Cap Value—Investor	10.85%	51.90%	51.90%	1.12%	6.08%	12.88%	13.48%
Russell 2000® Value Index	3.63%	20.58%	20.58%	-8.22%	-0.01%	8.27%	—

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

Figures quoted represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current month-end performance is available at the Fund's Web site, www.wellsfargo.com/advantagefunds. Investor Class shares are sold without a front-end sales charge or contingent deferred sales charge.

The adviser has committed, through February 28, 2010, to waive fees and/or reimburse expenses to maintain the Fund's net expense ratio at 1.36%. Without these reductions, the Fund's returns would have been lower. The Fund's gross expense ratio is 1.56%.

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 significantly outperformed the Russell 2000 Value Index for the quarter and the year that ended December 31, 2009.
- Stock selection within the energy sector was a major contributor to relative results. One of our top ten holdings, InterOil Corporation (see page 4) advanced by 95% during the period, aided by an agreement for a liquefied natural gas plant and positive test drilling results for its natural gas fields.
- Stock selection within the industrials sector also contributed to returns, largely because of the Fund's investments in the airline industry. Stock selection in consumer staples slightly detracted from relative performance.

MARKET AND PORTFOLIO OVERVIEW

While the market was volatile in 2009, we maintained focus on our individual investments and the long-term value we believe they represent. Our adherence to our philosophy and process helped the Fund's performance for the period and has also aided results over time.

Toward the end of the fourth quarter, stocks began to trade according to company fundamentals instead of broad themes, an environment that was favorable for our investment process. Our process emphasizes owning companies with attractive valuations that also possess an identifiable catalyst that we believe will unlock the company's hidden value.

The Fund's fourth-quarter performance was primarily driven by stock selection. For example, 3Com Corporation (see page 4) appreciated after the company received a buyout offer from Hewlett-Packard Company. Other notable contributors to performance were UAL Corporation in the industrials sector, Randgold Resources Ltd. in the materials sector, and Collective Brands Inc. (see page 5) in the consumer discretionary sector.

The fourth quarter and past 12 months were difficult for all investors, but we believe that our experience and process helped us to maintain focus and led to our exceptionally strong returns.

(See pages 8–9 for important information.)

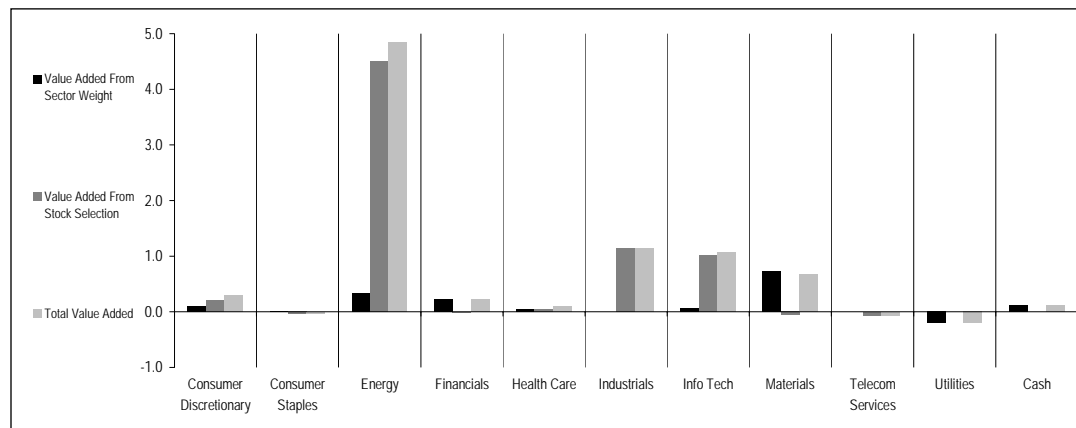
CONTRIBUTORS

- We continue to see value in the energy companies the Fund owns, partly because we have a bullish long-term view on the growing demand for energy, but mostly because of the positive operating developments we see. InterOil Corporation gained 95% during the quarter on positive drilling results and approval from the government of Papua New Guinea of the company's project agreement for the construction of a liquefied natural gas plant.
- The industrials sector contributed to performance, as our investments in the airline industry appreciated in anticipation of better operating results. For example, UAL Corporation advanced 40% and Delta Air Lines Inc. gained 27%.
- 3Com Corporation received a buyout offer from Hewlett-Packard Company during the quarter and was largely responsible for our strong performance in the information technology sector. We initially purchased 3Com because we thought the sum of the company's parts was worth more than what the company was trading for at the time of our purchase.
- Long-term holding Randgold Resources Ltd. contributed to results by gaining 13% as the price of gold moved higher. We maintain our positive long-term view on the gold sector, in part because we believe easy monetary policy will result in a weaker dollar.
- In the consumer discretionary sector, Collective Brands Inc. aided relative results by gaining 31%. The company reported better-than-expected earnings as its Payless Shoes division benefited from a mention on "The Oprah Winfrey Show."

DETRACTORS

- Stock selection in the consumer staples sector slightly detracted from relative performance, largely because of weakness in food products holding Del Monte Foods Company.
- Our lack of exposure to the utilities sector detracted. Utilities represent 6% of the index, and we have typically underweighted that part of the market. We tend to think there are better opportunities elsewhere and also don't like regulated sectors.

SMALL CAP VALUE FUND VERSUS RUSSELL 2000 VALUE 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 Value Fund	3.15%	2.03%	28.24%	21.24%	5.95%	12.73%	8.58%	15.89%	0.79%	0.00%	1.22%
Russell 2000 Value Index	11.63%	2.87%	5.98%	33.69%	4.87%	16.86%	10.72%	6.71%	0.53%	6.14%	0.00%
Over/Underweight	-8.48%	-0.84%	22.26%	-12.45%	1.08%	-4.13%	-2.14%	9.18%	0.26%	-6.14%	1.22%
Sector Returns											
Fund Sector Return	10.01%	2.09%	22.21%	1.54%	10.05%	12.87%	13.67%	9.20%	-1.43%	0.00%	-0.12%
Index Sector Return	2.77%	3.10%	5.09%	1.82%	8.74%	3.41%	1.71%	10.57%	6.42%	7.14%	0.00%
Relative Return	7.24%	-1.01%	17.12%	-0.28%	1.31%	9.46%	11.96%	-1.37%	-7.85%	-7.14%	-0.12%

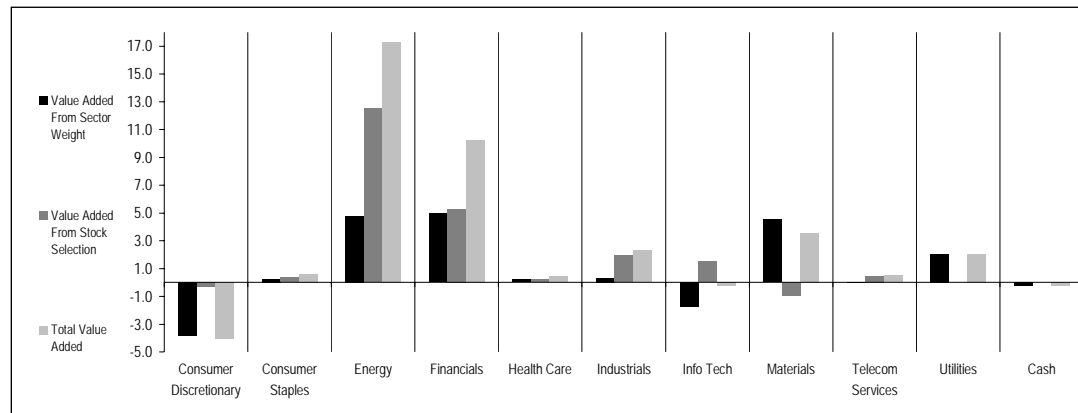
Source: FactSet
Past performance is no guarantee of future results.
 Sector weights are subject to change and may have changed since the date specified.

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

- We continue to see value in our energy and materials investments, and we remain underweight financials. Attribution analysis in any given quarter may show different sectors driving performance, but the key sectors for our Small Cap Value and Small/Mid Cap Value portfolios in the near term are likely to be materials, energy, and financials. The Fund's sector weights are solely the byproducts of fundamental analysis, reflecting those companies that we believe represent significant value.
- In the energy sector, both stock selection and sector allocation contributed to relative performance. Stock selection within the sector accounted for more than 12 percentage points of outperformance. InterOil Corporation was a key contributor, rallying 458% for the year on positive test drilling results. Also, the Fund's average weight in the energy sector was nearly 25% over the period, compared with the benchmark's average weight of 4%, a positioning that added value.
- The financials sector contributed to relative returns. We slowly increased our weight in financials over the year, but we continue to approach companies associated with consumer finance with caution because we believe a consumer spending recovery will take longer than many expect. We continue to favor mortgage real estate investment trusts (REITs) because of their high yield and financial transparency. Our allocation to mortgage REITs, combined with our conservative exposure to the lending industry, aided performance.
- Our investments in the materials sector, which are concentrated in precious metals miners, contributed to the Fund's results. We began building our positions in gold companies several years ago when the price of gold was much lower. Now, even though the shares of our gold companies have appreciated, we still see value. We believe that a combination of higher gold prices and increased production should continue to lead to higher stock prices over time.
- The consumer discretionary sector was the main detractor for the period, the result of unfavorable sector positioning and stock selection. Though many of our individual holdings performed well, we were hurt by our light exposure to the specialty retail industry, which bounced back strongly on hopes that the economy was improving.

SMALL CAP VALUE FUND VERSUS RUSSELL 2000 VALUE 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 Value Fund	2.96%	2.45%	24.91%	19.99%	5.80%	11.89%	8.03%	16.67%	0.81%	0.00%	6.24%
Russell 2000 Value Index	11.20%	3.90%	4.28%	34.72%	5.12%	15.63%	11.73%	5.60%	0.76%	7.01%	0.00%
Over/Underweight	-8.24%	-1.45%	20.63%	-14.73%	0.68%	-3.74%	-3.70%	11.07%	0.05%	-7.01%	6.24%
Sector Returns											
Fund Sector Return	52.52%	28.62%	107.57%	23.67%	28.73%	35.02%	84.05%	57.52%	78.75%	0.00%	0.01%
Index Sector Return	64.15%	17.39%	40.26%	-2.89%	23.93%	14.42%	59.09%	65.39%	39.65%	6.44%	0.00%
Relative Return	-11.63%	11.23%	67.31%	26.56%	4.80%	20.60%	24.96%	-7.87%	39.10%	-6.44%	0.01%

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
InterOil Corporation (IOC)	Contributor	7.17%	InterOil Corporation is an integrated oil company whose business is primarily focused on Papua New Guinea and the surrounding region. InterOil's assets consist of petroleum licenses covering about 4.6 million acres, an oil refinery, and retail and commercial distribution facilities, all located in Papua New Guinea. In addition, InterOil is a shareholder in a joint venture to construct a liquefied natural gas plant on a site adjacent to InterOil's refinery in Port Moresby, Papua New Guinea.	<p>We first purchased InterOil in January 2006 after its price had declined substantially. At the time, the company was off Wall Street's radar, with little or no analyst coverage. In our opinion, InterOil is developing a sizable asset in Papua New Guinea, which is unusual for a smaller exploration and production company; the test results from its onshore Elk and Antelope natural gas fields have been highly encouraging. The quality and size of the opportunity in Papua New Guinea were supported by ExxonMobil Corporation's decision to lead a \$15 billion liquefied natural gas project in the country, designed to provide natural gas products to Asian markets. Besides high-quality assets, InterOil also has a relatively strong balance sheet, with no near-term debt coming due.</p> <p>During the time that we've owned InterOil, the company's story has slowly become better known, and the stock price has responded accordingly, albeit with periods of significant volatility. We have used dips in the stock price to add to our position over time. During the quarter, the government of Papua New Guinea approved the company's project agreement for the construction of a liquefied natural gas plant. This news, combined with the company's positive test drilling results for its natural gas fields, caused the stock to strongly outperform. We believe the company remains undervalued and continue to own the stock.</p>
3Com Corporation (COMS)	Contributor	2.83%	3Com provides computer networking solutions for both large and small businesses. Based in Massachusetts, 3Com has been a prominent player in computer networking since the invention of Ethernet in the 1970s. It formed a successful joint venture with Huawei Technologies to sell telecommunications equipment to Chinese companies. In 2007, 3Com acquired Huawei's 49% stake in H3C to gain full ownership. The company holds more than 1,400 U.S.-issued patents and nearly 50 China-issued patents.	<p>We purchased 3Com based on an intrinsic, sum-of-the-parts valuation. The crown jewel of the company is its China-based business. We purchased the stock after 3Com acquired 100% of its Chinese joint venture at an attractive price. China is in the midst of rolling out its 3G network. That means the country has to aggressively build out its telecommunications infrastructure, even in the face of a slowing economy, and we believed that 3Com would be one of the companies to benefit.</p> <p>In addition to the China-based operations, 3Com had a legacy U.S. business that was growing slowly but generating a lot of cash. The market assigned little value to this business, but 3Com was working to improve profit margins in its legacy business and make it profitable.</p> <p>During the quarter, Hewlett-Packard Company and 3Com announced that Hewlett-Packard had agreed to purchase 3Com for \$7.90 per share in cash, a premium of 39% to 3Com's closing price prior to the announcement. At this point, both companies expect the deal to close in April 2010. Though the deal will have to be approved by regulators, we don't foresee anything that would prevent it from closing. Because of the slight uncertainty, though, 3Com's stock price was trading below the deal price as of the end of December. We plan to continue to hold the position until the discount evaporates or the deal closes.</p>

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Collective Brands Inc. (PSS)	Contributor	1.37%	<p>Collective Brands is the holding company for Payless ShoeSource, Stride Rite, and Collective Licensing International. Payless ShoeSource sells lower-price shoes through approximately 4,500 retail stores. Stride Rite sells branded athletic footwear and high-quality children's footwear primarily through wholesaling arrangements and more than 300 Stride Rite stores. Collective Licensing International specializes in brand management and global licensing of its portfolio of youth, lifestyle, and fashion athletic brands.</p>	<p>We first purchased Collective Brands in August 2007. At that time, it was becoming clearer that consumption growth was slowing. We like the company because we think that its Payless ShoeSource operation, which accounts for the majority of revenues, is positioned well in its market. The brand targets the lower price points of the shoe market, selling most of its women's shoes for less than \$25. We believe that companies catering to the lower end of the value chain will continue to benefit from the growing trend of consumer frugality. Moreover, though Collective Brands has debt on its balance sheet, we believe that the debt burden is manageable.</p> <p>Our thesis pretty much played out during the quarter. Collective Brands reported better-than-expected adjusted third-quarter earnings. Net sales declined by only 5% from the prior-year quarter, a strong defensive performance in a difficult consumer market. Sales actually rose at Payless ShoeSource, driven by a one-day promotion that was announced on "The Oprah Winfrey Show." The stock rallied accordingly.</p> <p>Despite the rally, we think the stock is reasonably valued at 12 to 13 times next year's earnings. Moreover, we like the strong sales trend in the Payless ShoeSource business, as well as Collective Brands' expansion in children's footwear and accessories. We are therefore likely to continue owning the stock.</p>
Argo Group International Holdings Ltd. (AGII)	Detractor	1.30%	<p>Argo Group International Holdings is an international underwriter of specialty insurance and reinsurance products in the property-and-casualty market. Through its various businesses, the company offers a full line of products and services designed to meet the unique coverage and claims-handling needs of four business segments: excess and surplus lines, commercial specialty, international specialty, and reinsurance.</p>	<p>Argo Group is a good example of the type of companies we prefer to own within the financials sector, in that it doesn't carry much credit risk. Argo Group's specialty insurance segment focuses on selling business insurance to niche markets such as bowling alleys, taverns, and grocery stores—markets in which there is little competition—which in turn allows Argo to command relatively high premiums. The company has completed a number of acquisitions over the past 18 months, giving it a presence internationally and on the reinsurance side, making the business better diversified than before. In addition, Argo Group hasn't reported any major problems with its investment portfolio.</p> <p>During the period, Argo reported third-quarter earnings that missed analyst estimates by about 10 cents per share. Like other companies within the industry, Argo is dealing with a soft property-and-casualty market as a result of reduced business activity. Insurance prices have not rebounded, meaning that top-line performance will be muted for the immediate future. The earnings miss caused the company to underperform, but we continue to like the stock. In our opinion, it remains attractively valued. Moreover, if Argo can integrate its companies and focus on execution, it may be able to improve its earnings just by focusing on costs.</p>

MARKET SUMMARY

We are long-term investors whose performance results are driven by fundamental research and the values we find in the market. We generally don't have sector views on the market, with the exception of the energy and precious metals sectors, where we have long-term secular views that complement our fundamental analysis.

As long-term investors, we rarely make major changes in a particular period. Rather, we tend to make modest changes that add up over time. For example, over the past year we have slowly increased our exposure to banks. We've taken the financials exposure from 17% of the portfolio as of December 31, 2008, to 20% as of December 31, 2009. We have focused on selecting financial companies that we believe have a solid capital base to make it through the credit cycle, as we do not believe that credit-related problems have ended. We expect the operating environment to be problematic for regional banks over the next few years, whether because of residential or commercial real estate. We also expect a number of banks to fail before the cycle ends.

We are finding a lot of opportunities within the technology sector. Many stocks in that sector are trading at modest valuations—the businesses are profitable and growing and have cash on their balance sheets, but they don't trade at premium multiples.

Nothing occurred within the quarter to change our long-term view of the energy sector. We continue to believe that growth in the demand for energy will outstrip growth in supply, leading to generally higher prices.

We retain an overweight to the metals and mining industry, with an emphasis on precious metals miners. The price of gold was volatile throughout 2009, but it rose for the quarter and the year. We believe there's increased investment demand for gold as a result of higher inflation expectations. In the past few years, central banks have injected a lot of liquidity into the worldwide economy. So far, that additional liquidity hasn't translated into higher inflation because the banks that received the money are not lending it out. When that trend reverses, we are likely to see higher inflation. We also see a developing supply/demand imbalance with gold, as the larger miners are finding it difficult to maintain production.

We believe that our robust performance in 2009 was a testament to the way that we've built the portfolio. By focusing on different types of value stocks, we own a broadly diversified portfolio. As a result, we have historically performed well in a variety of markets, with the exception of periods like the second half of 2008, when all stocks traded in tandem.

OUTLOOK

Our overall outlook hasn't changed much over the past few quarters. We think that some of the economic data points released recently suggest an improvement in the macroeconomic environment. Moreover, many of the corporate management teams that we talk to are saying that their businesses have stabilized. But despite what some of the management teams are saying, we think the recovery is on uneven ground.

Going into 2010, we think the biggest risk relates to unemployment. We're not sure if the unemployment rate has stabilized, which would be the first step toward a sustained recovery. Without an improvement in employment, we're not sure how much of a broad-based recovery we'll see in consumer spending. And the economy is very much tied to the consumer. We think it's likely that the recovery for consumer spending will be uneven and take longer than many expect. We're currently underweight consumer discretionary stocks and are in no hurry to increase that exposure.

We remain comfortable with our exposure to gold miners. In a declining economic environment, gold may benefit from a flight away from assets that depend upon economic growth, though that's only one of the reasons why we hold gold. Our long-term view is that gold should benefit from an imbalance between the demand for gold and the available supply, as well as from increased inflation as a result of easy monetary policy. We intend to maintain our exposure to this space.

We have seen strong long-term performance from our energy stocks during the time that we've owned them. Although we plan to maintain our secular overweight to this sector, we may take profits in some of our positions as valuations dictate. We continue to believe that energy prices will rise in the future. However, if the economy remains sluggish in the near term, energy demand would either remain stagnant or even fall. In such a scenario, energy prices, and thus energy stocks, would likely decline as well.

Although we're cautious on the market, we do believe that we're in a good environment for our strategy. We still see opportunities to invest in names trading at good valuations, despite the market rally. We may make some modest changes in our portfolio in 2010, but as always, any changes will be based upon analysis of individual companies, not broad sector themes. We continue to look for undervalued companies that we believe will benefit from an identifiable catalyst.

TOP HOLDINGS

Stock	% of Net Assets
Interoil Corporation	7.17%
Randgold Resources Limited ADR	6.25%
Chimera Investment Corporation	3.29%
Range Resources Corporation	2.85%
3Com Corporation	2.83%
Annaly Capital Management Incorporated	1.85%
Chicago Bridge & Iron Company	1.81%
GEO Group Incorporated	1.74%
UAL Corporation	1.71%
Capstead Mortgage Corporation	1.68%

PORTFOLIO CHARACTERISTICS

	Fund	Russell 2000 Value Index
Weighted Average Market Cap	\$2.93B	\$0.93B
Weighted Median Market Cap	\$2.00B	\$0.86B
EPS Growth (3- to 5-year forecast)	10.80%	9.00%
P/E Ratio (trailing 12-month)	14.09x	15.04x
Turnover ¹	28.28%	–
P/B	1.72x	1.19x
P/S	0.90x	0.67x
Number of Equity Holdings	138	1,393

FUND FACTS

Inception Date	12-31-97
Net Expense Ratio–Investor	1.36%
Assets–All Share Classes	\$3,403.67M

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 Value Fund–Investor	51.90%	1.12%	6.08%	12.88%
Russell 2000 Value Index	20.58%	-8.22%	-0.01%	8.27%
Lipper Small-Cap Core Funds Average	31.90%	-5.66%	0.65%	5.86%
Morningstar Small Blend Average	31.80%	-6.11%	0.47%	5.85%

RANKINGS AND RATINGS

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

Morningstar Category:	Small Blend
1 Year	49 out of 649 funds
3 Year	31 out of 566 funds
5 Year	11 out of 467 funds
10 Year	4 out of 243 funds

Overall Morningstar Rating™ ★★★★★

The Overall Morningstar Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 566 funds in the Small Blend category, based on risk-adjusted return as of 12-31-09.

PERFORMANCE AND VOLATILITY MEASURES²

	Fund
Alpha	8.38%
Beta	0.79
Sharpe Ratio	-0.06
Standard Deviation	24.59%
R-Squared	0.68
Information Ratio	0.61
Upside Capture	95.05%
Downside Capture	76.21%
Tracking Error	15.32%

Past performance is no guarantee of future results.

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

Benchmark Descriptions:

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

The 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 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower 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. 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.

Investor Class shares inceptioned on December 31, 1997. Effective June 20, 2008, Class Z was renamed Investor Class and modified to assume the features and attributes of the Investor 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 Blend funds, the Small Cap Value Fund received five stars among 566 funds, five stars among 467 funds, and five stars among 243 funds for the three-, five-, and ten-year periods, respectively. Morningstar Ratings are for the Investor share class only; other classes may have different performance characteristics. Past performance is no guarantee of future results.

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

Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for *Wells Fargo Advantage Funds*[®]. Other affiliates of Wells Fargo & Company provide subadvisory and other services for the Funds. The Funds are distributed by **Wells Fargo Funds Distributor, LLC**, Member FINRA/SIPC, an affiliate of Wells Fargo & Company. 119055 1-10

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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