

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

Wells Fargo Advantage Small/Mid Cap Value Fund (WWM DX)

Portfolio Managers: I. Charles Rinaldi; Erik C. Astheimer; Michael Schneider, CFA

Subadvisor: Wells Capital Management

Category: Small/Mid Cap Value

FUND STRATEGY

- Invest in small and medium capitalization companies that we believe are a good value and timely to own.
- Take a broad, flexible approach to value investing, including intrinsic value, relative value, and contrarian value opportunities.
- Identify companies at inflection points, with measurable improvement in fundamentals and some positive dynamic for change.
- Use a research-driven security selection process to focus on proven drivers of stock performance.

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

	3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (3-28-02)
Small/Mid Cap Value—Admin	8.75%	61.38%	61.38%	-3.39%	3.14%	—	6.86%
Russell 2500™ Value Index	4.65%	27.68%	27.68%	-6.97%	0.84%	8.18%	—

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

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

The adviser has committed, through February 28, 2010, to waive fees and/or reimburse expenses to maintain the Fund's net expense ratio at 1.15%. Without these reductions, the Fund's returns would have been lower and rankings and ratings may have been lower. The Fund's gross expense ratio is 1.40%.

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 significantly outperformed the Russell 2500 Value Index for the quarter and the 12-month period 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, 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 materials sector also contributed. Long-term holding Randgold Resources Ltd. rallied 13% during the quarter. Other mining companies also gained due to the price of gold trading higher. Our lack of exposure to utilities detracted.

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 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. We focus on 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 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 Power-One Inc. (see page 4) in the industrials sector, Randgold Resources Ltd. in the materials sector, and Gentex Corporation (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 adherence to our process helped us to maintain focus and led to our exceptionally strong returns.

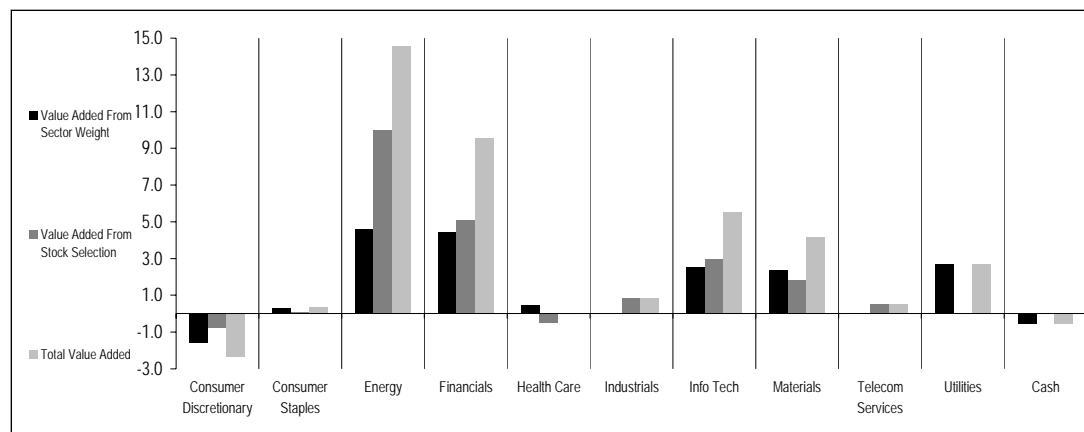
CONTRIBUTORS

- 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.
- We have a modest overweight to the health care sector; we found opportunities after many stocks sold off on talk of health care reform. Key contributors included OraSure Technologies Inc., which gained 75% as sales beat estimates and the company resolved a legal issue; Zoll Medical Corporation, which advanced 24%; and IMS Health Inc., which gained 37%.
- In the materials sector, several companies in the metals and mining industry contributed to relative performance because of higher prices for both precious metals and industrial metals. Top-ten holding Randgold Resources Ltd. gained 13%, Freeport-McMoRan Copper and Gold gained 17%, and Alcoa returned 23%.
- Within the consumer discretionary sector, media company Entravision Communications Corporation appreciated more than 96% as positive signs emerged that the company will be able to work through its liquidity issues.
- We slowly added to our financials weighting in 2009 as we found attractive valuations, but we continue to underweight this sector. This positioning aided relative results because the financials sector was one of the weaker sectors in the benchmark for the quarter.

DETRACTORS

- Our lack of exposure to the utilities sector detracted. Utilities represent nearly 10% 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.
- Our cash position averaged less than 1% during the period, but in a steadily rising market, any cash not invested detracts from relative performance. Our cash holdings were purely transitional.

SMALL/MID CAP VALUE FUND VERSUS RUSSELL 2500 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/Mid Cap Value Fund	8.55%	0.58%	22.61%	17.77%	6.19%	12.13%	16.25%	14.59%	0.57%	0.00%	0.53%
Russell 2500 Value Index	11.76%	3.09%	7.00%	30.26%	5.48%	13.38%	9.12%	8.34%	1.80%	9.77%	0.00%
Over/Underweight	-3.21%	-2.51%	15.61%	-12.49%	0.71%	-1.25%	7.13%	6.25%	-1.23%	-9.77%	0.53%
Sector Returns											
Fund Sector Return	10.61%	14.84%	18.39%	0.17%	18.08%	6.44%	4.32%	9.56%	6.35%	0.00%	0.02%
Index Sector Return	5.24%	1.10%	7.41%	1.35%	8.62%	5.19%	3.11%	8.12%	8.23%	8.73%	0.00%
Relative Return	5.37%	13.74%	10.98%	-1.18%	9.46%	1.25%	1.21%	1.44%	-1.88%	-8.73%	0.02%

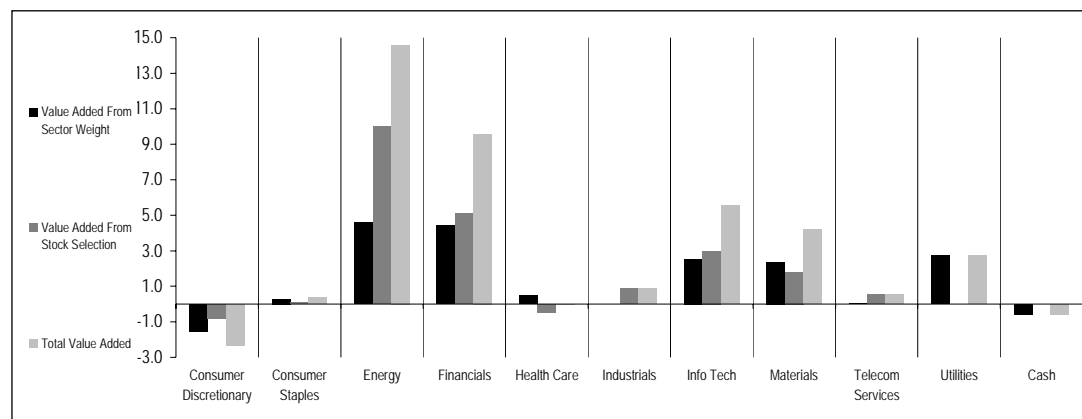
Source: FactSet
Past performance is no guarantee of future results.
 Sector weights are subject to change and may have changed since the date specified.

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

- 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 byproduct 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 ten percentage points of outperformance. InterOil Corporation was a key contributor, rallying 458% for the year as positive test drilling results supported the share price. Additionally, the Fund's average weight in the energy sector was nearly 22% over the period, compared with the benchmark's average weight of nearly 6%, 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.
- Several of our investments in the information technology sector contributed to the Fund's results. 3Com Corporation received a buyout offer from Hewlett-Packard Company and gained nearly 229%. Several of the Fund's other holdings in technology gained at least 100% during the year. Key contributors include Brocade Communications Systems Inc., China Grentech Corporation Ltd., and Sandvine Corporation.
- 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/MID CAP VALUE FUND VERSUS RUSSELL 2500 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/Mid Cap Value Fund	8.09%	0.59%	21.86%	18.04%	5.79%	11.14%	17.33%	15.10%	0.73%	0.00%	1.43%
Russell 2500 Value Index	11.53%	3.73%	5.52%	30.98%	5.71%	12.50%	9.76%	7.68%	1.64%	10.90%	0.00%
Over/Underweight	-3.44%	-3.14%	16.34%	-12.94%	0.08%	-1.36%	7.57%	7.42%	-0.91%	-10.90%	1.43%
Sector Returns											
Fund Sector Return	63.23%	20.39%	107.80%	29.58%	43.63%	37.60%	80.65%	65.82%	78.82%	0.00%	0.15%
Index Sector Return	68.45%	21.93%	51.61%	3.75%	43.27%	21.62%	58.80%	57.76%	28.14%	16.07%	0.00%
Relative Return	-5.22%	-1.54%	56.19%	25.83%	0.36%	15.98%	21.85%	8.06%	50.68%	-16.07%	0.15%

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
3Com Corporation (COMS)	Contributor	2.09%	3Com provides computer networking solutions for both large and small businesses. Based in Marlborough, 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 a very attractive price. China is in the midst of rolling out its 3G network and will need to aggressively build out its telecommunications infrastructure, even in the face of a slowing economy. We continue to believe that 3Com will be one of the companies to benefit from this trend.</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 by improving efficiencies and shifting to a more favorable product mix.</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. The stock rallied accordingly. 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 will continue to hold the position until the discount evaporates or the deal closes.</p>
Power-One, Inc. (PWER)	Contributor	1.05%	Power-One designs and manufactures energy-efficient power conversion and power management solutions for alternative/renewable energy, routers, data storage and servers, wireless communications, optical networking, medical diagnostics, military, railway controls, semiconductor test equipment, and custom applications. The company has global sales offices, manufacturing, and research and development operations in Asia, Europe, and the Americas. Power-One is based in Camarillo, California.	<p>We first purchased Power-One in early 2006. The stock has been a laggard in our portfolio for many years, but we continued to own it because we thought the company was undervalued based upon its original business of providing power solutions such as AC-DC products and DC-DC converters. We are willing to stick with a stock that's underperforming as long as the company fundamentals remain solid.</p> <p>As it turns out, Power-One has developed into a play on alternative energy. The company sells inverters that efficiently convert energy from solar installations and wind farms. This part of the business is growing quickly; several years ago alternative energy accounted for 3% of Power-One's revenue, and now it's 30% of revenue. We believe that this business could eventually account for as much as half of Power-One's revenue. Alternative energy was not part of our original thesis, but it has turned into a nice catalyst for potential earnings growth. The company has also benefited from a new CEO coming in to cut costs and right-size the business. As a result, Power-One's operating costs have declined and its margins have improved.</p> <p>During the quarter, Power-One reported better-than-expected earnings on cost efficiencies and increased demand for its renewable-energy products, helping the stock price. The stock also benefited from a catch-up rally, because it had lagged before. We like the way this story has worked out and continue to hold Power-One.</p>

(Continued on next page.)

REPRESENTATIVE PORTFOLIO HOLDINGS (CONTINUED)

Firm Name	Descriptor	% of Fund	Firm Profile	Strategic Fit and Analysis
Gentex Corporation (GNTX)	Contributor	1.78%	Gentex Corporation develops, manufactures, and markets interior and exterior automatic-dimming automotive rearview mirrors. The mirrors use proprietary electrochromic technology to dim in proportion to the amount of headlight glare from trailing vehicle headlamps. More than half of the company's interior mirrors are sold with advanced electronic features to automakers around the globe. Gentex Corporation is based in Zeeland, Michigan.	<p>We have owned Gentex since early 2006. In our opinion, this is a high-quality company that was relatively undervalued at the time of purchase. Gentex has obviously been affected by the downturn in automotive sales, but one of the company's strengths is that its mirror technology is patent-protected and sells at a premium. Moreover, higher-end automakers such as Daimler AG and Toyota (Lexus) use Gentex's mirrors as differentiators for their vehicles.</p> <p>Gentex reported better-than-expected earnings for the third quarter of 2009, with a 42% increase in operating income that was driven primarily by lower operating costs. The company also posted a 2% increase in quarter-over-quarter net sales. The stock price rallied because of the earnings report and also because of the general recovery in automotive stocks.</p> <p>We continue to like Gentex's story going forward. This is a patent-protected company that relies heavily on technology; the products that it makes, such as auto-dimming mirrors that reduce glare, are not easily replaced. Moreover, the company is taking steps to grow its revenues, in part by investing in new technology and expanding into new markets, such as airplanes. We would also expect that Gentex would benefit from any recovery in high-end automakers. Overall, we believe that this is a relatively stable business that also offers opportunities for growth.</p>
Cray Inc. (CRAY)	Detractor	0.58%	Cray Inc. provides systems that enable scientists and engineers in government, industry, and academia to meet both existing and future computational challenges. Building on its expertise in designing, developing, marketing, and servicing the world's most advanced supercomputers, Cray offers a portfolio of high performance computing systems that deliver sustained performance on a wide range of applications. Cray Inc. is based in Seattle.	<p>Cray is the only standalone supercomputer maker left, and it dominates its niche market. At the time that we took a position in the stock in 2006, the company was entering a new product cycle, which typically offers the potential for near-term sales growth. In fact, the company is currently in the midst of a strong product cycle that started in 2008. The company depends upon large contracts, which means the sales pattern can be a bit uneven, but Cray managed year-over-year sales growth for its most recent quarter. We believe that Cray will be able to expand its business going forward and continue to like the company.</p> <p>During the quarter, Cray reported good earnings but lowered its estimate for 2009 revenue to \$285 million from \$290 million. Though the change was modest, it was perceived as a negative, especially given the positive news surrounding other technology stocks. In addition, Cray was forced to change one of the chips it uses as part of a large contract with the U.S. government. According to the terms of the contract, the change in chips gives the government the right to renegotiate. Some investors were concerned about the possibility of a contract renegotiation, but we don't see it as a big issue. More important, in our view, is the fact that Cray's stock price had run up from approximately \$2 per share at the beginning of 2009 to nearly \$10 per share in the summer of 2009. We think the stock was simply due to take a breather.</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 16% of the portfolio as of December 31, 2008, to 18% 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 information 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, but 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	6.70%
Randgold Resources Limited ADR	4.91%
Chimera Investment Corporation	3.66%
Hill International Incorporated	2.14%
3Com Corporation	2.09%
GEO Group Incorporated	1.87%
Gentex Corporation	1.78%
Annaly Capital Management Incorporated	1.73%
Tier Technologies Incorporated—CI B	1.69%
Canadian Natural Resources Limited	1.67%

PORTFOLIO CHARACTERISTICS

	Fund	Russell 2500 Value Index
Weighted Average Market Cap	\$3.88B	\$2.19B
Weighted Median Market Cap	\$1.09B	\$2.02B
EPS Growth (3- to 5-year forecast)	12.50%	8.07%
P/E Ratio (trailing 12-month)	15.66x	15.12x
Turnover ¹	39.33%	—
P/B	1.57x	1.29x
P/S	0.99x	0.76x
Number of Equity Holdings	144	1,757

FUND FACTS

Inception Date	3-28-02
Net Expense Ratio—Admin	1.15%
Assets—All Share Classes	\$225.93M

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/Mid Cap Value Fund—Admin	61.38%	-3.39%	3.14%	—
Russell 2500 Value Index	27.68%	-6.97%	0.84%	8.18%
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—Administrator Class (as of 12-31-09)

Morningstar Category:	Small Blend
1 Year	23 out of 649 funds
3 Year	141 out of 566 funds
5 Year	90 out of 467 funds
10 Year	NA

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	5.27%
Beta	1.00
Sharpe Ratio	-0.19
Standard Deviation	27.78%
R-Squared	0.78
Information Ratio	0.31
Upside Capture	109.90%
Downside Capture	96.02%
Tracking Error	13.33%

Past performance is no guarantee of future results.

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

Benchmark Descriptions:

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

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group. The total return of the Morningstar Category Average does not include the effect of sales charges. You cannot invest directly in a Morningstar Category Average.

The Russell 2500 Value Index measures the performance of those Russell 2500 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.

Administrator Class shares incepted on April 11, 2005. Performance shown prior to the inception of the Administrator Class reflects the performance of the Investor Class shares of the Strong Small/Mid Cap Value Fund, the predecessor fund, and includes expenses that are not applicable to and are higher than those of the Administrator Class shares. The Investor Class shares of the predecessor fund incepted on March 28, 2002.

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/Mid Cap Value Fund received three stars among 566 funds and three stars among 467 funds for the three- and five-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.

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. 119056 1-10

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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