

# Product Alert

July 26, 2016

**Note:** This product alert was first issued on February 19, 2016. It has been updated with a new variable NAV conversion date (on or about October 5, 2016), clarification on variable NAV fund features, and new disclosure.

## Wells Fargo announces effective dates for changes to certain money market funds

In May 2015, Wells Fargo Funds announced its plan to restructure its money market fund lineup in response to the new U.S. Securities and Exchange Commission (SEC) regulations that take effect in October 2016. The Wells Fargo Funds Board of Trustees has now approved the restructuring and related effective dates, and this product alert explains the upcoming changes.

### Retail prime and municipal money market funds

Effective September 1, 2016, the Wells Fargo Funds listed immediately below will be offered as retail money market funds. These funds will continue to transact at a stable \$1.00 net asset value (NAV) but will be limited to beneficial shareholders who are natural persons.

- Wells Fargo California Municipal Money Market Fund
- Wells Fargo Money Market Fund
- Wells Fargo Municipal Money Market Fund
- Wells Fargo National Tax-Free Money Market Fund

Institutional investors must redeem their shares of these retail funds by September 1, 2016. Any institutional investors remaining in the funds on September 1, 2016, will be redeemed automatically. Intermediaries should enforce these retail fund requirements and redeem institutional investors from these funds by September 1, 2016.

Institutional investors will continue to have several money market fund options available, including our variable NAV prime and municipal money market funds and our stable NAV government money market funds described below. You can find more details in the [Product Comparison Guide](#).

### Variable NAV prime and municipal money market funds

Under the new SEC rules, prime and municipal money market funds that allow institutional investors will no longer be permitted to maintain a stable \$1.00 NAV and must transact at their market-based NAVs, rounded to four decimal places. Effective on or about October 5, 2016, the following funds will be offered as variable NAV money market funds:

- Wells Fargo Cash Investment Money Market Fund
- Wells Fargo Heritage Money Market Fund
- Wells Fargo Municipal Cash Management Money Market Fund

Effective on their conversion to a variable NAV, the funds will implement the following multiple intraday price times in order to continue providing same-day settlement and intraday liquidity to our investors.

---

We will calculate the NAV at the following times each business day:

Fund	Same-day settle (ET)	Next-day settle (ET)
Cash Investment Money Market Fund	9 a.m., 12 p.m., and 3 p.m.	5 p.m.*
Heritage Money Market Fund	9 a.m., 12 p.m., and 3 p.m.	5 p.m.*
Municipal Cash Management Money Market Fund	9 a.m. and 12 p.m.	5 p.m.*

\*Next-day settlement only; daily dividends calculated using 5 p.m. NAV.

Also effective on their conversion to variable NAV pricing, the funds will no longer support the following features:

- National Securities Clearing Corporation (NSCC) trading
- Same-day Automated Clearing House (ACH) trading
- Checkwriting
- Exchanges

Next-day ACH transactions and same-day wire transactions will continue to be available for these funds.

### **Liquidity fees and redemption gates for certain money market funds**

Under the new SEC regulations, certain money market funds may be subject to liquidity fees and/or redemption gates. Fund boards will have discretion to impose either a liquidity fee of up to 2% on shareholder redemptions or a temporary suspension of redemptions (gate) if a fund's weekly liquid assets fall below 30% of its total assets and the board determines that the fee or gate is in the best interest of the fund's shareholders. Our prime and municipal money market funds will have the ability to impose liquidity fees and/or redemption gates beginning on October 14, 2016.

### **Government money market funds**

Government money market funds will be permitted to maintain a stable \$1.00 NAV. The Wells Fargo government money market funds are not subject to either the liquidity fees or redemption gates described under the new SEC rule. We will continue to offer the following government money market funds to retail and institutional clients:

- Wells Fargo 100% Treasury Money Market Fund
- Wells Fargo Government Money Market Fund
- Wells Fargo Treasury Plus Money Market Fund

Effective October 14, 2016, government money market funds will be required to invest at least 99.5% of total assets in government securities, cash, and/or repurchase agreements that are collateralized fully by government securities or cash. The government funds above invest exclusively in these securities and thus already comply with this new requirement.

### **Continued excellence in liquidity management**

As we implement the new rules required by the SEC, we do not anticipate broad changes to the way we manage our money market portfolios. For more than 25 years, the Wells Fargo Money Market Funds have maintained a discipline of rigorous credit analysis and steadfast attention to preservation of capital and liquidity. Our security selection process has long emphasized conservative investment choices driven by our own independent, fundamental credit research and risk management. This disciplined approach has earned our funds a distinguished reputation for effective, risk-controlled liquidity management. Prudent investment of clients' assets is our top priority, and as always, we continue to manage the portfolios' liquidity needs in that manner.

---

We look forward to continuing to work with our clients and delivering a variety of money market funds that meet their needs. In addition to money market funds, Wells Fargo also offers various types of liquidity solutions, including short-duration bond mutual funds, separate accounts, and individual securities that may further augment our clients' investment choices.

Wells Fargo Funds offers the following short-duration bond funds to clients seeking cash management solutions:

- Wells Fargo Adjustable Rate Government Fund
- Wells Fargo Conservative Income Fund
- Wells Fargo Ultra Short-Term Income Fund
- Wells Fargo Ultra Short-Term Municipal Income Fund

### **About the Wells Fargo Money Market Funds team**

The Wells Fargo Money Market Funds are subadvised by Wells Capital Management, Inc.'s, Money Market Funds team, which is led by Jeffrey L. Weaver, CFA, and consists of 12 portfolio managers and traders as well as 14 credit analysts, using an array of proprietary and rigorous portfolio and credit research systems. The team manages \$122 billion in assets under management (as of December 31, 2015).

If you have any questions, please contact the Institutional Sales Desk at **1-888-253-6584**.

*Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus and, if available, a summary prospectus, containing this and other information, visit [wellsfargofunds.com](http://wellsfargofunds.com). Read it carefully before investing.*

#### **Variable NAV Money Market Funds**

*You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

#### **Retail Money Market Funds**

*You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

#### **Government Money Market Funds**

*You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the fund. In

---

general, when interest rates rise, bond values fall and investors may lose principal value. Interest-rate changes and their impact on the fund and its share price can be sudden and unpredictable. The use of derivatives may reduce returns and/or increase volatility. Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). This fund is exposed to mortgage- and asset-backed securities risk. The U.S. government guarantee applies to certain underlying securities and not to shares of the fund. Consult the fund's prospectus for additional information on these and other risks.

The **Conservative Income Fund** is exposed to foreign investment risk and municipal securities risk.

Loans are subject to risks similar to those associated with other below-investment-grade bond investments, such as credit risk (for example, risk of issuer default), below-investment-grade bond risk (for example, risk of greater volatility in value), and risk that the loan may become illiquid or difficult to price. Foreign investments are especially volatile and can rise or fall dramatically due to differences in the political and economic conditions of the host country. These risks are generally intensified in emerging markets.

The **Ultra Short-Term Income Fund** is exposed to high-yield securities risk.

The **Ultra Short-Term Municipal Income Fund** is exposed to high-yield securities risk and municipal securities risk. A portion of the fund's income may be subject to federal, state, and/or local income taxes or the Alternative Minimum Tax (AMT). Any capital gains distributions may be taxable.

In regard to the California Municipal Money Market Fund, the Municipal Money Market Fund, the Municipal Cash Management Money Market Fund, and the National Tax-Free Money Market Fund, a portion of the fund's income may be subject to federal, state, and/or local income taxes or the Alternative Minimum Tax (AMT).

Wells Fargo Asset Management (WFAM) is a trade name used by the asset management businesses of Wells Fargo & Company. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo 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, an affiliate of Wells Fargo & Company. 245078 07-16

**NOT FDIC INSURED ■ NO BANK GUARANTEE ■ MAY LOSE VALUE**