

Product Alert

May 26, 2016

Subadvisor update for the Wells Fargo Alternative Strategies Fund

The Wells Fargo Funds Board of Trustees has approved the addition of Ellington Global Asset Management, LLC, (Ellington) as a new subadvisor to the Wells Fargo Alternative Strategies Fund, providing additional diversification to the fund's investments through Ellington's relative value credit strategy. The Rock Creek Group, LP, will continue to be responsible for the overall management of the fund's portfolio and the allocation of assets to the underlying subadvisors.

Q. Can you tell me more about Ellington?

A. Ellington is an institutional-quality manager based in Greenwich, Connecticut, that we believe can enhance the fund's resources in the relative value area with its Liquid Long/Short Credit strategy. We also anticipate that Ellington will give the fund's portfolio expertise in structured credit exposure while maintaining minimal beta to broad markets. Ellington is a registered investment advisor and is part of Ellington Management Group, L.L.C., which is an institutional asset management firm specializing in mortgage- and asset-backed securities. Together with its various entities, Ellington Management Group manages approximately \$6.1 billion in assets as of December 31, 2015.

Q. Can you tell me more about Rock Creek?

A. Rock Creek, a registered investment advisor located in Washington, D.C., was launched in 2002. As of December 31, 2015, the firm oversees \$10 billion in assets under management. It is an affiliate of Wells Fargo Funds Management, LLC, and an indirect subsidiary of Wells Fargo & Company. (Wells Fargo indirectly owns a 65% majority stake of the company's shares but does not control the day-to-day operations of the company.) In addition to managing the Alternative Strategies Fund, Rock Creek provides investment advice to foundations, endowments, state and public pension plans, sovereign wealth funds, and other institutional investors.

Q. Which underlying managers are responsible for day-to-day management of the fund's portfolio?

A key part of Rock Creek's approach is maintaining the flexibility to add underlying managers strategically and to allocate assets among them opportunistically. The fund's underlying managers are as follows:

Underlying manager	Investment strategy
Chilton Investment Company, LLC	Equity hedged strategy
Ellington Global Asset Management, LLC	Relative value strategy
Mellon Capital Management Corporation	Global macro strategy
Passport Capital, LLC	Equity hedged strategy
Pine River Capital Management L.P.	Relative value strategy
River Canyon Fund Management LLC	Event driven strategy
Sirios Capital Management, L.P.	Equity hedged strategy
Wellington Management Company, LLP	Equity hedged strategy

Q. How are the fund's assets allocated among the underlying managers?

A. Rock Creek makes recommendations regarding the selection of underlying managers that will provide day-to-day portfolio management services for the fund. Blending its macroeconomic investment outlook with disciplined risk analysis, the Rock Creek team dynamically varies the fund's exposure among managers and investment strategies to capitalize on market opportunities while managing for risk.

Q. How are shareholders notified when a subadvisor is added to the fund?

A. The addition of Ellington as a subadvisor requires that we mail a notice of the change to all shareholders within 90 days following the subadvisor's appointment and that we also prepare an information statement providing additional information about the appointment. Following the mailing of the notice, the information statement will be made available to shareholders upon request and posted on wellsfargofunds.com for 90 days. Ongoing, information regarding the fund's allocations is provided in regulatory reports and communicated in the fund's quarterly fund commentary.

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. Read it carefully before investing.

The fund does not invest directly in hedge funds but pursues similar strategies to those typically used by hedge funds. The fund invests using alternative investment strategies such as equity hedged, event driven, global macro, and relative value, which are speculative and entail a high degree of risk. Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. 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. 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 use of derivatives may reduce returns and/or increase volatility. Borrowing money to purchase securities or cover short positions magnifies losses and incurs expenses. Short selling is generally considered speculative, has the potential for unlimited loss, and may involve leverage. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. This fund is exposed to high-yield securities risk, mortgage- and asset-backed securities risk, convertible securities risk, loan risk, regulatory risk, and smaller-company securities risk. Consult a fund's prospectus for additional information on these and other risks.

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. 240991 05-16

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