Wells Fargo Funds

Product Alert

WELLS FARGO ASSET MANAGEMENT

November 17, 2016

Subadvisor and fee changes for Wells Fargo Large Company Value Fund

Today, the Wells Fargo Funds Board of Trustees approved subadvisor and expense changes for the Wells Fargo Large Company Value Fund:

- On or about February 1, 2017, Analytic Investors, LLC (Analytic) will assume portfolio management responsibilities for the fund.
- On or about February 1, 2017, lower expense ratios across the fund's share classes and reduced management and advisory fee schedules will take effect.

Please see the Q&A below for more information about these changes.

Affected fund at a glance

Wells Fargo Fund	Share class	Ticker	CUSIP	Transfer agent #
Large Company Value Fund	A	949921696	WLCAX	3325
	C	949921811	WFLVX	3536
	Administrator	949915854	WWIDX	3607
	Institutional	949921795	WLCIX	3156

Q: Can you tell me about Analytic Investors?
A: Established in 1970, Los Angeles–based Analytic Investors is a $15 billion investment management firm offering a range of active quantitative equity investment options, including risk-reduction, benchmark-oriented, and absolute-return strategies. The firm is widely recognized for its innovative culture, disciplined quantitative processes, and sophisticated risk forecasting techniques. Wells Fargo Asset Management completed its acquisition of Analytic Investors, LLC on October 1, 2016.

Q: How may these changes benefit shareholders?
A: Lower expenses are certainly advantageous to shareholders. And we believe that shareholders may benefit from Analytic's demonstrated expertise and track record in managing its value equity strategy, as the Large Company Value Fund will be managed in a manner consistent with that strategy. Analytic has a long-tenured investment team and a well-defined, repeatable investment process that aims to generate attractive risk-adjusted performance over time. Analytic's value equity strategy composite also has attractive alpha, information ratio, Sharpe ratio, and upside capture ratio characteristics.

Q: How will the fund's investment process change?
A: The current and planned investment processes share many similarities. Both processes employ quantitative screens to identify potential investment opportunities within the U.S. large-capitalization universe, and both investment teams manage their portfolios in a benchmark-aware manner, with adequate risk controls in place to manage the portfolio's active risk exposures and style purity. Consequently, both processes result in portfolios that tend to remain squarely in the Morningstar large value style box and share similar risk and holdings characteristics. Finally, each strategy is intended to deviate minimally from the Russell 1000 Value Index from a tracking error perspective as well as from a sector allocation perspective.

In terms of key differences, while the fund's current portfolio management process uses both quantitative and qualitative techniques, Analytic employs a disciplined investment process that is quantitatively driven. Also, the fund portfolio will no longer invest up to 25% of assets in equity securities of foreign issuers through American depositary receipts (ADRs) and similar investments. This change is expected to make the fund more effectively fit typical asset allocation strategies and objectives (i.e., to provide exposure to U.S.-domiciled large-value companies).

Q. Who will be the fund's portfolio managers?

Effective on or about February 1, 2017, the following Analytic Investors portfolio managers will manage the fund:

- **Harindra de Silva, Ph.D., CFA**, has 30 years of investment experience and performs research for equity and global asset allocation strategies. He holds a Ph.D. in finance from the University of California, Irvine, a bachelor's degree in mechanical engineering from the University of Manchester Institute of Science and Technology, and a master's degree in business administration with an emphasis in finance and a master's degree in economic forecasting from the University of Rochester.
- **Dennis Bein, CFA**, has 26 years of investment experience and focuses on portfolio management and research related to equity-based investment strategies. He received a master's degree in business administration from the Anderson Graduate School of Management at the University of California, Riverside, and a bachelor's degree from the University of California, Riverside.
- **Ryan Brown, CFA**, has 11 years of investment experience, is responsible for portfolio management and trading for U.S. equity-based investment strategies, and contributes to ongoing research in these strategies. He received a bachelor's degree in economics from Brigham Young University and a master's degree in finance from the University of Utah.

Q: How will the expenses change?
A: On or about February 1, 2017, the expense ratios for all share classes of the fund will be reduced, and the fund's management and advisory fees will be lowered.

Current and future expense ratios

Wells Fargo Funds	Share class	Current expense ratio	Expense ratio, effective on or about 2-1-17
Large Company Value Fund	A	1.10%	0.83%[1]
	C	1.85%	1.58%[1]
	Institutional	0.75%	0.50%[2]
	Administrator	0.98%	0.75%[3]

1. The Manager has contractually committed through November 30, 2019, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waiver at 0.83% for Class A and 1.58% for Class C. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses are excluded from the cap. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.
2. The Manager has contractually committed through November 30, 2019, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waiver at 0.50% for Institutional Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses are excluded from the cap. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.
3. The Manager has contractually committed through November 30, 2019, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waiver at 0.75% for Administrator Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses are excluded from the cap. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

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.

Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. 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.