WELLS FARGO ASSET MANAGEMENT

Product Alert

June 6, 2018

Upcoming changes to the Wells Fargo Asset Allocation Fund: Transition update

In early March, Wells Fargo Asset Management (WFAM) announced changes to the Wells Fargo Asset Allocation Fund, detailed below. The implementation of these changes is expected to occur on or about June 15, 2018.

- Wells Capital Management Incorporated (WellsCap), a part of WFAM, will be named subadvisor, and will assume all portfolio management responsibilities for the fund. Grantham, Mayo, Van Otterloo & Co LLC (GMO) will no longer provide the investment management of the fund's portfolio.
- Christian Chan, Kandarp Acharya, and Petros Bocray, experienced managers of several asset allocation investment strategies, will be named portfolio managers of the fund and will be supported by their colleagues on the WFAM Multi-Asset Solutions (MAS) team. The team has managed multi-asset strategies since 1989, and manages over $17 billion in multi-asset strategies (as of 4/30/18).
- The fund's new investment strategy is designed with the goal of achieving more consistent long-term relative returns. The fund will continue to be managed as a globally diversified multi-asset investment strategy and the risk profile will remain similar.
- The fund will adopt a new performance benchmark index.
- Net operating expense ratios will be substantially reduced as part of this change.

Transition update

While the Asset Allocation Fund will continue to be managed to a 65% equity / 35% fixed income neutral allocation and will retain a similar risk profile, the underlying assets of the portfolio will be transitioned from GMO underlying funds to WFAM underlying master portfolios and fund. The benchmark will change from 65% MSCI ACWI/35% Bloomberg Barclays U.S. Aggregate Bond Index to the following blended benchmark: 45% Russell 3000 Index, 20% MSCI ACWI ex USA, and 35% Bloomberg Barclays U.S. Aggregate Bond Index.

We will use a transition manager to assist in transitioning assets quickly and efficiently. We intend to transfer securities in kind from GMO portfolios to the WFAM portfolios where permissible and appropriate. We are carefully planning and developing our transition plan, and at this time, we do not anticipate any purchase blackout periods during the transition.

The transition will occur in stages. We expect the change in portfolio management to occur on or about June 15, 2018. In advance of the transition, the portfolio management team at GMO will redeem shares of GMO funds as needed to manage available liquidity and trading costs, with most activity to occur shortly before the transition date. Following the transition date, fund assets will be deployed to WFAM strategies. The transition plan is flexible and subject to change as market conditions evolve. There will be transaction costs from security turnover as the fund is repositioned.

The transition may also entail realization of capital gains for shareholders. Based upon May 31, 2018 data, we estimate that the tax impact would be a realization of approximately $256 million in capital gains, which is approximately 9.4% of NAV. This estimate is based upon an analysis of both realized and unrealized gains from the fund's underlying investments and may change significantly prior to the fund's actual distribution date. The fund's actual capital gains distribution will include investment activity through October 31, 2018. Until the fund's actual capital gains distribution is calculated, the exact character of the gains relative to short versus long will not be known. The ex-dividend date for capital gains distributions for the Asset Allocation Fund will be December 10, 2018.

About Multi-Asset Solutions

The Multi-Asset Solutions (MAS) team fully integrates portfolio management capabilities with development of portfolio solutions that attempt to achieve client outcomes. Specifically, the MAS team delivers solutions to clients' investment challenges in an effort to increase and protect wealth and to generate income from their wealth. The team, led by Nicolaas Marais, includes 21 members with an average of 20 years of industry experience and a combined 440 years of experience across the team. The MAS team manages a variety of multi-asset portfolios and tactical asset allocation overlays, such as traditional balanced, target date, tactical allocation, and inflation-sensitive portfolios.

The MAS team also currently manages the Wells Fargo Growth Balanced Fund, which is a diversified, multi-asset balanced fund having the same investment objective and a similar investment strategy to the Asset Allocation Fund. The Growth Balanced Fund–Administrator Class has outperformed the Asset Allocation Fund–Administrator Class over the 1-, 3-, 5-, and 10-year time periods through March 31, 2018. Additionally, the Growth Balanced Fund Administrator Class has an Overall Morningstar Rating of 4 stars. The Overall Morningstar Rating, a weighted average of the 3-, 5-, and 10-year (if applicable) ratings, is out of 680 funds in the Allocation-50% to 70% Equity category based on risk-adjusted returns as of March 31, 2018.

Performance as of March 30, 2018 (%)

Fund	1 year	3 year	5 year	10 year	Gross expense ratio	Net expense ratio
Asset Allocation Fund (Admin)	9.11	4.23	4.40	4.64	1.27	1.19
Growth Balanced Fund (Admin)	9.88	6.12	8.75	6.80	1.26	0.95

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on a fund. *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 and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the funds' website, wellsfargofunds.com. Administrator Class shares are sold without a front-end sales charge or contingent deferred sales charge.*

For the Asset Allocation Fund Administrator Class, the manager has contractually committed, through August 31, 2018, 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 0.64%. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (including the expenses of Asset Allocation Trust), and extraordinary expenses are excluded from the expense 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. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus. Effective June 15, 2018, the Administrator Class expenses will be capped at 0.95% as a contractual commitment from the manager through August 31, 2020. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses from funds in which the underlying master portfolios and funds invest and money market funds, and extraordinary expenses are excluded from the expense cap. All other acquired fund fees and expenses from the affiliated master portfolios and funds are included in the expense 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. Without this cap, the fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.

For the Growth Balanced Fund Administrator Class, the manager has contractually committed, through 9-30-18, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual operating expenses after fee waiver, at 0.95%.Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses from funds in which the master portfolios invest, and extraordinary expenses are excluded from the expense cap. All other acquired fund fees and expenses from the affiliated master portfolios are included in the expense 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. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.

Balanced funds may invest in stocks and bonds. 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. The use of derivatives may reduce returns and/or increase volatility. Alternative investments, such as short sales, are speculative and entail a high degree of risk. Foreign investments are especially volatile and can rise or fall dramatically due to differences in the political and economic conditions of the host country. The fund will indirectly be exposed to all of the risks of an investment in the underlying funds and will indirectly bear expenses of the underlying funds. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). This fund is exposed to high-yield securities risk, mortgage- and asset-backed securities risk, geographic risk, and smaller-company securities risk. Consult the fund’s prospectus for additional information on these and other risks. The fund invests substantially all of its assets in Asset Allocation Trust, an open-end management investment company having the same investment objective and strategy as the fund. Any portfolio data shown for the fund represents that of the Asset Allocation Trust.

The Morningstar Rating™ for funds, or star rating, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar risk-adjusted return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20%3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. Across U.S.-domiciled Allocation--50% to 70% Equity funds, the Growth Balanced Fund received 4 stars among 680 funds, 5 stars among 628 funds, and 3 stars among 442 funds for the 3-, 5-, and 10-year periods, respectively. The Morningstar Rating is for the Administrator Class only; other classes may have different performance characteristics. **Past performance is no guarantee of future results**.

Any tax or legal information in this document is merely a summary of our understanding and interpretations of some of the current income tax regulations and is not exhaustive. Investors should consult their tax advisor or legal counsel for advice and information concerning their particular situation. Wells Fargo Funds Management, LLC; **Wells Fargo Funds Distributor, LLC**; or any of their representatives may not give legal or tax advice.

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.

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. Neither Wells Fargo Funds Distributor nor Wells Fargo Funds Management holds fund shareholder accounts or assets. This material is for general informational and educational purposes only and is NOT intended to provide investment advice or a recommendation of any kind—including a recommendation for any specific investment, strategy, or plan. 312519 06-18

NOT FDIC INSURED ■ NO BANK GUARANTEE ■ MAY LOSE VALUE