WELLS FARGO | ASSET MANAGEMENT

Portfolio Manager Commentary

Overview, strategy, and outlook: As of December 31, 2018

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Money market overview

It would not be surprising if many investors heaved a sigh of relief to see 2018 in the books. And though the money markets were an oasis of calm for some, we were not without a number of topics meriting discussion throughout the year. In January, we kicked off the year talking about the incoming Federal Reserve (Fed) chair and came to the conclusion we'd likely see a seamless transition and continuity of process. We also discussed the looming expiration of the debt ceiling suspension and our belief that the situation would be resolved relatively painlessly. It was, as we noted in March, and was suspended again until March 2, 2019. This was also the first of our four discussions on the Fed's rate hikes.

In the second quarter, we discussed the elevated LIBOR-OIS spread, or LOIS[1] spread, in April, and we also noted that flows into and out of money market funds weren't following their normal cyclical pattern. We followed up in May with our interpretation of the Fed meeting minutes, including the possibility the Fed would raise the rate it pays on excess reserves (interest on excess reserves, or IOER) less than the federal funds target range in order to affect an altered federal funds trading relationship. We also welcomed the spike in short-term muni rates. Finally, in the June commentary, we discussed the Fed's second tightening and how it raised IOER by only 20 basis points (bps).[2] We dissected the various repo indices and demonstrated how the London Interbank Offered Rate (LIBOR) replacement, the Secured Overnight Financing Rate,[3] is constructed.

Following our summer hiatus, we returned in August to discuss LOIS tightening off April's highs as a result of increases in Treasury supply. The October commentary focused on the third rate hike and the dot plot. The dot plot was also a major focus of the November commentary, not only due to implications for a December tightening but also because of perceived communication ambiguities on the part of Fed officials.

Finally, two of our monthly commentaries were devoted to specific topics and not necessarily broad market/fund comments. In February, we focused on developments in the products side of the market and provided a regulatory update. And in September, we observed and discussed the changes to the fund industry that were wrought by the bankruptcy of Lehman Brothers 10 years ago. It's so hard to believe it has been a decade.

Sector views

Prime sector

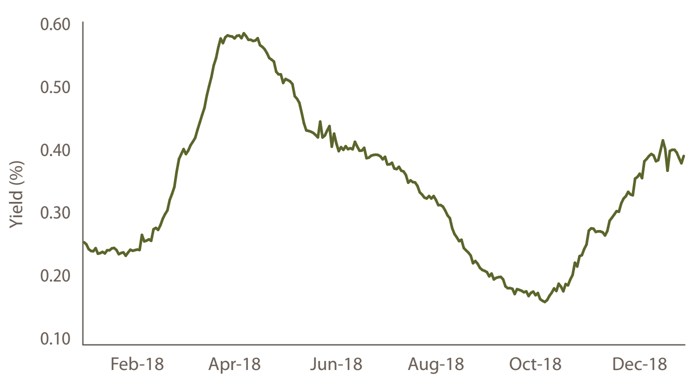
The continuing economic improvement in 2018 allowed the Federal Open Market Committee (FOMC) to remove policy accommodation on a fairly predictable quarterly basis. The U.S. economy achieved above-trend growth, low unemployment, and moderating inflation at the same time fiscal policy was proving to be an economic tailwind. The FOMC's Summary of Economic Projections (SEP) through September reflected this scenario and provided the market with some clarity as to the path of future interest rate policy. However, the economic landscape changed in the fourth quarter as the U.S. engaged in various trade wars, the midterm elections disrupted the legislative composition, and financial conditions tightened. These factors began softening economic data and confidence, leading to increased volatility in risk assets. At the conclusion of the FOMC policy meeting on December 19, the federal funds target rate was raised to a range of 2.25% to 2.50%, while the rate on IOER was only increased by 20 bps, to 2.40%. That was the second time the IOER rate was increased 5 bps less than the increase in the target rate in an effort to keep the effective federal funds rate from drifting to the upper level of the federal funds target range.

In the accompanying SEP, the Fed provided fresh—and much needed—insight on their view of the economy, inflation, and the corresponding monetary policy expected over the next few years. And the December projections did not disappoint market observers, with the FOMC marginally decreasing its outlook on growth and inflation and correspondingly lowering the glide path for its target rate, decreasing its median outlook for interest rate hikes in 2019 from three to two (specifically, 2.875%). Comparing the September and December target rate projections, the longer-term section points to an expectation of the eventual neutral rate being marginally lower at 2.75% and lowered 2020 and 2021 median interest rate expectations to 3.125%. On the growth front, 2019 median gross domestic product projection edged down two-tenths to 2.3%, while 2020 and 2021 growth projections remained unchanged at 2% and 1.8%, respectively. Core inflation in the 2019–2021 projections all declined one-tenth to 2%. The lower expectations for interest rates in the next three years show the FOMC members likely are less concerned regarding the potential for inflationary pressures and more focused on balancing a somewhat softer economy.

As the FOMC's expectations for rate increases moved lower, the market expectations for Fed rate increases, as measured by federal funds futures, moved even lower still. Market participants are barely pricing in any rate hike in 2019 and may even be starting to prepare for a possible rate *cut* toward the end of 2019 and into 2020. The Fed will have plenty of opportunities to adjust expectations starting in 2019 as Chair Powell will conduct a press conference after each FOMC meeting, instead of just quarterly. On the heels of the FOMC lowering its economic and inflation projections, risk assets underperformed and U.S. equities were teetering near bear market territory.

In the money market space, the LOIS moved wider in late March and early April as a result of imbalances in supply and demand. As you may recall, LOIS is the difference between the 3-month LIBOR and the Overnight Indexed Swap rate. It represents the difference between an interest rate with some credit risk built in (LIBOR) and one that is relatively risk free (OIS) over a certain time period, thus incorporating not only credit risk but also term premia. Typically the LIBOR-OIS spread widens as a result of credit stresses in the banking sector or from a decline in demand from investors. In the current environment, it was driven by elevated Treasury bill (T-bill) issuance causing an excess supply situation, while a decline in excess reserves from tax reform repatriation effects reduced demand. These imbalances worked themselves out and the spread that had approached 60 bps in early April fell back in a more normal range throughout the summer. Year-end funding pressures caused the 3-month LIBOR-OIS spread to gap wider again starting in early October, moving from a 2018 low of 17 bps to a high of 42 bps before the December FOMC meeting. Since then, the LOIS has moved sideways as banks seem to be comfortably positioned with their remaining short-term funding needs for 2018, resulting in less pressure on LIBOR rates.

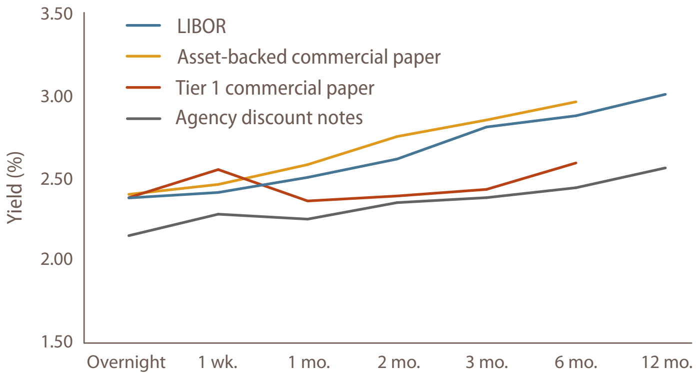
LIBOR-OIS spread



Sources: Bloomberg L.P. and Wells Capital Management Inc.

Yields in the money markets adjusted higher in the run-up to December's FOMC meeting as expectations shifted around the path of future rate hikes getting priced into money market yields. At the same time, commercial paper issuers were aggressively extending maturities over year-end and paying higher rates to obtain favorable leverage ratios and fulfill other regulatory requirements before closing the books on 2018.

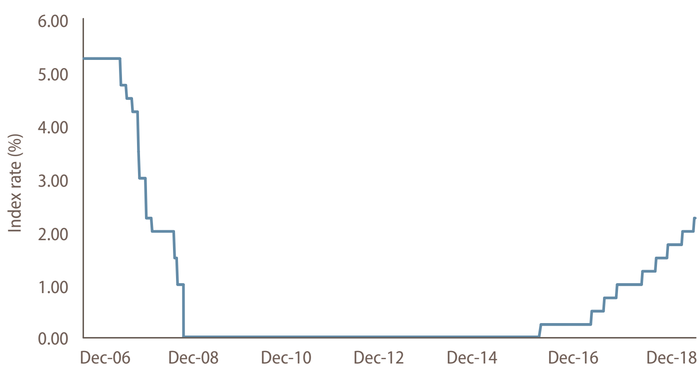
Money market yield curves, as of 12/31/2018



Sources: Bloomberg L.P. and Wells Capital Management Inc.

The upshot is that after eight years of near-zero yields (and a few hikes in 2017), prime money market funds garnered attention as a real asset class again in 2018, with the path of money market rates generally following the pace of the four Fed rate hikes. In addition, the bear flattening of the U.S. Treasury curve, the underperformance of credit products, and U.S. equities approaching bear market territory have brought favorable attention back to money markets.

Fed funds target rate

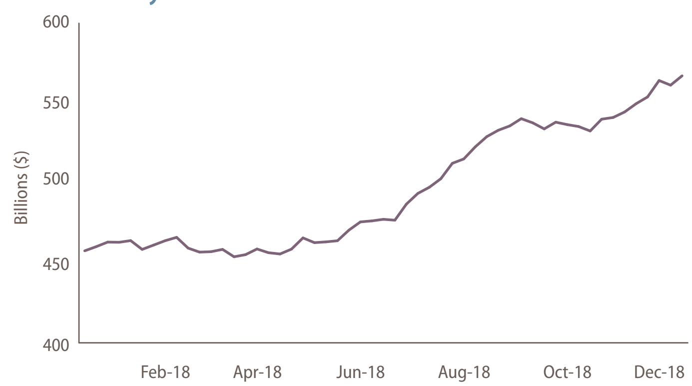


Sources: Bloomberg L.P. and Wells Capital Management Inc.

The rise in short rates has brought not only attention but perhaps also nontraditional money market investors (those that typically invest in longer-term debt or equities) into the short end of the market. The Crane Prime Institutional Money Market Index[4] was up over $71 billion this year, with all prime assets up over $139 billion.

Investors reexamining prime money market funds are realizing the changes implemented from the 2010 money market reform have made a material difference in the construction of prime money market fund portfolios. The added liquidity requirements and maturity restrictions have had a beneficial impact on dampening net asset value (NAV) volatility even as the FOMC continues to raise rates, as well as in the face of widening credit spreads. In addition, the transparency of holdings provides a daily view of the portfolio construction process and allows shareholders to assess the risks in the portfolios.

Prime money market fund assets



Source: Bloomberg L.P.

Going forward, money market rates should continue to look toward the FOMC and other market indicators for future rate guidance. As we get closer to the end of the tightening cycle, money market participants may look to extend weighted average maturities to capture higher yields. Our strategy of emphasizing highly liquid portfolios, relatively short WAMs,[5] and a position in securities that reset frequently allows us to capture future FOMC rate moves with minimal NAV pricing pressures and affords us the flexibility to add longer-dated securities as opportunities arise.

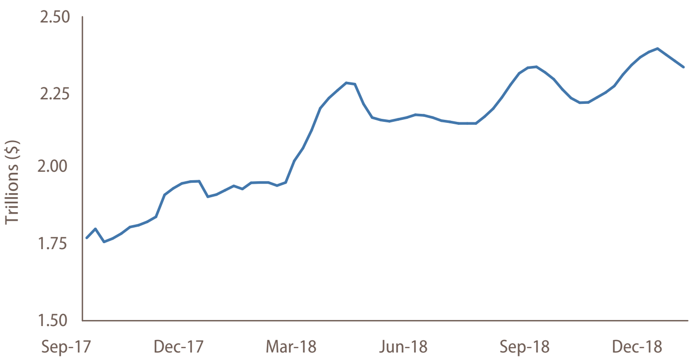
U.S. government sector

A series of fiscal decisions set in motion forces that made 2018 a year where government money market investors generally had the upper hand, following close to a decade where issuers had the upper hand.

The first and perhaps ultimately most consequential decision was made in December 2017, when Congress passed its tax cut, locking in reduced federal revenues, which, all other things being equal, would mean greater borrowing. The simultaneous second and third actions were the early February steps to suspend the debt ceiling again (allowing unlimited issuance) and to pass a generous budget. The budget increased spending, which meant that all other things would not be equal, and reduced federal revenues would go hand in glove with increased outlays. However wise the fiscal approach may or may not be for the citizenry, many investors welcomed the promise of a U.S. Treasury department hungrier for cash.

Before the fiscal actions had time to take full effect, the suspension of the debt ceiling meant a burst of T-bill issuance as the Treasury sought to bolster its cash balance just as it was actively paying out tax refunds. Over the ensuing two months, the Treasury issued $332 billion of net new T-bills in what would probably be 2018's signature event. Although about one-third of that increase rolled off in the following month, as dictated by Treasury's tax seasonality, the total amount of T-bills outstanding steadily increased throughout the year as the fiscal imbalances took hold, as shown in the chart below.

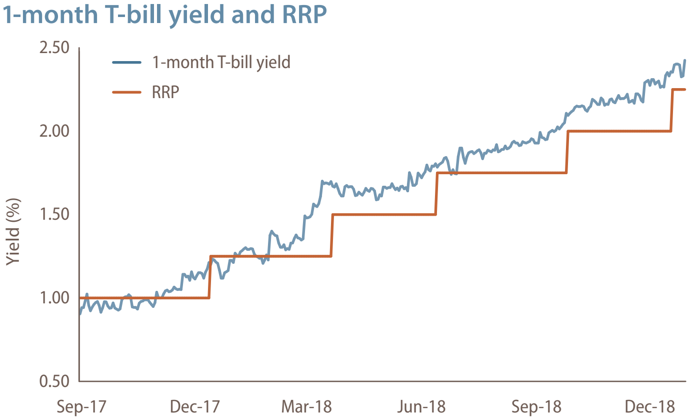
U.S. Treasury bills outstanding



Source: Bloomberg L.P.

The repo, T-bill, and other short-term markets repriced to higher yields shortly after the additional T-bills fell into the market and have basically stayed elevated ever since. As shown in the following chart, pre-T-bill surge, 1-month T-bill yields typically gyrated around the Fed's reverse repurchase agreement (RRP) level, which has been set at the lower end of the Fed's overnight federal funds target range. Post-surge, T-bill yields moved consistently 0.10% to 0.20% higher than the Fed's floor.

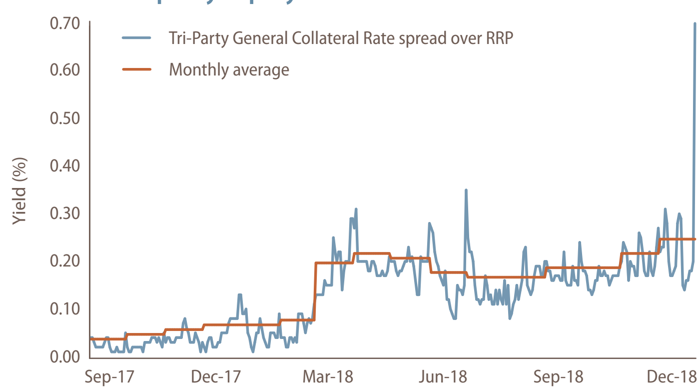
1-month T-bill yield and RRP



Sources: Bloomberg L.P. and Wells Capital Management Inc.

Repo rates exhibited the same behavior before (about 0.05% above the floor) and after (0.15% to 0.20% above the floor) the T-bill surge, as shown in the following chart. Also notable in the repo rates chart is that demand for cash in the repo market on the last day of the year swamped available cash, resulting in an unusual market dislocation, with rates 0.70% higher than the Fed's floor. Quarter-end reporting dates are usually an adventure in the repo market, with spikes generally evident on the chart, but the behavior on December 31, 2018, set a new standard. It's worth noting that we may well have seen similarly extreme markets a few years ago, but in the other direction, had the Fed not instituted its RRP program. When the Fed's target range floor was set at 0%, the $300 billion to $500 billion the Fed was regularly taking in at 0.05% on quarter-ends would have possibly pushed repo rates deeply negative if it had to find a home away from the Fed.

Excess of tri-party repo yield over RRP

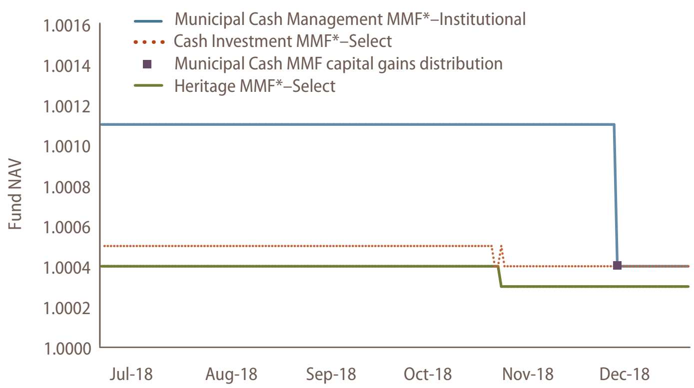


Sources: Federal Reserve Bank, Bloomberg L.P., and the Bank of New York

Aside from fiscal activity, the markets were also, of course, affected by the Fed, with the four quarterly 0.25% rate hikes moving the range higher and with its ongoing balance sheet reduction program adding pressure to the repo markets. Mechanically, the Fed is reducing its balance sheet by allowing some of its maturing Treasury and mortgage investments to roll off uninvested. As the Fed has stepped back as a buyer, other buyers have had to step forward, and as fewer securities reside in the Fed's portfolio, more are in private hands, needing to be financed in the repo market.

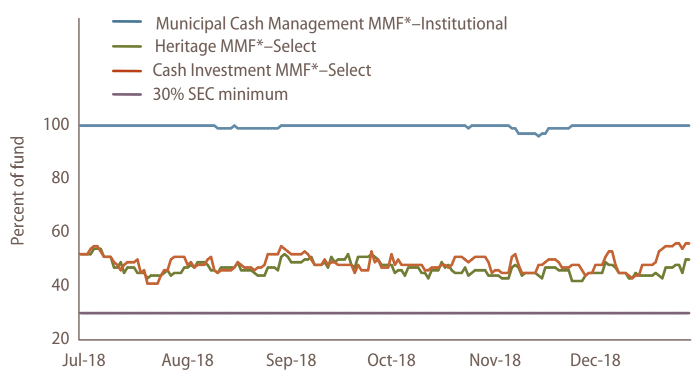
For various reasons, including softer inflation readings and weaker equity markets, the markets in December largely priced out further rate hikes in this cycle. With a still generally very solid economy, the markets will closely watch upcoming data to see whether the Fed may have more to do.

Wells Fargo floating net asset value (FNAV) money market fund NAVs



Source: Wells Fargo Funds

Wells Fargo FNAV money market fund weekly liquid assets



Source: Wells Fargo Funds

Municipal sector

The municipal money markets continued to strengthen in 2018 as rising interest rates and increasing asset levels gave both investors and market participants something to cheer, particularly in a year highlighted by the return of volatility to the broader markets. With regulatory reform a distant memory, market participants continued to build upon the successes of 2017, focusing on more traditional factors such as FOMC interest rate policy and market technicals. The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index[6] began and ended the year at 1.71%, an amazing feat considering the bouts of volatility the index experienced throughout the year. Fixed-rate paper, on the other hand, experienced fewer and less-volatile swings and generally tracked taxable rates higher as the FOMC implemented its four rate hikes throughout the year.

For the second year in a row, the municipal money market began the month of January with abnormally elevated short-term rates. This time the year-end spike in SIFMA was caused by a significant shift in supply and demand technicals in the broader municipal market related to tax reform. SIFMA closed out 2017 at a staggering multiyear high of 1.71%, or 115% of 1-week LIBOR. However, with the advent of strong seasonal reinvestment cash in early January municipal money market yields quickly began to normalize. The SIFMA Index fell for five consecutive weeks before eventually closing out the month at a more reasonable 1.08% (73% of 1-week LIBOR). Yields on high-grade 1-year notes finished out the month at 1.40%, down from 1.46% at year-end.

The next big move in the municipal money market space occurred during the March–April tax-payment time period, but with a twist. Following the typical tax-time script, yields rose across the curve as persistent fund outflows exerted downward pressure on demand. Municipal money market funds would lose roughly $4 billion in assets during the months of March and April. The SIFMA Index spiked to 1.81% on April 18, up from 1.58% at the end of March, pushing the SIFMA to 1-week LIBOR ratio to 104%.

Municipal money market assets usually languish until the months of June and July when coupons and maturities generate a new wave of reinvestment cash. However, fund assets staged an unexpected turnaround during the month of May as investors sought to take advantage of the sudden cheapness of SIFMA. Municipal money market funds would attract almost $7 billion in assets during the month. This unexpected surge in demand forced the index lower for six straight weeks before closing out the month at 1.06%, or 61% of 1-week LIBOR.

June saw equally abnormal asset flows. This time, municipal money market funds experienced redemptions in the neighborhood of $2.8 billion. This surprising reversal in trend caused demand for overnight and weekly variable-rate demand notes[7] (VRDNs) and tender option bonds[8] (TOBs) to evaporate, leading dealers to rapidly ratchet rates higher in order to entice nontraditional buyers. The FOMC rate hike on June 13 provided additional impetus for the tax-exempt market to play catch-up with taxable equivalents. The SIFMA Index would ultimately rise from 1.05% (59% of 1-week LIBOR) on June 6 to 1.51% (76% of 1-week LIBOR) on June 27.

The dog days of summer brought some semblance of normalcy to the municipal money market space as the SIFMA Index settled into a narrower range while slowly tracking taxable rates higher leading up to the next FOMC tightening in September. The index rose slightly to 1.61% by the end of October, up from 1.56% at the end of September. Further out on the curve, yields on high-grade commercial paper and notes continued to rise as the market coped with large secondary market balances, with 1-year high-grade notes finishing out the month at approximately 2.07%, up from 1.94% the previous month.

Heading into the final two months of the year, the municipal money markets continued to benefit as heightened equity and bond market volatility forced many investors to seek out potential lower risk in the short end. A pessimistic change in general market sentiment along with conflicting comments from Fed Chair Powell contributed to market uncertainty and reduced expectations of further FOMC rate hikes in 2019. The municipal yield curve began to flatten as the SIFMA Index eventually drifted higher to close out the year at 1.71%. Meanwhile, yields on top-rated 1-year commercial paper fell to roughly 1.90%. Ultimately, municipal money market funds closed out the year on a strong note, bringing in roughly $6.5 billion in assets during the month of December. This capped off a remarkable year for the industry as assets increased by approximately $14 billion or 10% for the year, according to Crane Data.

Throughout the year, we continued to emphasize portfolio liquidity by targeting our purchases primarily in daily and weekly VRDNs and TOBs. This strategy allowed us to achieve our objectives for 100% weekly liquidity and principal preservation. Additionally, our strategy allowed us to quickly capture the benefits of rising interest rate levels due to FOMC rate hikes and periods of elevated SIFMA rates. Given the relative flatness of the municipal yield curve and asymmetrical risks with respect to potential policy tightening by the Fed, we continued to adopt a conservative posture with respect to liquidity and duration targets throughout 2018.

On the horizon

Thanks to four Fed rate hikes and a miserable fourth quarter for risk assets, cash assets (i.e., money market funds) seized the crown of king of returns. Market performance during the fourth quarter was enough to wipe out year-to-date equity gains and turn stocks negative. The S&P 500 Index[9] total return charted its worst year in the past 10 with a -4.39% total return, while small-cap stocks, as measured by the S&P SmallCap 600 Index,[10] sank even further to -8.52%. Bond markets, too, were not immune to the increasing pessimism infiltrating the equity markets, with high-grade bonds[11] posting a miserly postcrisis money-fund-like return of 0.01% for the year and high-yield bonds[12] performing marginally worse, returning -2.08%. So with seven-day current yields averaging 2.10% on institutional government funds[13] and 2.32% on institutional prime funds[14] (as of January 1, 2019), money market funds were the place to be, with higher returns than other segments of the market, in the final quarter of the year.

The positive returns on money market funds was not just the story of the quarter—we feel it was the story of the year. On average, yields are up 97 to 100 bps, in line with the Fed moves. Did investors vote with their dollars? Yes, they did. Money market funds ended the year with net inflows of more than $219 billion, topping out at $3.15 trillion. The bulk of the growth came in prime funds, which, as we noted above, drew $139 billion, followed by Treasury funds drawing $68 billion. While growth in taxable assets occurred steadily throughout the year, roughly $166 billion in new dollars moved into the funds during the final quarter of the year. Some of the flow was certainly cyclical, a phenomenon we see every year, but some of it was also prompted by the increasingly pessimistic tone of risk assets in the fourth quarter, with over half of the quarterly flow coming from retail investors.

At this point in the economic and tightening cycle, the tides seem to have shifted somewhat so that risks seem more biased to the downside. With increasing volatility in risk assets, we would anticipate money market funds may continue to offer investors a port in the vortex. But, as we have seen in the past, increases in demand, plus an approaching end to the tightening cycle, usually temper further rises in yields, which may have an offsetting effect on funds' assets. Our best expectations at this point is that the money market fund assets will remain relatively stable for the very near term before typical tax-related cyclical events take their toll.

While we do not expect it to affect money markets at this time, the partial government shutdown and its eventual resolution, and indeed the upcoming budget process, may offer some insights into how the new bipartisan Congress is able to work with the president. This could be useful information to investors later this year, as we once again face a binding debt ceiling constraint that we believe will surely need to be lifted in order for the government to keep funding itself, and deals will need to be made in order for that to happen. Stay tuned!

Rates for sample investment instruments — current month-end % (December 2018)

Sector	1 day	1 week	1 month	2 month	3 month	6 month	12 month
U.S. Treasury repos	2.95	2.62	–	–	–	–	–
Fed reverse repo rate	2.25	–	–	–	–	–	–
U.S. Treasury bills	–	–	2.39	2.40	2.40	2.47	2.53
Agency discount notes	2.15	2.28	2.25	2.35	2.38	2.44	2.56
LIBOR	2.38	2.41	2.50	2.61	2.81	2.88	3.01
Asset-backed commercial paper	2.40	2.46	2.58	2.75	2.85	2.96	–
Dealer commercial paper	2.38	2.55	2.36	2.39	2.43	2.59	–
Municipals	1.70	1.71	1.66	1.68	1.70	1.76	1.90

Sources: Bloomberg L.P. and Wells Capital Management

Wells Fargo Fund	7-day current yield
Cash Investment MMF*–Select	2.53
Heritage MMF*–Select	2.53
Municipal Cash Management MMF*–Inst	1.65
Government MMF**–Select	2.33
Treasury Plus MMF**–Inst	2.30
100% Treasury MMF**–Inst	2.20

Source: Wells Fargo Funds

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. *Yields will fluctuate. 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.*

Money market funds are sold without a front-end sales charge or contingent deferred sales charge. Other fees and expenses apply to an investment in the fund and are described in the fund's current prospectus.

The manager has contractually committed to certain fee waivers and/or expense reimbursements. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses are excluded from the cap. Without these reductions, the seven-day current yield for the Institutional Class of the Cash Investment Money Market Fund, Heritage Money Market Fund, Municipal Cash Management Money Market Fund, Government Money Market Fund, Treasury Plus Money Market Fund, and 100% Treasury Money Market Fund would have been 2.41%, 2.43%, 1.51%, 2.26%, 2.28%, and 2.12%, respectively, and the total returns would have been lower. 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.

For more information, please contact:

Institutional Sales Desk: **1-888-253-6584**

Website: **wellsfargofunds.com** (*Click "Institutional Cash Management"*)

1. LOIS is the spread between the 3-month LIBOR (the London Interbank Offered Rate) and the Overnight Indexed Swap (OIS). The LIBOR-OIS spread represents the difference between an interest rate with some credit risk built in and one that is virtually risk free.

2. 100 bps = 1.00%

3. The Secured Overnight Funding Rate is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

4. The Crane Prime Institutional Money Fund Index is an average of the general purpose, nongovernment money market mutual funds (currently 132 funds) tracked by Crane Data and available only to corporations, fiduciaries, and non-retail investors. Crane Data is a money market and mutual fund information company founded by Peter G. Crane and Shaun Cutts. Crane Data collects money market mutual fund, bank savings, and cash investment performance, statistics, and information and distributes rankings, news, and indices.

5. Weighted average maturity (WAM): An average of the effective maturities of all securities held in the portfolio, weighted by each security's percentage of total investments. The maturity of a portfolio security is the period remaining until the date on which the principal amount is unconditionally required to be paid, or in the case of a security called for redemption, the date on which the redemption payment is unconditionally required to be made. WAM calculations allow for the maturities of certain securities with demand features or periodic interest rate resets to be shortened. WAM is a way to measure a fund's sensitivity to potential interest rate changes. WAM is subject to change and may have changed since the date specified.

6. The SIFMA Municipal Swap Index is a seven-day high-grade market index composed of tax-exempt variable-rate demand obligations with certain characteristics. The index is calculated and published by Bloomberg. The index is overseen by SIFMA's Municipal Swap Index Committee. You cannot invest directly in an index.

7. VRDNs are debt securities commonly held within the Wells Fargo Money Market Funds. Like all bonds, VRDN 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. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes can be sudden and unpredictable. In addition to credit and interest rate risk, VRDNs are subject to municipal securities risk.

8. A tender option bond (TOB) is a type of VRDN where a long-term bond is placed into a trust. Floating-rate securities are created from the trust.

9. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.

10. The S&P SmallCap 600 Index measures the performance of the small-cap segment of the U.S. equity market. It is a market-value-weighted index. You cannot invest directly in an index.

11. As measured by iMoneyNet through December 18, 2018.

12. Bloomberg Barclays U.S. Aggregate Total Return Value Unhedged USD Index is a broad-based flagship benchmark that measures the investment-grade, U.S.-dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and non-agency). You cannot invest directly in an index.

13. As measured by iMoneyNet through January 1, 2019.

14. Bloomberg Barclays U.S. Corporate High Yield Total Return Index Value Unhedged USD Index measures the U.S.-dollar-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging market country of risk, based on the Bloomberg Barclays emerging market country definition, are excluded. You cannot invest directly in an index.

**For floating 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 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.*

For 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 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.

***For 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.*

For the municipal money market funds, a portion of the fund's income may be subject to federal, state, and/or local income taxes or the alternative minimum tax. Any capital gains distributions may be taxable. For the government money market funds, the U.S. government guarantee applies to certain underlying securities and not to shares of the fund.

The views expressed and any forward-looking statements are as of December 31, 2018, and are those of the fund managers and the Money Market team at Wells Capital Management, subadvisor to the Wells Fargo Money Market Funds, and Wells Fargo Funds Management, LLC. Discussions of individual securities, the markets generally, or any Wells Fargo Funds are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements; the views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Funds Management, LLC, disclaims any obligation to publicly update or revise any views expressed or forward-looking statements.

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.

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