

Product Alert

May 21, 2015

Wells Fargo Advantage Funds announces updates to its money market fund lineup

Wells Fargo Advantage Funds today announced that its Board of Trustees preliminarily approved the changes to its money market fund lineup to address the regulatory changes adopted by the U.S. Securities and Exchange Commission (SEC) in July 2014. Our fund lineup will continue to offer a variety of options to meet the liquidity management needs of both retail and institutional investors.

The changes outlined below will become effective on or prior to October 14, 2016.

Retail prime and municipal money market funds:

Under the new SEC regulations, retail prime and municipal money market funds are required to maintain policies and procedures that are reasonably designed to limit all beneficial owners of the fund to natural persons. These funds are permitted to continue to use amortized cost to transact at a stable \$1.00 net asset value (NAV) but may be subject to liquidity fees and/or redemption gates in the event that their weekly liquid assets fall below 30%.

Wells Fargo Advantage Funds intends that the following funds will take steps to qualify as retail money market funds:

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

Institutional prime and municipal money market funds:

These funds will no longer be permitted to maintain a stable \$1.00 NAV but instead will be required to transact at their market-based NAVs, rounded to four decimal places. They may also be subject to liquidity fees and/or redemption gates in the event that their weekly liquid assets fall below 30%.

Wells Fargo Advantage Funds intends to offer the following funds as institutional money market funds:

- *Wells Fargo Advantage Cash Investment Money Market Fund*
- *Wells Fargo Advantage Heritage Money Market FundSM*
- *Wells Fargo Advantage Municipal Cash Management Money Market Fund*

Government money market funds:

Under the new SEC regulations, government money market funds are permitted to continue to maintain a stable \$1.00 NAV. However, such 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 fully collateralized by government securities or cash.

The *Wells Fargo Advantage 100% Treasury Money Market Fund*, the *Wells Fargo Advantage Government Money Market Fund*, and the *Wells Fargo Advantage Treasury Plus Money Market Fund* invest exclusively in these securities and thus already comply with this new requirement.

Additionally, the new SEC regulations do not mandate liquidity fees and redemption gates for government money market funds. The Board has determined that it has no current intention of adopting liquidity fees or redemption gates on the government money market funds.

Wells Fargo Advantage Funds intends to continue offering the following as government money market funds:

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

Preliminary designations for Wells Fargo Advantage Money Market Funds (Effective on or prior to October 14, 2016)

Retail money market funds

Fund	Category	NAV	Fees/gates
California Municipal Money Market Fund	Municipal	Stable	Yes
Money Market Fund	Prime	Stable	Yes
Municipal Money Market Fund	Municipal	Stable	Yes
National Tax-Free Money Market Fund	Municipal	Stable	Yes

Institutional money market funds

Fund	Category	NAV	Fees/gates
Cash Investment Money Market Fund	Prime	Floating	Yes
Heritage Money Market Fund	Prime	Floating	Yes
Municipal Cash Management Money Market Fund	Municipal	Floating	Yes

Government money market funds

Fund	Category	NAV	Fees/gates
100% Treasury Money Market Fund	Government	Stable	No
Government Money Market Fund	Government	Stable	No
Treasury Plus Money Market Fund	Government	Stable	No

While there will be significant operational changes ahead as we move toward implementation of the new rules required by the SEC, we do not anticipate broad changes to the way we currently manage our money market fund portfolios. For more than 25 years, the Wells Fargo Advantage 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 philosophy and approach have 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 intend to make available a variety of options that will meet their liquidity management needs. In addition to money market funds, Wells Fargo 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.

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

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

About Wells Fargo Advantage Funds Money Market Funds team

The Wells Fargo Advantage 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 Money Market Funds team manages \$110 billion in assets under management (as of March 31, 2015).

If you have any questions regarding the Wells Fargo Advantage Money Market Funds, 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 wellsfargoadvantagefunds.com. Read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

In regards to the Wells Fargo Advantage 100% Treasury Money Market, Government Money Market and Treasury Plus Money Market Fund, the U.S. government guarantee applies to certain underlying securities and not to shares of the fund.

In regards to the Wells Fargo Advantage California Municipal Money Market, Municipal Money Market, Municipal Cash Management Money Market and 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).

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. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). The Adjustable Rate Government, Conservative Income and Ultra Short-Term Income Fund are exposed to mortgage- and asset-backed securities risk. Consult the fund's prospectus for additional information on these and other risks. Consult the fund's prospectus for additional information on these and other risks.

Adjustable Rate Government Fund: Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. The U.S. government guarantee applies to certain underlying securities and not to shares of the fund.

Conservative Income Fund: This fund is exposed to foreign investment risk and municipal securities risk.

Ultra Short-Term Income: 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. This fund is exposed to foreign investment risk and high-yield securities risk.

Ultra Short-Term Municipal Income Fund: This fund is exposed to Pennsylvania municipal securities risk, high-yield securities risk, and nondiversification 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.

Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for *Wells Fargo Advantage 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.
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