

Product Alert

June 15, 2015

Updated: Changes to the Wells Fargo Advantage Ultra Short-Term Municipal Income Fund

On February 19, 2015, the *Wells Fargo Advantage Funds* Board of Trustees approved a one-for-two reverse split of all share classes for the *Wells Fargo Advantage Ultra Short-Term Municipal Income Fund*, managed by **Lyle Fitterer**, CFA, CPA, and **Wendy Casetta**. This transaction took place after the close of business on June 12, 2015. Each shareholder received one post-split share for every two presplit shares owned as of June 12, 2015.

The following questions and answers provide additional details.

Q: What is the rationale for the reverse split?

A: The fund was launched in 1995 with an opening net asset value (NAV) of \$5.00 per share. NAVs of similar funds are more commonly priced higher, with over half of the funds in the Morningstar muni national short category priced between \$9.50 and \$10.50 per share. After the fund's reverse split, the NAV is more consistent in price with other ultra-short municipal funds in the industry.

Additionally, when a fund's NAV is calculated, it is rounded to the nearest \$0.01. This rounding has a higher impact on the price volatility of a fund with a lower NAV. Given the current and historically low interest-rate environment, we believe that a higher NAV will lessen the impact of daily rounding.

Q: What is the benefit to shareholders?

A: The impact to total return for each \$0.01 change in the NAV has been reduced as a result of this change, although the NAV per share for the fund could change more frequently. This should allow investors to be less concerned about the timing of their purchases into, and their redemptions from, the fund.

Q: Why was the fund's NAV per share lower than other funds in the industry?

A: This fund was originally launched at \$5.00 per share in 1995. Since then, other firms launched similar funds with NAVs at or near \$10.00 per share. It is important to note that prior to the reverse split, the fund's NAV per share was near the price at which the fund was launched nearly 20 years ago, and the fund has not seen a significant change in share price since that time.

Q: When did this transaction take place, and how were shareholders notified?

A: The reverse split took place after the close of business on June 12, 2015.

Shareholders with accounts held directly with *Wells Fargo Advantage Funds* received a transaction confirmation statement following the transaction. An explanation of the reverse split, along with information regarding any additional transactions shareholders effected on June 12, 2015, was included on this confirmation statement.

Investors with accounts held through intermediaries will receive any related communication directly from their financial intermediaries.

Q: Can you please provide the fund information for affected share classes?

A: Please see the table below.

Share class	CUSIP	Ticker	Transfer agent number
A	949917884	SMAVX	3011
C	949921647	WFUSX	3543
Administrator	94975P793	WUSMX	3764
Institutional	949917702	SMAIX	3107
Investor	949917801	SMUAX	3230

Q: Will this split result in any tax implications for affected shareholders?

A: This transaction will affect a shareholder's cost basis per share for tax purposes, but the shareholder's total tax basis will not change due to the transaction. Please consult your tax advisor for more details regarding how this transaction may affect you.

Q: Can you please provide more information on the portfolio management team?

A: Lyle Fitterer, CFA, CPA

Mr. Fitterer is head of the Tax-Exempt Fixed-Income team at Wells Capital Management, Inc. (WellsCap), where he manages portfolio teams focused on municipal fixed-income strategies. Additionally, from 2005 to 2009, Mr. Fitterer served as head of WellsCap's Customized Fixed-Income team, which manages taxable longer-duration strategies. Mr. Fitterer joined the firm in 2005 from Strong Capital Management (now part of Wells Fargo). In 2000, he was appointed director of Strong's Municipal Fixed-Income team. Prior to that, he served in a variety of other roles with the firm, including managing director of Strong's Institutional Client Services team, for which he was responsible for overseeing institutional and intermediary sales. For six years prior to that, Mr. Fitterer was a member of the Strong Taxable Fixed-Income team, initially as an analyst and trader and then as a portfolio manager specializing in mortgage- and asset-backed securities. Mr. Fitterer began his investment career in 1989. He earned a bachelor's degree in accounting from the University of North Dakota. He is a certified public accountant and has earned the right to use the Chartered Financial Analyst® (CFA®) designation. Mr. Fitterer is a member of CFA Institute.

Wendy Casetta

Ms. Casetta is a senior portfolio manager for the Tax-Exempt Fixed-Income team at WellsCap. An investment industry professional since 1993, she joined WellsCap from Strong, where she held a similar position. Prior to joining Strong, Ms. Casetta was a fixed-income trader and investment associate at Barnett Capital Advisors in Jacksonville, Florida. She began her career as a registered representative at Nicholas Company in Milwaukee, Wisconsin. Ms. Casetta earned a bachelor's degree in finance from the University of Wisconsin, Oshkosh, and a master's degree in business administration from the University of North Florida, Jacksonville.

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). This fund is exposed to high-yield securities risk and municipal securities risk. Consult the fund's prospectus for additional information on these and other risks. 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.

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 wellsfargoadvantagemfunds.com. Read it carefully before investing.

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. **234833 06-15**

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