WELLS FARGO ASSET MANAGEMENT

Product Alert

November 3, 2017

Wells Fargo Funds 2017 capital gains estimates

On December 12 and December 14, 2017, Wells Fargo Funds will pay year-end capital gains distributions for 2017. Included in the tables on the following pages are the estimated distribution ranges for all Wells Fargo Funds that currently are expected to pay capital gains.

Wells Fargo Funds recognizes the potential impact of capital gains distributions on shareholders' taxes, and our fund accountants and portfolio management teams work closely together to seek to minimize this potential impact while focusing on before-tax returns. Our portfolio management teams continue to follow consistent investment processes with a focus on long-term performance and risk management.

Please refer to the subsequent Q&A for additional information about capital gains.

Please note:

- The projections below were computed based on September 30, 2017, data and therefore should be considered estimates only. As estimates, these numbers are subject to change prior to the actual distribution dates. The ex-dividend date for capital gains distributions for all Wells Fargo Funds will be December 11 or December 13, 2017, depending on the fund (see the tables on the following pages).
- Portfolio trading through Tuesday, October 31, 2017, and shareholder redemptions and purchases up until the record date of the distributions may affect actual distribution amounts on a per-share basis.
- Estimates apply to all share classes of the funds listed.
- Funds that are not listed, with the exception of the Wells Fargo Target Date Funds, are not expected to pay year-end capital gains distributions for 2017 based on September 30, 2017, data.
- Form 1099-DIV, which is expected to be mailed to shareholders in late January through early February 2018 (if applicable), will provide actual capital gains information for 2017 tax-reporting purposes.
- Shareholders should consult their tax advisors about the impact of capital gains distributions on their particular financial situations.
- Final capital gains distribution numbers will be posted on **wellsfargofunds.com** by December 12 and December 14, 2017, depending on the fund (see the tables on the following pages).

Record date: December 8, 2017 Ex-dividend date/reinvestment date: December 11, 2017 Payable date: December 12, 2017				
Wells Fargo Funds	**Forecasted range per share ($)**	**Forecasted range as a percentage of NAV* (%)**	**Forecasted short-term distribution range ($)**	**Forecasted long-term distribution range ($)**
C&B Large Cap Value Fund	1.35–1.65	9.1	0.23–0.33	1.12–1.32
Diversified Equity Fund	5.74–6.04	18.7	0.54–0.64	5.20–5.40
Dynamic Target 2015 Fund	0.15–0.29	1.8	0.00–0.04	0.15–0.25
Dynamic Target 2020 Fund	0.18–0.33	2.0	0.00–0.05	0.18–0.28
Dynamic Target 2025 Fund	0.21–0.36	2.3	0.01–0.06	0.20–0.30
Dynamic Target 2030 Fund	0.23–0.38	2.5	0.00–0.05	0.23–0.33
Dynamic Target 2035 Fund	0.27–0.42	2.8	0.01–0.06	0.26–0.36
Dynamic Target 2040 Fund	0.28–0.43	2.8	0.01–0.06	0.27–0.37
Dynamic Target 2045 Fund	0.28–0.43	2.9	0.01–0.06	0.27–0.37
Dynamic Target 2050 Fund	0.28–0.43	2.9	0.01–0.06	0.27–0.37
Dynamic Target 2055 Fund	0.28–0.43	2.9	0.01–0.06	0.27–0.37
Dynamic Target 2060 Fund	0.29–0.44	2.9	0.01–0.06	0.28–0.38
Dynamic Target Today Fund	0.11–0.25	1.4	0.00–0.04	0.11–0.21
Emerging Growth Fund	1.61–1.86	10.0	0.01–0.06	1.60–1.80
Index Fund	10.52–10.82	15.0	0.09–0.19	10.43–10.63
Moderate Balanced Fund	1.26–1.56	5.5	0.07–0.17	1.19–1.39
WealthBuilder℠ Conservative Allocation Fund	0.13–0.28	1.7	0.01–0.06	0.12–0.22
WealthBuilder Growth Allocation Fund	0.42–0.57	3.1	0.00–0.05	0.42–0.52
WealthBuilder Growth Balanced Fund	0.42–0.57	3.2	0.03–0.08	0.39–0.49
WealthBuilder Moderate Balanced Fund	0.29–0.44	2.8	0.02–0.07	0.27–0.37
WealthBuilder Equity Fund	0.38–0.48	1.8	–	0.38–0.48

*Net asset value (NAV) calculated using total net assets as of September 30, 2017.

Record date: December 12, 2017 Ex-dividend date/reinvestment date: December 13, 2017 Payable date: December 14, 2017				
Wells Fargo Funds	**Forecasted range per share ($)**	**Forecasted range as a percentage of NAV* (%)**	**Forecasted short-term distribution range ($)**	**Forecasted long-term distribution range ($)**
Capital Growth Fund	0.39–0.59	2.6	0.13–0.23	0.26–0.36
Common Stock Fund	2.17–2.47	9.2	0.37–0.47	1.80–2.00
Conservative Income Fund**	0.00–0.00	0.0	0.00–0.00	0.00–0.00
Core Plus Bond Fund**	0.00–0.04	0.1	0.00–0.04	0.00–0.00
Disciplined U.S. Core Fund	0.75–0.95	4.9	0.19–0.29	0.56–0.66
Discovery Fund	6.12–6.52	16.3	1.19–1.39	4.93–5.13
Diversified Capital Builder Fund	0.43–0.63	4.8	0.15–0.25	0.28–0.38
Diversified Income Builder Fund	0.07–0.17	1.8	0.02–0.07	0.05–0.10
Endeavor Select Fund	1.54–1.84	16.0	0.16–0.26	1.38–1.58
Enterprise Fund	5.03–5.43	10.3	1.10–1.30	3.93–4.13
Global Small Cap Fund	4.27–4.67	9.9	1.18–1.38	3.09–3.29
Growth Fund	10.25–10.55	23.2	0.22–0.32	10.03–10.23
Index Asset Allocation Fund	0.14–0.29	0.6	0.04–0.09	0.10–0.20
Intrinsic Value Fund**	0.80–0.90	6.4	0.00–0.00	0.80–0.90
Intrinsic World Equity Fund	1.46–1.71	6.6	0.04–0.09	1.42–1.62
Large Cap Core Fund	0.17–0.27	1.1	–	0.17–0.27
Large Cap Growth Fund	8.60–8.80	16.5	–	8.60–8.80
Large Company Value Fund	3.18–3.48	19.2	0.14–0.24	3.04–3.24
Low Volatility U.S. Equity Fund	0.02–0.07	0.4	0.02–0.07	–
Minnesota Tax-Free Fund	0.00–0.04	0.1	–	0.00–0.04
Municipal Bond Fund**	0.00–0.00	0.1	–	0.00–0.00
Omega Growth Fund	6.44–6.74	13.0	0.22–0.32	6.22–6.42
Opportunity Fund	5.52–5.82	12.1	0.63–0.73	4.89–5.09
Premier Large Company Growth Fund**	3.53–3.73	22.6	0.00–0.00	3.53–3.73
Small Cap Opportunities Fund	2.89–3.19	11.7	0.35–0.45	2.54–2.74
Small Cap Value Fund	2.59–2.84	13.4	0.00–0.05	2.59–2.79
Special Mid Cap Value Fund	1.07–1.27	3.0	0.46–0.56	0.61–0.71
Special Small Cap Value Fund	1.41–1.61	4.2	0.45–0.55	0.96–1.06
Specialized Technology Fund	0.90–1.10	7.6	0.22–0.32	0.68–0.78
Strategic Municipal Bond Fund	0.00–0.09	0.3	0.00–0.05	0.00–0.04
Traditional Small Cap Growth Fund	1.34–1.54	8.8	0.51–0.61	0.83–0.93

*Net asset value (NAV) calculated using total net assets as of September 30, 2017.
**0.00–0.00 indicates that the estimate is less than a penny per share.

Q: What are capital gains?
A: Under federal law, mutual funds are required to distribute to shareholders net gains that occur when a fund sells a security and receives a profit as a result of that sale. When a capital asset is sold, the difference between the amount the asset is sold for and the base cost for which it was purchased is a capital gain or a capital loss. Capital assets include property held for investment, such as stocks, bonds, or shares of a mutual fund. If a mutual fund has gains that cannot be offset by losses, those gains must be distributed to shareholders in the form of either a short-term or long-term capital gain or a combination of the two.

Mutual funds typically distribute capital gains to shareholders annually, near the end of the calendar year. It is important to note that, in certain situations, capital gains may be distributed to shareholders more than once a year at any time of the year.

Q: How are capital gains distributed to shareholders?
A: Shareholders may receive capital gains distributions in cash, or they may reinvest the distributions into their accounts as additional shares (or a fraction of a share). Distributions are subject to income tax in the year that they were declared and are reported annually, if applicable, on Form 1099-DIV, whether they are received as cash or reinvested into a shareholder's account.

Q: How can mutual funds pay capital gains distributions when the market is either flat or down?
A: When the value of a fund holding increases, the fund has an unrealized gain until the security is sold. Once this security is sold, however, the fund realizes the gain and must pay a distribution unless the gain is offset by capital losses. Consequently, a fund's capital gains distribution in a particular year is a result of the sale of securities that may have appreciated in value over time, perhaps during prior years when the fund's returns were positive.

Q: What is a shareholder's tax liability on capital gains?
A: Capital gains can be paid out to shareholders or reinvested into a fund in the form of new shares. Either way, shareholders in taxable accounts are subject to taxes on the payout in the year the capital gains are distributed.

The length of time that a fund owned a security determines the rate at which the capital gains will be taxed. For securities held for 12 months or less, capital gains are considered short-term capital gains, while capital gains distributions for those held for more than 12 months are considered long-term capital gains.

The American Taxpayer Relief Act of 2012 (P.L. 112-240), or ATRA, changed the rates for long-term capital gains (which includes long-term capital gains distributions from a mutual fund) and qualified dividends received in 2017 in the following ways:

- For individuals who fall in the top income bracket, the top rate was raised from 15% to 20%.
- For individuals who fall in lower tax brackets, long-term capital gains and qualified dividends will continue to be taxed at 15% or 0%.
- Nonqualified dividends and short-term capital gains continue to be taxed at rates of 10%, 15%, 25%, 28%, 33%, 35%, and 39.6%, depending on the level of taxable income.
- All dividends and capital gains after January 1, 2013, could be subject to a 3.8% Medicare surtax that would be added onto an individual's regular income tax.

Please consult your tax advisor to see how these income tax changes may affect you.

Q: What are some of the factors driving estimated capital gains for the following Wells Fargo Funds that are larger (as a percentage of the fund's NAV) than the distributions for other funds listed in the tables above?

Wells Fargo Funds	Estimated capital gains can be attributed to the following:
C&B Large Cap Value Fund	• Anticipated capital gains are mostly from long-term appreciation. • Appreciation in stock prices caused certain holdings to reach what portfolio managers believed was their full valuation, leading the team to sell those particular holdings and look for more attractive value opportunities.
Common Stock Fund	• Anticipated capital gains are mostly from long-term appreciation. • Market conditions and company-specific catalysts caused certain holdings to reach valuations that approached the team's assessed private market values. • The team's strategy is to remain disciplined in selling off holdings that it believed had limited upside potential.
Discovery Fund	• Anticipated capital gains are primarily from long-term appreciation and secondarily from short-term appreciation. • The fund has strong relative performance year-to-date, up over 20% as of September 30, 2017. • Strong stock price appreciation caused several holdings in sectors, such as information technology (IT), to approach what portfolio managers believed was their respective valuation targets, leading the team to trim or eliminate those holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also exited multiple long-term positions within the health care sector as their investment thesis was validated by these companies being acquired at significant premiums. • The portfolio managers reduced or eliminated the fund's exposure to select holdings in the consumer discretionary and consumer staples sectors in favor of more attractive opportunities in other sectors such as IT. These portfolio modifications contributed to higher long-term capital gains.
Diversified Equity Fund	• Anticipated capital gains are mostly from long-term appreciation. • Appreciation in stock prices caused certain holdings in the underlying funds in which the fund invests to reach what portfolio managers believed was their full valuation, leading the teams to sell those particular holdings and look for more attractive opportunities.

Emerging Growth Fund	• Anticipated capital gains are mostly from long-term appreciation. • The fund has strong relative performance year to date, up over 20% as of September 30, 2017. • Several holdings in sectors such as financials and IT rose sharply in recent years, driven by robust earnings and market-share gains. The portfolio managers trimmed the total shares held of select holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also exited multiple long-term positions within the health care sector as the team's investment thesis was validated by these companies being acquired at significant premiums.
Endeavor Select Fund	• Anticipated capital gains are mostly from long-term appreciation. • The fund has strong relative performance year to date, up over 25% as of September 30, 2017. • Strong stock-price appreciation caused several holdings in sectors such as IT to approach what portfolio managers believed was their respective valuation targets, leading the team to trim or eliminate those holdings in order to balance reward potential with an appropriate level of risk. • The team reduced or eliminated the fund's exposure to select holdings in the consumer discretionary and consumer staples sectors in favor of more attractive opportunities in other sectors.
Enterprise Fund	• Anticipated capital gains are mostly from long-term appreciation. • Strong stock-price appreciation caused several holdings in sectors such as IT to approach what portfolio managers believed was their respective valuation targets, leading the team to trim or eliminate those holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also exited multiple long-term positions within the health care sector as their investment thesis was validated by these holdings being acquired at significant premiums. • The portfolio managers reduced or eliminated the fund's exposure to select holdings in the consumer discretionary and consumer staples sectors in favor of more attractive opportunities in other sectors such as IT.
Global Small Cap Fund	• Anticipated capital gains are mostly from long-term appreciation. • As a result of the team's fundamental analysis, companies that has reached or approached valuations at the higher end of the team's estimate of intrinsic value were sold. • A key element of the team's investment process is attempting to manage various risks to the portfolio; holdings that no longer exhibited favorable risk/reward ratios were sold.

Growth Fund	• Anticipated capital gains are mostly from long-term appreciation. • The fund has strong relative performance year to date, up over 26% as of September 30, 2017. • Several holdings in sectors such as IT rose sharply, especially since early 2016, driven by robust earnings and market-share gains. The portfolio managers trimmed the total shares held of select holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also trimmed or exited multiple long-term positions within the consumer discretionary sector in favor of more attractive opportunities in other areas of the market.
Index fund	• Anticipated capital gains are mostly from long-term appreciation. • This fund invests in substantially all of the common stocks comprising the S&P 500 Index. As the index rebalanced and fund flows occurred, the team sold securities in the fund to stay aligned with the index.
Intrinsic Value Fund	• Anticipated capital gains are from long-term appreciation. • Appreciation in stock prices caused certain holdings to reach what portfolio managers believed was their full valuation, leading the team to sell those particular holdings and look for more attractive opportunities.
Intrinsic World Equity Fund	• Anticipated capital gains are mostly from long-term appreciation. • Market conditions and individual company catalysts caused certain holdings to reach what portfolio managers believed was their intrinsic value, leading the team to sell those particular holdings and look for more attractive opportunities. • As holdings approached the team’s intrinsic value estimates, portfolio managers trimmed or sold those particular holdings.
Large Cap Growth Fund	• Anticipated capital gains are driven by long-term appreciation. • The fund has strong relative performance year to date, up over 22% as of September 30, 2017. • Several holdings in sectors such as IT rose sharply, especially since early 2016, driven by robust earnings and market-share gains. The portfolio managers trimmed the total shares held of select holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also trimmed or exited multiple long-term positions within the consumer discretionary sector in favor of more attractive opportunities in other areas of the market.
Large Company Value Fund	• Anticipated capital gains are mostly from long-term appreciation. • On February 1, 2017, the fund experienced a subadviser change. Phocas Financial Corporation was replaced with Analytic Investors, LLC, resulting in the transition of many investments in the fund to align with Analytic’s strategy and entailing realization of capital gains.
Moderate Balanced Fund	• Anticipated capital gains are from long-term appreciation.

Omega Growth Fund	• Anticipated capital gains are mostly from long-term appreciation. • Strong stock-price appreciation caused several holdings in sectors such as IT to approach what portfolio managers believed was their respective valuation targets, leading the team to trim or eliminate those holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also exited multiple long-term positions within the health care sector as the team's investment thesis was validated by these companies being acquired at significant premiums. • The portfolio managers reduced or eliminated the fund's exposure to select holdings in the consumer discretionary and consumer staples sectors in favor of more attractive opportunities in other sectors.
Opportunity Fund	• Market conditions and company-specific catalysts caused certain holdings to reach valuations that approached the team's assessed private market values. • The team has remained disciplined in selling off holdings that it believed had limited upside potential.
Premier Large Company Growth Fund	• Anticipated capital gains are mostly from long-term appreciation. • The fund has strong relative performance year to date, up over 25% as of September 30, 2017. • Several holdings in sectors such as IT rose sharply, especially since early 2016, driven by robust earnings and market-share gains. The portfolio managers trimmed the total shares held of select holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also trimmed or exited multiple long-term positions within the consumer discretionary sector in favor of more attractive opportunities in other areas of the market.
Small Cap Opportunities Fund	• Long-held securities in the fund were sold, resulting in much of the realized capital gains. • As holdings approached the team's price targets, the portfolio manager trimmed or sold those particular holdings. • The team traded positions to maintain exposure to a diversified mix of companies with what they believed are stable growth characteristics, with understated growth opportunities, and that have undergone a period of transition—companies that the team believed were apt to provide attractive risk/reward opportunities over the long term.
Small Cap Value Fund	• Anticipated capital gains are from long-term appreciation. • Appreciation in stock prices caused certain holdings to reach what portfolio managers believed was their full valuation, leading the team to sell those particular holdings and look for more attractive opportunities.

Specialized Technology Fund	• Anticipated capital gains have been partially due to long-term appreciation of certain holdings sold during the year. • Movement in technology stock prices also caused certain holdings to reach what portfolio managers believed was their price targets, leading the team to sell those particular holdings.
Traditional Small Cap Growth Fund	• Anticipated capital gains are driven primarily by long-term appreciation and secondarily by short-term appreciation. • Several holdings across multiple sectors, such as financials and IT, rallied strongly over the past several quarters, leading the portfolio manager to trim or eliminate those holdings in order to balance reward potential with an appropriate level of risk. • The portfolio managers also exited multiple long-term positions as the team's investment thesis was validated by these holdings being acquired at significant premiums. • During the past one-year period, the portfolio manager opportunistically adjusted certain position sizes in stocks that were among the top performers in the fund.

Q: What actions can shareholders take to mitigate the tax liability on capital gains distributions?
A: Shareholders should consult their tax professionals to determine what course of action is most appropriate for their individual situations.

Q: What steps does Wells Fargo Funds take to manage tax implications of portfolio transactions?
A: In conjunction with managing each fund to its respective investment objective and within its stated investment strategy, portfolio managers receive information relating to the current tax status of their funds' holdings in order to assist them as they consider security transactions.

Q: How will shareholders be notified of the estimated and actual capital gains distributions?
A: Notification of projected distribution ranges was posted on **wellsfargofunds.com** on November 1, 2017. We will post notification regarding actual capital gains distribution amounts to **wellsfargofunds.com** on or around the ex-dividend date (December 11 or December 13, 2017, as listed on the tables on previous pages) for each fund.

The target date represents the year in which investors may likely begin withdrawing assets. The Target Date funds gradually seek to reduce market risk as the target date approaches and after it arrives by decreasing equity exposure and increasing fixed-income exposure. The principal value is not guaranteed at any time, including at the target date.

Some funds may invest in alternative investments, such as short sales, which are speculative and entail a high degree of risk. Some funds may invest using alternative investment strategies such as equity hedged, event driven, global macro, and relative value, which are speculative and entail a high degree of risk. Alternative investments, such as commodities and merger arbitrage strategies, are speculative and entail a high degree of risk. 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. High-yield securities have a greater risk of default and tend to be more volatile than higher-rated debt securities. The use of derivatives may reduce returns and/or increase volatility. Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). Some funds are exposed to foreign investment risk, mortgage- and asset-backed securities risk, new fund risk, regulatory risks and smaller-company investment risk. Consult the fund's prospectus for additional information on these and other risks.

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.

Any tax or legal information in this product alert 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; nor any of their representatives may give legal or tax advice.

For municipal income funds: 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.

For government funds: The U.S. government guarantee applies to certain underlying securities and not to shares of the fund.