WELLS FARGO ADVANTAGE FUNDS

Wells Fargo Advantage VT Opportunity Fund℠

Annual Report

December 31, 2011

Together we'll go far

Contents

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WELLS FARGO INVESTMENT HISTORY

- **1932** *Keystone creates one of the first mutual fund families.*
- **1971** *Wells Fargo & Company introduces one of the first institutional index funds.*
- **1978** *Wells Fargo applies Markowitz and Sharpe's research on Modern Portfolio Theory to introduce one of the industry's first Tactical Asset Allocation (TAA) models in institutional separately managed accounts.*
- **1984** *Wells Fargo Stagecoach Funds launches its first asset allocation fund.*
- **1989** *The Tactical Asset Allocation (TAA) Model is first applied to Wells Fargo's asset allocation mutual funds.*
- **1994** *Wells Fargo introduces the LifePath Funds, one of the first suites of target date funds (now the Wells Fargo Advantage Dow Jones Target Date Funds℠).*
- **1996** *Evergreen Investments and Keystone Funds merge.*
- **1997** *Wells Fargo launches Wells Fargo Advantage WealthBuilder Portfolios℠, a fund-of-funds suite of products that includes the use of quantitative models to shift assets among investment styles.*
- **1999** *Norwest Advantage Funds and Stagecoach Funds are reorganized into Wells Fargo Funds after the merger of Norwest and Wells Fargo.*
- **2002** *Evergreen Retail and Evergreen Institutional companies form the umbrella asset management company, Evergreen Investments.*
- **2005** *The integration of Strong Funds with Wells Fargo Funds creates Wells Fargo Advantage Funds, resulting in one of the top 20 mutual fund companies in the United States.*
- **2006** *Wells Fargo Advantage Funds relaunches the target date product line as Wells Fargo Advantage Dow Jones Target Date Funds.*
- **2010** *The mergers and reorganizations of Evergreen and Wells Fargo Advantage mutual funds are completed, unifying the families under the brand of Wells Fargo Advantage Funds.*

Wells Fargo Advantage Funds®

Wells Fargo Advantage Funds skillfully guides institutions, financial advisors, and individuals through the investment terrain to help them reach their financial objectives. Everything we do on behalf of investors is backed by our unique combination of qualifications.

Strength

Our organization is built on the standards of integrity and service established by our parent company—Wells Fargo & Company—more than 150 years ago. And, because we're part of a highly diversified financial enterprise, we offer the depth of resources to help investors succeed.

Expertise

Our multi-boutique model offers investors access to the independent thinking of premier investment managers that have been chosen for their time-tested strategies. While each team specializes in a specific investment strategy, collectively they provide investors a wide choice of distinct investment styles. Our dedication to investment excellence doesn't end with our expertise in manager selection—risk management, analysis, and rigorous ongoing review seek to ensure each manager's investment process remains consistent.

Partnership

Our collaborative approach is built around understanding the needs and goals of our clients. By adhering to core principles of sound judgment and steady guidance, we support you through every stage of the investment decision process.

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 wellsfargo.com/advantagefunds. Read it carefully before investing.

Wells Fargo Advantage Funds offers more than 110 mutual funds across a wide range of asset classes, representing over $216 billion in assets under management, as of December 31, 2011.

Equity Funds

Asia Pacific Fund
C&B Large Cap Value Fund
C&B Mid Cap Value Fund
Capital Growth Fund
Common Stock Fund
Disciplined U.S. Core Fund
Discovery Fund†
Diversified Equity Fund
Diversified International Fund
Diversified Small Cap Fund
Emerging Growth Fund
Emerging Markets Equity Fund
Endeavor Select Fund†
Enterprise Fund†
Equity Value Fund
Global Opportunities Fund
Growth Fund
Health Care Fund
Index Fund
International Equity Fund
International Value Fund
Intrinsic Small Cap Value Fund
Intrinsic Value Fund
Intrinsic World Equity Fund
Large Cap Core Fund
Large Cap Growth Fund
Large Company Value Fund
Omega Growth Fund
Opportunity Fund†
Precious Metals Fund
Premier Large Company Growth Fund
Small Cap Opportunities Fund
Small Cap Value Fund
Small Company Growth Fund
Small Company Value Fund
Small/Mid Cap Core Fund
Small/Mid Cap Value Fund
Social Sustainability Fund†
Special Mid Cap Value Fund
Special Small Cap Value Fund
Specialized Technology Fund
Strategic Large Cap Growth Fund
Traditional Small Cap Growth Fund
Utility and Telecommunications Fund

Bond Funds

Adjustable Rate Government Fund
California Limited-Term Tax-Free Fund
California Tax-Free Fund
Colorado Tax-Free Fund
Government Securities Fund
High Income Fund
High Yield Bond Fund
Income Plus Fund
Inflation-Protected Bond Fund
Intermediate Tax/AMT-Free Fund
International Bond Fund
Minnesota Tax-Free Fund
Municipal Bond Fund
North Carolina Tax-Free Fund
Pennsylvania Tax-Free Fund
Short Duration Government Bond Fund
Short-Term Bond Fund
Short-Term High Yield Bond Fund
Short-Term Municipal Bond Fund
Strategic Municipal Bond Fund
Total Return Bond Fund
Ultra Short-Term Income Fund
Ultra Short-Term Municipal Income Fund
Wisconsin Tax-Free Fund

Asset Allocation Funds

Asset Allocation Fund
Conservative Allocation Fund
Diversified Capital Builder Fund
Diversified Income Builder Fund
Growth Balanced Fund
Index Asset Allocation Fund
Moderate Balanced Fund
WealthBuilder Conservative Allocation Portfolio†
WealthBuilder Equity Portfolio†
WealthBuilder Growth Allocation Portfolio†
WealthBuilder Growth Balanced Portfolio†
WealthBuilder Moderate Balanced Portfolio†
WealthBuilder Tactical Equity Portfolio†
Target Today Fund†
Target 2010 Fund†
Target 2015 Fund†
Target 2020 Fund†
Target 2025 Fund†
Target 2030 Fund†
Target 2035 Fund†
Target 2040 Fund†
Target 2045 Fund†
Target 2050 Fund†
Target 2055 Fund†

Money Market Funds

100% Treasury Money Market Fund
California Municipal Money Market Fund
Cash Investment Money Market Fund
Government Money Market Fund
Heritage Money Market Fund†
Money Market Fund
Municipal Cash Management Money Market Fund
Municipal Money Market Fund
National Tax-Free Money Market Fund
Prime Investment Money Market Fund
Treasury Plus Money Market Fund

Variable Trust Funds[1]

VT Discovery Fund†
VT Index Asset Allocation Fund
VT International Equity Fund
VT Intrinsic Value Fund
VT Omega Growth Fund
VT Opportunity Fund†
VT Small Cap Growth Fund
VT Small Cap Value Fund
VT Total Return Bond Fund

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 Wells Fargo Advantage Money Market Funds seek 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.

1. The Variable Trust Funds are generally available only through insurance company variable contracts.

† In this report, the *Wells Fargo Advantage Discovery Fund*℠, *Wells Fargo Advantage Endeavor Select Fund*℠, *Wells Fargo Advantage Enterprise Fund*℠, *Wells Fargo Advantage Opportunity Fund*℠, *Wells Fargo Advantage Social Sustainability Fund*℠, *Wells Fargo Advantage WealthBuilder Conservative Allocation Portfolio*℠, *Wells Fargo Advantage WealthBuilder Equity Portfolio*℠, *Wells Fargo Advantage WealthBuilder Growth Allocation Portfolio*℠, *Wells Fargo Advantage WealthBuilder Growth Balanced Portfolio*℠, *Wells Fargo Advantage WealthBuilder Moderate Balanced Portfolio*℠, *Wells Fargo Advantage WealthBuilder Tactical Equity Portfolio*℠, *Wells Fargo Advantage Dow Jones Target Today Fund*℠, *Wells Fargo Advantage Dow Jones Target 2010 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2015 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2020 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2025 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2030 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2035 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2040 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2045 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2050 Fund*℠, *Wells Fargo Advantage Dow Jones Target 2055 Fund*℠, *Wells Fargo Advantage Heritage Money Market Fund*℠, *Wells Fargo Advantage VT Discovery Fund*℠, and *Wells Fargo Advantage VT Opportunity Fund*℠ are referred to as the Discovery Fund, Endeavor Select Fund, Enterprise Fund, Opportunity Fund, Social Sustainability Fund, WealthBuilder Conservative Allocation Portfolio, WealthBuilder Equity Portfolio, WealthBuilder Growth Allocation Portfolio, WealthBuilder Growth Balanced Portfolio, WealthBuilder Moderate Balanced Portfolio, WealthBuilder Tactical Equity Portfolio, Target Today Fund, Target 2010 Fund, Target 2015 Fund, Target 2020 Fund, Target 2025 Fund, Target 2030 Fund, Target 2035 Fund, Target 2040 Fund, Target 2045 Fund, Target 2050 Fund, Target 2055 Fund, Heritage Money Market Fund, VT Discovery Fund, and VT Opportunity Fund, respectively.

Karla M. Rabusch,
President
Wells Fargo Advantage Funds

The U.S. economic recovery that began in mid-2009 progressed throughout the 12-month period, yet the rate of growth remained subpar compared with most previous recovery cycles.

Dear Valued Shareholder:

We're pleased to offer you this annual report for the *Wells Fargo Advantage VT Opportunity Fund* for the 12-month period that ended December 31, 2011.

For the full 12-month period, most of the major domestic equity indexes posted either modest gains or relatively mild losses. However, the market's 12-month return figures mask the uneven path that it traced throughout the year as investors had to contend with a variety of global and domestic headwinds. Whatever the future holds, we continue to believe that most investors can benefit from adhering to a well-diversified investment strategy. Over the long-term, such a strategy may allow you to balance risks and opportunities as you pursue your financial goals in a dynamic market landscape.

The economic recovery gained traction as the year progressed.
The U.S. economic recovery that began in mid-2009 progressed throughout the 12-month period, yet the rate of growth remained subpar compared with most previous recovery cycles.

2011 opened on a note of mounting optimism regarding the strength of the recovery, yet a batch of disappointing economic data in the spring and summer cast renewed doubts on the sustainability of the recovery. In September, it was reported that U.S. gross domestic product (GDP) grew at a mere 1.3% annual rate in the second quarter of 2011, following anemic growth at an annual rate of 0.4% in the first quarter. According to the December estimate, GDP growth accelerated to an annual rate of 1.8% in the third quarter, reigniting hopes for a sustainable recovery. Those hopes were buoyed by widespread anticipation of even stronger GDP growth in the fourth quarter. By the end of the 12-month period, few economists believed that the U.S. economy was in danger of sliding back into recession, although many expected a sluggish growth environment in 2012.

The struggling housing and labor markets slowed growth.
As has been the case throughout the recovery, the housing and labor markets continued to restrain economic momentum during 2011.

The beleaguered housing market has arguably exerted the biggest drag on growth. Despite intermittent signs of improvement, ongoing weakness in sales of both new and existing homes has put considerable downward pressure on prices. On the other hand, the labor market took a decided turn for the better in the latter half of the year: initial unemployment claims have eased in recent months, and the private sector has been steadily adding jobs. The pace of hiring, while not brisk, was sufficient to push the U.S. unemployment rate down to 8.5% as of December 2011—still well above its historical average, but at its lowest level since February 2009. Many observers expect the unemployment rate to decline further in 2012, which could act as a tailwind for consumer spending—widely viewed as one of the keys to long-term economic growth.

The Federal Reserve announced that it will keep rates low until 2013.
Consumers have already demonstrated some resilience in their spending—even in the face of higher energy costs. Oil prices skyrocketed in early 2011 before retreating later in the year, only to spike again during the fourth quarter. Yet "core" inflation, which excludes volatile energy and food prices, remained fairly benign throughout the year.

With inflation in check, the Federal Reserve (Fed) held its target range for the federal funds rate—a proxy for short-term interest rates—steady at 0% to 0.25%. Following its August 9 meeting, the Federal Open Market Committee (FOMC) issued a statement explaining that economic conditions were likely to warrant exceptionally low levels for the federal funds rate through at least mid-2013. In addition, the Fed carried out its second round of quantitative easing (QE2) in an effort to promote a more robust economic expansion. The stimulus program was completed as scheduled in June 2011. In September, the Fed launched yet another stimulus program—dubbed "Operation Twist"—that is designed to keep intermediate- and longer-term yields relatively low. The goal with keeping longer-term rates low is to encourage lending activity to spark business investments and home purchases, which, in turn, may provide support for a more sustainable economic recovery.

Market volatility was a dominant theme throughout most of 2011.
Despite pockets of turbulence sparked by the natural disasters in Japan and geopolitical turmoil in North Africa and the Middle East, the U.S. equity market performed very well from January through April of 2011. Some upbeat economic news, better-than-expected corporate profits, and investor enthusiasm about QE2 were among the catalysts for the market's four-month advance.

In May and June, the market climate shifted to one of anxiety over the increasingly fragile state of the U.S. and global economies. As spring gave way to summer, investors not only worried that the U.S. might be on the brink of recession, they also feared that Europe's sovereign debt problems could spiral out of control if a Greek default triggered financial contagion across the continent. In July and August, investor sentiment was further undermined by partisan wrangling over the federal debt ceiling and the Standard & Poor's downgrade of the U.S. credit rating. The barrage of unsettling headlines led to heightened market volatility and sharply falling stock prices in the third quarter of 2011. Although volatility persisted into the fourth quarter, the market was able to rebound amid improved economic data and hopes for a resolution to the European crisis.

For the full 12-month period, the S&P 500 Index[1] of large-cap stocks achieved a total return of 2.1%. The Russell Midcap® Index[2] and the Russell 2000® Index[3] of small-cap stocks lost 1.6% and 4.2%, respectively. International stocks fared worse than their U.S. counterparts, with the MSCI EAFE Index[4] shedding 14.8%.

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1. 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.
2. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000® Index. You cannot invest directly in an index.
3. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. You cannot invest directly in an index.
4. The Morgan Stanley Capital International Europe, Australasia, and Far East ("MSCI EAFE") Stock Index is an unmanaged group of securities widely regarded by investors to be representations of the stock markets of Europe, Australasia, and the Far East. You cannot invest directly in an index. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Recent events have not altered our message to shareholders.

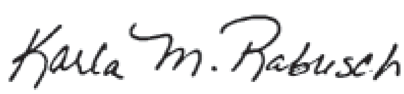
The market turmoil of 2011 and an uncertain outlook going forward have left many investors questioning their resolve—and their investments. Yet, it is precisely at such times that the market may present opportunities—as well as challenges—for prudent investors. Bear in mind that many investors who indiscriminately sold their equity investments during the severe market downturn of 2008 to 2009 missed out on the impressive two-year rally that followed. In our opinion, the lesson to be learned from these dramatic market events is that, for many investors, simply building and maintaining a well-diversified[5] investment plan is the best long-term strategy.

The market turmoil of 2011 and an uncertain outlook going forward have left many investors questioning their resolve—and their investments. Yet, it is precisely at such times that the market may present opportunities—as well as challenges—for prudent investors.

To help you create a sound strategy based on your personal goals and risk tolerance, *Wells Fargo Advantage Funds* offers more than 110 mutual funds and other investments spanning a broad range of asset classes and investment styles. While diversification cannot guarantee an investment profit or prevent losses, we believe it can be an effective way to manage investment risk and potentially smooth out overall portfolio performance.

Thank you for choosing to invest with *Wells Fargo Advantage Funds*. We appreciate your confidence in us and remain committed to helping you meet your financial needs. For current information about your fund investments, contact your investment professional, visit our website at **www.wellsfargo.com/advantagefunds**, or call us directly at **1-800-222-8222**. We are available 24 hours a day, 7 days a week.

Sincerely,



Karla M. Rabusch
President
Wells Fargo Advantage Funds

5. Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

INVESTMENT OBJECTIVE
The Fund seeks long-term capital appreciation.

ADVISER
Wells Fargo Funds Management, LLC

SUB-ADVISER
Wells Capital Management Incorporated

PORTFOLIO MANAGERS
Ann M. Miletti
Thomas D. Wooden, CFA

FUND INCEPTION
May 8, 1992

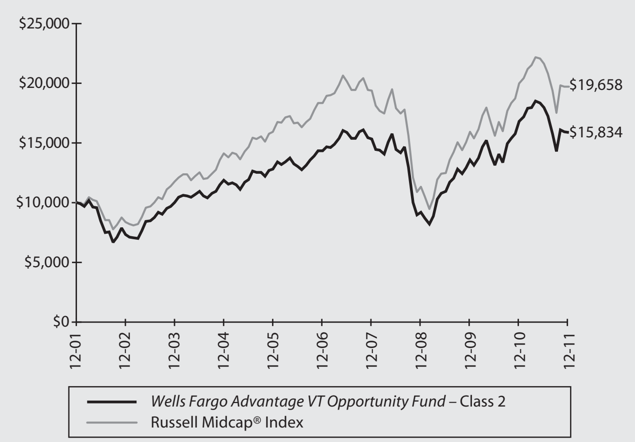
12 MONTH TOTAL RETURN AS OF DECEMBER 31, 2011	
Class 2	(5.52)%
Russell Midcap® Index[1]	(1.55)%

Figures quoted represent past performance, which is no guarantee of future results and do not reflect the deduction of taxes that a shareholder may pay on fund distributions or the redemption of fund shares. *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 by calling 1-866-765-0778. Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts.*

Index returns do not include transaction costs associated with buying and selling securities, any mutual fund fees or expenses or any taxes. It is not possible to invest directly in an index.

The Adviser has committed through July 18, 2013 to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waiver, excluding certain other expenses at 1.00% for Class 2. The Fund's gross and net expense ratios are 1.12% and 1.01%, respectively, for Class 2 shares. Without these reductions, the Fund's returns would have been lower.

GROWTH OF $10,000 INVESTMENT[2]
(AS OF DECEMBER 31, 2011)



1. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. You cannot invest directly in an index.
2. The chart compares the performance of the *Wells Fargo Advantage VT Opportunity Fund* Class 2 for the most recent ten years of the Fund with the Russell Midcap Index. The chart assumes a hypothetical $10,000 investment and reflects all operating expenses of the Fund. Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts.

MANAGER'S DISCUSSION

Fund highlights

- The Fund underperformed its benchmark, the Russell Midcap® Index, for the 12-month period that ended December 31, 2011.
- Holdings in the consumer discretionary, industrials, and health care sectors detracted from relative returns, more than offsetting positive stock selection in the information technology (IT) and financials sectors. A lack of exposure to utilities—which typically do not have much in the way of growth potential but do well in defensive markets—also hindered relative results.
- Economic concerns fostered stock market volatility, particularly in cyclical areas of the market. Nevertheless, our process remained disciplined. We continued to look for well-positioned businesses with solid business models, strong management teams, and favorable trends that trade at attractive discounts to our estimated private market value (PMV).

TEN LARGEST EQUITY HOLDINGS[3] (AS OF DECEMBER 31, 2011)	
Praxair Incorporated	1.89%
Global Payments Incorporated	1.67%
Kroger Company	1.67%
Branch Banking & Trust Corporation	1.66%
Apollo Group Incorporated Class A	1.65%
National Oilwell Varco Incorporated	1.65%
Fifth Third Bancorp	1.61%
Kohl's Corporation	1.60%
Equinix Incorporated	1.59%
RenaissanceRe Holdings Limited	1.59%

Stock selection and sector weights both contributed to the Fund's investment results.

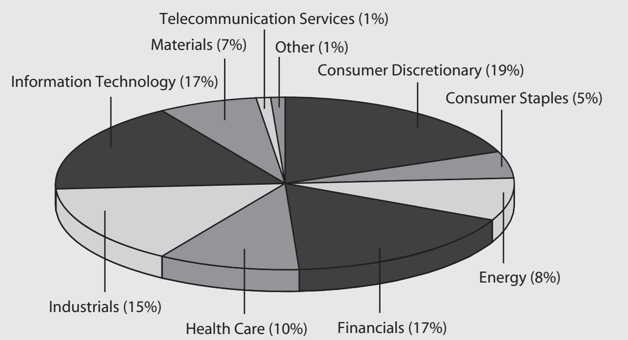
The IT sector was again the top contributor to relative performance during the 12-month period. Positive stock selection—especially in areas related to the continuing move toward digital mobility, storage, and cloud computing—aided results. Additionally, key holdings in companies that focus on data processing added value, including MasterCard Incorporated and Alliance Data Systems Incorporated. Both companies benefited from increased usage of credit and debit payments in lieu of cash.

In the industrials sector, broad-based fears of another recession in the U.S. depressed the performance of a number of industrials holdings, though renewed economic optimism did help the group later in the year. Overall stock selection in the group detracted from results, with Hertz Global Holdings Incorporated among the detractors. We continue to like Hertz; Hertz rents equipment for new construction and benefits from a trend toward renting versus owning equipment, as many firms liquidated their equipment inventories during the last economic downturn and are not yet ready to commit long-term capital for repurchases.

The Fund's consumer discretionary holdings detracted from overall results, with mixed performance in the retail group. Retailers targeting higher-end consumers fared relatively well. Partly as a result, Fund holding Nordstrom Incorporated gained nearly 19% for the year. However, other retailers with more exposure to middle-income buyers, including holdings in Kohl's Corporation and Target Corporation, posted losses as economic concerns stunted consumer spending. Similarly, office supply retailer Staples Incorporated posted weak revenue growth because of fierce competition and customers' budgetary cutbacks. As a result, we sold the position in November 2011.

3. The ten largest equity holdings are calculated based on the value of the securities divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.

SECTOR DISTRIBUTION[4]
(AS OF DECEMBER 31, 2011)



Our methodology of buying stocks that are selling at a discount to their PMVs and selling stocks that approach their PMVs continues.

Our discipline allows us to be patient with stocks that are out of favor with the market. When we entered 2011, we believed that we would see a slow-growth economic environment, with growth in gross domestic product (GDP) in the range of 0%–2%. That scenario largely came to pass, and, in fact, GDP forecasts for the full year are probably better than we would have expected at the beginning of the year. If someone had told us that GDP in the U.S. would be near 2% and that many companies would report double-digit earnings growth in 2011, we would not have anticipated the extreme market movements that we saw during the year. It seemed that the market was driven less by fundamentals and more by macroeconomic news and fears of what would happen if a country such as Greece or Italy were to default on its sovereign debt.

Uncertainty remains, but opportunities remain as well.

Looking ahead, we remain cautiously optimistic. Based on our 2012 assessment of PMVs for the companies we own, the Fund appears attractively valued with an approximate 34% undervaluation. This number doesn't mean that we expect the portfolio to appreciate by 34% in a year, because each individual company is at a different stage in its cycle and it can take years for a stock to reach full valuation. However, we do think this level of undervaluation suggests that our portfolio has solid potential for future appreciation.

At the same time, remaining market headwinds will likely create some investor uneasiness in the near term as we face the need for European sovereign debt refinancing, probable additional downgrades by rating agencies, and even political bickering in the U.S. and abroad. We believe that stocks are attractively valued, and if earnings results remain positive, at some point the market should reward growth through higher stock prices. Most of the Fund's holdings have attractive balance sheets, have posted solid earnings, are flush with cash, and have improved their cost structures. We acknowledge that it will probably take a bit more confidence and visibility before investors react positively to those factors.

4. Sector distribution is subject to change and is calculated based on the total long-term investments of the Fund.

AVERAGE ANNUAL TOTAL RETURN[5] (%) (AS OF DECEMBER 31, 2011)

						Expense Ratios[6]	
	Inception Date	6 Months*	1 Year	5 Year	10 Year	Gross	Net[7]
Class 1	08/26/2011	(11.69)	(5.41)	2.01	4.72	0.87%	0.76%
Class 2	05/08/1992	(11.79)	(5.52)	1.99	4.70	1.12%	1.01%
Russell Midcap® Index		(8.91)	(1.55)	1.41	6.99		

* Returns for periods of less than one year are not annualized.

Figures quoted represent past performance, which is no guarantee of future results and do not reflect the deduction of taxes that a shareholder may pay on fund distributions or the redemption of fund shares. *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 by calling 1-866-765-0778. Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts.*

Index returns do not include transaction costs associated with buying and selling securities, any mutual fund fees or expenses or any taxes. It is not possible to invest directly in an index.

Stock fund values fluctuate in response to the activities of individual companies and general market and economic conditions. Smaller company stocks tend to be more volatile and less liquid than those of larger companies. 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 foreign investment risk. Consult the Fund's prospectus for additional information on these and other risks.

Please refer to the prospectus provided by your participating insurance company for detailed information describing the separate accounts for information regarding surrender charges, mortality and expense risk fees and other charges that may be assessed by the participating insurance companies.

5. Historical performance shown for Class 1 shares prior to their inception reflects the performance of Class 2 shares, and includes the higher expenses applicable to Class 2 shares. If these expenses had not been included, returns would be higher.
6. Reflects the expense ratios as stated in the most recent prospectuses.
7. The Adviser has committed through July 18, 2013 to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waiver, excluding certain expenses, at 0.75% for Class 1 and 1.00% for Class 2 shares. Without this cap, the Fund's returns would have been lower.

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of $1,000 invested at the beginning of the six-month period and held for the entire period from July 1, 2011 to December 31, 2011.

Actual Expenses

The "Actual" line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the "Actual" line under the heading entitled "Expenses Paid During Period" for your applicable class of shares to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The "Hypothetical" line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any separate account charges assessed by participating insurance companies. Therefore, the "Hypothetical" line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these separate account charges assessed by participating insurance companies were included, your costs would have been higher.

	Beginning Account Value 07-01-2011	Ending Account Value 12-31-2011	Expenses Paid During the Period[1]	Net Annual Expense Ratio
Class 1				
Actual	$1,000.00	$ 883.10	$3.56	0.75%
Hypothetical (5% return before expenses)	$1,000.00	$1,021.42	$3.82	0.75%
Class 2				
Actual	$1,000.00	$ 882.08	$4.84	1.02%
Hypothetical (5% return before expenses)	$1,000.00	$1,020.06	$5.19	1.02%

1. Expenses paid is equal to the annualized expense ratio of each class multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year (to reflect the one-half year period).

Security Name	Shares	Value
Common Stocks: 97.78%		
Consumer Discretionary: 18.87%		
Auto Components: 1.31%		
Johnson Controls Incorporated	102,249	$ 3,196,304
Diversified Consumer Services: 1.65%		
Apollo Group Incorporated Class A†«	74,798	4,029,368
Hotels, Restaurants & Leisure: 1.27%		
Carnival Corporation	94,788	3,093,880
Household Durables: 1.50%		
Tempur-Pedic International Incorporated†	16,619	872,996
Whirlpool Corporation«	58,915	2,795,517
		3,668,513
Internet & Catalog Retail: 1.29%		
Liberty Interactive Corporation Series A†	193,390	3,135,819
Media: 6.19%		
Cablevision Systems Corporation New York Group Class A	177,319	2,521,476
Comcast Corporation Class A	148,877	3,507,542
Discovery Communications Incorporated†	73,405	2,767,369
Liberty Global Incorporated Class A†	64,618	2,651,277
Omnicom Group Incorporated«	81,475	3,632,156
		15,079,820
Multiline Retail: 4.55%		
Kohl's Corporation«	78,790	3,888,287
Nordstrom Incorporated	70,305	3,494,862
Target Corporation	72,291	3,702,745
		11,085,894
Specialty Retail: 1.11%		
Best Buy Company Incorporated«	115,315	2,694,912
Consumer Staples: 4.50%		
Food & Staples Retailing: 1.67%		
Kroger Company	167,739	4,062,639
Food Products: 1.36%		
General Mills Incorporated	82,164	3,320,247
Household Products: 1.47%		
Church & Dwight Company Incorporated	78,151	3,576,190
Energy: 7.62%		
Energy Equipment & Services: 3.64%		
McDermott International Incorporated†	174,490	2,008,380
National Oilwell Varco Incorporated	59,072	4,016,305
Weatherford International Limited†	194,511	2,847,641
		8,872,326

Security Name	Shares	Value
Oil, Gas & Consumable Fuels: 3.98%		
Apache Corporation	25,605	$ 2,319,301
Newfield Exploration Company†	82,121	3,098,425
Peabody Energy Corporation«	51,103	1,692,020
Southwestern Energy Company†	80,921	2,584,617
		9,694,363
Financials: 17.00%		
Capital Markets: 2.71%		
Invesco Limited	161,282	3,240,155
TD Ameritrade Holding Corporation	215,602	3,374,171
		6,614,326
Commercial Banks: 4.51%		
Branch Banking & Trust Corporation«	160,830	4,048,091
City National Corporation«	68,328	3,018,731
Fifth Third Bancorp	308,782	3,927,707
		10,994,529
Consumer Finance: 1.40%		
MasterCard Incorporated	9,142	3,408,320
Diversified Financial Services: 0.76%		
InterContinental Exchange Incorporated†	15,290	1,843,210
Insurance: 5.42%		
ACE Limited	49,025	3,437,633
Reinsurance Group of America Incorporated	59,919	3,130,768
RenaissanceRe Holdings Limited«	52,098	3,874,528
Willis Group Holdings plc	71,002	2,754,878
		13,197,807
REIT: 2.20%		
BioMed Realty Trust Incorporated«	177,320	3,205,946
LaSalle Hotel Properties	89,315	2,162,316
		5,368,262
Health Care: 10.24%		
Health Care Equipment & Supplies: 3.90%		
C.R. Bard Incorporated	33,864	2,895,372
Covidien plc	78,627	3,539,001
Zimmer Holdings Incorporated«	57,647	3,079,503
		9,513,876
Health Care Providers & Services: 2.44%		
Health Management Associates Incorporated Class A†	424,223	3,126,524
McKesson Corporation	36,163	2,817,459
		5,943,983

Security Name	Shares	Value
Life Sciences Tools & Services: 3.90%		
Covance Incorporated†	71,424	$ 3,265,505
Thermo Fisher Scientific Incorporated†	71,808	3,229,206
Waters Corporation†«	40,522	3,000,654
		9,495,365
Industrials: 14.95%		
Airlines: 1.94%		
Delta Air Lines Incorporated†	387,484	3,134,746
United Continental Holdings Incorporated†«	84,721	1,598,685
		4,733,431
Commercial Services & Supplies: 1.47%		
Republic Services Incorporated	130,196	3,586,900
Construction & Engineering: 0.84%		
Quanta Services Incorporated†«	94,997	2,046,235
Electrical Equipment: 4.18%		
AMETEK Incorporated	74,972	3,156,321
Babcock & Wilcox Company†	118,429	2,858,876
Regal-Beloit Corporation	37,288	1,900,569
Rockwell Automation Incorporated	30,943	2,270,288
		10,186,054
Machinery: 2.70%		
Dover Corporation«	57,837	3,357,438
Pall Corporation«	56,270	3,215,831
		6,573,269
Professional Services: 1.10%		
Manpower Incorporated	74,555	2,665,341
Road & Rail: 2.72%		
Hertz Global Holdings Incorporated†«	313,573	3,675,076
J.B. Hunt Transport Services Incorporated«	65,534	2,953,617
		6,628,693
Information Technology: 16.74%		
Communications Equipment: 1.15%		
Polycom Incorporated†	172,064	2,804,643
Computers & Peripherals: 1.35%		
NetApp Incorporated†«	91,045	3,302,202
Electronic Equipment, Instruments & Components: 1.29%		
Amphenol Corporation Class A	69,318	3,146,344
Internet Software & Services: 1.59%		
Equinix Incorporated†	38,137	3,867,092

Security Name	Shares	Value
IT Services: 3.90%		
Alliance Data Systems Corporation†«	27,320	$ 2,836,909
Cognizant Technology Solutions Corporation Class A†	40,318	2,592,851
Global Payments Incorporated	85,920	4,070,890
		9,500,650
Semiconductors & Semiconductor Equipment: 5.06%		
Altera Corporation	80,420	2,983,582
ARM Holdings plc	330,325	3,036,929
Avago Technologies Limited	102,873	2,968,915
ON Semiconductor Corporation†	431,273	3,329,428
		12,318,854
Software: 2.40%		
Autodesk Incorporated†	101,415	3,075,917
Red Hat Incorporated†	66,878	2,761,393
		5,837,310
Materials: 6.72%		
Chemicals: 1.89%		
Praxair Incorporated	42,991	4,595,738
Containers & Packaging: 4.35%		
Bemis Company Incorporated«	125,830	3,784,966
Crown Holdings Incorporated†«	99,068	3,326,703
Owens-Illinois Incorporated†	179,732	3,483,206
		10,594,875
Metals & Mining: 0.48%		
Agnico-Eagle Mines Limited	32,529	1,181,453
Telecommunication Services: 1.14%		
Wireless Telecommunication Services: 1.14%		
American Tower Corporation Class A	46,241	2,774,919
Total Common Stocks (Cost $226,811,384)		238,233,956
	Principal	
Other: 0.63%		
Gryphon Funding Limited, Pass-Through Entity(a)(i)(v)	$ 2,010,641	562,980
VFNC Corporation, Pass-Through Entity, 0.30%(a)(i)(v)±144A	2,288,715	984,147
Total Other (Cost $739,701)		1,547,127

Security Name		Yield	Shares	Value
Short-Term Investments: 22.08%				
Investment Companies: 22.08%				
Wells Fargo Advantage Cash Investment Money Market Fund, Institutional Class(l)(u)		0.04%	4,870,568	$ 4,870,568
Wells Fargo Securities Lending Cash Investments, LLC(v)(l)(u)(r)		0.12	48,927,267	48,927,267
Total Short-Term Investments (Cost $53,797,835)				53,797,835
Total Investments in Securities (Cost $281,348,920)*	120.49%			293,578,918
Other Assets and Liabilities, Net	(20.49)			(49,927,195)
Total Net Assets	100.00%			$243,651,723

† Non-income earning security.

« All or a portion of this security is on loan.

(a) Security is fair valued by the Management Valuation Team, and in certain instances by the Board of Trustees, in accordance with procedures approved by the Board of Trustees.

(i) Illiquid security for which the designation as illiquid is unaudited.

(v) Security represents investment of cash collateral received from securities on loan.

± Variable rate investment.

144A Security that may be resold to "qualified institutional buyers" under Rule 144A or security offered pursuant to Section 4(2) of the Securities Act of 1933, as amended.

(l) Investment in an affiliate.

(u) Rate shown is the 7-day annualized yield at period end.

(r) The investment company is exempt from registration under Section 3(c)(7) of the 1940 Act.

* Cost for federal income tax purposes is $285,256,848 and net unrealized appreciation (depreciation) consists of:

Gross unrealized appreciation	$ 26,708,339
Gross unrealized depreciation	(18,386,269)
Net unrealized appreciation	$ 8,322,070

The accompanying notes are an integral part of these financial statements.

Assets	
Investments	
In unaffiliated securities (including securities on loan), at value	$ 239,781,083
In affiliated securities, at value	53,797,835
Total investments, at value (see cost below)	293,578,918
Receivable for investments sold	809,863
Receivable for Fund shares sold	5,998
Receivable for dividends	211,467
Receivable for securities lending income	4,484
Total assets	294,610,730
Liabilities	
Payable for investments purchased	96,302
Payable for Fund shares redeemed	932,421
Payable upon receipt of securities loaned	49,666,968
Advisory fee payable	139,498
Distribution fees payable	46,667
Due to other related parties	25,985
Accrued expenses and other liabilities	51,166
Total liabilities	50,959,007
Total net assets	**$243,651,723**
NET ASSETS CONSIST OF	
Paid-in capital	$ 287,088,524
Undistributed net investment income	331,116
Accumulated net realized losses on investments	(55,997,915)
Net unrealized gains on investments	12,229,998
Total net assets	**$243,651,723**
COMPUTATION OF NET ASSET VALUE PER SHARE[1]	
Net assets – Class 1	$ 42,116,424
Shares outstanding – Class 1	2,420,549
Net asset value per share – Class 1	$17.40
Net assets – Class 2	$ 201,535,299
Shares outstanding – Class 2	11,592,957
Net asset value per share – Class 2	$17.38

Total investments, at cost	$ 281,348,920
Securities on loan, at value	$ 48,435,704

1. The Fund has an unlimited number of authorized shares.

The accompanying notes are an integral part of these financial statements.

Investment income	
Dividends*	$ 2,345,751
Income from affiliated securities	6,874
Securities lending income, net	73,170
Total investment income	2,425,795
Expenses	
Advisory fee	1,286,490
Administration fees	
Fund level	98,961
Class 1[1]	11,770
Class 2	146,567
Distribution fees	
Class 2	458,022
Custody and accounting fees	20,029
Professional fees	25,736
Shareholder report expenses	15,836
Trustees' fees and expenses	10,578
Other fees and expenses	7,900
Total expenses	2,081,889
Less: Fee waivers and/or expense reimbursements	(71,738)
Net expenses	2,010,151
Net investment income	415,644
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	
Net realized gains on investments	12,647,751
Net change in unrealized gains (losses) on investments	(16,138,693)
Net realized and unrealized gains (losses) on investments	(3,490,942)
Net decrease in net assets resulting from operations	**$ (3,075,298)**

* Net of foreign dividend withholding taxes of $2,417

1. Class commenced operations on August 26, 2011.

The accompanying notes are an integral part of these financial statements.

	Year Ended December 31, 2011		Year Ended December 31, 2010	
Operations				
Net investment income		$ 415,644		$ 120,866
Net realized gains on investments		12,647,751		19,746,984
Net change in unrealized gains (losses) on investments		(16,138,693)		14,072,322
Net increase (decrease) in net assets resulting from operations		(3,075,298)		33,940,172
Distributions to shareholders from				
Net investment income – Class 2		(228,148)		(1,195,940)[1]
	Shares		Shares	
Capital share transactions				
Proceeds from shares sold				
Class 1	78,783[2]	1,305,075[2]	N/A	N/A
Class 2	721,399	13,833,446	826,626[1]	13,114,185[1]
		15,138,521		13,114,185
Reinvestment of distributions				
Class 2	11,742	228,148	82,938[1]	1,195,940[1]
Payment for shares redeemed				
Class 1	(201,134)[2]	(3,415,950)[2]	N/A	N/A
Class 2	(2,739,789)	(49,078,548)	(2,085,400)[1]	(33,529,757)[1]
		(52,494,498)		(33,529,757)
Net asset value of shares issued in acquisition				
Class 1	2,542,900	42,011,395	N/A	N/A
Class 2	4,464,853	73,764,505	0	0
		115,775,900		0
Net increase (decrease) in net assets resulting from capital share transactions		78,648,071		(19,219,632)
Total increase in net assets		75,344,625		13,524,600
Net assets				
Beginning of period		168,307,098		154,782,498
End of period		$243,651,723		$168,307,098
Undistributed net investment income		$ 331,116		$ 88,428

1. After the close of business on July 16, 2010, existing shares of the Fund were renamed Class 2 shares.
2. Class commenced operations on August 26, 2011.

The accompanying notes are an integral part of these financial statements.

(For a share outstanding throughout the period)

Class 1	Year Ended December 31, 2011[1]
Net asset value, beginning of period	**$16.52**
Net investment income	0.04
Net realized and unrealized gains (losses) on investments	0.84
Total from investment operations	0.88
Net asset value, end of period	**$17.40**
Total return[2]	**5.33%**
Ratios to average net assets (annualized)	
Gross expenses	0.83%
Net expenses	0.75%
Net investment income	0.61%
Supplemental data	
Portfolio turnover rate	35%
Net assets, end of period (000's omitted)	$42,116

1. For the period from August 26, 2011 (commencement of class operations) to December 31, 2011.
2. Returns for periods of less than one year are not annualized.

The accompanying notes are an integral part of these financial statements.

(For a share outstanding throughout each period)

	Year Ended December 31,				
Class 2[1]	2011	2010	2009	2008	2007
Net asset value, beginning of period	**$18.42**	**$15.01**	**$10.16**	**$22.03**	**$24.02**
Net investment income	0.03	0.02	0.11	0.12	0.21
Net realized and unrealized gains (losses) on investments	(1.04)	3.51	4.74	(7.30)	1.60
Total from investment operations	(1.01)	3.53	4.85	(7.18)	1.81
Distributions to shareholders from					
Net investment income	(0.03)	(0.12)	0.00	(0.37)	(0.16)
Net realized gains	0.00	0.00	0.00	(4.32)	(3.64)
Total distributions to shareholders	(0.03)	(0.12)	0.00	(4.69)	(3.80)
Net asset value, end of period	**$17.38**	**$18.42**	**$15.01**	**$10.16**	**$22.03**
Total return	**(5.52)%**	**23.76%**	**47.74%**	**(40.10)%**	**6.63%**
Ratios to average net assets (annualized)					
Gross expenses	1.07%	1.18%	1.32%	1.21%	1.19%
Net expenses	1.04%	1.07%	1.07%	1.07%	1.07%
Net investment income	0.18%	0.08%	0.39%	0.47%	0.74%
Supplemental data					
Portfolio turnover rate	35%	40%	50%	70%	64%
Net assets, end of period (000's omitted)	$201,535	$168,307	$154,782	$378,197	$779,286

1. After the close of business on July 16, 2010, existing shares of the Fund were renamed Class 2 shares.

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION

Wells Fargo Variable Trust (the "Trust"), a Delaware statutory trust organized on March 10, 1999, is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). These financial statements report on Wells Fargo Advantage VT Opportunity Fund (the "Fund") which is a diversified series of the Trust.

2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund, are in conformity with U.S. generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Securities valuation

Investments in equity securities are valued each business day as of the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. (Eastern Time). Securities which are traded on a national or foreign securities exchange are valued at the last reported sales price, except that securities listed on The Nasdaq Stock Market, Inc. ("Nasdaq") are valued at the Nasdaq Official Closing Price ("NOCP"), and if no NOCP is available, then at the last reported sales price. If no sales price is shown on the Nasdaq, the bid price will be used. In the absence of any sale of securities listed on the Nasdaq, and in the case of other securities (including U.S. Government obligations, but excluding debt securities maturing in 60 days or less), the price will be deemed "stale" and the valuations will be determined in accordance with the Fund's Fair Value Procedures.

Fixed income securities with maturities exceeding 60 days are valued based on available evaluated prices received from an independent pricing service approved by the Board of Trustees which may utilize both transaction data and market information such as yield, prices of securities of comparable quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If valuations are not available from the pricing service or values received are deemed not representative of market value, values will be obtained from a third party broker-dealer or determined based on the Fund's Fair Value Procedures.

Debt securities of sufficient credit quality with original maturities of 60 days or less generally are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost, plus accretion of discount or minus amortization of premium over the period until maturity.

Investments in open-end mutual funds and non-registered investment companies are generally valued at net asset value.

Investments which are not valued using any of the methods discussed above, are valued at their fair value, as determined by procedures established in good faith and approved by the Board of Trustees.

Foreign currency translation

The accounting records of the Fund are maintained in U.S. dollars. Assets, including investment securities, and liabilities denominated in foreign currency are translated into U.S. dollars at the prevailing rates of exchange at the date of valuation. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective dates of such transactions. Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually paid or received. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities other than investments in securities resulting in changes in exchange rates.

The changes in net assets arising from changes in exchange rates and the changes in net assets resulting from changes in market prices of securities are not separately presented. Such changes are recorded with net realized and unrealized gains or losses from investments. Gains and losses from certain foreign currency transactions are treated as ordinary income for U.S. federal income tax purposes.

Security loans

The Fund may lend its securities from time to time in order to earn additional income in the form of fees or interest on securities received as collateral or the investment of any cash received as collateral. The Fund continues to receive interest or dividends on the securities loaned. The Fund receives collateral in the form of cash or securities with a value at least equal to the value of the securities on loan. The value of the loaned securities is determined at the close of each business day and any additional required collateral is delivered to the Fund on the next business day. In a securities lending transaction, the net asset value of the Fund will be affected by an increase or decrease in the value of the securities loaned and by an increase or decrease in the value of the instrument in which collateral is invested. The amount of securities lending activity undertaken by the Fund fluctuates from time to time. In the event of default or bankruptcy by the borrower, the Fund may be prevented from recovering the loaned securities or gaining access to the collateral or may experience delays or costs in doing so. In addition, the investment of any cash collateral received may lose all or part of its value. The Fund has the right under the lending agreement to recover the securities from the borrower on demand.

The Fund lends its securities through an unaffiliated securities lending agent. Cash collateral received in connection with its securities lending transactions is invested in Wells Fargo Securities Lending Cash Investments, LLC (the “Cash Collateral Fund”). The Cash Collateral Fund is exempt from registration under Section 3(c)(7) of the 1940 Act and is managed by Wells Fargo Funds Management LLC (“Funds Management”) and is sub-advised by Wells Capital Management Incorporated (“Wells Capital Management”). Funds Management receives an advisory fee starting at 0.05% and declining to 0.01% as the average daily net assets of the Cash Collateral Fund increase. All of the fees received by Funds Management are paid to Wells Capital Management for its services as sub-adviser. The Cash Collateral Fund seeks to provide a positive return compared to the daily Fed Funds Open rate by investing in high-quality, U.S. dollar-denominated short-term money market instruments. Cash Collateral Fund investments are fair valued based upon the amortized cost valuation technique. Income earned from investment in the Cash Collateral Fund is included in securities lending income on the Statement of Operations.

For Wells Fargo Advantage Funds that participated in securities lending activity prior to February 13, 2009, certain structured investment vehicles purchased in a joint account by the former securities lending agent defaulted or were impaired. Certain of the Wells Fargo Advantage Funds still hold ownership interest in these structured investment vehicles, which have since been restructured as pass-through securities. If the Fund holds an ownership interest in such pass-through securities, information regarding this ownership interest can be found in the Portfolio of Investments under the category “Other”.

Security transactions and income recognition

Securities transactions are recorded on a trade date basis. Realized gains or losses are reported on the basis of identified cost of securities delivered.

Dividend income is recognized on the ex-dividend date. Dividend income is recorded net of foreign taxes withheld where recovery of such taxes is not assured.

Distributions to shareholders

Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-dividend date. Such distributions are determined in conformity with income tax regulations, which may differ from generally accepted accounting principles.

The timing and character of distributions made during the period from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. To the extent that these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment. Temporary differences do not require reclassifications. The primary permanent differences causing such reclassifications are due to dividends from certain securities, expiration of capital loss carryforwards and recognition of partnership income. At December 31, 2011, as a result of permanent book-to-tax differences, the following reclassification adjustments were made on the Statement of Assets and Liabilities:

Paid-in Capital	Undistributed Net Investment Income	Accumulated Net Realized Losses on Investments
$(360,675)	$66,302	$294,373

Federal and other taxes

The Fund intends to continue to qualify as a regulated investment company by distributing substantially all of its investment company taxable income and any net realized capital gains (after reduction for capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes was required.

The Fund's income and federal excise tax returns and all financial records supporting those returns for the prior three fiscal years are subject to examination by the federal and Delaware revenue authorities.

Under the recently enacted *Regulated Investment Company Modernization Act of 2010*, the Fund is permitted to carry forward capital losses incurred in taxable years which began after December 22, 2010 for an unlimited period. However, any losses incurred are required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

At December 31, 2011, net capital loss carryforwards, which are available to offset future net realized capital gains, were as follows:.

Pre-enactment Capital Loss Expiration			Post-enactment Capital Losses	
2015	2016	2017	Short-term	Long-term
$1,442,700	$360,675	$47,818,946	$2,181,517	$286,150

Class allocations

The separate classes of shares offered by the Fund differ principally in distribution fees. Shareholders of each class bear certain expenses that pertain to that particular class. All shareholders bear the common expenses of the Fund, earn income from the portfolio, and are allocated unrealized gains and losses pro rata based on the average daily net assets of each class, without distinction between share classes. Dividends are determined separately for each class based on income and expenses allocable to each class. Realized gains and losses are allocated to each class pro rata based upon the net assets of each class on the date realized. Differences in per share dividend rates generally result from the relative weightings of pro rata income and realized gain allocations and from differences in separate class expenses, including distribution fees.

3. FAIR VALUATION MEASUREMENTS

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the Fund's investments. The three-level hierarchy gives the highest priority to significant unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Fund's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs are summarized into three broad levels as follows:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of December 31, 2011, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

Investments in Securities	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities				
Common stocks	$ 238,233,956	$ 0	$ 0	$ 238,233,956
Other	0	0	1,547,127	1,547,127
Short-term investments				
Investment companies	4,870,568	48,927,267	0	53,797,835
	$243,104,524	**$48,927,267**	**$1,547,127**	**$293,578,918**

Further details on the major security types listed above can be found in the Portfolio of Investments.

Transfers in and transfers out are recognized at the end of the reporting period. For the year ended December 31, 2011, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

	Other
Balance as of December 31, 2010	$2,520,461
Accrued discounts (premiums)	0
Realized gains (losses)	0
Change in unrealized gains (losses)	(166,140)
Purchases	0
Sales	(807,194)
Transfers into Level 3	0
Transfers out of Level 3	0
Balance as of December 31, 2011	$1,547,127
Change in unrealized gains (losses) relating to securities still held at December 31, 2011	$ (551,276)

4. TRANSACTIONS WITH AFFILIATES AND OTHER EXPENSES

Advisory fee

The Trust has entered into an advisory contract with Funds Management, an indirect wholly owned subsidiary of Wells Fargo & Company ("Wells Fargo"). The adviser is responsible for implementing investment policies and guidelines and for supervising the sub-adviser, who is responsible for day-to-day portfolio management of the Fund.

Pursuant to the contract, Funds Management is entitled to receive an annual advisory fee starting at 0.65% and declining to 0.55% as the average daily net assets of the Fund increase. For the year ended December 31, 2011, the advisory fee was equivalent to an annual rate of 0.65% of the Fund's average daily net assets.

Funds Management may retain the services of certain sub-advisers to provide daily portfolio management to the Fund. The fees related to sub-advisory services are borne directly by Funds Management and do not increase the overall fees paid by the Fund. Wells Capital Management, an affiliate of Funds Management, is the sub-adviser to the Fund and is entitled to receive a fee from Funds Management at an annual rate starting at 0.45% and declining to 0.30% as the average daily net assets of the Fund increase.

Administration and transfer agent fees

The Trust has entered into an administration agreement with Funds Management. Under this agreement, for providing administrative services, which includes paying fees and expenses for services provided by the transfer agent, sub-transfer agents, omnibus account servicers and record-keepers, Funds Management is entitled to receive from the Fund an annual fund level administration fee starting at 0.05% and declining to 0.03% as the average daily net assets of the Fund increase and a class level administration fee of 0.08% of the average daily net assets of each class.

Funds Management has contractually waived and/or reimbursed advisory and administration fees to the extent necessary to maintain certain net operating expense ratios for the Fund. Waiver of fees and/or reimbursement of expenses by Funds Management were made first from fund level expenses on a proportionate basis and then from class specific expenses.

Distribution fees

The Trust has adopted a Distribution Plan for Class 2 shares of the Fund pursuant to Rule 12b-1 under the 1940 Act. Distribution fees are charged to Class 2 shares and paid to Wells Fargo Funds Distributor, LLC, the principal underwriter, at an annual rate of 0.25% of its average daily net assets.

5. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments, excluding U.S. Government obligations (if any) and short-term securities (securities with maturities of one year or less at purchase date), for the year ended December 31, 2011 were $69,348,447 and $99,226,161, respectively.

6. ACQUISITION

After the close of business on August 26, 2011, the Fund acquired the net assets of Wells Fargo Advantage VT Core Equity Fund. The purpose of the transaction was to combine two funds with similar investment objectives and strategies. Shareholders holding Class 1 and Class 2 shares of Wells Fargo Advantage VT Core Equity Fund received Class 1 and Class 2 shares, respectively, of the Fund in the reorganization. The acquisition was accomplished by a tax-free exchange of all of the shares of Wells Fargo Advantage VT Core Equity Fund for 7,007,753 shares of the Fund valued at $115,775,900 at an exchange ratio of 0.77 and 0.76 for Class 1 and Class 2 shares, respectively. The investment portfolio of Wells Fargo Advantage VT Core Equity Fund with a fair value of $115,698,003, identified cost of $130,800,975 and unrealized losses of $15,102,972 at August 26, 2011 were the principal assets acquired by the Fund. The aggregate net assets of Wells Fargo Advantage VT Core Equity Fund and the Fund immediately prior to the acquisition were $115,775,900 and $138,830,614, respectively. The aggregate net assets of the Fund immediately after the acquisition were $254,606,514. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from Wells Fargo Advantage VT Core Equity Fund was carried forward to align ongoing reporting of the Fund's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

Assuming the acquisition had been completed January 1, 2011, the beginning of the annual reporting period for the Fund, the pro forma results of operations for the year ended December 31, 2011 would have been:

Net investment income	$ 1,159,297
Net realized and unrealized losses on investments	$(2,976,757)
Net decrease in net assets resulting from operations	$(1,817,460)

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of Wells Fargo Advantage VT Core Equity Fund that have been included in the Fund's Statement of Operations since August 29, 2011.

7. BANK BORROWINGS

The Trust and Wells Fargo Funds Trust (excluding the money market funds) are parties to a $150,000,000 revolving credit agreement with State Street Bank and Trust Company, whereby the Fund is permitted to use bank borrowings for temporary or emergency purposes, such as to fund shareholder redemption requests. Interest under the credit agreement is charged to the Fund based on a borrowing rate equal to the higher of the Federal Funds rate in effect on that day plus 1.25% or the overnight LIBOR rate in effect on that day plus 1.25%. In addition, under the credit agreement, the Fund pays an annual commitment fee equal to 0.10% of the unused balance, which is allocated pro rata. Prior to September 6, 2011, the revolving credit agreement was for $125,000,000 and the annual commitment fee paid by the Fund was 0.125% of the unused balance. For the year ended December 31, 2011, the Fund paid $348 in commitment fees.

For the year ended December 31, 2011, there were no borrowings by the Fund under the agreement.

8. DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid was $228,148 and $1,195,940 of ordinary income for the years ended December 31, 2011 and December 31, 2010, respectively.

As of December 31, 2011, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	Unrealized Gains (Losses)	Capital Loss Carryforward
$341,265	$8,322,070	$(52,089,988)

9. INDEMNIFICATION

Under the Trust's organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of performance of their duties to the Trust. Additionally, in the normal course of business, the Trust may enter into contracts with service providers that contain a variety of indemnification clauses. The Trust's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

10. NEW ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04 "*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*". ASU No. 2011-04 amends FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP. The ASU is effective prospectively for interim and annual periods beginning after December 15, 2011. Management expects that adoption of the ASU will result in additional disclosures in the financial statements, as applicable.

In April 2011, FASB issued ASU No. 2011-03 "*Reconsideration of Effective Control for Repurchase Agreements*". ASU No. 2011-03 amends FASB ASC Topic 860, *Transfers and Servicing*, specifically the criteria required to determine whether a repurchase agreement (repo) and similar agreements should be accounted for as sales of financial assets or secured borrowings with commitments. ASU No. 2011-03 changes the assessment of effective control by focusing on the transferor's contractual rights and obligations and removing the criterion to assess its ability to exercise those rights or honor those obligations. This could result in changes to the way entities account for certain transactions including repurchase agreements, mortgage dollar rolls and reverse repurchase agreements. The ASU will become effective on a prospective basis for new transfers and modifications to existing transactions as of the beginning of the first interim or annual period beginning on or after December 15, 2011. Management has evaluated the impact of adopting the ASU and expects no significant changes.

BOARD OF TRUSTEES AND SHAREHOLDERS OF WELLS FARGO VARIABLE TRUST:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Wells Fargo Advantage VT Opportunity Fund (the "Fund"), one of the funds constituting the Wells Fargo Variable Trust, as of December 31, 2011, and the related statement of operations for the year then ended, statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2011, by correspondence with custodian and brokers, or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Wells Fargo Advantage VT Opportunity Fund as of December 31, 2011, the results of its operations for the year then ended, changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Boston, Massachusetts
February 24, 2012

TAX INFORMATION

For corporate shareholders, pursuant to Section 854 of the Internal Revenue Code, 100% of ordinary income dividends qualify for the corporate dividends-received deduction for the fiscal year ended December 31, 2011.

PROXY VOTING INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 1-800-222-8222, visiting our Web site at **www.wellsfargo.com/advantagefunds**, or visiting the SEC Web site at **www.sec.gov**. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the Fund's Web site at **www.wellsfargo.com/advantagefunds** or by visiting the SEC Web site at **www.sec.gov**.

PORTFOLIO HOLDINGS INFORMATION

The complete portfolio holdings for the Fund are publicly available on the Fund's Web site (**www.wellsfargo.com/advantagefunds**) on a monthly, 30-day or more delayed basis. In addition, top ten holdings information for the Fund is publicly available on the Fund's Web site on a monthly, seven-day or more delayed basis. The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, which is available without charge by visiting the SEC Web site at **www.sec.gov**. In addition, the Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and at regional offices in New York City, at 233 Broadway, and in Chicago, at 175 West Jackson Boulevard, Suite 900. Information about the Public Reference Room may be obtained by calling 1-800-SEC-0330.

BOARD OF TRUSTEES

The following table provides basic information about the Board of Trustees (the “Trustees”) of the Trust and Officers of the Trust. This table should be read in conjunction with the Prospectus and the Statement of Additional Information[1] of the Fund. Each of the Trustees and Officers listed below acts in identical capacities for the Wells Fargo Advantage family of funds, which consists of 138 funds comprising the Wells Fargo Funds Trust, Wells Fargo Variable Trust, Wells Fargo Master Trust and four closed-end funds (collectively the “Fund Complex”). All of the Trustees are also Members of the Audit and Governance Committees of each Trust in the Fund Complex. The mailing address of each Trustee and Officer is 525 Market Street, 12th Floor, San Francisco, CA 94105. Each Trustee and Officer serves an indefinite term, however, each Trustee serves such term until reaching the mandatory retirement age established by the Trustees.

Independent Trustees

Name and Year of Birth	Position Held and Length of Service	Principal Occupations During Past Five Years	Other Directorships During Past Five Years
Peter G. Gordon (Born 1942)	Trustee, since 1998; Chairman, since 2005 (Lead Trustee since 2001)	Co-Founder, Retired Chairman, President and CEO of Crystal Geyser Water Company. Trustee Emeritus, Colby College	Asset Allocation Trust
Isaiah Harris, Jr. (Born 1952)	Trustee, since 2009	Retired. Prior thereto, President and CEO of BellSouth Advertising and Publishing Corp. from 2005 to 2007, President and CEO of BellSouth Enterprises from 2004 to 2005 and President of BellSouth Consumer Services from 2000 to 2003. Emeritus member of the Iowa State University Foundation Board of Governors. Emeritus Member of the Advisory Board of Iowa State University School of Business. Mr. Harris is a certified public accountant.	CIGNA Corporation; Deluxe Corporation; Asset Allocation Trust
Judith M. Johnson (Born 1949)	Trustee, since 2008	Retired. Prior thereto, Chief Executive Officer and Chief Investment Officer of Minneapolis Employees Retirement Fund from 1996 to 2008. Ms. Johnson is an attorney, certified public accountant and a certified managerial accountant.	Asset Allocation Trust
Leroy Keith, Jr. (Born 1939)	Trustee, since 2010	Chairman, Bloc Global Services (development and construction). Trustee of the Evergreen Funds from 1983 to 2010. Former Managing Director, Almanac Capital Management (commodities firm), former Partner, Stonington Partners, Inc. (private equity fund), former Director, Obagi Medical Products Co. and former Director, Lincoln Educational Services.	Trustee, Virtus Fund Complex (consisting of 40 portfolios as of 12/31/11); Asset Allocation Trust
David F. Larcker (Born 1950)	Trustee, since 2009	James Irvin Miller Professor of Accounting at the Graduate School of Business, Stanford University, Director of Corporate Governance Research Program and Senior Faculty of The Rock Center for Corporate Governance since 2006. From 2005 to 2008, Professor of Accounting at the Graduate School of Business, Stanford University. Prior thereto, Ernst & Young Professor of Accounting at The Wharton School, University of Pennsylvania from 1985 to 2005.	Asset Allocation Trust
Olivia S. Mitchell (Born 1953)	Trustee, since 2006	International Foundation of Employee Benefit Plans Professor, Wharton School of the University of Pennsylvania since 1993. Director of Wharton’s Pension Research Council and Boettner Center on Pensions & Retirement Research, and Research Associate at the National Bureau of Economic Research. Previously, Cornell University Professor from 1978 to 1993.	Asset Allocation Trust

Name and Year of Birth	Position Held and Length of Service	Principal Occupations During Past Five Years	Other Directorships During Past Five Years
Timothy J. Penny (Born 1951)	Trustee, since 1996	President and CEO of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007 and Senior Fellow at the Humphrey Institute Policy Forum at the University of Minnesota since 1995. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, since 2007.	Asset Allocation Trust
Michael S. Scofield (Born 1943)	Trustee, since 2010	Served on the Investment Company Institute's Board of Governors and Executive Committee from 2008-2011 as well the Governing Council of the Independent Directors Council from 2006-2011 and the Independent Directors Council Executive Committee from 2008-2011. Chairman of the IDC from 2008-2010. Institutional Investor (Fund Directions) Trustee of Year in 2007. Trustee of the Evergreen Funds (and its predecessors) from 1984 to 2010. Chairman of the Evergreen Funds from 2000-2010. Former Trustee of the Mentor Funds. Retired Attorney, Law Offices of Michael S. Scofield and former Director and Chairman, Branded Media Corporation (multi-media branding company).	Asset Allocation Trust
Donald C. Willeke (Born 1940)	Trustee, since 1996	Principal of the law firm of Willeke & Daniels. General Counsel of the Minneapolis Employees Retirement Fund from 1984 until its consolidation into the Minnesota Public Employees Retirement Association on June 30, 2010. Director and Vice Chair of The Free Trust (non-profit corporation). Director of the American Chestnut Foundation (non-profit corporation).	Asset Allocation Trust

Officers

Name and Year of Birth	Position Held and Length of Service	Principal Occupations During Past Five Years
Karla M. Rabusch (Born 1959)	President, since 2003	Executive Vice President of Wells Fargo Bank, N.A. and President of Wells Fargo Funds Management, LLC since 2003. Senior Vice President and Chief Administrative Officer of Wells Fargo Funds Management, LLC from 2001 to 2003.
C. David Messman (Born 1960)	Secretary, since 2000; Chief Legal Counsel, since 2003	Senior Vice President and Secretary of Wells Fargo Funds Management, LLC since 2001. Vice President and Managing Senior Counsel of Wells Fargo Bank, N.A. since 1996.
Kasey Phillips (Born 1970)	Treasurer, since 2009	Senior Vice President of Wells Fargo Funds Management, LLC since 2009. Senior Vice President of Evergreen Investment Management Company, LLC from 2006 to 2010. Treasurer of the Evergreen Funds from 2005 to 2010.
David Berardi (Born 1975)	Assistant Treasurer, since 2009	Vice President of Wells Fargo Funds Management, LLC since 2009. Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010. Assistant Vice President of Evergreen Investment Services, Inc. from 2004 to 2008. Manager of Fund Reporting and Control for Evergreen Investment Management Company, LLC from 2004 to 2010.
Jeremy DePalma (Born 1974)	Assistant Treasurer, since 2009	Senior Vice President of Wells Fargo Funds Management, LLC since 2009. Senior Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010. Vice President, Evergreen Investment Services, Inc. from 2004 to 2007. Head of the Fund Reporting and Control Team within Fund Administration from 2005 to 2010.
Debra Ann Early (Born 1964)	Chief Compliance Officer, since 2007	Chief Compliance Officer of Wells Fargo Funds Management, LLC since 2007. Chief Compliance Officer of Parnassus Investments from 2005 to 2007. Chief Financial Officer of Parnassus Investments from 2004 to 2007 and Senior Audit Manager of PricewaterhouseCoopers LLP from 1998 to 2004.

1. The Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request, by calling 1-800-222-8222 or by visiting the Web site at **www.wellsfargo.com/advantagefunds.**

The following is a list of common abbreviations for terms and entities which may have appeared in this report.

ACB — Agricultural Credit Bank
ADR — American Depository Receipt
ADS — American Depository Shares
AGC-ICC — Assured Guaranty Corporation - Insured Custody Certificates
AGM — Assured Guaranty Municipal
AMBAC — American Municipal Bond Assurance Corporation
AMT — Alternative Minimum Tax
AUD — Australian Dollar
BAN — Bond Anticipation Notes
BHAC — Berkshire Hathaway Assurance Corporation
BRL — Brazil Real
CAB — Capital Appreciation Bond
CAD — Canadian Dollar
CCAB — Convertible Capital Appreciation Bond
CDA — Community Development Authority
CDO — Collateralized Debt Obligation
CHF — Swiss Franc
COP — Certificate of Participation
CR — Custody Receipts
DKK — Danish Krone
DRIVER — Derivative Inverse Tax-Exempt Receipts
DW&P — Department of Water & Power
DWR — Department of Water Resources
ECFA — Educational & Cultural Facilities Authority
EDA — Economic Development Authority
EDFA — Economic Development Finance Authority
ETF — Exchange-Traded Fund
EUR — Euro
FFCB — Federal Farm Credit Bank
FGIC — Financial Guaranty Insurance Corporation
FHA — Federal Housing Authority
FHLB — Federal Home Loan Bank
FHLMC — Federal Home Loan Mortgage Corporation
FNMA — Federal National Mortgage Association
FSA — Farm Service Agency
GBP — Great British Pound
GDR — Global Depository Receipt
GNMA — Government National Mortgage Association
GO — General Obligation
HCFR — Healthcare Facilities Revenue
HEFA — Health & Educational Facilities Authority
HEFAR — Higher Education Facilities Authority Revenue
HFA — Housing Finance Authority
HFFA — Health Facilities Financing Authority
HKD — Hong Kong Dollar
HUF — Hungarian Forint
IBC — Insured Bond Certificate
IDA — Industrial Development Authority
IDAG — Industrial Development Agency
IDR — Industrial Development Revenue
IEP — Irish Pound
JPY — Japanese Yen
KRW — Republic of Korea Won
LIBOR — London Interbank Offered Rate
LLC — Limited Liability Company
LLP — Limited Liability Partnership
LOC — Letter of Credit
LP — Limited Partnership
MBIA — Municipal Bond Insurance Association
MFHR — Multi-Family Housing Revenue
MTN — Medium Term Note
MUD — Municipal Utility District
MXN — Mexican Peso
MYR — Malaysian Ringgit
NATL-RE — National Public Finance Guarantee Corporation
NOK — Norwegian Krone
NZD — New Zealand Dollar
PCFA — Pollution Control Finance Authority
PCR — Pollution Control Revenue
PFA — Public Finance Authority
PFFA — Public Facilities Financing Authority
PFOTER — Puttable Floating Option Tax-Exempt Receipts
plc — Public Limited Company
PLN — Polish Zloty
PUTTER — Puttable Tax-Exempt Receipts
R&D — Research & Development
RDA — Redevelopment Authority
RDFA — Redevelopment Finance Authority
REIT — Real Estate Investment Trust
ROC — Reset Option Certificates
SAVRS — Select Auction Variable Rate Securities
SBA — Small Business Authority
SEK — Swedish Krona
SFHR — Single Family Housing Revenue
SFMR — Single Family Mortgage Revenue
SGD — Singapore Dollar
SKK — Slovakian Koruna
SPDR — Standard & Poor's Depositary Receipts
TAN — Tax Anticipation Notes
TBA — To Be Announced
TIPS — Treasury Inflation-Protected Securities
TRAN — Tax Revenue Anticipation Notes
TCR — Transferable Custody Receipts
TRY — Turkish Lira
TTFA — Transportation Trust Fund Authority
TVA — Tennessee Valley Authority
XLCA — XL Capital Assurance
ZAR — South African Rand

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*This report and the financial statements contained herein are submitted for the general information of the shareholders of **Wells Fargo Advantage Funds**. If this report is used for promotional purposes, distribution of the report must be accompanied or preceded by a current prospectus. For a prospectus containing more complete information, including charges and expenses, call 1-800-222-8222 or visit the Fund's Web site at www.wellsfargo.com/advantagefunds. Please consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This and other information about **Wells Fargo Advantage Funds** can be found in the current prospectus. Read the prospectus carefully before you invest or send money.*

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/SIPC, an affiliate of Wells Fargo & Company.

NOT FDIC INSURED ▪ NO BANK GUARANTEE ▪ MAY LOSE VALUE

FOR MORE INFORMATION

More information about *Wells Fargo Advantage Funds* is available free upon request. To obtain literature, please write, e-mail, visit the Fund's Web site, or call:

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Retail investment professionals: 1-888-877-9275
Institutional investment professionals: 1-866-765-0778

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