WELLS FARGO Asset Management

Municipal Bond Fund

Asset class: Fixed Income

OVERALL MORNINGSTAR RATING™, †

★ ★ ★ ★

The Overall Morningstar Rating, a weighted average of the three-, five-, and ten-year (if applicable) ratings, is out of 147 funds in the Muni National Long category, based on risk-adjusted return as of 06-30-19.

Class	CUSIP	Ticker
Class A	949917843	WMFAX
Class C	949917827	WMFCX
Administrator	949917793	WMFDX
Institutional	949921670	WMBIX

THE FUND

The Wells Fargo Municipal Bond Fund seeks tax-free income by principally investing in a diversified portfolio of municipal securities.

FUND STRATEGY

- Uses both bottom-up credit research and top-down macroeconomic analysis
- Seeks to generate excess performance by actively managing the four key elements of total return: duration, yield-curve positioning, sector and credit-quality allocation, and security selection
- Uses a relative-value approach based on extensive credit analysis that seeks opportunities from changing market trends and pricing inefficiencies to generate excess returns

TOP HOLDINGS (%)

State of Texas, 5.00, 4-1-2042	1.51
Regional Transportation District (Colorado), 5.00, 11-1-2041	1.19
County of Clark (Nevada), 5.00, 5-1-2048	1.18
Texas Water Development Board, 5.00, 4-15-2049	0.95
Massachusetts Transportation Fund, 5.00, 6-1-2048	0.78
Tender Opt Bd Tr Rcpts / Ctfs Var Sts, 1.49, 1-15-2056	0.69
City & County of San Francisco (California), 5.00, 5-1-2046	0.68
County of Utah (Utah), 5.00, 5-15-2043	0.67
Dallas Area Rapid Transit Federal Credit Union, 5.00, 12-1-2046	0.65
New York City Municipal Water Finance Authority, 5.00, 6-15-2044	0.65

Portfolio holdings are subject to change and may have changed since the date specified. The holdings listed should not be considered recommendations to purchase or sell a particular security.

Competitive advantages

- Rigorous fundamental credit research: Research is conducted through a comprehensive team effort in which all members operate as credit analysts for each of the credits that they cover. This empowers the team to act opportunistically in the marketplace.
- Open work environment: The team benefits from an open work environment in which investment management professionals in varying capacities interact continuously throughout the day. This includes partnerships with economists and taxable fixed-income teams who provide valuable perspective and information in measuring markets and anticipating shifts in the tax-free markets, which are often preceded by shifts in the taxable markets.
- Disciplined research and risk management: The team's disciplined credit analysis and proprietary risk management model allow portfolio managers to move down in credit without compromising the investment process.

Credit quality (%)[1]

Maturity distribution (%)

The percentages of the fund's portfolio with the ratings depicted in the chart are calculated based on total investments of the fund. If a security was rated by all three rating agencies, the middle rating was used. If rated by two of three rating agencies, the lower rating was used, and if rated by one of the agencies, that rating was used. Maturity distribution and credit quality are subject to change and may have changed since the date specified. Percent total may not add to 100% due to rounding.

Growth of $10,000 and annual returns (Class A shares 6-30-09 through 6-30-19)

Does not include sales charges and assumes reinvestment of dividends and capital gains. If sales charges were included, returns would be lower.

Fund (%)	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19
	3.64	10.11	10.28	-1.94	11.08	3.26	0.17	5.95	1.83	—

TOTAL RETURNS (%)	3 Month	Year to date	ANNUALIZED 1 year	3 year	5 year	10 year	Gross expense ratio	Net expense ratio
Class A Shares	2.11	4.97	6.35	2.91	3.90	5.86	0.79	0.75
Including Sales Charge	–	–	1.58	1.36	2.94	5.37	–	–
Class C Shares	1.92	4.58	5.56	2.18	3.12	5.07	1.54	1.50
Including Sales Charge	–	–	4.56	2.18	3.12	5.07	–	–
Bloomberg Barclays Municipal Bond Index[2]	2.14	5.09	6.71	2.55	3.64	4.72	–	–

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on a fund. *Investment return, principal value, and yields of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance shown without sales charges would be lower if sales charges were reflected. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the funds' website, wfam.com. For Class A, the maximum front-end sales charge is 4.50%. For Class C, the maximum contingent deferred sales charge is 1.00%. Performance including sales charge assumes the sales charge for the corresponding time period.*

The manager has contractually committed through 10-31-20, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waiver at 0.75% for Class A and 1.50% for Class C. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. Without this cap, the fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.

Municipal Bond Fund

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FIXED-INCOME STYLE BOX[3]

Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes and their impact on the fund and its share price can be sudden and unpredictable. The use of derivatives may reduce returns and/or increase volatility. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). This fund is exposed to high-yield securities risk and municipal securities risk. Consult the fund's prospectus for additional information on these and other risks. A portion of the fund's income may be subject to federal, state, and/or local income taxes or the Alternative Minimum Tax (AMT). Any capital gains distributions may be taxable.

Fund characteristics

	Fund	Bloomberg Barclays Municipal Bond Index[2]
Weighted average effective maturity	5.53 years	5.64 years
Effective duration	5.08 years	5.50 years
Portfolio turnover	20.14%	–
Number of holdings	885	54,657

Fund information

Advisor: Wells Fargo Funds Management, LLC

Sub-Advisor: Wells Capital Management Incorporated

Fund managers/years of experience: Robert J. Miller(29); Wendy Casetta(26); Terry J. Goode(24)

Fund Inception Date: 10-23-86

	Class A	Class C
CUSIP/Ticker	949917843/WMFAX	949917827/WMFCX
Class inception date	4-8-05	4-8-05
Distribution frequency	Monthly/Daily accrual	Monthly/Daily accrual
30-day SEC yield[4]	1.66%	1.00%
30-day SEC unsubsidized yield[4]	1.65%	0.98%
30-day taxable equivalent yield[5]	2.64%	1.58%
Fiscal year-end	June 30	June 30
Net expense ratio	0.75%	1.50%
Minimum initial/subsequent purchase	$1,000/$100	$1,000/$100
Net asset value	$10.55	$10.55
YTD high-low NAV	$10.55/$10.19	$10.55/$10.19
Class/fund assets ($M)	$1,204.62/$5,064.38	$98.28/$5,064.38

† The Morningstar Rating™ for funds, or star rating, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar risk-adjusted return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods.Across U.S.-domiciled Muni National Long funds, the Municipal Bond Fund received 4 stars among 147 funds, 3 stars among 131 funds, and 4 stars among 111 funds for the 3-, 5-, and 10-year periods, respectively. The Morningstar Rating is for the A Class only; other classes may have different performance characteristics. **Past performance is no guarantee of future results.**

1. The ratings indicated are from Standard & Poor's, Moody's Investors Service, and/or Fitch Ratings Ltd. Credit Quality Ratings: Credit quality ratings apply to underlying holdings of the fund and not the fund itself. Standard & Poor's rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Standard & Poor's rates the creditworthiness of short-term notes from SP-1 (highest) to SP-3 (lowest).Moody's rates the creditworthiness of bonds, ranging from Aaa (highest) to C (lowest). Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG-1/VMIG-1 (highest) to SG (lowest). Fitch rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Fitch rates the creditworthiness of short-term notes from F-1 (highest) to D (lowest). **2.** The Bloomberg Barclays Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. You cannot invest directly in an index. **3**. Placement within the Morningstar Fixed-Income Style Box™ is based on two variables: the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest-rate sensitivity as measured by a bond's effective duration. For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of low, medium, or high based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than BBB-, medium are those less than AA- but greater or equal to BBB-, and high are those with a weighted average credit quality of AA- or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve. For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii)Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years. **4**. The 30-day SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced. The 30-day unsubsidized SEC yield does not reflect waivers in effect. A fund's actual distribution rate will differ from the SEC yield and any income distributions from the fund may be higher or lower than the SEC yield. **5**. The Fund's taxable equivalent yield is based on the federal income tax rate of 37.00%.

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 wfam.com. Read it carefully before investing.

This material is for general informational and educational purposes only and is NOT intended to provide investment advice or a recommendation of any kind—including a recommendation for any specific investment, strategy, or plan.

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