Table of Contents

WELLS FARGO Asset Management

Annual Report

May 31, 2020

Wells Fargo Diversified Equity Fund

Beginning on January 1, 2021, as permitted by new regulations adopted by the Securities and Exchange Commission, paper copies of the Wells Fargo Funds' annual and semi-annual shareholder reports issued after this date will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 1-800-222-8222 or by enrolling at wellsfargo.com/advantagedelivery.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you can call 1-800-222-8222. Your election to receive reports in paper will apply to all Wells Fargo Funds held in your account with your financial intermediary or, if you are a direct investor, to all Wells Fargo Funds that you hold.

Table of Contents

Contents

The views expressed and any forward-looking statements are as of May 31, 2020, unless otherwise noted, and are those of the Fund managers and/or Wells Fargo Asset Management. Discussions of individual securities, or the markets generally, or any Wells Fargo Fund are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Asset Management and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

Table of Contents

Letter to shareholders (unaudited)

Andrew Owen
President
Wells Fargo Funds

Dear Shareholder:

We are pleased to offer you this annual report for the Wells Fargo Diversified Equity Fund for the 12-month period that ended May 31, 2020. Global stock markets saw earlier gains erased in February and March as governments around the world took unprecedented measures to stop the spread of the coronavirus at the expense of short-term economic output. However, markets rebounded in April and May to offset much of the losses as central banks attempted to bolster capital markets and confidence. Fixed-income markets generally performed better, achieving widespread gains.

For the 12-month period, fixed-income securities generally had positive total returns while non-U.S. equities had broad losses and U.S. stocks performed strongly despite sharp volatility since late February. For the period, U.S. stocks, based on the S&P 500 Index,[1] gained 12.84%. International stocks, as measured by the MSCI ACWI ex USA Index (Net),[2] returned -3.43%, while the MSCI EM Index (Net)[3] trailed slightly, with a -4.39% return. For bond investors, the Bloomberg Barclays U.S. Aggregate Bond Index[4] gained a robust 9.42%, the Bloomberg Barclays Global Aggregate ex-USD Index[5] returned 2.67%, and the Bloomberg Barclays Municipal Bond Index[6] gained a more modest 3.98%, while the ICE BofA U.S. High Yield Index[7] had a slight gain of 0.35%.

The fiscal year began on a positive note.

The 12-month period began with U.S. equity market advances during June and July 2019. The gains, primarily driven by geopolitical and monetary policy events, pushed equity markets to new highs. European Central Bank (ECB) President Mario Draghi indicated the bank was ready to cut rates or buy more assets to prop up inflation if needed. President Trump backed off of earlier tariff threats against Mexico and China. In the U.S., the Federal Reserve (Fed) implemented a 0.25% federal funds rate cut in July.

Later in July, the U.S. reversed course and threatened to impose higher tariffs on China's exports after talks failed. China responded with tariff threats of its own and devalued the renminbi, roiling global markets. Major U.S. stock market indices closed July with the worst weekly results of the year. Bond prices gained as Treasury yields fell to multiyear lows, and the yield curve inverted at multiple points along the 30-year arc, with shorter-term yields higher than longer-term.

In August, U.S.-China trade tensions continued with no signs of compromise. Evidence of a continued global economic slowdown mounted, and central banks in China, New Zealand, and Thailand cut interest rates. Industrial and manufacturing data

---

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 Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. 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 indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. You cannot invest directly in an index.

3 The MSCI Emerging Markets (EM) Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure equity market performance of emerging markets. You cannot invest directly in an index.

4 The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. You cannot invest directly in an index.

5 The Bloomberg Barclays Global Aggregate ex-USD Index is an unmanaged index that provides a broad-based measure of the global investment-grade fixed-income markets excluding the U.S. dollar-denominated debt market. You cannot invest directly in an index.

6 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.

7 The ICE BofA U.S. High Yield Index is a market-capitalization-weighted index of domestic and Yankee high-yield bonds. The index tracks the performance of high-yield securities traded in the U.S. bond market. You cannot invest directly in an index. Copyright 2020. ICE Data Indices, LLC. All rights reserved.

Table of Contents

declined in China, Canada, Japan, and Germany. Adding to global uncertainty, Italy's prime minister resigned, many feared a crackdown in Hong Kong as protestors sustained their calls for reform, and Prime Minister Boris Johnson planned to suspend the British Parliament as Brexit's deadline neared.

In the U.S., the Fed cut interest rates a second time in September. U.S. manufacturing data disappointed investors. The U.S. Congress announced it would pursue an impeachment investigation of President Trump. Meanwhile, the Brexit impasse showed no signs of resolution. Officials in China said that hitting the country's economic growth goals for the year would be difficult considering the weight of tariffs and trade restrictions. Although the S&P 500 Index finished the third quarter with the best year-to-date returns in more than 20 years, concerns about future returns remained.

The fourth quarter of 2019 started on a strong note, with U.S.-China trade tensions relaxing in October along with renewed optimism for a U.K. Brexit deal and positive macroeconomic data. The initial estimate of U.S. third-quarter gross domestic product growth was a resilient 1.9% annualized rate, while the U.S. unemployment rate fell to a 50-year low of 3.5% in September. However, despite resilience among U.S. consumers, business confidence declined and manufacturing activity contracted. Concerned with a potential economic slowdown, the Fed lowered interest rates another quarter point in late October—its third rate cut in four months. This helped push the S&P 500 Index to a new all-time high while emerging market equities rallied and global bonds declined overall, reflecting a broad pickup in risk appetite.

Equity markets continued to rally in November despite ongoing geopolitical risks. Hopes for a U.S.-China trade deal buoyed investor confidence. U.S. business sentiment improved slightly, and manufacturing and services activity picked up. While consumer confidence and purchasing manager activity rose in the eurozone, China reported weakening manufacturing and consumer data. Bond yields rose marginally, leading to slightly negative returns for global government and investment-grade corporate bonds.

Financial markets ended 2019 with a boost from the U.S. and China accord on a Phase One trade deal. That, along with the landslide win by the pro-Brexit U.K. Conservative Party in a national election and ongoing central bank support, gave investors greater confidence. U.S. economic indicators were generally positive, with the exception of manufacturing activity and business confidence. Consumer confidence was resilient, fed by a robust labor market, tame inflation, and lower interest rates, which boosted housing affordability and stimulated homebuyer activity. The impeachment of U.S. President Donald Trump had little impact on markets. Meanwhile, slowing Chinese economic activity, partly attributable to the trade war, led to further government stimulus at year-end through lower reserve ratios, allowing banks to lend more money.

The year-end rally continued in early January 2020. However, capital market volatility picked up sharply in late January on concerns over the potential impact of the coronavirus on the global economy and stock markets. With sentiment somewhat souring, perceived safe havens did well in January. The U.S. dollar and Japanese yen both rose, and government bonds outperformed equities. While the S&P 500 Index held its ground, emerging market equities tumbled, including those in Asia.

In February, the coronavirus became the major market focus. Fears of the virus's impact on global growth led to expectations of increased global central bank monetary policy support. That led the 10-year U.S. Treasury yield to fall to an all-time low of 1.1% by the end of the month. Although equity markets initially shrugged off concerns about the outbreak, focusing instead on strong fourth-quarter earnings and improving business confidence in January, market sentiment turned sharply lower toward month-end and the S&P 500 Index lost 8.2% for the month. Oil prices tumbled as Russia and the Organization of the Petroleum Exporting Countries compounded a major decline in oil demand with a brutal price war, partly aimed at dissuading further U.S. shale production. As a result, the price of West Texas Intermediate crude oil fell 13% in February.

[Table of Contents](#)

Letter to shareholders (unaudited)

"The global spread of the coronavirus led country after country to clamp down on social and business-related activity in order to contain the virus from causing even greater devastation and overwhelming health care systems."

"Markets rebounded strongly in April after the earlier extreme volatility, with the S&P 500 Index gaining 12.8% for the month and the MSCI ACWI ex USA Index (Net) returning 7.6%."

For further information about your Fund, contact your investment professional, visit our website at **wfam.com,** or call us directly at **1-800-222-8222.**

The global spread of the coronavirus led country after country to clamp down on social and business-related activity in order to contain the virus from causing even greater devastation and overwhelming health care systems. This abrupt stoppage of economic activity led to the sharp deceleration of global output, sending economies into a deep contraction. Central bank responses were swift, as they slashed interest rates and expanded quantitative easing programs to restore liquidity and confidence to the markets. In the U.S., the Fed introduced several new lending programs, funding investment-grade bonds, money market mutual funds, and commercial paper while purchasing Treasuries, mortgage-backed securities, and overnight repurchase agreements. Meanwhile, stock markets tumbled quickly into a bear market, ending the longest bull stock market in U.S. history.

Markets rebounded strongly in April after the earlier extreme volatility, with the S&P 500 Index gaining 12.8% for the month and the MSCI ACWI ex USA Index (Net) returning 7.6%. The rebound was fueled by unprecedented government and central bank stimulus measures taken to buffer the economic damage created by mass shutdowns enacted in order to contain the virus's spread. The U.S. economy contracted by an annualized 4.8% pace in the first quarter, with 30 million new unemployment insurance claims in six weeks. In the eurozone, first-quarter real gross domestic product (GDP) shrank 3.8%, with the composite April Flash Purchasing Managers' Index, a monthly survey of purchasing managers, falling to an all-time low of 13.5. The ECB expanded its quantitative easing to include the purchase of additional government bonds of countries with the greatest virus-related need, including Italy and Spain. China's first-quarter GDP fell by 6.8% year over year. However, retail sales, production, and investment showed signs of recovery. Extreme oil price volatility continued as global supply far exceeded demand.

In May, the equity market rebound continued, with the S&P 500 Index climbing a further 4.8%. European and Japanese stock markets also had monthly gains. Investors regained confidence on reports of early signs of success in human trials of a coronavirus vaccine. Growth stocks continued to outperform value stocks while returns on global government bonds were generally flat. In the U.S., a gap grew between the stock market rebound and devastating economic data points, including an April unemployment rate of 14.7%, the highest level since World War II. Purchasing managers' indices continued to reflect weakening activity in May in both the manufacturing and services sectors. U.S. corporate earnings reports indicated a 14% year-over-year contraction in earnings from the first quarter of 2019. However, high demand for technology, driven by remote activity, helped maintain robust information technology sector earnings, which helped drive powerful well-known technology stocks higher.

Don't let short-term uncertainty derail long-term investment goals.

Periods of investment uncertainty can present challenges, but experience has taught us that maintaining long-term investment goals can be an effective way to plan for the future. To help you create a sound strategy based on your personal goals and risk tolerance, Wells Fargo Funds offers more than 100 mutual funds spanning a wide range of asset classes and investment styles. Although 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. We encourage investors to know their investments and to understand that appropriate levels of risk-taking may unlock opportunities.

Thank you for choosing to invest with Wells Fargo Funds. We appreciate your confidence in us and remain committed to helping you meet your financial needs.

Sincerely,

Andrew Owen
President
Wells Fargo Funds

[Table of Contents](#)

This page is intentionally left blank.

[Table of Contents](#)

Performance highlights (unaudited)

Investment objective

The Fund seeks long-term total capital appreciation.

Manager

Wells Fargo Funds Management, LLC

Portfolio managers

Thomas C. Biwer, CFA®‡
Aldo Ceccarelli, CFA®‡

Average annual total returns (%) as of May 31, 2020

		Including sales charge			Excluding sales charge			Expense ratios[1] (%)	
	Inception date	1 year	5 year	10 year	1 year	5 year	10 year	Gross	Net[2]
Class A (NVDAX)	5-2-1996	-0.78	4.60	9.41	5.27	5.85	10.06	1.36	1.25
Class C (WFDEX)	10-1-1998	3.53	5.07	9.24	4.53	5.07	9.24	2.11	2.00
Administrator Class (NVDEX)	11-11-1994	–	–	–	5.59	6.12	10.34	1.28	1.00
Diversified Equity Blended Index[3]	–	–	–	–	8.16	7.68	11.53	–	–
MSCI EAFE Index (Net)[4]	–	–	–	–	-2.81	0.79	5.27	–	–
Russell 1000® Growth Index[5]	–	–	–	–	26.25	14.50	16.07	–	–
Russell 1000® Value Index[6]	–	–	–	–	-1.64	4.36	9.85	–	–
Russell 2000® Index[7]	–	–	–	–	-3.44	3.72	9.23	–	–
S&P 500 Index[8]	–	–	–	–	12.84	9.86	13.15	–	–

Figures quoted represent past performance, which is no guarantee of future results, *and do not reflect taxes that a shareholder may pay on an investment in a fund. 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. 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, which assumes the reinvestment of dividends and capital gains. Current month-end performance is available on the Fund's website,* ***wfam.com.***

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.

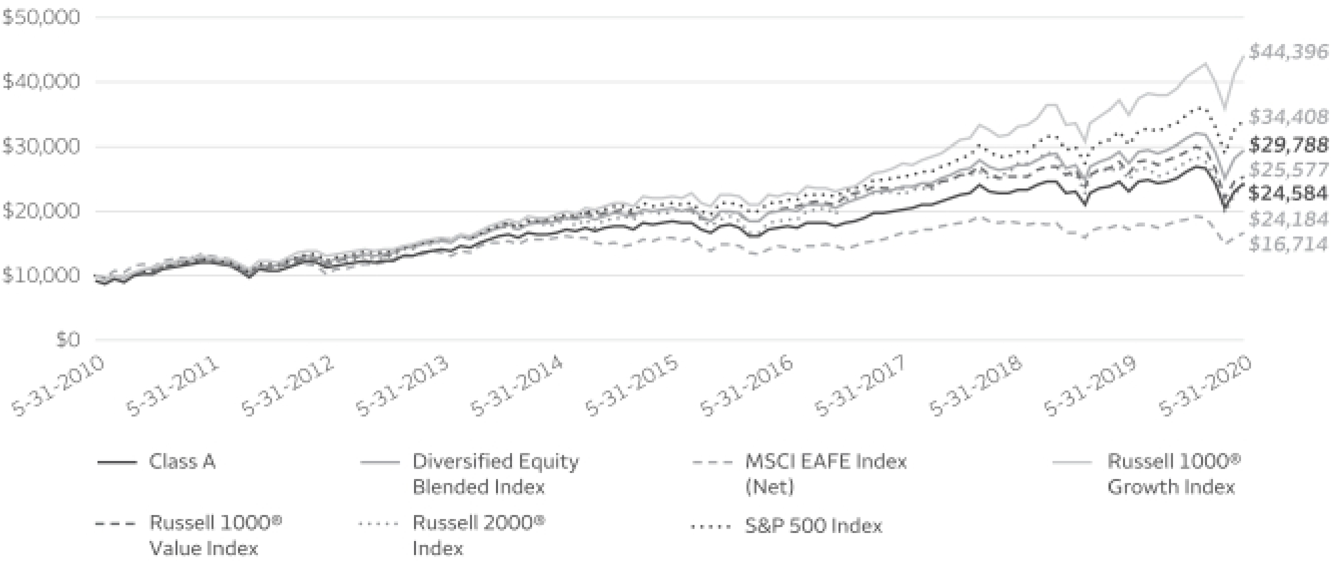
For Class A shares, the maximum front-end sales charge is 5.75%. For Class C shares, the maximum contingent deferred sales charge is 1.00%. Performance including a contingent deferred sales charge assumes the sales charge for the corresponding time period. Administrator Class shares are sold without a front-end sales charge or contingent deferred sales charge.

Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. The use of derivatives may reduce returns and/or increase volatility. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). The Fund is exposed to foreign investment risk and smaller-company securities risk. Consult the Fund's prospectus for additional information on these and other risks.

Please see footnotes on page 7.

Table of Contents

Growth of $10,000 investment as of May 31, 2020[9]



‡ CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

1 Reflects the expense ratios as stated in the most recent prospectuses, which include the impact of 0.50% in acquired fund fees and expenses. The expense ratios shown are subject to change and may differ from the annualized expense ratios shown in the financial highlights of this report, which do not include acquired fund fees and expenses.

2 The manager has contractually committed through September 30, 2020, to waive fees and/or reimburse expenses to the extent necessary to cap total annual fund operating expenses after fee waivers at 1.25% for Class A, 2.00% for Class C, and 1.00% for Administrator Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any) from funds in which the affiliated master portfolios and funds invest and from any money market funds, and extraordinary expenses are excluded from the expense caps. All other acquired fund fees and expenses from the affiliated master portfolios and funds are included in the expense caps. Prior to or after the commitment expiration date, the caps may be increased or the commitment to maintain the caps may be terminated only with the approval of the Board of Trustees. Without these caps, 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 prospectuses.

3 Source: Wells Fargo Funds Management, LLC. The Diversified Equity Blended Index is composed 25% of the S&P 500 Index, 25% of the Russell 1000® Growth Index, 25% of the Russell 1000® Value Index, 15% of the MSCI EAFE Index (Net), and 10% of the Russell 2000® Index. You cannot invest directly in an index.

4 The Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. Source: MSCI. MSCI makes no express or implied 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. You cannot invest directly in an index.

5 The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price/book ratios and higher forecasted growth values. You cannot invest directly in an index.

6 The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price/book ratios and lower forecasted growth values. You cannot invest directly in an index.

7 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.

8 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.

9 The chart compares the performance of Class A shares for the most recent ten years with the Diversified Equity Blended Index, the MSCI EAFE Index (Net), the Russell 1000® Growth Index, the Russell 1000® Value Index, the Russell 2000® Index, and the S&P 500 Index. The chart assumes a hypothetical $10,000 investment in Class A shares and reflects all operating expenses and assumes the maximum initial sales charge of 5.75%.

10 The ten largest holdings, excluding cash, cash equivalents and any money market funds, are calculated based on the value of the investments divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.

11 Effective allocation includes the effect of any tactical futures overlay that may be in place. Effective cash is comprised of the net impact of long and/or short futures contracts held as part of a dynamic risk management strategy. These amounts are subject to change and may have changed since the date specified.

Table of Contents

Performance highlights (unaudited)

MANAGER'S DISCUSSION

Fund highlights

- The Fund underperformed the Diversified Equity Blended Index for the 12-month period that ended May 31, 2020.
- Relative underperformance by one of the nine underlying investments—the Diversified Large Cap Growth Portfolio—was the most significant detractor from relative performance over the period.
- Four of the underlying investments outperformed their respective benchmarks while five underperformed.

Positive market returns despite the economic ravages of the coronavirus.

The U.S. equity market delivered solid returns for the 12-month period that ended May 31, 2020, posting a total return of 12.84% as measured by the S&P 500 Index. In contrast, non-U.S. markets declined 2.81% according to the MSCI EAFE Index (Net). The U.S. market's performance would be considered outstanding during most any historical 12-month period. Given that it was realized as the world was opening up from the global coronavirus pandemic lockdown is remarkable.

From June 1, 2019, to mid-February 2020, the market climbed a wall of worry, fretting over slower growth, Brexit, and trade tensions with China. Credit spreads compressed and pundits debated the impacts of negative interest rates. On February 19, the S&P 500 Index reached a high of 3,386; soon after, fears of the coronavirus pandemic took hold. The world sheltered in place and economic activity ground to a halt. By March 23, the S&P 500 Index shed over one-third of its value and stood at 2,237. The U.S. Federal Reserve slashed interest rates. Unprecedented levels of monetary and fiscal policy flooded the markets. Despite all of the massively negative economic news, the market recovered. As of May 31, 2020, the S&P 500 Index climbed back to 3,044, roughly 10% off its February 19, 2020, peak.

The 12-month period was characterized by extreme contrasts in returns across market segments. In both U.S. and non-U.S. markets, growth stock indices surpassed those of value stocks by wide margins. In fact, the major value indices posted negative returns. Similarly, large-cap stock indices outperformed small-cap indices, which also posted losses.

The Fund's underlying holdings displayed similar patterns. Underlying U.S. equity funds as a group produced solid absolute returns despite declines in the small-cap segment, but they lagged their respective benchmarks on balance. Large-cap U.S. growth stocks enjoyed a remarkable return of more than 26% over the 12-month period, yet because of conservative positioning, our holdings in this space lagged, with a return of 16%. This was the largest single detractor from relative performance over the period. International equity funds suffered negative absolute returns but narrowly outperformed their respective benchmarks on balance.

Fund holdings (%) as of May 31, 2020[10]

Wells Fargo Diversified Large Cap Growth Portfolio	26.39
Wells Fargo Index Portfolio	25.46
Wells Fargo Large Company Value Portfolio	16.53
Wells Fargo C&B Large Cap Value Portfolio	7.69
Wells Fargo Disciplined International Developed Markets Portfolio	7.41
Wells Fargo International Value Portfolio	6.92
Wells Fargo Small Company Value Portfolio	4.33
Wells Fargo Emerging Growth Portfolio	2.80
Wells Fargo Small Company Growth Portfolio	2.58

Allocation (%) as of May 31, 2020

	Neutral allocation	Effective allocation[11]
U.S. Large Cap Stock Funds	75	75
International Stock Funds	15	15
U.S. Small Cap Stock Funds	10	10

There were no changes to the Fund's strategic composition.

The Fund's asset allocation among underlying funds remains aligned with the composition of its blended benchmark: 25% in U.S. large-cap value portfolios, 25% in U.S. large-cap blend portfolios, 25% in U.S. large-cap growth portfolios, 10% in U.S. small-cap portfolios, and 15% in international portfolios.

Please see footnotes on page 7.

Table of Contents

Looking ahead, we remain cautiously optimistic.

Our macroeconomic outlook is best defined as cautious optimism. We place the emphasis on cautious. There is a massive amount of uncertainty surrounding the virus, U.S. civil unrest, domestic politics, and geopolitical tensions that could cause this view to change quickly. On the positive side of the ledger, coordinated global policy action has released trillions of dollars into the market. We believe it is unlikely that we will hit the March 2020 market lows again. From an investor psychology aspect, we suspect that even if a significant second wave of the coronavirus strikes, the economy now has a path to follow forward and that markets should not behave as negatively as they did in March. However, the easy money off the low has been realized; upside from here will be limited. We have moved from a market-wide beta-driven market recovery to more of a sector and issuer-driven market. Market participants went from fear of recession to the reality of recession faster than at any other time in history. We find it reasonable to conclude that the recovery should be in proportion to the decline.

We will continue to monitor the situation very carefully.

Table of Contents

Fund expenses (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and contingent deferred sales charges (if any) on redemptions and (2) ongoing costs, including management fees, distribution (12b-1) and/or shareholder servicing 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 December 1, 2019 to May 31, 2020.

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 transactional costs, such as sales charges (loads) and contingent deferred sales charges. 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 transactional costs were included, your costs would have been higher.

	Beginning account value 12-1-2019	Ending account value 5-31-2020	Expenses paid during the period[1,2]	Annualized net expense ratio[1]
Class A				
Actual	$ 1,000.00	$ 935.00	$ 6.04	1.25%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,018.76	$ 6.30	1.25%
Class C				
Actual	$ 1,000.00	$ 931.67	$ 9.66	2.00%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,015.00	$ 10.07	2.00%
Administrator Class				
Actual	$ 1,000.00	$ 936.40	$ 4.84	1.00%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,020.00	$ 5.05	1.00%

1 Amounts reflect net expenses allocated from the affiliated Master Portfolios in which the Fund invests.

2 Expenses paid is equal to the annualized net 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).

Table of Contents

		Value
Investment Companies: 100.11%		
Affiliated Master Portfolios: 100.11%		
Wells Fargo C&B Large Cap Value Portfolio		$ 10,806,591
Wells Fargo Disciplined International Developed Markets Portfolio		10,403,670
Wells Fargo Diversified Large Cap Growth Portfolio		37,056,423
Wells Fargo Emerging Growth Portfolio		3,928,499
Wells Fargo Index Portfolio		35,763,232
Wells Fargo International Value Portfolio		9,719,561
Wells Fargo Large Company Value Portfolio		23,216,817
Wells Fargo Small Company Growth Portfolio		3,622,466
Wells Fargo Small Company Value Portfolio		6,088,105
Total Investment Companies (Cost $128,833,967)		140,605,364
Total investments in securities (Cost $128,833,967)	100.11%	140,605,364
Other assets and liabilities, net	(0.11)	(149,413)
Total net assets	100.00%	$140,455,951

Transactions with the affiliated Master Portfolios were as follows:

	% of ownership, beginning of period	% of ownership, end of period	Net realized gains (losses) on securities transactions allocated from affiliated Master Portfolios	Net change in unrealized gains (losses) on securities transactions allocated from affiliated Master Portfolios	Dividends allocated from affiliated Master Portfolios	Affiliated income allocated from affiliated Master Portfolios	Interest allocated from affiliated Master Portfolios	Value, end of period	% of net assets
Wells Fargo C&B Large Cap Value Portfolio	3.57%	3.77%	$ 1,444,187	$ (1,815,386)	$ 237,425	$ 7,983	$ 28	$ 10,806,591	
Wells Fargo Disciplined International Developed Markets Portfolio	5.46	5.81	(142,429)	(12,212,546)	130,797	9,659	0	10,403,670	
Wells Fargo Diversified Large Cap Growth Portfolio	15.12	16.37	2,946,091	13,895,271	400,205	8,435	98	37,056,423	
Wells Fargo Emerging Growth Portfolio	0.46	0.54	651,269	(32,842,296)	3,638	3,311	10	3,928,499	
Wells Fargo Index Portfolio	3.16	3.39	5,728,131	32,021,921	711,684	11,063	771	35,763,232	
Wells Fargo International Value Portfolio	1.04	1.23	(156,690)	(1,018,915)	343,164	7,647	0	9,719,561	
Wells Fargo Large Company Value Portfolio	10.11	10.44	(2,849,502)	2,466,645	605,583	4,564	443	23,216,817	
Wells Fargo Small Company Growth Portfolio	0.21	0.26	762,312	(576,902)	20,999	2,611	10	3,622,466	
Wells Fargo Small Company Value Portfolio	5.77	1.51	(1,056,085)	80,158	131,766	5,394	16	6,088,105	
			$ 7,327,284	$ (2,050)	$2,585,261	$ 60,667	$ 1,376	$140,605,364	**100.11%**

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

Table of Contents

Statement of assets and liabilities—May 31, 2020

Assets	
Investments in affiliated Master Portfolios, at value (cost $128,833,967)	$140,605,364
Receivable for Fund shares sold	35,754
Prepaid expenses and other assets	1,536
Total assets	140,642,654
Liabilities	
Payable for Fund shares redeemed	104,745
Management fee payable	5,005
Administration fees payable	18,532
Distribution fee payable	795
Shareholder servicing fees payable	28,433
Trustees' fees and expenses payable	853
Accrued expenses and other liabilities	28,340
Total liabilities	186,703
Total net assets	$140,455,951
Net assets consist of	
Paid-in capital	$132,871,686
Total distributable earnings	7,584,265
Total net assets	$140,455,951
Computation of net asset value and offering price per share	
Net assets – Class A	$ 56,387,452
Shares outstanding – Class A[1]	2,763,584
Net asset value per share – Class A	$20.40
Maximum offering price per share – Class A[2]	$21.64
Net assets – Class C	$ 1,316,947
Shares outstanding – Class C[1]	75,906
Net asset value per share – Class C	$17.35
Net assets – Administrator Class	$ 82,751,552
Shares outstanding – Administrator Class[1]	4,031,568
Net asset value per share – Administrator Class	$20.53

1 The Fund has an unlimited number of authorized shares.

2 Maximum offering price is computed as 100/94.25 of net asset value. On investments of $50,000 or more, the offering price is reduced.

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

Table of Contents

Statement of operations—year ended May 31, 2020

Investment income	
Dividends allocated from affiliated Master Portfolios (net of foreign withholding taxes of $122,006)	$2,585,261
Affiliated income allocated from affiliated Master Portfolios	60,667
Interest allocated from affiliated Master Portfolios	1,376
Expenses allocated from affiliated Master Portfolios	(803,451)
Waivers allocated from affiliated Master Portfolios	45,342
Total investment income	1,889,195
Expenses	
Management fee	448,880
Administration fees	
Class A	127,869
Class C	2,949
Administrator Class	113,532
Shareholder servicing fees	
Class A	152,225
Class C	3,510
Administrator Class	218,331
Distribution fee	
Class C	10,521
Custody and accounting fees	8,802
Professional fees	33,270
Registration fees	74,791
Shareholder report expenses	30,845
Trustees' fees and expenses	21,592
Other fees and expenses	18,440
Total expenses	1,265,557
Less: Fee waivers and/or expense reimbursements	
Fund-level	(210,452)
Class A	(410)
Administrator Class	(150,836)
Net expenses	903,859
Net investment income	985,336
Realized and unrealized gains (losses) on investments	
Net realized gains on securities transactions allocated from affiliated Master Portfolios	7,327,284
Net change in unrealized gains (losses) on securities transactions allocated from affiliated Master Portfolios	(2,050)
Net realized and unrealized gains (losses) on investments	7,325,234
Net increase in net assets resulting from operations	$8,310,570

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

Table of Contents

Statement of changes in net assets

	Shares	Year ended May 31, 2020	Shares	Year ended May 31, 2019
Operations				
Net investment income		$ 985,336		$ 1,452,338
Net realized gains on investments		7,327,284		14,956,526
Net change in unrealized gains (losses) on investments		(2,050)		(17,110,620)
Net increase (decrease) in net assets resulting from operations		8,310,570		(701,756)
Distributions to shareholders from net investment income and net realized gains				
Class A		(6,060,114)		(11,767,492)
Class C		(154,837)		(402,680)
Administrator Class		(8,943,655)		(17,449,901)
Total distributions to shareholders		(15,158,606)		(29,620,073)
Capital share transactions				
Proceeds from shares sold				
Class A	34,574	724,712	139,473	3,178,936
Class C	1,492	27,271	53,240	885,112
Administrator Class	793,124	13,930,309	235,991	5,636,176
		14,682,292		9,700,224
Reinvestment of distributions				
Class A	271,522	6,024,365	570,354	11,702,541
Class C	8,155	153,322	22,549	399,109
Administrator Class	396,996	8,870,564	839,325	17,324,595
		15,048,251		29,426,245
Payment for shares redeemed				
Class A	(430,823)	(9,283,399)	(456,015)	(10,838,098)
Class C	(10,993)	(204,548)	(93,775)	(1,785,908)
Administrator Class	(1,241,352)	(23,720,814)	(702,090)	(16,078,144)
		(33,208,761)		(28,702,150)
Net increase (decrease) in net assets resulting from capital share transactions		(3,478,218)		10,424,319
Total decrease in net assets		(10,326,254)		(19,897,510)
Net assets				
Beginning of period		150,782,205		170,679,715
End of period		$140,455,951		$150,782,205

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

Table of Contents

(For a share outstanding throughout each period)

CLASS A	Year ended May 31 2020	2019	2018	2017	2016
Net asset value, beginning of period	$21.36	$26.48	$29.37	$27.30	$32.37
Net investment income	0.11[1]	0.18[1]	0.16[1]	0.13	0.16
Net realized and unrealized gains (losses) on investments	1.18	(0.55)	3.93	3.94	(1.55)
Total from investment operations	1.29	(0.37)	4.09	4.07	(1.39)
Distributions to shareholders from					
Net investment income	(0.17)	(0.13)	(0.17)	(0.22)	(0.08)
Net realized gains	(2.08)	(4.62)	(6.81)	(1.78)	(3.60)
Total distributions to shareholders	(2.25)	(4.75)	(6.98)	(2.00)	(3.68)
Net asset value, end of period	$20.40	$21.36	$26.48	$29.37	$27.30
Total return[2]	5.27%	(0.57)%	14.68%	15.59%	(4.24)%
Ratios to average net assets (annualized)					
Gross expenses[3]	1.39%	1.37%	1.38%	1.40%	1.41%
Net expenses[3]	1.25%	1.25%	1.25%	1.25%	1.25%
Net investment income[3]	0.52%	0.75%	0.55%	0.63%	0.60%
Supplemental data					
Portfolio turnover rate[4]	81%	91%	70%	90%	39%
Net assets, end of period (000s omitted)	$56,387	$61,692	$69,766	$68,678	$67,597

1 Calculated based upon average shares outstanding

2 Total return calculations do not include any sales charges.

3 Ratios include net expenses allocated from the affiliated Master Portfolios which were as follows:

Year ended May 31, 2020	0.51%
Year ended May 31, 2019	0.50%
Year ended May 31, 2018	0.53%
Year ended May 31, 2017	0.57%
Year ended May 31, 2016	0.59%

4 Portfolio turnover rate is calculated by multiplying the affiliated Master Portfolio's percentage of the Fund's total investment in securities at the end of the period by the affiliated Master Portfolio's portfolio turnover rate.

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

Table of Contents

Financial highlights

(For a share outstanding throughout each period)

	Year ended May 31				
CLASS C	2020	2019	2018	2017	2016
Net asset value, beginning of period	$18.45	$23.58	$26.86	$25.12	$30.22
Net investment loss	(0.04)[1]	(0.01)[1]	(0.05)[1]	(0.03)[1]	(0.05)[1]
Net realized and unrealized gains (losses) on investments	1.03	(0.50)	3.58	3.57	(1.45)
Total from investment operations	0.99	(0.51)	3.53	3.54	(1.50)
Distributions to shareholders from					
Net investment income	(0.01)	0.00	(0.00)[2]	(0.02)	0.00
Net realized gains	(2.08)	(4.62)	(6.81)	(1.78)	(3.60)
Total distributions to shareholders	(2.09)	(4.62)	(6.81)	(1.80)	(3.60)
Net asset value, end of period	$17.35	$18.45	$23.58	$26.86	$25.12
Total return[3]	4.53%	(1.34)%	13.89%	14.71%	(4.96)%
Ratios to average net assets (annualized)					
Gross expenses[4]	2.14%	2.11%	2.13%	2.15%	2.16%
Net expenses[4]	2.00%	2.00%	2.00%	2.00%	2.00%
Net investment loss[4]	(0.23)%	(0.04)%	(0.21)%	(0.13)%	(0.17)%
Supplemental data					
Portfolio turnover rate[5]	81%	91%	70%	90%	39%
Net assets, end of period (000s omitted)	$1,317	$1,425	$2,245	$2,355	$2,846

1 Calculated based upon average shares outstanding

2 Amount is less than $0.005.

3 Total return calculations do not include any sales charges.

4 Ratios include net expenses allocated from the affiliated Master Portfolios which were as follows:

Year ended May 31, 2020	0.51%
Year ended May 31, 2019	0.50%
Year ended May 31, 2018	0.53%
Year ended May 31, 2017	0.57%
Year ended May 31, 2016	0.59%

5 Portfolio turnover rate is calculated by multiplying the affiliated Master Portfolio's percentage of the Fund's total investment in securities at the end of the period by the affiliated Master Portfolio's portfolio turnover rate.

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

[Table of Contents](#)

Financial highlights

(For a share outstanding throughout each period)

ADMINISTRATOR CLASS	Year ended May 31 2020	2019	2018	2017	2016
Net asset value, beginning of period	$21.47	$26.60	$29.46	$27.38	$32.45
Net investment income	0.17	0.24[1]	0.23[1]	0.24[1]	0.24
Net realized and unrealized gains (losses) on investments	1.20	(0.57)	3.95	3.91	(1.55)
Total from investment operations	1.37	(0.33)	4.18	4.15	(1.31)
Distributions to shareholders from					
Net investment income	(0.23)	(0.18)	(0.23)	(0.29)	(0.16)
Net realized gains	(2.08)	(4.62)	(6.81)	(1.78)	(3.60)
Total distributions to shareholders	(2.31)	(4.80)	(7.04)	(2.07)	(3.76)
Net asset value, end of period[2]	$20.53	$21.47	$26.60	$29.46	$27.38
Total return	5.59%	(0.35)%	14.99%	15.86%	(3.98)%
Ratios to average net assets (annualized)					
Gross expenses[3]	1.31%	1.29%	1.30%	1.32%	1.33%
Net expenses[3]	1.00%	1.00%	1.00%	1.00%	1.00%
Net investment income[3]	0.77%	1.00%	0.79%	0.87%	0.85%
Supplemental data					
Portfolio turnover rate[4]	81%	91%	70%	90%	39%
Net assets, end of period (000s omitted)	$82,752	$87,665	$98,668	$119,893	$140,963

1 Calculated based upon average shares outstanding

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

3 Ratios include net expenses allocated from the affiliated Master Portfolios which were as follows:

Year ended May 31, 2020	0.51%
Year ended May 31, 2019	0.50%
Year ended May 31, 2018	0.53%
Year ended May 31, 2017	0.57%
Year ended May 31, 2016	0.59%

4 Portfolio turnover rate is calculated by multiplying the affiliated Master Portfolio's percentage of the Fund's total investment in securities at the end of the period by the affiliated Master Portfolio's portfolio turnover rate.

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

Table of Contents

Notes to financial statements

1. ORGANIZATION

Wells Fargo Funds 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"). As an investment company, the Trust follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946*, Financial Services – Investment Companies*. These financial statements report on the Wells Fargo Diversified Equity Fund (the "Fund") which is a diversified series of the Trust.

The Fund is a fund-of-funds which seeks to achieve its investment objective by investing in various diversified portfolios employing a multi-style equity investment approach designed to reduce the price and return volatility of the Fund and to provide more consistent returns. The Fund invests in multiple diversified portfolios (collectively, the "affiliated Master Portfolios") of Wells Fargo Master Trust, a registered open-end management investment company. Each affiliated Master Portfolio directly acquires portfolio securities and the Fund acquires an indirect interest in those securities. The Fund accounts for its investment in the affiliated Master Portfolios as partnership investments and records on a daily basis its share of each affiliated Master Portfolio's income, expense and realized and unrealized gains and losses. The financial statements of the affiliated Master Portfolios are presented in separate financial statements and may be obtained free of charge by contacting Investor Services or by visiting the SEC website at sec.gov. The financial statements of the affiliated Master Portfolios are filed with the SEC under Wells Fargo Master 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

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation time under unusual or unexpected circumstances.

Investments in the affiliated Master Portfolios are valued daily based on the Fund's proportionate share of each affiliated Master Portfolio's net assets, which are also valued daily.

Investments which are not valued using the method discussed above are valued at their fair value, as determined in good faith by the Board of Trustees of the Fund. The Board of Trustees has established a Valuation Committee comprised of the Trustees and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities, unless the determination has been delegated to the Wells Fargo Asset Management Pricing Committee at Wells Fargo Funds Management, LLC ("Funds Management"). The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Wells Fargo Asset Management Pricing Committee which may include items for ratification.

Investment transactions, income and expenses

Investments in the affiliated Master Portfolios are recorded on a trade basis. The Fund records daily its proportionate share of each affiliated Master Portfolio's income, expenses, and realized and unrealized gains or losses. The Fund also accrues its own expenses.

Distributions to shareholders

Distributions to shareholders from net investment income and any net realized gains are recorded on the ex-dividend date and paid at least annually. Such distributions are determined in accordance with income tax regulations and may differ from U.S. generally accepted accounting principles. Dividend sources are estimated at the time of declaration. The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made prior to the Fund's fiscal year end may be categorized as a tax return of capital at year end.

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. Management has analyzed the Fund's tax positions taken on federal, state, and foreign tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

Table of Contents

As of May 31, 2020, the aggregate cost of all investments for federal income tax purposes was $136,812,933 and the unrealized gains (losses) consisted of:

Gross unrealized gains	$11,771,397
Gross unrealized losses	(7,978,966)
Net unrealized gains	$ 3,792,431

Class allocations

The separate classes of shares offered by the Fund differ principally in applicable sales charges, distribution, shareholder servicing, and administration fees. Class specific expenses are charged directly to that share class. Investment income, common fund-level expenses, and realized and unrealized gains (losses) on investments are allocated daily to each class of shares based on the relative proportion of net assets of each class.

3. FAIR VALUATION MEASUREMENTS

At May 31, 2020, the affiliated Master Portfolios were measured at fair value using the net asset value per share (or its equivalent) as a practical expedient. The aggregate value of the affiliated Master Portfolios was $140,605,364. The investment objective of each affiliated Master Portfolio is as follows:

Affiliated Master Portfolio	Investment objective
Wells Fargo C&B Large Cap Value Portfolio	Seeks maximum long-term total return (current income and capital appreciation), consistent with minimizing risk to principal
Wells Fargo Disciplined International Developed Markets Portfolio	Seeks long-term capital appreciation
Wells Fargo Diversified Large Cap Growth Portfolio	Seeks long-term capital appreciation
Wells Fargo Emerging Growth Portfolio	Seeks long-term capital appreciation
Wells Fargo Index Portfolio	Seeks to replicate the total return of the S&P 500 Index, before fees and expenses
Wells Fargo International Value Portfolio	Seeks long-term capital appreciation
Wells Fargo Large Company Value Portfolio	Seeks long-term capital appreciation
Wells Fargo Small Company Growth Portfolio	Seeks long-term capital appreciation
Wells Fargo Small Company Value Portfolio	Seeks long-term capital appreciation

The affiliated Master Portfolios do not have a redemption period notice, can be redeemed daily and do not have any unfunded commitments.

4. TRANSACTIONS WITH AFFILIATES

Management fee

Funds Management, an indirect wholly owned subsidiary of Wells Fargo & Company ("Wells Fargo"), is the manager of the Fund and provides advisory and fund-level administrative services under an investment management agreement. Under the investment management agreement, Funds Management is responsible for, among other services, implementing the investment objectives and strategies of the Fund and providing fund-level administrative services in connection with the Fund's operations. As compensation for its services under the investment management agreement, Funds Management is entitled to receive a management fee at the following annual rate based on the Fund's average daily net assets:

Average daily net assets	Management fee
First $500 million	0.30%
Next $500 million	0.28
Next $2 billion	0.26
Next $2 billion	0.24
Next $5 billion	0.23
Over $10 billion	0.22

Table of Contents

Notes to financial statements

For the year ended May 31, 2020, the management fee was equivalent to an annual rate of 0.30% of the Fund's average daily net assets.

Funds Management also serves as the adviser to each affiliated Master Portfolio and is entitled to receive a fee from each affiliated Master Portfolio for those services.

Administration fees

Under a class-level administration agreement, Funds Management provides class-level administrative services to the Fund, which includes paying fees and expenses for services provided by the transfer agent, sub-transfer agents, omnibus account servicers and record-keepers. As compensation for its services under the class-level administration agreement, Funds Management receives an annual fee which is calculated based on the average daily net assets of each class as follows:

	Class-level administration fee
Class A, Class C	0.21%
Administrator Class	0.13

Waivers and/or expense reimbursements

Funds Management has contractually waived and/or reimbursed management and administration fees to the extent necessary to maintain certain net operating expense ratios for the Fund. When each class of the Fund has exceeded its expense cap, Funds Management has waived fees and/or reimbursed expenses from fund-level expenses on a proportionate basis and then from class specific expenses. When only certain classes exceed their expense caps, waivers and/or reimbursements are applied against class specific expenses before fund-level expenses. Net expenses allocated from the Master Portfolios are included in the expense caps. Funds Management has committed through September 30, 2020 to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's expenses at 1.25% for Class A shares, 2.00% for Class C shares, and 1.00% for Administrator Class shares. 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.

Distribution fee

The Trust has adopted a distribution plan for Class C shares of the Fund pursuant to Rule 12b-1 under the 1940 Act. A distribution fee is charged to Class C shares and paid to Wells Fargo Funds Distributor, LLC ("Funds Distributor"), the principal underwriter, at an annual rate of 0.75% of the average daily net assets of Class C shares.

In addition, Funds Distributor is entitled to receive the front-end sales charge from the purchase of Class A shares and a contingent deferred sales charge on the redemption of certain Class A shares. Funds Distributor is also entitled to receive the contingent deferred sales charges from redemptions of Class C shares. For the year ended May 31, 2020, Funds Distributor received $1,790 from the sale of Class A shares and $11 and $36 in contingent deferred sales charges from redemptions of Class A and Class C shares, respectively.

Shareholder servicing fees

The Trust has entered into contracts with one or more shareholder servicing agents, whereby Class A, Class C, and Administrator Class of the Fund are charged a fee at an annual rate of 0.25% of the average daily net assets of each respective class. A portion of these total shareholder servicing fees were paid to affiliates of Wells Fargo.

5. INVESTMENT PORTFOLIO TRANSACTIONS

The Fund seeks to achieve its investment objective by investing in multiple affiliated Master Portfolios. Purchases and sales related to these investments have been calculated by aggregating the results of multiplying the Fund's ownership percentage in the respective affiliated Master Portfolio by the corresponding affiliated Master Portfolio's purchases and sales. Purchases and sales of investments, excluding U.S. government obligations (if any) and short-term securities, for the year ended May 31, 2020 were $121,150,790 and $151,837,107, respectively.

6. BANK BORROWINGS

The Trust (excluding the money market funds), Wells Fargo Master Trust and Wells Fargo Variable Trust are parties to a $280,000,000 revolving credit agreement 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, an annual commitment fee equal to 0.25% of the unused balance is allocated to each participating fund.

Table of Contents

For the year ended May 31, 2020, there were no borrowings by the Fund under the agreement.

7. DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the years ended May 31, 2020 and May 31, 2019 were as follows:

	Year ended May 31	
	2020	2019
Ordinary income	$ 1,674,722	$ 5,593,514
Long-term capital gain	13,483,884	24,026,559

As of May 31, 2020, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	Undistributed long-term gain	Unrealized gains
$69,127	$3,722,707	$3,792,431

8. INDEMNIFICATION

Under the Fund’s organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. The Fund has entered into a separate agreement with each Trustee that converts indemnification rights currently existing under the Fund’s organizational documents into contractual rights that cannot be changed in the future without the consent of the Trustee. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

9. NEW ACCOUNTING PRONOUNCEMENT

In August 2018, FASB issued Accounting Standards Update (“ASU”) No. 2018-13, Fair Value Measurement (Topic 820) *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement.* ASU 2018-13 updates the disclosure requirements for fair value measurements by modifying or removing certain disclosures and adding certain new disclosures. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. Management has adopted the removal and modification of disclosures early, as permitted, and will adopt the additional new disclosures at the effective date.

10. CORONAVIRUS (COVID-19) PANDEMIC

On March 11, 2020, the World Health Organization announced that it had made the assessment that coronavirus disease 2019 (“COVID-19”) is a pandemic. The impacts of COVID-19 are adversely affecting the entire global economy, individual companies and investment products, and the market in general. There is significant uncertainty around the extent and duration of business disruptions related to COVID-19 and the impacts may be short term or may last for an extended period of time. The risk of further spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets. The value of the Fund and the Master Portfolios in which the Fund invests have generally been adversely affected by impacts caused by COVID-19.

Table of Contents

Report of independent registered public accounting firm

TO THE SHAREHOLDERS OF THE FUND AND BOARD OF TRUSTEES WELLS FARGO FUNDS TRUST:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Wells Fargo Diversified Equity Fund (the Fund), one of the funds constituting Wells Fargo Funds Trust, including the portfolio of investments as of May 31, 2020, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of May 31, 2020, the results of its operations for the year then ended, the 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 in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of May 31, 2020, by correspondence with the transfer agent. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have not been able to determine the specific year that we began serving as the auditor of one or more Wells Fargo Funds investment companies; however we are aware that we have served as the auditor of one or more Wells Fargo Funds investment companies since at least 1955.

Boston, Massachusetts
July 29, 2020

Table of Contents

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 May 31, 2020.

Pursuant to Section 852 of the Internal Revenue Code, $13,483,884 was designated as a 20% rate gain distribution for the fiscal year ended May 31, 2020.

Pursuant to Section 854 of the Internal Revenue Code, $1,598,211 of income dividends paid during the fiscal year ended May 31, 2020 has been designated as qualified dividend income (QDI).

For the fiscal year ended May 31, 2020, $34,069 has been designated as interest-related dividends for nonresident alien shareholders pursuant to Section 871 of the Internal Revenue Code.

PROXY VOTING INFORMATION

A description of the policies and procedures used to determine how to vote proxies relating to portfolio securities is available, upon request, by calling **1-800-222-8222**, visiting our website at **wfam.com**, or visiting the SEC website at sec.gov. Information regarding how the proxies related to portfolio securities were voted during the most recent 12-month period ended June 30 is available on the website at **wfam.com** or by visiting the SEC website at sec.gov.

QUARTERLY PORTFOLIO HOLDINGS INFORMATION

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the SEC website at sec.gov.

Table of Contents

Other information (unaudited)

BOARD OF TRUSTEES AND OFFICERS

Each of the Trustees and Officers[1] listed in the table below acts in identical capacities for each fund in the Wells Fargo family of funds, which consists of 147 mutual funds comprising the Wells Fargo Funds Trust, Wells Fargo Variable Trust, Wells Fargo Master Trust and four closed-end funds (collectively the "Fund Complex"). This table should be read in conjunction with the Prospectus and the Statement of Additional Information[2]. 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 or longer	Current other public company or investment company directorships
William R. Ebsworth (Born 1957)	Trustee, since 2015	Retired. From 1984 to 2013, equities analyst, portfolio manager, research director and chief investment officer at Fidelity Management and Research Company in Boston, Tokyo, and Hong Kong, and retired in 2013 as Chief Investment Officer of Fidelity Strategic Advisers, Inc. where he led a team of investment professionals managing client assets. Prior thereto, Board member of Hong Kong Securities Clearing Co., Hong Kong Options Clearing Corp., the Thailand International Fund, Ltd., Fidelity Investments Life Insurance Company, and Empire Fidelity Investments Life Insurance Company. Audit Committee Chair and Investment Committee Chair of the Vincent Memorial Hospital Endowment (non-profit organization). Mr. Ebsworth is a CFA® charterholder.	N/A
Jane A. Freeman (Born 1953)	Trustee, since 2015; Chair Liaison, since 2018	Retired. From 2012 to 2014 and 1999 to 2008, Chief Financial Officer of Scientific Learning Corporation. From 2008 to 2012, Ms. Freeman provided consulting services related to strategic business projects. Prior to 1999, Portfolio Manager at Rockefeller & Co. and Scudder, Stevens & Clark. Board member of the Harding Loevner Funds from 1996 to 2014, serving as both Lead Independent Director and chair of the Audit Committee. Board member of the Russell Exchange Traded Funds Trust from 2011 to 2012 and the chair of the Audit Committee. Ms. Freeman is also an inactive Chartered Financial Analyst.	N/A
Isaiah Harris, Jr. (Born 1952)	Trustee, since 2009; Audit Committee Chairman, since 2019	Retired. Chairman of the Board of CIGNA Corporation since 2009, and Director since 2005. From 2003 to 2011, Director of Deluxe Corporation. 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. Advisory Board Member, Palm Harbor Academy (private school). Advisory Board Member, Child Evangelism Fellowship (non-profit). Mr. Harris is a certified public accountant (inactive status).	CIGNA Corporation
Judith M. Johnson (Born 1949)	Trustee, since 2008; Audit Committee Chairman, from 2009 to 2018	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.	N/A

[Table of Contents](#)

Name and year of birth	Position held and length of service*	Principal occupations during past five years or longer	Current other public company or investment company directorships
David F. Larcker (Born 1950)	Trustee, since 2009	James Irvin Miller Professor of Accounting at the Graduate School of Business, Stanford University, Director of the Corporate Governance Research Initiative 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.	N/A
Olivia S. Mitchell (Born 1953)	Trustee, since 2006; Nominating and Governance Committee Chair, since 2018	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.	N/A
Timothy J. Penny (Born 1951)	Trustee, since 1996; Chairman, since 2018	President and Chief Executive Officer of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, since 2007.	N/A
James G. Polisson (Born 1959)	Trustee, since 2018	Retired. Chief Marketing Officer, Source (ETF) UK Services, Ltd, from 2015 to 2017. From 2012 to 2015, Principal of The Polisson Group, LLC, a management consulting, corporate advisory and principal investing company. Chief Executive Officer and Managing Director at Russell Investments, Global Exchange Traded Funds from 2010 to 2012. Managing Director of Barclays Global Investors from 1998 to 2010 and Global Chief Marketing Officer for iShares and Barclays Global Investors from 2000 to 2010. Trustee of the San Francisco Mechanics' Institute, a non-profit organization, from 2013 to 2015. Board member of the Russell Exchange Traded Fund Trust from 2011 to 2012. Director of Barclays Global Investors Holdings Deutschland GmbH from 2006 to 2009. Mr. Polisson is an attorney and has a retired status with the Massachusetts and District of Columbia Bar Associations.	N/A
Pamela Wheelock (Born 1959)	Trustee, since January 2020; previously Trustee from January 2018 to July 2019	Board member of the Destination Medical Center Economic Development Agency, Rochester, Minnesota since 2019 and Interim President of the McKnight Foundation since 2020. Acting Commissioner, Minnesota Department of Human Services, July 2019 through September 2019. Human Services Manager (part-time), Minnesota Department of Human Services, October 2019 through December 2019. Chief Operating Officer, Twin Cities Habitat for Humanity from 2017 to 2019. Vice President of University Services, University of Minnesota from 2012 to 2016. Prior thereto, on the Board of Directors, Governance Committee and Finance Committee for the Minnesota Philanthropy Partners (Saint Paul Foundation) from 2012 to 2018, Interim Chief Executive Officer of Blue Cross Blue Shield of Minnesota from 2011 to 2012, Chairman of the Board from 2009 to 2012 and Board Director from 2003 to 2015. Vice President, Leadership and Community Engagement, Bush Foundation, Saint Paul, Minnesota (a private foundation) from 2009 to 2011. Executive Vice President and Chief Financial Officer, Minnesota Sports and Entertainment from 2004 to 2009 and Senior Vice President from 2002 to 2004. Executive Vice President of the Minnesota Wild Foundation from 2004 to 2008. Commissioner of Finance, State of Minnesota, from 1999 to 2002. Currently Board Chair of the Minnesota Wild Foundation since 2010.	N/A

* Length of service dates reflect the Trustee's commencement of service with the Trust's predecessor entities, where applicable.

Table of Contents

Other information (unaudited)

Officers

Name and year of birth	Position held and length of service	Principal occupations during past five years or longer
Andrew Owen (Born 1960)	President, since 2017	Executive Vice President of Wells Fargo & Company and Head of Affiliated Managers, Wells Fargo Asset Management, since 2014. In addition, Mr. Owen is currently President, Chief Executive Officer and Director of Wells Fargo Funds Management, LLC since 2017. Prior thereto, Executive Vice President responsible for marketing, investments and product development for Wells Fargo Funds Management, LLC, from 2009 to 2014.
Nancy Wiser[1] (Born 1967)	Treasurer, since 2012	Executive Vice President of Wells Fargo Funds Management, LLC since 2011. Chief Operating Officer and Chief Compliance Officer at LightBox Capital Management LLC, from 2008 to 2011.
Michelle Rhee (Born 1966)	Chief Legal Officer, since 2019	Secretary of Wells Fargo Funds Management, LLC, Chief Legal Counsel of Wells Fargo Asset Management and Assistant General Counsel of Wells Fargo Bank, N.A. since 2018. Associate General Counsel and Managing Director of Bank of America Corporation from 2004 to 2018.
Catherine Kennedy (Born 1969)	Secretary, since 2019	Vice President of Wells Fargo Funds Management, LLC and Senior Counsel of the Wells Fargo Legal Department since 2010. Vice President and Senior Counsel of Evergreen Investment Management Company, LLC from 1998 to 2010.
Michael H. Whitaker (Born 1967)	Chief Compliance Officer, since 2016	Chief Compliance Officer of Wells Fargo Asset Management since 2016. Senior Vice President and Chief Compliance Officer for Fidelity Investments from 2007 to 2016.
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. Manager of Fund Reporting and Control for Evergreen Investment Management Company, LLC from 2004 to 2010.
Jeremy DePalma[1] (Born 1974)	Treasurer, since 2012	Senior Vice President of Wells Fargo Funds Management, LLC since 2009. Senior Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010 and head of the Fund Reporting and Control Team within Fund Administration from 2005 to 2010.

[1] Nancy Wiser acts as Treasurer of 65 funds in the Fund Complex. Jeremy DePalma acts as the Treasurer of 82 funds in the Fund Complex.

[2] 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 website at **wfam.com**.

Table of Contents

BOARD CONSIDERATION OF INVESTMENT MANAGEMENT AGREEMENT:

Wells Fargo Diversified Equity Fund

Under the Investment Company Act of 1940 (the “1940 Act”), the Board of Trustees (the “Board”) of Wells Fargo Funds Trust (the “Trust”) must determine annually whether to approve the continuation of the Trust’s investment management agreement. In this regard, at a Board meeting held on May 26, 2020 and May 28, 2020 (together, the “Meeting”), the Board, all the members of which have no direct or indirect interest in the investment management agreement and are not “interested persons” of the Trust, as defined in the 1940 Act (the “Independent Trustees”), reviewed and approved for the Wells Fargo Diversified Equity Fund (the “Fund”) an investment management agreement (the “Management Agreement”) with Wells Fargo Funds Management, LLC (“Funds Management”). The Fund is a fund-of-funds that invests all of its assets in multiple portfolios of Wells Fargo Master Trust (the “Master Portfolios”).

At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of Funds Management and the approval of the Management Agreement. Prior to the Meeting, including at a Board meeting held in April 2020, the Trustees conferred extensively among themselves and with representatives of Funds Management about these matters. Also, the Board has adopted a team-based approach, with each team consisting of a sub-set of Trustees, to assist the full Board in the discharge of its duties in reviewing investment performance and other matters throughout the year. The Independent Trustees were assisted in their evaluation of the Management Agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, Funds Management was guided by a detailed set of requests for information submitted to it by independent legal counsel on behalf of the Independent Trustees at the start of the Board’s annual contract renewal process earlier in 2020. In considering and approving the Management Agreement, the Trustees considered the information they believed relevant, including but not limited to the information discussed below. The Board considered not only the specific information presented in connection with the Meeting, but also the knowledge gained over time through interaction with Funds Management about various topics. In this regard, the Board reviewed reports of Funds Management at each of its quarterly meetings, which included, among other things, portfolio reviews and investment performance reports. In addition, the Board and the teams mentioned above confer with portfolio managers at various times throughout the year. The Board did not identify any particular information or consideration that was all-important or controlling, and each individual Trustee may have attributed different weights to various factors.

After its deliberations, the Board unanimously approved the continuation of the Management Agreement for a one-year term and determined that the compensation payable to Funds Management was reasonable. The Board considered the approval of the Management Agreement for the Fund as part of its consideration of agreements for funds across the complex, but its approval was made on a fund-by-fund basis. The following summarizes a number of important, but not necessarily all, factors considered by the Board in support of its approvals.

Nature, extent and quality of services

The Board received and considered various information regarding the nature, extent and quality of services provided to the Fund by Funds Management under the Management Agreement. This information included a description of the investment advisory services and Fund-level administrative services covered by the Management Agreement, as well as, among other things, a summary of the background and experience of senior management of Wells Fargo Asset Management (“WFAM”), of which Funds Management is a part, and a summary of investments made in the business of WFAM. The Board also received a description of Funds Management’s business continuity plan and of its approach to data privacy and cybersecurity, and related testing. The Board also received and reviewed information about Funds Management’s role as administrator of the Fund’s liquidity risk management program, Funds Management’s approach to risk management, and Funds Management’s intermediary and vendor oversight program.

The Board also considered the qualifications, background, tenure and responsibilities of each of the portfolio managers primarily responsible for the day-to-day portfolio management of the Fund. The Board evaluated the ability of Funds Management to attract and retain qualified investment professionals, including research, advisory and supervisory personnel. The Board further considered the compliance programs and compliance records of Funds Management. In addition, the Board took into account the full range of services provided to the Fund by Funds Management and its affiliates.

Fund investment performance and expenses

The Board considered the investment performance results for the Fund over various time periods ended December 31, 2019. The Board also considered more current results for various time periods ended March 31, 2020. The Board considered these results in comparison to the investment performance of funds in a universe that was determined by Broadridge Inc. (“Broadridge”) to be

Table of Contents

similar to the Fund (the “Universe”), and in comparison to the Fund’s benchmark index and to other comparative data. Broadridge is an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds in the performance Universe. The Board noted that the investment performance of the Fund (Administrator Class) was higher than or in range of the average investment performance of the Universe for the one-, three-, five- and ten-year periods ended December 31, 2019. The Board also noted that the investment performance of the Fund (Administrator Class) was higher than the average investment performance of the Universe for all periods ended March 31, 2020. The Board also noted that the investment performance of the Fund was lower than its benchmark index, the Diversified Equity Blended Index, which is a proprietary index used by the Board to help it assess the Fund’s relative performance, for the one-, five- and ten-year periods ended December 31, 2019, and in range of its benchmark for the three-year period ended December 31, 2019. The Board also noted that the investment performance of the Fund was lower than its benchmark index, the Diversified Equity Blended Index, for all periods ended March 31, 2020.

The Board received information concerning, and discussed factors contributing to, the underperformance of the Portfolio relative to its benchmark for the periods identified above. The Board took note of the explanations for the relative underperformance during these periods, including with respect to investment decisions and market factors that affected the Portfolio’s investment performance.

The Board also received and considered information regarding the Fund’s net operating expense ratios, which include fees and expenses of the Master Portfolios, and their various components, including actual management fees assessed at the Fund and Master Portfolio levels, custodian and other non-management fees, and Rule 12b-1 and non-Rule 12b-1 shareholder service fees. The Board considered these ratios in comparison to the median ratios of funds in class-specific expense groups that were determined by Broadridge to be similar to the Fund (the “Groups”). The Board received a description of the methodology used by Broadridge to select the mutual funds in the expense Groups and an explanation of how funds comprising expense groups and their expense ratios may vary from year-to-year. Based on the Broadridge reports, the Board noted that the net operating expense ratios of the Fund were lower than or in range of the median net operating expense ratios of the expense Groups for each share class.

The Board took into account the Fund’s investment performance and expense information provided to it among the factors considered in deciding to re-approve the Management Agreement.

Investment management fee rates

The Board noted that the Fund is a fund-of-funds that invests in multiple Master Portfolios and therefore Funds Management is entitled to receive an annual fee at a certain annual rate based on the Fund’s average daily net assets for providing investment advisory services to the Fund, including allocating the Fund’s assets among the various Master Portfolios. For the year ended May 31, 2019, the management fee was equivalent to an annual rate of 0.30% of the Fund’s average daily net assets. The Board reviewed and considered the contractual fee rates payable by the Fund to Funds Management under the Management Agreement, as well as the contractual fee rates payable by the Fund to Funds Management for class-level administrative services under a Class-Level Administration Agreement, which include, among other things, class-level transfer agency and sub-transfer agency costs (collectively, the “Management Rates”).

Among other information reviewed by the Board was a comparison of the Fund’s Management Rates with the average contractual investment management fee rates of funds in the expense Groups at a common asset level as well as transfer agency costs of the funds in the expense Groups. The Board noted that the Management Rates of the Fund were lower than the sum of these average rates for the Fund’s expense Groups for all share classes.

The Board also received and considered information about the nature and extent of services offered and fee rates charged by Funds Management to other types of clients with investment strategies similar to those of the Fund. In this regard, the Board received information about the significantly greater scope of services, and compliance, reporting and other legal burdens and risks of managing proprietary mutual funds compared with those associated with managing assets of other types of clients, including third-party sub-advised fund clients and non-mutual fund clients such as institutional separate accounts.

Based on its consideration of the factors and information it deemed relevant, including those described here, the Board determined that the compensation payable to Funds Management under the Management Agreement was reasonable.

Profitability

The Board received and considered information concerning the profitability of Funds Management, as well as the profitability of both WFAM and Wells Fargo & Co. (“Wells Fargo”) from providing services to the fund family as a whole.

Funds Management reported on the methodologies and estimates used in calculating profitability, including a description of the methodology used to allocate certain expenses. Among other things, the Board noted that the levels of profitability reported on a fund-by-fund basis varied widely, depending on factors such as the size, type and age of fund.

Table of Contents

Based on its review, the Board did not deem the profits reported by Funds Management, WFAM or Wells Fargo from services provided to the Fund to be at a level that would prevent it from approving the continuation of the Management Agreement.

Economies of scale

The Board received and considered information about the potential for Funds Management to experience economies of scale in the provision of management services to the Fund, the difficulties of calculating economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. The Board noted the existence of breakpoints in the Fund's management fee structure, which operate generally to reduce the Fund's expense ratios as the Fund grows in size, and the size of the Fund in relation to such breakpoints. The Board considered that in addition to management fee breakpoints, Funds Management shares potential economies of scale from its management business in a variety of ways, including through fee waiver and expense reimbursement arrangements, services that benefit shareholders, competitive management fee rates set at the outset without regard to breakpoints, and investments in the business intended to enhance services available to shareholders.

The Board concluded that Funds Management's arrangements with respect to the Fund, including contractual breakpoints, constituted a reasonable approach to sharing potential economies of scale with the Fund and its shareholders.

Other benefits to Funds Management

The Board received and considered information regarding potential "fall-out" or ancillary benefits received by Funds Management and its affiliates as a result of their relationships with the Fund. Ancillary benefits could include, among others, benefits directly attributable to other relationships with the Fund and benefits potentially derived from an increase in Funds Management's business as a result of their relationships with the Fund. The Board noted that various affiliates of Funds Management may receive distribution-related fees, shareholder servicing payments and sub-transfer agency fees in respect of shares sold or held through them and services provided.

The Board also reviewed information about fees earned by Funds Management and its affiliate from managing a private investment vehicle for the fund family's securities lending collateral, and commissions earned by an affiliated broker from portfolio transactions.

Based on its consideration of the factors and information it deemed relevant, including those described here, the Board did not find that any ancillary benefits received by Funds Management and its affiliates were unreasonable.

Conclusion

At the Meeting, after considering the above-described factors and based on its deliberations and its evaluation of the information described above, the Board unanimously approved the continuation of the Management Agreement for a one-year term and determined that the compensation payable to Funds Management was reasonable.

Table of Contents

Other information (unaudited)

LIQUIDITY RISK MANAGEMENT PROGRAM

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), Wells Fargo Funds Trust (the "Trust") has adopted and implemented a liquidity risk management program (the "Program") on behalf of each of its non-money market series, including the Fund, which is reasonably designed to assess and manage the Fund's liquidity risk. "Liquidity risk" is defined as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors' interests in the Fund. The Trust's Board of Trustees (the "Board") previously approved the designation of Wells Fargo Funds Management, LLC ("Funds Management"), the Fund's investment manager, as the administrator of the Program, and Funds Management has established a Liquidity Risk Management Council composed of personnel from multiple departments within Funds Management and its affiliates to assist Funds Management in the implementation and on-going administration of the Program.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund's liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund's investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of "illiquid investments" (as defined under the Liquidity Rule); (4) to the extent the Fund does not invest primarily in "highly liquid investments" (as defined under the Liquidity Rule), the determination of a minimum percentage of the Fund's assets that generally will be invested in highly liquid investments (an "HLIM"); (5) if the Fund has established an HLIM, the periodic review (no less frequently than annually) of the HLIM and the adoption of policies and procedures for responding to a shortfall of the Fund's "highly liquid investments" below its HLIM; and (6) periodic reporting to the Board.

At a meeting of the Board held on May 26 and 28, 2020, the Board received a written report (the "Report") from Funds Management that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation. The Report covered the initial period from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Fund were noted in the Report. There were no material changes to the Program during the Reporting Period. The Report concluded that the Program is operating effectively to assess and manage the Fund's liquidity risk, and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments.

There can be no assurance that the Program will achieve its objectives under all circumstances in the future. Please refer to the Fund's prospectus for more information regarding the Fund's exposure to liquidity risk and other risks to which an investment in the Fund may be subject.

Table of Contents

Effective on or about May 1, 2020, if you purchase Fund shares through a Janney Montgomery Scott LLC ("Janney") brokerage account, you will be eligible for the following load waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers) and discounts, which may differ from those disclosed elsewhere in the Fund's Prospectus or SAI.

Front-end sales charge* waivers on Class A shares available at Janney

Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).

Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.

Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).

Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.

Shares acquired through a right of reinstatement.

Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

CDSC waivers on Class A and Class C shares available at Janney

Shares sold upon the death or disability of the shareholder.

Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus.

Shares purchased in connection with a return of excess contributions from an IRA account.

Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.

Shares sold to pay Janney fees but only if the transaction is initiated by Janney.

Shares acquired through a right of reinstatement.

Shares exchanged into the same share class of a different fund.

Front-end sales charge* discounts available at Janney; breakpoints, rights of accumulation and/or letters of intent

Breakpoints as described in the Fund's Prospectus.

Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

* Also referred to as an "initial sales charge."

Table of Contents

Appendix II (unaudited)

Effective on or after May 1, 2020, clients of Edward Jones (also referred to as “shareholders”) purchasing Fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as “breakpoints”) and waivers, which can differ from breakpoints and waivers described elsewhere in the Fund’s Prospectus or SAI or through another broker-dealer. In all instances, it is the shareholder’s responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Wells Fargo Funds or other facts qualifying the purchaser for breakpoints or waivers. Edward Jones can ask for documentation of such circumstance.

Breakpoints available at Edward Jones

Rights of Accumulation (ROA)

The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except any money market funds and retirement plan share classes) of Wells Fargo Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations (“pricing groups”). This includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the rights of accumulation calculation is dependent on the shareholder notifying his or her financial advisor of such assets at the time of calculation.

ROA is determined by calculating the higher of cost or market value (current shares x NAV).

Letter of Intent (LOI)

Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to makeover a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying his or her financial advisor of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not covered under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.

Sales charges are waived for the following shareholders and in the following situations at Edward Jones:

- Associates of Edward Jones and its affiliates and their family members who are in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate’s life if the associate retires from Edward Jones in good-standing.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: 1)the proceeds are from the sale of shares within 60 days of the purchase, and 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in anon-retirement account.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions available at Edward Jones:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulation.
- Shares sold to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.

Table of Contents

Other Important Information for accounts at Edward Jones:

Minimum Purchase Amounts

- $250 initial purchase minimum
- $50 subsequent purchase minimum

Minimum Balances

Edward Jones has the right to redeem at its discretion fund holdings with a balance of $250 or less. The following are examples of accounts that are not included in this policy:

- A fee-based account held on an Edward Jones platform
- A 529 account held on an Edward Jones platform
- An account with an active systematic investment plan or letter of intent (LOI)

Changing Share Classes

At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares.

Table of Contents

Appendix III (unaudited)

Effective June 1, 2020, shareholders purchasing Fund shares through an Oppenheimer & Co. Inc. (“Oppenheimer”) platform or account are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred or back-end, sales charge waivers) and discounts, which may differ from those disclosed in the Fund’s Prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at Oppenheimer

Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan.

Shares purchased by or through a 529 Plan.

Shares purchased through an Oppenheimer affiliated investment advisory program.

Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).

Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Restatement).

A shareholder in the Fund’s Class C shares will have their shares exchanged at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the exchange is in line with the policies and procedures of Oppenheimer.

Employees and registered representatives of Oppenheimer or its affiliates and their family members.

Directors or Trustees of the Fund, and employees of the Fund’s investment adviser or any of its affiliates, as described in the Prospectus.

CDSC Waivers on A and C Shares available at Oppenheimer

Death or disability of the shareholder.

Shares sold as part of a systematic withdrawal plan as described in the Prospectus.

Return of excess contributions from an IRA Account.

Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the Prospectus.

Shares sold to pay Oppenheimer fees but only if the transaction is initiated by Oppenheimer.

Shares acquired through a right of reinstatement.

Front-end load Discounts Available at Oppenheimer: Breakpoints, Rights of Accumulation & Letters of Intent

Breakpoints as described in the Prospectus.

Rights of Accumulation (ROA), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser’s household at Oppenheimer. Eligible fund family assets not held at Oppenheimer may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

Table of Contents

Effective June 15, 2020, shareholders purchasing fund shares through a Robert W. Baird & Co. (“Baird”) platform or account will only be eligible for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in the Fund’s Prospectus or the SAI.

Front-end Sales Load Waivers on Class A Shares available at Baird

Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing share of the same fund.

Share purchase by employees and registers representatives of Baird or its affiliate and their family members as designated by Baird.

Shares purchase from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same accounts, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as rights of reinstatement).

A shareholder in the Funds Investor C Shares will have their share exchanged at net asset value to Investor A shares of the fund if the shares are no longer subject to CDSC and the exchange is in line with the policies and procedures of Baird.

Employer-sponsored retirement plans or charitable accounts in a transactional brokerage account at Baird, including 401(k)plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.

CDSC Waivers on A and C Shares available at Baird

Shares sold due to death or disability of the shareholder.

Shares sold as part of a systematic withdrawal plan as described in the Fund’s Prospectus.

Shares bought due to returns of excess contributions from an IRA Account.

Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 72as described in the Fund’s Prospectus.

Shares sold to pay Baird fees but only if the transaction is initiated by Baird.

Shares acquired through a right of reinstatement.

Front-end load Discounts Available at Baird: Breakpoint and/or Rights of Accumulation

Breakpoints as described in the Prospectus.

Rights of accumulations which entitles shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser’s household at Baird. Eligible fund family assets not held at Baird may be included in the rights of accumulations calculation only if the shareholder notifies his or her financial advisor about such assets.

Letters of Intent (LOI) allow for breakpoint discounts based on anticipated purchases within a fund family through Baird, over a13-month period of time.

[Table of Contents](#)

This page is intentionally left blank.

Table of Contents

WELLS FARGO Asset Management

For more information

More information about Wells Fargo Funds is available free upon request. To obtain literature, please write, visit the Fund's website, or call:

Wells Fargo Funds
P.O. Box 219967
Kansas City, MO 64121-9967

Website: **wfam.com**
Individual investors: **1-800-222-8222**
Retail investment professionals: **1-888-877-9275**
Institutional investment professionals: **1-866-765-0778**

Get this document online

Sign up at wellsfargo.com/advantagedelivery

*This report and the financial statements contained herein are submitted for the general information of the shareholders of the Fund. If this report is used for promotional purposes, distribution of the report must be accompanied or preceded by a current prospectus. Before investing, please consider the investment objectives, risks, charges, and expenses of the investment. For a current prospectus and, if available, a summary prospectus, containing this information, call **1-800-222-8222** or visit the Fund's website at **wfam.com**. Read the prospectus carefully before you invest or send money.*

Wells Fargo Asset Management (WFAM) is the trade name for certain investment advisory/management firms owned by Wells Fargo & Company. These firms include but are not limited to Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC. Certain products managed by WFAM entities are distributed by Wells Fargo Funds Distributor, LLC (a broker-dealer and Member FINRA).

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.

INVESTMENT PRODUCTS: NOT FDIC INSURED ▪ NO BANK GUARANTEE ▪ MAY LOSE VALUE

PAR-0620-00254 07-20
A281/AR281 05-20