Annual Report

December 31, 2018

WELLS FARGO | ASSET MANAGEMENT

Wells Fargo VT Discovery 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.

Together we'll go far

Contents

Reduce clutter. Save trees.

Sign up for electronic delivery of prospectuses and shareholder reports at **wellsfargo.com/advantagedelivery**

The views expressed and any forward-looking statements are as of December 31, 2018, unless otherwise noted, and are those of the Fund managers and/or Wells Fargo Funds Management, LLC. 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 Funds Management, LLC and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

Andrew Owen
President
Wells Fargo Funds

Dear Shareholder:

We are pleased to offer you this annual report for the Wells Fargo VT Discovery Fund for the 12-month period that ended December 31, 2018. The year opened with strong performance for equity and fixed-income markets. The remainder of the reporting period generated investing results that were decidedly more mixed and volatile.

For the period, U.S. stocks, as measured by the S&P 500 Index,[1] fell 4.38% and international stocks, as measured by the MSCI ACWI ex USA Index (Net),[2] declined 14.20%. Based on the MSCI EM Index (Net),[3] emerging market stocks lost 14.57%. For bond investors, the Bloomberg Barclays U.S. Aggregate Bond Index[4] was essentially flat at a 0.01% return while the Bloomberg Barclays Global Aggregate ex-USD Index[5] fell 2.15%. The Bloomberg Barclays Municipal Bond Index[6] added 1.28%, and the ICE BofAML U.S. High Yield Index[7] dropped 2.26%.

Optimism shaped markets in early 2018.

Synchronized global growth, low inflation, healthy corporate earnings and consumer confidence, declining unemployment, and a weaker U.S. dollar that supported international growth characterized investment markets entering 2018.

The U.S. Federal Reserve (Fed) and the Bank of England (BOE) continued with plans to increase rates from ultralow levels, reflecting their confidence that economic expansions were underway and durable. The Fed raised the federal funds rate by 25 basis points (bps; 100 bps equal 1.00%) to a target range of between 1.50% and 1.75% in March 2018. The December 2018 federal funds rate increase of 25 bps from 2.25% to 2.50% was the ninth since the Fed began raising rates three years ago from near zero. The BOE, having raised its monetary policy rate to 0.50% in November 2017, increased the rate again in August 2018 to 0.75%.

In the U.S., increases in long-term rates were not as consistent as the short-term rate increases initiated by the Fed, leading to a flatter U.S. Treasury yield curve. In addition, the prospect of inflation emerged. A flatter yield curve and inflation concerns weakened investor sentiment for equities as the year progressed. In the U.K., Brexit debates created uncertainty among investors.

---

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 markets, excluding the United States and Canada. 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 large- and mid-cap equity market performance of emerging markets. The MSCI EM Index (Net) consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, the Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and the United Arab Emirates. 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 BofAML 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.

Meanwhile, the European Central Bank and the Bank of Japan sustained low interest rates to spur business activities and bought bonds in an effort to encourage equity investments. The People's Bank of China (PBOC) also sought to stimulate economic growth. Many emerging market economies benefited from stronger currencies versus the U.S. dollar, while commodity price increases benefited countries that rely on natural resources for exports.

As the first quarter closed, investor concerns increased about inflation and trade, particularly between the U.S. and China. The S&P 500 Index closed the first quarter with a negative return, the first negative quarterly return for the index since 2014. Overseas, investment markets fell, hurt by a strengthening U.S. dollar and mounting trade and diplomatic tensions. The MSCI ACWI ex USA Index (Net) declined 1.18% for the quarter that ended March 31, 2018.

As the first quarter closed, investor concerns increased about inflation and trade, particularly between the U.S. and China.

Global trade tensions prompted investor concerns.

Global trade tensions escalated during the second and third quarters of 2018. The U.S. imposed tariffs on a wide range of products manufactured overseas. Foreign governments retaliated with tariffs that punished U.S. commodity producers and product manufacturers. Investors wondered about next steps as divergence in global economic policies and growth prospects widened.

Global trade tensions escalated during the second and third quarters of 2018.

During the summer months, the U.S. economy strengthened. Revised second-quarter gross domestic product (GDP) growth data released in August showed the U.S. economy growing at a 4.2% rate. The unemployment rate in the U.S. was 3.7% by the end of September, according to the U.S. Department of Labor. Wages showed more consistent growth, and consumer confidence remained strong. Several U.S. equity market indices reached records during August, with the S&P 500 Index gaining 7.71% for the three-month period that ended September 30, 2018. In contrast, the MSCI ACWI ex USA Index (Net) gained 0.71% while the MSCI EM Index (Net) declined 1.09% during the same three-month period.

Economic signals overseas were mixed as the third quarter ended and the fourth quarter began. In particular, signs of slowing economic growth in China created uncertainty for investors. Amid rising trade tensions, the PBOC cut reserve requirement ratios and accelerated infrastructure spending and tax cuts for business enterprises and individuals. Nevertheless, a strengthening U.S. dollar and trade tensions remained headwinds for investors overseas.

Economic signals overseas were mixed as the third quarter ended and the fourth quarter began.

Equity markets were volatile during the fourth quarter.

Negative stock market performance during October and December bracketed a mildly positive November, as measured by the S&P 500 Index and the MSCI ACWI ex USA Index (Net). As interest rates and bond yields gained during October, stock markets struggled. Readings on consumer sentiment and business spending were mixed. Markets rebounded in November. The U.S. and China agreed to halt further increases in tariffs and engage in additional negotiations. While November returns were positive, the loss for the full fourth quarter was substantial for equity investors globally, with the S&P down 13.52% and the MSCI ACWI ex USA Index (Net) down 11.46%. December's S&P 500 Index performance was the lowest since 1931. Globally, fixed income investments fared better than stocks during the last two months of the year as conflicting signals unsettled investors' outlooks.

Equity investors confronted a number of changing conditions. In November's mid-term elections, control of the U.S. House of Representatives shifted from Republicans to Democrats, presaging potential partisan disputes. Progress on

Brexit negotiations stalled in the UK. In China, the value of the yuan declined to low levels last seen in 2008. Oil prices continued to fall. The Fed increased the federal funds rate by 25 bps to a target range of between 2.25% and 2.50% in December 2018. A late-December dispute over spending and immigration policy resulted in a partial U.S. government shutdown that continued through the end of the period.

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

For further information about your Fund, contact your investment professional, visit our website at **wellsfargofunds.com**, or call us directly at **1-800-260-5969**.

This page is intentionally left blank.

Investment objective
The Fund seeks long-term capital appreciation.

Manager
Wells Fargo Funds Management, LLC

Subadviser
Wells Capital Management Incorporated

Portfolio managers
Michael T. Smith, CFA®‡
Christopher J. Warner, CFA®‡

Average annual total returns (%) as of December 31, 2018

	Inception date	1 year	5 year	10 year	Expense ratios[1] (%) Gross	Net[2]
Class 2	5-8-1992	-7.06	5.02	15.24	1.17	1.16
Russell 2500™ Growth Index[3]	–	-7.47	6.19	14.76	–	–

Figures quoted represent past performance, which is no guarantee of future results. *Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available by calling 1-800-260-5969. Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts. If these charges had been reflected, performance would have been lower.*

Shares are sold without a front-end sales charge or contingent deferred sales charge.

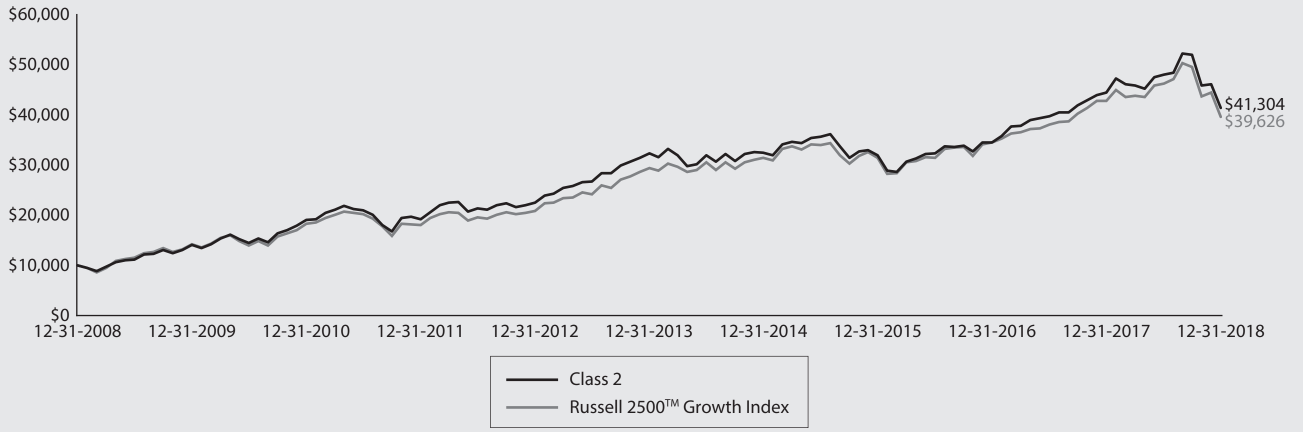
Index returns do not include transaction costs associated with buying and selling securities, any mutual fund fees or expenses, or any taxes. It is not possible to invest directly in an index.

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

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

Please see footnotes on page 7.

Growth of $10,000 investment as of December 31, 2018[4]



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

1 Reflects the expense ratios as stated in the most recent prospectus, which include the impact of 0.01% 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.

2 The manager has contractually committed through April 30, 2019, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waivers at 1.15% for Class 2. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. Without this cap, the Fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.

3 The Russell 2500™ Growth Index measures the performance of those Russell 2500 companies with higher price/book ratios and higher forecasted growth values. You cannot invest directly in an index.

4 The chart compares the performance of Class 2 shares for the most recent ten years with the Russell 2500™ Growth Index. The chart assumes a hypothetical $10,000 investment and reflects all operating expenses of the Fund. Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts.

5 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.

6 Amounts are calculated based on the total long-term investments of the Fund. These amounts are subject to change and may have changed since the date specified.

* This security was no longer held at the end of the reporting period.

MANAGER'S DISCUSSION

Fund highlights

- The Fund outperformed its benchmark, the Russell 2500™ Growth Index, for the 12-month period that ended December 31, 2018.
- Stock selection in the health care and consumer discretionary sectors contributed to performance.
- Stock selection in the information technology (IT) and industrials sectors detracted from Fund performance.

Global equity markets declined during 2018. A year that began with optimism for synchronized global economic expansion evolved into a market adjusting to higher risks. The initial weakness came from slowing indicators in global economies as well as the escalating trade war between the U.S. and China. Political uncertainty around Brexit, tensions in Italy, and plummeting oil prices only added to the fears. Global debt, which had expanded massively in recent years, became a new source of concern. Within the U.S., sentiment grew that the economy could not remain immune from these factors. The positive, yet transitory, jolt from tax cuts was viewed as fading into 2019, and after a period of robust expansion, concerns of peak corporate earnings grew. Given all the uncertainty, investors grew increasingly anxious about expected tightening from the U.S. Federal Reserve. While this backdrop was challenging, over the full period, the Fund's positioning benefited from strong underlying fundamentals and favorable stock selection.

Despite recent volatility and increased uncertainty, we have not significantly repositioned the Fund. We continue to emphasize companies with a secular rather than a cyclical growth profile. The Fund remains positioned toward companies with higher visibility of earnings growth and those positioned on the right side of change. We believe this strategy will prove beneficial should volatility levels remain elevated.

The Fund benefited from stock selection in the health care and consumer discretionary sectors.

Within the health care sector, Veeva Systems Incorporated is at the intersection of health care and technology. While classified as a health care company, Veeva is benefiting from innovation in both the life sciences and software industries. The company provides cloud-based customer relationship management (CRM) software with a specific emphasis on the life sciences industry. Veeva's products facilitate sales and marketing compliance within the pharmaceutical and biotechnology industries. The company has a dominant market share position, where many of the largest pharmaceutical companies use Veeva's platform. In addition to Veeva's legacy CRM business, the company's Vault product has provided a new vector for growth. Vault provides a software solution to manage clinical trial data and documents. Recently, strong growth in adoption of the Vault product helped the company report better-than-expected quarterly earnings that contributed positively to returns over the past 12 months. Additionally, Veeva is beginning to show growth outside the health care industry. We view the company as a core holding with excellent future growth prospects.

Within the consumer discretionary sector, Etsy, Incorporated*, is benefiting from the ongoing strength of e-commerce contrasted against traditional brick-and-mortar retailers. Etsy operates a global online marketplace for unique and creative goods. Over the past year, the company reported better-than-expected revenue and earnings growth, which helped propel shares sharply higher. The company is benefiting from two drivers, as current customers are increasing their activity while at the same time Etsy is attracting new customers to its platform. Finally, Etsy's unique platform has afforded it a benefit that is rare among retailers: pricing power. During the period, Etsy was able to raise its transaction fees without a material impact to business trends.

Please see footnotes on page 7.

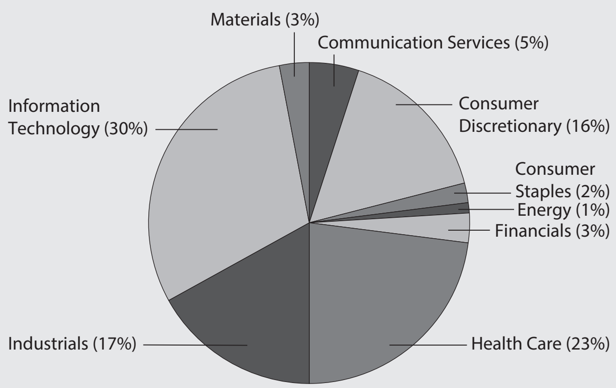
Ten largest holdings (%) as of December 31, 2018[5]	
Waste Connections Incorporated	3.02
WellCare Health Plans Incorporated	2.23
Black Knight Incorporated	2.07
Zebra Technologies Corporation Class A	2.06
Bright Horizons Family Solutions Incorporated	1.98
Vail Resorts Incorporated	1.96
Veeva Systems Incorporated Class A	1.95
WEX Incorporated	1.94
Burlington Stores Incorporated	1.90
World Wrestling Entertainment Incorporated Class A	1.83

Stock selection in the IT and industrials sectors weighed on the Fund's performance.

Competition weighed on LogMeIn, Incorporated, within the IT sector. The provider of cloud-based communication software saw its shares come under pressure due to issues within its key collaboration division. The division, which includes the GoTo applications such as GoToMeeting and GoToTraining, represents over half of LogMeIn's revenue. Recently, customer churn increased as the company's sales team did not execute as expected. The most glaring issue, however, was a heightened competitive landscape. Private competitor Zoom was particularly aggressive in attempting to win business from current LogMeIn customers. These issues forced management to reduce revenue and earnings guidance, sending shares down materially in the past 12 months. Our thesis on the holding became compromised, as organic growth would be harder to achieve in this competitive environment. As such, we sold the position in favor of higher-conviction ideas.

Within the industrials sector, water treatment/technology company Evoqua Water Technologies Corporation saw its shares decline after reporting disappointing quarterly results and reducing forward guidance. A main tenet of our thesis on Evoqua was that much of the company's revenue has had a stable stream from ongoing service contracts. That profile became altered as Evoqua undertook longer, capital-intensive projects that have affected the stable revenue stream we expected. Evoqua was influenced by rising raw material costs that have weighed on company margins.

Sector distribution as of December 31, 2018[6]



While market volatility may continue in 2019, we remain confident in the Fund's positioning

We believe the Fund is well positioned for 2019. Global growth is in a slowdown phase, which creates a favorable backdrop for our investing style. In a world starved of growth, investors seek out that which is certain. They reward companies with scarce attributes. Unlike value or cyclical stocks, leading growth companies do not need a roaring economy or policy stimulus to outperform. With all the global uncertainty, companies with superior fundamentals, and therefore the ability to produce predictable earnings and cash flows into the future, should command premium valuations.

We see virtually every industry in the U.S. experiencing rapid change. Technology and innovation are disrupting legacy business models and creating a dichotomous economy. Those companies on the right side of change, whose customers view them as indispensable, who are leveraging data and technology, and who have deep moats versus competitors, should continue to win. When analyzing key themes of innovation, there is so much to be excited about. From global e-commerce penetration, automation, artificial intelligence, autonomous vehicles, genome sequencing, and the rollout of 5G wireless, we find that many growth themes are still in the early stages of mass adoption. This, in our view, creates an exciting investment opportunity.

Please see footnotes on page 7.

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

The example is based on an investment of $1,000 invested at the beginning of the six-month period and held for the entire period from July 1, 2018 to December 31, 2018.

Actual expenses

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

Hypothetical example for comparison purposes

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

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

	Beginning account value 7-1-2018	Ending account value 12-31-2018	Expenses paid during the period[1]	Annualized net expense ratio
Class 2				
Actual	$1,000.00	$ 861.52	$5.40	1.15%
Hypothetical (5% return before expenses)	$1,000.00	$1,019.41	$5.85	1.15%

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

Security name	Shares	Value
Common Stocks: 96.29%		
Communication Services: 4.92%		
Entertainment: 3.26%		
Take-Two Interactive Software Incorporated †	17,500	$ 1,801,450
World Wrestling Entertainment Incorporated Class A	30,800	2,301,376
		4,102,826
Interactive Media & Services: 1.66%		
Match Group Incorporated «	48,900	2,091,453
Consumer Discretionary: 15.58%		
Diversified Consumer Services: 3.46%		
Adtalem Global Education Incorporated †	39,200	1,854,944
Bright Horizons Family Solutions Incorporated †	22,400	2,496,480
		4,351,424
Hotels, Restaurants & Leisure: 7.25%		
Chipotle Mexican Grill Incorporated †	4,000	1,727,160
Eldorado Resorts Incorporated †	55,100	1,995,171
Hilton Grand Vacations Incorporated †	58,100	1,533,259
Six Flags Entertainment Corporation	25,092	1,395,868
Vail Resorts Incorporated	11,700	2,466,594
		9,118,052
Household Durables: 0.69%		
Skyline Champion Corporation	59,300	871,117
Internet & Direct Marketing Retail: 2.28%		
MercadoLibre Incorporated	6,354	1,860,769
Wayfair Incorporated Class A †	11,205	1,009,346
		2,870,115
Specialty Retail: 1.90%		
Burlington Stores Incorporated †	14,716	2,393,852
Consumer Staples: 2.19%		
Beverages: 0.98%		
National Beverage Corporation «	17,257	1,238,535
Food Products: 1.21%		
Lamb Weston Holdings Incorporated	20,600	1,515,336
Energy: 0.85%		
Oil, Gas & Consumable Fuels: 0.85%		
Viper Energy Partners LP	41,200	1,072,848

Security name	Shares	Value
Financials: 2.41%		
Capital Markets: 1.38%		
Raymond James Financial Incorporated	23,300	$ 1,733,753
Consumer Finance: 1.03%		
SLM Corporation †	155,700	1,293,867
Health Care: 22.20%		
Biotechnology: 5.61%		
AnaptysBio Incorporated †	9,427	601,348
Array BioPharma Incorporated †	75,407	1,074,550
Avrobio Incorporated †	13,600	226,440
CRISPR Therapeutics AG †«	17,227	492,175
Exact Sciences Corporation †	27,700	1,747,870
Flexion Therapeutics Incorporated †«	71,268	806,754
Immunomedics Incorporated †	43,400	619,318
Mirati Therapeutics Incorporated †	11,900	504,798
Sarepta Therapeutics Incorporated †	9,003	982,497
		7,055,750
Health Care Equipment & Supplies: 8.69%		
Avanos Medical Incorporated †	33,700	1,509,423
DexCom Incorporated †	13,600	1,629,280
Haemonetics Corporation †	19,400	1,940,970
ICU Medical Incorporated †	9,100	2,089,633
Insulet Corporation †«	27,999	2,220,881
iRhythm Technologies Incorporated †	22,100	1,535,508
		10,925,695
Health Care Providers & Services: 2.63%		
Guardant Health Incorporated †«	13,286	499,421
WellCare Health Plans Incorporated †	11,900	2,809,471
		3,308,892
Health Care Technology: 1.95%		
Veeva Systems Incorporated Class A †	27,500	2,456,300
Life Sciences Tools & Services: 1.15%		
Bio-Rad Laboratories Incorporated Class A †	6,200	1,439,764
Pharmaceuticals: 2.17%		
Elanco Animal Health Incorporated †«	32,409	1,021,856
GW Pharmaceuticals plc ADR †«	7,800	759,642
MyoKardia Incorporated †	8,579	419,170
Wave Life Sciences Limited †«	12,700	533,908
		2,734,576

Security name	Shares	Value
Industrials: 16.72%		
Aerospace & Defense: 4.24%		
Curtiss-Wright Corporation	16,494	$ 1,684,367
Mercury Computer Systems Incorporated †	34,300	1,622,047
Teledyne Technologies Incorporated †	9,800	2,029,286
		5,335,700
Building Products: 1.23%		
A.O. Smith Corporation	36,200	1,545,740
Commercial Services & Supplies: 5.86%		
Cintas Corporation	11,500	1,931,885
The Brink's Company	25,300	1,635,645
Waste Connections Incorporated	51,243	3,804,793
		7,372,323
Construction & Engineering: 0.95%		
WillScot Corporation †	126,717	1,193,674
Machinery: 0.64%		
Evoqua Water Technologies Company †	84,337	809,635
Road & Rail: 1.26%		
Saia Incorporated †	28,400	1,585,288
Trading Companies & Distributors: 2.54%		
SiteOne Landscape Supply Incorporated †	31,350	1,732,715
Univar Incorporated †	82,180	1,457,873
		3,190,588
Information Technology: 28.60%		
Communications Equipment: 1.57%		
Motorola Solutions Incorporated	17,200	1,978,688
Electronic Equipment, Instruments & Components: 4.85%		
Littelfuse Incorporated	7,857	1,347,318
Novanta Incorporated †	18,900	1,190,700
Rogers Corporation †	9,780	968,807
Zebra Technologies Corporation Class A †	16,249	2,587,328
		6,094,153
IT Services: 14.81%		
Black Knight Incorporated †	57,900	2,608,974
EPAM Systems Incorporated †	18,419	2,136,788
Euronet Worldwide Incorporated †	20,293	2,077,597
First Data Corporation Class A †	114,000	1,927,740
Gartner Incorporated †	16,500	2,109,360
Shopify Incorporated Class A †«	16,500	2,284,425
Total System Services Incorporated	17,800	1,446,962

Security name		Yield	Shares	Value
IT Services (continued)				
Twilio Incorporated Class A †«			18,000	$ 1,607,400
WEX Incorporated †			17,400	2,437,044
				18,636,290
Semiconductors & Semiconductor Equipment: 1.36%				
Universal Display Corporation «			18,300	1,712,331
Software: 5.11%				
2U Incorporated †			29,700	1,476,685
Envestnet Incorporated †			26,900	1,323,211
Globant SA †			33,600	1,892,352
Ultimate Software Group Incorporated †			7,100	1,738,577
				6,430,825
Technology Hardware, Storage & Peripherals: 0.90%				
NCR Corporation †			49,000	1,130,920
Materials: 2.82%				
Chemicals: 1.74%				
Ingevity Corporation †			26,100	2,184,309
Construction Materials: 1.08%				
Vulcan Materials Company			13,800	1,363,440
Total Common Stocks (Cost $117,072,896)				121,138,059
Short-Term Investments: 14.31%				
Investment Companies: 14.31%				
Securities Lending Cash Investments LLC (l)(r)(u)		2.38%	13,299,929	13,301,259
Wells Fargo Government Money Market Fund Select Class (l)(u)		2.33	4,704,923	4,704,923
Total Short-Term Investments (Cost $18,005,922)				18,006,182
Total investments in securities (Cost $135,078,818)	110.60%			139,144,241
Other assets and liabilities, net	(10.60)			(13,338,382)
Total net assets	100.00%			$125,805,859

† Non-income-earning security

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

(l) The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.

(r) The investment is a non-registered investment company purchased with cash collateral received from securities on loan.

(u) The rate represents the 7-day annualized yield at period end.

Abbreviations:

ADR American depositary receipt

Investments in Affiliates

An affiliated investment is an investment in which the Fund owns at least 5% of the outstanding voting shares of the issuer or as a result of other relationships, such as the Fund and the issuer having the same investment manager. Transactions with issuers that were either affiliated persons of the Fund at the beginning of the period or the end of the period were as follows:

	Shares, beginning of period	Shares purchased	Shares sold	Shares, end of period	Net realized gains (losses)	Net change in unrealized gains (losses)	Income from affiliated securities	Value, end of period	% of net assets
Short-Term Investments									
Investment Companies									
Securities Lending Cash Investments LLC	9,357,894	122,992,561	119,050,526	13,299,929	$ (345)	$0	$ 274,001	$ 13,301,259	
Wells Fargo Government Money Market Fund Select Class	1,291,715	43,206,893	39,793,685	4,704,923	0	0	53,400	4,704,923	
					$(345)	**$0**	**$327,401**	**$18,006,182**	**14.31%**

Assets	
Investments in unaffiliated securities (including $13,294,935 of securities loaned), at value (cost $117,072,896)	$ 121,138,059
Investments in affiliated securities, at value (cost $18,005,922)	18,006,182
Receivable for Fund shares sold	77,667
Receivable for dividends	87,185
Receivable for securities lending income	3,580
Prepaid expenses and other assets	3,298
Total assets	139,315,971
Liabilities	
Payable upon receipt of securities loaned	13,301,349
Management fee payable	82,809
Payable for Fund shares redeemed	69,232
Distribution fee payable	28,558
Administration fee payable	9,139
Trustees' fees and expenses payable	2,162
Accrued expenses and other liabilities	16,863
Total liabilities	13,510,112
Total net assets	**$125,805,859**

NET ASSETS CONSIST OF

Paid-in capital	$ 104,717,756
Total distributable earnings	21,088,103
Total net assets	**$125,805,859**

COMPUTATION OF NET ASSET VALUE PER SHARE

Net assets – Class 2	$ 125,805,859
Shares outstanding – Class 2[1]	4,813,248
Net asset value per share – Class 2	$26.14

1 The Fund has an unlimited number of authorized shares.

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

Investment income	
Dividends (net of foreign withholding taxes of $4,682)	$ 743,402
Securities lending income from affiliates, net	104,713
Income from affiliated securities	53,400
Total investment income	901,515
Expenses	
Management fee	1,118,313
Administration fee	
Class 2	119,287
Distribution fee	
Class 2	372,771
Custody and accounting fees	21,160
Professional fees	38,935
Shareholder report expenses	28,860
Trustees' fees and expenses	20,878
Other fees and expenses	8,575
Total expenses	1,728,779
Less: Fee waivers and/or expense reimbursements	(14,033)
Net expenses	1,714,746
Net investment loss	(813,231)

REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS

Net realized gains (losses) on:	
Unaffiliated securities	17,962,459
Affiliated securities	(345)
Net realized gains on investments	17,962,114
Net change in unrealized gains (losses) on investments	(26,090,173)
Net realized and unrealized gains (losses) on investments	(8,128,059)
Net decrease in net assets resulting from operations	**$ (8,941,290)**

	Year ended December 31, 2018		Year ended December 31, 2017[1]	
Operations				
Net investment loss		$ (813,231)		$ (908,347)
Net realized gains on investments		17,962,114		18,740,756
Net change in unrealized gains (losses) on investments		(26,090,173)		16,114,650
Net increase (decrease) in net assets resulting from operations		(8,941,290)		33,947,059
Distributions to shareholders from net investment income and net realized gains – Class 2		(17,790,224)		(7,089,124)
Capital share transactions	**Shares**		**Shares**	
Proceeds from shares sold – Class 2	285,101	9,073,079	374,458	10,970,353
Reinvestment of distributions – Class 2	566,207	17,790,224	244,790	7,089,124
Payment for shares redeemed – Class 2	(612,162)	(19,500,629)	(674,278)	(19,662,185)
Net increase (decrease) in net assets resulting from capital share transactions		7,362,674		(1,602,708)
Total increase (decrease) in net assets		(19,368,840)		25,255,227
Net assets				
Beginning of period		**145,174,699**		**119,919,472**
End of period		**$125,805,859**		**$145,174,699**

[1] Effective for all filings after November 4, 2018, the SEC prospectively eliminated the requirements to parenthetically disclose undistributed net investment income at the end of the period and permitted the aggregation of distributions, with the exception of tax basis returns of capital. The disaggregated distributions information for the year ended December 31, 2017 is included in Note 7, *Distributions to Shareholders*, in the notes to the financial statements.

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

(For a share outstanding throughout each period)

	Year ended December 31				
CLASS 2	2018	2017	2016	2015	2014
Net asset value, beginning of period	**$31.74**	**$25.91**	**$25.99**	**$30.71**	**$35.20**
Net investment loss	(0.17)	(0.20)	(0.13)	(0.21)	(0.22)
Net realized and unrealized gains (losses) on investments	(1.39)	7.60	2.00	0.21	0.16
Total from investment operations	(1.56)	7.40	1.87	0.00	(0.06)
Distributions to shareholders from					
Net realized gains	(4.04)	(1.57)	(1.95)	(4.72)	(4.43)
Net asset value, end of period	**$26.14**	**$31.74**	**$25.91**	**$25.99**	**$30.71**
Total return[1]	**(7.06)%**	**29.13%**	**7.65%**	**(1.46)%**	**0.36%**
Ratios to average net assets (annualized)					
Gross expenses	1.16%	1.16%	1.18%	1.17%	1.14%
Net expenses	1.15%	1.15%	1.15%	1.15%	1.14%
Net investment loss	(0.55)%	(0.68)%	(0.52)%	(0.72)%	(0.68)%
Supplemental data					
Portfolio turnover rate	60%	75%	85%	90%	79%
Net assets, end of period (000s omitted)	$125,806	$145,175	$119,919	$126,839	$138,490

1 Performance figures of the Fund do not reflect fees charged pursuant to the terms of variable life insurance policies and variable annuity contracts.

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

1. ORGANIZATION

Wells Fargo Variable Trust (the "Trust"), a Delaware statutory trust organized on March 10, 1999, is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). 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 VT Discovery Fund (the "Fund") which is a diversified series of the Trust. The Trust offers shares of the Fund to separate accounts of various life insurance companies as funding vehicles for certain variable annuity contracts and variable life insurance policies.

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.

Equity securities that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price. If no sale occurs on the principal exchange or market that day, a fair value price will be determined in accordance with the Fund's Valuation Procedures.

Investments in registered open-end investment companies are valued at net asset value. Interests in non-registered investment companies that are redeemable at net asset value are fair valued normally at net asset value.

Investments which are not valued using any of the methods 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.

Securities lending

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

The Fund lends its securities through an unaffiliated securities lending agent. Cash collateral received in connection with its securities lending transactions is invested in Securities Lending Cash Investments, LLC (the "Securities Lending Fund"). The Securities Lending Fund is exempt from registration under Section 3(c)(7) of the 1940 Act and is managed by Funds Management and is subadvised by Wells Capital Management Incorporated ("WellsCap"), an affiliate of Funds Management and an indirect wholly owned subsidiary of Wells Fargo & Company ("Wells Fargo"). Funds Management receives an advisory fee starting at 0.05% and declining to 0.01% as the average daily net assets of the Securities Lending Fund increase. All of the fees received by Funds Management are paid to WellsCap for its services as subadviser. The

Securities Lending Fund seeks to provide a positive return compared to the daily Fed Funds Open Rate by investing in high-quality, U.S. dollar-denominated short-term money market instruments. Securities Lending Fund investments are valued at the evaluated bid price provided by an independent pricing service. Income earned from investment in the Securities Lending Fund (net of fees and rebates), if any, is included in securities lending income from affiliates (net of fees and rebates) on the Statement of Operations.

Security transactions and income recognition

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

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

Distributions to shareholders

Distributions to shareholders from net investment income and 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.

As of December 31, 2018, the aggregate cost of all investments for federal income tax purposes was $135,180,852 and the unrealized gains (losses) consisted of:

Gross unrealized gains	$ 17,622,845
Gross unrealized losses	(13,659,456)
Net unrealized gains	$ 3,963,389

3. FAIR VALUATION MEASUREMENTS

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

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

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

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of December 31, 2018:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Investments in:				
Common stocks				
Communication services	$ 6,194,279	$ 0	$0	$ 6,194,279
Consumer discretionary	19,604,560	0	0	19,604,560
Consumer staples	2,753,871	0	0	2,753,871
Energy	1,072,848	0	0	1,072,848
Financials	3,027,620	0	0	3,027,620
Health care	27,920,977	0	0	27,920,977
Industrials	21,032,948	0	0	21,032,948
Information technology	35,983,207	0	0	35,983,207
Materials	3,547,749	0	0	3,547,749
Short-term investments				
Investment companies	4,704,923	13,301,259	0	18,006,182
Total assets	**$125,842,982**	**$13,301,259**	**$0**	**$139,144,241**

Additional sector, industry or geographic detail is included in the Portfolio of Investments.

At December 31, 2018, the Fund did not have any transfers into/out of Level 3.

4. TRANSACTIONS WITH AFFILIATES

Management fee

Funds Management, an indirect wholly owned subsidiary of 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, supervising the subadviser 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 an annual management fee starting at 0.75% and declining to 0.58% as the average daily net assets of the Fund increase. For the year ended December 31, 2018, the management fee was equivalent to an annual rate of 0.75% of the Fund's average daily net assets.

Funds Management has retained the services of a subadviser to provide daily portfolio management to the Fund. The fee for subadvisory services is borne by Funds Management. WellsCap is the subadviser to the Fund and is entitled to receive a fee from Funds Management at an annual rate starting at 0.45% and declining to 0.35% as the average daily net assets of the Fund increase.

Administration fee

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 a class level administration fee of 0.08% which is calculated based on the average daily net assets of Class 2 shares.

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 Class 2 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; otherwise, waivers and/or reimbursements are applied against class specific expenses before fund level expenses. Funds Management has committed through April 30, 2019 to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's expenses at 1.15% for Class 2 shares. After this time, 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 2 shares of the Fund pursuant to Rule 12b-1 under the 1940 Act. A distribution fee is charged to Class 2 shares and paid to Wells Fargo Funds Distributor, LLC ("Funds Distributor"), the principal underwriter, at an annual rate of 0.25% of the average daily net assets of Class 2 shares.

Interfund transactions

The Fund may purchase or sell portfolio investment securities to certain other Wells Fargo affiliates pursuant to Rule 17a-7 under the 1940 Act and under procedures adopted by the Board of Trustees. The procedures have been designed to ensure that these interfund transactions, which do not incur broker commissions, are effected at current market prices.

5. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments, excluding U.S. government obligations (if any) and short-term securities, for the year ended December 31, 2018 were $87,722,372 and $102,204,245, respectively.

6. BANK BORROWINGS

The Trust, Wells Fargo Master Trust and Wells Fargo Funds Trust (excluding the money market funds) 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.

For the year ended December 31, 2018, there were no borrowings by the Fund under the agreement.

7. DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the year ended December 31, 2018 and December 31, 2017 were as follows:

	Year ended December 31	
	2018	2017
Ordinary income	$ 1,655,802	$ 0
Long-term capital gain	16,134,422	7,089,124

As of December 31, 2018, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	Undistributed long-term gain	Unrealized gains
$2,914,439	$14,210,275	$3,963,389

Effective for all filings after November 4, 2018, the Securities and Exchange Commission eliminated the requirement to separately state the components of distributions to shareholders under U.S. generally accepted accounting principles. The amount of distributions to shareholders from net realized gains for the year ended December 31, 2017 was $7,089,124.

8. CONCENTRATION RISK

Concentration risk result from exposure to a limited number of sectors. A fund that invests a substantial portion of its assets in any sector may be more affected by changes in that sector than would be a fund whose investments are not heavily weighted in any sector.

9. INDEMNIFICATION

Under the Trust'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 Trust. Additionally, in the normal course of business, the Trust may enter into contracts with service providers that contain a variety of indemnification clauses. The Trust's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

10. NEW ACCOUNTING 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.

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Wells Fargo VT Discovery Fund (the Fund), one of the funds constituting Wells Fargo Variable Trust, including the portfolio of investments, as of December 31, 2018, 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 December 31, 2018, 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 December 31, 2018, by correspondence with custodians and brokers, or by other appropriate auditing procedures. 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 auditors of one or more Wells Fargo Funds investment companies, however we are aware that we have served as the auditors of one or more Wells Fargo Funds investment companies since at least 1955.

Boston, Massachusetts
February 22, 2019

TAX INFORMATION

Pursuant to Section 852 of the Internal Revenue Code, $16,134,422 was designated as a 20% rate gain distribution for the fiscal year ended December 31, 2018.

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- 260-5969**, visiting our website at **wellsfargofunds.com**, or visiting the SEC website at sec.gov. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on the Fund's website at **wellsfargofunds.com** or by visiting the SEC website at sec.gov.

PORTFOLIO HOLDINGS INFORMATION

The complete portfolio holdings for the Fund are publicly available monthly on the Fund's website (**wellsfargofunds.com**), on a one-month delayed basis. In addition, top ten holdings information (excluding derivative positions) for the Fund is publicly available on the Fund's website on a monthly, seven-day or more delayed basis. The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, which is available by visiting the SEC website at sec.gov. In addition, the Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and at regional offices in New York City, at 233 Broadway, and in Chicago, at 175 West Jackson Boulevard, Suite 900. Information about the Public Reference Room may be obtained by calling 1-800-SEC-0330.

BOARD OF TRUSTEES 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 152 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. Board member of the Vincent Memorial Hospital Endowment (non-profit organization), where he serves on the Investment Committee and as a Chair of the Audit Committee. 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 a Board Member of The Ruth Bancroft Garden (non-profit organization). She is also an inactive Chartered Financial Analyst.	N/A
Isaiah Harris, Jr.[3] (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[3] (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
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

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
Olivia S. Mitchell (Born 1953)	Trustee, since 2006; Nominating and Governance Committee Chairman, 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; Vice Chairman, from 2017 to 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; Advisory Board Member, from 2017 to 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
Michael S. Scofield[4] (Born 1943)	Trustee, since 2010	Served on the Investment Company Institute's Board of Governors and Executive Committee from 2008-2011 as well the Governing Council of the Independent Directors Council from 2006-2011 and the Independent Directors Council Executive Committee from 2008-2011. Trustee of the Evergreen Fund complex (and its predecessors) from 1984 to 2010. Chairman of the Evergreen Funds from 2000-2010. Former Trustee of the Mentor Funds. Retired Attorney, Law Offices of Michael S. Scofield.	N/A
Pamela Wheelock (Born1959)	Trustee, since 2018; Advisory Board Member, from 2017 to 2018	Chief Operating Officer, Twin Cities Habitat for Humanity, since January, 2017. Vice President of University Services, University of Minnesota from 2012 to 2017. 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 President and Chief Executive Officer of Blue Cross Blue Shield of Minnesota from 2010 to 2011, Chairman of the Board from 2009 to 2011 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. Commissioner of Finance, State of Minnesota, from 1999 to 2002. Currently the 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.

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.
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.
Alexander Kymn (Born 1973)	Secretary, since 2018; Chief Legal Officer, since 2018	Senior Company Counsel of Wells Fargo Bank, N.A. since 2018 (previously Senior Counsel from 2007 to 2018). Vice President of Wells Fargo Funds Management, LLC from 2008 to 2014.
Michael H. Whitaker (Born 1967)	Chief Compliance Officer, since 2016	Senior Vice President and Chief Compliance Officer 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.

1 Jeremy DePalma acts as Treasurer of 76 funds and Assistant Treasurer of 76 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 **1-800-260-5969** or by visiting the website at **wellsfargofunds.com**.

3 Mr. Harris replaced Ms. Johnson as the Chairman of the Audit Committee effective January 1, 2019.

4 Mr. Scofield retired on December 31, 2018.

This page is intentionally left blank.

This page is intentionally left blank.

This page is intentionally left blank.

Get this document online

Sign up at wellsfargo.com/advantagedelivery

WELLS FARGO | ASSET MANAGEMENT

*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 **1-800-260-5969** or visit the Fund's website at **wellsfargofunds.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

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

320436 02-19
AVT1/AR147 12-18