

Release Date: 09-30-2018

# Wells Fargo VT Discovery Fund — Class 2

## Investment Strategy from investment's prospectus

The investment seeks long-term capital appreciation. The fund normally invests: at least 80% of its net assets in equity securities of small- and medium-capitalization companies; and up to 25% of its total assets in equity securities of foreign issuers through ADRs and similar investments. It invests in equity securities of small- and medium-capitalization companies that the fund manager believes offer favorable opportunities for growth.

Past name: Wells Fargo Advantage VT Discovery.

## Category Description: Mid-Cap Growth

Some mid-cap growth funds invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth funds target firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. Many of these stocks are found in the volatile technology, health-care and service sectors.

## Operations

Fund Inception Date	05-08-92
Initial Share Class Inception Date	05-08-92
Advisor	Wells Fargo Funds Management LLC
Subadvisor	Wells Capital Management Inc.

## Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.17%
Net Prospectus Expense Ratio	1.16%

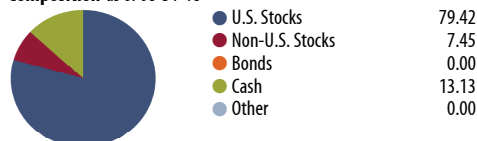
Waiver Data	Type	Exp.Date	%
Expense Ratio	Contractual	04-30-19	0.01

## Portfolio Manager(s)

Michael T. Smith, CFA. B.S., DePauw University. Since 2011.  
 Christopher J. Warner. M.B.A., University of Michigan (Ross). B.A., University of Illinois. Since 2012.

## Portfolio Analysis as of 08-31-18

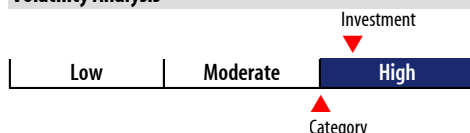
### Composition as of 08-31-18



### Top 20 Holdings as of 08-31-18

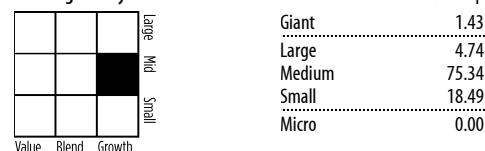
Company	% Assets
Waste Connections Inc	2.48
WEX Inc	2.26
Gartner Inc A	1.88
Take-Two Interactive Software Inc	1.81
WellCare Health Plans Inc	1.77
First Data Corp Class A	1.75
Vail Resorts Inc	1.68
Bright Horizons Family Solutions Inc	1.62
SiteOne Landscape Supply Inc	1.60
Veeva Systems Inc Class A	1.59
Curtiss-Wright Corp	1.56
ICU Medical Inc	1.55
Ingevity Corp	1.50
Hill-Rom Holdings Inc	1.48
Black Knight Inc A	1.47
Euronet Worldwide Inc	1.47
The Brink's Co	1.46
The Ultimate Software Group Inc	1.45
Zebra Technologies Corp	1.43
Burlington Stores Inc	1.41
Total Number of Stock Holdings	81
Total Number of Bond Holdings	—
Annual Turnover Ratio %	75.00
Total Fund Assets (\$mil)	161.39

## Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

### Morningstar Style Box™ as of 08-31-18



### Statistics as of 08-31-18

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	26.36	17.98	24.16
P/B Ratio	5.57	3.17	4.63
P/C Ratio	19.60	13.67	16.23
GeoAvgCap(\$mil)	6,572.85	109,557.79	12,655.86

### Risk Measures as of 09-30-18

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	11.66	9.18	11.15
3 Yr Sharpe Ratio	1.42	1.69	1.31
3 Yr Alpha	0.17	—	-0.94
3 Yr Beta	1.05	—	0.99
3 Yr R-squared	69.05	—	68.66

### Morningstar Sectors as of 08-31-18

Sector	%Fund	S&P 500 %
Cyclical	24.97	32.42
Basic Materials	5.10	2.27
Consumer Cyclical	14.95	12.18
Financial Services	4.92	15.79
Real Estate	0.00	2.18
Sensitive	48.88	42.67
Communication Services	0.00	3.24
Energy	1.01	6.00
Industrials	22.87	10.35
Technology	25.00	23.08
Defensive	26.15	24.92
Consumer Defensive	5.94	7.13
Healthcare	20.21	14.96
Utilities	0.00	2.83

## Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE