

# Fundamental Mid Cap Growth Equity Managed Account

## BENCHMARK:

Russell Midcap® Growth Index

## TOP TEN HOLDINGS (%)

Equinix Inc. ....	2.41
American Tower Corp.....	2.34
Hospira Inc. ....	2.25
Delta Air Lines Inc.....	2.17
Alexion Pharmaceuticals Inc. ....	2.16
Pioneer Natural Resources Co.....	2.12
TRW Automotive Holdings Corp. ....	2.10
T. Rowe Price Group Inc.....	2.09
AmerisourceBergen Corp. ....	2.02
Parker Hannifin Corp. ....	1.95

The information provided in this report should not be considered a recommendation to purchase or sell a particular security. There is no assurance that any securities discussed herein will remain in an account portfolio at the time you review this report or securities sold have not been re-purchased. The securities discussed do not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the security transactions or holdings discussed were or will prove to be profitable or that the investment recommendations or decisions made in the future will be profitable or will equal the investment performance of the securities discussed herein.

## PORTFOLIO MANAGEMENT

Name	Industry	Start Date
<b>Thomas J. Pence, CFA</b> <i>Portfolio Manager</i>		1987
<b>James M. Leach, CFA</b> <i>Portfolio Manager</i>		1997
<b>Michael C. Harris, CFA</b> <i>Portfolio Manager</i>		1999
<b>Michael T. Smith, CFA</b> <i>Portfolio Manager</i>		1999
<b>Ozo Jaculewicz, CFA</b> <i>Associate Portfolio Manager</i>		1995

## A Unique Approach

The Fundamental Mid Cap Growth Equity portfolio managers engage in a unique approach to stock selection. The team uses a collaborative effort, ensuring that no one person's bias overly influences stock selection decisions. Any given stock under consideration is fully researched, presented to the team, and discussed openly before it's purchased. Every voice on the team is heard, and frank discussion is encouraged, enhancing a rigorous selection process.

## Differentiating Characteristics

- Focused approach to emphasize alpha generation.
- Research-intensive investment process designed to "surround the company."
- Analysis of current balance sheet to understand future earnings.
- Disciplined management of valuation targets.
- Portfolio construction that balances return and risk.

## Investment Philosophy

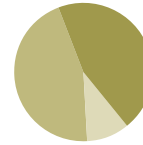
We believe that:

- The equity markets are inefficient.
- Bottom-up security selection can add alpha.
- Intensive grass-roots research cannot be outsourced.
- Superior long-term returns are generated by companies that have good business models and are led by management teams who invest capital wisely.
- Because growth stocks can be expensive, valuation matters.

## Portfolio Construction

The portfolio construction methodology is designed to perform in both up and down markets.

- Determine position size by research conviction, quality, valuation, and catalysts.
- Monitor sector and industry weights to maximize opportunity and manage risk.
- Select 60 to 70 of the best ideas.



- 40–50% Core Growth Companies
- 40–50% Developing Situations
- 5–10% Valuation Opportunities

## Supplemental Performance

	Composite Total Returns (%)* (Incpt. 02-01-06)			
	YTD	1 Year	3 Year	Since Inception
Gross of Fees <sup>1</sup>	-2.82	21.69	-8.15	-1.75
Net of Fees	-4.27	18.09	-10.87	-4.66
Russell Midcap Growth Index	-3.31	21.30	-7.53	-1.97

	Representative Account Returns (%)* (Incpt. 11-01-00)				
	YTD	1 Year	3 Year	5 Year	Since Incept.
Gross of Fees <sup>2</sup>	-2.82	21.69	-8.15	1.71	0.74
Net of Fees	-4.27	18.09	-10.87	-1.05	-1.09
Russell Midcap Growth Index	-3.31	21.30	-7.53	1.37	-1.59

\*Returns of less than one year are not annualized

Return and Risk Characteristics <sup>3</sup>		
Fund. Mid Cap Growth Equity SMA (3 Year) versus benchmark		
Alpha	-0.72%	
Beta	0.98	
R <sup>2</sup>	94.0%	
Tracking Error	6.47%	
	Fund. Mid Cap Growth Equity SMA (3 Year)	Benchmark
Sharpe Ratio	-0.38	-0.36
Standard Dev.	25.11%	24.87%

Sector Weightings <sup>4,5</sup> (% Equities)		
Sector	Portfolio	Benchmark
Consumer Discretionary	24.93	19.30
Consumer Staples	3.13	5.63
Energy	6.96	5.09
Financials	5.67	6.92
Health Care	13.03	14.21
Industrials	14.26	15.85
Information Technology	24.54	23.63
Materials	3.44	6.86
Telecommunication Services	4.03	1.86
Utilities	0.00	0.66

Portfolio Characteristics <sup>5</sup>		
Statistic	Portfolio	Benchmark
Dividend Yield	0.54%	0.99%
Price/Book	2.90x	3.17x
P/E using FY1 est	16.33x	15.22x
ROE	16.10%	17.12%
EPS 3–5 Year est	14.54%	14.14%
Historical 3 Yr EPS Growth	5.10%	6.52%
Wtd. Avg. Market Cap (\$B)	7.33	6.09

Performance is historical and does not guarantee future results. This performance is being used solely as supplemental information to the composite presentation. For more information, please refer to the attached Schedule of Performance Results and Representative Account footnote. Source of indices: FactSet. Sector weightings, portfolio characteristics, holdings, and market-cap weightings are based on an account within the composite.

1. The gross performance data is a pure gross of fees return and does not reflect the deduction of any management fees or transaction costs.
2. The gross performance data, beginning February 1, 2006, is a pure gross of fees return and does not reflect the deduction of any management fees or transaction costs.
3. Source: Wells Fargo Funds Management, LLC.
4. Sector weightings may not add up to 100% due to rounding.
5. Source: FactSet.

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# Fundamental Mid Cap Growth Equity Managed Account Composite Disclosure

02-01-06 (Inception) through 12-31-09 | Schedule of Performance Results

The Wells Fargo Managed Account Services Fundamental Mid Cap Growth Equity Managed Account Composite (formerly the Strong Fundamental Mid Capitalization Equity Managed Account Composite) contains portfolios investing primarily in a broad range of medium capitalization companies, from smaller or emerging medium capitalization securities to the larger end of the medium capitalization spectrum. The investment process employs intensive grassroots research to identify high-growth companies that we believe will outperform their peers over the next 12 to 18 months. Also, the portfolio managers pay close attention to several risk parameters, including favorable underlying growth fundamentals, solid management team, earnings and balance sheet strength, and valuation levels. Finally, the portfolio composition is closely monitored because we believe that constructing a well-diversified portfolio consisting of core holdings, evolving situations, and valuation opportunities further reduces risk while enhancing return. Portfolios tend to be fully invested, but cash may be held in modest amounts to manage risk during adverse market conditions. Investment results are normally measured versus the Russell Midcap® Growth Index.

## SUPPLEMENTAL INFORMATION

### Representative Account

Representative Account performance data is being used solely as supplemental information to illustrate the Fundamental Mid Cap Growth Equity investment style. As with all performance, this data is historical and does not represent future results.

The performance data for the period of November 1, 2000, through March 31, 2003, reflects performance of the Strong Fundamental Mid Capitalization Growth Equity Composite. The cumulative total return for the Composite was -41.61% (net) and -40.38% (gross). The net performance data reflects the deduction of a 3.00% annual expense ratio. There were no Managed Account clients in this strategy during this period.

The performance data for the period of April 1, 2003, through December 31, 2004, reflects performance of the Strong Fundamental Mid Capitalization Growth Equity Managed Account Composite. The cumulative total return for the Composite was 61.03% (net) and 63.39% (gross). The net performance data reflects the deduction of a 3.00% annual expense ratio. The gross performance data is a pure gross of fees return and does not reflect the deduction of any management fees or transaction costs.

The performance data for the period of January 1, 2005, through January 31, 2006, reflects the performance of the Wells Capital Management Fundamental Mid Cap Growth Equity Managed Account

Composite. The cumulative total return for the composite was 18.11% (net) and 19.19% (gross). The net performance data reflects the deduction of a 3.00% annual expense ratio. The gross performance data is a pure gross of fees return and does not reflect the deduction of any management fees or transaction costs.

The performance data for the period of February 1, 2006, through December 31, 2009, reflects the performance of the Wells Fargo Fundamental Mid Cap Growth Equity Managed Account Composite. The cumulative total return for the composite was -15.37% (net) and -4.81% (gross). The net performance data reflects the deduction of a 3.00% annual expense ratio. The gross performance data is a pure gross of fees return and does not reflect the deduction of any management fees or transaction costs.

## ACCOMPANYING NOTES

### General

The accompanying schedule of performance results for the Fundamental Mid Cap Growth Equity Managed Account Composite (the "Composite") represents the investment performance results for the Composite. The Composite was created in 2003 and consists of all actual discretionary portfolios advised by Wells Fargo Funds Management, LLC, and subadvised by Wells Capital Management in this discipline.

Wells Fargo Managed Account Services (the "Firm") is a program of professionally managed custom portfolios made up of individual securities. Prior to January 2005, portfolio management was provided by Strong Capital Management, Inc.

To receive a complete list and description of the Firm's composites, contact Dawn Christensen at Dawn.Christensen@wellsfargo.com.

### Calculation Methodology

Time-weighted portfolio returns are based on monthly valuations of portfolios. Dividend income is recorded on ex-dividend date and interest income is recorded on the accrual basis.

Composite returns are calculated by weighting the monthly returns of all portfolios in the Composite by their beginning-of-month market values. Annual and quarterly composite returns are calculated by geometrically linking the quarterly and monthly composite returns, respectively. Cumulative rates of return for multiyear periods are calculated by compounding the annual rates of return within such periods. The annualized rate of return is equivalent to the annual rate of return, which, if earned in each year of the indicated multiyear period, would produce the actual cumulative rate of return over the time period.

New portfolios are added to the Composite in the beginning of the first full month of performance unless the client has otherwise specified the commencement of performance measurement. A portfolio is excluded from the Composite after the last full month that performance is measured against its benchmark. All information is expressed in U.S. dollars.

A model fee is utilized for the net composite returns, which is the maximum annual wrap fee in effect during each respective performance period for each portfolio in the Composite. The annual wrap fee is divided by 12 to determine the monthly wrap fee. Monthly composite net of fee returns are calculated as  $(1 - \text{monthly wrap fee}) \times (1 + \text{monthly gross return}) - 1$ . Monthly composite net of fee returns are linked to calculate composite net of fee returns.

The dispersion within a composite is measured by using the equal method of standard deviation. The standard deviation of gross annual portfolio returns is calculated from the measurements of variance from the mean annual portfolio return. Assuming "normal" distribution of returns, plus or minus one standard deviation from the mean return encompasses 68% of all possible outcomes. A statistical measure of internal dispersion for composites with five or fewer accounts included for the entire year is not considered meaningful.

### Fees and Expenses

A wrap-fee account is an account under which any client is charged a specified fee or fees not based directly upon transactions in a client's account for investment advisory services and execution of client transactions. A typical wrap-fee account has a contract or contracts (and fee) involving a broker as the investment advisor, other services (custody, consulting, reporting, performance, customer). This fee is called a "wrap fee" because it is a single all-inclusive selection, monitoring, and execution of trades, and the client (brokerage fee charged for the asset-based brokerage relationship. The wrap fee is a negotiable single fee for each account. No non-fee-paying portfolios are included in this Composite.

All performance results presented below are net of commissions and transaction costs and have been presented net of wrap fees. Currently, the maximum fee for new Fundamental Mid Cap Growth Equity Managed Account portfolios is 3.00%.

### Comparison with Market Index

The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index. Source of the index data is Morningstar EnCorr.

Annualized Returns (%)			
	1 Year	3 Year	Since Inception
Composite—Net of Fees	35.57	-5.91	-4.17
Benchmark <sup>1</sup>	46.29	-3.18	-1.37

Cumulative Returns (%)			
	1 Year	3 Year	Since Inception
Composite—Net of Fees	35.57	-16.70	-15.37
Benchmark <sup>1</sup>	46.29	-9.24	-5.25

	2006	2007	2008	2009
<b>Composite Returns (Net)</b>				
1st Quarter (%)	—	4.42	-14.19	-2.24
2nd Quarter (%)	-4.61	7.84	13.44	12.41
3rd Quarter (%)	-2.27	6.01	-23.84	16.22
4th Quarter (%)	6.87	-2.56	-28.74	6.14
Annual (%)	—	16.32	-47.18	35.57
<b>Benchmark Returns<sup>1</sup></b>				
1st Quarter (%)	—	3.96	-10.95	-3.36
2nd Quarter (%)	-4.69	6.74	4.65	20.67
3rd Quarter (%)	0.89	2.15	-17.75	17.58
4th Quarter (%)	6.95	-1.70	-27.36	6.69
Annual (%)	—	11.43	-44.32	46.29
<b>Composite Statistics (as of December 31)</b>				
Number of Portfolios	74	372	340	395
Composite Assets (\$ millions)	14.7	80.1	40.4	78.9
Total Managed Account Assets (\$ millions)	2,730.4	4,484.5	2,929.0	2,822.7
Percentage of Composite Assets to Total Managed Account Assets <sup>2</sup>	0.5	1.8	1.4	2.8
Standard Deviation	N/A	0.35	0.23	0.38

1. Russell Midcap Growth Index

2. Prior to January 2005, total firm assets were those of Strong Capital Management, Inc., the predecessor adviser.

Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Managed Account Services. 124756 07-10