

Wells Fargo VT Small Cap Growth Fund

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



Andrew Owen
President
Wells Fargo Funds

“*After a volatile first half of the year, an existing stock market rally continued in July with strong results for equities and fixed income.*”

Dear Shareholder:

We are pleased to offer you this annual report for the Wells Fargo VT Small Cap Growth Fund for the 12-month period that ended December 31, 2020. Despite a deeply challenging year, dominated by the spread of COVID-19 cases and a sharp drop in economic output throughout much of the world, global stocks fared well overall, benefiting from strong central bank support. Bonds generally had modestly positive returns, providing some measure of diversification during turbulent market stretches.

For the 12-month period, equities had solid returns, more than making up for intense volatility in March. Non-U.S. developed market equities had weaker performance than emerging market and U.S. stocks. While gains from fixed-income securities were positive, they were more modest than equities. For the period, U.S. stocks, based on the S&P 500 Index¹, gained 18.40%. International stocks, as measured by the MSCI ACWI ex USA Index (Net)², returned 10.65%, while the MSCI EM Index (Net)³ had stronger performance, with a 18.31% gain. Among bond indexes, the Bloomberg Barclays U.S. Aggregate Bond Index⁴ returned 7.51%, the Bloomberg Barclays Global Aggregate ex-USD Index (unhedged)⁵ gained 10.11%, and the Bloomberg Barclays Municipal Bond Index⁶ returned 5.21% while the ICE BofA U.S. High Yield Index⁷ returned 6.17%.

The mood changed soon after the year began.

A year-end 2019 rally continued in early January 2020. However, market volatility spiked in late January on concerns over the potential impact of COVID-19 on the global economy and stock markets. With sentiment somewhat souring, perceived safe havens did well in January. The U.S. dollar and Japanese yen both rose, and government bonds outperformed equities. While the S&P 500 Index held its ground, emerging market equities tumbled.

Fears over the spread of COVID-19 and its impact on global growth led to a sharp downturn by late February. Oil prices tumbled as Russia and the Organization of the Petroleum Exporting Countries compounded a major decline in oil demand with a brutal price war, causing the price of crude oil to plummet.

¹ The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.

² The Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. You cannot invest directly in an index.

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

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

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

⁶ The Bloomberg Barclays Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. You cannot invest directly in an index.

⁷ The ICE BofA U.S. High Yield Index is a market-capitalization-weighted index of domestic and Yankee high-yield bonds. The index tracks the performance of high-yield securities traded in the U.S. bond market. You cannot invest directly in an index. Copyright 2021. ICE Data Indices, LLC. All rights reserved.

The global spread of COVID-19 led country after country to clamp down on social- and business-related activity in order to contain the virus. This sent economies into a deep contraction. Central banks responded by slashing interest rates and expanding quantitative easing programs to restore liquidity and market confidence. The U.S. Federal Reserve (Fed) launched several lending programs, funding investment-grade bonds, money market mutual funds, and commercial paper while purchasing Treasuries, mortgage-backed securities, and overnight repurchase agreements. Meanwhile, stock markets tumbled, ending the longest bull stock market in U.S. history.

Markets rebounded strongly through the spring, fueled by unprecedented government and central bank stimulus measures in the U.S. and globally. The U.S. economy contracted by an annualized 5.0% pace in the first quarter, with 30 million new unemployment insurance claims in six weeks. In the eurozone, first-quarter real gross domestic product (GDP) shrank 3.8%. China's first-quarter GDP fell by 6.8% year over year. Extreme oil-price volatility continued as global supply far exceeded demand.

In May, investors regained confidence on reports of early success in human trials of a COVID-19 vaccine. Growth stocks outperformed value, while returns on global government bonds were flat. However, in the U.S., the April unemployment rate rose to 14.7%, its highest level since World War II. Purchasing managers' indexes (PMIs), a monthly survey of purchasing managers, reflected broadly weakening activity in May. U.S. corporate earnings contracted 14% year over year from the first quarter of 2019. However, high demand for information technology (IT), driven by remote activity, supported robust IT sector earnings, which helped drive IT stocks higher.

By June, economies reopened and global central banks committed to do all they could to provide economic support through liquidity and low borrowing costs. U.S. economic activity was aided by one-time \$1,200 stimulus checks and \$600 weekly bonus unemployment benefits that lasted through July. However, unemployment remained historically high and COVID-19 cases began to increase by late June. China's economic recovery began to pick up momentum.

July was broadly positive for equities and fixed income. However, economic data and a resurgence of COVID-19 cases underscored the urgent need to regain control of the pandemic. Second-quarter GDP shrank from the previous quarter by 9.5% and 12.1% in the U.S. and the eurozone, respectively. In contrast, China's second-quarter GDP grew 3.2% year over year. The U.S. economy added 1.8 million jobs in July, but a double-digit jobless rate persisted.

The stock market continued to rally in August despite concerns over rising numbers of U.S. and European COVID-19 cases as well as the July expiration of the \$600 weekly bonus unemployment benefit. Relatively strong second-quarter earnings boosted investor sentiment along with the Fed's announcement of a monetary policy shift expected to support longer-term low interest rates. U.S. manufacturing and services activity indexes beat expectations while the U.S. housing market maintained strength. In Europe, retail sales expanded and consumer confidence was steady. China's economy continued to expand.

Stocks grew more volatile in September on mixed economic data. U.S. economic activity continued to grow. However, U.S. unemployment remained elevated at 7.9% in September. With U.S. Congress delaying further fiscal relief and uncertainties surrounding a possible vaccine, doubts crept back into the financial markets. In the U.K., a lack of progress in Brexit talks weighed on markets. China's economy picked up steam, fueled by increased global demand.

“*Global stocks rallied in November, propelled by optimism over three promising COVID-19 vaccines.*”

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

In October, capital markets stepped back from their six-month rally. Market volatility rose in advance of the U.S. election and amid a global increase in COVID-19 infections. Europe introduced tighter restrictions affecting economic activity. U.S. markets looked favorably at the prospect of Democratic control of the federal purse strings, which could lead to additional fiscal stimulus and a boost to economic activity. Meanwhile, China reported 4.9% third-quarter GDP growth.

Global stocks rallied in November, propelled by optimism over three promising COVID-19 vaccines. Reversing recent trends, value stocks outperformed growth stocks and cyclical stocks outpaced technology stocks. However, U.S. unemployment remained elevated, with a net job loss of 10 million since February. The eurozone services PMI contracted sharply while the region's manufacturing activity grew. The U.S. election results added to the upbeat mood as investors anticipated more consistent policies in the new administration.

Financial markets ended the year with strength on high expectations for a rapid rollout of the COVID-19 vaccines, the successful passage of a \$900 billion stimulus package, and rising expectations of additional economic support from a Democratic-led Congress. U.S. economic data were mixed with still-elevated unemployment and weak retail sales but growth in manufacturing output. In contrast, China's economic expansion continued in both manufacturing and nonmanufacturing. U.S. COVID-19 infection rates continued to rise even as new state and local lockdown measures were implemented.

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

Investment objective

The Fund seeks long-term capital appreciation.

Manager

Wells Fargo Funds Management, LLC

Subadviser

Wells Capital Management Incorporated

Portfolio managers

Joseph M. Eberhardy, CFA[®]†, CPA

Robert Gruendyke, CFA[®]††

David Nazaret, CFA[®]††

Thomas C. Ognar, CFA[®]†

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

	Inception date	1 year	5 year	10 year	Expense ratios ¹ (%)	
					Gross	Net ²
Class 1	7-16-2010	58.09	22.35	15.11	0.94	0.94
Class 2	5-1-1995	57.78	22.03	14.83	1.19	1.19
Russell 2000 [®] Growth Index ³	–	34.63	16.36	13.48	–	–

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 and expenses charged pursuant to the terms of variable life insurance policies and variable annuity contracts. If these fees and expenses had been reflected, performance would have been lower.

Please keep in mind that high double-digit returns were primarily achieved during favorable market conditions. You should not expect that such favorable returns can be consistently achieved. A fund's performance, especially for short time periods, should not be the sole factor in making your investment decision.

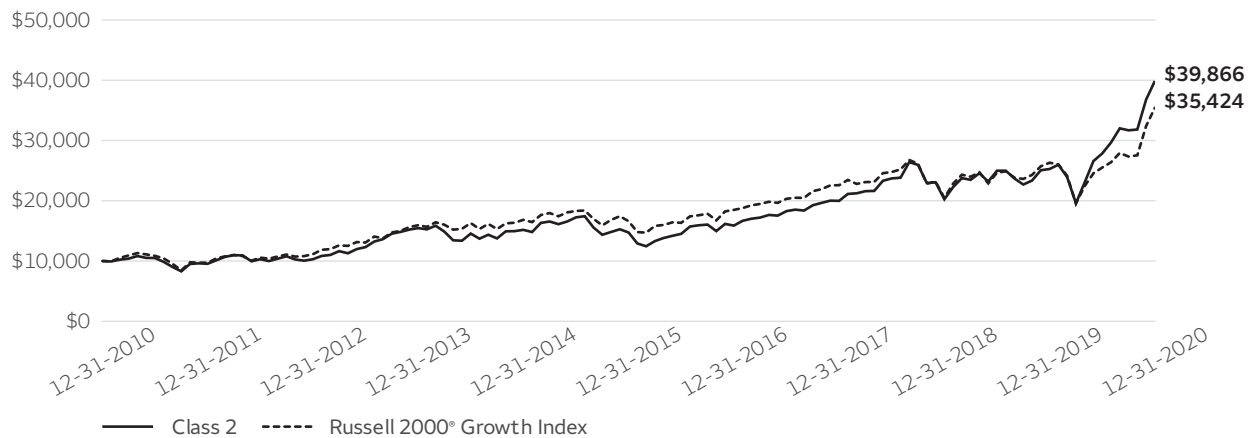
Shares are sold without a front-end sales charge or a contingent deferred sales charge.

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. 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, 2020⁶

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

[†] Mr. Gruendyke and Mr. Nazaret became portfolio managers of the Fund on July 28, 2020.

¹ Reflects the expense ratios as stated in the most recent prospectuses, 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, which do not include acquired fund fees and expenses.

² The manager has contractually committed through April 30, 2021, to waive fees and/or reimburse expenses to the extent necessary to cap total annual fund operating expenses after fee waivers at 0.95% for Class 1 and 1.20% for Class 2. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense caps. Prior to or after the commitment expiration date, the caps may be increased or the commitment to maintain the caps may be terminated only with the approval of the Board of Trustees. Without these caps, the Fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectuses.

³ The Russell 2000® Growth Index measures the performance of those Russell 2000 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 2000® Growth Index. The chart assumes a hypothetical \$10,000 investment and reflects all operating expenses of the Fund but does not reflect fees and expenses charged pursuant to the terms of variable life insurance policies and variable annuity contracts.

⁵ Figures represent the percentage of the Fund's net assets. Holdings are subject to change and may have changed since the date specified.

⁶ Figures represent the percentage of the Fund's long-term investments. 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 2000® Growth Index, for the 12-month period that ended December 31, 2020.
- Stocks within the health care, information technology (IT), and consumer discretionary sectors aided relative performance during the period.
- The industrials sector hindered relative performance during the period.

The past year was a volatile and memorable one.

The year 2020 will go down as one of the most memorable on record. An exogenous event that no one could have predicted sent equity markets into a tailspin followed by one of the sharpest and quickest recoveries ever. The spread of COVID-19 crushed the U.S. economy, causing corporate profits to plummet, a spike in unemployment, and other unfathomable events, such as oil futures settling at negative prices. With the help of monetary and fiscal accommodation, the economy stabilized and gradually improved as reopenings across the country spurred an increase in consumer spending and investor confidence. Late in the year, markets surged higher as several drug companies proved that their vaccine candidates were highly effective in preventing the virus. The pandemic pulled forward the adoption of new technologies, with the market shifting capital toward innovative areas. While new leadership may arise, we are positioning the portfolio to capitalize on an array of outcomes. We continue to adhere to our process of owning robust, sustainable, and underappreciated growth — a process that has created substantial gains over time.

The Fund benefited from stock selection within the health care, IT, and consumer discretionary sectors.

Ten largest holdings (%) as of December 31, 2020 ⁵	
Q2 Holdings Incorporated	3.08
Rapid7 Incorporated	3.05
Casella Waste Systems Incorporated Class A	2.68
ASGN Incorporated	2.63
iRhythm Technologies Incorporated	2.52
Kinsale Capital Group Incorporated	2.44
SPS Commerce Incorporated	2.42
Rexnord Corporation	2.41
Shockwave Medical Incorporated	2.00
Castle Biosciences Incorporated	1.91

Strength in the Fund came from the health care sector as select diagnostics companies, biotechnology holdings, and medical device stocks were rewarded for their durable business models, innovative therapeutics, and solid fundamentals. Several of our health care holdings benefited from a recovery in elective procedures as hospital capacity has improved over the past few months. Also contributing to relative performance were select IT stocks within the social media, security, and digital transformation verticals that rallied sharply as they witnessed increased demand for their respective industries. Notable strength from the consumer discretionary sector came from Fiverr International Limited and Chegg, Incorporated*, which rallied sharply after citing strength in several key segments. We sold our position in Chegg before period-end to adhere to our small-cap market cap discipline.

With more people working and attending school from home, companies and consumers have been using products made by these companies to help them fulfill many critical tasks.

Stock selection within the industrials sector inhibited relative performance.

Within industrials, our underweight to several of the more cyclical constituents within the index hindered performance as select housing-related stocks, machinery, and alternative energy names rallied sharply during the period. ASGN Incorporated underperformed amid concerns over a deceleration in temporary staffing volumes earlier in the period. Weakness also stemmed from MasTec, Incorporated,* whose decline was driven by worries over its pipeline segment in light of significantly lower oil prices in the first quarter, and SkyWest, Incorporated,* which fell sharply amid a falloff in demand as a result of the COVID-19 pandemic.

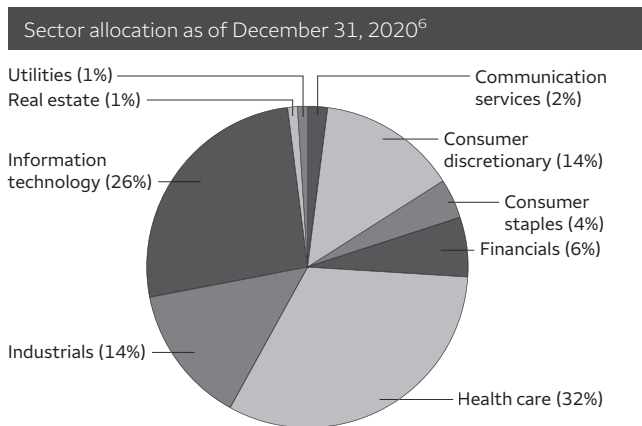
Please see footnotes on page 7.

We remain diversified in many secular areas.

We remain overweight IT and maintain diversified exposure to software, electronic equipment instruments, semiconductors, and IT services. The structural advantages of the software industry continue to include benefits such as a predictable cost of ownership to customers, simplification, flexibility and scale, and quick and seamless implementation. Many of the companies we own continue to generate high recurring revenues and don't have to spend large amounts of money to generate free cash flow. Despite our overweight to IT, we trimmed select positions whose valuation gap narrowed during the period. Within consumer discretionary, we are finding opportunities in companies that play in the traditional retail landscape but that are adopting and embracing omni-channel capabilities as a secular part of their growth engine. Within health care, many of our holdings are having a profound impact on patient outcomes and are playing a key role within the value-based health care landscape.

We remain positive regarding the Fund's growth prospects in the future.

The coronavirus pandemic has pulled forward many secular trends largely evident within the digitization of our economy. This trend has been personified within our SCODli acronym, which stands for software as a service, cloud computing, online retail, digital payments, the internet of things, and innovation. In our view, growth stocks have outperformed on the basis of superior returns and better balance sheets, and the group remains well positioned against lower-for-longer interest rates and a scarce growth environment. The past year was a reminder that allocating portfolios based solely on macro forecasts can be difficult. As such, we proudly adhere to our bottom-up process and believe that it is a key to our success. One of our main mantras is that we go where the underappreciated growth will be and we take a diversified approach to portfolio construction that optimizes opportunities. This philosophy has led to strong returns over time.



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, 2020 to December 31, 2020.

Actual expenses

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

Hypothetical example for comparison purposes

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any 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 7-1-2020	Ending account value 12-31-2020	Expenses paid during the period ¹	Annualized net expense ratio
Class 1				
Actual	\$1,000.00	\$1,434.56	\$5.66	0.92%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.49	\$4.69	0.92%
Class 2				
Actual	\$1,000.00	\$1,431.90	\$7.17	1.17%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.24	\$5.95	1.17%

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

	Shares	Value
Common stocks: 99.96%		
Communication services: 1.66%		
Interactive media & services: 0.26%		
EverQuote Incorporated Class A †	30,300	<u>\$ 1,131,705</u>
Media: 1.40%		
Cardlytics Incorporated †	41,770	<u>5,963,503</u>
Consumer discretionary: 13.96%		
Auto components: 1.19%		
Fox Factory Holding Corporation †	47,910	<u>5,064,566</u>
Hotels, restaurants & leisure: 2.47%		
Papa John's International Incorporated	53,420	4,532,687
Wingstop Incorporated	45,569	<u>6,040,171</u>
		<u>10,572,858</u>
Household durables: 1.60%		
Purple Innovation Incorporated †	207,128	<u>6,822,796</u>
Internet & direct marketing retail: 1.91%		
CarParts.com Incorporated †«	164,310	2,035,801
Fiverr International Limited †	31,450	<u>6,135,895</u>
		<u>8,171,696</u>
Leisure products: 1.41%		
YETI Holdings Incorporated †	87,696	<u>6,004,545</u>
Specialty retail: 2.95%		
Boot Barn Holdings Incorporated †	155,240	6,731,206
Leslie's Incorporated †«	41,492	1,151,403
Lithia Motors Incorporated Class A	16,220	<u>4,747,107</u>
		<u>12,629,716</u>
Textiles, apparel & luxury goods: 2.43%		
Crocs Incorporated †	111,180	6,966,539
Deckers Outdoor Corporation †	11,980	<u>3,435,624</u>
		<u>10,402,163</u>
Consumer staples: 3.96%		
Beverages: 0.96%		
Celsius Holdings Incorporated †	81,600	<u>4,105,296</u>
Food & staples retailing: 0.46%		
The Chef's Warehouse Incorporated †	76,470	<u>1,964,514</u>
Food products: 2.54%		
Freshpet Incorporated †	55,007	7,810,444
Vital Farms Incorporated †«	120,749	<u>3,056,157</u>
		<u>10,866,601</u>

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

	Shares	Value
Financials: 5.61%		
Capital markets: 1.60%		
Assetmark Financial Holdings †	90,215	\$ 2,183,203
Stifel Financial Corporation	91,935	4,639,040
		<u>6,822,243</u>
Consumer finance: 0.95%		
LendingTree Incorporated †	14,878	<u>4,073,448</u>
Insurance: 3.06%		
Goosehead Insurance Incorporated Class A	21,407	2,670,737
Kinsale Capital Group Incorporated	52,074	10,421,570
		<u>13,092,307</u>
Health care: 32.24%		
Biotechnology: 9.67%		
Arcutis Biotherapeutics Incorporated †	139,346	3,919,803
Arena Pharmaceuticals Incorporated †	38,920	2,990,224
Biohaven Pharmaceutical Holding Company †	19,280	1,652,489
CareDx Incorporated †	49,284	3,570,626
Chemocentryx Incorporated †	19,100	1,182,672
Deciphera Pharmaceuticals Incorporated †	29,100	1,660,737
Emergent BioSolutions Incorporated †	19,370	1,735,552
Fate Therapeutics Incorporated †	25,860	2,351,450
Halozyne Therapeutics Incorporated †	147,340	6,292,891
Invitae Corporation †«	47,160	1,971,760
Natera Incorporated †	64,811	6,449,991
Vericel Corporation †	244,890	7,562,203
		<u>41,340,398</u>
Health care equipment & supplies: 10.54%		
Acutus Medical Incorporated †«	81,266	2,341,273
iRhythm Technologies Incorporated †	45,376	10,763,641
Mesa Laboratories Incorporated	6,660	1,909,022
Orthopediatrics Corporation †	83,001	3,423,791
Outset Medical Incorporated †	32,743	1,861,112
Pulmonx Corporation †	48,323	3,335,253
Shockwave Medical Incorporated †	82,546	8,561,671
SI-BONE Incorporated †	165,298	4,942,410
Silk Road Medical Incorporated †	31,310	1,971,904
Tandem Diabetes Care Incorporated †	27,380	2,619,718
Vapotherm Incorporated †«	124,031	3,331,473
		<u>45,061,268</u>
Health care providers & services: 3.62%		
Addus Homecare Corporation †	62,330	7,298,220
Castle Biosciences Incorporated †	121,918	8,186,794
		<u>15,485,014</u>
Health care technology: 2.63%		
Inspire Medical Systems Incorporated †	29,540	5,556,179
Phreesia Incorporated †	104,796	5,686,231
		<u>11,242,410</u>

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

	Shares	Value
Life sciences tools & services: 4.00%		
Adaptive Biotechnologies Corporation †	31,431	\$ 1,858,515
Codexis Incorporated †	359,567	7,849,348
Neogenomics Incorporated †	137,462	7,400,954
		<u>17,108,817</u>
Pharmaceuticals: 1.78%		
Pacira Pharmaceuticals Incorporated †	92,690	5,546,570
Revance Therapeutics Incorporated †	71,800	2,034,812
		<u>7,581,382</u>
Industrials: 13.88%		
Aerospace & defense: 2.96%		
Kratos Defense & Security Solutions Incorporated †	212,830	5,837,927
Mercury Systems Incorporated †	77,278	6,805,101
		<u>12,643,028</u>
Building products: 0.12%		
The AZEK Company Incorporated †	12,973	498,812
Commercial services & supplies: 2.68%		
Casella Waste Systems Incorporated Class A †	185,090	11,466,326
Construction & engineering: 0.29%		
Construction Partners Incorporated Class A †	42,600	1,240,086
Electrical equipment: 0.52%		
Bloom Energy Corporation Class A †	76,900	2,203,954
Machinery: 2.41%		
Rexnord Corporation	261,050	10,308,865
Professional services: 2.63%		
ASGN Incorporated †	134,541	11,238,206
Road & rail: 1.12%		
Marten Transport Limited	35,264	607,599
Saia Incorporated †	23,092	4,175,034
		<u>4,782,633</u>
Trading companies & distributors: 1.15%		
SiteOne Landscape Supply Incorporated †	31,070	4,928,634
Information technology: 26.49%		
Electronic equipment, instruments & components: 1.90%		
Novanta Incorporated †	68,790	8,132,354
IT services: 2.83%		
Endava plc Sponsored ADR †	64,634	4,960,660
EVO Payments Incorporated Class A †	224,401	6,061,071
LiveRamp Holdings Incorporated †	14,770	1,081,016
		<u>12,102,747</u>
Semiconductors & semiconductor equipment: 3.66%		
Allegro MicroSystems Incorporated †	100,816	2,687,755
Diodes Incorporated †	73,090	5,152,845

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

		Shares	Value
Semiconductors & semiconductor equipment (continued)			
Semtech Corporation †		86,450	\$ 6,232,181
Silicon Laboratories Incorporated †		12,370	<u>1,575,196</u>
			<u>15,647,977</u>
Software: 18.10%			
8x8 Incorporated †		68,700	2,368,089
Investnet Incorporated †		90,251	7,426,755
Everbridge Incorporated †		26,890	4,008,492
Jamf Holding Corporation †		61,058	1,826,855
Mimecast Limited †		69,860	3,970,842
Q2 Holdings Incorporated †		104,196	13,183,920
Rapid7 Incorporated †		144,418	13,020,727
Sprout Social Incorporated Class A †		138,439	6,286,515
SPS Commerce Incorporated †		95,274	10,345,804
Sumo Logic Incorporated †«		122,630	3,504,765
Talend SA ADR †		178,299	6,835,984
Vertex Incorporated Class A †		60,355	2,103,372
Workiva Incorporated †		26,800	<u>2,455,416</u>
			<u>77,337,536</u>
Real estate: 1.58%			
Equity REITs: 1.58%			
Community Healthcare Trust Incorporated		69,380	3,268,492
QTS Realty Trust Incorporated Class A		56,570	<u>3,500,552</u>
			<u>6,769,044</u>
Utilities: 0.58%			
Independent power & renewable electricity producers: 0.58%			
Sunnova Energy International Incorporated †		54,724	<u>2,469,694</u>
			<u>427,277,142</u>
		Yield	
Short-term investments: 3.23%			
Investment companies: 3.23%			
Securities Lending Cash Investments LLC †∞	0.16%	13,231,250	\$ 13,231,250
Wells Fargo Government Money Market Fund Select Class †∞	0.03	555,598	<u>555,598</u>
			<u>13,786,848</u>
Total Short-term investments (Cost \$13,786,848)			<u>13,786,848</u>
Total investments in securities (Cost \$264,352,385)	103.19%		441,063,990
Other assets and liabilities, net	<u>(3.19)</u>		<u>(13,619,832)</u>
Total net assets	<u>100.00%</u>		<u>\$427,444,158</u>

† Non-income-earning security

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

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

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

∞ The rate represents the 7-day annualized yield at period end.

Abbreviations:

ADR American depositary receipt

REIT Real estate investment trust

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

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:

	Value, beginning of period	Purchases	Sales proceeds	Net realized gains (losses)	Net change in unrealized gains (losses)	Value, end of period	% of net assets	Shares, end of period	Income from affiliated securities
Short-term investments									
Investment companies									
Securities Lending Cash Investments LLC	\$17,154,220	\$112,768,399	\$(116,692,047)	\$1,535	\$(857)	\$13,231,250		13,231,250	\$71,956 [#]
Wells Fargo Government Money Market Fund Select Class	3,229,069	89,079,408	(91,752,879)	0	0	555,598		555,598	15,289
				<u>\$1,535</u>	<u>\$(857)</u>	<u>\$13,786,848</u>	<u>3.23%</u>		<u>\$87,245</u>

[#] Amount shown represents income before fees and rebates.

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

Assets	
Investments in unaffiliated securities (including \$12,750,308 of securities loaned), at value (cost \$250,565,537)	\$427,277,142
Investments in affiliated securities, at value (cost \$13,786,848)	13,786,848
Receivable for investments sold	452,456
Receivable for Fund shares sold	192,797
Receivable for dividends	26,707
Receivable for securities lending income, net	17,916
Prepaid expenses and other assets	26,986
Total assets	<u>441,780,852</u>
Liabilities	
Payable upon receipt of securities loaned	13,231,250
Payable for Fund shares redeemed	668,586
Management fee payable	312,310
Distribution fee payable	89,715
Administration fees payable	31,231
Trustees' fees and expenses payable	3,602
Total liabilities	<u>14,336,694</u>
Total net assets	<u>\$427,444,158</u>
Net assets consist of	
Paid-in capital	\$200,922,446
Total distributable earnings	226,521,712
Total net assets	<u>\$427,444,158</u>
Computation of net asset value per share	
Net assets – Class 1	\$ 35,127,886
Shares outstanding – Class 1 ¹	2,288,174
Net asset value per share – Class 1	\$15.35
Net assets – Class 2	\$392,316,272
Shares outstanding – Class 2 ¹	26,644,978
Net asset value per share – Class 2	\$14.72

¹ The Fund has an unlimited number of authorized shares

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

Investment income	
Dividends	\$ 400,866
Securities lending income from affiliates, net	133,168
Income from affiliated securities	15,289
Total investment income	<u>549,323</u>
Expenses	
Management fee	2,541,973
Administration fees	
Class 1	20,560
Class 2	233,637
Distribution fee	
Class 2	727,135
Custody and accounting fees	35,078
Professional fees	42,194
Shareholder report expenses	41,957
Trustees' fees and expenses	19,862
Other fees and expenses	12,983
Total expenses	<u>3,675,379</u>
Less: Fee waivers and/or expense reimbursements	
Fund-level	(372)
Net expenses	<u>3,675,007</u>
Net investment loss	<u>(3,125,684)</u>
Realized and unrealized gains (losses) on investments	
Net realized gains on	
Unaffiliated securities	53,244,180
Affiliated securities	1,535
Net realized gains on investments	<u>53,245,715</u>
Net change in unrealized gains (losses) on	
Unaffiliated securities	109,024,225
Affiliated securities	(857)
Net change in unrealized gains (losses) on investments	<u>109,023,368</u>
Net realized and unrealized gains (losses) on investments	<u>162,269,083</u>
Net increase in net assets resulting from operations	<u>\$159,143,399</u>

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

Statement of changes in net assets

	Year ended December 31, 2020		Year ended December 31, 2019	
Operations				
Net investment loss.....		\$ (3,125,684)		\$ (2,708,593)
Net realized gains on investments.....		53,245,715		18,188,979
Net change in unrealized gains (losses) on investments.....		109,023,368		48,624,852
Net increase in net assets resulting from operations.....		159,143,399		64,105,238
Distributions to shareholders from				
Net investment income and net realized gains				
Class 1.....		(1,435,682)		(3,689,450)
Class 2.....		(16,630,208)		(44,225,338)
Total distributions to shareholders.....		(18,065,890)		(47,914,788)
Capital share transactions				
Proceeds from shares sold	Shares		Shares	
Class 1.....	604,357	6,902,098	343,664	3,528,410
Class 2.....	3,286,731	35,875,297	1,600,764	15,682,418
		42,777,395		19,210,828
Reinvestment of distributions				
Class 1.....	131,233	1,435,682	358,896	3,689,450
Class 2.....	1,582,322	16,630,208	4,458,199	44,225,338
		18,065,890		47,914,788
Payment for shares redeemed				
Class 1.....	(675,964)	(7,532,393)	(523,347)	(5,516,594)
Class 2.....	(5,426,711)	(59,526,674)	(4,754,197)	(48,055,795)
		(67,059,067)		(53,572,389)
Net increase (decrease) in net assets resulting from capital share transactions.....		(6,215,782)		13,553,227
Total increase in net assets.....		134,861,727		29,743,677
Net assets				
Beginning of period.....		292,582,431		262,838,754
End of period.....		\$427,444,158		\$292,582,431

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

(For a share outstanding throughout each period)

Class 1	Year ended December 31				
	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$10.29	\$9.66	\$10.43	\$8.51	\$8.70
Net investment loss	(0.09)	(0.07) ¹	(0.05)	(0.04)	(0.01) ¹
Net realized and unrealized gains (losses) on investments	5.80	2.51	0.40	2.24	0.65
Total from investment operations	5.71	2.44	0.35	2.20	0.64
Distributions to shareholders from					
Net realized gains	(0.65)	(1.81)	(1.12)	(0.28)	(0.83)
Net asset value, end of period	\$15.35	\$10.29	\$9.66	\$10.43	\$8.51
Total return ²	58.09%	25.31%	1.48%	26.14%	8.10%
Ratios to average net assets (annualized)					
Gross expenses	0.93%	0.93%	0.92%	0.94%	0.94%
Net expenses	0.93%	0.93%	0.92%	0.94%	0.94%
Net investment loss	(0.76)%	(0.69)%	(0.59)%	(0.65)%	(0.10)%
Supplemental data					
Portfolio turnover rate	51%	62%	68%	72%	89%
Net assets, end of period (000s omitted)	\$35,128	\$22,925	\$19,801	\$22,591	\$20,554

¹ Calculated based upon average shares outstanding² Performance figures of the Fund do not reflect fees and expenses 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.

Financial highlights

(For a share outstanding throughout each period)

Class 2	Year ended December 31				
	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$9.91	\$9.38	\$10.18	\$8.33	\$8.56
Net investment loss	(0.11)	(0.09)	(0.09)	(0.09)	(0.03)
Net realized and unrealized gains (losses) on investments	5.57	2.43	0.41	2.22	0.63
Total from investment operations.....	5.46	2.34	0.32	2.13	0.60
Distributions to shareholders from					
Net realized gains	(0.65)	(1.81)	(1.12)	(0.28)	(0.83)
Net asset value, end of period	\$14.72	\$9.91	\$9.38	\$10.18	\$8.33
Total return ¹	57.78%	24.83%	1.20%	25.86%	7.75%
Ratios to average net assets (annualized)					
Gross expenses.....	1.18%	1.18%	1.17%	1.19%	1.19%
Net expenses.....	1.18%	1.18%	1.17%	1.19%	1.19%
Net investment loss	(1.00)%	(0.95)%	(0.84)%	(0.90)%	(0.35)%
Supplemental data					
Portfolio turnover rate	51%	62%	68%	72%	89%
Net assets, end of period (000s omitted)	\$392,316	\$269,657	\$243,038	\$238,460	\$202,718

¹ Performance figures of the Fund do not reflect fees and expenses 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 Small Cap Growth 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 income 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. When securities are on loan, the Fund receives interest or dividends on those securities. Cash collateral received in connection with its securities lending transactions is invested in Securities Lending Cash Investments, LLC (the “Securities Lending Fund”). Investments in Securities Lending Fund are valued at the evaluated bid price provided by an independent pricing service. Income earned from investment in the Securities Lending Fund, if any, is included in securities lending income from affiliates (net of fees and rebates) on the Statement of Operations.

In a securities lending transaction, the net asset value of the Fund is 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. The Fund has the right under the lending agreement to recover the securities from the borrower on demand. 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 such an event, the terms of the agreement allow the unaffiliated securities lending agent to use the collateral to purchase replacement securities on behalf of the Fund or pay the Fund the market value of the loaned securities. The Fund bears the risk of loss with respect to depreciation of its investment of the cash collateral.

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.

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, 2020, the aggregate cost of all investments for federal income tax purposes was \$264,629,344 and the unrealized gains (losses) consisted of:

Gross unrealized gains	\$177,877,643
Gross unrealized losses	(1,442,997)
Net unrealized gains	\$176,434,646

Class allocations

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

3. FAIR VALUATION MEASUREMENTS

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, 2020:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Investments in:				
Common stocks				
<i>Communication services</i>	\$ 7,095,208	\$0	\$0	\$ 7,095,208
<i>Consumer discretionary</i>	59,668,340	0	0	59,668,340
<i>Consumer staples</i>	16,936,411	0	0	16,936,411
<i>Financials</i>	23,987,998	0	0	23,987,998
<i>Health care</i>	137,819,289	0	0	137,819,289
<i>Industrials</i>	59,310,544	0	0	59,310,544
<i>Information technology</i>	113,220,614	0	0	113,220,614
<i>Real estate</i>	6,769,044	0	0	6,769,044
<i>Utilities</i>	2,469,694	0	0	2,469,694
Short-term investments				
<i>Investment companies</i>	13,786,848	0	0	13,786,848
Total assets	\$441,063,990	\$0	\$0	\$441,063,990

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

For the year ended December 31, 2020, 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 & Company ("Wells Fargo"), is the manager of the Fund and provides advisory and fund-level administrative services under an investment management agreement. Under the investment management agreement, Funds Management is responsible for, among other services, implementing the investment objectives and strategies of the Fund, 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 a management fee at the following annual rate based on the Fund's average daily net assets:

Average daily net assets	Management fee
First \$500 million	0.800%
Next \$500 million	0.750
Next \$1 billion	0.700
Next \$1 billion	0.675
Next \$2 billion	0.650
Next \$5 billion	0.640
Over \$10 billion	0.630

For the year ended December 31, 2020, the management fee was equivalent to an annual rate of 0.80% 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. Wells Capital Management Incorporated ("WellsCap"), an affiliate of Funds Management and an indirect wholly owned subsidiary of Wells Fargo, is the subadviser to the Fund and is entitled to receive a fee from Funds Management at an annual rate starting at 0.55% and declining to 0.40% as the average daily net assets of the Fund increase.

Administration fees

Under a class-level administration agreement, Funds Management provides class-level administrative services to the Fund, which includes paying fees and expenses for services provided by the transfer agent, sub-transfer agents, omnibus account

services and record-keepers. As compensation for its services under the class-level administration agreement, Funds Management receives an annual fee of 0.08% which is calculated based on the average daily net assets of each class.

Waivers and/or expense reimbursements

Funds Management has contractually waived and/or reimbursed management and administration fees to the extent necessary to maintain certain net operating expense ratios for the Fund. When each class of the Fund has exceeded its expense cap, Funds Management has waived fees and/or reimbursed expenses from fund-level expenses on a proportionate basis and then from class specific expenses. When only certain classes exceed their expense caps, waivers and/or reimbursements are applied against class specific expenses before fund-level expenses. Funds Management has committed through April 30, 2021 to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's expenses at 0.95% for Class 1 shares and 1.20% for Class 2 shares. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Distribution fee

The Trust has adopted a distribution plan for Class 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, 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, 2020 were \$159,225,789 and \$180,765,517, respectively.

6. SECURITIES LENDING TRANSACTIONS

The Fund lends its securities through an unaffiliated securities lending agent and 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 increases or decreases in the required collateral are exchanged between the Fund and the counterparty on the next business day. Cash collateral received is invested in the Securities Lending Fund which seeks to provide a positive return compared to the daily Federal Funds Open Rate by investing in high-quality, U.S. dollar-denominated short-term money market instruments and is exempt from registration under Section 3(c)(7) of the 1940 Act. Securities Lending Fund is managed by Funds Management and is subadvised by WellsCap. 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.

In the event of counterparty default or the failure of a borrower to return a loaned security, the Fund has the right to use the collateral to offset any losses incurred. As of December 31, 2020, the Fund had securities lending transactions with the following counterparties which are subject to offset:

Counterparty	Value of securities on loan	Collateral received ¹	Net amount
Bank of America Securities Incorporated	\$4,559,850	\$(4,559,850)	\$0
Barclays Capital Incorporated	1,243,538	(1,243,538)	0
Deutsche Bank Securities Incorporated	139,672	(139,672)	0
ING Financial Markets LLC	403,025	(403,025)	0
Morgan Stanley & Company LLC	5,511,113	(5,511,113)	0
National Financial Services LLC	893,110	(893,110)	0

¹ Collateral received within this table is limited to the collateral for the net transaction with the counterparty.

7. BANK BORROWINGS

The Trust, Wells Fargo Master Trust and Wells Fargo Funds Trust (excluding the money market funds) are parties to a \$350,000,000 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, 2020, there were no borrowings by the Fund under the agreement.

8. DISTRIBUTIONS TO SHAREHOLDERS

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

	Year ended December 31	
	2020	2019
Ordinary income	\$ 0	\$ 1,567,204
Long-term capital gain	18,065,890	46,347,584

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

Undistributed ordinary income	Undistributed long-term gain	Unrealized gains
\$5,641,030	\$44,446,845	\$176,434,646

9. CONCENTRATION RISKS

Concentration risks result from exposure to a limited number of sectors. As of the end of the period, the Fund concentrated its portfolio in investments related to health care and information technology 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.

10. INDEMNIFICATION

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

11. 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 on fair value measurements in Topic 820, *Fair Value Measurements*. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Management has adopted this guidance which did not have a material impact on the financial statements.

12. SUBSEQUENT EVENT

On February 23, 2021, Wells Fargo announced that it has entered into a definitive agreement to sell Wells Fargo Asset Management ("WFAM") to GTCR LLC and Reverence Capital Partners, L.P. WFAM is the trade name used by the asset management businesses of Wells Fargo and includes Wells Fargo Funds Management, LLC, the investment manager to the Fund, Wells Capital Management Incorporated and Wells Fargo Asset Management (International) Limited, both registered investment advisers providing sub-advisory services to certain funds, and Wells Fargo Funds Distributor, LLC, the Fund's principal underwriter. As part of the transaction, Wells Fargo will own a 9.9% equity interest and will continue to serve as an important client and distribution partner.

Consummation of the transaction will result in the automatic termination of the Fund's investment management agreement and sub-advisory agreement(s). The Fund's Board of Trustees will be asked to approve new investment management arrangements with the new company. If approved by the Board, the new investment management arrangements with the new company will be presented to the shareholders of the Fund for approval, and, if approved by shareholders, would take effect upon the closing of the transaction. The transaction is expected to close in the second half of 2021, subject to customary closing conditions.

13. CORONAVIRUS (COVID-19) PANDEMIC

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

To the Shareholders of the Fund and Board of Trustees Wells Fargo Variable Trust:

Opinion on the Financial Statements

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

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

KPMG LLP

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

Boston, Massachusetts

February 25, 2021

Other information (unaudited)

TAX INFORMATION

Pursuant to Section 852 of the Internal Revenue Code, \$18,065,890 was designated as a 20% rate gain distribution for the fiscal year ended December 31, 2020.

PROXY VOTING INFORMATION

A description of the policies and procedures used to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling **1-800-260-5969**, visiting our website at **wfam.com**, or visiting the SEC website at sec.gov. Information regarding how the proxies related to portfolio securities were voted during the most recent 12-month period ended June 30 is available on the website at **wfam.com** or by visiting the SEC website at sec.gov.

QUARTERLY PORTFOLIO HOLDINGS INFORMATION

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

BOARD OF TRUSTEES AND OFFICERS

Each of the Trustees and Officers¹ listed in the table below acts in identical capacities for each fund in the Wells Fargo family of funds, which consists of 144 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 Information². The mailing address of each Trustee and Officer is 525 Market Street, 12th Floor, San Francisco, CA 94105. Each Trustee and Officer serves an indefinite term, however, each Trustee serves such term until reaching the mandatory retirement age established by the Trustees.

Independent Trustees

Name and year of birth	Position held and length of service*	Principal occupations during past five years or longer	Current other public company or investment company directorships
William R. Ebsworth (Born 1957)	Trustee, since 2015	Retired. From 1984 to 2013, equities analyst, portfolio manager, research director and chief investment officer at Fidelity Management and Research Company in Boston, Tokyo, and Hong Kong, and retired in 2013 as Chief Investment Officer of Fidelity Strategic Advisers, Inc. where he led a team of investment professionals managing client assets. Prior thereto, Board member of Hong Kong Securities Clearing Co., Hong Kong Options Clearing Corp., the Thailand International Fund, Ltd., Fidelity Investments Life Insurance Company, and Empire Fidelity Investments Life Insurance Company. Audit Committee Chair and Investment Committee Chair of the Vincent Memorial Hospital Endowment (non-profit organization). Mr. Ebsworth is a CFA® charterholder.	N/A
Jane A. Freeman (Born 1953)	Trustee, since 2015; Chair Liaison, since 2018	Retired. From 2012 to 2014 and 1999 to 2008, Chief Financial Officer of Scientific Learning Corporation. From 2008 to 2012, Ms. Freeman provided consulting services related to strategic business projects. Prior to 1999, Portfolio Manager at Rockefeller & Co. and Scudder, Stevens & Clark. Board member of the Harding Loevner Funds from 1996 to 2014, serving as both Lead Independent Director and chair of the Audit Committee. Board member of the Russell Exchange Traded Funds Trust from 2011 to 2012 and the chair of the Audit Committee. Ms. Freeman is also an inactive Chartered Financial Analyst.	N/A
Isaiah Harris, Jr. (Born 1952)	Trustee, since 2009; Audit Committee Chair, 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). Mr. Harris is a certified public accountant (inactive status).	CIGNA Corporation
Judith M. Johnson (Born 1949)	Trustee, since 2008	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 (Emeritus), 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

Other information (unaudited)

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 Chair, since 2018	International Foundation of Employee Benefit Plans Professor, Wharton School of the University of Pennsylvania since 1993. Director of Wharton's Pension Research Council and Boettner Center on Pensions & Retirement Research, and Research Associate at the National Bureau of Economic Research. Previously, Cornell University Professor from 1978 to 1993.	N/A
Timothy J. Penny (Born 1951)	Trustee, since 1996; Chair, since 2018	President and Chief Executive Officer of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, since 2007.	N/A
James G. Polisson (Born 1959)	Trustee, since 2018	Retired. Chief Marketing Officer, Source (ETF) UK Services, Ltd, from 2015 to 2017. From 2012 to 2015, Principal of The Polisson Group, LLC, a management consulting, corporate advisory and principal investing company. Chief Executive Officer and Managing Director at Russell Investments, Global Exchange Traded Funds from 2010 to 2012. Managing Director of Barclays Global Investors from 1998 to 2010 and Global Chief Marketing Officer for iShares and Barclays Global Investors from 2000 to 2010. Trustee of the San Francisco Mechanics' Institute, a non-profit organization, from 2013 to 2015. Board member of the Russell Exchange Traded Fund Trust from 2011 to 2012. Director of Barclays Global Investors Holdings Deutschland GmbH from 2006 to 2009. Mr. Polisson is an attorney and has a retired status with the Massachusetts and District of Columbia Bar Associations.	N/A
Pamela Wheelock (Born 1959)	Trustee, since January 2020; previously Trustee from January 2018 to July 2019	Board member of the Destination Medical Center Economic Development Agency, Rochester, Minnesota since 2019. Interim President of the McKnight Foundation from January to September 2020. Acting Commissioner, Minnesota Department of Human Services, July 2019 through September 2019. Human Services Manager (part-time), Minnesota Department of Human Services, October 2019 through December 2019. Chief Operating Officer, Twin Cities Habitat for Humanity from 2017 to 2019. Vice President of University Services, University of Minnesota from 2012 to 2016. Prior thereto, on the Board of Directors, Governance Committee and Finance Committee for the Minnesota Philanthropy Partners (Saint Paul Foundation) from 2012 to 2018, Interim Chief Executive Officer of Blue Cross Blue Shield of Minnesota from 2011 to 2012, Chairman of the Board from 2009 to 2012 and Board Director from 2003 to 2015. Vice President, Leadership and Community Engagement, Bush Foundation, Saint Paul, Minnesota (a private foundation) from 2009 to 2011. Executive Vice President and Chief Financial Officer, Minnesota Sports and Entertainment from 2004 to 2009 and Senior Vice President from 2002 to 2004. Executive Vice President of the Minnesota Wild Foundation from 2004 to 2008. Commissioner of Finance, State of Minnesota, from 1999 to 2002. Currently Board Chair of the Minnesota Wild Foundation since 2010.	N/A

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

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.
Michelle Rhee (Born 1966)	Chief Legal Officer, since 2019	Secretary of Wells Fargo Funds Management, LLC and Chief Legal Counsel of Wells Fargo Asset Management since 2018. Deputy General Counsel of Wells Fargo Bank, N.A. since 2020 and Assistant General Counsel of Wells Fargo Bank, N.A. from 2018 to 2020. Associate General Counsel and Managing Director of Bank of America Corporation from 2004 to 2018.
Catherine Kennedy (Born 1969)	Secretary, since 2019	Vice President of Wells Fargo Funds Management, LLC and Senior Counsel of the Wells Fargo Legal Department since 2010. Vice President and Senior Counsel of Evergreen Investment Management Company, LLC from 1998 to 2010.
Michael H. Whitaker (Born 1967)	Chief Compliance Officer, since 2016	Chief Compliance Officer of Wells Fargo Asset Management since 2016. Senior Vice President and Chief Compliance Officer for Fidelity Investments from 2007 to 2016.

¹ Jeremy DePalma acts as Treasurer of 77 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 wfam.com.



Asset
Management

For more information

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

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

Website: wfam.com

Individual investors: **1-800-222-8222**

Retail investment professionals: **1-888-877-9275**

Institutional investment professionals: **1-866-765-0778**



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*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 wfam.com. Read the prospectus carefully before you invest or send money.*

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

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

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VARIABLE PORTFOLIO FUNDS

70100 Ameriprise Financial Center
Minneapolis, MN 55474