

Wells Fargo

VT Small Cap Growth Fund

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

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

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Andrew Owen
President
Wells Fargo Funds

“*Financial markets rebounded strongly to open 2019 on a positive note*”

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, 2019. Despite some periods of market volatility, the year was strongly positive for financial markets as supportive central banks more than offset concerns over slowing global economic growth and international trade tensions.

Overall, both fixed-income and equity investors enjoyed healthy annual returns. For the period, U.S. stocks, based on the S&P 500 Index,¹ gained 31.49% and international stocks, as measured by the MSCI ACWI ex USA Index (Net),² returned 21.51%. The MSCI EM Index (Net)³ gained 18.42%. For bond investors, the Bloomberg Barclays U.S. Aggregate Bond Index⁴ added 8.72%, the Bloomberg Barclays Global Aggregate ex-USD Index⁵ returned 5.09%, the Bloomberg Barclays Municipal Bond Index⁶ gained 7.54%, and the ICE BofA U.S. High Yield Index⁷ added 14.41%.

The year began with a strong market rebound.

After a volatile end of 2018 involving sharp losses, financial markets rebounded strongly to open 2019 on a positive note, as investors were encouraged by a sudden pivot by the U.S. Federal Reserve (Fed) to a more accommodative stance after a series of increases to the federal funds rate in 2017 and 2018. The S&P 500 Index gained 8.01% in January, the best monthly performance in 30 years. Returns for the MSCI ACWI ex USA Index (Net), the Bloomberg Barclays U.S. Aggregate Bond Index, and the Bloomberg Barclays Global Aggregate ex-USD Index also were positive.

In February 2019, signs of slowing global growth grew more ominous. The Bureau of Economic Analysis announced fourth-quarter 2018 gross domestic product (GDP) grew at an annualized 2.2% rate, down from the levels of the prior two quarters. In a February report, the Bank of England forecast the slowest growth since the financial crisis for 2019. China and the U.S. continued to wrangle over trade issues. By the end of the first quarter of 2019, more accommodative Fed sentiment and steady, if not spectacular, U.S. economic and business metrics encouraged domestic investors.

Early second-quarter 2019 enthusiasm among investors faded.

During April, sustained low inflation, solid employment data, and first-quarter U.S. GDP of an annualized rate of 3.2% supported favorable sentiment. During May, markets

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

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

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

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

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

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

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

tumbled on mixed investment signals. In the U.S., partisan wrangling ramped up as Democrats and Republicans set their sights on 2020 presidential politics. The U.K.'s Brexit disagreements caused Prime Minister Theresa May to resign. Boris Johnson succeeded her only to exacerbate uncertainty about Brexit's resolution ahead of an October 2019 deadline. The European Commission downgraded the 2019 growth forecast to 1.2%. The U.S. increased tariffs on products from China, China responded, and then talks broke down. President Donald Trump threatened to turn his foreign policy tariff tool to Mexico over immigration issues.

Midway through the year, investors regrouped, sentiment turned positive, and U.S. equity markets advanced during June and July. The gains, primarily driven by geopolitical and monetary policy events, pushed equity markets to new highs. European Central Bank President Mario Draghi indicated the bank was ready to cut rates or buy more assets to prop up inflation if needed. President Trump backed off of tariff threats against Mexico and China. In the U.S., the Fed implemented a 0.25% federal funds rate cut in July.

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

In August, U.S.-China trade tensions continued with no signs of compromise. Evidence of a continued global economic slowdown mounted, and central banks in China, New Zealand, and Thailand cut interest rates. Industrial and manufacturing data declined in China, Canada, Japan, and Germany. Adding to global uncertainty, Italy's prime minister resigned, many feared a crackdown in Hong Kong as protestors sustained their calls for reform, and Boris Johnson planned to suspend Parliament as Brexit's deadline neared.

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

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

Equity markets continued to rally in November despite ongoing geopolitical risks. Hopes for a U.S.-China trade deal buoyed investor confidence. U.S. business sentiment improved slightly, and manufacturing and services activity picked up. Throughout the month, central bank actions were on hold. With that positive backdrop, developed market equities outpaced those in emerging markets, and U.S. stocks, as reflected by the S&P 500 Index, outperformed non-U.S. stocks overall. While consumer confidence and purchasing manager activity rose in the eurozone, China reported weakening manufacturing and consumer data. Bond yields rose marginally, leading to slightly negative returns for global government and investment-grade corporate bonds.

“Equity markets continued to rally in November despite ongoing geopolitical risks.”

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

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

Periods of investment uncertainty can present challenges, but experience has taught us that maintaining long-term investment goals can be an effective way to plan for the future. To help you create a sound strategy based on your personal goals and risk tolerance, Wells Fargo Funds offers more than 100 mutual funds spanning a wide range of asset classes and investment styles. Although diversification cannot guarantee an investment profit or prevent losses, we believe it can be an effective way to manage investment risk and potentially smooth out overall portfolio performance. We encourage investors to know their investments and to understand that appropriate levels of risk-taking may unlock opportunities.

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

Sincerely,



Andrew Owen
President
Wells Fargo Funds

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

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

Thomas C. Ognar, CFA^{®†}

Average annual total returns (%) as of December 31, 2019

	Inception date	1 year	5 year	10 year	Expense ratios ¹ (%)	
					Gross	Net ²
Class 1 ³	7-16-2010	25.31	11.04	12.61	0.93	0.93
Class 2	5-1-1995	24.83	10.74	12.35	1.18	1.18
Russell 2000 [®] Growth Index ⁴	–	28.48	9.34	13.01	–	–

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.

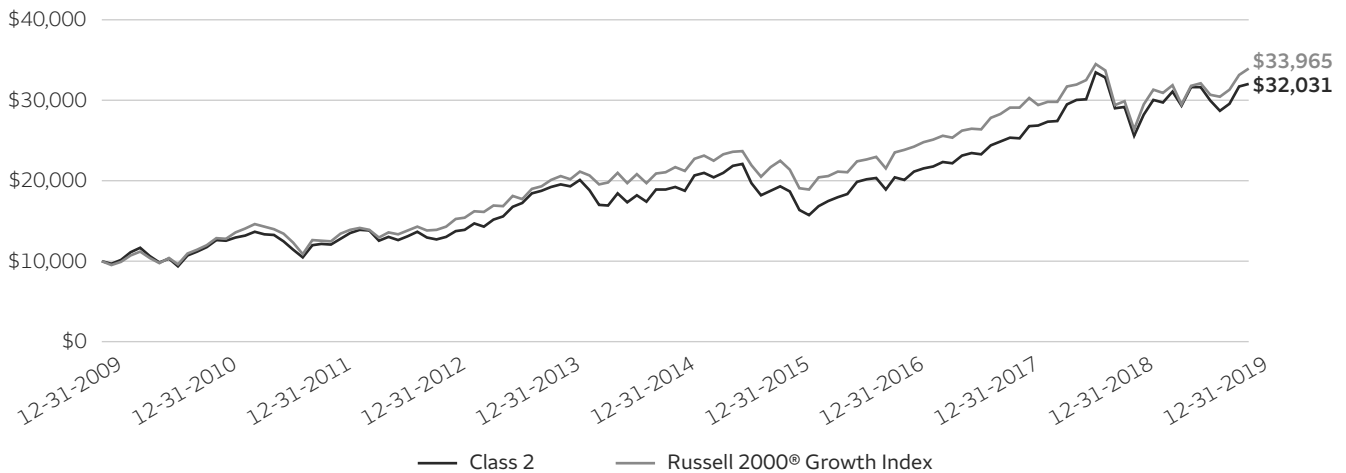
Shares are sold without a front-end sales charge or contingent deferred sales charge.

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, 2019⁵

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

¹ Reflects the expense ratios as stated in the most recent prospectuses, which include 0.01% in acquired fund fees. 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, 2020, 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 cap. 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. Without this cap, the Fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectuses.

³ Historical performance shown for Class 1 shares prior to their inception reflects the performance of Class 2 shares, and includes the higher expenses applicable to Class 2 shares. If these expenses had not been included, returns for Class 1 shares would be higher.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000® Index. You cannot invest directly in an index.

⁸ The ten largest holdings, excluding cash, cash equivalents and any money market funds, are calculated based on the value of the investments divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.

⁹ Amounts are calculated based on the total long-term investments of the Fund. These amounts are subject to change and may have changed since the date specified.

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

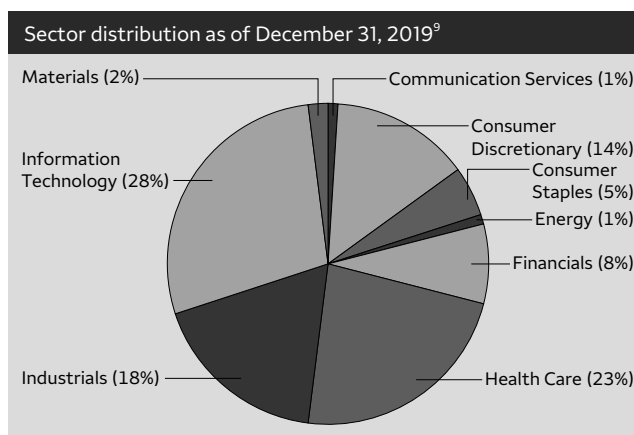
MANAGER’S DISCUSSION

Fund highlights

- The Fund underperformed its benchmark, the Russell 2000® Growth Index, for the 12-month period that ended December 31, 2019.
- Stocks within the health care sector served as the largest source of underperformance.
- The financials, consumer discretionary, and information technology (IT) sectors contributed to relative performance.

2019 was the best year for stocks in six years, with the S&P 500 Index⁶ and Russell 2000® Index⁷ generating total returns of 31.5% and 25.5%, respectively. Although the major indices rallied sharply during the year, investors climbed the wall of worry for much of the period, grappling with President Trump’s threats toward tariffs on Chinese goods, weakening manufacturing data, an inverted yield curve, and an increasing amount of negative-yielding sovereign debt. Other factors that led to marked bouts of volatility were attacks on Saudi oil facilities, problems in the overnight repurchase agreement market, and, to a lesser extent, the impeachment of President Trump. The Fund generated strong absolute returns from companies benefiting from constructive dynamics and secular growth catalysts, but it underperformed the benchmark, mainly due to weak returns from stocks within the health care sector.

Ten largest holdings (%) as of December 31, 2019 ⁸	
ASGN Incorporated	3.96
Kinsale Capital Group Incorporated	3.50
MasTec Incorporated	3.10
Casella Waste Systems Incorporated Class A	3.06
Rapid7 Incorporated	2.81
Investnet Incorporated	2.74
Rexnord Corporation	2.67
Q2 Holdings Incorporated	2.63
Amedisys Incorporated	2.55
Five9 Incorporated	2.45



Stock selection within health care hindered the Fund’s relative performance.

Weakness in the health care sector came mainly from biotechnology and medical technology companies, which retraced largely due to stock-specific factors that hurt their share prices. The Fund’s large underweight to biotechnology was a headwind, as several stocks that we didn’t own showed positive data or were acquired by larger players. There are nearly 250 biotech stocks in the Russell 2000® Growth Index, and many of them are preclinical and binary in nature and, consequently, don’t meet our definition of sustainable growth. Another key detractor within biotech was Ligand Pharmaceuticals Incorporated*, which was pressured after announcing the sale of its largest royalty-generating asset. Elsewhere within health care, Merit Medical Systems, Incorporated, maker of more than 200 devices used in difficult medical procedures, fell sharply after it delivered disappointing results that fell short of expectations on revenue and earnings per share, citing slowness from its higher-margin products. We exited our position as we questioned Merit’s ability to increase its margin profile in the near term.

We opportunistically added and trimmed positions as the valuation gap changed during the period.

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 generate high recurring revenues and do not have to deploy large amounts of capital expenditures in order to generate free cash flow. Despite our overweight to IT, we trimmed select positions whose valuation gap narrowed during the period. We remain cognizant of the risks within the consumer discretionary sector, which are mainly due to changing spending patterns and the e-commerce effect on many brick-and-mortar retailers. However, we do find opportunities in companies whose business models are resistant to e-commerce competition. 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.

Please see footnotes on page 7.

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

Stocks within the financials sector were the best-performing area of the portfolio. Kinsale Capital Group, Incorporated, a provider of excess and surplus insurance, rallied sharply after reporting a strong increase in submissions and net premium earned metrics throughout the year. One of the company's key advantages over its competitors is its lower cost structure, resulting from its proprietary IT system and lower commission payout to brokers. Within IT, software-as-a-service (SaaS) companies, including vulnerability management analytics solutions firm Rapid7, Incorporated, rose sharply after generating robust annualized recurring revenue metrics benefiting from increased company spending on security threats. Within consumer discretionary, the Fund benefited from its emphasis on companies with differentiated concepts and unique offerings. Share gains from companies including fitness operator Planet Fitness, Incorporated, and Boot Barn Holdings, Incorporated, as well as strong growth from auto dealership operator Lithia Motors, Incorporated, added to relative performance during the period.

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

The economic backdrop remains positive, with more modest but still expanding gross domestic product growth, an accommodative U.S. Federal Reserve, reasonable inflation, low unemployment, and a strong consumer. This is an environment that typically cultivates a scarcity of growth aspect in the market—a dynamic that has historically been favorable to our investing style. While our process is largely bottom-up, we continue to monitor fluctuations in the global economy and its potential implications on our portfolio. Market risks include ongoing trade tariffs with China and other geopolitical concerns, weakness in the manufacturing sector, and political noise typical of an election year. We strive to generate alpha (excess returns) from diverse sources and remain comfortable with our positioning and our focus on SaaS, cloud services, online retail, digital payments, the internet of things, and innovation. Given the current environment, we believe investors should be less reliant on stock valuations expanding generally and should consider proven active managers with adept stock selection to drive returns going forward.

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, 2019 to December 31, 2019.

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 7-1-2019	Ending account value 12-31-2019	Expenses paid during the period ¹	Annualized net expense ratio
Class 1				
Actual	\$1,000.00	\$1,013.83	\$4.70	0.93%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.54	\$4.72	0.93%
Class 2				
Actual	\$1,000.00	\$1,011.34	\$5.96	1.18%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.28	\$5.98	1.18%

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: 98.88%		
Communication Services: 0.63%		
Media: 0.63%		
Nexstar Media Group Incorporated Class A	15,800	<u>\$ 1,852,550</u>
Consumer Discretionary: 13.89%		
Auto Components: 1.05%		
Fox Factory Holding Corporation †	44,400	<u>3,088,908</u>
Diversified Consumer Services: 1.18%		
Chegg Incorporated †	71,686	2,717,616
Grand Canyon Education Incorporated †	7,620	729,920
		<u>3,447,536</u>
Hotels, Restaurants & Leisure: 4.56%		
Eldorado Resorts Incorporated †	63,800	3,805,032
Lindblad Expeditions Holding †	146,800	2,400,180
Planet Fitness Incorporated Class A †	27,820	2,077,598
Wingstop Incorporated	58,689	5,060,752
		<u>13,343,562</u>
Internet & Direct Marketing Retail: 0.42%		
Fiverr International Limited †«	52,800	<u>1,240,800</u>
Leisure Products: 1.15%		
Yeti Holdings Incorporated †«	96,416	<u>3,353,348</u>
Multiline Retail: 0.53%		
Ollie's Bargain Outlet Holdings Incorporated †	23,610	<u>1,541,969</u>
Specialty Retail: 4.18%		
America's Car-Mart Incorporated †	13,700	1,502,342
Boot Barn Holdings Incorporated †	109,600	4,880,488
Five Below Incorporated †	11,908	1,522,557
Lithia Motors Incorporated Class A	29,430	4,326,210
		<u>12,231,597</u>
Textiles, Apparel & Luxury Goods: 0.82%		
Deckers Outdoor Corporation †	14,200	<u>2,397,812</u>
Consumer Staples: 5.25%		
Beverages: 0.94%		
Boston Beer Company Incorporated Class A †	7,300	<u>2,758,305</u>
Food & Staples Retailing: 1.71%		
Grocery Outlet Holding Corporation †	46,335	1,503,571
The Chef's Warehouse Incorporated †	91,500	3,487,065
		<u>4,990,636</u>
Food Products: 1.68%		
Freshpet Incorporated †	82,901	<u>4,898,620</u>
Personal Products: 0.92%		
Inter Parfums Incorporated	37,100	<u>2,697,541</u>

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

	Shares	Value
Energy: 0.35%		
Energy Equipment & Services: 0.35%		
Cactus Incorporated Class A	29,887	\$ <u>1,025,722</u>
Financials: 8.05%		
Capital Markets: 1.43%		
Assetmark Financial Holdings †	51,015	1,480,455
Stifel Financial Corporation	44,700	2,711,055
		<u>4,191,510</u>
Insurance: 4.92%		
eHealth Incorporated †	21,200	2,036,896
Goosehead Insurance Incorporated Class A	22,807	967,017
Kinsale Capital Group Incorporated	100,624	10,229,436
Trupanion Incorporated †«	30,700	1,150,022
		<u>14,383,371</u>
Thrifts & Mortgage Finance: 1.70%		
LendingTree Incorporated †«	16,428	<u>4,984,912</u>
Health Care: 22.97%		
Biotechnology: 3.36%		
CareDx Incorporated †	40,544	874,534
Castle Biosciences Incorporated †	500	17,185
Fate Therapeutics Incorporated †	86,200	1,686,934
Halozyne Therapeutics Incorporated †	80,300	1,423,719
Invitae Corporation †	103,900	1,675,907
Natera Incorporated †	57,001	1,920,364
Vericel Corporation †	127,800	2,223,720
		<u>9,822,363</u>
Health Care Equipment & Supplies: 7.32%		
Glaukos Corporation †	60,040	3,270,379
iRhythm Technologies Incorporated †	59,226	4,032,698
Orthopediatrics Corporation †	52,811	2,481,589
Shockwave Medical Incorporated †«	55,449	2,435,320
SI-BONE Incorporated †	96,894	2,083,221
Silk Road Medical Incorporated †	24,440	986,887
Tactile Systems Technology Class I †	48,157	3,251,079
Tandem Diabetes Care Incorporated †	30,000	1,788,300
Vapotherm Incorporated †	89,191	1,084,563
		<u>21,414,036</u>
Health Care Providers & Services: 2.95%		
Amedisys Incorporated †	44,700	7,461,324
HealthEquity Incorporated †	15,925	1,179,565
		<u>8,640,889</u>
Health Care Technology: 2.64%		
Health Catalyst Incorporated †«	35,567	1,234,175
Phreesia Incorporated †	82,861	2,207,417
Teladoc Incorporated †«	51,146	4,281,943
		<u>7,723,535</u>

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

	Shares	Value
Life Sciences Tools & Services: 6.03%		
Adaptive Biotechnologies Corporation †«	24,049	\$ 719,546
Codexis Incorporated †	404,827	6,473,184
Neogenomics Incorporated †	114,582	3,351,524
Repligen Corporation †	76,600	7,085,500
		<u>17,629,754</u>
Pharmaceuticals: 0.67%		
MyoKardia Incorporated †	27,000	<u>1,967,895</u>
Industrials: 18.57%		
Aerospace & Defense: 3.11%		
Kratos Defense & Security Solutions Incorporated †	152,300	2,742,923
Mercury Computer Systems Incorporated †	92,168	6,369,730
		<u>9,112,653</u>
Airlines: 1.24%		
SkyWest Incorporated	56,140	<u>3,628,328</u>
Commercial Services & Supplies: 3.06%		
Casella Waste Systems Incorporated Class A †	194,500	<u>8,952,835</u>
Construction & Engineering: 3.10%		
MasTec Incorporated †	141,300	<u>9,065,808</u>
Machinery: 2.67%		
Rexnord Corporation †	239,220	<u>7,803,356</u>
Professional Services: 3.96%		
ASGN Incorporated †	163,181	<u>11,580,956</u>
Road & Rail: 0.55%		
Saia Incorporated †	17,300	<u>1,610,976</u>
Trading Companies & Distributors: 0.88%		
SiteOne Landscape Supply Incorporated †	28,400	<u>2,574,460</u>
Information Technology: 27.65%		
Electronic Equipment, Instruments & Components: 2.08%		
Novanta Incorporated †	68,900	<u>6,093,516</u>
IT Services: 2.71%		
Endava plc Sponsored ADR †	67,094	3,126,580
EVO Payments Incorporated Class A †	89,291	2,358,175
InterXion Holding NV †	14,190	1,189,264
LiveRamp Holdings Incorporated †	26,400	1,269,048
		<u>7,943,067</u>
Semiconductors & Semiconductor Equipment: 3.21%		
Diodes Incorporated †	68,430	3,857,399
Semtech Corporation †	71,300	3,771,770
Silicon Laboratories Incorporated †	15,200	1,762,896
		<u>9,392,065</u>
Software: 19.65%		
Altair Engineering Incorporated Class A †	15,162	544,467
Anaplan Incorporated †	10,998	576,295

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

		Shares	Value
Software (continued)			
Bill.com Holdings Incorporated †		4,768	\$ 181,422
BlackLine Incorporated †		51,353	2,647,761
Envestnet Incorporated †		115,311	8,029,105
Everbridge Incorporated †		36,900	2,881,152
Five9 Incorporated †		109,513	7,181,863
Globant SA †		27,800	2,948,190
Mimecast Limited †		60,000	2,602,800
New Relic Incorporated †		29,500	1,938,445
PROS Holdings Incorporated †		30,600	1,833,552
Q2 Holdings Incorporated †		94,776	7,684,438
Rapid7 Incorporated †		146,578	8,211,300
Sprout Social Incorporated Class A †«		55,239	886,586
SPS Commerce Incorporated †		78,864	4,370,643
Talend SA ADR †		126,839	4,960,673
			<u>57,478,692</u>
Materials: 1.52%			
Chemicals: 1.23%			
Ingevity Corporation †		11,300	987,394
PQ Group Holdings Incorporated †		152,680	2,623,042
			<u>3,610,436</u>
Metals & Mining: 0.29%			
Mayville Engineering Company Incorporated †		90,315	<u>847,155</u>
Total Common Stocks (Cost \$221,634,094)			<u>289,321,474</u>
		Yield	
Short-Term Investments: 6.97%			
Investment Companies: 6.97%			
Securities Lending Cash Investments LLC (l)(r)(u)	1.73%	17,152,504	17,154,220
Wells Fargo Government Money Market Fund Select Class (l)(u)	1.55	3,229,069	3,229,069
Total Short-Term Investments (Cost \$20,382,432)			<u>20,383,289</u>
Total investments in securities (Cost \$242,016,526)	105.85%		309,704,763
Other assets and liabilities, net	<u>(5.85)</u>		<u>(17,122,332)</u>
Total net assets	<u>100.00%</u>		<u>\$ 292,582,431</u>

† Non-income-earning security

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

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

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

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

Abbreviations:

ADR American depositary receipt

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:

	Shares, beginning of period	Shares purchased	Shares sold	Shares, end of period	Net realized gains (losses)	Net change in unrealized gains (losses)	Income from affiliated securities	Value, end of period	% of net assets
Short-Term Investments									
Investment Companies									
Securities Lending Cash									
Investments LLC	18,426,160	163,927,047	(165,200,703)	17,152,504	\$1,673	\$0	\$456,779 [#]	\$ 17,154,220	
Wells Fargo Government Money Market Fund Select Class	2,136,828	95,980,032	(94,887,791)	3,229,069	0	0	77,140	3,229,069	
					\$1,673	\$0	\$ 533,919	\$20,383,289	6.97%

[#] 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 \$16,840,835 of securities loaned), at value (cost \$221,634,094)	\$ 289,321,474
Investments in affiliated securities, at value (cost \$20,382,432)	20,383,289
Cash	823,585
Receivable for investments sold	603,925
Receivable for Fund shares sold	3,344
Receivable for dividends	24,059
Receivable for securities lending income, net	9,827
Prepaid expenses and other assets	16,758
Total assets	<u>311,186,261</u>
Liabilities	
Payable upon receipt of securities loaned	17,141,954
Payable for investments purchased	961,055
Payable for Fund shares redeemed	204,585
Management fee payable	203,873
Administration fees payable	20,388
Distribution fee payable	58,460
Trustees' fees and expenses payable	5,688
Accrued expenses and other liabilities	7,827
Total liabilities	<u>18,603,830</u>
Total net assets	<u>\$ 292,582,431</u>
Net assets consist of	
Paid-in capital	\$ 207,138,228
Total distributable earnings	85,444,203
Total net assets	<u>\$ 292,582,431</u>
Computation of net asset value per share	
Net assets – Class 1	\$ 22,925,379
Shares outstanding – Class 1 ¹	2,228,548
Net asset value per share – Class 1	\$10.29
Net assets – Class 2	\$269,657,052
Shares outstanding – Class 2 ¹	27,202,636
Net asset value per share – Class 2	\$9.91

¹ The Fund has an unlimited number of authorized shares.

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

Investment income	
Securities lending income from affiliates, net	\$ 299,081
Dividends	297,368
Income from affiliated securities	<u>77,140</u>
Total investment income	<u>673,589</u>
Expenses	
Management fee	2,341,437
Administration fees	
Class 1	18,544
Class 2	215,599
Distribution fee	
Class 2	672,456
Custody and accounting fees	13,556
Professional fees	44,421
Shareholder report expenses	40,000
Trustees' fees and expenses	21,652
Other fees and expenses	<u>14,524</u>
Total expenses	<u>3,382,189</u>
Less: Fee waivers and/or expense reimbursements	
Class 1	<u>(7)</u>
Net expenses	<u>3,382,182</u>
Net investment loss	<u>(2,708,593)</u>
Realized and unrealized gains (losses) on investments	
Net realized gains on	
Unaffiliated securities	18,187,306
Affiliated securities	<u>1,673</u>
Net realized gains on investments	18,188,979
Net change in unrealized gains (losses) on investments	<u>48,624,852</u>
Net realized and unrealized gains (losses) on investments	<u>66,813,831</u>
Net increase in net assets resulting from operations	<u>\$ 64,105,238</u>

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

Statement of changes in net assets

	Year ended December 31, 2019		Year ended December 31, 2018	
Operations				
Net investment loss		\$ (2,708,593)		\$ (2,463,017)
Net realized gains on investments		18,188,979		50,054,833
Net change in unrealized gains (losses) on investments		48,624,852		(45,714,046)
Net increase in net assets resulting from operations		64,105,238		1,877,770
Distributions to shareholders from net investment income and net realized gains				
Class 1		(3,689,450)		(2,299,577)
Class 2		(44,225,338)		(26,787,868)
Total distributions to shareholders		(47,914,788)		(29,087,445)
Capital share transactions				
	Shares		Shares	
Proceeds from shares sold				
Class 1	343,664	3,528,410	364,681	4,303,429
Class 2	1,600,764	15,682,418	5,175,836	58,869,242
		19,210,828		63,172,671
Reinvestment of distributions				
Class 1	358,896	3,689,450	196,882	2,299,577
Class 2	4,458,199	44,225,338	2,358,087	26,787,868
		47,914,788		29,087,445
Payment for shares redeemed				
Class 1	(523,347)	(5,516,594)	(678,205)	(7,559,025)
Class 2	(4,754,197)	(48,055,795)	(5,058,038)	(55,703,260)
		(53,572,389)		(63,262,285)
Net increase in net assets resulting from capital share transactions		13,553,227		28,997,831
Total increase in net assets		29,743,677		1,788,156
Net assets				
Beginning of period		262,838,754		261,050,598
End of period		\$ 292,582,431		\$262,838,754

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

(For a share outstanding throughout each period)

CLASS 1	Year ended December 31				
	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$9.66	\$10.43	\$8.51	\$8.70	\$10.08
Net investment loss	(0.07) ¹	(0.05)	(0.04)	(0.01) ¹	(0.06)
Net realized and unrealized gains (losses) on investments	2.51	0.40	2.24	0.65	(0.02)
Total from investment operations	2.44	0.35	2.20	0.64	(0.08)
Distributions to shareholders from					
Net realized gains	(1.81)	(1.12)	(0.28)	(0.83)	(1.30)
Net asset value, end of period	\$10.29	\$9.66	\$10.43	\$8.51	\$8.70
Total return²	25.31%	1.48%	26.14%	8.10%	(2.63)%
Ratios to average net assets (annualized)					
Gross expenses	0.93%	0.92%	0.94%	0.94%	0.93%
Net expenses	0.93%	0.92%	0.94%	0.94%	0.93%
Net investment loss	(0.69)%	(0.59)%	(0.65)%	(0.10)%	(0.69)%
Supplemental data					
Portfolio turnover rate	62%	68%	72%	89%	77%
Net assets, end of period (000s omitted)	\$22,925	\$19,801	\$22,591	\$20,554	\$22,402

¹ Calculated based upon average shares outstanding² Returns 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				
	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$9.38	\$10.18	\$8.33	\$8.56	\$9.96
Net investment loss	(0.09)	(0.09)	(0.09)	(0.03)	(0.08)
Net realized and unrealized gains (losses) on investments	2.43	0.41	2.22	0.63	(0.02)
Total from investment operations	2.34	0.32	2.13	0.60	(0.10)
Distributions to shareholders from					
Net realized gains	(1.81)	(1.12)	(0.28)	(0.83)	(1.30)
Net asset value, end of period	\$9.91	\$9.38	\$10.18	\$8.33	\$8.56
Total return¹	24.83%	1.20%	25.86%	7.75%	(2.88)%
Ratios to average net assets (annualized)					
Gross expenses	1.18%	1.17%	1.19%	1.19%	1.18%
Net expenses	1.18%	1.17%	1.19%	1.19%	1.18%
Net investment loss	(0.95)%	(0.84)%	(0.90)%	(0.35)%	(0.93)%
Supplemental data					
Portfolio turnover rate	62%	68%	72%	89%	77%
Net assets, end of period (000s omitted)	\$269,657	\$243,038	\$238,460	\$202,718	\$226,867

¹ Returns 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Securities valuation

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

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

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

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

Securities lending

The Fund may lend its securities from time to time in order to earn additional income in the form of fees or interest on securities received as collateral or the investment of any cash received as collateral. 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 allows 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, 2019, the aggregate cost of all investments for federal income tax purposes was \$242,325,270 and the unrealized gains (losses) consisted of:

Gross unrealized gains	\$70,502,973
Gross unrealized losses	(3,123,480)
Net unrealized gains	\$67,379,493

Reclassifications are made to the Fund's capital accounts for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under federal income tax regulations. U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. At December 31, 2019, as a result of permanent book-to-tax differences, the following reclassification adjustments were made on the Statement of Assets and Liabilities:

Paid-in capital	Total distributable earnings
\$(2,708,150)	\$2,708,150

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, 2019:

	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>	\$ 1,852,550	\$0	\$0	\$ 1,852,550
<i>Consumer discretionary</i>	40,645,532	0	0	40,645,532
<i>Consumer staples</i>	15,345,102	0	0	15,345,102
<i>Energy</i>	1,025,722	0	0	1,025,722
<i>Financials</i>	23,559,793	0	0	23,559,793
<i>Health care</i>	67,198,472	0	0	67,198,472
<i>Industrials</i>	54,329,372	0	0	54,329,372
<i>Information technology</i>	80,907,340	0	0	80,907,340
<i>Materials</i>	4,457,591	0	0	4,457,591
Short-term investments				
<i>Investment companies</i>	20,383,289	0	0	20,383,289
Total assets	\$309,704,763	\$0	\$0	\$309,704,763

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

For the year ended December 31, 2019, 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, 2019, 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 servicers 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, 2020 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, 2019 were \$178,406,157 and \$213,818,892, 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 Fed 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, 2019, 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 Inc.	\$ 159,068	\$ (159,068)	\$0
Barclays Capital Inc.	3,484,198	(3,484,198)	0
BNP Paribas Securities Corp.	5,506,152	(5,506,152)	0
Citigroup Global Markets Inc.	2,263,294	(2,263,294)	0
Deutsche Bank Securities Inc.	117,500	(117,500)	0
JPMorgan Securities LLC	2,279,650	(2,279,650)	0
Morgan Stanley & Co. LLC	2,967,291	(2,967,291)	0
SG Americas Securities LLC	63,682	(63,682)	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 \$280,000,000 revolving credit agreement whereby the Fund is permitted to use bank borrowings for temporary or emergency purposes, such as to fund shareholder redemption requests. Interest under the credit agreement is charged to the Fund based on a borrowing rate equal to the higher of the Federal Funds rate in effect on that day plus 1.25% or the overnight LIBOR rate in effect on that day plus 1.25%. In addition, an annual commitment fee equal to 0.25% of the unused balance is allocated to each participating fund.

For the year ended December 31, 2019, 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, 2019 and December 31, 2018 were as follows:

	Year ended December	
	2019	2018
Ordinary income	\$ 1,567,204	\$ 0
Long-term capital gain	46,347,584	29,087,445

As of December 31, 2019, the components of distributable earnings on a tax basis were as follows:

Undistributed long-term gain	Unrealized gains
\$18,065,691	\$67,379,493

9. CONCENTRATION RISK

Concentration risks result from exposure to a limited number of sectors. As of the end of the period, the Fund invests a concentration of its portfolio in the information technology sector. 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 Trust's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Trust. Additionally, in the normal course of business, the Trust may enter into contracts with service providers that contain a variety of indemnification clauses. The Trust's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

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 for fair value measurements by modifying or removing certain disclosures and adding certain new disclosures. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. Management has adopted the removal and modification of disclosures early, as permitted, and will adopt the additional new disclosures at the effective date.

TO THE SHAREHOLDERS OF THE FUND AND BOARD OF TRUSTEES OF 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, 2019, 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, 2019, 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, 2019, by correspondence with the custodian, transfer agent and brokers, or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have not been able to determine the specific year that we began serving as the 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, 2020

TAX INFORMATION

For corporate shareholders, pursuant to Section 854 of the Internal Revenue Code, 20.72% of ordinary income dividends qualify for the corporate dividends-received deduction for the fiscal year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, \$46,347,584 was designated as a 20% rate gain distribution for the fiscal year ended December 31, 2019.

PROXY VOTING INFORMATION

A description of the policies and procedures used to determine how to vote proxies relating to portfolio securities is available, upon request, by calling **1-800-260-5969**, visiting our website at **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 149 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 a Board Member of The Ruth Bancroft Garden (non-profit organization). She is also an inactive Chartered Financial Analyst.	N/A
Isaiah Harris, Jr. (Born 1952)	Trustee, since 2009; Audit Committee Chairman, since 2019	Retired. Chairman of the Board of CIGNA Corporation since 2009, and Director since 2005. From 2003 to 2011, Director of Deluxe Corporation. Prior thereto, President and CEO of BellSouth Advertising and Publishing Corp. from 2005 to 2007, President and CEO of BellSouth Enterprises from 2004 to 2005 and President of BellSouth Consumer Services from 2000 to 2003. Emeritus member of the Iowa State University Foundation Board of Governors. Emeritus Member of the Advisory Board of Iowa State University School of Business. Advisory Board Member, Palm Harbor Academy (private school). Advisory Board Member, Child Evangelism Fellowship (non-profit). Mr. Harris is a certified public accountant (inactive status).	CIGNA Corporation
Judith M. Johnson (Born 1949)	Trustee, since 2008; Audit Committee Chairman, from 2009 to 2018	Retired. Prior thereto, Chief Executive Officer and Chief Investment Officer of Minneapolis Employees Retirement Fund from 1996 to 2008. Ms. Johnson is an attorney, certified public accountant and a certified managerial accountant.	N/A

Name and year of birth	Position held and length of service*	Principal occupations during past five years or longer	Current other public company or investment company directorships
David F. Larcker (Born 1950)	Trustee, since 2009	James Irvin Miller Professor of Accounting at the Graduate School of Business, Stanford University, Director of the Corporate Governance Research Initiative and Senior Faculty of The Rock Center for Corporate Governance since 2006. From 2005 to 2008, Professor of Accounting at the Graduate School of Business, Stanford University. Prior thereto, Ernst & Young Professor of Accounting at The Wharton School, University of Pennsylvania from 1985 to 2005.	N/A
Olivia S. Mitchell (Born 1953)	Trustee, since 2006; Nominating and Governance Committee Chair, since 2018	International Foundation of Employee Benefit Plans Professor, Wharton School of the University of Pennsylvania since 1993. Director of Wharton's Pension Research Council and Boettner Center on Pensions & Retirement Research, and Research Associate at the National Bureau of Economic Research. Previously, Cornell University Professor from 1978 to 1993.	N/A
Timothy J. Penny (Born 1951)	Trustee, since 1996; Chairman, since 2018	President and Chief Executive Officer of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, since 2007.	N/A
James G. Polisson (Born 1959)	Trustee, since 2018	Retired. Chief Marketing Officer, Source (ETF) UK Services, Ltd, from 2015 to 2017. From 2012 to 2015, Principal of The Polisson Group, LLC, a management consulting, corporate advisory and principal investing company. Chief Executive Officer and Managing Director at Russell Investments, Global Exchange Traded Funds from 2010 to 2012. Managing Director of Barclays Global Investors from 1998 to 2010 and Global Chief Marketing Officer for iShares and Barclays Global Investors from 2000 to 2010. Trustee of the San Francisco Mechanics' Institute, a non-profit organization, from 2013 to 2015. Board member of the Russell Exchange Traded Fund Trust from 2011 to 2012. Director of Barclays Global Investors Holdings Deutschland GmbH from 2006 to 2009. Mr. Polisson is an attorney and has a retired status with the Massachusetts and District of Columbia Bar Associations.	N/A
Pamela Wheelock ³ (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. 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 ⁴ (Born 1966)	Chief Legal Officer, since 2019	Secretary of Wells Fargo Funds Management, LLC, Chief Legal Counsel of Wells Fargo Asset Management and Assistant General Counsel of Wells Fargo Bank, N.A. since 2018. Associate General Counsel and Managing Director of Bank of America Corporation from 2004 to 2018.
Catherine Kennedy ⁵ (Born 1969)	Secretary, since 2019	Vice President of Wells Fargo Funds Management, LLC and Senior Counsel of the Wells Fargo Legal Department since 2010. Vice President and Senior Counsel of Evergreen Investment Management Company, LLC from 1998 to 2010.
Michael H. Whitaker (Born 1967)	Chief Compliance Officer, since 2016	Chief Compliance Officer of Wells Fargo Asset Management since 2016. Senior Vice President and Chief Compliance Officer for Fidelity Investments from 2007 to 2016.
David Berardi (Born 1975)	Assistant Treasurer, since 2009	Vice President of Wells Fargo Funds Management, LLC since 2009. Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010. Manager of Fund Reporting and Control for Evergreen Investment Management Company, LLC from 2004 to 2010.

¹ Jeremy DePalma acts as Treasurer of 85 funds and Assistant Treasurer of 64 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.

³ Pamela Wheelock was re-appointed to the Board effective January 1, 2020.

⁴ Michelle Rhee became Chief Legal Officer effective October 22, 2019.

⁵ Catherine Kennedy became Secretary effective October 22, 2019.

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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.

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

Variable Product Funds

70100 Ameriprise Financial Center
Minneapolis, MN 55474

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