

Wells Fargo VT Discovery Fund

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The views expressed and any forward-looking statements are as of December 31, 2020, unless otherwise noted, and are those of the Fund's portfolio managers and/or Wells Fargo Asset Management. Discussions of individual securities or the markets generally are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Asset Management and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

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



Andrew Owen
President
Wells Fargo Funds

Dear Shareholder:

We are pleased to offer you this annual report for the Wells Fargo VT Discovery Fund for the 12-month period that ended December 31, 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.

“*Non-U.S. developed market equities had weaker performance than emerging market and U.S. stocks.*”

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.”

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.

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.

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

Michael T. Smith, CFA^{®†}

Christopher J. Warner, 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 2	5-8-1992	62.65	23.91	17.25	1.17	1.16
Russell 2500™ Growth Index ³	–	40.47	18.68	15.00	–	–

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.

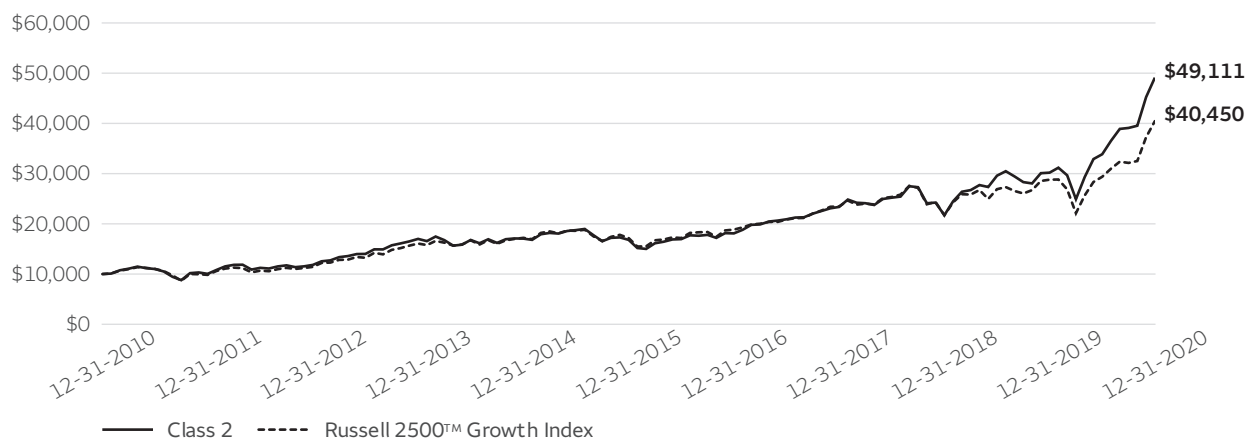
Please keep in mind that high double-digit returns were primarily achieved during favorable market conditions. You should not expect that such favorable returns can be consistently achieved. A fund's performance, especially for short time periods, should not be the sole factor in making your investment 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. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). The Fund is exposed to foreign investment risk. Consult the Fund's prospectus for additional information on these and other risks.

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

Growth of \$10,000 investment as of December 31, 2020⁴

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

¹ Reflects the expense ratios as stated in the most recent prospectus, which include the impact of 0.01% in acquired fund fees and expenses. The expense ratios shown are subject to change and may differ from the annualized expense ratios shown in the financial highlights of this report, 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 1.15% 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 prospectus.

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

⁴ The chart compares the performance of the Class 2 shares for the most recent ten years with the Russell 2500™ Growth Index. The chart assumes a hypothetical \$10,000 investment and reflects all operating expenses of the Fund 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.

MANAGER'S DISCUSSION

Fund highlights

- The Fund outperformed its benchmark, the Russell 2500™ Growth Index, for the 12-month period that ended December 31, 2020.
- Stock selection in the health care and consumer discretionary sectors contributed to the Fund's results.
- Select holdings in the consumer staples sector hindered performance.

A global pandemic triggered a massive policy response and remarkable health care innovations.

Over the past year, global economies shifted from long-toothed bull markets to rapid recessions, spurred by a global pandemic and shelter-at-home orders. Central banks and governments rallied quickly to prevent a possible depression by proposing massive stimulus packages. Within the United States, the Federal Reserve took extraordinary measures to provide liquidity. Optimism grew among equity investors as consumers reestablished confidence and progress was made toward therapeutic treatments for the coronavirus. As 2020 came to a close, markets rallied on the speed and efficacy of a COVID-19 vaccine and prospects of further reopening of the economy.

Despite the heightened volatility, we have not significantly repositioned the Fund. Our investment process has long focused on companies harnessing technology to create superior growth. The Fund remains positioned toward companies that we believe are on the right side of change. As a result, along with strong stock selection, our portfolios were well positioned for the market environment in 2020.

Stock selection in the health care and consumer discretionary sectors contributed to performance relative to the index.

Ten largest holdings (%) as of December 31, 2020 ⁵	
MercadoLibre Incorporated	3.01
StoneCo Limited Class A	2.67
MongoDB Incorporated	2.64
Five9 Incorporated	2.23
Generac Holdings Incorporated	2.16
Align Technology Incorporated	2.05
Chipotle Mexican Grill Incorporated	1.95
Casella Waste Systems Incorporated Class A	1.91
Twilio Incorporated Class A	1.89
Black Knight Incorporated	1.88

IRhythm Technologies, Incorporated, was a standout health care performer. IRhythm is a medical device manufacturer that has developed a next-generation device for patients with heart irregularities. The company's monitor, called Zio, digitally monitors a patient's heart rate for 7 to 14 days and continuously reports data back to a doctor. The ease and long duration of use increase the likelihood that iRhythm's device identifies a heart issue before it causes problems for the patient. This innovation, superior to the current standard of care, the Holter monitor, is bringing new technology to the large addressable market of cardiology.

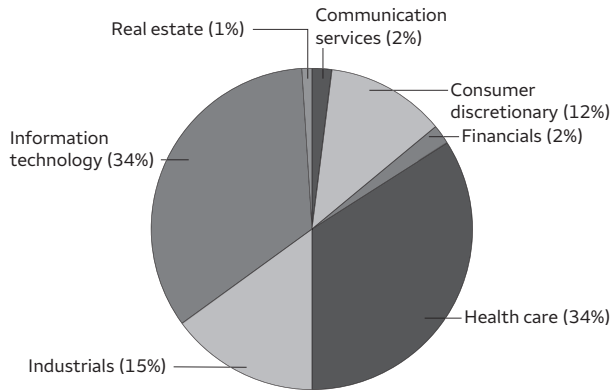
Within consumer discretionary, MercadoLibre, Incorporated, contributed to performance. MercadoLibre is the dominant Latin American e-commerce provider, where e-commerce penetration rates are accelerating but remain far below that of

developed countries. The company also owns MercadoPago, a digital payment application that has been fueling strong growth and is now the leading online payment solution in Latin America. In addition to growth in the core e-commerce marketplace, we believe MercadoPago will significantly contribute to earnings going forward.

Stock selection within consumer staples detracted from relative performance.

Within consumer staples, shares of foodservice distributor US Foods Holding Corporation were negatively affected by the global pandemic. State and local governments initially closed and later restricted capacity at dine-in restaurants in an effort to mitigate the impact of the coronavirus. As a result, diminished demand from restaurants, hospitals, and hotels weighed on the shares for most of the year. Similarly, these restrictions hurt shares of Lamb Weston Holdings, Incorporated, a leading provider of frozen potatoes and appetizers to global fast-food and dine-in restaurants. As the effects of the pandemic resounded globally for much of the year, there was uncertainty as to when demand would return to pre-pandemic levels. As a result, we executed our sell discipline and exited both positions.

Please see footnotes on page 7.

Sector allocation as of December 31, 2020⁶

While volatility remains high, companies on the right side of change provide resiliency.

2020 ended with enthusiasm for putting the coronavirus behind us, new rounds of economic stimulus, and improving macro conditions. In the short term, this sparked a rotation toward interest-rate-sensitive and cyclical assets. However, it does not alter our long-term view. We believe economic growth will remain slow as the structural forces of debt, demographics, and disruption are here to stay. We continue to emphasize companies on the right side of change. These are dynamic businesses positioned to take advantage of the massive shift around digital transformation. A massive amount of spending is moving online from offline. Growth themes, such as telemedicine, cloud software, digital payments, and

e-commerce, will likely continue for the foreseeable future. We are long-term investors focused on opportunities well beyond 2020. As economic growth remains scarce, we expect stocks with superior fundamentals to be rewarded with premium valuations. While we anticipate volatility to persist in 2021, we remain confident that right-side-of-change companies will deliver superior results.

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 2				
Actual	\$1,000.00	\$1,450.34	\$6.98	1.13%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.44	\$5.75	1.13%

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

	Shares	Value
Common stocks: 98.09%		
Communication services: 1.95%		
Media: 1.95%		
IAC/InterActiveCorp †	6,001	\$ 1,136,289
Match Group Incorporated †	25,400	3,840,226
		<u>4,976,515</u>
Consumer discretionary: 12.14%		
Diversified consumer services: 3.01%		
Bright Horizons Family Solutions Incorporated †	22,804	3,944,864
Chegg Incorporated †	41,600	3,757,728
		<u>7,702,592</u>
Hotels, restaurants & leisure: 3.06%		
Chipotle Mexican Grill Incorporated †	3,600	4,992,156
Domino's Pizza Incorporated	7,394	2,835,303
		<u>7,827,459</u>
Internet & direct marketing retail: 6.07%		
Chewy Incorporated Class A †	36,700	3,298,963
Etsy Incorporated †	25,511	4,538,662
MercadoLibre Incorporated †	4,603	7,711,038
		<u>15,548,663</u>
Financials: 1.67%		
Consumer finance: 1.67%		
Foley Trasimene Acquisition Corporation †	174,900	2,640,990
LendingTree Incorporated †	6,000	1,642,740
		<u>4,283,730</u>
Health care: 33.43%		
Biotechnology: 9.24%		
Black Diamond Therapeutics Incorporated †	24,000	769,200
CRISPR Therapeutics AG †	10,527	1,611,789
Deciphera Pharmaceuticals Incorporated †	19,211	1,096,372
Exact Sciences Corporation †	28,800	3,815,712
Mirati Therapeutics Incorporated †	5,900	1,295,876
Natera Incorporated †	34,423	3,425,777
ORIC Pharmaceuticals Incorporated †«	31,140	1,054,089
Sarepta Therapeutics Incorporated †	14,550	2,480,630
Turning Point Therapeutics Incorporated †	18,537	2,258,733
Twist Bioscience Corporation †	19,610	2,770,697
Zai Lab Limited ADR †	17,812	2,410,676
Zymeworks Incorporated †	14,200	671,092
		<u>23,660,643</u>
Health care equipment & supplies: 11.37%		
ABIOMED Incorporated †	8,600	2,788,122
Align Technology Incorporated †	9,800	5,236,924
DexCom Incorporated †	5,700	2,107,404
Haemonetics Corporation †	26,100	3,099,375
Inari Medical Incorporated †	46,000	4,015,340
Insulet Corporation †	12,699	3,246,245

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

	Shares	Value
Health care equipment & supplies (continued)		
iRhythm Technologies Incorporated †	19,811	\$ 4,699,367
Shockwave Medical Incorporated †	37,552	<u>3,894,893</u>
		<u>29,087,670</u>
Health care providers & services: 7.73%		
Amedisys Incorporated †	12,754	3,741,131
Chemed Corporation	9,000	4,793,490
Guardant Health Incorporated †	29,000	3,737,520
HealthEquity Incorporated †	37,383	2,605,969
Molina Healthcare Incorporated †	13,500	2,871,180
OAK Street Health Incorporated †	33,407	<u>2,043,172</u>
		<u>19,792,462</u>
Health care technology: 1.64%		
Veeva Systems Incorporated Class A †	15,405	<u>4,194,011</u>
Life sciences tools & services: 2.08%		
Berkeley Lights Incorporated †	23,028	2,058,933
Bio-Rad Laboratories Incorporated Class A †	5,600	<u>3,264,464</u>
		<u>5,323,397</u>
Pharmaceuticals: 1.37%		
Catalent Incorporated †	33,600	<u>3,496,752</u>
Industrials: 14.61%		
Aerospace & defense: 3.48%		
HEICO Corporation	19,100	2,528,840
Mercury Systems Incorporated †	40,400	3,557,624
Teledyne Technologies Incorporated †	7,200	<u>2,822,256</u>
		<u>8,908,720</u>
Building products: 1.48%		
Trex Company Incorporated †	45,200	<u>3,784,144</u>
Commercial services & supplies: 3.50%		
Casella Waste Systems Incorporated Class A †	79,019	4,895,227
IAA Incorporated †	59,000	3,833,820
Tetra Tech Incorporated	1,981	<u>229,360</u>
		<u>8,958,407</u>
Electrical equipment: 2.16%		
Generac Holdings Incorporated †	24,300	<u>5,526,063</u>
Professional services: 1.30%		
Clarivate Analytics plc †	111,955	<u>3,326,183</u>
Road & rail: 1.37%		
Saia Incorporated †	19,500	<u>3,525,600</u>
Trading companies & distributors: 1.32%		
SiteOne Landscape Supply Incorporated †	21,261	<u>3,372,632</u>
Information technology: 32.92%		
Electronic equipment, instruments & components: 0.98%		
Novanta Incorporated †	21,200	<u>2,506,264</u>

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

		Shares	Value
IT services: 17.79%			
Black Knight Incorporated †		54,500	\$ 4,815,075
Booz Allen Hamilton Holding Corporation		12,224	1,065,688
EPAM Systems Incorporated †		10,719	3,841,154
Euronet Worldwide Incorporated †		22,193	3,216,210
Globant SA †		20,600	4,482,766
MongoDB Incorporated †		18,800	6,749,952
Square Incorporated Class A †		15,900	3,460,476
StoneCo Limited Class A †		81,619	6,849,466
Twilio Incorporated Class A †		14,298	4,839,873
WEX Incorporated †		17,100	3,480,363
WNS Holdings Limited ADR †		38,100	2,745,105
			<u>45,546,128</u>
Semiconductors & semiconductor equipment: 4.16%			
Lattice Semiconductor Corporation †		79,476	3,641,590
MKS Instruments Incorporated		27,300	4,107,285
Universal Display Corporation		12,600	2,895,480
			<u>10,644,355</u>
Software: 9.99%			
Avalara Incorporated †		26,800	4,419,052
Bill.com Holdings Incorporated †		23,766	3,244,059
CrowdStrike Holdings Incorporated Class A †		21,200	4,490,584
Elastic NV †		31,000	4,530,030
Five9 Incorporated †		32,718	5,706,019
Unity Software Incorporated †◄		20,723	3,180,359
			<u>25,570,103</u>
Real estate: 1.37%			
Equity REITs: 1.37%			
QTS Realty Trust Incorporated Class A		56,700	<u>3,508,596</u>
Total Common stocks (Cost \$132,342,237)			<u>251,071,089</u>
	Yield		
Short-term investments: 2.82%			
Investment companies: 2.82%			
Securities Lending Cash Investments LLC ♠◌∞	0.16%	3,816,800	\$ 3,816,800
Wells Fargo Government Money Market Fund Select Class ♠∞	0.03	3,400,578	<u>3,400,578</u>
Total Short-term investments (Cost \$7,217,378)			<u>7,217,378</u>
Total investments in securities (Cost \$139,559,615)	100.91%		258,288,467
Other assets and liabilities, net	<u>(0.91)</u>		<u>(2,334,823)</u>
Total net assets	<u>100.00%</u>		<u>\$255,953,644</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	\$4,718,549	\$58,497,580	\$(59,399,385)	\$275	\$(219)	\$3,816,800		3,816,800	\$20,198 [#]
Wells Fargo Government Money Market Fund Select Class	1,560,143	40,678,441	(38,838,006)	<u>0</u>	<u>0</u>	<u>3,400,578</u>		3,400,578	<u>11,252</u>
				<u>\$275</u>	<u>\$(219)</u>	<u>\$7,217,378</u>	<u>2.82%</u>		<u>\$31,450</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 \$3,657,932 of securities loaned), at value (cost \$132,342,237).....	\$251,071,089
Investments in affiliated securities, at value (cost \$7,217,378)	7,217,378
Receivable for investments sold	1,118,029
Receivable for Fund shares sold.....	732,129
Receivable for dividends	26,709
Receivable for securities lending income, net.....	2,050
Prepaid expenses and other assets	3,845
Total assets	<u>260,171,229</u>
Liabilities	
Payable upon receipt of securities loaned.....	3,816,800
Management fee payable	172,578
Payable for Fund shares redeemed	142,188
Distribution fee payable	57,526
Administration fee payable.....	18,408
Trustees' fees and expenses payable	3,877
Accrued expenses and other liabilities.....	6,208
Total liabilities	<u>4,217,585</u>
Total net assets	<u>\$255,953,644</u>
Net assets consist of	
Paid-in capital	\$119,462,663
Total distributable earnings	<u>136,490,981</u>
Total net assets	<u>\$255,953,644</u>
Computation of net asset value per share	
Net assets – Class 2	\$255,953,644
Share outstanding – Class 2 ¹	5,253,003
Net asset value per share – Class 2	\$48.73

¹ The Fund has an unlimited number of authorized shares

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

Investment income	
Dividends (net of foreign withholdings taxes of \$2,768)	\$ 350,783
Securities lending income from affiliates, net	29,009
Income from affiliated securities	11,252
Total investment income	391,044
Expenses	
Management fee	1,418,034
Administration fee – Class 2	151,257
Distribution fee – Class 2	471,305
Custody and accounting fees	22,294
Professional fees	35,515
Shareholder report expenses	32,161
Trustees' fees and expenses	19,862
Other fees and expenses	9,425
Total expenses	2,159,853
Less: Fee waivers and/or expense reimbursements	
Fund-level	(4,327)
Net expenses	2,155,526
Net investment loss	(1,764,482)
Realized and unrealized gains (losses) on investments	
Net realized gains on	
Unaffiliated securities	17,877,459
Affiliated securities	275
Net realized gains on investments	17,877,734
Net change in unrealized gains (losses) on	
Unaffiliated securities	82,373,246
Affiliated securities	(219)
Net change in unrealized gains (losses) on investments	82,373,027
Net realized and unrealized gains (losses) on investments	100,250,761
Net increase in net assets resulting from operations	\$ 98,486,279

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

	Year ended December 31, 2020		Year ended December 31, 2019	
Operations				
Net investment loss.....		\$ (1,764,482)		\$ (1,259,354)
Net realized gains on investments.....		17,877,734		17,351,306
Net change in unrealized gains (losses) on investments.....		82,373,027		32,290,402
Net increase in net assets resulting from operations.....		98,486,279		48,382,354
Distributions to shareholders from				
Net investment income and net realized gains – Class 2.....		(16,114,396)		(17,124,790)
Capital share transactions				
	Shares		Shares	
Proceeds from shares sold – Class 2.....	674,102	24,912,455	988,344	32,962,615
Reinvestment of distributions – Class 2.....	468,578	16,114,396	517,835	17,124,790
Payment for shares redeemed – Class 2.....	(1,018,571)	(35,934,160)	(1,190,533)	(38,661,758)
Net increase in net assets resulting from capital share transactions.....		5,092,691		11,425,647
Total increase in net assets.....		87,464,574		42,683,211
Net assets				
Beginning of period.....		168,489,070		125,805,859
End of period.....		\$255,953,644		\$168,489,070

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	\$32.85	\$26.14	\$31.74	\$25.91	\$25.99
Net investment loss	(0.34)	(0.25)	(0.17)	(0.20)	(0.13)
Net realized and unrealized gains (losses) on investments	19.54	10.47	(1.39)	7.60	2.00
Total from investment operations.....	19.20	10.22	(1.56)	7.40	1.87
Distributions to shareholders from					
Net realized gains	(3.32)	(3.51)	(4.04)	(1.57)	(1.95)
Net asset value, end of period	\$48.73	\$32.85	\$26.14	\$31.74	\$25.91
Total return ¹	62.65%	39.02%	(7.06)%	29.13%	7.65%
Ratios to average net assets (annualized)					
Gross expenses.....	1.14%	1.16%	1.16%	1.16%	1.18%
Net expenses.....	1.14%	1.15%	1.15%	1.15%	1.15%
Net investment loss	(0.93)%	(0.79)%	(0.55)%	(0.68)%	(0.52)%
Supplemental data					
Portfolio turnover rate	47%	71%	60%	75%	85%
Net assets, end of period (000s omitted)	\$255,954	\$168,489	\$125,806	\$145,175	\$119,919

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 Discovery Fund (the “Fund”) which is a diversified series of the Trust. The Trust offers shares of the Fund to separate accounts of various life insurance companies as funding vehicles for certain variable annuity contracts and variable life insurance policies.

2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund, are in conformity with U.S. generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of 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.

Foreign currency translation

The accounting records of the Fund are maintained in U.S. dollars. The values of other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency pricing source at a time each business day specified by the Wells Fargo Asset Management Pricing Committee. Purchases and sales of securities, and income and expenses are converted at the rate of exchange on the respective dates of such transactions. Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually paid or received. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities other than investments in securities resulting from changes in exchange rates. The changes in net assets arising from changes in exchange rates of securities and the changes in net assets resulting from changes in market prices of securities are not separately presented. Such changes are included in net realized and unrealized gains or losses from investments.

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. Dividend income is recorded net of foreign taxes withheld where recovery of such taxes is not assured.

Distributions to shareholders

Distributions to shareholders from net investment income and any net realized gains are recorded on the ex-dividend date and paid at least annually. Such distributions are determined in accordance with income tax regulations and may differ from U.S. generally accepted accounting principles. Dividend sources are estimated at the time of declaration. The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made prior to the Fund's fiscal year end may be categorized as a tax return of capital at year end.

Federal and other taxes

The Fund intends to continue to qualify as a regulated investment company by distributing substantially all of its investment company taxable income and any net realized capital gains (after reduction for capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes was required.

The Fund's income and federal excise tax returns and all financial records supporting those returns for the prior three fiscal years are subject to examination by the federal and Delaware revenue authorities. Management has analyzed the Fund's tax positions taken on federal, state, and foreign tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

As of December 31, 2020, the aggregate cost of all investments for federal income tax purposes was \$139,740,313 and the unrealized gains (losses) consisted of:

Gross unrealized gains	\$118,698,991
Gross unrealized losses	(150,837)
Net unrealized gains	\$118,548,154

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. The primary permanent difference causing such reclassification is due to net operating loss. At December 31, 2020, 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
\$(1,773,526)	\$1,773,526

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>	\$ 4,976,515	\$0	\$0	\$ 4,976,515
<i>Consumer discretionary</i>	31,078,714	0	0	31,078,714
<i>Financials</i>	4,283,730	0	0	4,283,730
<i>Health care</i>	85,554,935	0	0	85,554,935
<i>Industrials</i>	37,401,749	0	0	37,401,749
<i>Information technology</i>	84,266,850	0	0	84,266,850
<i>Real estate</i>	3,508,596	0	0	3,508,596
Short-term investments				
<i>Investment companies</i>	7,217,378	0	0	7,217,378
Total assets	\$258,288,467	\$0	\$0	\$258,288,467

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	0.750%
Next \$500 million	0.700
Next \$1 billion	0.650
Next \$2 billion	0.625
Next \$1 billion	0.600
Next \$5 billion	0.590
Over \$10 billion	0.580

For the year ended December 31, 2020, the management fee was equivalent to an annual rate of 0.75% of the Fund's average daily net assets.

Funds Management has retained the services of a subadviser to provide daily portfolio management to the Fund. The fee for subadvisory services is borne by Funds Management. 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 0.45% and declining to 0.35% as the average daily net assets of the Fund increase.

Administration fee

Under a class-level administration agreement, Funds Management provides class-level administrative services to the Fund, which includes paying fees and expenses for services provided by the transfer agent, sub-transfer agents, omnibus account servicers and record-keepers. As compensation for its services under the class-level administration agreement, Funds Management receives an annual fee of 0.08% which is calculated based on the average daily net assets of Class 2 shares.

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. 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 1.15% 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 \$88,075,467 and \$104,539,694, 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
Barclays Capital Inc.	\$3,008,012	\$(3,008,012)	\$0
Bank of America Securities Inc.	649,920	(649,920)	\$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	\$ 688,096	\$ 2,914,486
Long-term capital gain	15,426,300	14,210,304

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

Undistributed long-term gain	Unrealized gains
\$17,942,827	\$118,548,154

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 the 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 Discovery 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

TAX INFORMATION

For corporate shareholders, pursuant to Section 854 of the Internal Revenue Code, 52.78% of ordinary income dividends qualify for the corporate dividends-received deduction for the fiscal year ended December 31, 2020.

Pursuant to Section 852 of the Internal Revenue Code, \$15,426,300 was designated as a 20% rate gain distribution for the fiscal year ended December 31, 2020

For the fiscal year ended December 31, 2020, \$688,096 has been designated as short-term capital gain dividends for nonresident alien shareholders pursuant to Section 871 of the Internal Revenue Code.

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.

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

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

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



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