WELLS FARGO | ADVANTAGE FUNDS

Wells Fargo Funds Management, LLC
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Submitted Electronically

Ms. Elizabeth Murphy
Secretary
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

Re: Target Date Retirement Fund Names and Marketing
File Number S7-12-10

Dear Ms. Murphy:

Wells Fargo appreciates the opportunity to comment on the Securities and Exchange Commission's (the "Commission") proposal (the "Proposal") set forth in Release Nos. 33-9126, 34-62300, and IC-2930 (collectively, the "Release"). The Proposal would, among other things, enhance disclosure requirements applicable to target date funds in advertising and sales literature that place a more than insubstantial focus on such funds ("Marketing Materials").

Wells Fargo recognizes that one of the goals of the Commission's Proposal is to improve investor understanding of the principal investment strategies and associated risks of target date funds through imposing more robust disclosure requirements applicable to Marketing Materials. Wells Fargo Funds Management, LLC currently serves as the investment adviser to ten Wells Fargo Advantage Dow Jones Target Date Funds℠. Each Wells Fargo Advantage Dow Jones Target Date Fund uses an asset allocation strategy designed to replicate, before fees and expenses, the total return of a Dow Jones Target Date Index that has the same target year as the Fund. Wells Fargo has been a pioneer in the target date fund area and was one of the first sponsors to offer target date funds more than 15 years ago in 1994. As such, we are pleased to share with the Commission our thoughts on certain aspects of the Proposal.

I. Disclosure of Intended Percentage Allocations among Types of Investments Before the Target Date or Actual Percentage Allocations On or After the Target Date

We believe that the Commission's Proposal to require Marketing Materials to disclose, immediately adjacent to the first use of the fund's name, a target date fund's intended asset allocation at the target date, or for funds that have already reached or passed their target dates, the fund's actual asset allocation percentages as of the most recent calendar quarter end before publication (the "Tag Line Allocation Disclosure Requirement"), is unnecessary and may dedicate an excessive degree of prominence to a single factor in the total mix of information an investor should consider in evaluating a target date fund. In the event that the Commission ultimately determines to impose the Tag Line Allocation Disclosure Requirement, we would, however, recommend certain enhancements and modifications to this aspect of the Proposal as follows.

We believe the effectiveness of disclosing allocation percentages alone to convey investment risk to an investor may not be adequate without certain additional information. In this regard, many investors may not fully appreciate the relationship between asset allocation and investment risk without further clarification or context. Our disclosure recommendations described in the paragraphs that follow are designed to strengthen investor understanding of this relationship.

Assuming that the Commission imposes the Tag Line Allocation Disclosure Requirement, appropriate additional information should, in our view, include the intended allocation percentages at the target date for target date funds using Marketing Materials before the target date ("Pre-Target Date TD Funds"), or for target date funds at or past their target years, the actual prior period-end intended percentages, of an appropriate target date index with the same target date as the fund and that is published by a non-affiliated sponsoring firm. If a target date fund normally includes in its prospectus the returns of a target date index in the table of the fund's average annual total returns required by Item 4(b)(ii) of Form N-1A, under our recommendation, the percentage asset allocations of such target date index should also be shown in Marketing Materials with the fund's percentage allocations that are described in the Release. We believe this information should be shown in a presentation not less prominent than the asset allocations of the target date fund.

Comparative asset allocation information relative to a target date index would illustrate the variance of asset allocations relative to a comparable baseline that we believe provides some indication of investment risk. We recognize, however, that the investment risk levels underlying the allocation methodology of a target date index are not necessarily conservative and vary with each sponsoring firm. We believe such additional disclosure requirements would also serve to promote the comparability among target date funds and their respective asset allocations by investors.

In addition to inclusion of the intended allocation percentages of an appropriate target date index at the target date, we also would recommend, in the event that the Commission imposes the Tag Line Allocation Disclosure Requirement, that Pre-Target Date TD Funds be required to state their actual prior period-end percentage allocations to their respective asset classes. We believe investors in Pre-Target Date TD Funds would be able to better evaluate their investment risk at the target date by comparing them to the actual asset allocation percentages of their Pre-Target Date TD Funds as of a prior period-end in light of their relative investment time horizons. Moreover, without accompanying information about actual asset allocations, investors at worst could potentially misconstrue the intended asset allocations at the target date for the Pre-Target Date TD Funds actual current asset allocations, thereby underestimating the levels of investment risk that they currently bear.

In summary, while we believe that the Tag Line Allocation Disclosure Requirement is unnecessary and should be subsumed within the required glide path depiction, if the Commission does finally impose such requirement, we would recommend that it include a comparative target date index allocation and, for a Pre-Target Date TD Fund, the fund's actual asset allocations as of a recent period end. For purposes of illustration, we offer the following sample disclosure for a Pre-Target Date TD Fund that would reflect our comments.

Sample Proposed Tagline Asset Allocation Disclosure for Fund with Target Date in 2030

Intended or Actual Asset Allocations of ABC Target 2030 Fund and Index	**Equity**	**Fixed Income**	**Cash**
ABC Target 2030 Fund Intended Asset Allocation in Year 2030	36%	60%	4%
[INDEX SPONSOR NAME] Target 2030 Index Asset Allocation in Year 2030	26%	70%	4%
ABC Target 2030 Fund Actual Asset Allocation as of [PERIOD END], 20[XX]	72%	24%	4%

II. Disclosure of Glide Paths

We generally support the Commission's Proposal to require Marketing Materials to disclose a graphical depiction in the form of a table, chart or graph that shows a target date fund's percentage allocations over the life of the Target Date Fund at intervals not longer than five years. Our alternative recommendations described in Section I above also generally apply to the proposed requirement to depict the glide path and the percentage allocations at certain points in time.

Similar to our comments in Section I above, we also recommend that the glide path depiction be accompanied by a depiction, in the same form (*e.g.*, table, chart or graph), for the glide path employed by a comparable target date index with the same target date as the fund and that is published by a non-affiliated sponsoring firm. The glide path of a target date index would assist an investor's evaluation of the glide path by providing a basis for the comparison that we believe provides some indication of the underlying investment risk.

III. Registration Statement Disclosure

The Proposal also requested comment on whether Form N-1A should be amended to require certain disclosures specific to target date funds. We support an amendment to the registration form that would require disclosure in a target date fund's prospectus or statement of additional information of the flexibility retained by the target date fund manager to change the glide path and the circumstances under which it may so deviate and to use commodities, derivatives, alternative investments or leverage. With respect to any requirement to disclose the underlying assumptions that led a target date fund manager to select the fund's current glide path, we do not think investors will find meaningful or informative disclosure pertaining to the manager's assumptions about life expectancy, inflation, savings rate, other investments, retirement and labor income, and withdrawal rates, among others. Such information, in our view, reflects a level of granularity that is unlikely to meaningfully add to the mix of core information used by investors.

IV. Definition of Target Date Funds—Recommendation to Clarify Applicability to Funds That Have Reached Their Landing Points

The Proposal defines a "Target Date Fund" as "an investment company that has an investment objective or strategy of providing varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures that changes over time based on an investor's age, target retirement date, or life expectancy." We believe that the scope of this definition, as formulated by the Proposal, may not clearly include a target date fund that has already reached its landing point, such as those target date funds that commonly contain the term "target today," "income" or "retirement income" in their names ("Target Today Funds"), because such funds may no longer have equity and fixed income exposures that change (actively or otherwise), or are expected to change, over time. We believe Target Today Funds are still commonly considered target date funds and their investors would benefit if Target Today Funds were subject to the requirements of the Proposal. Accordingly, we recommend that the Commission clarify the definition to include Target Today Funds.

V. Fund Performance—Recommendation to Include Returns of Comparative Target Date Index Published by a Non-Affiliated Sponsoring Firm in Marketing Materials

Under Rule 156 of the Securities Act of 1933, a statement involving a material fact about the characteristics or attributes of an investment company could be misleading because of, among other factors, unwarranted or incompletely explained comparisons to indexes. We recommend that that the Commission amend Rule 156 to provide that the disclosure of target date fund investment performance returns in Marketing Materials without the returns of a comparable target date index with the same target date as the fund and that is published by a non-affiliated sponsoring firm could be misleading. Currently some target date funds disclose fund performance in Marketing Materials by comparison to non-target date broad-based securities indexes and/or proprietary target date or allocation indexes that generally utilize the same glide path underlying the fund.

In light of the unique characteristics and associated risks of target date funds, we believe that investors would benefit by seeing comparative performance information relative to an index that is more closely aligned with the special design of a target date glide path. The inclusion of returns of broad-based equity and fixed-income indexes alone may not be an adequate basis for meaningful comparison of a target date fund's relative performance. Moreover, the returns of a proprietary target date or allocation index achieved by the affiliated sponsor could be subject to influence by the affiliated adviser of the fund, who may have an interest in the favorable performance of the fund relative to that of the proprietary index.

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We appreciate the opportunity to provide comments on the Proposal and the Commission's consideration of our comments. Should you have any questions, please contact the undersigned at (415) 396-6042.

Very truly yours,

Andrew N. Owen
Executive Vice President
Wells Fargo Funds Management, LLC