

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

September 26, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS

OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-21269

Wells Fargo Advantage Income Opportunities Fund

(Exact name of registrant as specified in charter)

525 Market Street, 12th Floor, San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market Street, 12th Floor, San Francisco, CA 94105

(Name and address of agent for service)

Registrant's telephone number, including area code: 800-222-8222

Date of fiscal year end: Registrant is making a filing for Wells Fargo Advantage Income Opportunities Fund.

The Fund had an April 30 fiscal year end.

Date of reporting period: July 31, 2013

ITEM 1. INVESTMENTS

Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

| Security name | Shares | Value | | |
|---|----------------------|----------------------|------------------|------------|
| Common Stocks : 0.17% | | | | |
| Consumer Discretionary : 0.00% | | | | |
| Hotels, Restaurants & Leisure : 0.00% | | | | |
| <i>Trump Entertainment Resorts Incorporated</i> (a)(i) | 2,149 | \$ 0 | | |
| Telecommunication Services : 0.17% | | | | |
| Diversified Telecommunication Services : 0.17% | | | | |
| <i>Fairpoint Communications Incorporated</i> | 134,376 | 1,177,134 | | |
| Total Common Stocks (Cost \$3,109,765) | | 1,177,134 | | |
| | Interest rate | Maturity date | Principal | |
| Corporate Bonds and Notes : 111.96% | | | | |
| Consumer Discretionary : 27.42% | | | | |
| Auto Components : 2.37% | | | | |
| <i>Allison Transmission Incorporated 144A</i> | 7.13% | 5-15-2019 | \$ 8,015,000 | 8,556,013 |
| <i>Cooper Tire & Rubber Company</i> | 7.63 | 3-15-2027 | 4,305,000 | 4,165,088 |
| <i>Cooper Tire & Rubber Company</i> | 8.00 | 12-15-2019 | 150,000 | 158,250 |
| <i>Goodyear Tire & Rubber Company</i> | 7.00 | 5-15-2022 | 700,000 | 743,750 |
| <i>United Rentals North America Incorporated</i> | 5.75 | 7-15-2018 | 2,675,000 | 2,862,250 |
| | | | | 16,485,351 |
| Distributors : 0.45% | | | | |
| <i>LKQ Corporation 144A</i> | 4.75 | 5-15-2023 | 3,280,000 | 3,144,700 |
| Diversified Consumer Services : 2.47% | | | | |
| <i>Ceridian Corporation 144A</i> | 11.00 | 3-15-2021 | 75,000 | 85,875 |
| <i>Service Corporation International 144A</i> | 5.38 | 1-15-2022 | 165,000 | 166,031 |
| <i>Service Corporation International</i> | 6.75 | 4-1-2016 | 1,250,000 | 1,362,500 |
| <i>Service Corporation International</i> | 7.00 | 6-15-2017 | 1,250,000 | 1,384,375 |
| <i>Service Corporation International</i> | 7.00 | 5-15-2019 | 1,125,000 | 1,210,781 |
| <i>Service Corporation International</i> | 7.50 | 4-1-2027 | 7,078,000 | 7,715,020 |
| <i>Service Corporation International</i> | 7.63 | 10-1-2018 | 1,100,000 | 1,262,250 |
| <i>Service Corporation International</i> | 8.00 | 11-15-2021 | 885,000 | 1,032,131 |
| <i>Sotheby's 144A</i> | 5.25 | 10-1-2022 | 3,075,000 | 2,967,375 |
| | | | | 17,186,338 |
| Hotels, Restaurants & Leisure : 8.75% | | | | |
| <i>Ameristar Casinos Incorporated</i> | 7.50 | 4-15-2021 | 6,187,000 | 6,604,623 |

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| | | | | |
|--|-------|------------|------------|------------|
| <i>Burger King Corporation</i> | 9.88 | 10-15-2018 | 1,600,000 | 1,806,000 |
| <i>CCM Merger Incorporated 144A</i> | 9.13 | 5-1-2019 | 10,830,000 | 11,479,800 |
| <i>CityCenter Holdings LLC</i> | 7.63 | 1-15-2016 | 2,050,000 | 2,173,000 |
| <i>CityCenter Holdings LLC ¥</i> | 10.75 | 1-15-2017 | 4,816,305 | 5,201,609 |
| <i>DineEquity Incorporated</i> | 9.50 | 10-30-2018 | 8,475,000 | 9,555,647 |
| <i>Greektown Superholdings Incorporated Series A</i> | 13.00 | 7-1-2015 | 10,322,000 | 10,863,905 |
| <i>Greektown Superholdings Incorporated Series B</i> | 13.00 | 7-1-2015 | 1,475,000 | 1,552,438 |
| <i>NAI Entertainment Holdings LLC 144A%%</i> | 5.00 | 8-1-2018 | 3,600,000 | 3,609,000 |
| <i>NAI Entertainment Holdings LLC 144A</i> | 8.25 | 12-15-2017 | 641,000 | 696,126 |
| <i>Penn National Gaming Incorporated</i> | 8.75 | 8-15-2019 | 1,499,000 | 1,645,153 |
| <i>Ruby Tuesday Incorporated</i> | 7.63 | 5-15-2020 | 3,405,000 | 3,387,975 |
| <i>Scientific Games Corporation</i> | 9.25 | 6-15-2019 | 1,130,000 | 1,228,875 |
| <i>Speedway Motorsports Incorporated</i> | 6.75 | 2-1-2019 | 980,000 | 1,033,900 |
| | | | | 60,838,051 |

Portfolio of investments July 31, 2013 (unaudited) Wells Fargo Advantage Income Opportunities Fund

| Security name | Interest rate | Maturity date | Principal | Value |
|---|----------------------|----------------------|------------------|--------------|
| Household Durables : 0.19% | | | | |
| <i>American Greetings Corporation</i> | 7.38% | 12-1-2021 | \$ 950,000 | \$ 942,875 |
| <i>Tempur-Pedic International Incorporated 144A</i> | 6.88 | 12-15-2020 | 325,000 | 344,500 |
| | | | | 1,287,375 |
| Media : 10.59% | | | | |
| <i>Allbritton Communications Company</i> | 8.00 | 5-15-2018 | 3,274,000 | 3,540,013 |
| <i>Cablevision Systems Corporation</i> | 8.63 | 9-15-2017 | 2,975,000 | 3,428,688 |
| <i>CCO Holdings LLC</i> | 5.75 | 1-15-2024 | 290,000 | 271,150 |
| <i>CCO Holdings LLC</i> | 6.50 | 4-30-2021 | 7,500,000 | 7,706,250 |
| <i>CCO Holdings LLC</i> | 8.13 | 4-30-2020 | 746,000 | 811,275 |
| <i>Cinemark USA Incorporated 144A</i> | 4.88 | 6-1-2023 | 1,100,000 | 1,039,500 |
| <i>Cinemark USA Incorporated</i> | 5.13 | 12-15-2022 | 950,000 | 915,563 |
| <i>Cinemark USA Incorporated</i> | 7.38 | 6-15-2021 | 1,525,000 | 1,662,250 |
| <i>CSC Holdings LLC</i> | 7.63 | 7-15-2018 | 1,145,000 | 1,316,750 |
| <i>CSC Holdings LLC</i> | 7.88 | 2-15-2018 | 1,650,000 | 1,893,375 |
| <i>CSC Holdings LLC</i> | 8.50 | 4-15-2014 | 200,000 | 209,800 |
| <i>CSC Holdings LLC</i> | 8.63 | 2-15-2019 | 635,000 | 742,950 |
| <i>DISH DBS Corporation 144A</i> | 4.25 | 4-1-2018 | 1,150,000 | 1,129,875 |
| <i>DISH DBS Corporation 144A</i> | 5.13 | 5-1-2020 | 575,000 | 564,938 |
| <i>DISH DBS Corporation</i> | 7.88 | 9-1-2019 | 2,260,000 | 2,570,750 |
| <i>EchoStar DBS Corporation</i> | 7.13 | 2-1-2016 | 1,160,000 | 1,270,200 |
| <i>EchoStar DBS Corporation</i> | 7.75 | 5-31-2015 | 650,000 | 706,875 |
| <i>Gray Television Incorporated</i> | 7.50 | 10-1-2020 | 5,830,000 | 6,136,075 |
| <i>Lamar Media Corporation</i> | 5.88 | 2-1-2022 | 1,785,000 | 1,838,550 |
| <i>Lamar Media Corporation</i> | 7.88 | 4-15-2018 | 4,090,000 | 4,406,975 |
| <i>Lamar Media Corporation Series C</i> | 9.75 | 4-1-2014 | 620,000 | 651,000 |
| <i>LIN Television Corporation</i> | 6.38 | 1-15-2021 | 500,000 | 520,000 |
| <i>LIN Television Corporation</i> | 8.38 | 4-15-2018 | 3,475,000 | 3,735,625 |
| <i>Local TV Finance LLC 144A</i> | 9.25 | 6-15-2015 | 9,943,218 | 10,092,366 |
| <i>Lynx I Corporation 144A</i> | 5.38 | 4-15-2021 | 605,000 | 612,563 |
| <i>Lynx II Corporation 144A</i> | 6.38 | 4-15-2023 | 605,000 | 620,881 |
| <i>National CineMedia LLC</i> | 6.00 | 4-15-2022 | 3,635,000 | 3,798,575 |
| <i>National CineMedia LLC</i> | 7.88 | 7-15-2021 | 1,150,000 | 1,253,500 |
| <i>Nexstar Broadcasting Group Incorporated 144A</i> | 6.88 | 11-15-2020 | 2,285,000 | 2,364,975 |
| <i>Regal Cinemas Corporation</i> | 8.63 | 7-15-2019 | 6,665,000 | 7,231,525 |
| <i>Regal Entertainment Group</i> | 5.75 | 6-15-2023 | 665,000 | 647,544 |
| | | | | 73,690,356 |
| Specialty Retail : 2.60% | | | | |
| <i>ABC Supply Company Incorporated 144A</i> | 5.63 | 4-15-2021 | 730,000 | 728,175 |
| <i>Ahern Rentals Incorporated 144A</i> | 9.50 | 6-15-2018 | 1,985,000 | 2,029,663 |
| <i>Hot Topic Incorporated 144A</i> | 9.25 | 6-15-2021 | 75,000 | 78,000 |
| <i>Limited Brands Incorporated</i> | 6.63 | 4-1-2021 | 925,000 | 1,017,500 |
| <i>Penske Auto Group Incorporated</i> | 5.75 | 10-1-2022 | 1,965,000 | 2,023,950 |

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| | | | | |
|--|-------|------------|-----------|------------|
| <i>RadioShack Corporation</i> | 6.75 | 5-15-2019 | 4,278,000 | 2,973,210 |
| <i>Rent-A-Center Incorporated 144A</i> | 4.75 | 5-1-2021 | 340,000 | 324,700 |
| <i>Rent-A-Center Incorporated</i> | 6.63 | 11-15-2020 | 2,765,000 | 2,958,550 |
| <i>Sonic Automotive Incorporated</i> | 5.00 | 5-15-2023 | 320,000 | 308,800 |
| <i>Toys R Us Property Company I LLC</i> | 10.75 | 7-15-2017 | 1,341,000 | 1,418,093 |
| <i>Toys R Us Property Company II LLC</i> | 8.50 | 12-1-2017 | 4,025,000 | 4,251,406 |
| | | | | 18,112,047 |

Consumer Staples : 0.20%

Food Products : 0.20%

| | | | | |
|-----------------------------------|------|----------|-----------|-----------|
| <i>B&G Foods Incorporated</i> | 4.63 | 6-1-2021 | 1,425,000 | 1,376,906 |
|-----------------------------------|------|----------|-----------|-----------|

Energy : 20.90%

Energy Equipment & Services : 6.15%

| | | | | |
|---|------|------------|---------|---------|
| <i>Cleaver Brooks Incorporated 144A</i> | 8.75 | 12-15-2019 | 475,000 | 510,625 |
|---|------|------------|---------|---------|

Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|--------------|--------------|
| Energy Equipment & Services (continued) | | | | |
| <i>Dresser-Rand Group Incorporated</i> | 6.50% | 5-1-2021 | \$ 1,825,000 | \$ 1,943,625 |
| <i>Era Group Incorporated</i> | 7.75 | 12-15-2022 | 4,285,000 | 4,285,000 |
| <i>Gulfmark Offshore Incorporated</i> | 6.38 | 3-15-2022 | 7,433,000 | 7,600,243 |
| <i>Hornbeck Offshore Services Incorporated 144A</i> | 5.00 | 3-1-2021 | 5,050,000 | 4,848,000 |
| <i>Hornbeck Offshore Services Incorporated</i> | 5.88 | 4-1-2020 | 840,000 | 854,700 |
| <i>NGPL PipeCo LLC 144A</i> | 7.77 | 12-15-2037 | 8,690,000 | 7,734,100 |
| <i>Northern Tier Energy LLC 144A</i> | 7.13 | 11-15-2020 | 2,390,000 | 2,395,975 |
| <i>Oil States International Incorporated 144A</i> | 5.13 | 1-15-2023 | 1,228,000 | 1,350,800 |
| <i>Oil States International Incorporated</i> | 6.50 | 6-1-2019 | 4,474,000 | 4,787,180 |
| <i>PHI Incorporated</i> | 8.63 | 10-15-2018 | 5,955,000 | 6,222,975 |
| <i>Pride International Incorporated</i> | 8.50 | 6-15-2019 | 210,000 | 269,668 |
| | | | | 42,802,891 |
| Oil, Gas & Consumable Fuels : 14.75% | | | | |
| <i>CVR Refining LLC 144A</i> | 6.50 | 11-1-2022 | 2,850,000 | 2,736,000 |
| <i>Denbury Resources Incorporated</i> | 4.63 | 7-15-2023 | 675,000 | 617,625 |
| <i>Denbury Resources Incorporated</i> | 6.38 | 8-15-2021 | 700,000 | 735,000 |
| <i>Denbury Resources Incorporated</i> | 8.25 | 2-15-2020 | 5,965,000 | 6,561,500 |
| <i>El Paso Corporation</i> | 6.50 | 9-15-2020 | 1,155,000 | 1,240,963 |
| <i>El Paso Corporation</i> | 7.00 | 6-15-2017 | 3,183,000 | 3,547,629 |
| <i>El Paso Corporation</i> | 7.25 | 6-1-2018 | 3,149,000 | 3,581,509 |
| <i>El Paso Corporation</i> | 7.42 | 2-15-2037 | 1,820,000 | 1,768,205 |
| <i>El Paso Corporation</i> | 7.80 | 8-1-2031 | 3,050,000 | 3,222,450 |
| <i>Energy Transfer Equity LP</i> | 7.50 | 10-15-2020 | 5,950,000 | 6,701,188 |
| <i>Exterran Partners LP 144A</i> | 6.00 | 4-1-2021 | 3,100,000 | 3,146,500 |
| <i>Ferrellgas LP</i> | 9.13 | 10-1-2017 | 2,300,000 | 2,415,000 |
| <i>Inergy Midstream LP 144A</i> | 6.00 | 12-15-2020 | 1,265,000 | 1,271,325 |
| <i>Kinder Morgan Energy 144A</i> | 6.00 | 1-15-2018 | 125,000 | 135,712 |
| <i>Petrohawk Energy Corporation</i> | 7.88 | 6-1-2015 | 2,045,000 | 2,080,788 |
| <i>Petrohawk Energy Corporation</i> | 10.50 | 8-1-2014 | 1,065,000 | 1,119,581 |
| <i>Pioneer Natural Resources Company</i> | 7.50 | 1-15-2020 | 3,170,000 | 3,916,018 |
| <i>Plains Exploration & Production Company</i> | 8.63 | 10-15-2019 | 6,380,000 | 7,066,641 |
| <i>Rockies Express Pipeline LLC 144A</i> | 5.63 | 4-15-2020 | 6,255,000 | 5,535,675 |
| <i>Rockies Express Pipeline LLC 144A</i> | 6.00 | 1-15-2019 | 630,000 | 586,688 |
| <i>Rockies Express Pipeline LLC 144A</i> | 6.88 | 4-15-2040 | 10,760,000 | 8,930,800 |
| <i>Rockies Express Pipeline LLC 144A</i> | 7.50 | 7-15-2038 | 4,425,000 | 3,866,344 |
| <i>Sabine Pass Liquefaction LLC 144A</i> | 5.63 | 2-1-2021 | 1,425,000 | 1,405,406 |
| <i>Sabine Pass Liquefaction LLC 144A</i> | 5.63 | 4-15-2023 | 1,425,000 | 1,389,375 |
| <i>Sabine Pass LNG LP 144A</i> | 6.50 | 11-1-2020 | 9,260,000 | 9,630,400 |
| <i>Sabine Pass LNG LP</i> | 7.50 | 11-30-2016 | 8,775,000 | 9,652,500 |
| <i>Semgroup LP 144A</i> | 7.50 | 6-15-2021 | 4,200,000 | 4,252,500 |
| <i>Suburban Propane Partners LP</i> | 7.38 | 3-15-2020 | 1,475,000 | 1,578,250 |
| <i>Suburban Propane Partners LP</i> | 7.38 | 8-1-2021 | 592,000 | 636,400 |

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| | | | | |
|-------------------------------------|------|-----------|-----------|-------------|
| <i>Suburban Propane Partners LP</i> | 7.50 | 10-1-2018 | 802,000 | 866,160 |
| <i>Tesoro Corporation</i> | 9.75 | 6-1-2019 | 2,185,000 | 2,403,500 |
| | | | | 102,597,632 |

Financials : 22.52%

Commercial Banks : 1.69%

| | | | | |
|---|------|-----------|-----------|------------|
| <i>CIT Group Incorporated</i> | 5.00 | 5-15-2017 | 425,000 | 448,375 |
| <i>CIT Group Incorporated 144A</i> | 5.25 | 4-1-2014 | 1,205,000 | 1,229,100 |
| <i>CIT Group Incorporated</i> | 5.25 | 3-15-2018 | 875,000 | 929,688 |
| <i>CIT Group Incorporated 144A</i> | 5.50 | 2-15-2019 | 2,225,000 | 2,333,469 |
| <i>Emigrant Bancorp Incorporated 144A</i> | 6.25 | 6-15-2014 | 6,950,000 | 6,831,850 |
| | | | | 11,772,482 |

Consumer Finance : 14.29%

| | | | | |
|------------------------------------|------|-----------|-----------|-----------|
| <i>Ally Financial Incorporated</i> | 5.50 | 2-15-2017 | 1,325,000 | 1,401,260 |
|------------------------------------|------|-----------|-----------|-----------|

Portfolio of investments July 31, 2013 (unaudited)

Wells Fargo Advantage Income Opportunities Fund

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|--------------|--------------|
| Consumer Finance (continued) | | | | |
| <i>Ally Financial Incorporated</i> | 7.50% | 9-15-2020 | \$ 1,930,000 | \$ 2,241,213 |
| <i>Ally Financial Incorporated</i> | 8.00 | 3-15-2020 | 1,545,000 | 1,819,238 |
| <i>Ally Financial Incorporated</i> | 8.30 | 2-12-2015 | 8,820,000 | 9,514,575 |
| <i>American General Finance Corporation</i> | 5.40 | 12-1-2015 | 2,800,000 | 2,828,000 |
| <i>American General Finance Corporation</i> | 5.75 | 9-15-2016 | 2,325,000 | 2,342,438 |
| <i>American General Finance Corporation</i> | 6.50 | 9-15-2017 | 550,000 | 550,000 |
| <i>Clearwire Communications Finance Corporation 144A</i> | 12.00 | 12-1-2015 | 2,280,000 | 2,416,800 |
| <i>Clearwire Communications Finance Corporation 144A</i> | 12.00 | 12-1-2015 | 3,140,000 | 3,328,400 |
| <i>First Data Corporation 144A</i> | 11.75 | 8-15-2021 | 3,950,000 | 3,772,250 |
| <i>Ford Motor Credit Company LLC</i> | 8.00 | 12-15-2016 | 200,000 | 234,655 |
| <i>General Motors Financial Company Incorporated 144A##</i> | 4.75 | 8-15-2017 | 475,000 | 498,156 |
| <i>General Motors Financial Company Incorporated</i> | 6.75 | 6-1-2018 | 2,770,000 | 3,088,550 |
| <i>GMAC LLC</i> | 6.75 | 12-1-2014 | 1,869,000 | 1,976,468 |
| <i>GMAC LLC</i> | 7.50 | 12-31-2013 | 6,855,000 | 7,009,238 |
| <i>Homer City Funding LLC ¥</i> | 9.23 | 10-1-2026 | 3,084,040 | 3,238,242 |
| <i>International Lease Finance Corporation 144A</i> | 6.75 | 9-1-2016 | 2,200,000 | 2,420,000 |
| <i>International Lease Finance Corporation 144A</i> | 7.13 | 9-1-2018 | 1,015,000 | 1,144,413 |
| <i>International Lease Finance Corporation</i> | 8.63 | 9-15-2015 | 1,700,000 | 1,882,750 |
| <i>JBS USA Finance Incorporated</i> | 11.63 | 5-1-2014 | 8,465,000 | 8,996,602 |
| <i>Level 3 Financing Incorporated</i> | 10.00 | 2-1-2018 | 4,555,000 | 4,919,400 |
| <i>Nielsen Finance LLC Company 144A</i> | 4.50 | 10-1-2020 | 200,000 | 196,500 |
| <i>Nielsen Finance LLC Company</i> | 7.75 | 10-15-2018 | 11,690,000 | 12,712,875 |
| <i>SLM Corporation</i> | 7.25 | 1-25-2022 | 1,230,000 | 1,303,800 |
| <i>SLM Corporation</i> | 8.00 | 3-25-2020 | 5,060,000 | 5,641,900 |
| <i>SLM Corporation</i> | 8.45 | 6-15-2018 | 2,895,000 | 3,329,597 |
| <i>Springleaf Finance Corporation 144A</i> | 6.00 | 6-1-2020 | 3,800,000 | 3,505,500 |
| <i>Springleaf Finance Corporation</i> | 6.90 | 12-15-2017 | 7,050,000 | 7,085,250 |
| | | | | 99,398,070 |
| Diversified Financial Services : 2.28% | | | | |
| <i>HUB International Limited Company 144A</i> | 8.13 | 10-15-2018 | 4,895,000 | 5,200,938 |
| <i>MPH Intermediate Holding Company 144A¥</i> | 8.38 | 8-1-2018 | 575,000 | 587,219 |
| <i>Neuberger Berman Group LLC 144A</i> | 5.63 | 3-15-2020 | 900,000 | 938,250 |
| <i>Neuberger Berman Group LLC 144A</i> | 5.88 | 3-15-2022 | 1,125,000 | 1,164,375 |
| <i>Nuveen Investments Incorporated</i> | 5.50 | 9-15-2015 | 6,830,000 | 6,744,625 |
| <i>Nuveen Investments Incorporated 144A</i> | 9.13 | 10-15-2017 | 1,220,000 | 1,235,250 |
| | | | | 15,870,657 |
| Insurance : 0.15% | | | | |
| <i>Fidelity & Guaranty Life Holdings Incorporated 144A</i> | 6.38 | 4-1-2021 | 995,000 | 1,009,925 |

Real Estate Management & Development :**1.33%**

| | | | | |
|--|------|-----------|-----------|-----------|
| <i>Ashtead Capital Incorporated 144A</i> | 6.50 | 7-15-2022 | 5,435,000 | 5,774,688 |
| <i>Onex Corporation 144A</i> | 7.75 | 1-15-2021 | 3,480,000 | 3,497,400 |
| | | | | 9,272,088 |

REITs : 2.78%

| | | | | |
|--|------|------------|------------|------------|
| <i>Dupont Fabros Technology Incorporated</i> | 8.50 | 12-15-2017 | 11,580,000 | 12,303,750 |
| <i>Omega Healthcare Investors Incorporated</i> | 6.75 | 10-15-2022 | 3,375,000 | 3,661,875 |
| <i>Sabra Health Care Incorporated</i> | 5.38 | 6-1-2023 | 1,425,000 | 1,389,375 |
| <i>Sabra Health Care Incorporated</i> | 8.13 | 11-1-2018 | 1,853,000 | 1,991,975 |
| | | | | 19,346,975 |

Health Care : 4.83%**Health Care Equipment & Supplies : 0.39%**

| | | | | |
|-----------------------------|------|----------|-----------|-----------|
| <i>Hologic Incorporated</i> | 6.25 | 8-1-2020 | 2,590,000 | 2,742,163 |
|-----------------------------|------|----------|-----------|-----------|

Health Care Providers & Services : 4.44%

| | | | | |
|--------------------------------------|------|-----------|-----------|-----------|
| <i>Aviv HealthCare Properties LP</i> | 7.75 | 2-15-2019 | 3,725,000 | 4,004,375 |
|--------------------------------------|------|-----------|-----------|-----------|

Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|--------------|--------------|
| Health Care Providers & Services (continued) | | | | |
| <i>Centene Corporation</i> | 5.75% | 6-1-2017 | \$ 1,925,000 | \$ 2,033,281 |
| <i>Community Health Systems Incorporated</i> | 5.13 | 8-15-2018 | 725,000 | 739,500 |
| <i>Community Health Systems Incorporated</i> | 7.13 | 7-15-2020 | 1,325,000 | 1,356,469 |
| <i>DaVita HealthCare Partners Incorporated</i> | 5.75 | 8-15-2022 | 1,360,000 | 1,377,000 |
| <i>DaVita HealthCare Partners Incorporated</i> | 6.38 | 11-1-2018 | 140,000 | 148,400 |
| <i>Fresenius Medical Care Holdings Incorporated 144A</i> | 5.63 | 7-31-2019 | 1,800,000 | 1,905,750 |
| <i>Fresenius Medical Care Holdings Incorporated</i> | 6.88 | 7-15-2017 | 700,000 | 773,500 |
| <i>HCA Incorporated</i> | 5.88 | 3-15-2022 | 750,000 | 792,188 |
| <i>HCA Incorporated</i> | 6.50 | 2-15-2020 | 5,675,000 | 6,256,688 |
| <i>HCA Incorporated</i> | 7.50 | 11-15-2095 | 1,350,000 | 1,218,375 |
| <i>HCA Incorporated</i> | 8.50 | 4-15-2019 | 975,000 | 1,055,438 |
| <i>Health Management Associates Incorporated</i> | 6.13 | 4-15-2016 | 475,000 | 524,281 |
| <i>HealthSouth Corporation</i> | 5.75 | 11-1-2024 | 705,000 | 693,544 |
| <i>HealthSouth Corporation</i> | 7.25 | 10-1-2018 | 675,000 | 727,313 |
| <i>HealthSouth Corporation</i> | 8.13 | 2-15-2020 | 820,000 | 897,900 |
| <i>MPT Operating Partnership LP</i> | 6.38 | 2-15-2022 | 775,000 | 815,688 |
| <i>MPT Operating Partnership LP</i> | 6.88 | 5-1-2021 | 3,175,000 | 3,389,313 |
| <i>Multiplan Incorporated 144A</i> | 9.88 | 9-1-2018 | 565,000 | 625,738 |
| <i>Select Medical Corporation 144A</i> | 6.38 | 6-1-2021 | 1,560,000 | 1,513,200 |
| | | | | 30,847,941 |
| Industrials : 5.55% | | | | |
| Aerospace & Defense : 0.30% | | | | |
| <i>TransDigm Group Incorporated</i> | 7.75 | 12-15-2018 | 1,939,000 | 2,067,459 |
| Air Freight & Logistics : 0.68% | | | | |
| <i>Bristow Group Incorporated</i> | 6.25 | 10-15-2022 | 4,555,000 | 4,737,200 |
| Airlines : 0.58% | | | | |
| <i>Aviation Capital Group Corporation 144A</i> | 4.63 | 1-31-2018 | 325,000 | 326,536 |
| <i>Aviation Capital Group Corporation 144A</i> | 6.75 | 4-6-2021 | 2,190,000 | 2,343,911 |
| <i>Aviation Capital Group Corporation 144A</i> | 7.13 | 10-15-2020 | 1,210,000 | 1,343,377 |
| | | | | 4,013,824 |
| Commercial Services & Supplies : 2.08% | | | | |
| <i>Covanta Holding Corporation</i> | 6.38 | 10-1-2022 | 900,000 | 926,555 |
| <i>Geo Group Incorporated 144A</i> | 5.13 | 4-1-2023 | 3,000,000 | 2,902,500 |
| <i>Geo Group Incorporated</i> | 6.63 | 2-15-2021 | 605,000 | 644,325 |
| <i>Geo Group Incorporated</i> | 7.75 | 10-15-2017 | 3,790,000 | 3,970,025 |
| <i>Interface Incorporated</i> | 7.63 | 12-1-2018 | 300,000 | 321,000 |
| <i>Iron Mountain Incorporated</i> | 5.75 | 8-15-2024 | 475,000 | 448,875 |
| <i>Iron Mountain Incorporated</i> | 8.00 | 6-15-2020 | 800,000 | 832,000 |

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| | | | | |
|-----------------------------------|------|-----------|-----------|------------|
| <i>Iron Mountain Incorporated</i> | 8.38 | 8-15-2021 | 4,095,000 | 4,437,956 |
| | | | | 14,483,236 |

Machinery : 0.96%

| | | | | |
|--|------|----------|-----------|-----------|
| <i>Columbus McKinnon Corporation</i> | 7.88 | 2-1-2019 | 1,575,000 | 1,677,375 |
| <i>H&E Equipment Services Incorporated</i> | 7.00 | 9-1-2022 | 4,680,000 | 5,007,600 |
| | | | | 6,684,975 |

Professional Services : 0.64%

| | | | | |
|-------------------------------------|-------|----------|-----------|-----------|
| <i>Interactive Data Corporation</i> | 10.25 | 8-1-2018 | 4,005,000 | 4,485,600 |
|-------------------------------------|-------|----------|-----------|-----------|

Transportation Infrastructure : 0.31%

| | | | | |
|---|------|----------|-----------|-----------|
| <i>Florida East Coast Railway Corporation</i> | 8.13 | 2-1-2017 | 1,465,000 | 1,552,900 |
|---|------|----------|-----------|-----------|

Portfolio of investments July 31, 2013 (unaudited) Wells Fargo Advantage Income Opportunities Fund

| Security name | Interest rate | Maturity date | Principal | Value |
|---|----------------------|----------------------|------------------|--------------|
| Transportation Infrastructure (continued) | | | | |
| <i>Watco Companies LLC 144A</i> | 6.38% | 4-1-2023 | \$ 570,000 | \$ 568,575 |
| | | | | 2,121,475 |
| Information Technology : 7.57% | | | | |
| Communications Equipment : 0.63% | | | | |
| <i>Avaya Incorporated</i> | 9.75 | 11-1-2015 | 1,150,000 | 1,127,000 |
| <i>CyrusOne LP</i> | 6.38 | 11-15-2022 | 500,000 | 525,000 |
| <i>Lucent Technologies Incorporated</i> | 6.45 | 3-15-2029 | 3,100,000 | 2,449,000 |
| <i>SBA Communications Corporation</i> | 5.63 | 10-1-2019 | 270,000 | 272,025 |
| | | | | 4,373,025 |
| Computers & Peripherals : 0.28% | | | | |
| <i>NCR Corporation</i> | 5.00 | 7-15-2022 | 2,020,000 | 1,954,350 |
| Electronic Equipment, Instruments & Components : 2.45% | | | | |
| <i>CDW Financial Corporation</i> | 12.54 | 10-12-2017 | 995,000 | 1,049,725 |
| <i>Jabil Circuit Incorporated</i> | 8.25 | 3-15-2018 | 13,532,000 | 16,001,590 |
| | | | | 17,051,315 |
| Internet Software & Services : 0.10% | | | | |
| <i>Equinix Incorporated</i> | 4.88 | 4-1-2020 | 300,000 | 297,000 |
| <i>Equinix Incorporated</i> | 7.00 | 7-15-2021 | 125,000 | 136,875 |
| <i>Verisign Incorporated 144A</i> | 4.63 | 5-1-2023 | 290,000 | 278,400 |
| | | | | 712,275 |
| IT Services : 3.83% | | | | |
| <i>Audatex North America Incorporated 144A</i> | 6.00 | 6-15-2021 | 2,300,000 | 2,340,250 |
| <i>Audatex North America Incorporated</i> | 6.75 | 6-15-2018 | 1,375,000 | 1,467,813 |
| <i>Fidelity National Information Services Incorporated</i> | 7.88 | 7-15-2020 | 3,200,000 | 3,536,547 |
| <i>First Data Corporation 144A</i> | 7.38 | 6-15-2019 | 1,325,000 | 1,391,250 |
| <i>First Data Corporation</i> | 11.25 | 3-31-2016 | 9,555,000 | 9,507,225 |
| <i>SunGard Data Systems Incorporated</i> | 7.38 | 11-15-2018 | 7,230,000 | 7,663,800 |
| <i>SunGard Data Systems Incorporated</i> | 7.63 | 11-15-2020 | 650,000 | 705,250 |
| | | | | 26,612,135 |
| Software : 0.28% | | | | |
| <i>Nuance Communications Incorporated 144A</i> | 5.38 | 8-15-2020 | 1,975,000 | 1,925,625 |
| Materials : 2.06% | | | | |

Chemicals : 0.40%

| | | | | |
|---------------------------------|------|-----------|-----------|-----------|
| <i>Celanese US Holdings LLC</i> | 5.88 | 6-15-2021 | 440,000 | 462,000 |
| <i>Chemtura Corporation</i> | 5.75 | 7-15-2021 | 950,000 | 945,250 |
| <i>Tronox Finance LLC 144A</i> | 6.38 | 8-15-2020 | 1,460,000 | 1,397,950 |
| | | | | 2,805,200 |

Containers & Packaging : 1.17%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>Ball Corporation</i> | 5.75 | 5-15-2021 | 400,000 | 424,000 |
| <i>Ball Corporation</i> | 6.75 | 9-15-2020 | 375,000 | 405,938 |
| <i>Crown Americas LLC 144A</i> | 4.50 | 1-15-2023 | 475,000 | 442,938 |
| <i>Crown Americas LLC</i> | 6.25 | 2-1-2021 | 515,000 | 547,188 |
| <i>Crown Cork & Seal Company Incorporated</i> | 7.38 | 12-15-2026 | 300,000 | 333,000 |
| <i>Crown Cork & Seal Company Incorporated (i)</i> | 7.50 | 12-15-2096 | 1,225,000 | 1,163,750 |
| <i>Owens-Illinois Incorporated</i> | 7.80 | 5-15-2018 | 837,000 | 964,643 |
| <i>Sealed Air Corporation 144A</i> | 6.88 | 7-15-2033 | 1,715,000 | 1,629,250 |

Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|--------------|--------------|
| Containers & Packaging (continued) | | | | |
| <i>Silgan Holdings Incorporated</i> | 5.00% | 4-1-2020 | \$ 2,250,000 | \$ 2,261,250 |
| | | | | 8,171,957 |
| Metals & Mining : 0.00% | | | | |
| <i>Indalex Holdings Corporation (s)(a)(i)</i> | 11.50 | 2-1-2014 | 5,985,000 | 0 |
| Paper & Forest Products : 0.49% | | | | |
| <i>Georgia-Pacific LLC</i> | 8.88 | 5-15-2031 | 2,430,000 | 3,375,525 |
| Telecommunication Services : 14.64% | | | | |
| Diversified Telecommunication Services : 6.28% | | | | |
| <i>Citizens Communications Company</i> | 7.88 | 1-15-2027 | 4,205,000 | 4,052,569 |
| <i>Frontier Communications Corporation</i> | 8.13 | 10-1-2018 | 1,980,000 | 2,207,700 |
| <i>Frontier Communications Corporation</i> | 8.25 | 4-15-2017 | 2,380,000 | 2,689,400 |
| <i>Frontier Communications Corporation</i> | 8.50 | 4-15-2020 | 1,000,000 | 1,110,000 |
| <i>GCI Incorporated</i> | 6.75 | 6-1-2021 | 4,145,000 | 3,896,300 |
| <i>GCI Incorporated</i> | 8.63 | 11-15-2019 | 8,750,000 | 9,078,125 |
| <i>Qwest Corporation</i> | 7.13 | 11-15-2043 | 1,810,000 | 1,833,639 |
| <i>Qwest Corporation</i> | 7.25 | 9-15-2025 | 2,755,000 | 3,090,724 |
| <i>Qwest Corporation</i> | 7.63 | 8-3-2021 | 440,000 | 481,800 |
| <i>Syniverse Holdings Incorporated</i> | 9.13 | 1-15-2019 | 8,545,000 | 9,228,600 |
| <i>Windstream Corporation</i> | 7.88 | 11-1-2017 | 5,380,000 | 6,025,600 |
| | | | | 43,694,457 |
| Wireless Telecommunication Services : 8.36% | | | | |
| <i>Cricket Communications Incorporated</i> | 7.75 | 10-15-2020 | 3,835,000 | 4,362,313 |
| <i>Crown Castle International Corporation</i> | 5.25 | 1-15-2023 | 4,925,000 | 4,740,313 |
| <i>Crown Castle International Corporation</i> | 7.13 | 11-1-2019 | 235,000 | 253,213 |
| <i>MetroPCS Wireless Incorporated 144A</i> | 6.25 | 4-1-2021 | 290,000 | 295,800 |
| <i>MetroPCS Wireless Incorporated</i> | 6.63 | 11-15-2020 | 5,910,000 | 6,205,500 |
| <i>MetroPCS Wireless Incorporated 144A</i> | 6.63 | 4-1-2023 | 260,000 | 265,200 |
| <i>MetroPCS Wireless Incorporated</i> | 7.88 | 9-1-2018 | 3,015,000 | 3,271,275 |
| <i>SBA Telecommunications Corporation</i> | 5.75 | 7-15-2020 | 2,795,000 | 2,857,888 |
| <i>SBA Telecommunications Corporation</i> | 8.25 | 8-15-2019 | 93,000 | 100,673 |
| <i>Sprint Capital Corporation</i> | 6.88 | 11-15-2028 | 19,000,000 | 17,480,000 |
| <i>Sprint Capital Corporation</i> | 8.75 | 3-15-2032 | 6,270,000 | 6,614,850 |
| <i>Sprint Nextel Corporation 144A</i> | 9.00 | 11-15-2018 | 750,000 | 888,750 |
| <i>Sprint Nextel Corporation</i> | 11.50 | 11-15-2021 | 1,200,000 | 1,596,000 |
| <i>TW Telecommunications Holdings Incorporated</i> | 5.38 | 10-1-2022 | 6,525,000 | 6,557,625 |
| <i>TW Telecommunications Holdings Incorporated</i> | 8.00 | 3-1-2018 | 2,492,000 | 2,650,865 |
| | | | | 58,140,265 |

Utilities : 6.27%**Electric Utilities : 2.93%**

| | | | | |
|--|-------|------------|-----------|------------|
| <i>Energy Future Holdings Corporation</i> | 10.00 | 12-1-2020 | 150,000 | 162,375 |
| <i>Energy Future Intermediate Holding Company LLC 144A</i> | 6.88 | 8-15-2017 | 875,000 | 892,500 |
| <i>IPALCO Enterprises Incorporated</i> | 5.00 | 5-1-2018 | 2,050,000 | 2,132,000 |
| <i>IPALCO Enterprises Incorporated 144A</i> | 7.25 | 4-1-2016 | 3,783,000 | 4,170,758 |
| <i>Mirant Mid-Atlantic LLC Series C</i> | 10.06 | 12-30-2028 | 7,560,525 | 8,429,985 |
| <i>Otter Tail Corporation</i> | 9.00 | 12-15-2016 | 3,985,000 | 4,612,638 |
| | | | | 20,400,256 |

Gas Utilities : 0.55%

| | | | | |
|-----------------------------|------|-----------|-----------|-----------|
| <i>AmeriGas Finance LLC</i> | 6.50 | 5-20-2021 | 75,000 | 78,000 |
| <i>AmeriGas Finance LLC</i> | 6.75 | 5-20-2020 | 1,675,000 | 1,779,688 |

Portfolio of investments July 31, 2013 (unaudited) Wells Fargo Advantage Income Opportunities Fund

| Security name | Interest rate | Maturity date | Principal | Value |
|----------------------------------|---------------|---------------|--------------|--------------|
| Gas Utilities (continued) | | | | |
| <i>AmeriGas Finance LLC</i> | 7.00% | 5-20-2022 | \$ 1,840,000 | \$ 1,959,600 |
| | | | | 3,817,288 |

Independent Power Producers & Energy Traders : 2.79%

| | | | | |
|--|------|------------|-----------|------------|
| <i>Calpine Construction Finance Corporation 144A</i> | | | | |
| | 7.25 | 10-15-2017 | 8,725,000 | 9,117,625 |
| <i>NRG Energy Incorporated</i> | 8.50 | 6-15-2019 | 3,675,000 | 3,969,000 |
| <i>NSG Holdings LLC 144A</i> | 7.75 | 12-15-2025 | 3,640,000 | 3,840,200 |
| <i>Reliant Energy Incorporated</i> | 9.24 | 7-2-2017 | 1,621,527 | 1,678,281 |
| <i>Reliant Energy Incorporated</i> | 9.68 | 7-2-2026 | 780,000 | 819,000 |
| | | | | 19,424,106 |

Total Corporate Bonds and Notes (Cost \$752,690,965) 778,833,496

| | Dividend yield | Shares | |
|--|----------------|--------|-----------|
| Preferred Stocks : 0.31% | | | |
| Financials : 0.31% | | | |
| Diversified Financial Services : 0.31% | | | |
| <i>GMAC Capital Trust I ±</i> | 8.13 | 81,784 | 2,171,365 |
| Total Preferred Stocks (Cost \$2,078,248) | | | 2,171,365 |

| | Interest rate | Maturity date | Principal | |
|--|---------------|---------------|------------|-----------|
| Term Loans : 11.59% | | | | |
| <i>Advantage Sales & Marketing LLC</i> | 8.25 | 6-17-2018 | \$ 846,429 | 865,473 |
| <i>Alliance Laundry Systems LLC</i> | 9.50 | 12-10-2019 | 3,407,755 | 3,467,391 |
| <i>Applied Systems Incorporated</i> | 8.25 | 6-8-2017 | 680,000 | 683,400 |
| <i>Capital Automotive LP</i> | 4.00 | 4-5-2019 | 5,217,224 | 5,251,449 |
| <i>Capital Automotive LP</i> | 6.00 | 4-30-2020 | 2,450,000 | 2,520,438 |
| <i>CBAC Borrower LLC</i> | 8.25 | 7-2-2020 | 1,965,000 | 2,023,950 |
| <i>CCM Merger Incorporated</i> | 5.00 | 3-1-2017 | 4,799,473 | 4,835,470 |
| <i>Centaur LLC</i> | 8.75 | 2-20-2020 | 2,335,000 | 2,352,513 |
| <i>Federal-Mogul Corporation</i> | 2.14 | 12-27-2014 | 2,549,246 | 2,512,614 |
| <i>Federal-Mogul Corporation</i> | 2.14 | 12-27-2015 | 1,689,325 | 1,665,049 |
| <i>Focus Brands Incorporated</i> | 10.25 | 8-21-2018 | 4,124,203 | 4,186,066 |
| <i>Four Seasons Holdings Incorporated</i> | 6.25 | 12-24-2020 | 550,000 | 558,250 |
| <i>HHI Holdings LLC</i> | 5.00 | 10-5-2018 | 2,686,540 | 2,703,331 |
| <i>Level 3 Financing Incorporated</i> | 4.75 | 2-1-2016 | 5,197,317 | 5,219,406 |

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| | | | | |
|--|------|------------|------------|------------|
| <i>LTS Buyer LLC</i> | 8.00 | 4-12-2021 | 85,000 | 85,531 |
| <i>nTelos Incorporated</i> | 5.75 | 11-9-2019 | 1,123,545 | 1,120,039 |
| <i>Philadelphia Energy Solutions LLC</i> | 6.25 | 4-4-2018 | 4,748,100 | 4,712,489 |
| <i>Sedgwick CMS Holdings Incorporated</i> | 8.00 | 12-12-2018 | 850,000 | 862,750 |
| <i>Spin Holdco Incorporated</i> | 4.25 | 11-14-2019 | 1,850,000 | 1,859,824 |
| <i>Springleaf Finance Corporation</i> | 5.50 | 5-10-2017 | 648,000 | 648,408 |
| <i>Tallgrass Energy Partners LP</i> | 5.25 | 11-13-2018 | 2,369,373 | 2,390,105 |
| <i>Texas Competitive Electric Holdings LLC</i> | 3.72 | 10-10-2014 | 34,355,889 | 24,375,503 |
| <i>The Weather Channel LLC</i> | 7.00 | 6-26-2020 | 330,000 | 337,425 |
| <i>Total Safety US Incorporated</i> | 9.25 | 8-21-2020 | 488,775 | 497,329 |
| <i>United Surgical Partners International Incorporated</i> | 4.75 | 4-3-2019 | 2,221,987 | 2,234,031 |
| <i>Washington Multifamily Laundry Systems LLC</i> | 5.25 | 2-21-2019 | 2,648,363 | 2,654,983 |
| Total Term Loans (Cost \$87,194,267) | | | | 80,623,217 |

**Yankee Corporate Bonds and Notes :
6.87%**

Consumer Discretionary : 0.37%

Media : 0.37%

| | | | | |
|--------------------------|------|------------|-----------|-----------|
| <i>Videotron Limited</i> | 5.00 | 7-15-2022 | 1,745,000 | 1,727,550 |
| <i>Videotron Limited</i> | 6.38 | 12-15-2015 | 100,000 | 101,375 |

Wells Fargo Advantage Income Opportunities Fund **Portfolio of investments** **July 31, 2013 (unaudited)**

| Security name | Interest rate | Maturity date | Principal | Value |
|---|----------------------|----------------------|------------------|--------------|
| Media (continued) | | | | |
| <i>Videotron Limited</i> | 9.13% | 4-15-2018 | \$ 714,000 | \$ 749,700 |
| | | | | 2,578,625 |
| Energy : 0.30% | | | | |
| Oil, Gas & Consumable Fuels : 0.30% | | | | |
| <i>Griffin Coal Mining Company Limited 144A(s)</i> | 9.50 | 12-1-2016 | 2,119,383 | 1,854,460 |
| <i>Griffin Coal Mining Company Limited (s)</i> | 9.50 | 12-1-2016 | 290,088 | 253,827 |
| | | | | 2,108,287 |
| Financials : 0.33% | | | | |
| Consumer Finance : 0.33% | | | | |
| <i>Wind Acquisition Finance SpA 144A</i> | 11.75 | 7-15-2017 | 2,205,000 | 2,326,275 |
| Diversified Financial Services : 0.00% | | | | |
| <i>Preferred Term Securities XII Limited (s)(i)</i> | 0.00 | 12-24-2033 | 1,540,000 | 15 |
| Health Care : 0.48% | | | | |
| Pharmaceuticals : 0.48% | | | | |
| <i>VPII Escrow Corporation 144A</i> | 6.75 | 8-15-2018 | 1,120,000 | 1,181,600 |
| <i>VPII Escrow Corporation 144A</i> | 7.50 | 7-15-2021 | 1,995,000 | 2,139,638 |
| | | | | 3,321,238 |
| Information Technology : 1.23% | | | | |
| Computers & Peripherals : 1.23% | | | | |
| <i>Seagate Technology HDD Holdings 144A</i> | 4.75 | 6-1-2023 | 3,275,000 | 3,127,625 |
| <i>Seagate Technology HDD Holdings</i> | 6.80 | 10-1-2016 | 1,275,000 | 1,416,844 |
| <i>Seagate Technology HDD Holdings</i> | 6.88 | 5-1-2020 | 1,860,000 | 2,018,100 |
| <i>Seagate Technology HDD Holdings</i> | 7.00 | 11-1-2021 | 1,805,000 | 1,962,938 |
| | | | | 8,525,507 |
| Materials : 0.84% | | | | |
| Metals & Mining : 0.59% | | | | |
| <i>Novelis Incorporated</i> | 8.38 | 12-15-2017 | 1,100,000 | 1,185,250 |
| <i>Novelis Incorporated</i> | 8.75 | 12-15-2020 | 2,675,000 | 2,949,188 |
| | | | | 4,134,438 |
| Paper & Forest Products : 0.25% | | | | |
| <i>Sappi Limited 144A</i> | 7.50 | 6-15-2032 | 2,155,000 | 1,702,450 |
| Telecommunication Services : 3.32% | | | | |

Diversified Telecommunication Services : 3.10%

| | | | | |
|---|------|------------|-----------|------------|
| <i>Intelsat Bermuda Limited 144A</i> | 7.75 | 6-1-2021 | 1,985,000 | 2,089,213 |
| <i>Intelsat Bermuda Limited 144A</i> | 8.13 | 6-1-2023 | 890,000 | 956,750 |
| <i>Intelsat Jackson Holdings Limited 144A</i> | 5.50 | 8-1-2023 | 4,775,000 | 4,584,000 |
| <i>Intelsat Jackson Holdings Limited</i> | 7.25 | 4-1-2019 | 6,515,000 | 7,044,344 |
| <i>Intelsat Jackson Holdings Limited</i> | 7.50 | 4-1-2021 | 2,214,000 | 2,410,493 |
| <i>Intelsat Jackson Holdings Limited</i> | 8.50 | 11-1-2019 | 905,000 | 998,894 |
| <i>Intelsat Jackson Holdings SA</i> | 7.25 | 10-15-2020 | 3,225,000 | 3,491,063 |
| | | | | 21,574,757 |

Portfolio of investments July 31, 2013 (unaudited) Wells Fargo Advantage Income Opportunities Fund

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|--------------|----------------|
| Wireless Telecommunication Services | | | | |
| : 0.22% | | | | |
| <i>Telesat Canada Incorporated 144A</i> | 6.00% | 5-15-2017 | \$ 1,475,000 | \$ 1,504,500 |
| Total Yankee Corporate Bonds and Notes | | | | |
| (Cost \$46,399,389) | | | | 47,776,092 |
| Short-Term Investments : 0.47% | | | | |
| | Yield | | Shares | |
| Investment Companies : 0.47% | | | | |
| <i>Wells Fargo Advantage Cash</i> | | | | |
| <i>Investment Money Market Fund, Select</i> | | | | |
| <i>Class ##(l)(u)</i> | | | | |
| | 0.08 | | 3,286,582 | 3,286,583 |
| Total Short-Term Investments (Cost | | | | |
| \$3,286,583) | | | | 3,286,583 |
| Total investments in securities (Cost | | | | |
| \$894,759,217)* | | | | |
| <i>Other assets and liabilities, net</i> | 131.37% | | | 913,867,887 |
| | (31.37) | | | (218,217,176) |
| Total net assets | 100.00% | | | \$ 695,650,711 |

Non-income-earning security

(a) *Security is fair valued by the Management Valuation Team, and in certain instances by the Board of Trustees, in accordance with procedures approved by the Board of Trustees.*

(i) *Illiquid security*

144A *Security that may be resold to qualified institutional buyers under Rule 144A or security offered pursuant to Section 4(2) of the Securities Act of 1933, as amended.*

¥ *A payment-in-kind (PIK) security is a security in which the issuer may make interest or dividend payments in cash or additional securities. These additional securities generally have the same terms as the original holdings.*

%% *Security issued on a when-issued basis.*

All or a portion of this security has been segregated for when-issued securities.

(s) *Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this security.*

± *Variable rate investment. The rate shown is the rate in effect at period end.*

(l) *Investment in an affiliate*

(u) *Rate shown is the 7-day annualized yield at period end.*

* *Cost for federal income tax purposes is \$902,711,293 and unrealized appreciation (depreciation) consists of:*

| | |
|--------------------------------------|---------------|
| <i>Gross unrealized appreciation</i> | \$ 42,432,314 |
| <i>Gross unrealized depreciation</i> | (31,275,720) |

| | |
|------------------------------------|----------------------|
| <i>Net unrealized appreciation</i> | <i>\$ 11,156,594</i> |
|------------------------------------|----------------------|

Wells Fargo Advantage Income Opportunities Fund (the Fund)

Notes to Portfolio of investments July 31, 2013 (unaudited)

Securities valuation

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (normally 4 p.m. Eastern Time).

Fixed income securities acquired with maturities exceeding 60 days are valued based on evaluated bid prices received from an independent pricing service which may utilize both transaction data and market information such as yield, prices of securities of comparable quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If valuations are not available from the independent pricing service or values received are deemed not representative of market value, values will be obtained from a broker-dealer or otherwise determined based on the Fund's Valuation Procedures.

Short-term securities with maturities of 60 days or less generally are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost, plus accretion of discount or minus amortization of premium over the period until maturity.

Equity securities that are listed on a foreign or domestic exchange, except for The Nasdaq Stock Market, Inc. (Nasdaq), are valued at the official closing price or, if none, the last sales price. Securities listed on Nasdaq are valued at the Nasdaq Official Closing Price (NOCP). If no NOCP is available, securities are valued at the last sales price. If no sales price is shown on the Nasdaq, the bid price will be used. If no sale occurs on the primary exchange or market for the security that day or if no sale occurs and no bid price is shown on Nasdaq, the prior day's price will be deemed stale and fair values will be determined in accordance with the Fund's Valuation Procedures.

Investments in registered open-end investment companies are valued at net asset value.

Investments which are not valued using any of the methods discussed above are valued at their fair value, as determined by procedures established in good faith and approved by the Board of Trustees. 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 Management Valuation Team of 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 Management Valuation Team which may include items for ratification.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market information to assess the continued appropriateness of the fair valuation methodology used. These securities are fair valued on a day-to-day basis, taking into consideration changes to appropriate market information and any significant changes to the input factors considered in the valuation process until there is a readily available price provided on the exchange or by an independent pricing service. Valuations received from an independent pricing service or broker quotes are periodically validated by comparisons to most recent trades and valuations provided by other independent pricing services in addition to the review of prices by the adviser and/or subadviser. Unobservable inputs used in determining fair valuations are identified based on the type of security, taking into consideration factors utilized by market participants in valuing the investment, knowledge about the issuer and the current market

environment.

When-issued transactions

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

Term loans

The Fund may invest in term loans. The Fund begins earning interest when the loans are funded. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. The Fund assumes the credit risk of the borrower and there could be potential loss to the Fund in the event of default by the borrower.

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 significant 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, use of amortized cost, 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.

As of July 31, 2013, the inputs used in valuing investments in securities were as follows:

| Investments in securities | Quoted prices (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|------------------------------------|--|--|----------------|
| Equity securities | | | | |
| <i>Common stocks</i> | \$ 1,177,134 | \$ 0 | \$ 0 | \$ 1,177,134 |
| <i>Preferred stocks</i> | 2,171,365 | 0 | 0 | 2,171,365 |
| Corporate bonds and notes | 0 | 779,832,390 | 0 | 779,832,390 |
| Term loans | 0 | 63,346,534 | 17,276,683 | 80,623,217 |
| Yankee corporate bonds and notes | 0 | 46,777,198 | 0 | 46,777,198 |
| Short-term investments | | | | |
| <i>Investment companies</i> | 3,286,583 | 0 | 0 | 3,286,583 |
| | \$ 6,635,082 | \$ 889,956,122 | \$ 17,276,683 | \$ 913,867,887 |

Transfers in and transfers out are recognized at the end of the reporting period. For the three months ended July 31, 2013, the Fund did not have any transfers into/out of Level 1 or Level 2.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

| | Common stocks | Term Loans | Total |
|---|--------------------------|-----------------------|---------------|
| Balance as of April 30, 2013 | \$ 2,149 | \$ 20,331,214 | \$ 20,333,363 |
| Accrued discounts (premiums) | 0 | 3,560 | 3,560 |
| Realized gains (losses) | 0 | (1,768) | (1,768) |
| Change in unrealized gains (losses) | (2,149) | (283,790) | (285,939) |
| Purchases | 0 | 2,119,855 | 2,119,855 |
| Sales | 0 | (2,189,057) | (2,189,057) |
| Transfers into Level 3 | 0 | 0 | 0 |
| Transfers out of Level 3 | 0 | (2,703,331) | (2,703,331) |
| Balance as of July 31, 2013 | \$ 0 | \$ 17,276,683 | \$ 17,276,683 |
| Change in unrealized gains (losses) relating to securities still held at July 31, 2013 | \$ (2,149) | \$ (167,840) | \$ (169,989) |

The investments types categorized above were valued using indicative broker quotes and are therefore considered Level 3 inputs.

Quantitative unobservable inputs used by the brokers are often proprietary and not provided to the Fund and therefore the disclosure that would address these inputs is not included above.

The following is a list of common abbreviations for terms and entities that may have appeared in this report.

| | |
|--------|---|
| ACA | ACA Financial Guaranty Corporation |
| ADR | American depositary receipt |
| ADS | American depositary shares |
| AGC | Assured Guaranty Corporation |
| AGM | Assured Guaranty Municipal |
| Ambac | Ambac Financial Group Incorporated |
| AMT | Alternative minimum tax |
| AUD | Australian dollar |
| BAN | Bond anticipation notes |
| BHAC | Berkshire Hathaway Assurance Corporation |
| BRL | Brazilian real |
| CAB | Capital appreciation bond |
| CAD | Canadian dollar |
| CCAB | Convertible capital appreciation bond |
| CDA | Community Development Authority |
| CDO | Collateralized debt obligation |
| CHF | Swiss franc |
| COP | Certificate of participation |
| DKK | Danish krone |
| DRIVER | Derivative inverse tax-exempt receipts |
| DW&P | Department of Water & Power |
| DWR | Department of Water Resources |
| ECFA | Educational & Cultural Facilities Authority |
| EDA | Economic Development Authority |

EDFA Economic Development Finance Authority

ETF Exchange-traded fund

EUR Euro

FDIC Federal Deposit Insurance Corporation

FFCB Federal Farm Credit Banks

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Administration

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FICO The Financing Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British pound

GDR Global depositary receipt

GNMA Government National Mortgage Association

GO General obligation

HCFR Healthcare facilities revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher education facilities authority revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong dollar

HUD Department of Housing and Urban Development

HUF Hungarian forint

IDA Industrial Development Authority

IDAG Industrial Development Agency

IDR Industrial development revenue

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIQ Liquidity agreement

LLC Limited liability company

LLP Limited liability partnership

LOC Letter of credit

LP Limited partnership

MBIA Municipal Bond Insurance Association

MFHR Multifamily housing revenue

MSTR Municipal securities trust receipts

MTN Medium-term note

MUD Municipal Utility District

MXN Mexican peso

MYR Malaysian ringgit

National National Public Finance Guarantee Corporation

NOK Norwegian krone

NZD New Zealand dollar

PCFA Pollution Control Financing Authority

PCL Public Company Limited

PCR Pollution control revenue

PFA Public Finance Authority

PFFA Public Facilities Financing Authority

PFOTER Puttable floating option tax-exempt receipts

plc Public limited company

PLN Polish zloty

PUTTER Puttable tax-exempt receipts

R&D Research & development

Radian Radian Asset Assurance

RAN Revenue anticipation notes

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real estate investment trust

ROC Reset option certificates

SAVRS Select auction variable rate securities

SBA Small Business Authority

SEK Swedish krona

SFHR Single-family housing revenue

SFMR Single-family mortgage revenue

SGD Singapore dollar

SKK Slovakian koruna

SPA Standby purchase agreement

SPDR Standard & Poor's Depository Receipts

STRIPS Separate trading of registered interest and principal securities

TAN Tax anticipation notes

TBA To be announced

TIPS Treasury inflation-protected securities

TRAN Tax revenue anticipation notes

TRY Turkish lira

TTFA Transportation Trust Fund Authority

TVA Tennessee Valley Authority

ZAR South African rand

ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Advantage Income Opportunities Fund (the Trust) disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the Trust is made known to them by the appropriate persons based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.

(b) There were no significant changes in the Trust s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the second fiscal quarter of the period covered by this report that materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Wells Fargo Advantage Income Opportunities
Fund

By: /s/ Karla M. Rabusch
Karla M. Rabusch
President

Date: September 25, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Wells Fargo Advantage Income Opportunities
Fund

By: /s/ Karla M. Rabusch
Karla M. Rabusch
President

Date: September 25, 2013

By: /s/ Jeremy DePalma
Jeremy DePalma
Treasurer

Date: September 25, 2013