

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

March 25, 2015

**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, 12<sup>th</sup> Floor, San Francisco, CA 94105**

**(Address of principal executive offices) (Zip code)**

**C. David Messman**

**Wells Fargo Funds Management, LLC**

**525 Market Street, 12<sup>th</sup> 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: April 30**

**Registrant is making a filing for Wells Fargo Income Opportunities Fund.**

**Date of reporting period: January 31, 2015**

ITEM 1. INVESTMENTS

Wells Fargo Advantage Income Opportunities Fund	Portfolio of investments		January 31, 2015 (unaudited)	
Security name	Shares	Value		
<b>Common Stocks : 0.29%</b>				
<b>Materials : 0.00%</b>				
<b>Chemicals : 0.00%</b>				
<i>LyondellBasell Industries NV Class A</i>	7	\$	554	
<b>Telecommunication Services : 0.29%</b>				
<b>Diversified Telecommunication Services : 0.29%</b>				
<i>Fairpoint Communications Incorporated</i>	134,376	2,010,265		
<b>Total Common Stocks (Cost \$3,110,371)</b>			2,010,819	
<b>Interest rate      Maturity date      Principal</b>				
<b>Corporate Bonds and Notes : 111.12%</b>				
<b>Consumer Discretionary : 18.96%</b>				
<b>Auto Components : 1.99%</b>				
<i>Allison Transmission Incorporated 144A</i>	7.13%	5-15-2019	\$ 8,015,000	8,355,638
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	4,000,000	4,240,000
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	150,000	168,000
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	700,000	757,750
				13,521,388
<b>Distributors : 0.19%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	1,355,000	1,317,738
<b>Diversified Consumer Services : 1.90%</b>				
<i>Service Corporation International</i>	6.75	4-1-2016	1,250,000	1,303,125
<i>Service Corporation International</i>	7.00	6-15-2017	1,250,000	1,356,250
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	7,962,750
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,237,500
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,046,513
				12,906,138
<b>Hotels, Restaurants &amp; Leisure : 4.81%</b>				
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	10,830,000	11,696,400
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	12,215,000	12,306,613
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	320,000	337,600
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	6,297,000	6,548,880
<i>Speedway Motorsports Incorporated 144A</i>	5.13	2-1-2023	825,000	839,438
<i>Speedway Motorsports Incorporated</i>	6.75	2-1-2019	980,000	1,016,260

32,745,191

**Household Durables : 0.56%**

<i>American Greetings Corporation</i>	7.38	12-1-2021	3,300,000	3,498,000
<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	325,000	348,563
				3,846,563

**Media : 7.92%**

<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,309,688
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.25	2-15-2022	320,000	331,200
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.63	2-15-2024	35,000	36,225
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.88	3-15-2025	1,275,000	1,326,000
<i>CCO Holdings LLC</i>	7.38	6-1-2020	2,364,000	2,526,525
<i>CCO Holdings LLC</i>	5.13	2-15-2023	1,200,000	1,176,000

**Portfolio of investments January 31, 2015 (unaudited) Wells Fargo Advantage Income Opportunities Fund**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Media (continued)</b>				
<i>CCO Holdings LLC</i>	8.13%	4-30-2020	\$ 686,000	\$ 721,158
<i>CCOH Safari LLC</i>	5.50	12-1-2022	735,000	740,513
<i>CCOH Safari LLC</i>	5.75	12-1-2024	7,955,000	8,064,381
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	340,000	332,350
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	1,601,000	1,564,978
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	1,525,000	1,616,500
<i>CSC Holdings LLC</i>	7.63	7-15-2018	1,145,000	1,285,263
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,650,000	1,845,938
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	739,775
<i>DISH DBS Corporation</i>	5.88	11-15-2024	315,000	316,575
<i>DISH DBS Corporation</i>	7.88	9-1-2019	2,260,000	2,565,100
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	1,160,000	1,218,000
<i>EchoStar DBS Corporation</i>	7.75	5-31-2015	650,000	659,750
<i>Gray Television Incorporated</i>	7.50	10-1-2020	11,105,000	11,410,388
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,851,938
<i>LIN Television Corporation</i>	6.38	1-15-2021	500,000	507,500
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	810,000	864,675
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,340,000	3,390,100
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,750,000	1,852,725
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,654,788
				53,908,033
<b>Specialty Retail : 1.59%</b>				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	730,000	737,300
<i>Ahern Rentals Incorporated 144A</i>	9.50	6-15-2018	1,985,000	2,034,625
<i>Century Intermediate Holding Company (PIK at 10.50%) ¥144A</i>	9.75	2-15-2019	290,000	307,400
<i>Chinos Intermediate Holdings A Incorporated 144A</i>	7.75	5-1-2019	750,000	630,000
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	1,860,000	1,892,550
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	1,965,000	2,043,600
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	1,900,000	1,866,750
<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	1,235,000	1,343,063
				10,855,288
<b>Consumer Staples : 0.85%</b>				
<b>Beverages : 0.19%</b>				
<i>Cott Beverages Incorporated 144A</i>	6.75	1-1-2020	1,295,000	1,278,813
<b>Food Products : 0.66%</b>				
<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	666,650
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	294,263
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	3,625,000	3,516,250

4,477,163

**Energy : 22.81%****Energy Equipment & Services : 8.85%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	5,830,000	5,553,075
<i>Cleaver Brooks Incorporated 144A(i)</i>	8.75	12-15-2019	810,000	844,425
<i>Compressco Partners LP 144A</i>	7.25	8-15-2022	1,980,000	1,643,400
<i>Era Group Incorporated</i>	7.75	12-15-2022	7,340,000	7,046,400
<i>Forum Energy Technologies Incorporated</i>	6.25	10-1-2021	315,000	298,463
<i>Gulfmark Offshore Incorporated</i>	6.38	3-15-2022	8,173,000	6,374,940
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	900,000	810,000
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	4,705,000	3,740,475
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	3,889,105
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	6,445,000	6,252,295
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	14,540,000	15,412,400
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	715,000	699,806
<i>PHI Incorporated</i>	5.25	3-15-2019	8,550,000	7,438,500

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Wells Fargo Advantage Income Opportunities Fund		Portfolio of investments		January 31, 2015 (unaudited)
Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>Pride International Incorporated</i>	8.50%	6-15-2019	\$ 210,000	\$ 247,157
				60,250,441
<b>Oil, Gas &amp; Consumable Fuels : 13.96%</b>				
<i>Arch Coal Incorporated</i>	7.00	6-15-2019	1,950,000	472,875
<i>CVR Refining LLC</i>	6.50	11-1-2022	2,148,000	2,040,600
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	1,280,000	1,091,200
<i>Denbury Resources Incorporated</i>	5.50	5-1-2022	130,000	114,400
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	700,000	651,000
<i>El Paso LLC</i>	6.50	9-15-2020	1,155,000	1,332,379
<i>El Paso LLC</i>	7.00	6-15-2017	1,973,000	2,175,233
<i>El Paso LLC</i>	7.42	2-15-2037	1,820,000	2,227,221
<i>El Paso LLC</i>	7.80	8-1-2031	3,050,000	3,757,231
<i>Energy XXI Gulf Coast Incorporated 144A</i>	6.88	3-15-2024	3,525,000	1,551,000
<i>Energy XXI Gulf Coast Incorporated</i>	7.75	6-15-2019	975,000	455,813
<i>Exterran Partners LP</i>	6.00	4-1-2021	4,000,000	3,420,000
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	4,605,000	4,674,075
<i>Overseas Shipholding Group</i>	7.50	2-15-2021	2,750,000	2,475,000
<i>Overseas Shipholding Group</i>	8.13	3-30-2018	3,850,000	3,763,375
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	3,170,000	3,780,215
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	6,255,000	6,208,807
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	8,100,000	8,667,000
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	4,425,000	4,867,500
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	1,425,000	1,426,781
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	1,710,000	1,710,000
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	525,000	528,281
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,538,794
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	9,370,000	9,510,550
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	9,700,000	10,209,250
<i>SemGroup Corporation</i>	7.50	6-15-2021	4,420,000	4,397,900
<i>Suburban Propane Partners LP</i>	5.50	6-1-2024	480,000	472,800
<i>Suburban Propane Partners LP</i>	7.38	3-15-2020	1,475,000	1,534,000
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	592,000	626,040
<i>Swift Energy Company</i>	7.13	6-1-2017	7,975,000	3,110,250
<i>Swift Energy Company</i>	8.88	1-15-2020	1,750,000	612,500
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	650,000	594,750
<i>Ultra Petroleum Corporation 144A</i>	6.13	10-1-2024	3,550,000	3,035,250
				95,032,070
<b>Financials : 19.91%</b>				
<b>Banks : 0.41%</b>				
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	2,225,000	2,360,503



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<i>CIT Group Incorporated 144A</i>	6.63	4-1-2018	370,000	398,675
				2,759,178

**Capital Markets : 1.65%**

<i>Jefferies Finance LLC 144A</i>	6.88	4-15-2022	6,680,000	6,028,700
<i>Jefferies Finance LLC 144A</i>	7.38	4-1-2020	515,000	484,100
<i>Jefferies Finance LLC 144A</i>	7.50	4-15-2021	2,775,000	