

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, 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: 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		
<b>Common Stocks : 0.17%</b>				
<b>Consumer Discretionary : 0.00%</b>				
<b>Hotels, Restaurants &amp; Leisure : 0.00%</b>				
<i>Trump Entertainment Resorts Incorporated</i> (a)(i)	2,149	\$ 0		
<b>Telecommunication Services : 0.17%</b>				
<b>Diversified Telecommunication Services : 0.17%</b>				
<i>Fairpoint Communications Incorporated</i>	134,376	1,177,134		
<b>Total Common Stocks (Cost \$3,109,765)</b>		1,177,134		
	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	
<b>Corporate Bonds and Notes : 111.96%</b>				
<b>Consumer Discretionary : 27.42%</b>				
<b>Auto Components : 2.37%</b>				
<i>Allison Transmission Incorporated 144A</i>	7.13%	5-15-2019	\$ 8,015,000	8,556,013
<i>Cooper Tire &amp; Rubber Company</i>	7.63	3-15-2027	4,305,000	4,165,088
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	150,000	158,250
<i>Goodyear Tire &amp; 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
<b>Distributors : 0.45%</b>				
<i>LKQ Corporation 144A</i>	4.75	5-15-2023	3,280,000	3,144,700
<b>Diversified Consumer Services : 2.47%</b>				
<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
<b>Hotels, Restaurants &amp; Leisure : 8.75%</b>				
<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
<b>Household Durables : 0.19%</b>				
<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
<b>Media : 10.59%</b>				
<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
<b>Specialty Retail : 2.60%</b>				
<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&amp;G Foods Incorporated</i>	4.63	6-1-2021	1,425,000	1,376,906
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**Energy : 20.90%**

**Energy Equipment & Services : 6.15%**

<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	475,000	510,625
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## Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<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
<b>Oil, Gas &amp; Consumable Fuels : 14.75%</b>				
<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 &amp; 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
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Portfolio of investments July 31, 2013 (unaudited)

Wells Fargo Advantage Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Consumer Finance (continued)</b>				
<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
<b>Diversified Financial Services : 2.28%</b>				
<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
<b>Insurance : 0.15%</b>				
<i>Fidelity &amp; 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
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**Health Care Providers & Services : 4.44%**

<i>Aviv HealthCare Properties LP</i>	7.75	2-15-2019	3,725,000	4,004,375
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## Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2013 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<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
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**Air Freight & Logistics : 0.68%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	4,555,000	4,737,200
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**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&amp;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
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**Transportation Infrastructure : 0.31%**

<i>Florida East Coast Railway Corporation</i>	8.13	2-1-2017	1,465,000	1,552,900
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**Portfolio of investments July 31, 2013 (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>Transportation Infrastructure (continued)</b>				
<i>Watco Companies LLC 144A</i>	6.38%	4-1-2023	\$ 570,000	\$ 568,575
				2,121,475
<b>Information Technology : 7.57%</b>				
<b>Communications Equipment : 0.63%</b>				
<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
<b>Computers &amp; Peripherals : 0.28%</b>				
<i>NCR Corporation</i>	5.00	7-15-2022	2,020,000	1,954,350
<b>Electronic Equipment, Instruments &amp; Components : 2.45%</b>				
<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
<b>Internet Software &amp; Services : 0.10%</b>				
<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
<b>IT Services : 3.83%</b>				
<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
<b>Software : 0.28%</b>				
<i>Nuance Communications Incorporated 144A</i>	5.38	8-15-2020	1,975,000	1,925,625
<b>Materials : 2.06%</b>				

**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 &amp; Seal Company Incorporated</i>	7.38	12-15-2026	300,000	333,000
<i>Crown Cork &amp; 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
<b>Containers &amp; Packaging (continued)</b>				
<i>Silgan Holdings Incorporated</i>	5.00%	4-1-2020	\$ 2,250,000	\$ 2,261,250
				8,171,957
<b>Metals &amp; Mining : 0.00%</b>				
<i>Indalex Holdings Corporation (s)(a)(i)</i>	11.50	2-1-2014	5,985,000	0
<b>Paper &amp; Forest Products : 0.49%</b>				
<i>Georgia-Pacific LLC</i>	8.88	5-15-2031	2,430,000	3,375,525
<b>Telecommunication Services : 14.64%</b>				
<b>Diversified Telecommunication Services : 6.28%</b>				
<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
<b>Wireless Telecommunication Services : 8.36%</b>				
<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
<b>Gas Utilities (continued)</b>				
<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	
<b>Preferred Stocks : 0.31%</b>			
<b>Financials : 0.31%</b>			
<b>Diversified Financial Services : 0.31%</b>			
<i>GMAC Capital Trust I ±</i>	8.13	81,784	2,171,365
<b>Total Preferred Stocks (Cost \$2,078,248)</b>			<b>2,171,365</b>

	Interest rate	Maturity date	Principal	
<b>Term Loans : 11.59%</b>				
<i>Advantage Sales &amp; 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
<b>Total Term Loans (Cost \$87,194,267)</b>				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)**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Media (continued)</b>				
<i>Videotron Limited</i>	9.13%	4-15-2018	\$ 714,000	\$ 749,700
				2,578,625
<b>Energy : 0.30%</b>				
<b>Oil, Gas &amp; Consumable Fuels : 0.30%</b>				
<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
<b>Financials : 0.33%</b>				
<b>Consumer Finance : 0.33%</b>				
<i>Wind Acquisition Finance SpA 144A</i>	11.75	7-15-2017	2,205,000	2,326,275
<b>Diversified Financial Services : 0.00%</b>				
<i>Preferred Term Securities XII Limited (s)(i)</i>	0.00	12-24-2033	1,540,000	15
<b>Health Care : 0.48%</b>				
<b>Pharmaceuticals : 0.48%</b>				
<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
<b>Information Technology : 1.23%</b>				
<b>Computers &amp; Peripherals : 1.23%</b>				
<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
<b>Materials : 0.84%</b>				
<b>Metals &amp; Mining : 0.59%</b>				
<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
<b>Paper &amp; Forest Products : 0.25%</b>				
<i>Sappi Limited 144A</i>	7.50	6-15-2032	2,155,000	1,702,450
<b>Telecommunication Services : 3.32%</b>				

**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
<b>Wireless Telecommunication Services</b>				
<b>: 0.22%</b>				
<i>Telesat Canada Incorporated 144A</i>	6.00%	5-15-2017	\$ 1,475,000	\$ 1,504,500
<b>Total Yankee Corporate Bonds and Notes</b>				
<b>(Cost \$46,399,389)</b>				47,776,092
<b>Short-Term Investments : 0.47%</b>				
	Yield		Shares	
<b>Investment Companies : 0.47%</b>				
<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
<b>Total Short-Term Investments (Cost</b>				
<b>\$3,286,583)</b>				3,286,583
<b>Total investments in securities (Cost</b>				
<b>\$894,759,217)*</b>				
	131.37%			913,867,887
<i>Other assets and liabilities, net</i>	(31.37)			(218,217,176)
<b>Total net assets</b>	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>
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**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:

<b>Investments in securities</b>	<b>Quoted prices (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
<b>Equity securities</b>				
<i>Common stocks</i>	\$ 1,177,134	\$ 0	\$ 0	\$ 1,177,134
<i>Preferred stocks</i>	2,171,365	0	0	2,171,365
<b>Corporate bonds and notes</b>	0	779,832,390	0	779,832,390
<b>Term loans</b>	0	63,346,534	17,276,683	80,623,217
<b>Yankee corporate bonds and notes</b>	0	46,777,198	0	46,777,198
<b>Short-term investments</b>				
<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:

	<b>Common stocks</b>	<b>Term Loans</b>	<b>Total</b>
<b>Balance as of April 30, 2013</b>	\$ 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)
<b>Balance as of July 31, 2013</b>	\$ 0	\$ 17,276,683	\$ 17,276,683
<b>Change in unrealized gains (losses) relating to securities still held at July 31, 2013</b>	\$ (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