

WELLS FARGO UTILITIES & HIGH INCOME FUND  
Form N-Q  
January 26, 2017

**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: 811-21507**

**Wells Fargo Utilities and High Income 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: August 31**

**Registrant is making a filing for Wells Fargo Utilities and High Income Fund.**

**Date of reporting period: November 30, 2016**

ITEM 1. INVESTMENTS

## Wells Fargo Utilities and High Income Fund

Portfolio of investments November 30,  
2016 (unaudited)

Security name	Shares	Value
<b>Common Stocks : 65.31%</b>		
<b>Energy : 2.81%</b>		
<b>Oil, Gas &amp; Consumable Fuels : 2.81%</b>		
<i>Spectra Energy Corporation</i>	75,000	\$ 3,071,250
<i>Swift Energy Company (i)</i>	1,214	37,209
		3,108,459
<b>Telecommunication Services : 10.42%</b>		
<b>Diversified Telecommunication Services : 8.13%</b>		
<i>CenturyLink Incorporated</i>	106	2,493
<i>Chunghwa Telecom Company Limited ADR</i>	120,000	4,002,000
<i>Orange SA</i>	200,000	2,915,647
<i>Verizon Communications Incorporated</i>	41,291	2,060,421
		8,980,561
<b>Wireless Telecommunication Services : 2.29%</b>		
<i>Shenandoah Telecommunications Company</i>	90,000	2,524,500
<b>Utilities : 52.08%</b>		
<b>Electric Utilities : 39.53%</b>		
<i>Alliant Energy Corporation</i>	8,000	287,360
<i>American Electric Power Company Incorporated</i>	70,000	4,133,500
<i>Chesapeake Utilities Corporation</i>	300	19,440
<i>Duke Energy Corporation</i>	30,514	2,251,018
<i>Edison International</i>	60,000	4,126,200
<i>Endesa SA</i>	180,000	3,721,026
<i>Enel SpA</i>	1,225,000	4,951,741
<i>Entergy Corporation</i>	1,000	68,730
<i>Eversource Energy</i>	90,000	4,645,800
<i>Exelon Corporation</i>	16,000	520,160
<i>Great Plains Energy Incorporated</i>	100,000	2,639,000
<i>IDACORP Incorporated</i>	25,000	1,903,750
<i>NextEra Energy Incorporated</i>	35,000	3,998,050
<i>PNM Resources Incorporated</i>	75,000	2,370,000
<i>Red Electrica Corporacion SA</i>	240,000	4,273,314
<i>Spark Energy Incorporated Class A</i>	36,700	935,850
<i>Terna SpA</i>	650,000	2,818,988
		43,663,927
<b>Gas Utilities : 3.93%</b>		
<i>Enagas SA</i>	175,000	4,312,264
<i>New Jersey Resources Corporation</i>	400	13,780
<i>South Jersey Industries Incorporated</i>	400	13,200

4,339,244

**Multi-Utilities : 5.34%**

<i>CenterPoint Energy Incorporated</i>	50,000	1,193,000
<i>Dominion Resources Incorporated</i>	300	21,987
<i>Hera SpA</i>	300,000	621,602
<i>MDU Resources Group Incorporated</i>	500	13,910
<i>Public Service Enterprise Group Incorporated</i>	50,000	2,065,500
<i>Sempra Energy</i>	19,900	1,986,020
		5,902,019

Portfolio of investments November 30, 2016 (unaudited)

Wells Fargo Utilities and High Income Fund

Security name	Shares	Value
<b>Water Utilities : 3.28%</b>		
<i>American Water Works Company Incorporated</i>	50,000	\$ 3,623,500
<b>Total Common Stocks (Cost \$58,694,236)</b>		72,142,210

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 31.86%</b>				
<b>Consumer Discretionary : 6.47%</b>				
<b>Auto Components : 0.53%</b>				
<i>Allison Transmission Incorporated 144A</i>	5.00%	10-1-2024	\$ 350,000	352,625
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	190,000	204,725
<i>The Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	25,000	26,219
				583,569

<b>Distributors : 0.09%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	100,000	100,000

<b>Diversified Consumer Services : 0.44%</b>				
<i>Service Corporation International</i>	7.50	4-1-2027	351,000	407,160
<i>Service Corporation International</i>	7.63	10-1-2018	25,000	27,750
<i>Service Corporation International</i>	8.00	11-15-2021	40,000	46,800
				481,710

<b>Hotels, Restaurants &amp; Leisure : 1.21%</b>				
<i>Brinker International Incorporated 144A</i>	5.00	10-1-2024	75,000	75,000
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	425,000	440,938
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	675,000	706,219
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	15,000	15,487
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	100,000	100,000
				1,337,644

<b>Household Durables : 0.12%</b>				
<i>American Greetings Corporation</i>	7.38	12-1-2021	50,000	51,000
<i>Tempur Sealy International Incorporated</i>	5.50	6-15-2026	75,000	74,625
<i>Tempur Sealy International Incorporated</i>	5.63	10-15-2023	10,000	10,200
				135,825

<b>Leisure Products : 0.06%</b>				
<i>Vista Outdoor Incorporated</i>	5.88	10-1-2023	65,000	67,600

<b>Media : 3.06%</b>				
<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	200,000	202,250
<i>Altice US Finance I Corporation 144A</i>	5.50	5-15-2026	100,000	98,875

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<i>AMC Entertainment Holdings Incorporated 144A</i>	5.88	11-15-2026	75,000	75,563
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	145,000	150,800
<i>CBS Radio Incorporated 144A</i>	7.25	11-1-2024	5,000	5,253
<i>CCO Holdings LLC</i>	5.13	2-15-2023	50,000	51,375
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	135,000	138,375
<i>CCO Holdings LLC</i>	5.25	9-30-2022	90,000	93,375
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	335,000	340,444
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	5,000	5,050
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	275,000	282,563
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	125,000	132,344
<i>CCO Holdings LLC</i>	6.63	1-31-2022	50,000	51,938
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	100,000	107,000
<i>CSC Holdings LLC</i>	7.88	2-15-2018	75,000	78,750
<i>CSC Holdings LLC</i>	8.63	2-15-2019	125,000	137,813
<i>EMI Music Publishing 144A</i>	7.63	6-15-2024	50,000	53,500

## Wells Fargo Utilities and High Income Fund

Portfolio of investments November 30, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>Gray Television Incorporated 144A</i>	5.13%	10-15-2024	\$ 100,000	\$ 93,500
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	300,000	286,407
<i>Lamar Media Corporation</i>	5.88	2-1-2022	75,000	77,250
<i>LIN Television Corporation</i>	6.38	1-15-2021	25,000	25,875
<i>Live Nation Entertainment Incorporated 144A</i>	4.88	11-1-2024	100,000	99,500
<i>National CineMedia LLC</i>	5.75	8-15-2026	100,000	102,500
<i>National CineMedia LLC</i>	6.00	4-15-2022	225,000	231,750
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	75,000	74,250
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	150,000	153,000
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	145,000	149,350
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	15,000	15,581
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	65,000	66,788
				3,381,019
<b>Specialty Retail : 0.89%</b>				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	200,000	201,500
<i>Century Intermediate Holding Company (PIK at 10.50%) 144A</i>	9.75	2-15-2019	15,000	15,263
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	100,000	97,500
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	300,000	294,750
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	99,000	101,228
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	70,000	67,550
<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	200,000	208,500
				986,291
<b>Textiles, Apparel &amp; Luxury Goods : 0.07%</b>				
<i>Wolverine World Wide Company 144A</i>	5.00	9-1-2026	75,000	72,000
<b>Consumer Staples : 0.52%</b>				
<b>Beverages : 0.10%</b>				
<i>Cott Beverages Incorporated</i>	5.38	7-1-2022	50,000	50,188
<i>Cott Beverages Incorporated</i>	6.75	1-1-2020	60,000	62,100
				112,288
<b>Food Products : 0.40%</b>				
<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	30,000	30,600
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	15,000	15,619
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	85,000	84,788
<i>Pinnacle Foods Incorporated 144A</i>	5.63	5-1-2024	25,000	24,938
<i>Post Holdings Incorporated 144A</i>	5.00	8-15-2026	75,000	71,138
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	10,000	10,450
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	175,000	177,188

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<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	30,000	30,750 445,471
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**Household Products : 0.02%**

<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	20,000	20,850
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**Energy : 7.69%**

**Energy Equipment & Services : 2.48%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	400,000	312,000
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	40,000	41,250
<i>Era Group Incorporated</i>	7.75	12-15-2022	219,000	190,530
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	150,000	151,500
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	150,000	152,250
<i>Holly Energy Partners LP 144A</i>	6.00	8-1-2024	50,000	52,000
<i>Hornbeck Offshore Services Incorporated</i>	1.50	9-1-2019	175,000	102,813

Portfolio of investments November 30, 2016 (unaudited)

Wells Fargo Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>Hornbeck Offshore Services Incorporated</i>	5.00%	3-1-2021	\$ 325,000	\$ 174,688
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	235,000	143,350
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	190,000	197,125
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	725,000	757,625
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	35,000	36,575
<i>PHI Incorporated</i>	5.25	3-15-2019	455,000	426,563
				2,738,269
<b>Oil, Gas &amp; Consumable Fuels : 5.21%</b>				
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	50,000	46,250
<i>Continental Resources Incorporated</i>	5.00	9-15-2022	100,000	99,750
<i>Crestwood Midstream Partners LP</i>	6.25	4-1-2023	150,000	152,250
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	425,000	327,250
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	160,000	134,400
<i>El Paso Pipeline Partners Operating LLC</i>	5.00	10-1-2021	125,000	132,965
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	275,000	270,018
<i>Enable Midstream Partner LP</i>	3.90	5-15-2024	150,000	139,250
<i>Enable Midstream Partner LP</i>	5.00	5-15-2044	25,000	20,199
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	50,000	53,099
<i>EnLink Midstream LLC</i>	4.15	6-1-2025	225,000	212,829
<i>EnLink Midstream LLC</i>	4.40	4-1-2024	250,000	243,305
<i>Exterran Partners LP</i>	6.00	4-1-2021	200,000	191,000
<i>Gulfport Energy Corporation 144A</i>	6.00	10-15-2024	75,000	76,313
<i>Gulfport Energy Corporation</i>	6.63	5-1-2023	200,000	209,000
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	45,000	50,246
<i>Kinder Morgan Incorporated (i)</i>	7.42	2-15-2037	90,000	95,942
<i>Kinder Morgan Incorporated</i>	7.80	8-1-2031	100,000	118,350
<i>Murphy Oil Corporation</i>	4.70	12-1-2022	175,000	168,000
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	50,000	52,625
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	175,000	182,875
<i>PDC Energy Incorporated 144A</i>	6.13	9-15-2024	50,000	51,250
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	325,000	337,188
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	300,000	304,500
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	130,000	131,950
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	100,000	96,000
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	75,000	71,250
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.25	6-15-2019	50,000	5
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.50	9-15-2020	260,000	3
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	125,000	132,813
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	165,000	173,250
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	50,000	52,125
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	50,000	52,750
<i>Sabine Pass Liquefaction LLC 144A</i>	5.88	6-30-2026	75,000	79,031

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<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	200,000	215,500
<i>SemGroup Corporation</i>	7.50	6-15-2021	275,000	280,500
<i>Southwestern Energy Company</i>	4.10	3-15-2022	75,000	69,000
<i>Southwestern Energy Company</i>	6.70	1-23-2025	125,000	123,750
<i>Swift Energy Company (a)(i)(s)</i>	7.13	6-1-2017	422,000	0
<i>Swift Energy Company (a)(i)(s)</i>	8.88	1-15-2020	75,000	0
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	450,000	445,500
<i>Tesoro Logistics LP %%</i>	5.25	1-15-2025	50,000	50,688
<i>Tesoro Logistics LP</i>	6.13	10-15-2021	25,000	26,156
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	25,000	26,938
<i>Ultra Petroleum Corporation 144A(s)</i>	5.75	12-15-2018	35,000	33,491
<i>Western Gas Partners LP</i>	5.38	6-1-2021	25,000	26,677
				5,756,231

## Wells Fargo Utilities and High Income Fund

Portfolio of investments November 30, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Financials : 2.61%</b>				
<b>Banks : 0.31%</b>				
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	\$ 100,000	\$ 105,563
<i>CIT Group Incorporated 144A</i>	6.63%	4-1-2018	231,000	241,684
				347,247
<b>Capital Markets : 0.26%</b>				
<i>Jefferies Finance LLC 144A</i>	6.88	4-15-2022	300,000	282,000
<b>Consumer Finance : 1.30%</b>				
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	75,000	81,375
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	203,000	225,330
<i>Ford Motor Credit Company LLC</i>	8.00	12-15-2016	25,000	25,048
<i>Navient Corporation</i>	8.00	3-25-2020	175,000	192,063
<i>Navient Corporation</i>	8.45	6-15-2018	125,000	134,688
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	175,000	171,500
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	50,000	51,375
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	243,000	253,328
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	125,000	125,156
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	25,000	26,031
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	150,000	150,000
				1,435,894
<b>Diversified Financial Services : 0.28%</b>				
<i>Infinity Acquisition LLC 144A(i)</i>	7.25	8-1-2022	125,000	107,813
<i>NewStar Financial Incorporated</i>	7.25	5-1-2020	200,000	198,500
				306,313
<b>Insurance : 0.46%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A</i>	8.13	7-15-2019	175,000	173,250
<i>Hub International Limited 144A</i>	7.88	10-1-2021	325,000	331,906
				505,156
<b>Health Care : 3.08%</b>				
<b>Health Care Equipment &amp; Supplies : 0.70%</b>				
<i>Crimson Merger Sub Incorporated 144A</i>	6.63	5-15-2022	275,000	229,625
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	25,000	25,750
<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	90,000	93,375
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	200,000	211,000
<i>Surgery Center Holdings Company 144A</i>	8.88	4-15-2021	200,000	209,000
				768,750
<b>Health Care Providers &amp; Services : 1.82%</b>				
<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	20,000	19,900
<i>Centene Corporation</i>	6.13	2-15-2024	50,000	50,805

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<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	35,000	34,125
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	170,000	176,375
<i>HCA Incorporated</i>	5.88	3-15-2022	25,000	26,844
<i>HCA Incorporated</i>	6.50	2-15-2020	325,000	353,844
<i>HealthSouth Corporation</i>	5.75	9-15-2025	75,000	74,891
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	50,000	50,750
<i>Molina Healthcare Incorporated</i>	5.38	11-15-2022	25,000	25,031
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	100,000	105,125
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	100,000	93,750
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	125,000	128,281
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	10,000	10,250
<i>Select Medical Corporation</i>	6.38	6-1-2021	315,000	302,202
<i>Team Health Incorporated 144A</i>	7.25	12-15-2023	200,000	225,252
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	50,000	50,844

Portfolio of investments November 30, 2016 (unaudited)

Wells Fargo Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<i>Tenet Healthcare Corporation 144A</i>	7.50%	1-1-2022	\$ 35,000	\$ 36,028
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	225,000	243,000
				2,007,297
<b>Health Care Technology : 0.47%</b>				
<i>Change Healthcare Holdings Incorporated 144A</i>	6.00	2-15-2021	150,000	156,390
<i>Change Healthcare Holdings Incorporated</i>	11.00	12-31-2019	355,000	367,425
				523,815
<b>Pharmaceuticals : 0.09%</b>				
<i>Endo Finance LLC 144A</i>	5.38	1-15-2023	50,000	43,625
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	65,000	58,581
				102,206
<b>Industrials : 1.79%</b>				
<b>Airlines : 0.10%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	100,000	116,563
<b>Commercial Services &amp; Supplies : 0.72%</b>				
<i>Advanced Disposal Services Incorporated 144A</i>	5.63	11-15-2024	175,000	173,250
<i>Aramark Services Incorporated 144A</i>	5.13	1-15-2024	50,000	51,334
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	10,000	10,267
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	185,000	180,375
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	195,000	193,538
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	110,000	113,163
<i>ServiceMaster Company 144A</i>	5.13	11-15-2024	75,000	75,188
				797,115
<b>Construction &amp; Engineering : 0.20%</b>				
<i>AECOM</i>	5.75	10-15-2022	15,000	15,713
<i>AECOM</i>	5.88	10-15-2024	200,000	209,500
				225,213
<b>Professional Services : 0.02%</b>				
<i>Ascent Capital Group Incorporated</i>	4.00	7-15-2020	25,000	18,219
<b>Trading Companies &amp; Distributors : 0.75%</b>				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	400,000	418,500
<i>H&amp;E Equipment Services Incorporated</i>	7.00	9-1-2022	350,000	368,375
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	35,000	37,975
				824,850

**Information Technology : 2.89%**

**Communications Equipment : 0.09%**

<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	100,000	104,125
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**Electronic Equipment, Instruments & Components : 0.74%**

<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	620,000	666,407
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<i>Zebra Technologies Corporation</i>	7.25	10-15-2022	135,000	145,981
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812,388

**Internet Software & Services : 0.14%**

<i>Infor Software Parent LLC</i>	6.50	5-15-2022	50,000	51,500
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<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13	5-1-2021	75,000	75,188
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## Wells Fargo Utilities and High Income Fund

Portfolio of investments - November 30, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Internet Software &amp; Services (continued)</b>				
<i>Zayo Group LLC</i>	6.38%	5-15-2025	\$ 25,000	\$ 26,063
				152,751
<b>IT Services : 0.34%</b>				
<i>First Data Corporation 144A</i>	5.00	1-15-2024	40,000	40,350
<i>First Data Corporation 144A</i>	5.75	1-15-2024	95,000	96,188
<i>First Data Corporation 144A</i>	6.75	11-1-2020	152,000	157,700
<i>First Data Corporation 144A</i>	7.00	12-1-2023	75,000	78,516
				372,754
<b>Semiconductors &amp; Semiconductor Equipment : 0.32%</b>				
<i>Micron Technology Incorporated 144A</i>	5.25	8-1-2023	25,000	24,688
<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	75,000	73,321
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	110,000	108,075
<i>Micron Technology Incorporated 144A</i>	5.63	1-15-2026	85,000	82,875
<i>Micron Technology Incorporated</i>	5.88	2-15-2022	65,000	67,275
				356,234
<b>Software : 0.16%</b>				
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	10,000	10,925
<i>Boxer Parent Company Incorporated (PIK at 9.75%) 144A</i>	9.00	10-15-2019	150,000	136,875
<i>SS&amp;C Technologies Incorporated</i>	5.88	7-15-2023	25,000	25,500
				173,300
<b>Technology Hardware, Storage &amp; Peripherals : 1.10%</b>				
<i>Diamond 1 Finance Corporation/Diamond 2 Finance Corporation 144A</i>	5.88	6-15-2021	225,000	237,120
<i>Diamond 1 Finance Corporation/Diamond 2 Finance Corporation 144A</i>	7.13	6-15-2024	425,000	464,012
<i>NCR Corporation</i>	5.88	12-15-2021	15,000	15,656
<i>NCR Corporation</i>	6.38	12-15-2023	475,000	499,938
				1,216,726
<b>Materials : 0.72%</b>				
<b>Chemicals : 0.04%</b>				
<i>Celanese U.S. Holdings LLC</i>	5.88	6-15-2021	20,000	22,286
<i>Valvoline Incorporated 144A</i>	5.50	7-15-2024	25,000	25,813
				48,099
<b>Containers &amp; Packaging : 0.66%</b>				
<i>Ball Corporation</i>	5.25	7-1-2025	15,000	15,609
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	50,000	50,438
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	65,000	68,331

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<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	5,000	5,663
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	50,000	51,063
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.88	8-15-2023	50,000	52,250
<i>Owens-Illinois Incorporated 144A</i>	5.38	1-15-2025	50,000	50,188
<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	250,000	264,063
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	60,000	64,200
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	75,000	76,125
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	25,000	25,438
				723,368

**Metals & Mining : 0.02%**

<i>Kaiser Aluminum Corporation</i>	5.88	5-15-2024	25,000	25,813
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## Portfolio of investments November 30, 2016 (unaudited)

## Wells Fargo Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Real Estate : 2.26%</b>				
<b>Equity REITs : 1.94%</b>				
<i>Crown Castle International Corporation</i>	4.88%	4-15-2022	\$ 35,000	\$ 37,724
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	70,000	76,094
<i>DuPont Fabros Technology Incorporated LP</i>	5.63	6-15-2023	225,000	236,813
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	340,000	354,875
<i>Equinix Incorporated</i>	5.75	1-1-2025	50,000	51,563
<i>Equinix Incorporated</i>	5.88	1-15-2026	100,000	103,751
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	275,000	266,063
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	125,000	127,813
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	100,000	98,250
<i>Iron Mountain Incorporated 144A</i>	6.00	10-1-2020	20,000	21,050
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	267,000	283,020
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	75,000	74,625
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	105,000	107,756
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	45,000	42,525
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	135,000	134,663
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	100,000	96,500
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	25,000	24,000
				2,137,085
<b>Real Estate Management &amp; Development : 0.32%</b>				
<i>Onex Corporation 144A</i>	7.75	1-15-2021	350,000	355,250
<b>Telecommunication Services : 2.69%</b>				
<b>Diversified Telecommunication Services : 0.87%</b>				
<i>Citizens Communications Company</i>	7.88	1-15-2027	25,000	20,594
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	60,000	63,979
<i>GCI Incorporated</i>	6.75	6-1-2021	125,000	128,281
<i>GCI Incorporated</i>	6.88	4-15-2025	75,000	74,813
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	75,000	74,906
<i>Level 3 Financing Incorporated 144A</i>	5.25	3-15-2026	50,000	49,125
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	125,000	127,188
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	50,000	50,250
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	75,000	74,625
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	65,000	65,975
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	80,000	82,800
<i>SBA Communications Corporation</i>	4.88	7-15-2022	100,000	100,083
<i>SBA Communications Corporation 144A</i>	4.88	9-1-2024	50,000	48,375
				960,994
<b>Wireless Telecommunication Services : 1.82%</b>				
<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	240,000	245,400
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	525,000	504,998
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	100,000	105,000

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<i>Sprint Communications Incorporated 144A</i>	9.00	11-15-2018	25,000	27,438
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	350,000	252,875
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	25,000	26,188
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	25,000	26,180
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	30,000	31,275
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	145,000	154,969
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	10,000	10,163
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	5,000	5,342
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2026	25,000	27,000
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	10,000	10,322
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	35,000	37,089
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	75,000	78,281
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	375,000	391,819
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	75,000	79,594
				2,013,933

## Wells Fargo Utilities and High Income Fund

Portfolio of investments November 30, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Utilities : 1.14%</b>				
<b>Electric Utilities : 0.20%</b>				
<i>Otter Tail Corporation (i)</i>	9.00%	12-15-2016	\$ 215,000	\$ 215,384
<b>Independent Power &amp; Renewable Electricity Producers : 0.94%</b>				
<i>Calpine Corporation 144A</i>	5.88	1-15-2024	20,000	20,925
<i>Calpine Corporation 144A</i>	6.00	1-15-2022	40,000	41,750
<i>Calpine Corporation 144A</i>	7.88	1-15-2023	31,000	32,395
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	330,992	354,989
<i>TerraForm Power Operating LLC 144A</i>	6.38	2-1-2023	425,000	434,690
<i>TerraForm Power Operating LLC 144A</i>	6.63	6-15-2025	150,000	155,625
				1,040,374
<b>Total Corporate Bonds and Notes (Cost \$34,435,262)</b>				35,187,983
<b>Loans : 1.08%</b>				
<b>Consumer Discretionary : 0.03%</b>				
<b>Hotels, Restaurants &amp; Leisure : 0.03%</b>				
<i>CCM Merger Incorporated ±</i>	4.00	8-8-2021	36,856	37,025
<b>Energy : 0.09%</b>				
<b>Energy Equipment &amp; Services : 0.04%</b>				
<i>Hummel Station LLC ±</i>	7.00	10-27-2022	42,991	41,056
<b>Oil, Gas &amp; Consumable Fuels : 0.05%</b>				
<i>Chesapeake Energy Corporation ±</i>	8.50	8-23-2021	50,000	53,407
<b>Financials : 0.05%</b>				
<b>Capital Markets : 0.05%</b>				
<i>American Beacon Advisors Incorporated ±(i)</i>	9.75	3-3-2023	50,000	48,500
<b>Health Care : 0.02%</b>				
<b>Health Care Providers &amp; Services : 0.02%</b>				
<i>Press Ganey Holdings Incorporated ±</i>	8.25	10-21-2024	25,000	25,313
<b>Industrials : 0.11%</b>				
<b>Commercial Services &amp; Supplies : 0.11%</b>				
<i>Advantage Sales &amp; Marketing LLC ±</i>	7.50	7-25-2022	91,664	86,164
<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	29,625	29,126
<i>WASH Multifamily Laundry Systems LLC ±</i>	8.00	5-12-2023	1,490	1,464
<i>WASH Multifamily Laundry Systems LLC ±(i)</i>	8.00	5-14-2023	8,510	8,361

125,115

**Information Technology : 0.39%****Internet Software & Services : 0.36%**

<i>Ancestry.com Incorporated ±</i>	5.25	10-19-2023	225,000	225,376
<i>Ancestry.com Incorporated ±</i>	9.25	10-11-2024	175,000	176,458
				401,834

**Technology Hardware, Storage & Peripherals : 0.03%**

<i>Peak 10 Incorporated ±(i)</i>	8.25	6-17-2022	30,000	28,275
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**Portfolio of investments    November 30, 2016 (unaudited)                      Wells Fargo Utilities and High Income Fund**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Utilities : 0.39%</b>				
<b>Electric Utilities : 0.39%</b>				
<i>Texas Competitive Electric Holdings Company LLC ±(s)</i>	4.66%	10-10-2017	\$ 1,471,940	\$ 427,231
<b>Total Loans (Cost \$2,185,098)</b>				1,187,756

	<b>Dividend yield</b>	<b>Shares</b>	
<b>Preferred Stocks : 15.15%</b>			
<b>Utilities : 15.15%</b>			
<b>Electric Utilities : 13.30%</b>			
<i>Alabama Power Company</i>	6.45	70,916	1,826,087
<i>Alabama Power Company</i>	6.50	110,815	2,957,652
<i>Entergy Louisiana LLC</i>	4.88	30,000	639,000
<i>Georgia Power Company</i>	6.50	44,043	4,524,978
<i>Gulf Power Company</i>	6.45	30,000	3,082,806
<i>NextEra Energy Capital</i>	5.25	18,826	414,737
<i>The Connecticut Light &amp; Power Company</i>	5.28	12,000	610,876
<i>The Connecticut Light &amp; Power Company</i>	6.56	12,000	631,500
			14,687,636
<b>Multi-Utilities : 1.85%</b>			
<i>Dominion Resources Incorporated</i>	5.25	50,000	1,068,000
<i>DTE Energy Company %%</i>	6.00	40,000	982,800
			2,050,800
<b>Total Preferred Stocks (Cost \$17,028,377)</b>			
			16,738,436

	<b>Expiration date</b>		
<b>Warrants : 0.00%</b>			
<b>Utilities : 0.00%</b>			
<b>Gas Utilities : 0.00%</b>			
<i>Kinder Morgan Incorporated</i>	5-25-2017	16,000	104
<b>Total Warrants (Cost \$30,480)</b>			
			104

	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>
<b>Yankee Corporate Bonds and Notes : 2.72%</b>			
<b>Energy : 0.82%</b>			
<b>Energy Equipment &amp; Services : 0.16%</b>			

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<i>Enscopl</i>	5.75	10-1-2044	\$ 275,000	180,125
<b>Oil, Gas &amp; Consumable Fuels : 0.66%</b>				
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	175,000	150,938
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	100,000	83,750
<i>Griffin Coal Mining Company Limited</i>				
<i>144A(a)(i)(s)</i>	9.50	12-1-2016	93,118	372
<i>Teekay Corporation</i>	8.50	1-15-2020	535,000	490,863
				725,923
<b>Financials : 0.03%</b>				
<b>Banks : 0.03%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	30,000	31,200

## Wells Fargo Utilities and High Income Fund

Portfolio of investments November 30, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care : 0.75%</b>				
<b>Pharmaceuticals : 0.75%</b>				
<i>Mallinckrodt plc 144A</i>	5.50%	4-15-2025	\$ 50,000	\$ 42,500
<i>Mallinckrodt plc 144A</i>	5.63	10-15-2023	20,000	18,100
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	50,000	38,500
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	180,000	133,088
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	550,000	407,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.38	10-15-2020	100,000	84,500
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2021	25,000	20,875
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	94,000	79,430
				823,993
<b>Industrials : 0.32%</b>				
<b>Building Products : 0.01%</b>				
<i>Allegion plc</i>	5.88	9-15-2023	15,000	15,919
<b>Commercial Services &amp; Supplies : 0.29%</b>				
<i>GFL Environmental Incorporated 144A</i>	7.88	4-1-2020	250,000	261,875
<i>GFL Environmental Incorporated 144A</i>	9.88	2-1-2021	50,000	54,250
				316,125
<b>Machinery : 0.02%</b>				
<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	20,000	19,700
<b>Materials : 0.07%</b>				
<b>Containers &amp; Packaging : 0.05%</b>				
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	50,000	52,250
<b>Metals &amp; Mining : 0.02%</b>				
<i>Novelis Corporation 144A</i>	6.25	8-15-2024	25,000	25,875
<b>Telecommunication Services : 0.73%</b>				
<b>Diversified Telecommunication Services : 0.69%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	545,000	355,613
<i>Intelsat Jackson Holdings SA</i>	7.25	4-1-2019	200,000	157,000
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	125,000	43,281
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	500,000	171,250

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<i>Virgin Media Finance plc 144A</i>	5.38	4-15-2021	9,000	9,281
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	25,000	25,547
				761,972

**Wireless Telecommunication Services : 0.04%**

<i>Telesat Canada Incorporated 144A</i>	6.00	5-15-2017	50,000	50,063
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<b>Total Yankee Corporate Bonds and Notes (Cost \$3,823,299)</b>				3,003,145
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**Short-Term Investments : 4.71%**

	<b>Yield</b>		<b>Shares</b>	
<b>Investment Companies : 4.71%</b>				
<i>Wells Fargo Government Money Market Fund</i>				
<i>Select Class (l)(u)##</i>	0.31		5,204,367	5,204,367
<b>Total Short-Term Investments (Cost \$5,204,367)</b>				5,204,367

Portfolio of investments November 30, 2016 (unaudited)

Wells Fargo Utilities and High Income Fund

		Value
<b>Total investments in securities (Cost \$121,401,119)*</b>	120.83%	133,464,001
<i>Other assets and liabilities, net</i>	(20.83)	(23,006,980)
<b>Total net assets</b>	100.00%	\$ 110,457,021

*Non-income-earning security*(i) *Illiquid security*144A *The security may be resold in transactions exempt from registration, normally to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933.*¥ *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.*(s) *The security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on the security.*(a) *The security is fair valued in accordance with procedures approved by the Board of Trustees.*% *The security is issued on a when-issued basis.*± *Variable rate investment. The rate shown is the rate in effect at period end.*(l) *The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.*(u) *The rate represents the 7-day annualized yield at period end.*## *All or a portion of this security is segregated for when-issued securities.*\* *Cost for federal income tax purposes is \$121,887,679 and unrealized gains (losses) consists of:*

<i>Gross unrealized gains</i>	\$ 20,230,428
<i>Gross unrealized losses</i>	(8,654,106)
<i>Net unrealized gains</i>	\$ 11,576,322

*Abbreviations:*ADR *American depositary receipt*LLC *Limited liability company*LP *Limited partnership*plc *Public limited company*SBA *Small Business Authority*REIT *Real estate investment trust*

**Wells Fargo Utilities and High Income Fund (the Fund )**

**Notes to Portfolio of investments November 30, 2016 (unaudited)**

**Securities valuation**

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation time under unusual or unexpected circumstances.

Equity securities that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price. If no sale occurs on the principal exchange or market that day, the prior day's price will be deemed stale and a fair value price will be determined in accordance with the Fund's Valuation Procedures.

The values of securities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency pricing source at a time each business day specified by the Management Valuation Team of Wells Fargo Funds Management, LLC ( Funds Management ).

Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and therefore may not fully reflect trading or events that occur after the close of the principal exchange in which the foreign securities are traded, but before the close of the New York Stock Exchange. If such trading or events are expected to materially affect the value of such securities, then fair value pricing procedures approved by the Board of Trustees of the Fund are applied. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. Foreign securities that are fair valued under these procedures are categorized as Level 2 and the application of these procedures may result in transfers between Level 1 and Level 2. Depending on market activity, such fair valuations may be frequent. Such fair value pricing may result in net asset values that are higher or lower than net asset values based on the last reported sales price or latest quoted bid price. On November 30, 2016, such fair value pricing was not used in pricing foreign securities.

Debt securities are valued at the evaluated bid price provided by an independent pricing service or, if a reliable price is not available, the quoted bid price from an independent broker-dealer.

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 in good faith 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. 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 values, to assess the continued appropriateness of the fair valuation methodologies 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 inputs considered in the valuation process until there is a readily available price provided on

an exchange or by an independent pricing service. Valuations received from an independent pricing service or independent broker-dealer 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.

### **Foreign currency translation**

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

### **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.

## Loans

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. Investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When the Fund purchases participations, it generally has no rights to enforce compliance with terms of the loan agreement with the borrower. As a result, the Fund assumes the credit risk of both the borrower and the lender that is selling the participation. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan and may enforce compliance by the borrower with the terms of the loan agreement. Loans may include fully funded term loans or unfunded loan commitments, which are contractual obligations for future funding.

## 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.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of November 30, 2016:

### Quoted prices (Level 1)