

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

September 29, 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 Advantage Income Opportunities Fund.**

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

ITEM 1. INVESTMENTS

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

Security name	Shares	Value
<b>Common Stocks : 0.14%</b>		
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	\$ 657
<b>Telecommunication Services : 0.14%</b>		
<b>Diversified Telecommunication Services : 0.14%</b>		
<i>Fairpoint Communications Incorporated</i>	55,687	925,518
<b>Total Common Stocks (Cost \$1,274,443)</b>		926,175

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 113.40%</b>				
<b>Consumer Discretionary : 18.76%</b>				
<b>Auto Components : 0.83%</b>				
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	\$ 4,000,000	4,200,000
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	150,000	168,750
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	700,000	762,125
<i>ZF North America Capital Incorporated 144A</i>	4.50	4-29-2022	385,000	379,225
				5,510,100
<b>Distributors : 0.19%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	1,355,000	1,290,638
<b>Diversified Consumer Services : 2.06%</b>				
<i>Monitronics International</i>	9.13	4-1-2020	575,000	557,750
<i>Service Corporation International</i>	6.75	4-1-2016	1,250,000	1,287,500
<i>Service Corporation International</i>	7.00	6-15-2017	1,250,000	1,350,000
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	8,192,785
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,252,625
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,031,025
				13,671,685
<b>Hotels, Restaurants &amp; Leisure : 4.89%</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	12,947,900
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	320,000	333,200
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	6,297,000	6,690,563
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	816,750
				32,484,813

**Household Durables : 0.59%**

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<i>American Greetings Corporation</i>	7.38	12-1-2021	3,375,000	3,543,750
<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	325,000	348,156
				3,891,906

**Media : 8.92%**

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	1,545,000	1,552,725
<i>Altice US Finance II Corporation 144A</i>	7.75	7-15-2025	3,280,000	3,255,400
<i>Cable One Incorporated 144A</i>	5.75	6-15-2022	625,000	639,063
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,268,781
<i>CCO Holdings LLC</i>	5.13	2-15-2023	1,425,000	1,412,531
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	795,000	788,044

**Portfolio of investments July 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>	5.25%	9-30-2022	\$ 2,048,000	\$ 2,073,600
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	2,520,000	2,482,200
<i>CCO Holdings LLC 144A</i>	5.88	5-1-2027	1,145,000	1,134,266
<i>CCO Holdings LLC</i>	6.63	1-31-2022	1,228,000	1,297,075
<i>CCO Holdings LLC</i>	7.38	6-1-2020	2,364,000	2,500,419
<i>CCO Safari II LLC 144A</i>	4.91	7-23-2025	2,025,000	2,026,438
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	340,000	315,775
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	1,601,000	1,486,929
<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	1,262,363
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,650,000	1,810,875
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	722,313
<i>DISH DBS Corporation</i>	7.88	9-1-2019	2,260,000	2,528,375
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	1,160,000	1,187,550
<i>Gray Television Incorporated</i>	7.50	10-1-2020	11,105,000	11,757,419
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,860,863
<i>LIN Television Corporation</i>	6.38	1-15-2021	500,000	513,750
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	810,000	860,625
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,340,000	3,440,200
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,750,000	1,841,875
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	300,000	307,500
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,720,600
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	321,600
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	35,000	35,700
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,310,063
				59,331,417

**Specialty Retail : 1.28%**

<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	730,000	744,600
<i>Century Intermediate Holding Company (PIK at 10.50%) 144A¥(i)</i>	9.75	2-15-2019	290,000	302,325
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	1,860,000	1,873,950
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,186,625
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	1,900,000	1,862,000
<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	1,436,000	1,550,880
				8,520,380

**Consumer Staples : 1.25%****Beverages : 0.29%**

<i>Cott Beverages Incorporated</i>	5.38	7-1-2022	575,000	562,063
<i>Cott Beverages Incorporated 144A</i>	6.75	1-1-2020	1,295,000	1,348,419
				1,910,482

**Food Products : 0.93%**

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<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	298,688
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	1,860,000	1,901,850
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	3,625,000	3,335,000
				6,202,188

**Household Products : 0.03%**

<i>Energizer Holdings Incorporated 144A</i>	5.50	6-15-2025	25,000	24,438
<i>Spectrum Brands Incorporated 144A</i>	5.75	7-15-2025	150,000	154,470
				178,908

**Energy : 24.37%**

**Energy Equipment & Services : 9.49%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	7,415,000	7,007,175
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## Wells Fargo Advantage Income Opportunities Fund

Portfolio of investments July 31, 2015 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>Cleaver Brooks Incorporated 144A(i)</i>	8.75%	12-15-2019	\$ 810,000	\$ 769,500
<i>Era Group Incorporated</i>	7.75	12-15-2022	7,340,000	7,229,900
<i>Forum Energy Technologies Incorporated</i>	6.25	10-1-2021	315,000	303,975
<i>Gulfmark Offshore Incorporated</i>	6.38	3-15-2022	7,033,000	5,186,838
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	1,060,000	985,800
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	2,125,000	2,018,750
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	4,705,000	3,752,238
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	3,854,890
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	3,990,000	3,990,000
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	16,995,000	17,207,438
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	715,000	715,000
<i>PHI Incorporated</i>	5.25	3-15-2019	8,550,000	7,759,125
<i>Pride International Incorporated</i>	8.50	6-15-2019	210,000	243,874
<i>TerraForm Power Operating LLC 144A</i>	6.13	6-15-2025	2,050,000	2,055,125
				63,079,628
<b>Oil, Gas &amp; Consumable Fuels : 14.88%</b>				
<i>Alpha Natural Resources Incorporated</i>	6.25	6-1-2021	800,000	24,000
<i>Arch Coal Incorporated</i>	7.00	6-15-2019	1,950,000	219,375
<i>Arch Coal Incorporated</i>	7.25	6-15-2021	775,000	77,500
<i>Berry Petroleum Company LLC</i>	6.38	9-15-2022	50,000	33,500
<i>Chesapeake Energy Corporation</i>	6.13	2-15-2021	1,470,000	1,267,875
<i>CSI Compressco LP</i>	7.25	8-15-2022	1,980,000	1,866,150
<i>CVR Refining LLC</i>	6.50	11-1-2022	2,723,000	2,736,615
<i>Denbury Resources Incorporated</i>	5.50	5-1-2022	580,000	459,650
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	3,805,000	3,196,200
<i>El Paso LLC</i>	6.50	9-15-2020	1,155,000	1,312,543
<i>El Paso LLC</i>	7.00	6-15-2017	1,973,000	2,133,172
<i>El Paso LLC (i)</i>	7.42	2-15-2037	1,820,000	1,934,258
<i>El Paso LLC</i>	7.80	8-1-2031	3,050,000	3,453,884
<i>Energy XXI Gulf Coast Incorporated</i>	7.75	6-15-2019	975,000	243,750
<i>Exterran Partners LP</i>	6.00	4-1-2021	4,000,000	3,650,000
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	6,200,000	6,324,000
<i>Overseas Shipholding Group Incorporated</i>	7.50	2-15-2021	2,750,000	2,722,500
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	3,880,000	3,977,000
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	3,170,000	3,731,607
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	6,255,000	6,317,550
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	6,960,000	7,203,600
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	4,425,000	4,679,438
<i>Sabine Oil &amp; Gas Corporation (s)</i>	7.25	6-15-2019	850,000	182,750
<i>Sabine Oil &amp; Gas Corporation (s)</i>	7.50	9-15-2020	5,733,000	1,246,928
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	1,425,000	1,453,500
<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	522,047



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<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,517,450
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	9,370,000	9,604,250
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	9,700,000	10,088,000
<i>SemGroup Corporation</i>	7.50	6-15-2021	4,420,000	4,596,800
<i>Suburban Propane Partners LP</i>	5.50	6-1-2024	480,000	477,600
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	716,000	767,910
<i>Swift Energy Company</i>	7.13	6-1-2017	9,300,000	3,441,000
<i>Swift Energy Company</i>	8.88	1-15-2020	1,750,000	455,000
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	650,000	581,750
<i>Ultra Petroleum Corporation 144A</i>	6.13	10-1-2024	3,550,000	2,733,500
				98,942,652

**Financials : 21.54%**

**Banks : 1.01%**

<i>CIT Group Incorporated</i>	5.25	3-15-2018	160,000	166,000
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	2,225,000	2,352,938

**Portfolio of investments July 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>Banks (continued)</b>				
<i>CIT Group Incorporated 144A</i>	6.63%	4-1-2018	\$ 3,880,000	\$ 4,180,700
				6,699,638
<b>Capital Markets : 1.65%</b>				
<i>Jefferies Finance LLC 144A</i>	6.88	4-15-2022	6,910,000	6,633,600
<i>Jefferies Finance LLC 144A</i>	7.38	4-1-2020	515,000	515,000
<i>Jefferies Finance LLC 144A</i>	7.50	4-15-2021	2,625,000	2,605,313
<i>Neuberger Berman Group LLC 144A</i>	5.88	3-15-2022	1,125,000	1,197,000
				10,950,913
<b>Consumer Finance : 6.56%</b>				
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	200,000	233,780
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	2,791,000	3,293,380
<i>Ford Motor Credit Company LLC</i>	8.00	12-15-2016	200,000	216,855
<i>GMAC Limited Liability Corporation</i>	8.00	12-31-2018	1,900,000	2,123,250
<i>Homer City Generation (PIK at 9.23%) LLC ¥</i>	8.73	10-1-2026	2,961,295	2,990,908
<i>Navient Corporation</i>	5.88	3-25-2021	1,000,000	937,500
<i>Navient Corporation</i>	8.00	3-25-2020	7,010,000	7,272,875
<i>SLM Corporation</i>	6.13	3-25-2024	2,975,000	2,662,625
<i>SLM Corporation</i>	7.25	1-25-2022	1,600,000	1,580,000
<i>SLM Corporation</i>	8.45	6-15-2018	3,110,000	3,358,800
<i>Springleaf Finance Corporation</i>	5.40	12-1-2015	2,650,000	2,676,500
<i>Springleaf Finance Corporation</i>	5.75	9-15-2016	2,325,000	2,397,540
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	2,850,000	2,914,125
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	550,000	582,285
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	6,950,000	7,401,750
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	805,000	887,513
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,892,000	2,128,500
				43,658,186
<b>Diversified Financial Services : 2.32%</b>				
<i>Denali Borrower LLC 144A</i>	5.63	10-15-2020	6,930,000	7,224,525
<i>Infinity Acquisition LLC 144A(i)</i>	7.25	8-1-2022	4,310,000	4,062,175
<i>NewStar Financial Incorporated 144A</i>	7.25	5-1-2020	4,075,000	4,136,125
				15,422,825
<b>Insurance : 0.72%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A¥</i>	8.13	7-15-2019	4,820,000	4,820,000
<b>Real Estate Management &amp; Development : 1.34%</b>				
<i>Hockey Merger Sub 2 Incorporated 144A</i>	7.88	10-1-2021	3,480,000	3,553,950
<i>Onex Corporation 144A</i>	7.75	1-15-2021	5,295,000	5,341,331
				8,895,281

**REITs : 7.94%**

<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	779,908
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,593,288
<i>DuPont Fabros Technology Incorporated</i>	5.63	6-15-2023	4,875,000	4,826,250
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	7,670,000	7,880,925
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	4,475,000	4,357,531
<i>Iron Mountain Incorporated</i>	5.75	8-15-2024	9,570,000	9,641,775
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	3,560,000	3,702,400
<i>Iron Mountain Incorporated</i>	7.75	10-1-2019	605,000	633,738
<i>Iron Mountain Incorporated</i>	8.38	8-15-2021	926,000	953,317
<i>Omega Healthcare Investors Incorporated</i>	6.75	10-15-2022	3,375,000	3,514,219
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	1,425,000	1,471,313
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	1,960,000	2,033,500
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	2,400,000	2,412,000

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

Security name	Interest rate	Maturity date	Principal	Value
<b>REITs (continued)</b>				
<i>The Geo Group Incorporated</i>	5.88%	1-15-2022	\$ 4,350,000	\$ 4,545,750
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	770,000	796,950
<i>The Geo Group Incorporated</i>	6.63	2-15-2021	605,000	633,738
				52,776,602

**Health Care : 11.73%****Health Care Equipment & Supplies : 1.50%**

<i>Crimson Merger Sub Incorporated 144A</i>	6.63	5-15-2022	6,225,000	5,750,344
<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	1,500,000	1,552,500
<i>Hologic Incorporated</i>	6.25	8-1-2020	2,590,000	2,670,938
				9,973,782

**Health Care Providers & Services : 7.39%**

<i>Acadia Healthcare Company Incorporated 144A</i>	5.63	2-15-2023	315,000	319,725
<i>Capella Healthcare Incorporated</i>	9.25	7-1-2017	8,575,000	8,832,250
<i>Centene Corporation</i>	5.75	6-1-2017	1,925,000	2,022,694
<i>Community Health Systems Incorporated</i>	6.88	2-1-2022	1,315,000	1,407,050
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	2,215,000	2,190,081
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	2,925,000	3,115,125
<i>Fresenius Medical Care Holdings Incorporated 144A</i>	5.63	7-31-2019	1,000,000	1,092,500
<i>Fresenius Medical Care Holdings Incorporated</i>	6.88	7-15-2017	700,000	763,000
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	822,188
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	7,295,766
<i>HealthSouth Corporation</i>	5.13	3-15-2023	930,000	927,675
<i>HealthSouth Corporation</i>	5.75	11-1-2024	125,000	127,369
<i>HealthSouth Corporation</i>	7.75	9-15-2022	1,750,000	1,826,930
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	1,780,000	1,893,475
<i>MPT Operating Partnership LP</i>	6.88	5-1-2021	3,175,000	3,333,750
<i>Select Medical Corporation</i>	6.38	6-1-2021	10,230,000	10,357,875
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	2,600,000	2,827,500
				49,154,953

**Health Care Technology : 1.19%**

<i>Emdeon Incorporated</i>	11.00	12-31-2019	7,315,000	7,918,488
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**Life Sciences Tools & Services : 0.11%**

<i>Quintiles Transnational Corporation 144A</i>	4.88	5-15-2023	700,000	710,059
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**Pharmaceuticals : 1.54%**

<i>Endo Finance LLC 144A</i>	5.38	1-15-2023	1,275,000	1,288,541
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	1,180,000	1,212,450
<i>Endo Finance LLC 144A</i>	6.00	2-1-2025	1,275,000	1,316,438
<i>Endo Finance LLC 144A</i>	7.75	1-15-2022	3,925,000	4,185,031

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<i>Endo Finance LLC 144A</i>	6.00	7-15-2023	1,000,000	1,042,500
<i>Pinnacle Incorporated 144A</i>	9.50	10-1-2023	975,000	1,079,813
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	140,000	143,675
				10,268,448

**Industrials : 6.97%**

**Airlines : 0.37%**

<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,492,238
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**Commercial Services & Supplies : 2.69%**

<i>ADT Corporation</i>	4.13	6-15-2023	1,775,000	1,659,625
<i>ADT Corporation</i>	6.25	10-15-2021	6,390,000	6,773,400
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	3,865,000	3,807,025

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

Security name	Interest rate	Maturity date	Principal	Value
<b>Commercial Services &amp; Supplies (continued)</b>				
<i>Covanta Holding Corporation</i>	6.38%	10-1-2022	\$ 3,205,000	\$ 3,365,250
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	2,150,000	2,252,125
				17,857,425
<b>Construction &amp; Engineering : 0.71%</b>				
<i>AECOM 144A</i>	5.75	10-15-2022	355,000	360,325
<i>AECOM 144A</i>	5.88	10-15-2024	4,280,000	4,344,200
				4,704,525
<b>Trading Companies &amp; Distributors : 3.20%</b>				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	6,975,000	7,332,539
<i>H&amp;E Equipment Services Incorporated</i>	7.00	9-1-2022	8,210,000	8,292,100
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,132,994
<i>International Lease Finance Corporation</i>	8.63	9-15-2015	1,700,000	1,710,625
<i>United Rentals North America Incorporated</i>	4.63	7-15-2023	1,965,000	1,937,981
<i>United Rentals North America Incorporated</i>	5.50	7-15-2025	910,000	870,188
				21,276,427
<b>Information Technology : 9.53%</b>				
<b>Communications Equipment : 0.16%</b>				
<i>CommScope Incorporated 144A</i>	4.38	6-15-2020	340,000	342,125
<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	700,000	691,250
				1,033,375
<b>Electronic Equipment, Instruments &amp; Components : 2.77%</b>				
<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	15,257,330
<i>Zebra Technologies Corporation 144A</i>	7.25	10-15-2022	2,910,000	3,186,450
				18,443,780
<b>Internet Software &amp; Services : 0.58%</b>				
<i>Infor US Incorporated 144A</i>	6.50	5-15-2022	635,000	649,288
<i>Sophia Holding Finance LP (PIK at 10.38%) 144A</i>	9.63	12-1-2018	3,175,000	3,206,750
				3,856,038
<b>IT Services : 3.87%</b>				
<i>Audatex North America Incorporated 144A</i>	6.00	6-15-2021	4,470,000	4,564,988
<i>Audatex North America Incorporated 144A</i>	6.13	11-1-2023	3,090,000	3,020,475
<i>First Data Corporation 144A</i>	6.75	11-1-2020	1,391,000	1,470,983
<i>First Data Corporation 144A</i>	7.38	6-15-2019	1,152,000	1,201,651
<i>First Data Corporation 144A</i>	8.88	8-15-2020	435,000	455,663
<i>First Data Corporation</i>	11.75	8-15-2021	7,190,000	8,160,650
<i>SunGard Data Systems Incorporated</i>	6.63	11-1-2019	840,000	868,174

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<i>SunGard Data Systems Incorporated</i>	7.38	11-15-2018	3,547,000	3,660,504
<i>SunGard Data Systems Incorporated</i>	7.63	11-15-2020	2,225,000	2,333,469
				25,736,557

**Semiconductors & Semiconductor Equipment :**

**0.35%**

<i>Micron Technology Incorporated</i>	5.88	2-15-2022	2,310,000	2,356,200
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**Software : 0.61%**

<i>Activision Blizzard Incorporated 144A</i>	5.63	9-15-2021	1,155,000	1,212,750
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	285,000	307,088
<i>Boxer Parent Company Incorporated (PIK at 9.75%) 144A</i>	9.00	10-15-2019	3,650,000	2,409,000

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

Security name	Interest rate	Maturity date	Principal	Value
<b>Software (continued)</b>				
<i>SS&amp;C Technologies Incorporated 144A</i>	5.88%	7-15-2023	\$ 90,000	\$ 93,150
				4,021,988
<b>Technology Hardware, Storage &amp; Peripherals : 1.19%</b>				
<i>NCR Corporation</i>	5.88	12-15-2021	380,000	393,300
<i>NCR Corporation</i>	6.38	12-15-2023	7,165,000	7,550,119
				7,943,419
<b>Materials : 1.81%</b>				
<b>Chemicals : 0.07%</b>				
<i>Celanese US Holdings LLC</i>	5.88	6-15-2021	440,000	466,400
<b>Containers &amp; Packaging : 1.07%</b>				
<i>Ball Corporation</i>	5.25	7-1-2025	305,000	306,693
<i>Crown Americas LLC</i>	6.25	2-1-2021	515,000	540,235
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	60,000	66,900
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	1,225,000	1,157,625
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	837,000	937,440
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	1,775,000	1,797,188
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	2,250,000	2,300,625
				7,106,706
<b>Metals &amp; Mining : 0.14%</b>				
<i>Cliffs Natural Resources Incorporated 144A</i>	8.25	3-31-2020	1,040,000	943,800
<i>Indalex Holdings Corporation (s)(a)(i)</i>	11.50	2-1-2020	5,985,000	0
				943,800
<b>Paper &amp; Forest Products : 0.53%</b>				
<i>Georgia-Pacific LLC</i>	8.88	5-15-2031	2,430,000	3,530,882
<b>Telecommunication Services : 14.34%</b>				
<b>Diversified Telecommunication Services : 6.92%</b>				
<i>Citizens Communications Company</i>	7.88	1-15-2027	4,205,000	3,684,968
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	1,980,000	2,128,500
<i>Frontier Communications Corporation</i>	8.25	4-15-2017	2,380,000	2,558,500
<i>Frontier Communications Corporation</i>	8.50	4-15-2020	1,000,000	1,035,000
<i>GCI Incorporated</i>	6.75	6-1-2021	4,145,000	4,238,263
<i>GCI Incorporated</i>	6.88	4-15-2025	2,150,000	2,187,625
<i>Level 3 Financing Incorporated 144A</i>	5.13	5-1-2023	1,595,000	1,563,100
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,570,450
<i>Level 3 Financing Incorporated 144A</i>	5.38	5-1-2025	1,595,000	1,553,131
<i>Level 3 Financing Incorporated 144A</i>	5.63	2-1-2023	1,275,000	1,294,125



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<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,772,388
<i>Level 3 Financing Incorporated</i>	7.00	6-1-2020	297,000	313,335
<i>Qwest Corporation</i>	7.13	11-15-2043	1,810,000	1,800,950
<i>Qwest Corporation</i>	7.25	9-15-2025	2,755,000	3,154,475
<i>Qwest Corporation</i>	7.63	8-3-2021	440,000	470,800
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	10,545,000	9,253,238
<i>Windstream Corporation</i>	6.38	8-1-2023	1,250,000	968,750
<i>Windstream Corporation</i>	7.88	11-1-2017	5,380,000	5,447,250
				45,994,848

**Wireless Telecommunication Services : 7.42%**

<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	5,910,000	6,146,400
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,400,000	1,379,000

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

Security name	Interest rate	Maturity date	Principal	Value
<b>Wireless Telecommunication Services (continued)</b>				
<i>SBA Communications Corporation</i>	5.63%	10-1-2019	\$ 270,000	\$ 282,825
<i>SBA Communications Corporation</i>	5.75	7-15-2020	2,795,000	2,920,775
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	19,000,000	16,102,500
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	3,390,000	3,207,788
<i>Sprint Communications Incorporated 144A</i>	9.00	11-15-2018	750,000	840,000
<i>Sprint Communications Incorporated</i>	11.50	11-15-2021	1,200,000	1,365,000
<i>Sprint Corporation</i>	7.13	6-15-2024	1,585,000	1,450,275
<i>Sprint Corporation</i>	7.25	9-15-2021	330,000	315,563
<i>Sprint Corporation</i>	7.88	9-15-2023	430,000	411,811
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	521,250
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	140,000	146,300
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	290,000	303,775
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	2,730,000	2,863,088
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	265,000	273,281
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	147,832
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	275,000	289,685
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	825,000	878,625
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	1,510,000	1,598,637
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	5,645,000	5,983,700
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,765,000	1,888,550
				49,316,660

**Utilities : 3.10%****Electric Utilities : 0.66%**

<i>Energy Future Intermediate Holding Company LLC (s)</i>				
	10.00	12-1-2020	150,000	2,250
<i>Otter Tail Corporation (i)</i>	9.00	12-15-2016	3,985,000	4,370,055
				4,372,305

**Gas Utilities : 0.71%**

<i>AmeriGas Finance LLC</i>	6.75	5-20-2020	1,675,000	1,754,563
<i>AmeriGas Finance LLC</i>	7.00	5-20-2022	2,810,000	2,988,716
				4,743,279

**Independent Power & Renewable Electricity Producers : 1.73%**

<i>Calpine Corporation 144A</i>	5.88	1-15-2024	455,000	475,703
<i>Calpine Corporation 144A</i>	6.00	1-15-2022	865,000	914,738
<i>Calpine Corporation 144A</i>	7.88	1-15-2023	1,057,000	1,134,293
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	5,717,451	6,303,489
<i>Reliant Energy Incorporated</i>	9.24	7-2-2017	841,834	881,821
<i>Reliant Energy Incorporated</i>	9.68	7-2-2026	780,000	830,700
<i>TerraForm Power Operating LLC 144A</i>	5.88	2-1-2023	920,000	928,630
				11,469,374

<b>Total Corporate Bonds and Notes (Cost \$749,749,108)</b>					753,930,198
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**Loans : 8.11%**

**Consumer Discretionary : 3.13%**

**Diversified Consumer Services : 0.10%**

<i>CCM Merger Incorporated ±</i>	4.50	8-8-2021	686,901	688,618
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**Hotels, Restaurants & Leisure : 0.48%**

<i>Centaur Acquisition LLC ±</i>	8.75	2-20-2020	3,135,000	3,163,748
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**Media : 1.93%**

<i>Learfield Communications Incorporated ±</i>	8.75	10-9-2021	4,625,234	4,613,670
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**Wells Fargo Advantage Income Opportunities Fund**      **Portfolio of investments**      **July 31, 2015 (unaudited)**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Media (continued)</b>				
<i>TWCC Holdings Corporation ±</i>	7.00%	6-26-2020	\$ 8,785,000	\$ 8,181,031
				12,794,701
<b>Specialty Retail : 0.62%</b>				
<i>Focus Brands Incorporated ±(i)</i>	10.25	8-21-2018	4,124,203	4,144,824
<b>Financials : 0.24%</b>				
<b>Diversified Financial Services : 0.15%</b>				
<i>American Beacon Advisors Incorporated ±</i>	9.75	3-3-2023	1,010,000	1,004,950
<b>Insurance : 0.09%</b>				
<i>Asurion LLC ±</i>	8.50	3-3-2021	575,000	577,875
<b>Industrials : 1.34%</b>				
<b>Airlines : 0.03%</b>				
<i>LM U.S. Corp Acquisition Incorporated ±</i>	8.25	1-25-2021	185,000	183,766
<b>Commercial Services &amp; Supplies : 0.19%</b>				
<i>W3 Company ±(i)</i>	9.25	9-13-2020	488,775	389,392
<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	680,000	678,300
<i>WASH Multifamily Laundry Systems LLC ±</i>	8.00	5-12-2023	200,000	204,001
				1,271,693
<b>Machinery : 0.56%</b>				
<i>Alliance Laundry Systems LLC ±</i>	9.50	12-10-2019	3,742,755	3,742,755
<b>Transportation Infrastructure : 0.56%</b>				
<i>HGIM Corporation ±</i>	5.50	6-18-2020	4,840,317	3,717,364
<b>Information Technology : 0.23%</b>				
<b>Internet Software &amp; Services : 0.13%</b>				
<i>Vertafore Incorporated ±</i>	9.75	10-29-2017	845,000	849,926
<b>Technology Hardware, Storage &amp; Peripherals : 0.10%</b>				
<i>Peak 10 Incorporated ±</i>	8.25	6-17-2022	700,239	665,227
<b>Telecommunication Services : 0.58%</b>				
<b>Diversified Telecommunication Services : 0.44%</b>				
<i>nTelos Incorporated ±</i>	5.75	11-9-2019	3,305,970	2,958,843
<b>Wireless Telecommunication Services : 0.14%</b>				

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<i>LTS Buyer LLC ±</i>	8.00	4-12-2021	935,369	928,588
<b>Utilities : 2.59%</b>				
<b>Electric Utilities : 2.59%</b>				
<i>Texas Competitive Electric Holdings Company LLC (s)</i>	4.66	10-10-2015	34,355,889	17,195,122
<b>Total Loans (Cost \$71,712,741)</b>				53,888,000

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

Security name	Dividend yield	Shares	Value
<b>Preferred Stocks : 0.32%</b>			
<b>Financials : 0.32%</b>			
<b>Banks : 0.32%</b>			
<i>GMAC Capital Trust I ±</i>	7.74%	81,784	\$ 2,145,194
<b>Total Preferred Stocks (Cost \$2,078,248)</b>			2,145,194

	Interest rate	Maturity date	Principal	
<b>Yankee Corporate Bonds and Notes : 9.02%</b>				
<b>Energy : 0.22%</b>				
<b>Oil, Gas &amp; Consumable Fuels : 0.22%</b>				
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	\$ 565,000	485,900
<i>Griffin Coal Mining Company Limited (s)144A(a)(i)</i>	9.50	12-1-2016	2,119,383	847,753
<i>Griffin Coal Mining Company Limited (s)(a)(i)</i>	9.50	12-1-2016	290,088	116,035
				1,449,688

<b>Financials : 0.81%</b>				
<b>Banks : 0.81%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	717,500
<i>Preferred Term Securities XII Limited (s)(a)(i)</i>	0.00	12-24-2033	1,540,000	0
<i>Teekay Corporation</i>	8.50	1-15-2020	4,250,000	4,664,375
				5,381,875

<b>Health Care : 1.45%</b>				
<b>Pharmaceuticals : 1.45%</b>				
<i>Mallinckrodt plc 144A</i>	4.88	4-15-2020	160,000	164,664
<i>Mallinckrodt plc 144A</i>	5.50	4-15-2025	320,000	322,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	1,610,000	1,674,239
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	645,000	674,025
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2018	1,120,000	1,176,700
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	5,175,000	5,614,875
				9,626,503

<b>Industrials : 0.55%</b>				
<b>Aerospace &amp; Defense : 0.08%</b>				
<i>Bombardier Incorporated 144A</i>	7.50	3-15-2025	645,000	533,738

**Commercial Services & Supplies : 0.41%**

<i>GFL Environmental Incorporated 144A</i>	7.88	4-1-2020	2,680,000	2,740,300
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**Machinery : 0.06%**

<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	385,000	378,263
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**Materials : 1.87%****Containers & Packaging : 0.55%**

<i>Ardagh Finance Holdings SA (PIK at 8.63%)</i>				
<i>144A¥</i>	8.63	6-15-2019	1,593,549	1,665,259
<i>Ardagh Packaging Finance plc 144A</i>	9.13	10-15-2020	1,925,000	2,028,469
				3,693,728

**Metals & Mining : 1.01%**

<i>ArcelorMittal SA</i>	5.13	6-1-2020	175,000	175,438
<i>ArcelorMittal SA</i>	6.13	6-1-2025	175,000	166,688

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

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Metals &amp; Mining (continued)</b>				
<i>ArcelorMittal SA</i>	7.00%	2-25-2022	\$ 410,000	\$ 420,250
<i>FMG Resources (August 2006)</i>				
<i>Proprietary Limited 144A</i>	6.88	4-1-2022	530,000	306,075
<i>Novelis Incorporated</i>	8.38	12-15-2017	1,100,000	1,138,500
<i>Novelis Incorporated</i>	8.75	12-15-2020	4,300,000	4,536,500
				6,743,451
<b>Paper &amp; Forest Products : 0.31%</b>				
<i>Sappi Limited 144A</i>	7.50	6-15-2032	2,155,000	2,036,475
<b>Telecommunication Services : 4.12%</b>				
<b>Diversified Telecommunication Services : 3.89%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	13,965,000	12,638,325
<i>Intelsat Jackson Holdings SA</i>	7.25	10-15-2020	1,200,000	1,191,000
<i>Intelsat Jackson Holdings SA</i>	7.50	4-1-2021	3,364,000	3,347,180
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	2,595,000	2,063,025
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	7,225,000	5,743,875
<i>Virgin Media Finance plc 144A</i>	5.38	4-15-2021	274,500	282,392
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	632,225
				25,898,022
<b>Wireless Telecommunication Services : 0.23%</b>				
<i>Telesat Canada Incorporated 144A</i>	6.00	5-15-2017	1,475,000	1,499,863
<b>Total Yankee Corporate Bonds and Notes (Cost \$63,930,626)</b>				<b>59,981,906</b>
<b>Short-Term Investments : 1.71%</b>				
	<b>Yield</b>		<b>Shares</b>	
<b>Investment Companies : 1.71%</b>				
<i>Wells Fargo Advantage Cash Investment Money Market Fund, Select Class (l)(u)</i>				
	0.13		11,354,776	11,354,776
<b>Total Short-Term Investments (Cost \$11,354,776)</b>				<b>11,354,776</b>
<b>Total investments in securities (Cost \$900,099,942)*</b>				
	132.70%			882,226,249
<i>Other assets and liabilities, net</i>				(217,403,181)
<b>Total net assets</b>	100.00%			<b>\$ 664,823,068</b>



*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.*

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

(l) *The security represents an affiliate of the Fund as defined in the Investment Company Act of 1940.*

(u) *The rate represents the 7-day annualized yield at period end.*

\* *Cost for federal income tax purposes is \$905,276,927 and unrealized gains (losses) consists of:*

<i>Gross unrealized gains</i>	<i>\$ 23,206,781</i>
<i>Gross unrealized losses</i>	<i>(46,257,459)</i>
<i>Net unrealized losses</i>	<i>\$(23,050,678)</i>

**Portfolio of investments July 31, 2015 (unaudited)**

**Wells Fargo Advantage Income Opportunities Fund**

*Abbreviations:*

*LLC Limited liability company*

*LP Limited partnership*

*plc Public limited company*

**Wells Fargo Advantage Income Opportunities Fund (the Fund )**

**Notes to Portfolio of investments July 31, 2015 (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).

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.

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 primary 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.

Equity securities that are not listed on a foreign or domestic exchange or market, but have a public trading market, are valued at the quoted bid price from an independent broker-dealer that the Management Valuation Team of Wells Fargo Funds Management, LLC ( Funds Management ) has determined is an acceptable source.

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 of the Fund. 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.

**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.

As of July 31, 2015, the Fund had no unfunded loan commitments.

### **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 July 31, 2015:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets</b>				
<b>Investments in :</b>				
<b>Common stocks</b>				
Materials	\$ 657	\$ 0	\$ 0	\$ 657
Telecommunication services	925,518	0	0	925,518
<b>Corporate bonds and notes</b>	0	753,930,198	0	753,930,198
<b>Loans</b>	0	36,540,657	17,347,343	53,888,000
<b>Preferred stocks</b>				
Financials	2,145,194	0	0	2,145,194
<b>Yankee corporate bonds and notes</b>	0	59,018,118	963,788	59,981,906
<b>Short-term investments</b>				
Investment companies	11,354,776	0	0	11,354,776
<b>Total assets</b>	\$ 14,426,145	\$ 849,488,973	\$ 18,311,131	\$ 882,226,249

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At July 31, 2015, 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:

	Loans	Yankee corporate bonds and notes	Total
<b>Balance as of April 30, 2015</b>	\$ 19,480,727	\$ 967,932	\$ 20,448,659
Accrued discounts (premiums)	16,197	53,988	70,185
Realized gains (losses)	(12,046)	0	(12,046)
Change in unrealized gains (losses)	(14,544)	(58,132)	(72,676)
Purchases	876,800	0	876,800
Sales	(2,610,399)	0	(2,610,399)
Transfers into Level 3	0	0	0
Transfers out of Level 3	(389,392)	0	(389,392)
<b>Balance as of July 31, 2015</b>	\$ 17,347,343	\$ 963,788	\$ 18,311,131
<b>Change in unrealized gains (losses) relating to securities still held at July 31, 2015</b>	\$ 33,686	\$ (58,132)	\$ (24,446)

The investment types categorized above were valued using indicative broker quotes. These indicative broker quotes are 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	Colombian peso
CLP	Chilean peso
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 Indonesian rupiah

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIFER Long Inverse Floating Exempt Receipts

LIQ Liquidity agreement

LLC Limited liability company

LLLP Limited liability limited partnership

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

NGN Nigerian naira

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

RON Romanian lei

RUB Russian ruble

SAVRS Select auction variable rate securities

SBA Small Business Authority

SDR Swedish depositary receipt

SEK Swedish krona

SFHR Single-family housing revenue

SFMR Single-family mortgage revenue

SGD Singapore dollar

SPA Standby purchase agreement

SPDR Standard & Poor's Depositary Receipts

SPEAR Short Puttable Exempt Adjustable Receipts

STRIPS Separate trading of registered interest and  
principal securities

TAN Tax anticipation notes

TBA To be announced

THB Thai baht

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 Fund ) 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 Fund 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 Fund s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the last fiscal quarter that has 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 23, 2015

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 23, 2015

By: /s/ Jeremy DePalma  
Jeremy DePalma

Treasurer

Date: September 23, 2015