

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Form N-Q

March 30, 2011

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**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: 811-21331  
Wells Fargo Advantage Multi-Sector 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: 800-643-9691  
Date of fiscal year end: October 31, 2010  
Date of reporting period: January 31, 2011

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**ITEM 1. SCHEDULE OF INVESTMENTS**

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<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Agency Securities: 30.30%</b>				
<b>Federal Home Loan Bank: 1.79%</b>				
\$ 558,399	<i>FHLB ±</i>	2.68%	11/01/2030	\$ 586,136
293,258	<i>FHLB ±</i>	2.99	07/01/2033	294,775
7,542,205	<i>FHLB±±</i>	2.61	12/01/2034	7,937,335
3,433,083	<i>FHLB±±</i>	2.68	06/01/2035	3,620,411
				12,438,657
<b>Federal Home Loan Mortgage Corporation: 10.36%</b>				
15,411,843	<i>FHLMC±±</i>	2.59	04/01/2034	16,180,995
2,008,346	<i>FHLMC ±</i>	2.60	08/01/2035	2,108,738
5,624,482	<i>FHLMC ±</i>	2.60	09/01/2035	5,886,423
5,750,789	<i>FHLMC±±</i>	2.63	08/01/2035	6,035,464
526,293	<i>FHLMC ±</i>	2.65	09/01/2032	552,006
200,614	<i>FHLMC ±</i>	2.69	10/01/2033	210,783
358,180	<i>FHLMC ±</i>	2.72	10/01/2030	377,191
450,333	<i>FHLMC ±</i>	2.74	07/01/2032	453,351
3,670,133	<i>FHLMC ±</i>	2.78	01/01/2038	3,851,823
7,320,280	<i>FHLMC ±</i>	2.79	01/01/2036	7,727,166
428,323	<i>FHLMC ±</i>	2.88	08/01/2030	450,589
6,859,686	<i>FHLMC±±</i>	2.92	09/01/2038	7,183,657
238,193	<i>FHLMC ±</i>	2.98	06/01/2033	239,092
18,629	<i>FHLMC ±</i>	3.13	10/01/2030	19,163
80,629	<i>FHLMC ±</i>	3.14	12/01/2026	81,068
3,674,329	<i>FHLMC ±</i>	3.18	06/01/2036	3,847,873
4,197	<i>FHLMC ±</i>	3.70	05/01/2019	4,206
73,832	<i>FHLMC ±</i>	3.72	10/01/2022	74,224
3,023,091	<i>FHLMC±±</i>	4.13	12/01/2035	3,180,377
3,011,960	<i>FHLMC ±</i>	4.20	10/01/2037	3,084,955
57,504	<i>FHLMC ±</i>	4.24	06/01/2018	57,909
146,610	<i>FHLMC ±</i>	4.40	01/01/2027	153,369
441,484	<i>FHLMC ±</i>	5.05	07/01/2035	466,876
1,619,490	<i>FHLMC ±</i>	5.74	11/01/2036	1,712,612
58,668	<i>FHLMC</i>	8.50	04/01/2015	60,788
150,056	<i>FHLMC</i>	8.50	07/01/2028	178,233
85,298	<i>FHLMC</i>	8.50	03/01/2030	97,170
103,397	<i>FHLMC Series 0196 Class A ±</i>	1.11	12/15/2021	103,452
2,428,294	<i>FHLMC Series 1383±±</i>	5.83	02/01/2037	2,593,154
104,304	<i>FHLMC Series 2390 Class FD ±</i>	0.71	12/15/2031	104,302
133,043	<i>FHLMC Series 2411 Class F ±</i>	0.81	02/15/2032	133,391

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4,348,075	<i>FHLMC Series 2431 Class F ±</i>	0.76	03/15/2032	4,352,217
211,278	<i>FHLMC Series 2567 Class FH ±</i>	0.66	02/15/2033	211,243
				71,773,860

**Federal National Mortgage Association: 18.04%**

109,770	<i>FNMA ±</i>	1.35	04/01/2028	112,516
297,687	<i>FNMA ±</i>	1.68	10/01/2034	303,574
7,836	<i>FNMA ±</i>	2.13	04/01/2019	7,841
1,790,464	<i>FNMA ±</i>	2.26	10/01/2035	1,844,625
70,641	<i>FNMA ±</i>	2.26	12/01/2031	73,774
2,105,030	<i>FNMA±±</i>	2.27	12/01/2035	2,170,526
117,314	<i>FNMA ±</i>	2.44	12/01/2026	123,200
2,941,885	<i>FNMA ±</i>	2.46	01/01/2036	3,074,301
2,762,786	<i>FNMA±±</i>	2.46	08/01/2036	2,860,048
3,811,006	<i>FNMA ±</i>	2.46	06/01/2035	3,997,161
187,721	<i>FNMA ±</i>	2.48	06/01/2029	196,742
244,721	<i>FNMA ±</i>	2.50	07/01/2038	257,069
252,403	<i>FNMA ±</i>	2.51	01/01/2026	265,833
6,110,507	<i>FNMA±±</i>	2.52	03/01/2035	6,421,016
157,025	<i>FNMA ±</i>	2.54	06/01/2024	164,922

*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report and Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*

Table of Contents**PORTFOLIO OF INVESTMENTS January 31, 2011 (UNAUDITED)****MULTI-SECTOR INCOME FUND**

<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Federal National Mortgage Association (continued)</b>				
\$ 2,614,043	<i>FNMA</i> ±	2.54%	07/01/2038	\$ 2,754,269
365,830	<i>FNMA</i> ±	2.56	02/01/2035	385,497
5,171,448	<i>FNMA</i> ±	2.57	04/01/2034	5,416,891
57,935	<i>FNMA</i> ±	2.60	12/01/2029	61,225
37,030	<i>FNMA</i> ±	2.61	07/01/2026	39,028
44,571	<i>FNMA</i> ±	2.62	12/01/2028	44,615
238,594	<i>FNMA</i> ±	2.62	05/01/2030	250,250
6,542,471	<i>FNMA</i> ±	2.62	08/01/2039	6,875,653
78,030	<i>FNMA</i> ±	2.62	07/01/2033	78,437
11,412,344	<i>FNMA</i> ±	2.63	10/01/2034	11,984,504
339,626	<i>FNMA</i> ±	2.63	07/01/2048	357,026
248,247	<i>FNMA</i> ±	2.63	08/01/2030	261,704
99,958	<i>FNMA</i> ±	2.67	06/01/2031	104,537
166,771	<i>FNMA</i> ±	2.73	03/01/2033	173,072
9,152	<i>FNMA</i> ±	2.75	12/01/2016	9,197
571,303	<i>FNMA</i> ±	2.79	03/01/2034	600,717
2,246,572	<i>FNMA</i> ±	2.80	04/01/2036	2,341,279
3,658,662	<i>FNMA</i> ±	2.83	05/01/2035	3,864,145
184,998	<i>FNMA</i> ±	2.85	09/01/2027	194,776
1,701,306	<i>FNMA</i> ±	2.85	07/01/2036	1,787,324
136,266	<i>FNMA</i> ±	2.87	04/01/2033	142,774
2,018,827	<i>FNMA</i> ±	2.93	04/01/2017	2,076,232
201,883	<i>FNMA</i> ±	2.96	09/01/2032	212,064
4,316,802	<i>FNMA</i> ±	2.98	10/01/2033	4,538,726
3,750,588	<i>FNMA</i> ±	2.99	01/01/2038	3,814,858
11,675,020	<i>FNMA</i> ±	3.01	05/01/2036	12,222,871
3,044,485	<i>FNMA</i> ±	3.01	08/01/2035	3,214,874
724,581	<i>FNMA</i> ±	3.06	12/01/2017	744,800
103,162	<i>FNMA</i> ±	3.12	07/01/2030	103,297
998,736	<i>FNMA</i> ±	3.13	05/01/2036	1,022,227
48,495	<i>FNMA</i> ±	3.25	01/01/2017	49,222
1,667,641	<i>FNMA</i> ±	3.27	02/01/2017	1,719,909
107,939	<i>FNMA</i> ±	3.38	10/01/2029	112,229
2,590,936	<i>FNMA</i> ±	3.55	07/01/2038	2,711,116
73,926	<i>FNMA</i> ±	3.62	08/01/2028	76,835
23,638	<i>FNMA</i> ±	3.65	01/01/2015	23,722
68,006	<i>FNMA</i> ±	3.82	01/01/2030	72,136
2,598,209	<i>FNMA</i> ±	4.06	07/01/2035	2,699,266
6,049,762	<i>FNMA</i> ±	4.35	02/01/2035	6,240,395
17,113	<i>FNMA</i> ±	4.51	03/01/2034	17,771

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685,779	FNMA ±	4.61	04/01/2031	721,433
47,209	FNMA ±	4.62	12/01/2036	49,326
1,492,940	FNMA ±	4.85	12/01/2034	1,582,582
3,307,128	FNMA±±	4.87	04/01/2034	3,443,276
474,704	FNMA ±	4.95	01/01/2034	487,904
231,929	FNMA ±	4.95	11/01/2024	244,849
223,428	FNMA ±	4.97	08/01/2027	225,129
13,851	FNMA ±	5.11	12/01/2022	14,711
102,135	FNMA ±	5.13	04/01/2025	102,079
1,561,073	FNMA±±	5.34	02/01/2036	1,641,078
5,661	FNMA ±	6.00	05/01/2021	5,686
9,803	FNMA	6.00	08/01/2021	10,228
195,339	FNMA	6.00	04/01/2033	215,378
2,860,036	FNMA±±	6.06	09/01/2032	3,000,213
245,142	FNMA ±	6.11	12/01/2013	248,456
104,793	FNMA ±	6.14	12/01/2020	110,502
2,307,623	FNMA±±	6.28	09/01/2037	2,478,916
67,473	FNMA	6.50	11/01/2032	76,152
181,841	FNMA	7.50	07/01/2017	200,883
14,232	FNMA	7.50	10/01/2028	14,300
168,760	FNMA	7.50	11/01/2028	196,403
45,862	FNMA	7.50	02/01/2030	52,465
106,536	FNMA	7.50	09/01/2030	119,072

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<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Federal National Mortgage Association (continued)</b>				
\$ 22,651	FNMA	7.50%	07/01/2032	\$ 25,889
17,033	FNMA	8.00	12/01/2024	17,327
129,315	FNMA	8.00	06/01/2030	145,744
23,606	FNMA	12.00	01/01/2016	26,517
59,867	FNMA Series 1996-46 Class FA ±	0.78	08/25/2021	60,111
696,062	FNMA Series 2001-25 Class Z	6.00	06/25/2031	764,958
34,535	FNMA Series 2001-35 Class F ±	0.86	07/25/2031	34,715
34,769	FNMA Series 2001-57 Class F ±	0.76	06/25/2031	34,802
283,702	FNMA Series 2001-T10 Class A2	7.50	12/25/2041	328,917
222,828	FNMA Series 2002-77 Class FH ±	0.66	12/18/2032	222,391
5,138,301	FNMA Series 2002-95 Class FK ±	0.76	01/25/2033	5,136,096
73,581	FNMA Series 2002-97 Class FR ±	0.81	01/25/2033	73,580
1,431,230	FNMA Series 2003-W8 Class 3F2 ±	0.61	05/25/2042	1,425,884
69,930	FNMA Series G91-16 Class F ±	0.73	06/25/2021	70,099
134,604	FNMA Series G92-17 Class F ±	1.33	03/25/2022	137,262
				125,017,931
<b>Government National Mortgage Association: 0.11%</b>				
83,528	GNMA	6.50	06/15/2028	94,597
42,623	GNMA	7.25	07/15/2017	47,444
63,827	GNMA	7.25	08/15/2017	70,796
50,498	GNMA	7.25	08/15/2017	55,949
17,020	GNMA	7.25	08/15/2017	18,945
64,943	GNMA	7.25	09/15/2017	72,288
118,825	GNMA	7.25	10/15/2017	131,819
69,337	GNMA	7.25	10/15/2017	76,853
44,364	GNMA	7.25	11/15/2017	48,904
32,448	GNMA	7.25	01/15/2018	36,141
34,450	GNMA	7.25	01/15/2018	38,580
35,097	GNMA	7.25	02/15/2018	39,053
18,144	GNMA	7.25	05/15/2018	19,927
17,054	GNMA Series 2001-61 Class FA ±	0.76	09/20/2030	17,055
				768,351
<b>Total Agency Securities (Cost \$206,455,303)</b>				<b>209,998,799</b>

**Collateralized Mortgage Obligations: 1.64%**

4,555,605	<i>American Home Mortgage Assets Series 2006-2 Class 1A1 ±</i>	1.28	09/25/2046	2,664,865
1,340,000	<i>Banc of America Commercial Mortgage Incorporated Series 2006-03 Class AM ±</i>	5.87	07/10/2044	1,380,936
1,820,000	<i>Greenwich Capital Commercial Funding Corporation Series 2006-GG7 Class AM ±</i>	5.88	07/10/2038	1,891,997
3,570,000	<i>Lehman XS Trust Series 2006-18N Class A5A(i)±</i>	0.43	12/25/2036	1,472,993
1,866,000	<i>Morgan Stanley Capital I Trust Series 2006-IQ12 Class AM</i>	5.37	12/15/2043	1,876,110
810,000	<i>Morgan Stanley Capital I Trust Series 2006-IQ12 Class AMFX</i>	5.37	12/15/2043	814,388
1,220,000	<i>Wachovia Bank Commercial Mortgage Trust Series 2006-C23 Class AM(l)</i>	5.47	01/15/2045	1,270,503

**Total Collateralized Mortgage Obligations (Cost  
\$11,280,220)**

11,371,792

**Corporate Bonds and Notes: 54.70%****Consumer Discretionary: 9.85%****Auto Components: 0.83%**

1,895,000	<i>Cooper Tire &amp; Rubber Company</i>	7.63	03/15/2027	1,814,463
468,000	<i>Goodyear Tire &amp; Rubber Company</i>	8.75	08/15/2020	498,420
3,010,000	<i>Goodyear Tire &amp; Rubber Company</i>	10.50	05/15/2016	3,416,350
				5,729,233

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<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Automobiles: 0.42%</b>				
\$2,815,000	<i>Ford Motor Credit Company LLC</i>	9.88%	08/10/2011	\$ 2,925,323
<b>Diversified Consumer Services: 1.74%</b>				
1,795,000	<i>Carriage Services Incorporated</i>	7.88	01/15/2015	1,799,488
475,000	<i>Service Corporation International</i>	6.75	04/01/2016	501,125
1,610,000	<i>Service Corporation International</i>	7.00	06/15/2017	1,696,538
650,000	<i>Service Corporation International</i>	7.00	05/15/2019	667,875
3,965,000	<i>Service Corporation International</i>	7.50	04/01/2027	3,865,875
475,000	<i>Service Corporation International</i>	8.00	11/15/2021	518,938
2,890,000	<i>Stonemor Operating LP</i>	10.25	12/01/2017	3,012,825
				12,062,664
<b>Hotels, Restaurants &amp; Leisure: 2.17%</b>				
1,500,000	<i>Ameristar Casinos Incorporated</i>	9.25	06/01/2014	1,608,750
850,000	<i>Blue Acquisition Incorporated</i>	9.88	10/15/2018	907,375
1,375,000	<i>Chukchansi Economic Development Authority ±</i>	3.94	11/15/2012	895,469
175,000	<i>Citycenter Holdings LLC</i>	7.63	01/15/2016	178,938
375,000	<i>Citycenter Holdings LLC ¥</i>	10.75	01/15/2017	390,938
525,000	<i>DineEquity Incorporated</i>	9.50	10/30/2018	565,031
700,000	<i>Dunkin Finance Corporation</i>	9.63	12/01/2018	714,000
3,375,000	<i>Greektown Superholdings</i>	13.00	07/01/2015	3,822,188
900,000	<i>NAI Entertainment Holdings LLC</i>	8.25	12/15/2017	958,500
1,250,000	<i>Pinnacle Entertainment Incorporated</i>	7.50	06/15/2015	1,293,750
485,000	<i>Scientific Games Corporation</i>	9.25	06/15/2019	520,163
335,000	<i>Shingle Springs Tribal Gaming Authority</i>	9.38	06/15/2015	227,800
225,000	<i>Speedway Motorsports Incorporated %%</i>	6.75	02/01/2019	227,250
950,000	<i>Speedway Motorsports Incorporated</i>	8.75	06/01/2016	1,035,500
1,500,000	<i>Yonkers Racing Corporation</i>	11.38	07/15/2016	1,657,500
				15,003,152
<b>Household Durables: 0.01%</b>				
68,000	<i>Sealy Corporation</i>	10.88	04/15/2016	77,265
<b>Internet &amp; Catalog Retail: 0.06%</b>				
390,000	<i>QVC Incorporated</i>	7.50	10/01/2019	415,350
<b>Media: 4.18%</b>				
1,310,000	<i>Cablevision Systems Corporation</i>	8.63	09/15/2017	1,463,925
7,535,929	<i>CCH II LLC</i>	13.50	11/30/2016	9,118,474
904,000		8.00	04/30/2012	952,590

	<i>Charter Communications Incorporated Step Bond</i> <sup>oo</sup>			
5,140,000	<i>Charter Communications Incorporated Step Bond</i> <sup>oo</sup>	10.88	09/15/2014	5,782,500
250,000	<i>Cinemark USA Incorporated</i>	8.63	06/15/2019	270,625
400,000	<i>CSC Holdings LLC</i>	8.50	04/15/2014	447,000
480,000	<i>DISH DBS Corporation</i>	7.88	09/01/2019	508,200
1,000,000	<i>EchoStar DBS Corporation</i>	6.63	10/01/2014	1,047,500
350,000	<i>EchoStar DBS Corporation</i>	7.75	05/31/2015	376,688
675,000	<i>Gray Television Incorporated</i>	10.50	06/29/2015	693,563
300,000	<i>Interactive Data Corporation</i>	10.25	08/01/2018	332,250
375,000	<i>Lamar Media Corporation Series C</i>	9.75	04/01/2014	434,063
775,000	<i>Lin Television Corporation</i>	8.38	04/15/2018	833,125
1,000,000	<i>Nielsen Finance LLC</i>	7.75	10/15/2018	1,072,500
601,000	<i>Nielsen Finance LLC</i>	11.50	05/01/2016	700,916
405,000	<i>Nielsen Finance LLC Senior Discount Note Step Bond</i> <sup>oo</sup>	12.50	08/01/2016	425,756
2,475,000	<i>Regal Cinemas Corporation</i>	8.63	07/15/2019	2,635,875
1,257,000	<i>Salem Communications Corporation</i>	9.63	12/15/2016	1,363,845
425,000	<i>XM Satellite Radio Holdings Incorporated</i>	13.00	08/01/2013	505,750
1,526,000	<i>Young Broadcasting Incorporated</i> <sup>^^</sup>	8.75	01/15/2014	15

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<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Media (continued)</b>				
\$ 940,000	<i>Young Broadcasting Incorporated<sup>^(i)</sup></i>	10.00%	03/01/2011	\$ 9
				28,965,169
<b>Multiline Retail: 0.09%</b>				
585,000	<i>Saks Incorporated</i>	9.88	10/01/2011	610,594
<b>Specialty Retail: 0.05%</b>				
375,000	<i>Rent-A-Center Incorporated</i>	6.63	11/15/2020	369,375
<b>Textiles, Apparel &amp; Luxury Goods: 0.30%</b>				
1,865,000	<i>Oxford Industries Incorporated</i>	11.38	07/15/2015	2,107,450
<b>Consumer Staples: 1.39%</b>				
<b>Beverages: 0.25%</b>				
1,475,000	<i>Anheuser-Busch InBev</i>	6.88	11/15/2019	1,749,092
<b>Food Products: 1.14%</b>				
125,000	<i>Darling International Incorporated</i>	8.50	12/15/2018	135,000
1,452,000	<i>Dole Food Company Incorporated</i>	13.88	03/15/2014	1,780,515
3,745,000	<i>JBS USA Finance Incorporated</i>	11.63	05/01/2014	4,362,925
1,370,000	<i>Smithfield Foods Incorporated</i>	10.00	07/15/2014	1,611,463
				7,889,903
<b>Energy: 7.41%</b>				
<b>Energy Equipment &amp; Services: 1.59%</b>				
985,000	<i>Bristow Group Incorporated</i>	7.50	09/15/2017	1,039,175
630,000	<i>Cleaver-Brooks Incorporated</i>	12.25	05/01/2016	675,675
1,625,000	<i>GulfMark Offshore Incorporated</i>	7.75	07/15/2014	1,653,438
2,345,000	<i>Hornbeck Offshore Services Incorporated Series B</i>	6.13	12/01/2014	2,321,550
2,230,000	<i>Hornbeck Offshore Services Incorporated Series B</i>	8.00	09/01/2017	2,288,538
460,000	<i>Parker Drilling Company</i>	9.13	04/01/2018	485,300
2,475,000	<i>PHI Incorporated</i>	8.63	10/15/2018	2,561,625
				11,025,301
<b>Oil, Gas &amp; Consumable Fuels: 5.82%</b>				
2,250,000	<i>Chesapeake Energy Corporation</i>	9.50	02/15/2015	2,632,500
125,000	<i>Cloud Peak Energy Resources Incorporated</i>	8.25	12/15/2017	136,094

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225,000	<i>Cloud Peak Energy Resources Incorporated</i>	8.50	12/15/2019	250,875
932,000	<i>Coffeyville Resources LLC</i>	9.00	04/01/2015	1,015,880
1,350,000	<i>Coffeyville Resources LLC</i>	10.88	04/01/2017	1,501,875
825,000	<i>Consol Energy Incorporated</i>	8.25	04/01/2020	901,313
425,000	<i>Denbury Resources Incorporated</i>	8.25	02/15/2020	468,031
445,000	<i>El Paso Corporation</i>	6.50	09/15/2020	451,947
175,000	<i>El Paso Corporation</i>	6.88	06/15/2014	190,287
175,000	<i>El Paso Corporation</i>	7.00	06/15/2017	188,633
1,075,000	<i>El Paso Corporation</i>	7.25	06/01/2018	1,174,902
800,000	<i>El Paso Corporation</i>	7.42	02/15/2037	755,726
175,000	<i>El Paso Corporation</i>	7.75	01/15/2032	177,259
1,850,000	<i>El Paso Corporation</i>	7.80	08/01/2031	1,883,283
3,100,000	<i>Energy Transfer Equity LP</i>	7.50	10/15/2020	3,313,125
600,000	<i>Ferrellgas Partners LP</i>	6.50	05/01/2021	582,000
975,000	<i>Ferrellgas Partners LP</i>	9.13	10/01/2017	1,074,938
770,000	<i>Forest Oil Corporation</i>	7.25	06/15/2019	798,875
535,000	<i>Forest Oil Corporation</i>	8.50	02/15/2014	592,513
1,895,000	<i>Holly Corporation</i>	9.88	06/15/2017	2,089,238
575,000	<i>Inergy Holdings LP</i> %%	6.88	08/01/2021	580,031

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<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>				
\$ 3,435,000	<i>Peabody Energy Corporation</i>	7.88%	11/01/2026	\$ 3,864,375
790,000	<i>Petrohawk Energy Corporation</i>	7.88	06/01/2015	837,400
495,000	<i>Petrohawk Energy Corporation</i>	10.50	08/01/2014	569,250
1,220,000	<i>Pioneer Natural Resources Company</i>	7.50	01/15/2020	1,351,489
2,885,000	<i>Plains Exploration &amp; Production Company</i>	8.63	10/15/2019	3,209,563
250,000	<i>Regency Energy Partners</i>	6.88	12/01/2018	256,875
2,265,000	<i>Sabine Pass LNG LP</i>	7.25	11/30/2013	2,248,013
2,625,000	<i>Sabine Pass LNG LP</i>	7.50	11/30/2016	2,572,500
1,790,000	<i>SandRidge Energy Incorporated</i>	8.75	01/15/2020	1,906,350
635,000	<i>Stallion Oilfield Holdings Incorporated</i>	10.50	02/15/2015	688,975
990,000	<i>Tesoro Corporation(i)</i>	7.50	07/17/2012	998,316
945,000	<i>Tesoro Corporation</i>	9.75	06/01/2019	1,063,125
				40,325,556
<b>Financials: 8.77%</b>				
<b>Capital Markets: 1.27%</b>				
800,000	<i>E*TRADE Financial Corporation</i>	7.38	09/15/2013	797,000
4,291,000	<i>E*TRADE Financial Corporation</i> ¥	12.50	11/30/2017	5,100,926
2,200,000	<i>Nuveen Investments Incorporated</i>	5.50	09/15/2015	1,914,000
275,000	<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	283,250
675,000	<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	695,250
				8,790,426
<b>Commercial Banks: 2.35%</b>				
1,925,000	<i>CapitalSource Incorporated</i>	12.75	07/15/2014	2,322,031
7,935,000	<i>CIT Group Incorporated</i>	7.00	05/01/2013	8,103,619
1,592,738	<i>CIT Group Incorporated</i>	7.00	05/01/2014	1,622,602
372,738	<i>CIT Group Incorporated</i>	7.00	05/01/2015	377,863
1,554,562	<i>CIT Group Incorporated</i>	7.00	05/01/2016	1,570,108
350,000	<i>FCE Bank plc</i>	9.38	01/17/2014	537,330
370,000	<i>HSBC Finance Corporation</i>	7.00	03/27/2012	619,494
1,100,000	<i>Lloyds TSB Bank plc</i>	6.38	01/21/2021	1,111,678
				16,264,725
<b>Consumer Finance: 1.37%</b>				
1,600,000	<i>American General Finance Corporation</i>	5.40	12/01/2015	1,368,000
1,075,000	<i>American General Finance Corporation</i>	5.75	09/15/2016	903,000
150,000	<i>American General Finance Corporation</i>	6.50	09/15/2017	126,750
1,575,000	<i>American General Finance Corporation</i>	6.90	12/15/2017	1,370,250

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1,265,000	<i>International Lease Finance Corporation</i>	4.75	01/13/2012	1,290,300
1,800,000	<i>International Lease Finance Corporation</i>	5.30	05/01/2012	1,838,250
705,000	<i>International Lease Finance Corporation</i>	5.75	06/15/2011	710,288
460,000	<i>International Lease Finance Corporation</i>	6.38	03/25/2013	479,550
900,000	<i>International Lease Finance Corporation</i>	8.63	09/15/2015	1,003,500
350,000	<i>Sable International Finance Limited</i>	7.75	02/15/2017	373,625
				9,463,513

**Diversified Financial Services: 1.96%**

2,055,000	<i>Ally Financial Incorporated</i>	8.30	02/12/2015	2,322,150
2,000,000	<i>General Electric Capital Corporation</i>	7.63	12/10/2014	1,656,322
1,298,000	<i>GMAC LLC</i>	6.75	12/01/2014	1,395,350
59,000	<i>GMAC LLC</i>	6.88	09/15/2011	60,475
1,244,000	<i>GMAC LLC</i>	6.88	08/28/2012	1,313,975
3,620,000	<i>GMAC LLC</i>	7.50	12/31/2013	3,918,650

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<b>Diversified Financial Services (continued)</b>				
\$ 2,655,000	<i>Leucadia National Corporation</i>	8.13%	09/15/2015	\$ 2,920,500
				13,587,422
<b>Insurance: 0.46%</b>				
2,925,000	<i>Emigrant Bancorp Incorporated (i)</i>	6.25	06/15/2014	2,441,287
725,000	<i>Hub International Holdings Incorporated</i>	10.25	06/15/2015	748,563
				3,189,850
<b>Real Estate Investment Trusts (REITs): 1.36%</b>				
5,560,000	<i>Dupont Fabros Technology Incorporated</i>	8.50	12/15/2017	6,018,700
235,000	<i>Host Hotels &amp; Resorts LP</i>	9.00	05/15/2017	263,200
1,775,000	<i>Omega Healthcare Investors Incorporated</i>	6.75	10/15/2022	1,752,813
500,000	<i>Omega Healthcare Investors Incorporated</i>	7.00	01/15/2016	513,125
859,000	<i>Ventas Incorporated</i>	9.00	05/01/2012	904,849
				9,452,687
<b>Health Care: 2.65%</b>				
<b>Health Care Equipment &amp; Supplies: 0.52%</b>				
540,000	<i>Biomet Incorporated</i> ¥	10.38	10/15/2017	604,800
2,200,000	<i>Biomet Incorporated</i>	11.63	10/15/2017	2,486,000
475,000	<i>Cooper Companies Incorporated</i>	7.13	02/15/2015	491,625
				3,582,425
<b>Health Care Providers &amp; Services: 1.86%</b>				
1,090,000	<i>Apria Healthcare Group Incorporated</i>	11.25	11/01/2014	1,203,088
950,000	<i>Aviv Healthcare Properties LP</i> %%	7.75	02/15/2019	976,125
700,000	<i>Community Health Systems Incorporated</i>	8.88	07/15/2015	739,375
400,000	<i>Frensenius Medical Care US Finance Company</i> %%	5.75	02/15/2021	395,000
820,000	<i>HCA Incorporated</i>	7.88	02/01/2011	820,000
375,000	<i>HCA Incorporated</i>	8.50	04/15/2019	418,125
250,000	<i>HCA Incorporated</i>	9.13	11/15/2014	262,500
2,945,000	<i>HCA Incorporated</i>	9.25	11/15/2016	3,169,556
2,181,000	<i>HCA Incorporated</i> ¥	9.63	11/15/2016	2,352,754
75,000	<i>Health Management plc</i>	6.13	04/15/2016	76,125
400,000	<i>Healthsouth Corporation</i>	7.25	10/01/2018	409,500
400,000	<i>Healthsouth Corporation</i>	7.75	09/15/2022	416,000
525,000	<i>Omnicare Incorporated</i>	6.88	12/15/2015	543,375

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1,050,000	<i>Sabra Healthcare Corporation</i>	8.13	11/01/2018	1,089,375
				12,870,898
<b>Pharmaceuticals: 0.27%</b>				
300,000	<i>Mylan Incorporated</i>	6.00	11/15/2018	306,000
375,000	<i>Mylan Incorporated</i>	7.63	07/15/2017	408,750
150,000	<i>Mylan Incorporated</i>	7.88	07/15/2020	165,938
900,000	<i>Pfizer Incorporated</i>	5.35	03/15/2015	1,012,484
				1,893,172
<b>Industrials: 4.35%</b>				
<b>Aerospace &amp; Defense: 1.57%</b>				
1,980,000	<i>Alliant Techsystems Incorporated</i>	6.75	04/01/2016	2,039,400
340,000	<i>Digitalglobe Incorporated</i>	10.50	05/01/2014	388,450
475,000	<i>GenCorp Incorporated</i>	9.50	08/15/2013	487,469
485,000	<i>Geoeye Incorporated</i>	9.63	10/01/2015	548,050

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<b>Aerospace &amp; Defense (continued)</b>				
\$ 480,000	<i>Hexcel Corporation</i>	6.75%	02/01/2015	\$ 488,400
1,140,000	<i>Kratos Defense &amp; Security Solutions Incorporated</i>	10.00	06/01/2017	1,272,525
2,115,000	<i>L-3 Communications Holdings Incorporated</i>	5.88	01/15/2015	2,157,300
2,784,000	<i>L-3 Communications Holdings Incorporated</i>	6.38	10/15/2015	2,871,000
635,000	<i>Wyle Services Corporation</i>	10.50	04/01/2018	630,238
				10,882,832
<b>Commercial Services &amp; Supplies: 1.64%</b>				
275,000	<i>Brickman Group Holdings</i>	9.13	11/01/2018	289,094
125,000	<i>Casella Waste Systems Incorporated</i> %%	7.75	02/15/2019	127,813
1,945,000	<i>Casella Waste Systems Incorporated</i>	11.00	07/15/2014	2,183,263
815,000	<i>Corrections Corporation of America</i>	6.25	03/15/2013	817,038
1,270,000	<i>Corrections Corporation of America</i>	7.75	06/01/2017	1,387,475
1,200,000	<i>Geo Group Incorporated</i>	7.75	10/15/2017	1,260,000
125,000	<i>Interface Incorporated</i>	7.63	12/01/2018	130,938
400,000	<i>Iron Mountain Incorporated</i>	6.75	10/15/2018	542,184
1,385,000	<i>Iron Mountain Incorporated</i>	8.38	08/15/2021	1,506,188
1,150,000	<i>Kar Holdings Incorporated ±</i>	4.29	05/01/2014	1,109,750
200,000	<i>Kar Holdings Incorporated</i>	8.75	05/01/2014	208,000
225,000	<i>Kar Holdings Incorporated</i>	10.00	05/01/2015	238,500
1,800,000	<i>NCO Group Incorporated</i>	11.88	11/15/2014	1,593,000
				11,393,243
<b>Machinery: 0.76%</b>				
450,000	<i>Columbus Mckinnon Corporation</i>	7.88	02/01/2019	460,125
500,000	<i>Commercial Vehicle Group Incorporated</i>	8.00	07/01/2013	490,000
2,152,365	<i>Commercial Vehicle Group Incorporated</i> ¥	13.00	02/15/2013	2,281,507
1,315,000	<i>CPM Holdings Incorporated</i>	10.63	09/01/2014	1,420,200
225,000	<i>Thermadyne Holdings Corporation</i>	9.00	12/15/2017	237,375
375,000	<i>Titan International Incorporated</i>	7.88	10/01/2017	399,375
				5,288,582
<b>Road &amp; Rail: 0.30%</b>				
55,000	<i>Kansas City Southern</i>	8.00	06/01/2015	59,400
349,000	<i>Kansas City Southern</i>	13.00	12/15/2013	417,055
1,425,000	<i>RailAmerica Incorporated</i>	9.25	07/01/2017	1,572,844
				2,049,299

**Transportation Infrastructure: 0.08%**

520,000	<i>United Maritime LLC</i>	11.75	06/15/2015	520,000
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**Information Technology: 4.16%****Communications Equipment: 0.32%**

1,175,000	<i>Allbritton Communication Company</i>	8.00	05/15/2018	1,220,531
1,285,000	<i>Lucent Technologies Incorporated</i>	6.45	03/15/2029	1,021,575
				2,242,106

**Electronic Equipment & Instruments: 1.97%**

2,490,000	<i>GCI Incorporated</i>	7.25	02/15/2014	2,514,900
625,000	<i>GCI Incorporated</i>	8.63	11/15/2019	679,688
1,240,000	<i>Intcomex Incorporated</i>	13.25	12/15/2014	1,302,000
5,275,000	<i>Jabil Circuit Incorporated</i>	8.25	03/15/2018	6,039,875
1,485,000	<i>Kemet Corporation</i>	10.50	05/01/2018	1,633,500

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<b>Electronic Equipment &amp; Instruments (continued)</b>				
\$1,285,000	<i>Viasystem Group Incorporated</i>	12.00%	01/15/2015	\$ 1,460,081
				13,630,044
<b>Internet Software &amp; Services: 0.48%</b>				
1,010,000	<i>Equinix Incorporated</i>	8.13	03/01/2018	1,090,800
1,805,000	<i>Terremark Worldwide Incorporated</i>	12.00	06/15/2017	2,251,738
				3,342,538
<b>IT Services: 1.24%</b>				
1,550,000	<i>First Data Corporation</i>	11.25	03/31/2016	1,433,750
1,230,000	<i>iPayment Incorporated</i>	9.75	05/15/2014	1,196,175
525,000	<i>Sungard Data Systems Incorporated</i>	7.38	11/15/2018	535,500
250,000	<i>Sungard Data Systems Incorporated</i>	7.63	11/15/2020	258,125
3,130,000	<i>SunGard Data Systems Incorporated</i>	10.25	08/15/2015	3,298,238
460,000	<i>Unisys Corporation</i>	12.50	01/15/2016	511,750
650,000	<i>Unisys Corporation</i>	12.75	10/15/2014	780,000
510,000	<i>Unisys Corporation</i>	14.25	09/15/2015	615,825
				8,629,363
<b>Semiconductors &amp; Semiconductor Equipment: 0.15%</b>				
975,000	<i>Advanced Micro Devices Incorporated</i>	5.75	08/15/2012	1,010,344
<b>Materials: 4.37%</b>				
<b>Chemicals: 2.31%</b>				
250,000	<i>Chemtura Corporation</i>	7.88	09/01/2018	266,875
1,260,000	<i>Huntsman International LLC</i>	5.50	06/30/2016	1,234,800
2,520,000	<i>LBI Escrow Corporation</i>	8.00	11/01/2017	2,812,950
8,981,938	<i>Lyondell Chemical Company</i>	11.00	05/01/2018	10,239,409
400,000	<i>Rockwood Specialties Group Incorporated</i>	7.63	11/15/2014	557,244
670,000	<i>Solutia Incorporated</i>	7.88	03/15/2020	726,950
125,000	<i>Vertellus Specialties Incorporated</i>	9.38	10/01/2015	134,531
				15,972,759

**Construction Materials: 0.63%**

620,000	<i>CPG International Incorporated ±</i>	7.21	07/01/2012	620,000
1,900,000	<i>CPG International Incorporated</i>	10.50	07/01/2013	1,942,750
1,635,000	<i>Headwaters Incorporated</i>	11.38	11/01/2014	1,823,025
				4,385,775

**Containers & Packaging: 0.67%**

2,760,000	<i>Exopack Holding Corporation</i>	11.25	02/01/2014	2,835,900
95,000	<i>Graham Packaging Company</i>	8.25	01/01/2017	99,750
1,450,000	<i>Graham Packaging Company</i>	9.88	10/15/2014	1,500,750
175,000	<i>Owens Brockway Glass Container Incorporated</i>	7.38	05/15/2016	190,313
				4,626,713

**Metals & Mining: 0.41%**

2,485,000	<i>Freeport-McMoRan Copper &amp; Gold Incorporated</i>	8.38	04/01/2017	2,770,775
3,170,000	<i>Indalex Holdings Corporation^^</i>	11.50	02/01/2014	51,513
				2,822,288

**Paper & Forest Products: 0.35%**

545,000	<i>Clearwater Paper Corporation</i>	10.63	06/15/2016	621,981
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<b>Paper &amp; Forest Products (continued)</b>				
\$ 500,000	<i>Georgia Pacific Corporation</i>	7.00%	01/15/2015	\$ 517,500
1,080,000	<i>Georgia Pacific Corporation</i>	8.88	05/15/2031	1,314,900
				2,454,381

**Telecommunication Services: 6.83%****Diversified Telecommunication Services: 4.40%**

4,155,000	<i>Citizens Communications Company</i>	7.88	01/15/2027	4,113,450
1,450,000	<i>Clearwire Communications Finance Corporation</i>	12.00	12/01/2015	1,580,500
940,000	<i>Clearwire Communications Finance Corporation</i>	12.00	12/01/2015	1,024,600
845,000	<i>Frontier Communications Corporation</i>	8.13	10/01/2018	951,681
200,000	<i>Frontier Communications Corporation</i>	8.25	05/01/2014	223,500
1,965,000	<i>Frontier Communications Corporation</i>	8.25	04/15/2017	2,200,800
525,000	<i>Frontier Communications Corporation</i>	8.50	04/15/2020	591,938
2,010,000	<i>Level 3 Financing Incorporated</i>	10.00	02/01/2018	2,010,000
795,000	<i>Qwest Corporation</i>	7.13	11/15/2043	769,163
1,040,000	<i>Qwest Corporation</i>	7.25	09/15/2025	1,112,800
1,370,000	<i>Qwest Corporation</i>	7.50	06/15/2023	1,373,425
230,000	<i>Qwest Corporation</i>	7.63	08/03/2021	232,300
2,875,000	<i>Qwest Corporation</i>	8.88	03/15/2012	3,097,813
700,000	<i>SBA Telecommunications Incorporated</i>	8.00	08/15/2016	764,750
5,985,000	<i>Sprint Capital Corporation</i>	6.88	11/15/2028	5,356,575
2,420,000	<i>Sprint Capital Corporation</i>	8.38	03/15/2012	2,571,250
2,330,000	<i>Windstream Corporation</i>	7.88	11/01/2017	2,496,013
				30,470,558

**Wireless Telecommunication Services: 2.43%**

325,000	<i>CCO Holdings LLC</i>	7.75	05/01/2017	357,500
500,000	<i>CCO Holdings LLC</i>	8.13	04/30/2020	532,500
1,655,000	<i>Cricket Communications Incorporated</i>	7.75	05/15/2016	1,741,888
75,000	<i>Crown Castle International Corporation</i>	7.13	11/01/2019	79,688
325,000	<i>Crown Castle International Corporation</i>	9.00	01/15/2015	362,375
1,357,019	<i>iPCS Incorporated</i> ¥	3.54	05/01/2014	1,316,308
1,875,000	<i>MetroPCS Communications Incorporated</i>	6.63	11/15/2020	1,809,375
775,000	<i>MetroPCS Communications Incorporated</i>	7.88	09/01/2018	809,875
1,055,000	<i>Sprint Nextel Corporation</i>	6.90	05/01/2019	1,057,638
4,085,000	<i>Sprint Nextel Corporation Series D</i>	7.38	08/01/2015	4,115,638
2,335,000	<i>Sprint Nextel Corporation Series F</i>	5.95	03/15/2014	2,337,919

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1,000,000	<i>Syniverse Holdings Incorporated</i>	9.13	01/15/2019	1,065,000
1,135,000	<i>Telesat Canada Incorporated</i>	11.00	11/01/2015	1,274,038
				16,859,742

**Utilities: 4.92%**

**Electric Utilities: 1.62%**

6,545,000	<i>Aquila Incorporated Step Bond<sup>oo</sup></i>	11.88	07/01/2012	7,393,173
904,463	<i>Energy Future Holdings Corporation</i> ¥	12.00	11/01/2017	601,468
1,312,551	<i>Homer City Funding LLC</i>	8.73	10/01/2026	1,227,235
1,835,000	<i>Otter Tail Corporation</i>	9.00	12/15/2016	1,981,800
15,000	<i>PNM Resources Incorporated</i>	9.25	05/15/2015	16,800
				11,220,476

**Gas Utilities: 0.15%**

475,000	<i>Amerigas Partners LP</i>	6.50	05/20/2021	483,313
275,000	<i>Amerigas Partners LP</i>	7.13	05/20/2016	286,688
275,000	<i>Suburban Propane Partners LP</i>	7.38	03/15/2020	291,844
				1,061,845

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**Table of Contents****PORTFOLIO OF INVESTMENTS January 31, 2011 (UNAUDITED)****MULTI-SECTOR INCOME FUND**

<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Independent Power Producers &amp; Energy Traders: 3.15%</b>				
\$ 1,145,000	<i>AES Corporation</i>	8.88%	02/15/2011	\$ 1,145,000
3,975,000	<i>Calpine Construction Finance Corporation</i>	7.25	10/15/2017	4,064,438
1,375,000	<i>Calpine Construction Finance Corporation</i>	8.00	06/01/2016	1,474,688
2,165,000	<i>Dynegy Holdings Incorporated</i>	7.63	10/15/2026	1,401,838
3,614,632	<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12/30/2028	4,084,534
2,125,000	<i>NRG Energy Incorporated</i>	7.38	02/01/2016	2,199,375
3,400,000	<i>NRG Energy Incorporated</i>	7.38	01/15/2017	3,536,000
1,615,000	<i>NRG Energy Incorporated</i>	8.50	06/15/2019	1,683,638
450,000	<i>Reliant Energy Incorporated</i>	7.63	06/15/2014	472,500
1,226,246	<i>Reliant Energy Incorporated</i>	9.24	07/02/2017	1,312,083
410,000	<i>Reliant Energy Incorporated</i>	9.68	07/02/2026	442,800
				21,816,894
<b>Total Corporate Bonds and Notes (Cost \$355,301,540)</b>				379,030,327
<b>Foreign Corporate Bonds@: 10.39%</b>				
<b>Consumer Discretionary: 0.36%</b>				
<b>Hotels, Restaurants &amp; Leisure: 0.05%</b>				
250,000	<i>R&amp;R Ice Cream plc(i) (EUR)</i>	8.38	11/15/2017	357,691
<b>Media: 0.19%</b>				
470,000	<i>UPC Holding BV (EUR)</i>	9.63	12/01/2019	714,286
400,000	<i>Ziggo Bond Company BV(i) (EUR)</i>	8.00	05/15/2018	579,151
				1,293,437
<b>Multiline Retail: 0.12%</b>				
500,000	<i>Marks &amp; Spencer Group plc (GBP)</i>	6.38	11/07/2011	821,443
<b>Consumer Staples: 0.73%</b>				
<b>Food &amp; Staples Retailing: 0.25%</b>				
300,000	<i>Bakkavor Finance plc%% (GBP)</i>	8.25	02/15/2018	480,555
750,000	<i>Tesco plc (GBP)</i>	5.50	12/13/2019	1,272,061
				1,752,616

**Tobacco: 0.48%**

1,100,000	<i>British American Tobacco Finance plc</i> (EUR)	5.38	06/29/2017	1,630,313
1,025,000	<i>Imperial Tobacco Group plc</i> (EUR)	8.38	02/17/2016	1,688,585
				3,318,898

**Financials: 6.90%****Capital Markets: 0.13%**

560,000	<i>Morgan Stanley</i> (GBP)	5.38	11/14/2013	936,000
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**Commercial Banks: 5.00%**

1,200,000	<i>Bank Nederlandse Gemeenten</i> (EUR)	3.88	11/04/2019	1,673,891
2,450,000	<i>Eurofima</i> (AUD)	6.25	12/28/2018	2,429,918
1,900,000	<i>European Investment Bank</i> (EUR)	3.13	04/15/2014	2,671,194
2,330,000	<i>European Investment Bank</i> (EUR)	3.13	03/03/2017	3,197,046
2,300,000	<i>European Investment Bank</i> (EUR)	4.25	10/15/2014	3,357,163
8,530,000	<i>European Investment Bank</i> (AUD)	6.13	01/23/2017	8,461,443
1,800,000	<i>Instituto de Credito Oficial</i> (EUR)	4.38	05/23/2012	2,487,057
950,000	<i>International Bank for Reconstruction &amp; Development</i> (AUD)	5.75	10/01/2020	915,577
910,000	<i>KfW Bankengruppe</i> (EUR)	3.88	01/21/2019	1,289,528

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**Table of Contents****PORTFOLIO OF INVESTMENTS January 31, 2011 (UNAUDITED)****MULTI-SECTOR INCOME FUND**

<b>Principal</b>	<b>Security Name</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Value</b>
<b>Commercial Banks (continued)</b>				
1,225,000	<i>KfW Bankengruppe (AUD)</i>	6.25%	12/04/2019	\$ 1,209,075
4,819,000	<i>KfW Bankengruppe (NZD)</i>	6.38	02/17/2015	3,913,351
2,150,000	<i>Rabobank Nederland (EUR)</i>	4.25	01/16/2017	3,029,007
				34,634,250
<b>Thriffs &amp; Mortgage Finance: 1.77%</b>				
700,000	<i>Nationwide Building Society ± (EUR)</i>	3.75	01/20/2015	927,072
35,800,862	<i>Nykredit (DKK)</i>	4.00	10/01/2041	6,150,686
30,262,522	<i>Realkredit Danmark (DKK)</i>	4.00	10/01/2041	5,199,184
				12,276,942
<b>Health Care: 0.13%</b>				
<b>Pharmaceuticals: 0.13%</b>				
600,000	<i>Pfizer Incorporated (EUR)</i>	4.75	06/03/2016	877,417
<b>Industrials: 0.49%</b>				
<b>Aerospace &amp; Defense: 0.06%</b>				
280,000	<i>Bombardier Incorporated (EUR)</i>	7.25	11/15/2016	407,322
<b>Airlines: 0.11%</b>				
550,000	<i>Inaer Aviation Finance Limited (EUR)</i>	9.50	08/01/2017	745,502
<b>Building Products: 0.07%</b>				
350,000	<i>HeidelbergCement AG (EUR)</i>	8.00	01/31/2017	527,123
<b>Commercial Services &amp; Supplies: 0.08%</b>				
350,000	<i>Exova (GBP)</i>	10.50	10/15/2018	585,895
<b>Machinery: 0.05%</b>				
250,000	<i>Savcio Holdings Limited (EUR)</i>	8.00	02/15/2013	337,153
<b>Professional Services: 0.08%</b>				

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350,000	<i>ISS Financing plc (EUR)</i>	11.00	06/15/2014	527,722
<b>Trading Companies &amp; Distributors: 0.04%</b>				
200,000	<i>Rexel SA (EUR)</i>	8.25	12/15/2016	302,582
<b>Materials: 0.44%</b>				
<b>Chemicals: 0.09%</b>				
400,000	<i>Kerling plc (EUR)</i>	10.63	02/01/2017	606,534
<b>Containers &amp; Packaging: 0.17%</b>				
400,000	<i>Ardagh Glass Finance (EUR)</i>	8.75	02/01/2020	568,197
400,000	<i>Owens-Illinois European Group BV (EUR)</i>	6.88	03/31/2017	569,567
				1,137,764
<b>Metals &amp; Mining: 0.10%</b>				
500,000	<i>New World Resources NV (EUR)</i>	7.38	05/15/2015	703,401
<b>Paper &amp; Forest Products: 0.08%</b>				
400,000	<i>Smurfit Kappa Funding plc (EUR)</i>	7.25	11/15/2017	576,412

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<b>Telecommunication Services: 0.78%</b>				
<b>Diversified Telecommunication Services: 0.78%</b>				
1,250,000	<i>Deutsche Telekom International Finance (EUR)</i>	4.25%	07/13/2022	\$ 1,632,955
1,275,000	<i>France Telecom (EUR)</i>	4.75	02/21/2017	1,845,519
725,000	<i>Telstra Corporation Limited (EUR)</i>	4.75	03/21/2017	1,041,462
300,000	<i>Virgin Media Finance plc (GBP)</i>	8.88	10/15/2019	545,430
200,000	<i>Wind Acquisition Finance SpA (EUR)</i>	11.75	07/15/2017	312,194
				5,377,560
<b>Utilities: 0.56%</b>				
<b>Independent Power Producers &amp; Energy Traders: 0.08%</b>				
335,000	<i>Infinis plc (GBP)</i>	9.13	12/15/2014	570,159
<b>Multi-Utilities: 0.48%</b>				
1,225,000	<i>National Grid plc (EUR)</i>	4.38	03/10/2020	1,667,882
1,200,000	<i>Veolia Environnement SA (EUR)</i>	4.00	02/12/2016	1,678,848
				3,346,730
<b>Total Foreign Corporate Bonds (Cost \$68,506,635)</b>				72,020,553
<b>Foreign Government Bonds@: 19.36%</b>				
2,750,000	<i>Australia Series 124 (AUD)</i>	5.75	05/15/2021	2,788,142
6,650,000	<i>Australia Series 25CI (AUD)</i>	3.12	09/20/2025	7,101,886
8,500,000	<i>Brazil (BRL)</i>	12.50	01/05/2022	5,927,742
1,125,000	<i>Caisse d Amortissement de la Dette Sociale (EUR)</i>	3.38	04/25/2021	1,493,645
700,000	<i>Caisse d Amortissement de la Dette Sociale (EUR)</i>	4.25	04/25/2020	1,004,139
6,400,000	<i>Canada (CAD)</i>	2.50	09/01/2013	6,496,254
6,900,000	<i>Canada (CAD)</i>	3.75	06/01/2019	7,170,942
8,150,000	<i>Canada Series 23 (CAD)</i>	4.10	12/15/2018	8,557,927
98,350,000	<i>Czech Republic (CZK)</i>	5.00	04/11/2019	5,973,757
2,120,000	<i>France (EUR)</i>	2.00	07/12/2015	2,838,161
6,850,000	<i>France (EUR)</i>	2.50	10/25/2020	8,593,403
1,750,000	<i>France (EUR)</i>	3.50	04/25/2020	2,403,608
5,100,000	<i>Germany (EUR)</i>	3.50	04/12/2013	7,289,555
5,875,000	<i>Germany (EUR)</i>	4.25	07/04/2017	8,763,594

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2,850,000,000	<i>Korea (KRW)</i>	5.25	09/10/2015	2,633,631
4,635,000,000	<i>Korea (KRW)</i>	5.25	03/10/2027	4,316,982
20,250,000	<i>Malaysia (MYR)</i>	3.84	08/12/2015	6,709,765
77,900,000	<i>Mexico (MXN)</i>	8.50	11/18/2038	6,660,209
1,500,000	<i>Netherlands (EUR)</i>	3.50	07/15/2020	2,083,915
6,705,000	<i>New Zealand (NZD)</i>	6.00	12/15/2017	5,439,430
28,730,000	<i>Norway (NOK)</i>	4.25	05/19/2017	5,194,591
16,950,000	<i>Poland (PLN)</i>	5.50	04/25/2015	5,860,757
1,425,000	<i>Slovenia (EUR)</i>	4.63	09/09/2024	1,969,086
67,650,000	<i>Sweden (SEK)</i>	4.50	08/12/2015	11,141,458
3,325,000	<i>United Kingdom (GBP)</i>	4.75	03/07/2020	5,773,496

**Total Foreign Government Bonds (Cost \$130,330,977)** 134,186,075

**Yankee Corporate Bonds and Notes: 7.03%**

**Consumer Discretionary: 0.05%**

**Media: 0.05%**

\$ 325,000	<i>Videotron Limited</i>	9.13	04/15/2018	363,594
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<b>Energy: 2.48%</b>				
<b>Oil, Gas &amp; Consumable Fuels: 2.48%</b>				
\$ 2,550,000	<i>Connacher Oil &amp; Gas Limited</i>	10.25%	12/15/2015	\$ 2,683,875
620,000	<i>Connacher Oil &amp; Gas Limited</i>	11.75	07/15/2014	673,475
1,380,000	<i>General Maritime Corp</i>	12.00	11/15/2017	1,307,550
475,000	<i>Griffin Coal Mining Company Limited<sup>^^</sup></i>	9.50	12/01/2016	397,813
5,810,000	<i>Griffin Coal Mining Company Limited<sup>^^</sup></i>	9.50	12/31/2049	4,865,875
2,420,000	<i>OPTI Canada Incorporated</i>	7.88	12/15/2014	1,445,950
1,650,000	<i>Petroplus Finance Limited</i>	5.75	01/20/2020	1,703,585
4,020,000	<i>Ship Finance International Limited</i>	8.50	12/15/2013	4,080,300
				17,158,423
<b>Financials: 0.85%</b>				
<b>Commercial Banks: 0.72%</b>				
2,000,000	<i>KfW Bankengruppe</i>	4.88	06/17/2019	2,204,106
1,800,000	<i>Landwirtsch Rentenbank</i>	2.38	09/13/2017	1,725,007
1,100,000	<i>Royal Bank of Scotland Group plc</i>	6.13	01/11/2021	1,093,088
				5,022,201
<b>Diversified Financial Services: 0.13%</b>				
900,000	<i>IPIC GMTN Limited</i>	5.00	11/15/2020	877,512
635,000	<i>Preferred Term Securities XII Limited<sup>±^^(i)</sup></i>	0.00	12/24/2033	191
				877,703
<b>Information Technology: 0.24%</b>				
<b>Computers &amp; Peripherals: 0.24%</b>				
650,000	<i>Seagate Technology HDD Holdings</i>	6.80	10/01/2016	669,500
975,000	<i>Seagate Technology HDD Holdings</i>	7.75	12/15/2018	999,375
				1,668,875
				1,668,875
<b>Materials: 1.70%</b>				
<b>Metals &amp; Mining: 0.70%</b>				
1,030,000	<i>Novelis Incorporated</i>	7.25	02/15/2015	1,050,600
500,000	<i>Novelis Incorporated</i>	8.38	12/15/2017	538,750
525,000	<i>Novelis Incorporated</i>	8.75	12/15/2020	570,281

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2,050,000	<i>Teck Resources Limited</i>	10.75	05/15/2019	2,665,000
				4,824,631

**Paper & Forest Products: 1.00%**

1,170,000	<i>PE Paper Escrow GmbH</i>	12.00	08/01/2014	1,363,251
2,085,000	<i>Sappi Limited</i>	6.75	06/15/2012	2,142,400
3,860,000	<i>Sappi Limited</i>	7.50	06/15/2032	3,440,167
				6,945,818

**Telecommunication Services: 1.55%**

**Diversified Telecommunication Services: 1.33%**

570,000	<i>Global Crossing Limited</i>	12.00	09/15/2015	655,500
2,495,000	<i>Intelsat Limited</i>	8.50	01/15/2013	2,507,475
850,000	<i>Intelsat Limited</i>	8.50	11/01/2019	930,750

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<b>Diversified Telecommunication Services (continued)</b>				
\$ 234,000	<i>Intelsat Limited</i>	8.88%	01/15/2015	\$ 241,605
275,000	<i>Intelsat Limited</i>	11.25	06/15/2016	295,625
300,000	<i>Qtel International Finance Limited</i>	4.75	02/16/2021	286,604
100,000	<i>Virgin Media Finance plc</i>	9.13	08/15/2016	106,500
3,660,000	<i>Wind Acquisition Finance SpA</i>	11.75	07/15/2017	4,172,400
				9,196,459
<b>Wireless Telecommunication Services: 0.22%</b>				
1,335,000	<i>Digicel Group Limited</i>	12.00	04/01/2014	1,556,944
<b>Utilities: 0.16%</b>				
<b>Electric Utilities: 0.16%</b>				
1,000,000	<i>E.ON AG</i>	5.80	04/30/2018	1,124,900
<b>Total Yankee Corporate Bonds and Notes (Cost \$44,145,165)</b>				
				48,739,548
<b>Convertible Debentures: 0.16%</b>				
<b>Information Technology: 0.16%</b>				
<b>Communications Equipment: 0.16%</b>				
1,145,000	<i>Lucent Technologies Incorporated</i>	2.88	06/15/2025	1,089,181
<b>Total</b>	<b>Convertible Debentures (Cost \$765,113)</b>			1,089,181
<b>Principal</b>		<b>Interest Rate</b>	<b>Maturity Date</b>	
<b>Term Loans: 5.51%</b>				
475,000	<i>Advantage Sales &amp; Marketing LLC</i>	9.25	06/18/2018	483,018
1,025,000	<i>Barrington Broadcasting Company</i>	4.53	08/12/2013	986,562
1,202,850	<i>Blackstone Group LP</i>	7.75	11/02/2014	1,238,936
3,217,750	<i>Capital Automotive REIT</i>	5.00	12/14/2012	3,298,193
2,987,176	<i>Coinmach Corporation&lt;</i>	3.28	11/20/2014	2,791,157
6,150,398	<i>Fairpoint Communications Incorporated</i>	2.00	03/31/2015	4,479,519
461,137	<i>Federal Mogul Corporation</i>	2.20	12/29/2014	448,045
419,474	<i>Federal Mogul Corporation</i>	2.20	12/28/2015	407,566
1,075,000	<i>First Data Corporation</i>	3.01	09/24/2014	1,014,757
2,125,000	<i>First Data Corporation</i>	3.01	09/24/2014	2,007,785
550,000	<i>First Data Corporation</i>	3.01	09/24/2014	519,552
981,475	<i>Gray Television Incorporated</i>	3.77	12/31/2014	970,963

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700,000	<i>Level 3 Financing Incorporated</i>	2.55	03/13/2014	684,250
1,668,037	<i>Local TV Finance LLC</i>	2.31	05/07/2013	1,613,826
1,087,499	<i>Merisant Company(i)</i>	7.50	01/08/2014	1,033,809
1,221,391	<i>NCO Group Incorporated</i>	7.50	11/15/2013	1,200,786
2,755,000	<i>Newsday LLC</i>	10.50	08/01/2013	2,925,479
236,839	<i>Panolam Industries International Incorporated</i>	8.25	12/31/2013	213,747
1,215,000	<i>Sugarhouse HSP Gaming LP</i>	11.25	09/23/2014	1,233,735

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<b>Term Loans</b> (continued)				
\$ 12,903,558	<i>TXU Energy Company LLC&lt;</i>	3.76%	10/10/2014	\$ 10,616,402
<b>Total Term Loans (Cost \$36,796,540)</b>				38,168,087

**Shares****Investment Companies: 0.23%****Closed-End Funds: 0.23%**

48,730	<i>Dreyfus High Yield Strategies Fund Incorporated</i>			221,234
46,191	<i>Eaton Vance Limited Duration Income Trust</i>			736,746
15,869	<i>LMP Corporate Loan Fund Incorporated</i>			190,428
44,650	<i>New America High Income Fund Incorporated</i>			445,161
<b>Total Investment Companies (Cost \$843,822)</b>				1,593,569

**Yield****Short-Term Investments: 2.68%****Investment Companies: 2.68%**

18,561,673	<i>Wells Fargo Advantage Cash Investment Money Market Fund##(u)(l)</i>	0.12%		18,561,673
<b>Total Short-Term Investments (Cost \$18,561,673)</b>				18,561,673

<b>Total Investments in Securities (Cost \$872,986,988)*</b>	132.00%	914,759,604
<i>Other Assets and Liabilities, Net</i>	(32.00)	(221,779,483)
<b>Total Net Assets</b>	100.00%	\$ 692,980,121

± *Variable rate investments.*

⌘ *All or a portion of this security has been segregated as collateral for reverse repurchase agreements.*

(l) *Investment in an affiliate.*

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

¥ *Payment-in-kind (PIK) securities are securities 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.*

%% *Securities issued on a when-issued (TBA) and/or delayed delivery basis.*

°° *Stepped coupon bond. Interest rate presented is yield to maturity.*

^^ *This security is currently in default with regards to scheduled interest and/or principal payments.*

(i) *Illiquid security*

@ *Foreign bond principal is denominated in local currency.*

(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.*

< *All or portion of the position represents an unfunded loan commitment.*

## *All or a portion of this security has been segregated for when-issued, delayed delivery securities and/or unfunded loans.*

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

\* *Cost for federal income tax purposes is \$870,231,300 and net unrealized appreciation (depreciation) consists of:*

Gross unrealized appreciation	\$ 55,534,097
Gross unrealized depreciation	(11,005,523)

Net unrealized appreciation	\$ 44,528,574
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*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report and Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*

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**Wells Fargo Advantage Multi-Sector Income Fund**

**Notes to Portfolio of Investments January 31, 2011 (unaudited)**

The Fund's portfolio of investments as of the date on the cover of this report has not been audited. This report is provided for the general information of the Fund's shareholders. For more information regarding the Fund and its holdings, please see the Fund's most recent prospectus and annual report.

**Securities valuation**

Investments in securities are valued each business day as of the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. (Eastern Time). Securities which are traded on a national or foreign securities exchange are valued at the last reported sales price, except that securities listed on The Nasdaq Stock Market, Inc. (Nasdaq) are valued at the Nasdaq Official Closing Price (NOCP), and if no NOCP is available, then at the last reported sales price. If no sales price is shown on the Nasdaq, the bid price will be used. In the absence of any sale of securities listed on the Nasdaq, and in the case of other securities, including U.S. Government obligations, but excluding debt securities maturing in 60 days or less, the price will be deemed stale and the valuations will be determined in accordance with the Fund's Fair Valuation Procedures.

Certain fixed income securities with maturities exceeding 60 days are valued based on available market quotations received from an independent pricing service approved by the Trust's Board of Trustees 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 pricing service or values received are deemed not representative of market value, values will be obtained from a third party broker-dealer or determined based on the Fund's Fair Value Procedures.

Investments in open-end mutual funds and non-registered investment companies are generally valued at net asset value.

Certain 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 valuation techniques used by the Fund to measure fair value are consistent with the market approach, income approach and/or cost approach, where applicable, for each security type.

**Foreign currency translation**

The accounting records of the Fund are maintained in U.S. dollars. Assets, including investment securities, and liabilities denominated in foreign currency are translated into U.S. dollars at the prevailing rates of exchange at the date of valuation. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective dates of such transactions. Reported 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 in 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 recorded with net realized and unrealized gains or losses from investments. Gains and losses from certain foreign currency transactions are treated as ordinary income for U.S. federal income tax purposes.

**Forward foreign currency contracts**

The Fund may be subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. A forward foreign currency contract is an agreement between two parties to purchase or sell a specific currency for an agreed-upon price at a future date. The Fund enters into forward foreign currency contracts to facilitate transactions in foreign-denominated securities and to attempt to minimize the risk to the Fund from adverse changes in the relationship between currencies. Forward foreign currency contracts are recorded at the forward rate and marked-to-market daily. When the contracts are closed, realized gains and losses arising from such transactions are recorded as realized gains or losses on foreign currency related transactions. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts or if the value of the foreign currency

changes unfavorably. The Fund's maximum risk of loss from counterparty credit risk is the unrealized gains or losses on the contracts. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty.

**When-issued transactions**

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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 to cover its obligation by confirming the availability of qualifying assets having a value sufficient to make payment for the securities purchased. 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 loans are marked-to-market daily and 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.

As of January 31, 2011, the Fund had unfunded loan commitments of \$824,375.

**Fair valuation measurement**

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 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, 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 securities are not necessarily an indication of the risk associated with investing in those securities.

As of January 31, 2011, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

Investments in Securities	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Equity securities</b>				
<i>Closed-end funds</i>	\$ 1,593,569	\$ 0	\$ 0	\$ 1,593,569
<b>Agency securities</b>	0	209,998,799	0	209,998,799
<b>Collateralized mortgage obligations</b>	0	11,371,792	0	11,371,792
<b>Convertible debentures</b>	0	1,089,181	0	1,089,181
<b>Corporate bonds and notes</b>	0	373,190,910	5,839,417	379,030,327
<b>Foreign corporate bonds</b>	0	72,020,553	0	72,020,553
<b>Foreign government bonds</b>	0	134,186,075	0	134,186,075
<b>Term loans</b>	0	38,168,087	0	38,168,087
<b>Yankee corporate bonds and notes</b>	0	48,739,357	191	48,739,548
<b>Short-term investments</b>				
<i>Investment companies</i>	18,561,673	0	0	18,561,673

\$ 20,155,242    \$ 888,764,754    \$ 5,839,608    \$ 914,759,604

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As of January 31, 2011, the inputs used in valuing the Fund's other financial instruments, which are carried at fair value, were as follows:

	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Other financial instruments</b>				
<b>Forward foreign currency contracts</b>	\$ 0	\$ (1,192,971)	\$ 0	\$(1,192,971)

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

	Corporate bonds and notes	Foreign corporate bonds	Yankee corporate bonds	Total
Balance as of October 31, 2010	\$ 5,753,667	\$ 560,823	\$ 191	\$ 6,314,681
Accrued discounts (premiums)	576	0	0	576
Realized gains (losses)	0	0	0	0
Change in unrealized gains (losses)	85,174	25,072	0	110,246
Purchases	0	0	0	0
Sales	0	0	0	0
Transfers into level 3	0	0	0	0
Transfers out of level 3	0	(585,895)	0	(585,895)
Transfers in from acquisition(s)	0	0	0	0
Balance as of January 31, 2011	\$ 5,839,417	\$ 0	\$ 191	\$ 5,839,608

Change in unrealized gains (losses) included in earnings relating to securities still held at January 31, 2011	\$ 85,174	\$ 0	\$ 0	\$ 85,174
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**Derivative transactions**

During the three months ended January 31, 2011, the Fund entered into forward foreign currency exchange contracts for hedging purposes.

At January 31, 2011, the Fund had forward foreign currency exchange contracts outstanding as follows:

Forward Foreign Currency Exchange Contracts to Buy:

Exchange Date	Counterparty	Contracts to Receive	U.S. Value at January 31, 2011	In Exchange for U.S. \$	Net Unrealized Gains (Losses)
3/31/2011	State Street Bank	1,030,000,000 JPY	\$ 12,554,023	\$ 12,443,972	\$ 110,051

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Exchange Date	Counterparty	Contracts to Receive	U.S. Value at January 31, 2011	In Exchange for	U.S. Value at January 31, 2011	Net Unrealized Gains (Losses)
2/1/2011	State Street Bank	7,175,000 CAD	\$ 7,165,327	5,252,178 EUR	\$ 7,191,021	\$ (25,694)
2/1/2011	State Street Bank	15,850,000 CAD	15,828,631	1,317,087,450 JPY	16,046,387	(217,756)
2/1/2011	State Street Bank	5,357,276 EUR	7,334,916	7,175,000 CAD	7,165,327	169,589
2/1/2011	State Street Bank	1,717,759 EUR	2,351,870	195,000,000 JPY	2,375,731	(23,861)
2/1/2011	State Street Bank	1,305,247,500 JPY	15,902,138	15,850,000 CAD	15,828,631	73,507
2/1/2011	State Street Bank	195,000,000 JPY	2,375,731	1,768,659 EUR	2,421,561	(45,830)
2/15/2011	State Street Bank	6,907,458 GBP	11,063,657	76,000,000 SEK	11,777,540	(713,883)
2/18/2011	State Street Bank	504,233,600 JPY	6,143,804	17,680,000 PLN	6,149,819	(6,015)

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Exchange Date	Counterparty	Contracts to Receive	U.S. Value at January 31, 2011	In Exchange for	U.S. Value at January 31, 2011	Net Unrealized Gains (Losses)
2/24/2011	State Street Bank	835,461,600 JPY	10,180,010	10,200,000 AUD	10,137,220	42,790
3/1/2011	State Street Bank	3,500,000 EUR	4,790,339	397,124,000 JPY	4,839,063	(48,724)
3/1/2011	State Street Bank	5,615,000 GBP	8,992,604	6,613,741 EUR	9,052,017	(59,413)
3/1/2011	State Street Bank	1,698,000,000 JPY	20,690,586	12,975,699 GBP	20,781,001	(90,415)
3/25/2011	State Street Bank	1,050,000,000 JPY	12,797,133	12,922,679 AUD	12,796,668	465
4/13/2011	State Street Bank	890,000,000 JPY	10,848,973	14,243,418 NZD	10,932,266	(83,293)
5/2/2011	State Street Bank	1,908,012,675 JPY	23,262,703	23,025,000 CAD	22,949,267	313,436

## Forward Foreign Currency Exchange Contracts to Sell:

Exchange Date	Counterparty	Contracts to Deliver	U.S. Value at January 31, 2011	In Exchange for U.S. \$	Net Unrealized Gains (Losses)
3/2/2011	State Street Bank	82,285,000 MXN	\$ 6,766,858	\$ 6,500,632	\$ (266,226)
3/18/2011	State Street Bank	64,500,000 DKK	11,841,819	11,520,120	(321,699)

The Fund had average market values of \$121,840,475 and \$17,444,474 in forward foreign currency exchange contracts to buy and forward foreign currency exchange contracts to sell, respectively, during the three months ended January 31, 2011.

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**ITEM 2. CONTROLS AND PROCEDURES**

(a) The President and Treasurer have concluded that the Wells Fargo Advantage Multi-Sector Income 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 registrant s last fiscal quarter that has materially affected or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

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**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 Multi-Sector Income  
Fund

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

Date: March 29, 2011

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 Multi-Sector Income  
Fund

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

Date: March 29, 2011

By: /s/ Kasey L. Phillips  
Kasey L. Phillips  
Treasurer

Date: March 29, 2011