

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

March 31, 2014

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS**

**OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-21269**

**Wells Fargo Advantage Income Opportunities Fund**

**(Exact name of registrant as specified in charter)**

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

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

**C. David Messman**

**Wells Fargo Funds Management, LLC**

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

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: 800-222-8222**

**Date of fiscal year end: Registrant is making a filing for Wells Fargo Advantage Income Opportunities Fund. The Fund had an April 30 fiscal year end.**

**Date of reporting period: January 31, 2014**

ITEM 1. INVESTMENTS

## Wells Fargo Advantage Income Opportunities Fund      Portfolio of investments      January 31, 2014 (unaudited)

Security name	Shares	Value
<b>Common Stocks : 0.25%</b>		
<b>Consumer Discretionary : 0.00%</b>		
<b>Hotels, Restaurants &amp; Leisure : 0.00%</b>		
<i>Trump Entertainment Resorts Incorporated</i> (a)(i)	2,149	\$ 0
<b>Telecommunication Services : 0.25%</b>		
<b>Diversified Telecommunication Services : 0.25%</b>		
<i>Fairpoint Communications Incorporated</i>	134,376	1,721,357
<b>Total Common Stocks (Cost \$3,109,765)</b>		1,721,357

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 108.14%</b>				
<b>Consumer Discretionary : 22.16%</b>				
<b>Auto Components : 2.21%</b>				
<i>Allison Transmission Incorporated 144A</i>	7.13%	5-15-2019	\$ 8,015,000	8,656,200
<i>Cooper Tire &amp; Rubber Company</i>	7.63	3-15-2027	4,305,000	4,175,850
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	150,000	162,375
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	700,000	761,250
<i>United Rentals North America Incorporated</i>	5.75	7-15-2018	1,560,000	1,667,250
				15,422,925
<b>Distributors : 0.23%</b>				
<i>LKQ Corporation 144A</i>	4.75	5-15-2023	1,700,000	1,581,000
<b>Diversified Consumer Services : 2.28%</b>				
<i>Ceridian HCM Holding Incorporated 144A</i>	11.00	3-15-2021	75,000	85,219
<i>Service Corporation International</i>	6.75	4-1-2016	1,250,000	1,362,500
<i>Service Corporation International</i>	7.00	6-15-2017	1,250,000	1,409,375
<i>Service Corporation International</i>	7.00	5-15-2019	1,125,000	1,198,125
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	7,484,985
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,267,750
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,015,538
<i>Sotheby's 144A</i>	5.25	10-1-2022	2,265,000	2,129,100
				15,952,592

Hotels, Restaurants &amp; Leisure : 7.11%

Edgar Filing: WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND - Form N-Q

<i>Burger King Corporation</i>	9.88	10-15-2018	1,600,000	1,760,000
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	10,830,000	11,425,650
<i>DineEquity Incorporated</i>	9.50	10-30-2018	8,475,000	9,269,531
<i>Greektown Superholdings Incorporated Series A</i>	13.00	7-1-2015	12,887,000	13,273,610
<i>Greektown Superholdings Incorporated Series B</i>	13.00	7-1-2015	1,475,000	1,519,250
<i>Hilton Worldwide Finance LLC 144A</i>	5.63	10-15-2021	320,000	331,200
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	6,257,000	6,781,024
<i>Ruby Tuesday Incorporated</i>	7.63	5-15-2020	3,405,000	3,081,525
<i>Scientific Games Corporation</i>	9.25	6-15-2019	1,130,000	1,200,625
<i>Speedway Motorsports Incorporated</i>	6.75	2-1-2019	980,000	1,038,800
				49,681,215

**Household Durables : 0.19%**

<i>American Greetings Corporation</i>	7.38	12-1-2021	950,000	954,750
<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	325,000	355,469
				1,310,219

**Portfolio of investments    January 31, 2014 (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 : 8.67%</b>				
<i>Allbritton Communications Company</i>	8.00%	5-15-2018	\$ 3,274,000	\$ 3,452,760
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,465,875
<i>CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corporation 144A</i>	5.25	2-15-2022	320,000	321,600
<i>CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corporation 144A</i>	5.63	2-15-2024	35,000	35,263
<i>CCO Holdings LLC</i>	8.13	4-30-2020	686,000	746,025
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	1,525,000	1,688,938
<i>CSC Holdings LLC</i>	7.63	7-15-2018	1,145,000	1,308,163
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,650,000	1,889,250
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	742,950
<i>DISH DBS Corporation</i>	5.13	5-1-2020	575,000	575,000
<i>DISH DBS Corporation</i>	7.88	9-1-2019	2,260,000	2,579,225
<i>DreamWorks Animation SKG Incorporated 144A</i>	6.88	8-15-2020	3,880,000	4,122,500
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	1,160,000	1,276,000
<i>EchoStar DBS Corporation</i>	7.75	5-31-2015	650,000	703,625
<i>Gray Television Incorporated</i>	7.50	10-1-2020	8,635,000	9,217,863
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,856,400
<i>Lamar Media Corporation</i>	7.88	4-15-2018	4,090,000	4,289,388
<i>LIN Television Corporation</i>	6.38	1-15-2021	500,000	522,500
<i>LIN Television Corporation</i>	8.38	4-15-2018	3,475,000	3,657,438
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	330,000	358,050
<i>Lynx I Corporation 144A</i>	5.38	4-15-2021	605,000	606,513
<i>Lynx II Corporation 144A</i>	6.38	4-15-2023	605,000	617,100
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,635,000	3,780,400
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,150,000	1,267,875
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,746,925
<i>Regal Cinemas Corporation</i>	8.63	7-15-2019	6,665,000	7,123,219
<i>Regal Entertainment Group</i>	5.75	6-15-2023	665,000	655,025
				60,605,870
<b>Specialty Retail : 1.47%</b>				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	730,000	737,300
<i>Ahern Rentals Incorporated 144A</i>	9.50	6-15-2018	1,985,000	2,153,725
<i>Neiman Marcus Group Limited 144A</i>	8.00	10-15-2021	340,000	356,150
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	1,965,000	2,023,950
<i>Rent-A-Center Incorporated</i>	6.63	11-15-2020	2,765,000	2,806,475
<i>Toys R Us Property Company II LLC</i>	8.50	12-1-2017	2,200,000	2,233,000
				10,310,600

**Consumer Staples : 0.47%**

**Food Products : 0.47%**

<i>Darling International Incorporated 144A</i>	5.38	1-15-2022	295,000	297,213
<i>Simmons Foods Incorporated 144A</i>	10.50	11-1-2017	2,785,000	2,993,875
				3,291,088

**Energy : 22.46%****Energy Equipment & Services : 6.29%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	5,830,000	6,150,650
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	475,000	522,500
<i>Dresser-Rand Group Incorporated</i>	6.50	5-1-2021	1,825,000	1,948,188
<i>Era Group Incorporated</i>	7.75	12-15-2022	4,285,000	4,467,113
<i>Forum Energy Technologies Incorporated 144A</i>	6.25	10-1-2021	315,000	329,175
<i>Gulfmark Offshore Incorporated</i>	6.38	3-15-2022	7,628,000	7,685,210
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	4,395,000	4,274,138
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	840,000	867,300
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	8,265,000	7,066,575
<i>Oil States International Incorporated</i>	6.50	6-1-2019	3,759,000	3,975,143
<i>PHI Incorporated</i>	8.63	10-15-2018	5,955,000	6,409,069
<i>Pride International Incorporated</i>	8.50	6-15-2019	210,000	269,413
				43,964,474

## Wells Fargo Advantage Income Opportunities Fund      Portfolio of investments      January 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Oil, Gas &amp; Consumable Fuels : 16.17%</b>				
<i>Crestwood Midstream Partners LP/Crestwood Midstream Finance Corporation</i>	6.00%	12-15-2020	\$ 1,230,000	\$ 1,263,825
<i>Crestwood Midstream Partners LP/Crestwood Midstream Finance Corporation 144A</i>	6.13	3-1-2022	475,000	484,500
<i>CVR Refining LLC/Coffeyville Finance Incorporated</i>	6.50	11-1-2022	2,850,000	2,885,625
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	2,180,000	2,011,050
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	700,000	743,750
<i>Denbury Resources Incorporated</i>	8.25	2-15-2020	5,965,000	6,531,675
<i>El Paso LLC</i>	6.50	9-15-2020	1,155,000	1,241,615
<i>El Paso LLC</i>	7.00	6-15-2017	3,183,000	3,600,603
<i>El Paso LLC</i>	7.25	6-1-2018	3,149,000	3,603,564
<i>El Paso LLC</i>	7.42	2-15-2037	1,820,000	1,764,075
<i>El Paso LLC</i>	7.80	8-1-2031	3,050,000	3,166,486
<i>Energy Transfer Equity LP</i>	7.50	10-15-2020	5,950,000	6,701,188
<i>Exterran Partners LP/EXLP Finance Corporation</i>	6.00	4-1-2021	3,445,000	3,419,163
<i>Kinder Morgan Finance Company LLC 144A</i>	6.00	1-15-2018	125,000	136,250
<i>Murphy Oil USA Incorporated 144A</i>	6.00	8-15-2023	635,000	633,413
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	3,280,000	3,476,800
<i>Petrohawk Energy Corporation</i>	7.88	6-1-2015	2,045,000	2,085,266
<i>Petrohawk Energy Corporation</i>	10.50	8-1-2014	1,065,000	1,065,000
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	3,170,000	3,937,061
<i>Plains Exploration &amp; Production Company</i>	8.63	10-15-2019	6,380,000	6,970,150
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	6,255,000	5,613,863
<i>Rockies Express Pipeline LLC 144A</i>	6.00	1-15-2019	630,000	587,475
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	10,760,000	9,038,400
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	4,425,000	3,938,250
<i>Sabine Pass Liquefaction LLC 144A</i>	5.63	2-1-2021	1,425,000	1,421,438
<i>Sabine Pass Liquefaction LLC 144A</i>	5.63	4-15-2023	1,425,000	1,353,750
<i>Sabine Pass Liquefaction LLC 144A</i>	6.25	3-15-2022	2,800,000	2,807,000
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	9,260,000	9,676,700
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	9,675,000	10,787,595
<i>Semgroup LP 144A</i>	7.50	6-15-2021	4,400,000	4,686,000
<i>Suburban Propane Partners LP</i>	7.38	3-15-2020	1,475,000	1,578,250
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	592,000	646,760
<i>Suburban Propane Partners LP</i>	7.50	10-1-2018	802,000	856,135
<i>Tesoro Corporation</i>	9.75	6-1-2019	2,185,000	2,343,413
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	1,875,000	1,940,625
				112,996,713

**Financials : 18.45%**

**Commercial Banks : 1.65%**

<i>CIT Group Incorporated 144A</i>	5.25	4-1-2014	1,205,000	1,213,435
<i>CIT Group Incorporated</i>	5.25	3-15-2018	875,000	931,875
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	2,225,000	2,369,625
<i>Emigrant Bancorp Incorporated 144A</i>	6.25	6-15-2014	6,950,000	7,027,110
				11,542,045

**Consumer Finance : 9.62%**

<i>Ally Financial Incorporated</i>	5.50	2-15-2017	1,325,000	1,429,344
<i>Ally Financial Incorporated</i>	6.75	12-1-2014	1,869,000	1,941,424
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	1,930,000	2,267,750
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	1,545,000	1,842,413
<i>Ally Financial Incorporated</i>	8.30	2-12-2015	8,820,000	9,382,275
<i>BMC Software Finance Incorporated 144A</i>	8.13	7-15-2021	1,025,000	1,058,313

**Portfolio of investments January 31, 2014 (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>Consumer Finance (continued)</b>				
<i>Credit Acceptance Corporation 144A</i>	6.13%	2-15-2021	\$ 680,000	\$ 691,900
<i>Ford Motor Credit Company LLC</i>	8.00	12-15-2016	200,000	235,951
<i>General Motors Financial Company Incorporated</i>	6.75	6-1-2018	2,215,000	2,530,638
<i>Homer City Funding LLC (PIK at 9.23%) ¥</i>	8.73	10-1-2026	3,084,040	3,238,242
<i>Nielsen Finance LLC</i>	4.50	10-1-2020	200,000	197,500
<i>Nielsen Finance LLC</i>	7.75	10-15-2018	11,690,000	12,566,750
<i>SLM Corporation</i>	7.25	1-25-2022	1,600,000	1,696,000
<i>SLM Corporation</i>	8.00	3-25-2020	6,460,000	7,210,975
<i>SLM Corporation</i>	8.45	6-15-2018	3,110,000	3,603,713
<i>Springleaf Finance Corporation</i>	5.40	12-1-2015	2,650,000	2,782,500
<i>Springleaf Finance Corporation</i>	5.75	9-15-2016	2,325,000	2,464,500
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	3,800,000	3,800,000
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	550,000	589,875
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	6,950,000	7,592,875
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	100,000	108,250
				67,231,188
<b>Diversified Financial Services : 2.62%</b>				
<i>Denali Borrower/Finance Corporation 144A</i>	5.63	10-15-2020	7,430,000	7,420,713
<i>MPH Intermediate Holding Company (PIK at 9.13%) 144A¥</i>	8.38	8-1-2018	575,000	592,250
<i>Neuberger Berman Group LLC 144A</i>	5.63	3-15-2020	900,000	947,250
<i>Neuberger Berman Group LLC 144A</i>	5.88	3-15-2022	1,125,000	1,181,250
<i>Nuveen Investments Incorporated</i>	5.50	9-15-2015	6,830,000	6,932,450
<i>Nuveen Investments Incorporated 144A</i>	9.13	10-15-2017	1,220,000	1,250,500
				18,324,413
<b>Insurance : 0.15%</b>				
<i>Fidelity &amp; Guaranty Life Holdings Incorporated 144A</i>	6.38	4-1-2021	995,000	1,047,238
<b>Real Estate Management &amp; Development : 1.29%</b>				
<i>Hockey Merger Sub 2 Incorporated 144A</i>	7.88	10-1-2021	5,260,000	5,470,400
<i>Onex Corporation 144A</i>	7.75	1-15-2021	3,480,000	3,571,350
				9,041,750
<b>REITs : 3.12%</b>				
<i>DuPont Fabros Technology LP</i>	5.88	9-15-2021	7,670,000	7,957,625

Edgar Filing: WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND - Form N-Q

<i>Omega Healthcare Investors Incorporated</i>	6.75	10-15-2022	3,375,000	3,645,000
<i>Sabra Health Care LP/Sabra Capital Corporation</i>	5.38	6-1-2023	1,425,000	1,389,375
<i>Sabra Health Care LP/Sabra Capital Corporation</i>	5.50	2-1-2021	1,035,000	1,050,525
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	3,000,000	2,775,000
<i>The Geo Group Incorporated 144A</i>	5.88	1-15-2022	4,350,000	4,317,375
<i>The Geo Group Incorporated</i>	6.63	2-15-2021	605,000	639,788
				21,774,688

**Health Care : 7.18%**

**Health Care Equipment & Supplies : 0.38%**

<i>Hologic Incorporated</i>	6.25	8-1-2020	2,590,000	2,703,313
-----------------------------	------	----------	-----------	-----------

**Health Care Providers & Services : 5.96%**

<i>Aviv Healthcare Properties LP/Aviv Healthcare Capital Corporation</i>	6.00	10-15-2021	850,000	871,250
<i>Aviv Healthcare Properties LP/Aviv Healthcare Capital Corporation</i>	7.75	2-15-2019	3,725,000	4,004,375
<i>Capella Healthcare Incorporated</i>	9.25	7-1-2017	1,455,000	1,556,850
<i>Centene Corporation</i>	5.75	6-1-2017	1,925,000	2,050,125
<i>CHS/Community Health Systems Incorporated 144A</i>	6.88	2-1-2022	2,200,000	2,255,000
<i>CHS/Community Health Systems Incorporated 144A</i>	5.13	8-1-2021	315,000	316,969
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	1,360,000	1,392,300
<i>DaVita HealthCare Partners Incorporated</i>	6.38	11-1-2018	140,000	147,000
<i>Fresenius Medical Care Holdings Incorporated 144A</i>	5.63	7-31-2019	1,800,000	1,912,500
<i>Fresenius Medical Care Holdings Incorporated</i>	6.88	7-15-2017	700,000	793,625

## Wells Fargo Advantage Income Opportunities Fund Portfolio of investments January 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<i>HCA Incorporated</i>	5.88%	3-15-2022	\$ 750,000	\$ 789,375
<i>HCA Incorporated</i>	6.50	2-15-2020	5,675,000	6,256,688
<i>HCA Incorporated</i>	7.50	11-15-2095	1,350,000	1,167,750
<i>HCA Incorporated</i>	8.50	4-15-2019	975,000	1,028,138
<i>HealthSouth Corporation</i>	5.75	11-1-2024	150,000	148,500
<i>HealthSouth Corporation</i>	7.25	10-1-2018	608,000	646,000
<i>HealthSouth Corporation</i>	8.13	2-15-2020	820,000	893,800
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	1,780,000	1,837,850
<i>MPT Operating Partnership LP</i>	6.88	5-1-2021	3,175,000	3,381,375
<i>Multiplan Incorporated 144A</i>	9.88	9-1-2018	565,000	613,025
<i>Select Medical Corporation</i>	6.38	6-1-2021	4,880,000	4,898,300
<i>Tenet Healthcare Corporation 144A</i>	6.00	10-1-2020	2,600,000	2,736,500
<i>Tenet Healthcare Corporation</i>	8.13	4-1-2022	1,790,000	1,953,338
				41,650,633
<b>Health Care Technology : 0.23%</b>				
<i>Healthcare Technology Intermediate Incorporated (PIK at 8.13%) 144A</i>	7.38	9-1-2018	1,550,000	1,602,313
<b>Pharmaceuticals : 0.61%</b>				
<i>Endo Finance Company 144A</i>	5.75	1-15-2022	1,180,000	1,177,050
<i>Pinnacle Incorporated 144A</i>	9.50	10-1-2023	835,000	901,800
<i>Salix Pharmaceuticals Incorporated 144A</i>	6.00	1-15-2021	1,950,000	2,032,875
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	140,000	144,900
				4,256,625
<b>Industrials : 6.37%</b>				
<b>Aerospace &amp; Defense : 0.30%</b>				
<i>TransDigm Group Incorporated</i>	7.75	12-15-2018	1,939,000	2,074,730
<b>Airlines : 0.54%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,404,561
<i>Aviation Capital Group Corporation 144A</i>	7.13	10-15-2020	1,210,000	1,361,152
				3,765,713
<b>Commercial Services &amp; Supplies : 2.07%</b>				
<i>ADT Corporation 144A</i>	6.25	10-15-2021	1,210,000	1,251,080
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	1,100,000	1,135,750
<i>Interface Incorporated</i>	7.63	12-1-2018	270,000	289,575

Edgar Filing: WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND - Form N-Q

<i>Iron Mountain Incorporated</i>	5.75	8-15-2024	6,150,000	5,750,250
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	3,560,000	3,662,350
<i>Iron Mountain Incorporated</i>	8.38	8-15-2021	2,244,000	2,401,080
				14,490,085

**Machinery : 0.24%**

<i>Columbus McKinnon Corporation</i>	7.88	2-1-2019	1,575,000	1,701,000
--------------------------------------	------	----------	-----------	-----------

**Professional Services : 0.63%**

<i>Interactive Data Corporation</i>	10.25	8-1-2018	4,005,000	4,405,500
-------------------------------------	-------	----------	-----------	-----------

**Trading Companies & Distributors : 2.18%**

<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	6,625,000	7,088,750
<i>H&amp;E Equipment Services Incorporated</i>	7.00	9-1-2022	4,680,000	5,077,800
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,174,863

**Portfolio of investments** January 31, 2014 (unaudited) Wells Fargo Advantage Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Trading Companies &amp; Distributors (continued)</b>				
<i>International Lease Finance Corporation</i>	8.63%	9-15-2015	\$ 1,700,000	\$ 1,878,500
				15,219,913
<b>Transportation Infrastructure : 0.41%</b>				
<i>Florida East Coast Railway Corporation</i>	8.13	2-1-2017	1,465,000	1,528,728
<i>Watco Companies LLC 144A</i>	6.38	4-1-2023	1,380,000	1,366,200
				2,894,928
<b>Information Technology : 7.54%</b>				
<b>Communications Equipment : 0.64%</b>				
<i>Avaya Incorporated</i>	9.75	11-1-2015	1,150,000	1,144,250
<i>CyrusOne LP</i>	6.38	11-15-2022	500,000	516,250
<i>Lucent Technologies Incorporated</i>	6.45	3-15-2029	3,100,000	2,790,000
				4,450,500
<b>Computers &amp; Peripherals : 0.74%</b>				
<i>NCR Corporation 144A</i>	5.88	12-15-2021	380,000	394,250
<i>NCR Corporation 144A</i>	6.38	12-15-2023	4,600,000	4,784,000
				5,178,250
<b>Electronic Equipment, Instruments &amp; Components : 2.31%</b>				
<i>CDW Financial Corporation</i>	12.54	10-12-2017	171,000	179,123
<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	15,967,760
				16,146,883
<b>Internet Software &amp; Services : 0.28%</b>				
<i>Equinix Incorporated</i>	7.00	7-15-2021	125,000	137,344
<i>First Data Holdings Incorporated (PIK at 14.50%) 144A</i>	14.50	9-24-2019	1,430,000	1,322,750
<i>Sophia Holding Finance LP/Sophia Holding Finance Incorporated (PIK at 9.63%) 144A</i>	9.63	12-1-2018	175,000	181,125
<i>Verisign Incorporated</i>	4.63	5-1-2023	290,000	277,675
				1,918,894
<b>IT Services : 3.20%</b>				
<i>Audatex North America Incorporated 144A</i>	6.00	6-15-2021	2,300,000	2,397,750
<i>Audatex North America Incorporated 144A</i>	6.13	11-1-2023	695,000	719,325
	7.88	7-15-2020	3,200,000	3,473,069

Edgar Filing: WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND - Form N-Q

<i>Fidelity National Information Services Incorporated</i>				
<i>First Data Corporation 144A</i>	6.75	11-1-2020	1,525,000	1,605,063
<i>First Data Corporation 144A</i>	7.38	6-15-2019	1,325,000	1,414,438
<i>First Data Corporation 144A</i>	11.75	8-15-2021	3,505,000	3,601,388
<i>First Data Corporation 144A</i>	11.75	8-15-2021	420,000	431,550
<i>SunGard Data Systems Incorporated</i>	6.63	11-1-2019	355,000	371,863
<i>SunGard Data Systems Incorporated</i>	7.38	11-15-2018	7,230,000	7,663,800
<i>SunGard Data Systems Incorporated</i>	7.63	11-15-2020	650,000	714,188
				22,392,434

**Software : 0.37%**

<i>Activision Blizzard Incorporated 144A</i>	5.63	9-15-2021	1,155,000	1,195,425
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	285,000	297,113
<i>Nuance Communications Incorporated 144A</i>	5.38	8-15-2020	1,130,000	1,104,575
				2,597,113

## Wells Fargo Advantage Income Opportunities Fund Portfolio of investments January 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Materials : 2.12%</b>				
<b>Chemicals : 0.21%</b>				
<i>Celanese US Holdings LLC</i>	5.88%	6-15-2021	\$ 440,000	\$ 468,600
<i>Chemtura Corporation</i>	5.75	7-15-2021	950,000	969,000
				1,437,600
<b>Containers &amp; Packaging : 1.41%</b>				
<i>Ball Corporation</i>	5.75	5-15-2021	400,000	420,000
<i>Crown Americas LLC</i>	6.25	2-1-2021	515,000	556,200
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	300,000	331,500
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	1,225,000	1,130,063
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	837,000	979,290
<i>Sealed Air Corporation 144A</i>	6.88	7-15-2033	1,715,000	1,680,700
<i>Sealed Air Corporation 144A</i>	8.38	9-15-2021	2,240,000	2,559,200
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	2,250,000	2,221,875
				9,878,828
<b>Metals &amp; Mining : 0.00%</b>				
<i>Indalex Holdings Corporation (s)(a)(i)</i>	11.50	2-1-2020	5,985,000	0
<b>Paper &amp; Forest Products : 0.50%</b>				
<i>Georgia-Pacific LLC</i>	8.88	5-15-2031	2,430,000	3,526,217
<b>Telecommunication Services : 16.43%</b>				
<b>Diversified Telecommunication Services : 7.40%</b>				
<i>Citizens Communications Company</i>	7.88	1-15-2027	4,205,000	4,099,875
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	1,980,000	2,252,250
<i>Frontier Communications Corporation</i>	8.25	4-15-2017	2,380,000	2,751,875
<i>Frontier Communications Corporation</i>	8.50	4-15-2020	1,000,000	1,118,750
<i>GCI Incorporated</i>	6.75	6-1-2021	4,145,000	4,020,650
<i>GCI Incorporated</i>	8.63	11-15-2019	8,750,000	9,318,750
<i>Qwest Corporation</i>	7.13	11-15-2043	1,810,000	1,727,907
<i>Qwest Corporation</i>	7.25	9-15-2025	2,755,000	3,017,386
<i>Qwest Corporation</i>	7.63	8-3-2021	440,000	468,600
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	8,545,000	9,324,731
<i>TW Telecommunications Holdings Incorporated</i>	5.38	10-1-2022	7,515,000	7,439,850
<i>Windstream Corporation</i>	7.88	11-1-2017	5,380,000	6,146,650
				51,687,274

**Wireless Telecommunication Services :****9.03%**

<i>Cricket Communications Incorporated</i>	7.75	10-15-2020	3,835,000	4,352,725
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,346,631
<i>Crown Castle International Corporation</i>	7.13	11-1-2019	220,000	235,400
<i>MetroPCS Wireless Incorporated 144A</i>	6.25	4-1-2021	845,000	877,744
<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	5,910,000	6,249,825
<i>MetroPCS Wireless Incorporated 144A</i>	6.63	4-1-2023	825,000	855,938
<i>MetroPCS Wireless Incorporated</i>	7.88	9-1-2018	3,015,000	3,218,513
<i>SBA Telecommunications Corporation</i>	5.63	10-1-2019	270,000	278,438
<i>SBA Telecommunications Corporation</i>	5.75	7-15-2020	2,795,000	2,906,800
<i>SBA Telecommunications Corporation</i>	8.25	8-15-2019	93,000	99,510
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	19,000,000	18,145,000
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	3,390,000	3,669,675
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	2,880,000	3,103,200
<i>Sprint Communications Incorporated 144A</i>	9.00	11-15-2018	750,000	905,625
<i>Sprint Communications Incorporated</i>	11.50	11-15-2021	1,200,000	1,572,000
<i>Sprint Corporation 144A</i>	7.13	6-15-2024	1,585,000	1,592,925
<i>Sprint Corporation 144A</i>	7.25	9-15-2021	330,000	355,575

**Portfolio of investments** January 31, 2014 (unaudited) Wells Fargo Advantage Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Wireless Telecommunication Services</b>				
(continued)				
<i>Sprint Corporation 144A</i>	7.88%	9-15-2023	\$ 330,000	\$ 352,275
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	140,000	143,150
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	265,000	278,913
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	142,975
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	275,000	291,156
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	1,510,000	1,589,275
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	5,645,000	5,927,250
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,575,000	1,643,906
				63,134,424
<b>Utilities : 4.96%</b>				
<b>Electric Utilities : 2.85%</b>				
<i>Energy Future Holdings Corporation</i>	10.00	12-1-2020	150,000	158,625
<i>Energy Future Intermediate Holding Company LLC 144A</i>	6.88	8-15-2017	875,000	905,625
<i>IPALCO Enterprises Incorporated</i>	5.00	5-1-2018	2,050,000	2,162,750
<i>IPALCO Enterprises Incorporated 144A</i>	7.25	4-1-2016	3,783,000	4,151,843
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12-30-2028	7,560,525	7,787,340
<i>Otter Tail Corporation (i)</i>	9.00	12-15-2016	3,985,000	4,732,873
				19,899,056
<b>Gas Utilities : 0.56%</b>				
<i>AmeriGas Finance LLC</i>	6.50	5-20-2021	75,000	80,063
<i>AmeriGas Finance LLC</i>	6.75	5-20-2020	1,675,000	1,829,938
<i>AmeriGas Finance LLC</i>	7.00	5-20-2022	1,840,000	2,001,000
				3,911,001
<b>Independent Power Producers &amp; Energy Traders : 1.55%</b>				
<i>Calpine Corporation 144A</i>	6.00	1-15-2022	715,000	740,025
<i>NRG Energy Incorporated</i>	8.50	6-15-2019	3,675,000	3,904,688
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	3,640,000	3,849,300
<i>Reliant Energy Incorporated</i>	9.24	7-2-2017	1,621,527	1,605,312
<i>Reliant Energy Incorporated</i>	9.68	7-2-2026	780,000	756,600
				10,855,925
<b>Total Corporate Bonds and Notes (Cost \$729,246,522)</b>				755,857,170

	<b>Dividend yield</b>	<b>Shares</b>	
<b>Preferred Stocks : 0.32%</b>			
<b>Financials : 0.32%</b>			
<b>Diversified Financial Services : 0.32%</b>			
<i>GMAC Capital Trust I ±</i>	7.42	81,784	2,239,246
<b>Total Preferred Stocks (Cost \$2,078,248)</b>			<b>2,239,246</b>

	<b>Interest rate</b>		<b>Principal</b>	
<b>Term Loans : 14.12%</b>				
<i>Advantage Sales &amp; Marketing LLC</i>	8.25	6-17-2018	\$ 846,429	857,542
<i>Alliance Laundry Systems LLC &lt;</i>	9.50	12-10-2019	3,722,755	3,762,328
<i>Applied Systems Incorporated &lt;</i>	0.00	1-24-2022	535,000	547,038
<i>Capital Automotive LP</i>	6.00	4-30-2020	2,450,000	2,532,688
<i>Capital Automotive LP</i>	4.00	4-10-2019	5,083,398	5,117,660
<i>CBAC Borrower LLC</i>	8.25	7-2-2020	1,965,000	2,027,644
<i>CCM Merger Incorporated</i>	5.00	3-1-2017	4,590,185	4,653,300
<i>Centaur LLC</i>	8.75	2-20-2020	3,135,000	3,201,619
<i>Dell Incorporated</i>	4.50	4-29-2020	13,703,713	13,633,687

## Wells Fargo Advantage Income Opportunities Fund Portfolio of investments January 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Term Loans (continued)</b>				
<i>Federal-Mogul Corporation</i>	2.11%	12-27-2014	\$ 2,000,071	\$ 1,985,071
<i>Federal-Mogul Corporation</i>	2.11	12-27-2015	1,530,508	1,519,029
<i>Focus Brands Incorporated</i>	10.25	8-21-2018	4,124,203	4,201,531
<i>Four Seasons Holdings Incorporated</i>	6.25	12-24-2020	550,000	562,375
<i>HHI Holdings LLC</i>	5.00	10-5-2018	3,340,471	3,364,122
<i>Learfield Communications Incorporated</i>	8.75	10-9-2021	165,000	168,300
<i>Level 3 Financing Incorporated</i>	4.00	1-15-2020	5,750,000	5,784,730
<i>LTS Buyer LLC</i>	8.00	4-12-2021	53,763	54,771
<i>nTelos Incorporated</i>	5.75	11-9-2019	1,117,885	1,120,333
<i>Philadelphia Energy Solutions LLC</i>	6.25	4-4-2018	4,724,300	4,254,846
<i>Sedgwick CMS Holdings Incorporated</i>	8.00	12-12-2018	2,645,000	2,687,981
<i>Spin Holdco Incorporated &lt;</i>	4.25	11-14-2019	2,780,375	2,803,536
<i>Springleaf Finance Corporation</i>	4.75	9-30-2019	775,000	783,858
<i>Tallgrass Operations, LLC</i>	4.25	11-13-2018	2,358,360	2,374,868
<i>Texas Competitive Electric Holdings LLC</i>	3.73	10-10-2014	34,355,889	24,131,233
<i>TWCC Holdings Corporation</i>	7.00	6-26-2020	330,000	332,475
<i>United Surgical Partners International Incorporated</i>	4.75	4-3-2019	2,210,850	2,222,589
<i>Vertafore Incorporated</i>	9.75	10-29-2017	845,000	859,264
<i>W3 Company</i>	9.25	9-13-2020	488,775	493,663
<i>WASH Multifamily Laundry Systems LLC</i>	4.50	2-21-2019	2,635,088	2,644,969
<b>Total Term Loans (Cost \$107,051,935)</b>				98,683,050
<b>Yankee Corporate Bonds and Notes : 6.37%</b>				
<b>Consumer Discretionary : 0.17%</b>				
<b>Media : 0.17%</b>				
<i>Videotron Limited</i>	5.00	7-15-2022	745,000	730,100
<i>Videotron Limited</i>	6.38	12-15-2015	100,000	100,300
<i>Videotron Limited</i>	9.13	4-15-2018	349,000	364,705
				1,195,105
<b>Energy : 0.26%</b>				
<b>Oil, Gas &amp; Consumable Fuels : 0.26%</b>				
<i>Griffin Coal Mining Company Limited 144A(s)</i>	9.50	12-1-2016	2,119,383	1,568,343
<i>Griffin Coal Mining Company Limited (s)</i>	9.50	12-1-2016	290,088	237,872
				1,806,215
<b>Financials : 0.44%</b>				
<b>Consumer Finance : 0.33%</b>				

Edgar Filing: WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND - Form N-Q

<i>Wind Acquisition Finance SpA 144A</i>	11.75	7-15-2017	2,205,000	2,326,275
<b>Diversified Financial Services : 0.11 %</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	719,250
<i>Preferred Term Securities XII Limited (s)(i)</i>	0.00	12-24-2033	1,540,000	15
				719,265
<b>Health Care : 0.49%</b>				
<b>Pharmaceuticals : 0.49%</b>				
<i>VPII Escrow Corporation 144A</i>	6.75	8-15-2018	1,120,000	1,227,800
<i>VPII Escrow Corporation 144A</i>	7.50	7-15-2021	1,995,000	2,221,931
				3,449,731

**Portfolio of investments January 31, 2014 (unaudited) Wells Fargo Advantage Income Opportunities Fund**

Security name	Interest rate	Maturity date	Principal	Value
<b>Information Technology : 0.78%</b>				
<b>Computers &amp; Peripherals : 0.78%</b>				
<i>Seagate Technology HDD Holdings</i>	6.80%	10-1-2016	\$ 1,275,000	\$ 1,434,375
<i>Seagate Technology HDD Holdings</i>	6.88	5-1-2020	1,860,000	2,004,150
<i>Seagate Technology HDD Holdings</i>	7.00	11-1-2021	1,805,000	1,996,781
				5,435,306
<b>Materials : 0.83%</b>				
<b>Metals &amp; Mining : 0.59%</b>				
<i>Novelis Incorporated</i>	8.38	12-15-2017	1,100,000	1,174,250
<i>Novelis Incorporated</i>	8.75	12-15-2020	2,675,000	2,969,250
				4,143,500
<b>Paper &amp; Forest Products : 0.24%</b>				
<i>Sappi Limited 144A</i>	7.50	6-15-2032	2,155,000	1,686,288
<b>Telecommunication Services : 3.40%</b>				
<b>Diversified Telecommunication Services : 3.18%</b>				
<i>Intelsat Bermuda Limited 144A</i>	7.75	6-1-2021	1,985,000	2,128,913
<i>Intelsat Bermuda Limited 144A</i>	8.13	6-1-2023	890,000	963,425
<i>Intelsat Jackson Holdings SA 144A</i>	5.50	8-1-2023	5,000,000	4,775,000
<i>Intelsat Jackson Holdings SA</i>	6.63	12-15-2022	1,235,000	1,275,138
<i>Intelsat Jackson Holdings SA</i>	7.25	4-1-2019	5,760,000	6,192,000
<i>Intelsat Jackson Holdings SA</i>	7.25	10-15-2020	3,225,000	3,499,125
<i>Intelsat Jackson Holdings SA</i>	7.50	4-1-2021	2,214,000	2,438,168
<i>Intelsat Jackson Holdings SA</i>	8.50	11-1-2019	905,000	981,925
				22,253,694
<b>Wireless Telecommunication Services : 0.22%</b>				
<i>Telesat Canada Incorporated 144A</i>	6.00	5-15-2017	1,475,000	1,530,313
<b>Total Yankee Corporate Bonds and Notes (Cost \$43,143,335)</b>				
				44,545,692

Yield

Shares

**Short-Term Investments : 2.70%**

**Investment Companies : 2.70%**

<i>Wells Fargo Advantage Cash</i>			
<i>Investment Money Market Fund, Select</i>			
<i>Class (l)(u)##</i>	0.07	18,858,313	18,858,313

**Total Short-Term Investments (Cost \$18,858,313)** 18,858,313

**Total investments in securities (Cost \$903,488,118)\*** 131.90% 921,904,828

*Other assets and liabilities, net* (31.90) (222,956,176)

**Total net assets** 100.00% \$ 698,948,652

*Non-income-earning security*

(a) *Security is fair valued by the Management Valuation Team, and in certain instances by the Board of Trustees, in accordance with procedures approved by the Board of Trustees.*

(i) *Illiquid security*

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

¥ *A payment-in-kind (PIK) security is a security in which the issuer may make interest or dividend payments in cash or additional securities. These additional securities generally have the same terms as the original holdings.*

**Wells Fargo Advantage Income Opportunities Fund      Portfolio of investments      January 31, 2014 (unaudited)**

- (s) *Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this security.*
- ± *Variable rate investment. The rate shown is the rate in effect at period end.*
- < *All or a portion of the position represents an unfunded term loan commitment.*
- (l) *Investment in an affiliate*
- (u) *Rate shown is the 7-day annualized yield at period end.*
- ## *All or a portion of this security has been segregated for unfunded term loans.*
- \* *Cost for federal income tax purposes is \$911,469,096 and unrealized appreciation (depreciation) consists of:*
- |                                      |                      |
|--------------------------------------|----------------------|
| <i>Gross unrealized appreciation</i> | <i>\$ 41,108,125</i> |
| <i>Gross unrealized depreciation</i> | <i>(30,672,393)</i>  |
| <i>Net unrealized appreciation</i>   | <i>\$ 10,435,732</i> |

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

**Notes to Portfolio of investments January 31, 2014 (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).

Fixed income securities acquired with maturities exceeding 60 days are valued based on evaluated bid prices provided by an independent pricing service which may utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If prices are not available from the independent pricing service or prices received are deemed not representative of market value, prices will be obtained from an independent broker-dealer or otherwise determined based on the Fund's Valuation Procedures.

Short-term securities, with maturities of 60 days or less at time of purchase, generally are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost, plus accretion of discount or minus amortization of premium over the period until maturity.

Equity securities that are listed on a foreign or domestic exchange 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 for the security that day, the prior day's price will be deemed stale and fair values will be determined in accordance with the Fund's Valuation Procedures.

Investments in registered open-end investment companies are valued at net asset value.

Investments which are not valued using any of the methods discussed above are valued at their fair value, as determined 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 of Wells Fargo Funds Management, LLC ( Funds Management ) The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Management Valuation Team which may include items for ratification.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market 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.

**When-issued transactions**

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

### **Term loans**

The Fund may invest in term loans. The Fund begins earning interest when the loans are funded. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. The Fund assumes the credit risk of the borrower and there could be potential loss to the Fund in the event of default by the borrower.

As of January 31, 2014, the Fund had unfunded loan commitments of \$1,783,400.

### **Fair valuation measurements**

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the Fund's investments. The three-level hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs (Level 3). The Fund's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs are summarized into three broad levels as follows:

- Level 1 quoted prices in active markets for identical securities
- Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, use of amortized cost, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing investments in securities are not necessarily an indication of the risk associated with investing in those securities.

As of January 31, 2014, the inputs used in valuing investments in securities were as follows:

Investments in securities	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Equity securities</b>				
<i>Common stocks</i>	\$ 1,721,357	\$ 0	\$ 0	\$ 1,721,357
<i>Preferred stocks</i>	2,239,246	0	0	2,239,246
<b>Corporate bonds and notes</b>	0	755,857,170	0	755,857,170
<b>Term loans</b>	0	79,095,031	19,588,019	98,683,050
<b>Yankee bonds corporate bonds and notes</b>	0	44,545,692	0	44,545,692
<b>Short-term investments</b>				
<i>Investment companies</i>	18,858,313	0	0	18,858,313
	<b>\$ 22,818,916</b>	<b>\$ 879,497,893</b>	<b>\$ 19,588,019</b>	<b>\$ 921,904,828</b>

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended January 31, 2014, 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:

	Common stocks	Term loans	Total
<b>Balance as of April 30, 2013</b>	\$ 2,149	\$ 20,331,214	\$ 20,333,363
Accrued discounts (premiums)	0	5,806	5,806
Realized gains (losses)	0	(1,998)	(1,998)
Change in unrealized gains (losses)	(2,149)	(184,620)	(186,769)
Purchases	0	7,032,815	7,032,815
Sales	0	(4,682,845)	(4,682,845)
Transfers into Level 3	0	4,653,300	4,653,300
Transfers out of Level 3	0	(7,565,653)	(7,565,653)
<b>Balance as of January 31, 2014</b>	\$ 0	\$ 19,588,019	\$ 19,588,019
<b>Change in unrealized gains (losses) relating to securities still held at January 31, 2014</b>	\$ (2,149)	\$ 31,070	\$ 28,921

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	Certificate of participation
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 Industrial development revenue

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIQ Liquidity agreement

LLC Limited liability company

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

SEK Swedish krona

SFHR Single-family housing revenue

SFMR Single-family mortgage revenue

SGD Singapore dollar

SKK Slovakian koruna

SPA Standby purchase agreement

SPDR Standard & Poor's Depository Receipts

STRIPS Separate trading of registered interest and  
principal securities

TAN Tax anticipation notes

TBA To be announced

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 Trust ) disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the Trust is made known to them by the appropriate persons based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.

(b) There were no significant changes in the Trust s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the second fiscal quarter of the period covered by this report that materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Wells Fargo Advantage Income Opportunities  
Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch  
President

Date: March 26, 2014

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: March 26, 2014

By: /s/ Jeremy DePalma

Jeremy DePalma  
Treasurer

Date: March 26, 2014