

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

January 28, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: 811-21507

Wells Fargo Advantage Utilities and High Income Fund

(Exact name of registrant as specified in charter)

525 Market Street, 12th Floor, San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market Street, 12th 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: August 31, 2010

Date of reporting period: November 30, 2010

ITEM 1. SCHEDULE OF INVESTMENTS

**WELLS FARGO ADVANTAGE UTILITIES AND
HIGH INCOME FUND****PORTFOLIO OF INVESTMENTS November 30,
2010 (UNAUDITED)**

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|---|--|--------------------------|--------------------------|--------------|
| Corporate Bonds and Notes: 29.81% | | | | |
| Consumer Discretionary: 4.55% | | | | |
| Auto Components: 0.52% | | | | |
| \$ 215,000 | <i>Cooper Tire & Rubber Company</i> | 7.63% | 03/15/2027 | \$ 202,100 |
| 335,000 | <i>Goodyear Tire & Rubber Company</i> | 10.50 | 05/15/2016 | 366,825 |
| | | | | 568,925 |
| Automobiles: 0.22% | | | | |
| 235,000 | <i>Ford Motor Credit Company</i> | 9.88 | 08/10/2011 | 246,199 |
| Diversified Consumer Services: 0.94% | | | | |
| 185,000 | <i>Carriage Services Incorporated</i> | 7.88 | 01/15/2015 | 183,844 |
| 40,000 | <i>Service Corporation International</i> | 8.00 | 11/15/2021 | 42,000 |
| 465,000 | <i>Service Corporation International</i> | 7.50 | 04/01/2027 | 449,888 |
| 325,000 | <i>Stonemor Operating LLC</i> | 10.25 | 12/01/2017 | 352,625 |
| | | | | 1,028,357 |
| Hotels, Restaurants & Leisure: 0.71% | | | | |
| 75,000 | <i>Ameristar Casinos Incorporated</i> | 9.25 | 06/01/2014 | 80,250 |
| 100,000 | <i>Chukchansi Economic Development Authority</i> | 3.94 | 11/15/2012 | 65,500 |
| 50,000 | <i>DineEquity Incorporated</i> | 9.50 | 10/30/2018 | 51,750 |
| 225,000 | <i>Greektown Superholdings</i> | 13.00 | 07/01/2015 | 248,625 |
| 60,000 | <i>Scientific Games Corporation</i> | 9.25 | 06/15/2019 | 62,100 |
| 120,000 | <i>Speedway Motorsports Incorporated</i> | 8.75 | 06/01/2016 | 129,000 |
| 125,000 | <i>Yonkers Racing Corporation</i> | 11.38 | 07/15/2016 | 136,875 |
| | | | | 774,100 |
| Household Durables: 0.01% | | | | |
| 9,000 | <i>Sealy Mattress Corporation</i> | 10.88 | 04/15/2016 | 10,170 |
| Media: 1.93% | | | | |
| 25,000 | <i>AMC Entertainment Incorporated</i> | 8.75 | 06/01/2019 | 26,563 |
| 145,000 | <i>Cablevision Systems Corporation</i> | 8.63 | 09/15/2017 | 157,688 |

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| | | | | |
|--|---|-------|------------|-----------|
| 605,000 | <i>CCH II Capital Corporation</i> | 13.50 | 11/30/2016 | 711,631 |
| 595,000 | <i>Charter Communications Incorporated^{oo}</i> | 10.88 | 09/15/2014 | 663,425 |
| 115,000 | <i>DISH DBS Corporation</i> | 7.88 | 09/01/2019 | 120,750 |
| 50,000 | <i>Gray Television Incorporated</i> | 10.50 | 06/29/2015 | 50,000 |
| 25,000 | <i>Interactive Data Corporation</i> | 10.25 | 08/01/2018 | 27,000 |
| 50,000 | <i>LIN Television Corporation</i> | 8.38 | 04/15/2018 | 52,500 |
| 200,000 | <i>Regal Cinemas Corporation</i> | 8.63 | 07/15/2019 | 211,000 |
| 96,000 | <i>Salem Communications Corporation</i> | 9.63 | 12/15/2016 | 100,320 |
| | | | | 2,120,877 |
| Specialty Retail: 0.02% | | | | |
| 25,000 | <i>Rent-A-Center Incorporated</i> | 6.63 | 11/15/2020 | 24,625 |
| Textiles, Apparel & Luxury Goods: 0.20% | | | | |
| 200,000 | <i>Oxford Industries Incorporated</i> | 11.38 | 07/15/2015 | 224,500 |
| Consumer Staples: 0.21% | | | | |
| Food Products: 0.21% | | | | |
| 181,000 | <i>Dole Food Company Incorporated</i> | 13.88 | 03/15/2014 | 219,463 |
| 17,000 | <i>Smithfield Foods Incorporated</i> | 7.00 | 08/01/2011 | 17,680 |
| | | | | 237,143 |

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.

PORTFOLIO OF INVESTMENTS November 30, 2010 (UNAUDITED)
UTILITIES AND HIGH INCOME FUND

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|---|---|----------------------|----------------------|--------------|
| Energy: 4.67% | | | | |
| Energy Equipment & Services: 1.02% | | | | |
| \$ 110,000 | <i>Bristow Group Incorporated</i> | 7.50% | 09/15/2017 | \$ 115,500 |
| 225,000 | <i>Gulfmark Offshore Incorporated</i> | 7.75 | 07/15/2014 | 227,250 |
| 170,000 | <i>Hercules Offshore Incorporated</i> | 10.50 | 10/15/2017 | 135,150 |
| 260,000 | <i>Hornbeck Offshore Services Incorporated Series B</i> | 6.13 | 12/01/2014 | 257,400 |
| 230,000 | <i>Hornbeck Offshore Services Incorporated Series B</i> | 8.00 | 09/01/2017 | 231,725 |
| 10,000 | <i>Offshore Logistics Incorporated</i> | 6.13 | 06/15/2013 | 10,102 |
| 125,000 | <i>PHI Incorporated</i> | 8.63 | 10/15/2018 | 125,938 |
| 10,000 | <i>Pride International Incorporated</i> | 8.50 | 06/15/2019 | 11,400 |
| | | | | 1,114,465 |
| Oil, Gas & Consumable Fuels: 3.65% | | | | |
| 255,000 | <i>Chesapeake Energy Corporation</i> | 9.50 | 02/15/2015 | 285,600 |
| 5,000 | <i>Chesapeake Midstream Partner LP</i> | 0.00 | | 142,500 |
| 50,000 | <i>Coffeyville Resources</i> | 9.00 | 04/01/2015 | 53,250 |
| 100,000 | <i>Coffeyville Resources</i> | 10.88 | 04/01/2017 | 106,000 |
| 20,000 | <i>Connacher Oil & Gas Limited</i> | 11.75 | 07/15/2014 | 21,500 |
| 55,000 | <i>Connacher Oil & Gas Limited</i> | 10.25 | 12/15/2015 | 54,175 |
| 165,000 | <i>Consol Energy Incorporated</i> | 8.25 | 04/01/2020 | 178,613 |
| 45,000 | <i>El Paso Corporation</i> | 6.50 | 09/15/2020 | 46,490 |
| 100,000 | <i>El Paso Corporation</i> | 7.80 | 08/01/2031 | 104,142 |
| 90,000 | <i>El Paso Corporation</i> | 7.42 | 02/15/2037 | 88,617 |
| 75,000 | <i>El Paso Corporation Series MTN</i> | 7.75 | 01/15/2032 | 78,150 |
| 200,000 | <i>Energy Transfer Equity</i> | 7.50 | 10/15/2020 | 207,000 |
| 50,000 | <i>Ferrellgas LP</i> | 6.50 | 05/01/2021 | 49,250 |
| 75,000 | <i>Ferrellgas Partners LP</i> | 9.13 | 10/01/2017 | 82,500 |
| 65,000 | <i>Forest Oil Corporation</i> | 8.50 | 02/15/2014 | 70,525 |
| 95,000 | <i>Forest Oil Corporation</i> | 7.25 | 06/15/2019 | 96,900 |
| 220,000 | <i>Holly Corporation</i> | 9.88 | 06/15/2017 | 239,250 |
| 55,000 | <i>Newfield Exploration Company</i> | 6.88 | 02/01/2020 | 57,475 |
| 390,000 | <i>Peabody Energy Corporation</i> | 7.88 | 11/01/2026 | 427,050 |
| 10,000 | <i>Penn Virginia Corporation</i> | 10.38 | 06/15/2016 | 11,000 |
| 60,000 | <i>Petrohawk Energy Corporation</i> | 10.50 | 08/01/2014 | 67,650 |
| 95,000 | <i>Petrohawk Energy Corporation</i> | 7.88 | 06/01/2015 | 97,850 |
| 145,000 | <i>Pioneer Natural Resource Company</i> | 7.50 | 01/15/2020 | 161,761 |
| 325,000 | <i>Plains Exploration & Production Company</i> | 8.63 | 10/15/2019 | 354,250 |
| 25,000 | <i>Regency Energy Partners</i> | 6.88 | 12/01/2018 | 25,250 |
| 250,000 | <i>Sabine Pass LNG LP</i> | 7.25 | 11/30/2013 | 240,625 |

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| | | | | |
|---------|--|-------|------------|-----------|
| 100,000 | <i>Sabine Pass LNG LP</i> | 7.50 | 11/30/2016 | 92,250 |
| 290,000 | <i>Sandridge Energy Incorporated</i> | 8.75 | 01/15/2020 | 292,900 |
| 55,000 | <i>Stallion Oilfield Holdings Incorporated</i> | 10.50 | 02/15/2015 | 57,475 |
| 125,000 | <i>Tesoro Corporation</i> | 7.50 | 07/17/2012 | 124,495 |
| 90,000 | <i>Tesoro Corporation</i> | 9.75 | 06/01/2019 | 99,000 |
| | | | | 4,013,493 |

Financials: 6.52%

Capital Markets: 0.22%

| | | | | |
|---------|--|-------|------------|---------|
| 68,000 | <i>E*TRADE Financial Corporation</i> | 12.50 | 11/30/2017 | 78,370 |
| 100,000 | <i>Nuveen Investments Incorporated</i> | 10.50 | 11/15/2015 | 99,625 |
| 70,000 | <i>Penson Worldwide Incorporated</i> | 12.50 | 05/15/2017 | 63,700 |
| | | | | 241,695 |

Commercial Banks: 1.36%

| | | | | |
|-----------|-----------------------------------|-------|------------|-----------|
| 215,000 | <i>CapitalSource Incorporated</i> | 12.75 | 07/15/2014 | 258,000 |
| 1,025,000 | <i>Citigroup Incorporated</i> | 7.00 | 05/01/2013 | 1,026,281 |

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**WELLS FARGO ADVANTAGE UTILITIES AND
HIGH INCOME FUND****PORTFOLIO OF INVESTMENTS November 30,
2010 (UNAUDITED)**

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|--|---|--------------------------|--------------------------|--------------|
| Commercial Banks (continued) | | | | |
| \$ 200,000 | <i>Provident Funding Association</i> | 10.25% | 04/15/2017 | \$ 206,500 |
| | | | | 1,490,781 |
| Consumer Finance: 2.75% | | | | |
| 125,000 | <i>American General Finance Corporation</i> | 5.40 | 12/01/2015 | 97,500 |
| 25,000 | <i>American General Finance Corporation</i> | 6.50 | 09/15/2017 | 19,625 |
| 125,000 | <i>American General Finance Corporation</i> | 6.90 | 12/15/2017 | 99,063 |
| 75,000 | <i>Blue Acquisition Sub Incorporated</i> | 9.88 | 10/15/2018 | 78,563 |
| 125,000 | <i>Calpine Construction Finance Corporation</i> | 8.00 | 06/01/2016 | 131,563 |
| 130,000 | <i>Clearwire Communications Finance Corporation</i> | 12.00 | 12/01/2015 | 137,638 |
| 6,000 | <i>GMAC LLC</i> | 6.88 | 09/15/2011 | 6,143 |
| 146,000 | <i>GMAC LLC</i> | 6.88 | 08/28/2012 | 150,745 |
| 36,000 | <i>GMAC LLC</i> | 6.75 | 12/01/2014 | 36,810 |
| 144,801 | <i>Homer City Funding LLC</i> | 8.73 | 10/01/2026 | 132,493 |
| 75,000 | <i>International Lease Finance Corporation</i> | 8.63 | 09/15/2015 | 79,125 |
| 140,000 | <i>International Lease Finance Corporation</i> | 4.75 | 01/13/2012 | 139,650 |
| 275,000 | <i>International Lease Finance Corporation</i> | 5.30 | 05/01/2012 | 274,656 |
| 50,000 | <i>International Lease Finance Corporation Series MTN</i> | 5.75 | 06/15/2011 | 50,125 |
| 420,000 | <i>JBS USA Finance Incorporated</i> | 11.63 | 05/01/2014 | 489,300 |
| 75,000 | <i>Nielsen Finance LLC Company</i> | 11.50 | 05/01/2016 | 85,500 |
| 25,000 | <i>Nielsen Finance LLC Company</i> | 7.75 | 10/15/2018 | 25,438 |
| 285,000 | <i>Sprint Capital Corporation</i> | 8.38 | 03/15/2012 | 299,963 |
| 120,000 | <i>Sprint Capital Corporation</i> | 6.90 | 05/01/2019 | 114,900 |
| 675,000 | <i>Sprint Capital Corporation</i> | 6.88 | 11/15/2028 | 573,750 |
| | | | | 3,022,550 |
| Diversified Financial Services: 1.28% | | | | |
| 825,000 | <i>Ally Financial Incorporated</i> | 8.30 | 02/12/2015 | 868,313 |
| 50,000 | <i>Dunkin Finance Corporation</i> | 9.63 | 12/01/2018 | 50,313 |
| 313,000 | <i>Leucadia National Corporation</i> | 8.13 | 09/15/2015 | 339,605 |
| 175,000 | <i>Nuveen Investments</i> | 5.50 | 09/15/2015 | 146,344 |
| | | | | 1,404,575 |

Insurance: 0.14%

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| | | | | |
|---------|---|-------|------------|---------|
| 100,000 | <i>Emigrant Bancorp Incorporated</i> | 6.25 | 06/15/2014 | 83,287 |
| 75,000 | <i>Hub International Holdings Incorporated 144a</i> | 10.25 | 06/15/2015 | 75,000 |
| | | | | 158,287 |

Real Estate Investment Trusts (REIT): 0.77%

| | | | | |
|---------|--|------|------------|---------|
| 565,000 | <i>Dupont Fabros Technology Incorporated</i> | 8.50 | 12/15/2017 | 611,613 |
| 30,000 | <i>Host Marriott Corporation</i> | 9.00 | 05/15/2017 | 33,375 |
| 100,000 | <i>Omega Healthcare Investors Incorporated</i> | 6.75 | 10/15/2022 | 99,750 |
| 90,000 | <i>Ventas Incorporated</i> | 9.00 | 05/01/2012 | 95,572 |
| | | | | 840,310 |

Health Care: 1.12%

Health Care Equipment & Supplies: 0.18%

| | | | | |
|---------|--------------------------------------|-------|------------|---------|
| 60,000 | <i>Biomet Incorporated</i> | 10.38 | 10/15/2017 | 65,400 |
| 100,000 | <i>Biomet Incorporated</i> | 11.63 | 10/15/2017 | 110,250 |
| 25,000 | <i>Cooper Companies Incorporated</i> | 7.13 | 02/15/2015 | 25,625 |
| | | | | 201,275 |

Health Care Providers & Services: 0.82%

| | | | | |
|---------|---------------------------------|-------|------------|---------|
| 120,000 | <i>Apria Healthcare Group I</i> | 11.25 | 11/01/2014 | 130,500 |
|---------|---------------------------------|-------|------------|---------|

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PORTFOLIO OF INVESTMENTS November 30, 2010 (UNAUDITED)
UTILITIES AND HIGH INCOME FUND

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|---|--|----------------------|----------------------|--------------|
| Health Care Providers & Services (continued) | | | | |
| \$ 400,000 | <i>HCA Incorporated</i> | 9.25% | 11/15/2016 | \$ 428,000 |
| 129,000 | <i>HCA Incorporated</i> | 9.63 | 11/15/2016 | 137,869 |
| 25,000 | <i>Healthsouth Corporation</i> | 7.25 | 10/01/2018 | 25,438 |
| 25,000 | <i>Healthsouth Corporation</i> | 7.75 | 09/15/2022 | 25,719 |
| 50,000 | <i>Omnicare Incorporated</i> | 6.88 | 12/15/2015 | 50,500 |
| 100,000 | <i>Sabra Health Care Corporation</i> | 8.13 | 11/01/2018 | 101,000 |
| | | | | 899,026 |
| Life Sciences Tools & Services: 0.05% | | | | |
| 50,000 | <i>Community Health Systems Incorporated Series WI</i> | 8.88 | 07/15/2015 | 52,313 |
| Pharmaceuticals: 0.07% | | | | |
| 25,000 | <i>Mylan Incorporated</i> | 6.00 | 11/15/2018 | 24,375 |
| 25,000 | <i>Mylan Incorporated</i> | 7.63 | 07/15/2017 | 26,500 |
| 25,000 | <i>Mylan Incorporated</i> | 7.88 | 07/15/2020 | 26,656 |
| | | | | 77,531 |
| Industrials: 2.88% | | | | |
| Aerospace & Defense: 1.20% | | | | |
| 225,000 | <i>Alliant Techsystems Incorporated</i> | 6.75 | 04/01/2016 | 228,375 |
| 50,000 | <i>Digitalglobe Incorporated</i> | 10.50 | 05/01/2014 | 56,500 |
| 55,000 | <i>Geoeye Incorporated</i> | 9.63 | 10/01/2015 | 61,600 |
| 160,000 | <i>Hexcel Corporation</i> | 6.75 | 02/01/2015 | 162,400 |
| 130,000 | <i>Kratos Defense & Security</i> | 10.00 | 06/01/2017 | 145,113 |
| 216,000 | <i>L-3 Communications Holdings Incorporated</i> | 5.88 | 01/15/2015 | 220,050 |
| 360,000 | <i>L-3 Communications Holdings Incorporated</i> | 6.38 | 10/15/2015 | 370,800 |
| 70,000 | <i>Wyle Services Corporation</i> | 10.50 | 04/01/2018 | 68,950 |
| | | | | 1,313,788 |
| Commercial Services & Supplies: 0.97% | | | | |
| 25,000 | <i>Brickman Group Holdings</i> | 9.13 | 11/01/2018 | 25,313 |
| 220,000 | <i>Casella Waste Systems Incorporated</i> | 11.00 | 07/15/2014 | 239,800 |
| 60,000 | <i>Corrections Corporation of America</i> | 6.25 | 03/15/2013 | 60,300 |

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| | | | | |
|---------|---|-------|------------|-----------|
| 95,000 | <i>Corrections Corporation of America</i> | 7.75 | 06/01/2017 | 103,550 |
| 100,000 | <i>Geo Group Incorporated</i> | 7.75 | 10/15/2017 | 106,000 |
| 5,000 | <i>Interface Incorporated</i> | 11.38 | 11/01/2013 | 6,138 |
| 155,000 | <i>Iron Mountain Incorporated</i> | 8.38 | 08/15/2021 | 169,725 |
| 75,000 | <i>Kar Holdings Incorporated ±</i> | 4.29 | 05/01/2014 | 69,750 |
| 25,000 | <i>Kar Holdings Incorporated</i> | 10.00 | 05/01/2015 | 26,438 |
| 150,000 | <i>NCO Group Incorporated</i> | 11.88 | 11/15/2014 | 102,000 |
| 155,000 | <i>SGS International Incorporated</i> | 12.00 | 12/15/2013 | 159,456 |
| | | | | 1,068,470 |

Construction & Engineering: 0.18%

| | | | | |
|---------|-------------------------|------|------------|---------|
| 200,000 | <i>GCI Incorporated</i> | 7.25 | 02/15/2014 | 203,250 |
|---------|-------------------------|------|------------|---------|

Industrial Conglomerates: 0.21%

| | | | | |
|---------|-------------------------------|------|------------|---------|
| 215,000 | <i>Otter Tail Corporation</i> | 9.00 | 12/15/2016 | 230,050 |
|---------|-------------------------------|------|------------|---------|

Machinery: 0.27%

| | | | | |
|---------|--|-------|------------|---------|
| 55,000 | <i>Cleaver-Brooks Incorporated</i> | 12.25 | 05/01/2016 | 58,025 |
| 181,050 | <i>Commercial Vehicle Group Incorporated</i> | 13.00 | 02/15/2013 | 185,576 |
| 25,000 | <i>Thermadyne Holdings Corporation</i> | 9.00 | 12/15/2017 | 25,188 |

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|--|--|--------------------------|--------------------------|--------------|
| Machinery (continued) | | | | |
| \$ 25,000 | <i>Titan International Incorporated</i> | 7.88% | 10/01/2017 | \$ 26,000 |
| | | | | 294,789 |
| Road & Rail: 0.05% | | | | |
| 50,000 | <i>RailAmerica Incorporated</i> | 9.25 | 07/01/2017 | 54,750 |
| Information Technology: 1.91% | | | | |
| Communications Equipment: 0.25% | | | | |
| 155,000 | <i>Lucent Technologies Incorporated</i> | 6.45 | 03/15/2029 | 125,550 |
| 160,000 | <i>Lucent Technologies Incorporated Series B</i> | 2.88 | 06/15/2025 | 151,800 |
| | | | | 277,350 |
| Electronic Equipment & Instruments: 1.11% | | | | |
| 105,000 | <i>Intcomex Incorporated</i> | 13.25 | 12/15/2014 | 111,431 |
| 620,000 | <i>Jabil Circuit Incorporated</i> | 8.25 | 03/15/2018 | 706,800 |
| 160,000 | <i>Kemet Corporation</i> | 10.50 | 05/01/2018 | 171,200 |
| 50,000 | <i>Sungard Data Systems Incorporated</i> | 7.38 | 11/15/2018 | 49,500 |
| 50,000 | <i>Sungard Data Systems Incorporated</i> | 7.63 | 11/15/2020 | 50,000 |
| 115,000 | <i>Viasystem Group Incorporated</i> | 12.00 | 01/15/2015 | 128,800 |
| | | | | 1,217,731 |
| Internet Software & Services: 0.25% | | | | |
| 95,000 | <i>Equinix Incorporated</i> | 8.13 | 03/01/2018 | 99,513 |
| 150,000 | <i>Terremark Worldwide Incorporated</i> | 12.00 | 06/15/2017 | 169,500 |
| | | | | 269,013 |
| IT Services: 0.30% | | | | |
| 175,000 | <i>SunGard Data Systems Incorporated</i> | 10.25 | 08/15/2015 | 181,563 |
| 70,000 | <i>Unisys Corporation</i> | 12.75 | 10/15/2014 | 83,475 |
| 55,000 | <i>Unisys Corporation</i> | 14.25 | 09/15/2015 | 66,138 |
| | | | | 331,176 |

Materials: 1.91%**Chemicals: 0.68%**

| | | | | |
|---------|---|-------|------------|---------|
| 40,000 | <i>CPG International Incorporated ±</i> | 7.50 | 07/01/2012 | 39,750 |
| 140,000 | <i>CPG International Incorporated</i> | 10.50 | 07/01/2013 | 142,275 |
| 140,000 | <i>Huntsman International LLC</i> | 5.50 | 06/30/2016 | 135,450 |
| 75,000 | <i>LBI Escrow Corporation</i> | 8.00 | 11/01/2017 | 80,906 |
| 240,241 | <i>Lyondell Chemical Company</i> | 11.00 | 05/01/2018 | 267,268 |
| 50,000 | <i>Solutia Incorporated</i> | 7.88 | 03/15/2020 | 53,875 |
| 25,000 | <i>Vertellus Specialties</i> | 9.38 | 10/01/2015 | 26,063 |
| | | | | 745,587 |

Construction Materials: 0.29%

| | | | | |
|---------|---------------------------------------|-------|------------|---------|
| 150,000 | <i>CPG International Incorporated</i> | 10.63 | 09/01/2014 | 159,000 |
| 145,000 | <i>Headwaters Incorporated</i> | 11.38 | 11/01/2014 | 156,056 |
| | | | | 315,056 |

Containers & Packaging: 0.36%

| | | | | |
|---------|------------------------------------|-------|------------|---------|
| 280,000 | <i>Exopack Holding Corporation</i> | 11.25 | 02/01/2014 | 288,400 |
|---------|------------------------------------|-------|------------|---------|

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UTILITIES AND HIGH INCOME FUND

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|--|--|----------------------|----------------------|--------------|
| Containers & Packaging (continued) | | | | |
| \$ 100,000 | <i>Graham Packaging Company Incorporated</i> | 9.88% | 10/15/2014 | \$ 103,500 |
| | | | | 391,900 |
| Metals & Mining: 0.30% | | | | |
| 295,000 | <i>Freeport-McMoRan Copper & Gold Incorporated</i> | 8.38 | 04/01/2017 | 329,515 |
| Paper & Forest Products: 0.28% | | | | |
| 70,000 | <i>Clearwater Paper Corporation</i> | 10.63 | 06/15/2016 | 80,325 |
| 75,000 | <i>Georgia-Pacific Corporation</i> | 7.00 | 01/15/2015 | 77,250 |
| 125,000 | <i>Georgia-Pacific Corporation</i> | 8.88 | 05/15/2031 | 153,750 |
| | | | | 311,325 |
| Telecommunication Services: 2.99% | | | | |
| Diversified Telecommunication Services: 1.88% | | | | |
| 35,000 | <i>Cincinnati Bell Incorporated</i> | 8.25 | 10/15/2017 | 33,950 |
| 475,000 | <i>Citizens Communications Company</i> | 7.88 | 01/15/2027 | 465,500 |
| 140,000 | <i>Frontier Communications Corporation</i> | 8.25 | 05/01/2014 | 154,700 |
| 220,000 | <i>Frontier Communications Corporation</i> | 8.25 | 04/15/2017 | 242,000 |
| 60,000 | <i>Frontier Communications Corporation</i> | 8.13 | 10/01/2018 | 66,000 |
| 350,000 | <i>Qwest Corporation</i> | 8.88 | 03/15/2012 | 380,625 |
| 20,000 | <i>Qwest Corporation</i> | 7.63 | 08/03/2021 | 20,500 |
| 180,000 | <i>Qwest Corporation</i> | 7.50 | 06/15/2023 | 178,200 |
| 125,000 | <i>U.S. West Communications Incorporated</i> | 7.25 | 09/15/2025 | 134,688 |
| 120,000 | <i>U.S. West Communications Incorporated</i> | 7.13 | 11/15/2043 | 115,500 |
| 265,000 | <i>Windstream Corporation</i> | 7.88 | 11/01/2017 | 278,250 |
| | | | | 2,069,913 |
| Wireless Telecommunication Services: 1.11% | | | | |
| 50,000 | <i>Allbritton Communication</i> | 8.00 | 05/15/2018 | 49,625 |
| 75,000 | <i>Cricket Communications Incorporated Series I</i> | 7.75 | 05/15/2016 | 76,688 |
| 10,000 | <i>Crown Castle International Corporation</i> | 7.13 | 11/01/2019 | 10,825 |
| 75,000 | <i>Intelsat Corporation</i> | 9.25 | 06/15/2016 | 78,938 |
| 375,000 | <i>Intelsat Subsidiary Holding Company Limited</i> | 8.50 | 01/15/2013 | 375,000 |
| 150,000 | <i>MetroPCS Communications Incorporated</i> | 6.63 | 11/15/2020 | 142,875 |

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| | | | | |
|---------|---|------|------------|-----------|
| 25,000 | <i>Metropcs Wireless Incorporated</i> | 7.88 | 09/01/2018 | 25,906 |
| 475,000 | <i>Sprint Nextel Corporation Series D</i> | 7.38 | 08/01/2015 | 458,375 |
| | | | | 1,218,232 |

Utilities: 3.05%

Electric Utilities: 2.08%

| | | | | |
|---------|---|-------|------------|-----------|
| 794,000 | <i>Aquila Incorporated^{oo}</i> | 11.88 | 07/01/2012 | 907,605 |
| 110,000 | <i>Edison Mission Energy</i> | 7.20 | 05/15/2019 | 84,700 |
| 46,751 | <i>Energy Future Holdings Corporation</i> | 12.00 | 11/01/2017 | 28,986 |
| 438,432 | <i>Mirant Mid-Atlantic LLC Series C</i> | 10.06 | 12/30/2028 | 488,852 |
| 260,000 | <i>Mirant North America LLC</i> | 7.38 | 12/31/2013 | 263,900 |
| 150,000 | <i>NRG Energy Incorporated</i> | 7.38 | 02/01/2016 | 150,750 |
| 175,000 | <i>NRG Energy Incorporated</i> | 7.38 | 01/15/2017 | 176,750 |
| 185,000 | <i>NRG Energy Incorporated</i> | 8.50 | 06/15/2019 | 187,775 |
| | | | | 2,289,318 |

Independent Power Producers & Energy Traders: 0.97%

| | | | | |
|---------|---|------|------------|---------|
| 95,000 | <i>AES Corporation</i> | 8.88 | 02/15/2011 | 95,713 |
| 250,000 | <i>Calpine Construction Finance Corporation</i> | 7.25 | 10/15/2017 | 248,750 |
| 190,000 | <i>Dynegy Holding Incorporated</i> | 7.63 | 10/15/2026 | 114,000 |

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.

**WELLS FARGO ADVANTAGE UTILITIES AND
HIGH INCOME FUND****PORTFOLIO OF INVESTMENTS November 30,
2010 (UNAUDITED)**

| Principal | Security Name | Interest Rate | Maturity Date | Value |
|--|---|--------------------------|--------------------------|--------------|
| Independent Power Producers & Energy Traders | | | | |
| (continued) | | | | |
| \$ 108,798 | <i>Reliant Energy Incorporated</i> | 9.24% | 07/02/2017 | \$ 117,502 |
| 10,000 | <i>Reliant Energy Incorporated</i> | 9.68 | 07/02/2026 | 10,675 |
| 50,000 | <i>RRI Energy Incorporated</i> | 7.63 | 06/15/2014 | 50,000 |
| 391,000 | <i>RRI Energy Incorporated</i> | 6.75 | 12/15/2014 | 396,865 |
| 30,000 | <i>RRI Energy Incorporated</i> | 7.88 | 06/15/2017 | 27,300 |
| | | | | 1,060,805 |
| Total Corporate Bonds and Notes (Cost \$30,858,218) | | | | 32,743,215 |
| Yankee Corporate Bonds and Notes: 0.86% | | | | |
| Energy: 0.43% | | | | |
| Oil, Gas & Consumable Fuels: 0.43% | | | | |
| 225,000 | <i>General Maritime Corporation</i> | 12.00 | 11/15/2017 | 225,000 |
| 321,000 | <i>Griffin Coal Mining Company Limited^</i> | 1.16 | 12/31/2049 | 203,033 |
| 60,000 | <i>OPTI Canada Incorporated</i> | 7.88 | 12/15/2014 | 41,250 |
| | | | | 469,283 |
| Financials: 0.21% | | | | |
| Consumer Finance: 0.11% | | | | |
| 110,000 | <i>Wind Acquisition Finance SA</i> | 11.75 | 07/15/2017 | 122,100 |
| Diversified Financial Services: 0.10% | | | | |
| 105,000 | <i>Ship Finance International Limited</i> | 8.50 | 12/15/2013 | 106,575 |
| Materials: 0.19% | | | | |
| Metals & Mining: 0.06% | | | | |
| 55,000 | <i>Teck Resources Limited</i> | 10.75 | 05/15/2019 | 71,500 |
| Paper & Forest Products: 0.13% | | | | |

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| | | | | |
|---------|----------------------|------|------------|---------|
| 55,000 | <i>Sappi Limited</i> | 6.75 | 06/15/2012 | 56,513 |
| 100,000 | <i>Sappi Limited</i> | 7.50 | 06/15/2032 | 85,000 |
| | | | | 141,513 |

Telecommunication Services: 0.03%

Diversified Telecommunication Services: 0.01%

| | | | | |
|-------|--------------------------------|-------|------------|-------|
| 5,000 | <i>Global Crossing Limited</i> | 12.00 | 09/15/2015 | 5,625 |
|-------|--------------------------------|-------|------------|-------|

Wireless Telecommunication Services: 0.02%

| | | | | |
|--------|------------------------------|-------|------------|--------|
| 20,000 | <i>Digicel Group Limited</i> | 12.00 | 04/01/2014 | 23,200 |
|--------|------------------------------|-------|------------|--------|

Total Yankee Corporate Bonds and Notes (Cost \$910,678) 939,796

Shares

Common Stocks: 65.74%

Consumer Discretionary: 0.91%

Media: 0.91%

| | | | | |
|--------|------------------------------------|--|--|-----------|
| 50,000 | <i>Comcast Corporation Class A</i> | | | 1,000,000 |
|--------|------------------------------------|--|--|-----------|

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.

PORTFOLIO OF INVESTMENTS November 30, 2010 (UNAUDITED)
UTILITIES AND HIGH INCOME FUND

| Shares | Security Name | Value |
|--|---|------------|
| Energy: 4.58% | | |
| Oil, Gas & Consumable Fuels: 4.58% | | |
| 15,000 | <i>EQT Corporation</i> | \$ 607,050 |
| 25,000 | <i>Southwestern Energy Company</i> | 905,000 |
| 100,000 | <i>Spectra Energy Corporation</i> | 2,377,000 |
| 50,000 | <i>The Williams Companies Incorporated</i> | 1,140,500 |
| | | 5,029,550 |
| Financials: 4.17% | | |
| Consumer Finance: 4.17% | | |
| 10,000 | <i>MasterCard Incorporated</i> | 2,370,300 |
| 30,000 | <i>Visa Incorporated Class A</i> | 2,215,500 |
| | | 4,585,800 |
| Industrials: 0.11% | | |
| Construction & Engineering: 0.11% | | |
| 9,000 | <i>Ameresco Incorporated Class A</i> | 116,550 |
| Information Technology: 0.18% | | |
| IT Services: 0.18% | | |
| 15,000 | <i>Convergys Corporation</i> | 193,350 |
| Telecommunication Services: 7.03% | | |
| Diversified Telecommunication Services: 2.32% | | |
| 16,000 | <i>BCE Incorporated</i> | 542,080 |
| 40,000 | <i>Shenandoah Telecommunications Company(i)</i> | 699,600 |
| 100,000 | <i>Windstream Corporation</i> | 1,304,000 |
| | | 2,545,680 |
| Wireless Telecommunication Services: 4.71% | | |
| 368,250 | <i>Portugal Telecom SGPS SA ADR</i> | 4,702,553 |
| 12,000 | <i>Vivo Participacoes SA ADR</i> | 346,440 |

| | | |
|-------|-------------------------------|-----------|
| 5,000 | <i>Vodafone Group plc ADR</i> | 125,300 |
| | | 5,174,293 |

Utilities: 48.76%**Electric Utilities: 26.50%**

| | | |
|---------|---|-----------|
| 600 | <i>American Electric Power Company Incorporated</i> | 21,360 |
| 50,000 | <i>CenterPoint Energy Incorporated</i> | 781,500 |
| 500 | <i>CH Energy Group Incorporated</i> | 23,320 |
| 200 | <i>Chesapeake Utilities Corporation</i> | 7,518 |
| 10,000 | <i>China Hydroelectric Company ADR</i> | 74,900 |
| 75,000 | <i>DPL Incorporated</i> | 1,899,750 |
| 500 | <i>Duke Energy Corporation</i> | 8,775 |
| 2,000 | <i>Edison International</i> | 73,880 |
| 1,000 | <i>Entergy Corporation</i> | 71,240 |
| 70,000 | <i>Exelon Corporation</i> | 2,755,900 |
| 25,000 | <i>FirstEnergy Corporation</i> | 877,750 |
| 150,000 | <i>Great Plains Energy Incorporated</i> | 2,797,500 |

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.

**WELLS FARGO ADVANTAGE UTILITIES AND
HIGH INCOME FUND****PORTFOLIO OF INVESTMENTS November 30,
2010 (UNAUDITED)**

| Shares | Security Name | Value |
|--|---|--------------|
| Electric Utilities (continued) | | |
| 200,000 | <i>Hawaiian Electric Industries Incorporated</i> | \$ 4,378,000 |
| 36,000 | <i>ITC Holdings Corporation</i> | 2,179,800 |
| 70,000 | <i>Nextera Energy Incorporated</i> | 3,543,400 |
| 150,000 | <i>Northeast Utilities</i> | 4,665,000 |
| 1,000 | <i>NSTAR</i> | 41,400 |
| 75,000 | <i>NV Energy Incorporated</i> | 1,026,750 |
| 100 | <i>Pepco Holdings Incorporated</i> | 1,835 |
| 75,000 | <i>Portland General Electric Company</i> | 1,587,750 |
| 400 | <i>Progress Energy Incorporated</i> | 17,476 |
| 200 | <i>South Jersey Industries Incorporated</i> | 10,238 |
| 60,000 | <i>The Southern Company</i> | 2,263,200 |
| | | 29,108,242 |
| Gas Utilities: 7.95% | | |
| 25,000 | <i>El Paso Corporation</i> | 337,250 |
| 500 | <i>MDU Resources Group Incorporated</i> | 10,220 |
| 40,000 | <i>National Fuel Gas Company</i> | 2,534,400 |
| 200 | <i>New Jersey Resources Corporation</i> | 8,622 |
| 100,000 | <i>Niska Gas Storage Partners</i> | 1,998,000 |
| 48,500 | <i>ONEOK Incorporated</i> | 3,841,685 |
| | | 8,730,177 |
| Independent Power Producers & Energy Traders: 2.58% | | |
| 100,000 | <i>Constellation Energy Group Incorporated</i> | 2,836,000 |
| Multi-Utilities: 6.97% | | |
| 300 | <i>Dominion Resources Incorporated</i> | 12,459 |
| 96,000 | <i>PG&E Corporation</i> | 4,505,280 |
| 50,000 | <i>Public Service Enterprise Group Incorporated</i> | 1,541,500 |
| 19,900 | <i>Sempra Energy</i> | 996,791 |
| 30,000 | <i>TECO Energy Incorporated</i> | 502,500 |
| 1,500 | <i>Wisconsin Energy Corporation</i> | 90,330 |
| | | 7,648,860 |
| Water Utilities: 4.76% | | |
| 50,000 | <i>American Water Works Company Incorporated</i> | 1,225,500 |

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| | | |
|--|--------------------------------|------------|
| 25,000 | <i>Middlesex Water Company</i> | 436,500 |
| 130,000 | <i>Pennichuck Corporation</i> | 3,568,500 |
| | | 5,230,500 |
| Total Common Stocks (Cost \$65,543,441) | | 72,199,002 |

Preferred Stocks: 12.08%

Utilities: 12.08%

Yield

Electric Utilities: 7.93%

| | | | |
|---------|----------------------------------|-------|-----------|
| 50,000 | Great Plains Energy Incorporated | 4.62% | 3,087,500 |
| 136,613 | Interstate Power & Light Company | 3.87 | 3,952,214 |
| 21,082 | Union Electric Company | 3.21 | 1,676,019 |
| | | | 8,715,733 |

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.

PORTFOLIO OF INVESTMENTS November 30, 2010 (UNAUDITED)
UTILITIES AND HIGH INCOME FUND

| Shares | Security Name | Yield | Value |
|---|--------------------------|-------|--------------|
| Multi-Utilities: 4.15% | | | |
| 165,000 | <i>Scana Corporation</i> | 3.11 | \$ 4,554,000 |
| Total Preferred Stocks (Cost \$12,828,379) | | | 13,269,733 |

| Warrants: 0.00% | | Expiration date | |
|---------------------------------------|--|-----------------|-------|
| Utilities: 0.00% | | | |
| Electric Utilities: 0.00% | | | |
| 10,000 | <i>China Hydroelectric Company ADR</i> | 01/25/2014 | 4,600 |
| Total Warrants (Cost \$12,000) | | | 4,600 |

| Investment Companies: 0.10% | | | |
|---|--|--|---------|
| 5,123 | <i>Dreyfus High Yield Strategies Fund Incorporated</i> | | 23,156 |
| 1,700 | <i>Eaton Vance Limited Duration Income Trust</i> | | 27,506 |
| 1,624 | <i>LMP Corporate Loan Fund Incorporated</i> | | 18,676 |
| 3,673 | <i>New America High Income Fund Incorporated</i> | | 38,309 |
| Total Investment Companies (Cost \$53,436) | | | 107,647 |

| Principal | | Interest Rate | Maturity Date | |
|--------------------------|---|---------------|---------------|---------|
| Term Loans: 2.47% | | | | |
| \$ 148,875 | <i>Blackstone Group LP</i> | 7.75% | 11/02/2014 | 150,364 |
| 18,282 | <i>Capital Automotive REIT</i> | 1.75 | 12/16/2010 | 18,206 |
| 248,476 | <i>Capital Automotive REIT</i> | 2.50 | 12/14/2012 | 246,302 |
| 199,551 | <i>Coinmach Corporation <</i> | 3.00 | 11/20/2014 | 172,712 |
| 33,023 | <i>Federal Mogul Corporation</i> | 1.94 | 12/29/2014 | 29,650 |
| 16,849 | <i>Federal Mogul Corporation</i> | 1.94 | 12/28/2015 | 15,128 |
| 75,000 | <i>First Data Corporation</i> | 2.75 | 09/24/2014 | 67,406 |
| 100,000 | <i>First Data Corporation <</i> | 2.75 | 09/24/2014 | 89,857 |
| 125,000 | <i>First Data Corporation</i> | 2.75 | 09/24/2014 | 112,379 |
| 74,194 | <i>Gray Television Incorporated</i> | 3.50 | 12/31/2014 | 72,061 |
| 124,807 | <i>Local TV Finance LLC</i> | 2.00 | 05/07/2013 | 118,358 |
| 101,846 | <i>Merisant Company</i> | 4.50 | 01/08/2014 | 94,590 |
| 75,000 | <i>NCO Group Incorporated</i> | 5.00 | 11/15/2013 | 71,775 |
| 365,000 | <i>Newsday LLC</i> | 10.50 | 08/01/2013 | 388,269 |
| 23,886 | <i>Panolam Industries International</i> | 6.00 | 12/31/2013 | 21,946 |
| 18,367 | <i>Realogy Corporation</i> | 3.00 | 10/10/2013 | 16,939 |
| 134,745 | <i>Realogy Corporation First Lien</i> | 3.00 | 10/10/2013 | 124,269 |
| 95,000 | | 8.25 | 09/23/2014 | 95,990 |

| | | | | |
|--|---|------|------------|------------------|
| | <i>Sugarhouse HSP Gaming Properties Limited Partnership</i> | | | |
| 1,048,779 | <i>TXU Energy Company LLC</i> | 3.50 | 10/10/2014 | 805,074 |
| Total Term Loans (Cost \$2,698,194) | | | | 2,711,275 |

Shares

Escrow Shares: 0.00%

| | | | | |
|-----------|--|--|--|---|
| 5,000,000 | <i>Mirant Corporation Escrow(i)(a)</i> | | | 0 |
|-----------|--|--|--|---|

| | | | | |
|---------------------------------------|--|--|--|----------|
| Total Escrow Shares (Cost \$0) | | | | 0 |
|---------------------------------------|--|--|--|----------|

Short-Term Investments: 9.49%

Investment Companies: 9.49%

| | | | | |
|---|--|--|--|-------------------|
| 10,421,150 | <i>Wells Fargo Advantage Cash Investment Money Market Fund(u)(l)</i> | | | 10,421,150 |
| Total Short-Term Investments (Cost \$10,421,150) | | | | 10,421,150 |

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.

| WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND | PORTFOLIO OF INVESTMENTS | November 30, 2010 (UNAUDITED) |
|---|---------------------------------|--|
| Total Investments in Securities (Cost \$123,325,496)* | 120.55% | 132,396,418 |
| <i>Other Assets and Liabilities, Net</i> | (20.55) | (22,569,159) |
| Total Net Assets | 100.00% | \$ 109,827,259 |

(i) Illiquid security.

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

(l) Investment in an affiliate.

∞ The rate shown is the stated rate at the current period end.

(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.

Non-income earning securities.

^ Zero coupon security. Rate represents yield to maturity.

± Variable rate investments.

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.

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

* Cost for federal income tax purposes is \$122,339,339 and net realized appreciation (depreciation) consist of:

| | |
|---------------------------------|-------------------|
| Gross unrealized appreciation | \$ 13,136,826 |
| Gross unrealized depreciation | (3,079,747) |
| Net unrealized appreciation | \$ 10,057,079 |

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.

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND
NOTES TO PORTFOLIO OF INVESTMENTS NOVEMBER 30, 2010 (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.

Securities denominated in foreign currencies are translated into U.S. dollars using the closing rates of exchange in effect on the day of valuation.

Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and therefore may not fully reflect trading or events that occur after the close of the principal exchange in which the foreign investments are traded but before the close of the New York Stock Exchange. If such trading or events are expected to materially affect the value of the investments, then those investments are fair valued following procedures approved by the Board of Trustees. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. Depending on market activity, such fair valuations may be frequent. Such fair value pricing may result in NAVs that are higher or lower than NAVs based on the closing price or latest quoted bid price.

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 Fund'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.

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 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 November 30, 2010, the Fund had unfunded loan commitments of \$113,313.

Valuation hierarchy

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 November 30, 2010, 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 |
|---|--|--|--|-----------------------|
| Equity securities | | | | |
| <i>Common stocks</i> | \$ 72,199,002 | \$ 0 | \$ 0 | \$ 72,199,002 |
| <i>Preferred stocks</i> | 11,593,714 | 1,676,019 | 0 | 13,269,733 |
| <i>Investment companies</i> | 107,647 | 0 | 0 | 107,647 |
| <i>Warrants</i> | 0 | 4,600 | 0 | 4,600 |
| Corporate bonds and notes | 0 | 32,126,186 | 617,029 | 32,743,215 |
| Term loans | 0 | 2,711,275 | 0 | 2,711,275 |
| Yankee corporate bonds and notes | 0 | 939,796 | 0 | 939,796 |
| Short-term investments | | | | |
| <i>Investment companies</i> | 10,421,150 | 0 | 0 | 10,421,150 |
| | \$ 94,321,513 | \$ 37,457,876 | \$ 617,029 | \$ 132,396,418 |

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

| | Corporate bonds and notes |
|--|---------------------------------|
| Balance as of August 31, 2010 | \$ 0 |
| Realized gains (losses) | 0 |
| Change in unrealized gains (losses) | 0 |
| Purchases | 0 |
| Sales | 0 |
| Transfers into Level 3 | 617,029 |
| Transfers out of Level 3 | 0 |
| Balance as of November 30, 2010 | \$ 617,029 |
| Change in unrealized gains (losses) included in earnings relating to securities still held at November 30, 2010 | \$ 0 |

ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Advantage Utilities and High 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.

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 Utilities and High Income
Fund

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

Date: January 26, 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 Utilities and High Income
Fund

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

Date: January 26, 2011

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

Date: January 26, 2011