

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

September 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: 811-21269

Wells Fargo Advantage Income Opportunities 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: **April 30, 2011**

Date of reporting period: **July 31, 2011**

ITEM 1. SCHEDULE OF INVESTMENTS

PORTFOLIO OF INVESTMENTS July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name		Shares	Value	
Common Stocks: 0.11%				
Consumer Discretionary: 0.00%				
Hotels, Restaurants & Leisure: 0.00%				
<i>Trump Entertainment Resorts Incorporated (a)</i>		2,149	\$	0
Telecommunication Services: 0.11%				
Diversified Telecommunication Services: 0.11%				
<i>Fairpoint Communications Incorporated</i>		134,375		1,021,253
Total Common Stocks (Cost \$3,109,746)				1,021,253
	Interest Rate	Maturity Date	Principal	
Convertible Debentures: 0.34%				
Information Technology: 0.34%				
Communications Equipment: 0.34%				
<i>Lucent Technologies Incorporated Series B</i>	2.88	06/15/2025	3,225,000	3,128,250
Total Convertible Debentures (Cost \$2,307,500)				3,128,250
Corporate Bonds and Notes: 86.58%				
Consumer Discretionary: 15.19%				
Auto Components: 1.66%				
<i>Allison Transmission Incorporated</i>	7.13%	05/15/2019	\$ 6,075,000	5,953,500
<i>Cooper Tire & Rubber Company</i>	7.63	03/15/2027	4,455,000	4,315,781
<i>Cooper Tire & Rubber Company</i>	8.00	12/15/2019	150,000	156,375
<i>Goodyear Tire & Rubber Company</i>	10.50	05/15/2016	4,440,000	5,000,550
				15,426,206
Diversified Consumer Services: 2.37%				
<i>Carriage Services Incorporated</i>	7.88	01/15/2015	4,055,000	4,105,688
<i>Service Corporation International</i>	6.75	04/01/2016	1,250,000	1,350,000
<i>Service Corporation International</i>	7.00	05/15/2019	1,125,000	1,200,938
<i>Service Corporation International</i>	7.50	04/01/2027	9,376,000	9,094,720
<i>Service Corporation International</i>	8.00	11/15/2021	880,000	972,400
<i>Service Corporation International Series WI</i>	7.00	06/15/2017	1,650,000	1,790,250
<i>StoneMor Operating LP</i>	10.25	12/01/2017	3,550,000	3,550,000
				22,063,996
Hotels, Restaurants & Leisure: 3.96%				
<i>American Casinos Incorporated</i>	7.50	04/15/2021	1,950,000	2,028,000
<i>Blue Merger Sub Incorporated</i>	7.63	02/15/2019	1,150,000	1,183,063
<i>Burger King Corporation</i>	9.88	10/15/2018	1,600,000	1,748,000
<i>Chukchansi Economic Development Authority ±</i>	3.92	11/15/2012	2,525,000	2,045,250
<i>Citycenter Holdings LLC</i>	7.63	01/15/2016	350,000	365,750

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

<i>Citycenter Holdings LLC</i> ¥	11.50	01/15/2017	2,111,166	2,269,503
<i>Dineequity Incorporated</i>	9.50	10/30/2018	3,050,000	3,351,188
<i>Greektown Superholdings Incorporated</i>	13.00	07/01/2015	6,662,000	7,453,113
<i>Greektown Superholdings Incorporated</i>	13.00	07/01/2015	1,625,000	1,809,844
<i>NAI Entertainment Holdings LLC</i>	8.25	12/15/2017	2,700,000	2,919,375
<i>Pinnacle Entertainment Incorporated</i>	7.50	06/15/2015	2,880,000	2,966,400
<i>Scientific Games Corporation</i>	9.25	06/15/2019	1,130,000	1,226,050
<i>Speedway Motorsports Incorporated</i>	6.75	02/01/2019	450,000	451,125
<i>Speedway Motorsports Incorporated</i>	8.75	06/01/2016	2,075,000	2,261,750

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Hotels, Restaurants & Leisure: (continued)				
<i>Yonkers Racing Corporation</i>	11.38%	07/15/2016	\$ 4,325,000	\$,692,625
				36,771,036
Household Durables: 0.02%				
<i>Sealy Mattress Company</i>	10.88	04/15/2016	144,000	160,920
Media: 5.94%				
<i>Cablevision Systems Corporation</i>	8.63	09/15/2017	2,975,000	3,287,375
<i>CCH II Capital Corporation</i>	13.50	11/30/2016	12,981,015	15,317,598
<i>CCO Holdings LLC</i>	8.13	04/30/2020	746,000	818,735
<i>Charter Communications Incorporated Step Bond</i>	8.00	04/30/2012	590,000	613,600
<i>Charter Communications Incorporated Step Bond</i>	10.88	09/15/2014	11,640,000	12,833,100
<i>Cinemark USA Incorporated</i>	7.38	06/15/2021	1,525,000	1,525,000
<i>Cinemark USA Incorporated</i>	8.63	06/15/2019	350,000	382,375
<i>CSC Holdings LLC</i>	7.88	02/15/2018	1,400,000	1,536,500
<i>CSC Holdings LLC</i>	8.50	04/15/2014	200,000	223,000
<i>DISH DBS Corporation</i>	7.88	09/01/2019	2,260,000	2,483,175
<i>EchoStar DBS Corporation</i>	7.75	05/31/2015	650,000	710,938
<i>Gray Television Incorporated</i>	10.50	06/29/2015	1,275,000	1,322,813
<i>Lamar Media Corporation Series C</i>	9.75	04/01/2014	675,000	780,469
<i>LIN Television Corporation</i>	8.38	04/15/2018	1,225,000	1,307,688
<i>Local TV Finance LLC ¥</i>	9.25	06/15/2015	2,400,000	2,394,000
<i>Regal Cinemas Corporation</i>	8.63	07/15/2019	5,050,000	5,428,750
<i>Salem Communications</i>	9.63	12/15/2016	2,886,000	3,059,160
<i>Sirius XM Radio Incorporated</i>	9.75	09/01/2015	250,000	277,500
<i>Sirius XM Radio Incorporated</i>	13.00	08/01/2014	815,000	955,588
				55,257,364
Multiline Retail: 0.14%				
<i>Saks Incorporated</i>	9.88	10/01/2011	1,270,000	1,284,406
Specialty Retail: 0.63%				
<i>Gap Incorporated</i>	5.95	04/12/2021	1,175,000	1,159,759
<i>Limited Brands Incorporated</i>	6.63	04/01/2021	925,000	957,375
<i>Radioshack Corporation</i>	6.75	05/15/2019	1,325,000	1,288,563
<i>Rent A Center Incorporated</i>	6.63	11/15/2020	700,000	708,750
<i>Toys R Us Property Company LLC</i>	8.50	12/01/2017	1,600,000	1,712,000
				5,826,447
Textiles, Apparel & Luxury Goods: 0.47%				
<i>Oxford Industrial Incorporated</i>	11.38	07/15/2015	3,850,000	4,355,313
Consumer Staples: 1.02%				
Beverages: 0.03%				
<i>Cott Beverages Incorporated</i>	8.38	11/15/2017	250,000	265,000
Food Products: 0.99%				
<i>Darling International Incorporated</i>	8.50	12/15/2018	250,000	275,313

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

<i>Dole Food Company Incorporated</i>	13.88	03/15/2014	3,075,000	3,690,000
<i>Smithfield Foods Incorporated</i>	10.00	07/15/2014	4,465,000	5,218,469
				9,183,782

Energy: 13.04%

Energy Equipment & Services: 2.63%

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Energy Equipment & Services (continued)				
<i>Bristow Group Incorporated</i>	7.50%	09/15/2017	\$ 2,210,000	\$ 2,314,975
<i>Dresser Rand Group Incorporated</i>	6.50	05/01/2021	1,825,000	1,879,750
<i>Gulfmark Offshore Incorporated</i>	7.75	07/15/2014	3,395,000	3,424,706
<i>Hornbeck Offshore Services Incorporated Series B</i>	6.13	12/01/2014	5,325,000	5,325,000
<i>Hornbeck Offshore Services Incorporated Series B</i>	8.00	09/01/2017	4,920,000	5,030,700
<i>Oil States International Incorporated</i>	6.50	06/01/2019	500,000	510,000
<i>Parker Drilling Company</i>	9.13	04/01/2018	860,000	915,900
<i>PHI Incorporated</i>	8.63	10/15/2018	4,650,000	4,766,250
<i>Pride International Incorporated</i>	8.50	06/15/2019	210,000	271,285
				24,438,566
Oil, Gas & Consumable Fuels: 10.41%				
<i>Amerigas Partner Financial Corporation</i>	6.25	08/20/2019	500,000	501,250
<i>Chesapeake Energy Corporation</i>	9.50	02/15/2015	5,085,000	5,974,875
<i>Cloud Peak Energy Resources LLC</i>	8.25	12/15/2017	200,000	214,000
<i>Cloud Peak Energy Resources LLC</i>	8.50	12/15/2019	250,000	270,313
<i>Coffeyville Resources Incorporated</i>	9.00	04/01/2015	1,722,000	1,872,675
<i>Consol Energy Incorporated</i>	8.25	04/01/2020	2,665,000	2,964,813
<i>Denbury Resources Incorporated</i>	6.38	08/15/2021	700,000	721,000
<i>Denbury Resources Incorporated</i>	8.25	02/15/2020	850,000	939,250
<i>El Paso Corporation</i>	6.50	09/15/2020	1,155,000	1,285,180
<i>El Paso Corporation</i>	6.88	06/15/2014	325,000	363,081
<i>El Paso Corporation</i>	7.00	06/15/2017	375,000	434,391
<i>El Paso Corporation</i>	7.25	06/01/2018	3,224,000	3,740,362
<i>El Paso Corporation</i>	7.42	02/15/2037	1,820,000	2,124,668
<i>El Paso Corporation</i>	7.80	08/01/2031	3,050,000	3,613,518
<i>Energy Transfer Equity LP</i>	7.50	10/15/2020	5,950,000	6,366,500
<i>Ferrellgas Finance Corporation</i>	6.50	05/01/2021	1,125,000	1,085,625
<i>Ferrellgas Finance Corporation</i>	9.13	10/01/2017	4,660,000	4,997,850
<i>Forest Oil Corporation</i>	7.25	06/15/2019	2,520,000	2,620,800
<i>Forest Oil Corporation</i>	8.50	02/15/2014	1,115,000	1,212,563
<i>Griffin Coal Mining Company Limited(s)</i>	9.50	12/01/2016	701,991	660,749
<i>Hilcorp Energy Company</i>	7.75	11/01/2015	975,000	1,006,688
<i>Holly Corporation</i>	9.88	06/15/2017	4,265,000	4,787,463
<i>Inergy LP</i>	6.88	08/01/2021	1,125,000	1,130,625
<i>Inergy LP</i>	7.00	10/01/2018	950,000	969,000
<i>Newfield Exploration Company</i>	6.88	02/01/2020	1,185,000	1,276,838
<i>Peabody Energy Corporation</i>	7.88	11/01/2026	8,705,000	9,858,413
<i>Penn Virginia Corporation</i>	10.38	06/15/2016	215,000	240,263
<i>Petrohawk Energy Corporation</i>	7.88	06/01/2015	2,045,000	2,213,713
<i>Petrohawk Energy Corporation</i>	10.50	08/01/2014	1,065,000	1,211,438
<i>Pioneer Natural Resource Company</i>	7.50	01/15/2020	3,170,000	3,652,094
<i>Plains Exploration & Production Company</i>	8.63	10/15/2019	6,380,000	7,097,750
<i>Regency Energy Partners</i>	6.88	12/01/2018	475,000	503,500
<i>Sabine Pass LNG LP</i>	7.25	11/30/2013	4,940,000	5,051,150
<i>Sabine Pass LNG LP</i>	7.50	11/30/2016	4,475,000	4,609,250
<i>SandRidge Energy Incorporated</i>	8.75	01/15/2020	1,970,000	2,162,075

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

<i>Ship Finance International Limited</i>	8.50	12/15/2013	2,450,000	2,465,313
<i>Stallion Oilfield Holdings Incorporated</i>	10.50	02/15/2015	1,159,000	1,298,080
<i>Suburban Propane Partners LP</i>	7.38	03/15/2020	575,000	613,813
<i>Susser Holdings LLC</i>	8.50	05/15/2016	2,000,000	2,135,000
<i>Tesoro Corporation</i>	9.75	06/01/2019	2,185,000	2,479,975
				96,725,904

Financials: 20.18%

Capital Markets: 1.38%

<i>E*TRADE Financial Corporation</i>	12.50	11/30/2017	9,741,000	11,640,495
--------------------------------------	-------	------------	-----------	------------

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Capital Markets: (continued)				
<i>Oppenheimer Holdings Incorporated</i>	8.75%	04/15/2018	\$ 1,100,000	\$ 1,152,250
				12,792,745
Commercial Banks: 2.69%				
<i>Capitalsource Incorporated</i>	12.75	07/15/2014	4,375,000	5,282,813
<i>CIT Group Incorporated</i>	5.25	04/01/2014	5,850,000	5,864,625
<i>CIT Group Incorporated</i>	6.63	04/01/2018	1,950,000	2,057,250
<i>CIT Group Incorporated</i>	7.00	05/01/2014	1,589,365	1,601,285
<i>CIT Group Incorporated</i>	7.00	05/04/2015	1,575,000	1,578,938
<i>CIT Group Incorporated</i>	7.00	05/01/2016	2,850,000	2,857,125
<i>CIT Group Incorporated</i>	7.00	05/01/2017	525,000	526,313
<i>Emigrant Bancorp Incorporated (i)</i>	6.25	06/15/2014	5,725,000	5,188,276
				24,956,625
Consumer Finance: 9.56%				
<i>American General Finance Corporation</i>	5.40	12/01/2015	2,725,000	2,520,625
<i>American General Finance Corporation</i>	5.75	09/15/2016	2,250,000	2,070,000
<i>American General Finance Corporation</i>	6.50	09/15/2017	450,000	409,500
<i>Calpine Construction Finance Corporation</i>	8.00	06/01/2016	2,700,000	2,916,000
<i>Clearwire Communications Finance Corporation</i>	12.00	12/01/2015	2,280,000	2,319,900
<i>Clearwire Communications Finance Corporation</i>	12.00	12/01/2015	3,140,000	3,206,725
<i>Dunkin Finance Corporation</i>	9.63	12/01/2018	795,000	801,948
<i>Ford Motor Credit Company LLC</i>	7.00	10/01/2013	500,000	537,668
<i>Ford Motor Credit Company LLC</i>	8.00	12/15/2016	100,000	114,624
<i>Ford Motor Credit Company LLC</i>	9.88	08/10/2011	3,865,000	3,870,396
<i>General Motors Financial Company</i>	6.75	06/01/2018	1,850,000	1,887,000
<i>GMAC LLC</i>	6.75	12/01/2014	2,344,000	2,461,200
<i>GMAC LLC</i>	6.88	09/15/2011	130,000	130,780
<i>GMAC LLC</i>	6.88	08/28/2012	2,862,000	2,947,860
<i>GMAC LLC</i>	7.50	12/31/2013	6,855,000	7,266,300
<i>Homer City Funding LLC</i>	8.73	10/01/2026	2,938,024	2,691,964
<i>International Lease Finance Corporation</i>	6.38	03/25/2013	865,000	897,438
<i>International Lease Finance Corporation</i>	8.63	09/15/2015	1,700,000	1,874,250
<i>JBS USA Finance Incorporated</i>	11.63	05/01/2014	8,465,000	9,777,075
<i>LBI Escrow Corporation</i>	8.00	11/01/2017	1,375,000	1,553,750
<i>Level 3 Financing Incorporated</i>	10.00	02/01/2018	4,555,000	4,908,013
<i>Nielsen Finance LLC Company</i>	7.75	10/15/2018	9,370,000	9,932,200
<i>Nielsen Finance LLC Company</i>	11.50	05/01/2016	1,170,000	1,360,125
<i>Springleaf Finance Corporation</i>	6.90	12/15/2017	4,050,000	3,791,813
<i>Sprint Capital Corporation</i>	6.88	11/15/2028	9,875,000	9,381,250
<i>Sprint Capital Corporation</i>	6.90	05/01/2019	4,725,000	4,831,313
<i>Sprint Capital Corporation</i>	8.38	03/15/2012	4,218,000	4,376,175
				88,835,892
Diversified Financial Services: 4.25%				
<i>Ally Financial Incorporated</i>	8.30	02/12/2015	8,820,000	9,657,900
<i>Hub International Holdings Incorporated</i>	10.25	06/15/2015	6,650,000	6,650,000

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

<i>Leucadia National Corporation</i>	8.13	09/15/2015	7,815,000	8,596,500
<i>Nuveen Investments Incorporated</i>	5.50	09/15/2015	5,800,000	5,176,500
<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	4,825,000	4,981,813
<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	4,295,000	4,477,538
				39,540,251

REIT: 2.30%

<i>Dupont Fabros Technology Incorporated</i>	8.50	12/15/2017	11,580,000	12,680,100
<i>Host Hotels & Resorts LP</i>	9.00	05/15/2017	490,000	549,413
<i>MPT Operating Partnership LP</i>	6.88	05/01/2021	3,175,000	3,111,500

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.

PORTFOLIO OF INVESTMENTS July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
REIT: (continued)				
<i>Omega Healthcare Investors Incorporated</i>	6.75%	10/15/2022	\$ 3,375,000	\$ 3,434,063
<i>Ventas Incorporated</i>	9.00	05/01/2012	1,560,000	1,643,641
				21,418,717
Health Care: 4.25%				
Health Care Equipment & Supplies: 0.78%				
<i>Biomet Incorporated</i>	10.38	10/15/2017	1,215,000	1,324,350
<i>Biomet Incorporated</i>	11.63	10/15/2017	3,485,000	3,837,856
<i>Fresenius Medical Care Incorporated</i>	5.75	02/15/2021	1,000,000	987,500
<i>Fresenius Medical Care Incorporated</i>	6.88	07/15/2017	1,025,000	1,096,750
				7,246,456
Health Care Providers & Services: 3.29%				
<i>Apria Healthcare Group Incorporated</i>	11.25	11/01/2014	2,440,000	2,501,000
<i>Aviv Healthcare Incorporated</i>	7.75	02/15/2019	3,725,000	3,794,844
<i>Centene Corporation</i>	5.75	06/01/2017	1,925,000	1,915,375
<i>Community Health Systems Incorporated Series WI</i>	8.88	07/15/2015	1,270,000	1,312,863
<i>HCA Incorporated</i>	6.50	02/15/2020	2,425,000	2,461,375
<i>HCA Incorporated</i>	7.50	02/15/2022	1,950,000	1,979,250
<i>HCA Incorporated</i>	8.50	04/15/2019	375,000	413,438
<i>HCA Incorporated</i>	9.25	11/15/2016	6,745,000	7,196,072
<i>HCA Incorporated</i>	9.63	11/15/2016	3,957,000	4,233,990
<i>Health Management plc</i>	6.13	04/15/2016	475,000	491,625
<i>HealthSouth Corporation</i>	7.25	10/01/2018	750,000	785,625
<i>HealthSouth Corporation</i>	7.75	09/15/2022	750,000	798,750
<i>Sabra Health Care LP</i>	8.13	11/01/2018	2,650,000	2,679,813
				30,564,020
Pharmaceuticals: 0.18%				
<i>Mylan Incorporated</i>	6.00	11/15/2018	650,000	664,625
<i>Mylan Incorporated</i>	7.63	07/15/2017	650,000	713,375
<i>Mylan Incorporated</i>	7.88	07/15/2020	300,000	333,000
				1,711,000
Industrials: 7.02%				
Aerospace & Defense: 2.12%				
<i>Alliant Techsystems Incorporated</i>	6.75	04/01/2016	4,470,000	4,592,925
<i>Digitalglobe Incorporated</i>	10.50	05/01/2014	800,000	884,000
<i>Gencorp Incorporated</i>	9.50	08/15/2013	1,030,000	1,030,000
<i>GeoEye Incorporated</i>	9.63	10/01/2015	1,140,000	1,302,450
<i>Hexcel Corporation</i>	6.75	02/01/2015	1,089,000	1,112,141
<i>Huntington Ingalls Industries Incorporated</i>	6.88	03/15/2018	625,000	643,750
<i>Huntington Ingalls Industries Incorporated</i>	7.13	03/15/2021	225,000	232,313
<i>Kratos Defense & Security Solutions Incorporated</i>	10.00	06/01/2017	2,570,000	2,743,475
<i>L-3 Communications Holdings Incorporated</i>	6.38	10/15/2015	5,506,000	5,650,533

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

<i>Wyle Services Corporation</i>	10.50	04/01/2018	1,445,000	1,544,344
				19,735,931
Commercial Services & Supplies: 1.89%				
<i>Casella Waste Systems Incorporated</i>	11.00	07/15/2014	4,385,000	4,867,350
<i>Corrections Corporation of America</i>	6.25	03/15/2013	1,305,000	1,306,631
<i>Corrections Corporation of America</i>	7.75	06/01/2017	2,035,000	2,210,519
<i>Geo Group Incorporated</i>	7.75	10/15/2017	2,855,000	3,054,850
<i>Interface Incorporated</i>	7.63	12/01/2018	300,000	319,500
<i>Iron Mountain Incorporated</i>	8.38	08/15/2021	3,520,000	3,766,400

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Commercial Services & Supplies: (continued)				
<i>KAR Holdings Incorporated±</i>	4.27%	05/01/2014	\$ 2,125,000	\$ 2,082,500
				17,607,750
Machinery: 0.77%				
<i>Cleaver-Brooks Incorporated</i>	12.25	05/01/2016	1,440,000	1,483,200
<i>Columbus McKinnon Corporation</i>	7.88	02/01/2019	1,575,000	1,630,125
<i>CPM Holdings Incorporated</i>	10.88	09/01/2014	3,025,000	3,267,000
<i>Titan International Incorporated</i>	7.88	10/01/2017	700,000	745,500
				7,125,825
Professional Services: 0.67%				
<i>Affinia Group Incorporated</i>	10.75	08/15/2016	207,000	231,840
<i>DRT Merger Sub Incorporated</i>	8.13	06/01/2019	800,000	800,000
<i>Interactive Data Corporation</i>	10.25	08/01/2018	2,535,000	2,826,525
<i>NCO Group Incorporated</i>	11.88	11/15/2014	2,450,000	2,339,750
				6,198,115
Road & Rail: 1.44%				
<i>Kansas City Southern</i>	8.00	06/01/2015	8,285,000	8,906,375
<i>Kansas City Southern</i>	13.00	12/15/2013	1,184,000	1,379,360
<i>RailAmerica Incorporated</i>	9.25	07/01/2017	2,775,000	3,052,500
				13,338,235
Transportation Infrastructure: 0.13%				
<i>United Maritime Group</i>	11.75	06/15/2015	1,190,000	1,243,550
Information Technology: 7.76%				
Communications Equipment: 1.31%				
<i>Allbritton Communications Company</i>	8.00	05/15/2018	2,574,000	2,644,785
<i>EchoStar DBS Corporation</i>	7.13	02/01/2016	910,000	971,425
<i>Intelsat Jackson Holdings Limited</i>	9.50	06/15/2016	1,000,000	1,051,250
<i>Lucent Technologies Incorporated</i>	6.45	03/15/2029	3,100,000	2,797,750
<i>Seagate Technology Holdings</i>	6.80	10/01/2016	1,275,000	1,351,500
<i>Seagate Technology Holdings</i>	7.00	11/01/2021	725,000	732,250
<i>Seagate Technology Holdings</i>	7.75	12/15/2018	2,500,000	2,625,000
				12,173,960
Computers & Peripherals: 0.38%				
<i>Intcomex Incorporated</i>	13.25	12/15/2014	2,820,000	2,897,550
<i>Seagate Technology HDD Holdings</i>	6.88	05/01/2020	650,000	651,625
				3,549,175
Electronic Equipment, Instruments & Components: 2.52%				
<i>GCI Incorporated</i>	6.75	06/01/2021	1,350,000	1,370,250
<i>Jabil Circuit Incorporated</i>	8.25	03/15/2018	13,532,000	15,527,970
<i>Kemet Corporation</i>	10.50	05/01/2018	3,380,000	3,743,350

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

<i>Viasystem Group Incorporated</i>	12.00	01/15/2015	2,530,000	2,776,675
				23,418,245
Internet Software & Services: 0.27%				
<i>Equinix Incorporated</i>	7.00	07/15/2021	125,000	130,000

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Internet Software & Services: (continued)				
<i>Equinix Incorporated</i>	8.13%	03/01/2018	\$ 2,125,000	\$ 2,337,500
				2,467,500
IT Services: 3.06%				
<i>Audatex North American Incorporated</i>	6.75	06/15/2018	475,000	488,063
<i>Fidelity National Information Services</i>	7.88	07/15/2020	1,750,000	1,868,125
<i>First Data Corporation</i>	11.25	03/31/2016	7,375,000	7,264,375
<i>SunGard Data Systems Incorporated</i>	7.38	11/15/2018	1,100,000	1,116,500
<i>SunGard Data Systems Incorporated</i>	7.63	11/15/2020	550,000	559,625
<i>SunGard Data Systems Incorporated</i>	10.25	08/15/2015	6,639,750	6,888,741
<i>Syniverse Holdings Incorporated</i>	9.13	01/15/2019	6,625,000	6,931,406
<i>Unisys Corporation</i>	12.50	01/15/2016	1,065,000	1,166,175
<i>Unisys Corporation</i>	12.75	10/15/2014	1,068,000	1,238,880
<i>Unisys Corporation</i>	14.25	09/15/2015	751,000	886,180
				28,408,070
Semiconductors & Semiconductor Equipment: 0.22%				
<i>Advanced Micro Devices Incorporated</i>	5.75	08/15/2012	2,025,000	2,060,438
Materials: 2.69%				
Chemicals: 1.04%				
<i>Huntsman International LLC</i>	5.50	06/30/2016	2,855,000	2,826,450
<i>Lyondell Chemical Company</i>	11.00	05/01/2018	4,807,125	5,444,069
<i>Solutia Incorporated</i>	7.88	03/15/2020	1,300,000	1,417,000
				9,687,519
Containers & Packaging: 0.48%				
<i>Crown Americas LLC</i>	7.63	05/15/2017	950,000	1,028,375
<i>Graham Packaging Company Incorporated</i>	8.25	01/01/2017	350,000	370,125
<i>Graham Packaging Company Incorporated</i>	9.88	10/15/2014	2,450,000	2,511,250
<i>Owens Brockway Glass Container Incorporated</i>	7.38	05/15/2016	515,000	562,638
				4,472,388
Metals & Mining: 0.69%				
<i>Freeport-McMoRan Copper & Gold Incorporated</i>	8.38	04/01/2017	5,725,000	6,254,563
<i>Indalex Holdings Corporation(s)</i>	11.50	02/01/2014	5,985,000	89,775
				6,344,338
Paper & Forest Products: 0.48%				
<i>Clearwater Paper Corporation</i>	10.63	06/15/2016	1,175,000	1,324,813
<i>Georgia-Pacific Corporation</i>	8.88	05/15/2031	2,430,000	3,155,425
				4,480,238
Telecommunication Services: 8.74%				
Diversified Telecommunication Services: 4.89%				
<i>Citizens Communications Company</i>	7.88	01/15/2027	9,580,000	9,316,550

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

<i>FairPoint Communications Incorporated</i>	10.88	04/01/2017	2,550,000	2,926,125
<i>Frontier Communications Corporation</i>	8.13	10/01/2018	1,980,000	2,173,050
<i>Frontier Communications Corporation</i>	8.25	04/15/2017	4,455,000	4,889,363
<i>Frontier Communications Corporation</i>	8.50	04/15/2020	1,000,000	1,097,500
<i>GCI Incorporated</i>	8.63	11/15/2019	4,075,000	4,482,500
<i>Global Crossing Limited</i>	12.00	09/15/2015	345,000	400,200
<i>Qwest Corporation</i>	7.50	06/15/2023	3,260,000	3,251,850

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Diversified Telecommunication Services (continued)				
<i>Qwest Corporation</i>	7.63%	08/03/2021	\$ 440,000	\$ 493,610
<i>Qwest Corporation</i>	8.88	03/15/2012	4,200,000	4,389,000
<i>SBA Telecommunications Incorporated</i>	8.00	08/15/2016	1,090,000	1,164,938
<i>SBA Telecommunications Incorporated</i>	8.25	08/15/2019	485,000	523,800
<i>U.S. West Communications Incorporated</i>	7.13	11/15/2043	1,810,000	1,751,175
<i>U.S. West Communications Incorporated</i>	7.25	09/15/2025	2,755,000	2,885,863
<i>Windstream Corporation</i>	7.88	11/01/2017	5,380,000	5,749,875
				45,495,399
Wireless Telecommunication Services: 3.85%				
<i>CC Holdings LLC</i>	7.75	05/01/2017	650,000	710,938
<i>Cricket Communications Incorporated</i>	7.75	05/15/2016	3,755,000	4,003,769
<i>Crown Castle International Corporation</i>	7.13	11/01/2019	165,000	175,931
<i>Crown Castle International Corporation</i>	9.00	01/15/2015	650,000	711,750
<i>Intelsat Limited</i>	7.25	04/01/2019	2,500,000	2,531,250
<i>Intelsat Limited</i>	7.50	04/01/2021	1,575,000	1,598,625
<i>Intelsat Limited</i>	11.25	06/15/2016	3,965,000	4,222,725
<i>iPCS Incorporated</i>	3.52	05/01/2014	2,607,559	2,503,257
<i>MetroPCS Communications Incorporated</i>	6.63	11/15/2020	4,150,000	4,160,375
<i>MetroPCS Communications Incorporated</i>	7.88	09/01/2018	1,050,000	1,116,938
<i>Sprint Nextel Corporation Series D</i>	7.38	08/01/2015	7,935,000	7,935,000
<i>Sprint Nextel Corporation Series F</i>	5.95	03/15/2014	6,065,000	6,083,953
				35,754,511
Utilities: 6.69%				
Electric Utilities: 3.55%				
<i>Aquila Incorporated Step Bond</i>	11.88	07/01/2012	14,996,000	16,448,603
<i>Energy Future Holdings Corporation</i>	10.00	12/01/2020	150,000	158,313
<i>Energy Future Holdings Corporation</i>	12.00	11/01/2017	1,811,245	1,557,671
<i>Ipalco Enterprises Incorporated</i>	5.00	05/01/2018	1,750,000	1,738,700
<i>Mirant Americas Generation LLC</i>	8.50	10/01/2021	250,000	255,000
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12/30/2028	7,560,525	8,429,985
<i>Otter Tail Corporation</i>	9.00	12/15/2016	3,985,000	4,413,388
				33,001,660
Gas Utilities: 0.18%				
<i>AmeriGas Partners LP</i>	6.50	05/20/2021	1,050,000	1,076,250
<i>AmeriGas Partners LP</i>	7.13	05/20/2016	550,000	571,280
				1,647,530
Independent Power Producers & Energy Traders: 2.96%				
<i>Calpine Corporation</i>	7.25	10/15/2017	9,469,000	9,705,725
<i>Dynegy Holding Incorporated</i>	7.63	10/15/2026	4,850,000	3,152,500
<i>NRG Energy Incorporated</i>	7.38	01/15/2017	6,050,000	6,344,938
<i>NRG Energy Incorporated</i>	8.50	06/15/2019	3,675,000	3,822,000
<i>RRI Energy Incorporated</i>	7.63	06/15/2014	1,020,000	1,060,800

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

<i>RRI Energy Incorporated</i>	7.88	06/15/2017	75,000	75,375
<i>RRI Energy Incorporated</i>	9.24	07/02/2017	2,287,916	2,470,949
<i>RRI Energy Incorporated</i>	9.68	07/02/2026	780,000	834,600
				27,466,887
Total Corporate Bonds and Notes (Cost \$761,130,394)				804,501,910

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Interest Rate	Maturity Date	Principal	Value
Yankee Corporate Bonds and Notes: 2.02%				
Consumer Discretionary: 0.20%				
Media: 0.20%				
<i>Videotron Limited</i>	6.38%	12/15/2015	\$ 100,000	102,750
<i>Videotron Limited</i>	9.13	04/15/2018	1,525,000	1,713,719
				1,816,469
Energy: 0.52%				
Oil, Gas & Consumable Fuels: 0.52%				
<i>Griffin Coal Mining Company Limited (s)</i>	9.50	12/31/2049	5,128,748	4,827,434
Financials: 0.26%				
Consumer Finance: 0.26%				
<i>Wind Acquisition Finance SA</i>	11.75	07/15/2017	2,205,000	2,444,794
Diversified Financial Services: 0.00%				
<i>Preferred Term Securities XII Limited(s)(i)</i>	0.00	12/24/2033	1,540,000	462
Materials: 0.85%				
Metals & Mining: 0.53%				
<i>Novelis Incorporated</i>	7.25	02/15/2015	630,000	627,638
<i>Novelis Incorporated</i>	8.38	12/15/2017	1,000,000	1,088,750
<i>Novelis Incorporated</i>	8.75	12/15/2020	2,425,000	2,697,813
<i>Vedanta Resources plc</i>	9.50	07/18/2018	500,000	554,400
				4,968,601
Paper & Forest Products: 0.32%				
<i>PE Paper Escrow GmbH</i>	12.00	08/01/2014	715,000	811,525
<i>Sappi Limited</i>	7.50	06/15/2032	2,355,000	2,119,500
				2,931,025
Telecommunication Services: 0.19%				
Wireless Telecommunication Services: 0.19%				
<i>Digicel Group Limited</i>	12.00	04/01/2014	870,000	1,004,850
<i>Telesat Canada Incorporated</i>	11.00	11/01/2015	690,000	755,550
				1,760,400
Total Yankee Corporate Bonds and Notes (Cost \$16,274,397)				18,749,185
	Dividend Yield		Shares	
Preferred Stocks: 0.14%				
Financials: 0.14%				
Consumer Finance: 0.14%				
<i>GMAC Capital Trust</i>	8.13		53,000	1,353,090

Total Preferred Stocks (Cost \$1,325,000)

1,353,090

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Security Name	Shares	Value
Investment Companies: 0.01%		
<i>Eaton Vance Limited Duration Income Trust</i>	6,490	\$ 104,943
Total Investment Companies (Cost \$60,299)		104,943

	Interest Rate	Maturity Date	Principal	
Term Loans: 8.93%				
<i>Advantage Sales & Marketing Incorporated</i>	9.25%	06/18/2018	\$ 900,000	910,503
<i>Arrowhead General Insurance Agency Incorporated</i>	7.50	03/03/2017	1,496,250	1,485,028
<i>Barrington Broadcasting Company</i>	4.54	08/12/2013	1,772,703	1,740,582
<i>Capital Automotive LP</i>	5.00	03/10/2017	7,575,024	7,567,449
<i>CCM Merger Incorporated</i>	7.00	03/01/2017	6,690,754	6,754,316
<i>Coinmach Corporation</i>	3.25	11/20/2014	5,696,566	5,431,904
<i>Fairpoint Communications Incorporated</i>	6.50	01/22/2016	6,788,901	5,999,691
<i>Federal Mogul Corporation</i>	2.13	12/29/2014	819,213	778,695
<i>Federal Mogul Corporation</i>	2.13	12/28/2015	814,881	774,577
<i>First Data Corporation</i>	2.93	09/24/2014	1,485,523	1,381,744
<i>First Data Corporation</i>	2.93	09/24/2014	2,867,975	2,667,618
<i>First Data Corporation</i>	2.93	09/24/2014	5,354,373	4,980,316
<i>Gray Television Incorporated</i>	3.69	12/31/2014	1,809,942	1,768,458
<i>HHI Holdings Limited</i>	7.00	03/21/2017	2,244,375	2,244,375
<i>Level 3 Financing Incorporated</i>	2.48	03/13/2014	1,300,000	1,251,575
<i>Local TV Finance LLC</i>	2.19	05/07/2013	2,720,910	2,645,595
<i>Merisant Company(i)</i>	7.50	01/08/2014	1,623,004	1,598,659
<i>NCO Group Incorporated</i>	8.00	11/15/2013	2,544,675	2,534,649
<i>Newsday LLC</i>	10.50	08/01/2013	5,920,000	6,227,130
<i>Panolam Industries International(i)</i>	8.25	12/31/2013	463,969	424,968
<i>Springleaf Finance Corporation</i>	5.50	05/05/2017	1,350,000	1,316,250
<i>Texas Competitive Electric Holdings</i>	3.68	10/10/2017	4,450,000	3,313,648
<i>Texas Competitive Electric Holdings</i>	4.73	10/10/2014	23,237,911	18,207,833
<i>Wash Multifamily Laundry Systems LLC</i>	7.00	08/28/2014	994,885	991,572
Total Term Loans (Cost \$84,253,304)				82,997,135

Short-Term Investments: 1.51%

	Yield	Shares	
Investment Companies: 1.51%			
<i>Wells Fargo Advantage Cash Investment Money Market Fund(l)(u)</i>	0.02	14,011,321	14,011,321
Total Short-Term Investments (Cost \$14,011,321)			14,011,321
Total Investments in Securities (Cost \$882,471,961*	99.64%		925,867,087
<i>Other Assets and Liabilities, Net</i>	0.36		3,377,080
Total Net Assets	100.00%		\$ 929,244,167

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

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.
Security that may be resold to qualified institutional buyers under Rule or securities offered pursuant to Section 4(2) of the Securities Act of 1933, as amended.*
- ± *Variable rate investment.*
- ¥ *A payment-in-kind (PIK) security is a security in which the issuer may make interest or dividend payments in cash or additional securities. These additional securities generally have the same terms as the original holdings.*
- (s) *Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this security.*
- (i) *Illiquid security*
- (l) *Investment in an affiliate.*

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 July 31, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

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

* Cost for federal income tax purposes is \$886,647,373 and net unrealized appreciation (depreciation) consists of:

Gross unrealized appreciation	\$ 53,221,808
Gross unrealized depreciation	(14,002,094)
Net unrealized appreciation	\$ 39,219,714

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 INCOME OPPORTUNITIES FUND

NOTES TO PORTFOLIO OF INVESTMENTS JULY 31, 2011 (unaudited)

The following notes are to be read in conjunction with the Portfolio of Investments for Wells Fargo Advantage Income Opportunities Fund (the Fund).

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 Value Procedures.

Certain fixed income securities with maturities exceeding 60 days are valued based on available market quotations received from an independent pricing service approved by the 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.

Debt securities of sufficient credit quality with original maturities of 60 days or less 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.

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 July 31, 2011, the Fund had no unfunded loan commitments.

Fair valuation measurements

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

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

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.

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

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

	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in Securities				
Equity securities				
<i>Common stocks</i>	\$ 1,021,253	\$ 0	\$ 0	\$ 1,021,253
<i>Investment companies</i>	104,943	0	0	104,943
<i>Preferred stocks</i>	0	1,353,090	0	1,353,090
Convertible debentures	0	3,128,250	0	3,128,250
Corporate bonds and notes	0	792,766,376	11,735,534	804,501,910
Term loans	0	72,785,049	10,212,086	82,997,135
Yankee corporate bonds	0	18,748,723	462	18,749,185
Short-term investments				
<i>Investment companies</i>	14,011,321	0	0	14,011,321
	\$ 15,137,517	\$ 888,781,488	\$ 21,948,082	\$ 925,867,087

Transfers in and transfers out are recognized at the end of the reporting period. For the three months nine months ended July 31, 2011, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

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

	Corporate bonds and notes	Term Loans	Yankee corporate bonds and notes	Total
Balance as of April 30, 2011	\$ 12,165,050	\$ 6,408,149	\$ 462	\$ 18,573,661
Accrued discounts (premiums)	6,966	1,195	0	8,874
Realized gains (losses)	(5,871,004)	10,439	0	(5,860,565)
Change in unrealized gains (losses)	5,764,562	(42,277)	0	5,721,571
Purchases	0	0	0	0
Sales	(330,039)	(2,534,472)	0	(2,864,511)
Transfers into Level 3	0	7,967,711	0	7,967,711
Transfers out of Level 3	0	(1,598,659)	0	(1,598,659)
Balance as of July 31, 2011	\$ 11,735,534	\$ 10,212,086	\$ 462	\$ 21,948,082

Change in unrealized gains (losses) relating to securities still held at July 31, 2011	\$ (71,771)	\$ 2,805	\$ 0	\$ (69,678)
---	-------------	----------	------	-------------

The following is a list of common abbreviations for terms and entities which may have appeared in the portfolio of investments.

ABAG Association of Bay Area Governments

ACB Agricultural Credit Bank

ADR American Depositary Receipt

ADS American Depositary Shares

AGC-ICC Assured Guaranty Corporation - Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

ARM Adjustable Rate Mortgages

AUD Australian Dollar

BAN Bond Anticipation Notes

BART Bay Area Rapid Transit

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil Real

CAD Canadian Dollar

CDA Community Development Authority

CDO Collateralized Debt Obligation

CDSC Contingent Deferred Sales Charge

CGIC Capital Guaranty Insurance Company

CGY Capital Guaranty Corporation

CHF Swiss Franc

CIFG CDC (Caisse des Dépôts et Consignations) IX IS Financial Guarantee

COP Certificate of Participation

CP Commercial Paper

CR Custody Receipts

CTF Common Trust Fund

DEM - Deutsche Mark

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

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

ETET Eagle Tax-Exempt Trust

ETF Exchange-Traded Fund

EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHAG Federal Housing Agency

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FRF - French Franc

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 Housing & 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

LLC Limited Liability Company

LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MFMR Multi-Family Mortgage Revenue

MMD Municipal Market Data

MSTR Municipal Securities Trust Receipts

MTN Medium Term Note

MUD Municipal Utility District

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

MXN Mexican Peso

MYR Malaysian Ringgit

NATL-RE National Public Finance Guarantee Corporation

NLG - Netherlands Guilder

NOK Norwegian Krone

NZD New Zealand Dollar

PCFA Pollution Control Finance Authority

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

PSFG Public School Fund Guaranty

PUTTER Puttable Tax-Exempt Receipts

R&D Research & Development

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real Estate Investment Trust

ROC Reset Option Certificates

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SLMA Student Loan Marketing Association

SPDR Standard & Poor's Depository Receipts

STIT Short-Term Investment Trust

TAN Tax Anticipation Notes

TBA To Be Announced

TIPS Treasury Inflation-Protected Securities

TRAN Tax Revenue Anticipation Notes

TCR Transferable Custody Receipts

TRY Turkish Lira

TTFA Transportation Trust Fund Authority

USD Unified School District

XLCA XL Capital Assurance

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 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 Income Opportunities Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch

President

Date: September 28, 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 Income Opportunities Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch

President

Date: September 28, 2011

By: /s/ Kasey L. Phillips

Kasey L. Phillips

Treasurer

Date: September 28, 2011