

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

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<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		