

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

March 28, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-Q**

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

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

**Wells Fargo Advantage Income Opportunities Fund**

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

**C. David Messman**

**Wells Fargo Funds Management, LLC**

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

(Name and address of agent for service)

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

Date of fiscal year end: **April 30, 2011**

Date of reporting period: **January 31, 2012**

ITEM 1. SCHEDULE OF INVESTMENTS

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES  
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012  
(UNAUDITED)

Security Name	Shares	Value		
<b>Common Stocks: 0.08%</b>				
<b>Consumer Discretionary : 0.00%</b>				
<b>Hotels, Restaurants &amp; Leisure: 0.00%</b>				
<i>Trump Entertainment Resorts Incorporated</i>	2,149	\$ 8,596		
<b>Telecommunication Services : 0.08%</b>				
<b>Diversified Telecommunication Services: 0.08%</b>				
<i>Fairpoint Communications Incorporated</i>	134,375	546,907		
<b>Total Common Stocks (Cost \$3,109,765)</b>		555,503		
	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal</b>	
<b>Convertible Debentures: 0.43%</b>				
<b>Information Technology : 0.43%</b>				
<b>Communications Equipment : 0.43%</b>				
<i>Lucent Technologies Incorporated Series B</i>	2.88%	06/15/2025	\$ 3,225,000	2,946,844
<b>Total Convertible Debentures (Cost \$2,307,500)</b>				2,946,844
<b>Corporate Bonds and Notes: 111.25%</b>				
<b>Consumer Discretionary : 21.29%</b>				
<b>Auto Components : 2.48%</b>				
<i>Allison Transmission Incorporated 144A</i>	7.13	05/15/2019	6,075,000	6,112,969
<i>Armored Autogroup Incorporated 144A</i>	9.25	11/01/2018	800,000	668,000
<i>Cooper Tire &amp; Rubber Company</i>	7.63	03/15/2027	4,455,000	4,232,250
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12/15/2019	150,000	156,000
<i>Exide Technologies</i>	8.63	02/01/2018	1,100,000	907,500
<i>Goodyear Tire &amp; Rubber Company</i>	10.50	05/15/2016	4,440,000	4,861,800
				16,938,519
<b>Diversified Consumer Services : 2.75%</b>				
<i>Carriage Services Incorporated</i>	7.88	01/15/2015	4,055,000	4,085,413
<i>Service Corporation International</i>	6.75	04/01/2016	1,250,000	1,373,438
<i>Service Corporation International</i>	7.00	05/15/2019	1,125,000	1,215,000
<i>Service Corporation International</i>	7.50	04/01/2027	9,376,000	9,200,200
<i>Service Corporation International</i>	8.00	11/15/2021	880,000	1,012,000
<i>Service Corporation International Series WI</i>	7.00	06/15/2017	1,650,000	1,831,500
				18,717,551
<b>Hotels, Restaurants &amp; Leisure : 5.92%</b>				
<i>Ameristar Casinos Incorporated</i>	7.50	04/15/2021	4,477,000	4,768,005
<i>Burger King Corporation</i>	9.88	10/15/2018	1,600,000	1,760,000
<i>Chukchansi Economic Development Authority 144A(s)</i>	4.16	11/15/2012	2,525,000	1,666,500
<i>CityCenter Holdings LLC</i>	7.63	01/15/2016	350,000	367,500
<i>CityCenter Holdings LLC ¥</i>	11.50	01/15/2017	2,232,558	2,383,256
<i>Dineequity Incorporated</i>	9.50	10/30/2018	7,150,000	7,793,500
<i>Greektown Superholdings Incorporated Series A</i>	13.00	07/01/2015	6,662,000	7,128,340
<i>Greektown Superholdings Incorporated Series B</i>	13.00	07/01/2015	1,625,000	1,738,750

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<i>NAI Entertainment Holdings LLC 144A</i>	8.25	12/15/2017	2,700,000	2,949,750
<i>Pinnacle Entertainment Incorporated</i>	7.50	06/15/2015	2,880,000	2,937,600
<i>Scientific Games Corporation</i>	9.25	06/15/2019	1,130,000	1,231,700
<i>Speedway Motorsports Incorporated</i>	6.75	02/01/2019	450,000	463,500

**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES**  
**FUND**

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Hotels, Restaurants &amp; Leisure (continued)</b>				
<i>Speedway Motorsports Incorporated</i>	8.75%	06/01/2016	\$ 2,075,000	\$ 2,261,750
<i>Yonkers Racing Corporation 144A</i>	11.38	07/15/2016	2,750,000	2,935,625
				40,385,776
<b>Household Durables: 0.14%</b>				
<i>American Greetings</i>	7.38	12/01/2021	950,000	960,688
<b>Media : 8.02%</b>				
<i>Cablevision Systems Corporation</i>	8.63	09/15/2017	2,975,000	3,317,125
<i>CCH II Capital Corporation</i>	13.50	11/30/2016	12,981,015	14,960,620
<i>CCO Holdings LLC</i>	8.13	04/30/2020	746,000	825,263
<i>Cinemark USA Incorporated</i>	7.38	06/15/2021	1,525,000	1,605,063
<i>Cinemark USA Incorporated</i>	8.63	06/15/2019	1,100,000	1,210,000
<i>CSC Holdings LLC</i>	7.88	02/15/2018	1,400,000	1,564,500
<i>CSC Holdings LLC</i>	8.50	04/15/2014	200,000	222,500
<i>DISH DBS Corporation</i>	7.88	09/01/2019	2,260,000	2,604,650
<i>EchoStar DBS Corporation</i>	7.75	05/31/2015	650,000	724,750
<i>Gray Television Incorporated</i>	10.50	06/29/2015	5,225,000	5,420,938
<i>Lamar Media Corporation 144A</i>	5.88	02/01/2022	500,000	500,625
<i>Lamar Media Corporation</i>	7.88	04/15/2018	1,500,000	1,638,750
<i>Lamar Media Corporation Series C</i>	9.75	04/01/2014	925,000	1,049,875
<i>LIN Television Corporation</i>	8.38	04/15/2018	2,225,000	2,258,375
<i>Local TV Finance LLC 144A</i>	9.25	06/15/2015	5,450,000	5,395,500
<i>Regal Cinemas Corporation</i>	8.63	07/15/2019	4,575,000	5,021,063
<i>Regal Entertainment Group</i>	9.13	08/15/2018	675,000	739,125
<i>Salem Communications Corporation</i>	9.63	12/15/2016	4,941,000	5,348,633
<i>Sirius XM Radio Incorporated 144A</i>	9.75	09/01/2015	250,000	271,875
				54,679,230
<b>Specialty Retail : 1.36%</b>				
<i>Gap Incorporated</i>	5.95	04/12/2021	1,175,000	1,128,006
<i>Limited Brands Incorporated</i>	6.63	04/01/2021	925,000	1,017,500
<i>RadioShack Corporation</i>	6.75	05/15/2019	2,675,000	2,247,000
<i>Rent A Center Incorporated</i>	6.63	11/15/2020	700,000	722,750
<i>Toys R Us Property Company LLC</i>	8.50	12/01/2017	3,900,000	4,177,875
				9,293,131
<b>Textiles, Apparel &amp; Luxury Goods: 0.62%</b>				
<i>Oxford Industrial Incorporated</i>	11.38	07/15/2015	3,850,000	4,220,563
<b>Consumer Staples : 1.43%</b>				
<b>Beverages: 0.04%</b>				
<i>Cott Beverages Incorporated</i>	8.38	11/15/2017	250,000	272,500
<b>Food Products : 1.39%</b>				
<i>B&amp;G Foods Incorporated</i>	7.63	01/15/2018	405,000	435,881
<i>Darling International Incorporated</i>	8.50	12/15/2018	250,000	280,000
<i>Dole Food Company Incorporated</i>	13.88	03/15/2014	3,075,000	3,540,094
<i>Smithfield Foods Incorporated</i>	10.00	07/15/2014	4,465,000	5,246,375
				9,502,350

**Energy : 16.71.07%**

**Energy Equipment & Services : 4.22%**

<i>Bristow Group Incorporated</i>	7.50	09/15/2017	3,210,000	3,338,400
<i>Dresser Rand Group Incorporated 144A</i>	6.50	05/01/2021	1,825,000	1,884,313

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES  
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012  
(UNAUDITED)

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>Gulfmark Offshore Incorporated</i>	7.75%	07/15/2014	\$ 3,395,000	\$ 3,411,975
<i>Hornbeck Offshore Services Incorporated Series B</i>	6.13	12/01/2014	5,325,000	5,331,656
<i>Hornbeck Offshore Services Incorporated Series B</i>	8.00	09/01/2017	4,920,000	5,178,300
<i>Oil States International Incorporated</i>	6.50	06/01/2019	2,954,000	3,138,625
<i>Parker Drilling Company</i>	9.13	04/01/2018	860,000	911,600
<i>PHI Incorporated</i>	8.63	10/15/2018	5,225,000	5,277,250
<i>Pride International Incorporated</i>	8.50	06/15/2019	210,000	268,269
				28,740,388

**Oil, Gas & Consumable Fuels : 12.49%**

<i>Amerigas Partner Financial Corporation</i>	6.25	08/20/2019	325,000	323,375
<i>Chesapeake Energy Corporation</i>	9.50	02/15/2015	5,085,000	5,720,625
<i>Cloud Peak Energy Resources LLC</i>	8.25	12/15/2017	200,000	216,000
<i>Cloud Peak Energy Resources LLC</i>	8.50	12/15/2019	250,000	273,125
<i>Coffeyville Resources Incorporated 144A</i>	9.00	04/01/2015	1,947,000	2,083,290
<i>Consol Energy Incorporated</i>	8.25	04/01/2020	2,665,000	2,888,194
<i>Crestwood Midstream Partners LP 144A</i>	7.75	04/01/2019	1,350,000	1,360,125
<i>Denbury Resources Incorporated</i>	6.38	08/15/2021	700,000	757,750
<i>Denbury Resources Incorporated</i>	8.25	02/15/2020	850,000	966,875
<i>El Paso Corporation</i>	6.50	09/15/2020	1,155,000	1,262,830
<i>El Paso Corporation</i>	7.00	06/15/2017	875,000	969,287
<i>El Paso Corporation</i>	7.25	06/01/2018	3,224,000	3,594,002
<i>El Paso Corporation</i>	7.42	02/15/2037	1,820,000	2,011,593
<i>El Paso Corporation</i>	7.80	08/01/2031	3,050,000	3,575,442
<i>Encore Acquisition Company</i>	9.50	05/01/2016	700,000	784,875
<i>Energy Transfer Equity LP</i>	7.50	10/15/2020	5,950,000	6,574,750
<i>Ferrellgas Finance Corporation</i>	9.13	10/01/2017	4,660,000	4,893,000
<i>Forest Oil Corporation</i>	7.25	06/15/2019	2,520,000	2,520,000
<i>Forest Oil Corporation</i>	8.50	02/15/2014	1,115,000	1,215,350
<i>Griffin Coal Mining Company Limited (s)</i>	9.50	12/01/2016	652,804	511,635
<i>Holly Corporation</i>	9.88	06/15/2017	4,265,000	4,755,475
<i>Inergy LP</i>	6.88	08/01/2021	824,000	786,920
<i>Inergy LP</i>	7.00	10/01/2018	950,000	923,875
<i>Newfield Exploration Company</i>	6.88	02/01/2020	1,185,000	1,267,950
<i>Penn Virginia Corporation</i>	10.38	06/15/2016	215,000	216,075
<i>Petrohawk Energy Corporation</i>	7.88	06/01/2015	2,045,000	2,167,700
<i>Petrohawk Energy Corporation</i>	10.50	08/01/2014	1,065,000	1,183,481
<i>Pioneer Natural Resource Company</i>	7.50	01/15/2020	3,170,000	3,812,762
<i>Plains Exploration &amp; Production Company</i>	8.63	10/15/2019	6,380,000	7,177,500
<i>Regency Energy Partners</i>	6.88	12/01/2018	475,000	515,375
<i>Sabine Pass LNG LP</i>	7.25	11/30/2013	4,940,000	5,112,900
<i>Sabine Pass LNG LP</i>	7.50	11/30/2016	7,050,000	7,349,625
<i>Ship Finance International Limited</i>	8.50	12/15/2013	2,250,000	2,154,375
<i>Suburban Propane Partners LP</i>	7.38	03/15/2020	575,000	603,750
<i>Susser Holdings LLC</i>	8.50	05/15/2016	2,000,000	2,170,000
<i>Tesoro Corporation</i>	9.75	06/01/2019	2,185,000	2,474,513
				85,174,399

**Financials : 24.93%****Capital Markets : 2.02%**

<i>E*TRADE Financial Corporation</i>	12.50	11/30/2017	9,741,000	11,275,208
<i>Oppenheimer Holdings Incorporated</i>	8.75	04/15/2018	2,500,000	2,503,125



13,778,333

<b>Commercial Banks : 2.96%</b>				
<i>CIT Group Incorporated 144A</i>	5.25	04/01/2014	7,275,000	7,402,313
<i>CIT Group Incorporated 144A</i>	7.00	05/04/2015	1,575,000	1,582,875
<i>CIT Group Incorporated</i>	7.00	05/01/2016	2,615,111	2,615,111

**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES**  
**FUND**

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Commercial Banks (continued)</b>				
<i>CIT Group Incorporated</i>	7.00%	05/01/2017	\$ 3,375,000	\$ 3,379,219
<i>Emigrant Bancorp Incorporated 144A(i)</i>	6.25	06/15/2014	5,725,000	5,166,698
				20,146,216
<b>Consumer Finance : 11.82%</b>				
<i>American General Finance Corporation</i>	5.40	12/01/2015	2,800,000	2,222,500
<i>American General Finance Corporation</i>	5.75	09/15/2016	2,325,000	1,749,563
<i>American General Finance Corporation</i>	6.50	09/15/2017	550,000	398,750
<i>Calpine Construction Finance Corporation 144A</i>	8.00	06/01/2016	2,700,000	2,909,250
<i>Clearwire Communications Finance Corporation 144A</i>	12.00	12/01/2015	2,280,000	2,148,900
<i>Clearwire Communications Finance Corporation 144A</i>	12.00	12/01/2015	3,140,000	2,959,450
<i>Ford Motor Credit Company LLC</i>	7.00	10/01/2013	500,000	534,966
<i>Ford Motor Credit Company LLC</i>	8.00	12/15/2016	200,000	236,812
<i>General Motors Financial Company 144A</i>	6.75	06/01/2018	1,850,000	1,924,000
<i>GMAC LLC</i>	6.75	12/01/2014	2,344,000	2,443,620
<i>GMAC LLC</i>	6.88	08/28/2012	2,862,000	2,904,930
<i>GMAC LLC</i>	7.50	12/31/2013	6,855,000	7,214,888
<i>Homer City Funding LLC</i>	8.73	10/01/2026	2,881,936	2,622,562
<i>International Lease Finance Corporation</i>	6.38	03/25/2013	865,000	876,894
<i>International Lease Finance Corporation 144A</i>	6.75	09/01/2016	300,000	322,875
<i>International Lease Finance Corporation</i>	8.63	09/15/2015	1,700,000	1,833,875
<i>JBS USA Finance Incorporated</i>	11.63	05/01/2014	8,465,000	9,724,169
<i>Level 3 Financing Incorporated</i>	10.00	02/01/2018	4,555,000	4,862,463
<i>Nielsen Finance LLC Company</i>	11.50	05/01/2016	1,170,000	1,342,575
<i>Nielson Finance LLC Company</i>	7.75	10/15/2018	10,570,000	11,772,338
<i>Springleaf Finance Corporation</i>	6.90	12/15/2017	5,950,000	4,611,250
<i>Sprint Capital Corporation</i>	6.88	11/15/2028	13,075,000	9,691,844
<i>Sprint Capital Corporation</i>	8.75	03/15/2032	6,270,000	5,266,800
				80,575,274
<b>Diversified Financial Services : 5.43%</b>				
<i>Ally Financial Incorporated</i>	8.30	02/12/2015	8,820,000	9,729,518
<i>Dolphin Subsidiary II Incorporated 144A</i>	7.25	10/15/2021	4,225,000	4,700,313
<i>Hub International Holdings Incorporated 144A</i>	10.25	06/15/2015	6,650,000	6,724,813
<i>Nuveen Investments Incorporated</i>	5.50	09/15/2015	5,800,000	5,249,000
<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	4,445,000	4,633,913
<i>Nuveen Investments Incorporated 144A</i>	10.50	11/15/2015	4,825,000	4,981,813
<i>USI Holdings Corporation 144A</i>	9.75	05/15/2015	1,055,000	1,033,900
				37,053,270
<b>REITs : 2.70%</b>				
<i>Dupont Fabros Technology Incorporated</i>	8.50	12/15/2017	11,580,000	12,709,050
<i>Host Hotels &amp; Resorts LP</i>	9.00	05/15/2017	490,000	543,900
<i>Omega Healthcare Investors Incorporated</i>	6.75	10/15/2022	3,375,000	3,577,500
<i>Ventas Incorporated</i>	9.00	05/01/2012	1,560,000	1,582,575
				18,413,025
<b>Health Care : 4.59%</b>				
<b>Health Care Equipment &amp; Supplies : 0.88%</b>				
<i>Biomet Incorporated ¥</i>	10.38	10/15/2017	1,215,000	1,318,275
<i>Biomet Incorporated</i>	11.63	10/15/2017	3,485,000	3,789,938

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<i>Fresenius Medical Care Incorporated</i>	6.88	07/15/2017	700,000	753,375
				5,861,588

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES  
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012  
(UNAUDITED)

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Health Care Providers &amp; Services : 3.48%</b>				
<i>Apria Healthcare Group Incorporated</i>	11.25%	11/01/2014	\$ 1,340,000	\$ 1,398,625
<i>Aviv Healthcare Incorporated</i>	7.75	02/15/2019	3,725,000	3,734,313
<i>Centene Corporation</i>	5.75	06/01/2017	1,925,000	1,963,500
<i>Community Health Systems Incorporated Series WI</i>	8.88	07/15/2015	765,000	795,600
<i>Emergency Medical Services Corporation</i>	8.13	06/01/2019	800,000	816,000
<i>HCA Incorporated</i>	6.50	02/15/2020	3,675,000	3,895,500
<i>HCA Incorporated</i>	7.50	02/15/2022	700,000	749,000
<i>HCA Incorporated</i>	8.50	04/15/2019	375,000	416,250
<i>Health Management Associates</i>	6.13	04/15/2016	475,000	490,438
<i>Health Management Associates 144A</i>	7.38	01/15/2020	475,000	489,250
<i>HealthSouth Corporation</i>	7.25	10/01/2018	750,000	774,375
<i>HealthSouth Corporation</i>	7.75	09/15/2022	750,000	781,875
<i>MPT Operating Partnership LP</i>	6.88	05/01/2021	3,175,000	3,294,063
<i>Sabra Health Care LP</i>	8.13	11/01/2018	2,850,000	2,999,625
<i>United Surgical Partners International Incorporated</i>	8.88	05/01/2017	1,050,000	1,099,875
				23,698,289
<b>Pharmaceuticals : 0.25%</b>				
<i>Mylan Incorporated 144A</i>	6.00	11/15/2018	650,000	671,125
<i>Mylan Incorporated 144A</i>	7.63	07/15/2017	650,000	714,188
<i>Mylan Incorporated 144A</i>	7.88	07/15/2020	300,000	333,000
				1,718,313
<b>Industrials : 7.94%</b>				
<b>Aerospace &amp; Defense : 1.55%</b>				
<i>Alliant Techsystems Incorporated</i>	6.75	04/01/2016	4,470,000	4,592,925
<i>GeoEye Incorporated</i>	9.63	10/01/2015	1,140,000	1,265,400
<i>Hexcel Corporation</i>	6.75	02/01/2015	1,089,000	1,098,529
<i>L-3 Communications Holdings Incorporated</i>	6.38	10/15/2015	2,740,000	2,808,500
<i>Transdigm Incorporated</i>	7.75	12/15/2018	750,000	821,250
				10,586,604
<b>Commercial Services &amp; Supplies : 2.72%</b>				
<i>Casella Waste Systems Incorporated</i>	11.00	07/15/2014	4,385,000	4,779,650
<i>Corrections Corporation of America</i>	7.75	06/01/2017	2,110,000	2,290,669
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.50	12/15/2096	1,225,000	1,053,500
<i>Geo Group Incorporated</i>	7.75	10/15/2017	2,955,000	3,161,850
<i>Interface Incorporated</i>	7.63	12/01/2018	300,000	323,250
<i>Iron Mountain Incorporated</i>	8.38	08/15/2021	3,520,000	3,845,600
<i>KAR Holdings Incorporated ±</i>	4.43	05/01/2014	2,225,000	2,216,656
<i>Mac-Gray Corporation</i>	7.63	08/15/2015	850,000	871,250
				18,542,425
<b>Machinery : 1.04%</b>				
<i>Cleaver-Brooks Incorporated 144A</i>	12.25	05/01/2016	1,440,000	1,454,400
<i>Columbus McKinnon Corporation</i>	7.88	02/01/2019	1,575,000	1,622,250
<i>CPM Holdings Incorporated</i>	10.63	09/01/2014	3,025,000	3,244,313
<i>Titan International Incorporated</i>	7.88	10/01/2017	700,000	739,375
				7,060,338

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**Professional Services : 0.80%**

<i>Affinia Group Incorporated 144A</i>	10.75	08/15/2016	207,000	227,700
<i>Interactive Data Corporation</i>	10.25	08/01/2018	2,535,000	2,807,513

**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES**  
**FUND**

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Professional Services (continued)</b>				
<i>NCO Group Incorporated</i>	11.88%	11/15/2014	\$ 2,450,000	\$ 2,413,250
				5,448,463
<b>Road &amp; Rail : 1.68%</b>				
<i>Kansas City Southern</i>	8.00	06/01/2015	8,285,000	8,782,100
<i>RailAmerica Incorporated</i>	9.25	07/01/2017	2,428,000	2,701,150
				11,483,250
<b>Transportation Infrastructure: 0.15%</b>				
<i>Overseas Shipholding Group</i>	7.50	02/15/2024	1,725,000	1,047,938
<b>Information Technology : 9.53%</b>				
<b>Communications Equipment : 1.54%</b>				
<i>Allbritton Communications Company</i>	8.00	05/15/2018	2,574,000	2,657,655
<i>EchoStar DBS Corporation</i>	7.13	02/01/2016	910,000	998,725
<i>Intelsat Jackson Holdings Limited</i>	9.50	06/15/2016	2,225,000	2,336,250
<i>Lucent Technologies Incorporated</i>	6.45	03/15/2029	3,100,000	2,340,500
<i>Seagate Technology Holdings</i>	6.80	10/01/2016	1,275,000	1,392,938
<i>Seagate Technology Holdings 144A</i>	7.00	11/01/2021	725,000	775,750
				10,501,818
<b>Computers &amp; Peripherals : 0.51%</b>				
<i>Seagate HDD Cayman</i>	6.88	05/01/2020	650,000	695,500
<i>Seagate HDD Cayman</i>	7.75	12/15/2018	2,500,000	2,768,750
				3,464,250
<b>Electronic Equipment, Instruments &amp; Components : 2.96%</b>				
<i>CDW Financial Corporation</i>	12.54	10/12/2017	1,600,000	1,732,000
<i>Jabil Circuit Incorporated</i>	8.25	03/15/2018	13,532,000	15,764,780
<i>Viasystem Group Incorporated 144A</i>	12.00	01/15/2015	2,530,000	2,707,100
				20,203,880
<b>Internet Software &amp; Services : 0.37%</b>				
<i>Equinix Incorporated</i>	7.00	07/15/2021	125,000	135,625
<i>Equinix Incorporated</i>	8.13	03/01/2018	2,125,000	2,358,750
				2,494,375
<b>IT Services : 4.15%</b>				
<i>Audatex North American Incorporated 144A</i>	6.75	06/15/2018	475,000	483,313
<i>Fidelity National Information Services 144A</i>	7.63	07/15/2017	325,000	354,250
<i>Fidelity National Information Services</i>	7.63	07/15/2017	550,000	602,250
<i>Fidelity National Information Services</i>	7.88	07/15/2020	2,450,000	2,756,250
<i>First Data Corporation 144A</i>	7.38	06/15/2019	1,325,000	1,321,688
<i>First Data Corporation</i>	11.25	03/31/2016	10,125,000	8,783,438
<i>SunGard Data Systems Incorporated</i>	7.38	11/15/2018	1,100,000	1,160,500
<i>SunGard Data Systems Incorporated</i>	7.63	11/15/2020	550,000	584,375
<i>SunGard Data Systems Incorporated</i>	10.25	08/15/2015	7,439,750	7,700,141
<i>TW Telecommunications Holdings Incorporated</i>	8.00	03/01/2018	1,272,000	1,376,940
<i>Unisys Corporation</i>	12.50	01/15/2016	1,065,000	1,136,888

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<i>Unisys Corporation 144A</i>	12.75	10/15/2014	1,068,000	1,204,170
<i>Unisys Corporation 144A</i>	14.25	09/15/2015	751,000	850,508
				28,314,711

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES  
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012  
(UNAUDITED)

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Materials : 3.42%</b>				
<b>Chemicals : 1.07%</b>				
Huntsman International LLC	5.50%	06/30/2016	\$ 2,855,000	\$ 2,826,450
Lyondell Chemical Company	11.00	05/01/2018	2,399,231	2,627,158
Solutia Incorporated	7.88	03/15/2020	1,450,000	1,703,750
Solutia Incorporated	8.75	11/01/2017	150,000	169,875
				7,327,233
<b>Containers &amp; Packaging : 0.77%</b>				
Crown Americas LLC	7.63	05/15/2017	950,000	1,045,000
Graham Packaging Company Incorporated	9.88	10/15/2014	3,550,000	3,621,000
Owens Brockway Glass Container Incorporated	7.38	05/15/2016	515,000	576,800
				5,242,800
<b>Metals &amp; Mining : 0.89%</b>				
Freeport-McMoRan Copper & Gold Incorporated	8.38	04/01/2017	5,725,000	6,039,875
Indalex Holdings Corporation (s)	11.50	02/01/2014	5,985,000	22,444
				6,062,319
<b>Paper &amp; Forest Products : 0.69%</b>				
Clearwater Paper Corporation	10.63	06/15/2016	1,175,000	1,316,000
Georgia-Pacific Corporation	8.88	05/15/2031	2,430,000	3,375,982
				4,691,982
<b>Telecommunication Services : 13.37%</b>				
<b>Diversified Telecommunication Services : 6.77%</b>				
Avaya Incorporated	9.75	11/01/2015	2,300,000	2,202,250
Citizens Communications Company	7.88	01/15/2027	4,205,000	3,605,788
FairPoint Communications Incorporated 144A	10.88	04/01/2017	2,550,000	2,856,000
Frontier Communications Corporation	8.13	10/01/2018	1,980,000	1,975,050
Frontier Communications Corporation	8.25	04/15/2017	2,380,000	2,397,850
Frontier Communications Corporation	8.50	04/15/2020	1,000,000	990,000
GCI Incorporated	6.75	06/01/2021	1,350,000	1,356,750
GCI Incorporated	8.63	11/15/2019	4,175,000	4,498,563
Intelsat Jackson Holdings Company	7.25	10/15/2020	1,700,000	1,774,375
Qwest Corporation	7.50	06/15/2023	3,260,000	3,260,000
Qwest Corporation	7.63	08/03/2021	440,000	451,371
SBA Telecommunications Incorporated	8.00	08/15/2016	1,090,000	1,179,925
SBA Telecommunications Incorporated	8.25	08/15/2019	485,000	528,650
Syniverse Holdings Incorporated	9.13	01/15/2019	7,775,000	8,377,563
U.S. West Communications Incorporated	7.13	11/15/2043	1,810,000	1,778,325
U.S. West Communications Incorporated	7.25	09/15/2025	2,755,000	2,967,006
Windstream Corporation	7.88	11/01/2017	5,380,000	5,944,900
				46,144,366
<b>Wireless Telecommunication Services : 6.60%</b>				
CC Holdings LLC 144A	7.75	05/01/2017	650,000	706,063
Cricket Communications Incorporated	7.75	05/15/2016	3,355,000	3,556,300
Cricket Communications Incorporated	7.75	10/15/2020	3,200,000	3,048,000
Crown Castle International Corporation	7.13	11/01/2019	165,000	179,438



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<i>Crown Castle International Corporation</i>	9.00	01/15/2015	650,000	708,500
<i>Intelsat Limited 144A</i>	7.25	04/01/2019	3,025,000	3,161,125
<i>Intelsat Limited 144A</i>	7.50	04/01/2021	2,214,000	2,324,700
<i>Intelsat Limited</i>	11.25	06/15/2016	7,090,000	7,515,400
<i>iPCS Incorporated ¥</i>	3.68	05/01/2014	2,607,559	2,385,916
<i>MetroPCS Communications Incorporated</i>	6.63	11/15/2020	6,175,000	6,128,688

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**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES**  
**FUND**

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Wireless Telecommunication Services (continued)</b>				
<i>MetroPCS Communications Incorporated</i>	7.88%	09/01/2018	\$ 1,050,000	\$ 1,107,750
<i>Sprint Nextel Corporation 144A</i>	9.00	11/15/2018	750,000	808,125
<i>Sprint Nextel Corporation 144A</i>	11.50	11/15/2021	1,200,000	1,242,000
<i>Sprint Nextel Corporation Series D</i>	7.38	08/01/2015	6,360,000	6,153,300
<i>Sprint Nextel Corporation Series F</i>	5.95	03/15/2014	6,065,000	6,004,350
				45,029,655

**Utilities : 8.04%****Electric Utilities : 4.33%**

<i>Aquila Incorporated Step Bond</i>	11.88	07/01/2012	14,996,000	15,635,055
<i>Energy Future Holdings Corporation</i>	10.00	12/01/2020	150,000	161,625
<i>Ipalco Enterprises Incorporated</i>	5.00	05/01/2018	1,750,000	1,725,938
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12/30/2028	7,560,525	7,711,735
<i>Otter Tail Corporation</i>	9.00	12/15/2016	3,985,000	4,263,950
				29,498,303

**Gas Utilities : 0.22%**

<i>AmeriGas Finance LLC</i>	6.75	05/20/2020	225,000	225,000
<i>AmeriGas Finance LLC</i>	7.00	05/20/2022	225,000	225,563
<i>AmeriGas Partners LP</i>	6.50	05/20/2021	1,050,000	1,042,125
				1,492,688

**Independent Power Producers & Energy Traders : 3.49%**

<i>Calpine Corporation 144A</i>	7.25	10/15/2017	9,469,000	9,895,105
<i>NRG Energy Incorporated</i>	7.38	01/15/2017	6,050,000	6,254,188
<i>NRG Energy Incorporated</i>	8.50	06/15/2019	3,675,000	3,693,375
<i>RRI Energy Incorporated</i>	7.63	06/15/2014	1,020,000	1,020,000
<i>RRI Energy Incorporated</i>	9.24	07/02/2017	2,287,916	2,196,399
<i>RRI Energy Incorporated</i>	9.68	07/02/2026	780,000	733,200
				23,792,267

**Total Corporate Bonds and Notes (Cost \$731,742,681)**

758,559,068

	Dividend Yield	Shares	
<b>Preferred Stocks: 0.17%</b>			
<b>Financials : 0.17%</b>			
<b>Consumer Finance: 0.17%</b>			
<i>GMAC Capital Trust</i>	8.125	53,000	1,176,070
<b>Total Preferred Stocks (Cost \$1,325,000)</b>			1,176,070

	Interest Rate	Maturity Date	Principal	
<b>Term Loans: 11.81%</b>				
<i>Advantage Sales &amp; Marketing Incorporated</i>	9.25	06/18/2018	\$ 900,000	884,250
<i>Capital Automotive LP</i>	5.00	03/10/2017	7,286,051	7,235,996
<i>CCM Merger Incorporated</i>	7.00	03/01/2017	8,397,018	8,331,941

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<i>Coinmach Corporation</i>	3.41	11/20/2014	6,589,648	6,015,426
<i>Fairpoint Communications Incorporated</i>	6.50	01/22/2016	6,788,901	5,710,484
<i>Federal Mogul Corporation &lt;</i>	2.22	12/28/2015	1,038,700	990,878
<i>Federal Mogul Corporation &lt;</i>	2.23	12/29/2014	1,261,928	1,203,829
<i>First Data Corporation B1</i>	3.03	09/24/2014	2,867,975	2,719,787
<i>First Data Corporation B2</i>	3.03	09/24/2014	5,354,373	5,077,712
<i>First Data Corporation B3</i>	3.03	09/24/2014	1,485,523	1,408,766

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES  
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012  
(UNAUDITED)

Security Name	Interest Rate	Maturity Date	Principal	Value
<b>Term Loans (continued)</b>				
<i>Gray Television Incorporated</i>	3.80%	12/31/2014	\$ 1,800,564	\$ 1,773,555
<i>HHI Holdings Limited</i>	7.00	03/21/2017	2,233,125	2,216,377
<i>Level 3 Financing Incorporated</i>	2.75	03/13/2014	1,300,000	1,263,028
<i>Local TV Finance LLC</i>	2.28	05/07/2013	2,720,910	2,680,096
<i>Merisant Company</i>	7.50	01/08/2014	1,429,623	1,408,179
<i>NCO Group Incorporated</i>	8.00	11/15/2013	2,425,222	2,405,529
<i>Newsday LLC</i>	10.50	08/01/2013	5,920,000	6,090,200
<i>Panolam Industries International</i>	8.25	12/31/2013	428,747	403,738
<i>Springleaf Finance Corporation</i>	5.50	05/05/2017	1,350,000	1,253,813
<i>Texas Competitive Electric Holdings</i>	3.80	10/10/2014	29,662,911	20,074,375
<i>Texas Competitive Electric Holdings</i>	4.80	10/10/2017	675,000	415,969
<i>Wash Multifamily Laundry Systems LLC</i>	7.00	08/28/2014	989,770	980,496
<b>Total Term Loans (Cost \$86,021,163)</b>				80,544,424
<b>Yankee Corporate Bonds and Notes: 2.42%</b>				
<b>Consumer Discretionary : 0.27%</b>				
<b>Media : 0.27%</b>				
<i>Videotron Limited</i>	6.38	12/15/2015	100,000	102,125
<i>Videotron Limited</i>	9.13	04/15/2018	1,525,000	1,692,750
				1,794,875
<b>Energy : 0.55%</b>				
<b>Oil, Gas &amp; Consumable Fuels: 0.55%</b>				
<i>Griffin Coal Mining Company Limited 144A(s)</i>	9.50	12/01/2016	4,769,384	3,738,005
<b>Diversified Financial Services: 0.00%</b>				
<i>Preferred Term Securities XII Limited ±(s)(i)</i>	1.97	12/24/2033	1,540,000	462
<b>Materials : 1.03%</b>				
<b>Metals &amp; Mining : 0.67%</b>				
<i>Novelis Incorporated</i>	7.25	02/15/2015	630,000	627,877
<i>Novelis Incorporated</i>	8.38	12/15/2017	1,100,000	1,207,250
<i>Novelis Incorporated</i>	8.75	12/15/2020	2,425,000	2,709,938
				4,545,065
<b>Paper &amp; Forest Products : 0.36%</b>				
<i>PE Paper Escrow 144A</i>	12.00	08/01/2014	715,000	775,775
<i>Sappi Limited 144A</i>	7.50	06/15/2032	2,155,000	1,702,450
				2,478,225
<b>Telecommunication Services : 0.57%</b>				
<b>Wireless Telecommunication Services : 0.57%</b>				
<i>Digicel Group Limited 144A</i>	12.00	04/01/2014	870,000	980,925
<i>Telesat Canada Incorporated</i>	11.00	11/01/2015	690,000	738,271
<i>Wind Acquisition Finance SA 144A</i>	11.75	07/15/2017	2,205,000	2,182,950
				3,902,146

**Total Yankee Corporate Bonds and Notes (Cost \$15,697,120)**

16,458,778

**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES**  
**FUND**

Security Name	Yield	Shares	Value
<b>Short-Term Investments: 7.14%</b>			
<b>Investment Companies : 7.14%</b>			
<i>Wells Fargo Advantage Cash Investment Money Market Fund, Institutional Class</i>			
##(l)(u)	0.02%	48,700,700	\$ 48,700,700
<b>Total Short-Term Investments (Cost \$48,700,700)</b>			48,700,700
<b>Total Investments in Securities</b>			
<b>(Cost \$888,903,929)*</b>	133.30%		908,941,387
<i>Other Assets and Liabilities, Net</i>	(33.30)		(227,050,506)
<b>Total Net Assets</b>	100.00%		\$ 681,890,881

*Non-income earning security.*

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

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

± *Variable rate investment.*

(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.*

± *Variable rate investment.*

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

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

(l) *Investment in an affiliate.*

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

\* *Cost for federal income tax purposes is \$884,728,517 and net unrealized appreciation (depreciation) consists of:*

<i>Gross unrealized appreciation</i>	\$ 45,919,490
<i>Gross unrealized depreciation</i>	(21,706,620)
<b><i>Net unrealized appreciation</i></b>	<b>\$ 24,212,870</b>

**WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND**

NOTES TO PORTFOLIO OF INVESTMENTS JANUARY 31, 2012 (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 equity 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.

Fixed income securities with maturities exceeding 60 days are valued based on evaluated prices 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.

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.

**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 January 31, 2012, the Fund had unfunded loan commitments of \$1,867,906.

**Fair valuation measurements**

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

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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.



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As of January 31, 2012, 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
<b>Investments in Securities</b>				
<b>Equity securities</b>				
<i>Common stocks</i>	\$ 546,907	\$ 0	\$ 8,596	\$ 555,503
<i>Preferred stocks</i>	1,176,070	0	0	1,176,070
<b>Convertible debentures</b>	0	2,946,844	0	2,946,844
<b>Corporate bonds and notes</b>	0	747,917,734	10,641,334	758,559,068
<b>Term loans</b>	0	63,502,168	17,042,256	80,544,424
<b>Yankee corporate bonds</b>	0	16,458,316	462	16,458,778
<b>Short-term investments</b>				
<i>Investment companies</i>	48,700,700	0	0	48,700,700
	\$ 50,423,677	\$ 830,825,062	\$ 27,692,648	\$ 908,941,387

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended January 31, 2012, 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:

	Common stocks	Corporate bonds and notes	Term Loans	Yankee corporate bonds and notes	Total
<b>Balance as of April 30, 2011</b>	\$ 0	\$ 12,165,050	\$ 6,408,149	\$ 462	\$ 18,573,661
Accrued discounts (premiums)	0	3,754	2,609	0	6,363
Realized gains (losses)	0	(8,467)	10,515	0	2,048
Change in unrealized gains (losses)	0	(1,188,927)	(57,615)	0	(1,246,542)
Purchases	0	0	0	0	0
Sales	0	(330,076)	(2,739,102)	0	(3,069,178)
Transfers into Level 3	8,596	0	14,825,879	0	14,834,475
Transfers out of Level 3	0	0	(1,408,179)	0	(1,408,179)
<b>Balance as of January 31, 2012</b>	\$ 8,596	\$ 10,641,334	\$ 17,042,256	\$ 462	\$ 27,692,648
<b>Change in unrealized gains (losses) relating to securities still held at January 31, 2012</b>	\$ 0	(\$ 1,168,515)	(\$ 13,957)	\$ 0	(\$ 1,182,472)

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

ACB Agricultural Credit Bank

ADR American Depository Receipt

ADS American Depository Shares

AGC-ICC Assured Guaranty Corporation - Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

AUD Australian Dollar

BAN Bond Anticipation Notes

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil Real

CAB Capital Appreciation Bond

CAD Canadian Dollar

CCAB Convertible Capital Appreciation Bond

CDA Community Development Authority

CDO Collateralized Debt Obligation

CHF Swiss Franc

COP Certificate of Participation

CR Custody Receipts

DKK Danish Krone

DRIVER Derivative Inverse Tax-Exempt Receipts

DW&P Department of Water & Power

DWR Department of Water Resources

ECFA Educational & Cultural Facilities Authority

EDA Economic Development Authority

EDFA Economic Development Finance Authority

ETF Exchange-Traded Fund

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EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British Pound

GDR Global Depository 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

HUF Hungarian Forint

IBC Insured Bond Certificate

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

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LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MSTR Municipal Securities Trust Receipts

MTN Medium Term Note

MUD Municipal Utility District

MXN Mexican Peso

MYR Malaysian Ringgit

NATL-RE National Public Finance Guarantee Corporation

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

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

SAVRS Select Auction Variable Rate Securities

SBA Small Business Authority

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SPDR Standard & Poor's Depository Receipts

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

TVA Tennessee Valley Authority

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: March 26, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Wells Fargo Advantage Income Opportunities Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch  
President

Date: March 26, 2012

By: /s/ Kasey L. Phillips

Kasey L. Phillips  
Treasurer

Date: March 26, 2012