

WELLS FARGO INCOME OPPORTUNITIES FUND

Form N-Q

March 27, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS**

**OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-21507**

**Wells Fargo 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**

**Registrant is making a filing for Wells Fargo Income Opportunities Fund.**

**Date of reporting period: January 31, 2018**

ITEM 1. INVESTMENTS

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2018  
(unaudited)

Security name	Shares	Value
<b>Common Stocks : 0.00%</b>		
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	\$ 839
<b>Total Common Stocks (Cost \$606)</b>		839

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 115.24%</b>				
<b>Consumer Discretionary : 25.12%</b>				
<b>Auto Components : 2.52%</b>				
<i>Allison Transmission Incorporated 144A</i>	4.75%	10-1-2027	\$ 1,695,000	1,686,525
<i>Allison Transmission Incorporated 144A</i>	5.00	10-1-2024	8,125,000	8,206,250
<i>Cooper Tire &amp; Rubber Company</i>	7.63	3-15-2027	5,190,000	5,851,725
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	400,000	434,000
				16,178,500
<b>Distributors : 0.39%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	2,200,000	2,252,250
<i>Spectrum Brands Incorporated</i>	6.63	11-15-2022	250,000	259,063
				2,511,313
<b>Diversified Consumer Services : 1.99%</b>				
<i>Service Corporation International</i>	4.63	12-15-2027	1,250,000	1,239,063
<i>Service Corporation International</i>	7.50	4-1-2027	8,109,000	9,649,710
<i>Service Corporation International</i>	8.00	11-15-2021	1,635,000	1,900,688
				12,789,461
<b>Hotels, Restaurants &amp; Leisure : 1.73%</b>				
<i>Brinker International Incorporated 144A</i>	5.00	10-1-2024	850,000	856,375
<i>CCM Merger Incorporated 144A</i>	6.00	3-15-2022	8,475,000	8,686,875
<i>Pinnacle Entertainment Incorporated</i>	5.63	5-1-2024	700,000	749,000
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	839,438
				11,131,688
<b>Media : 12.80%</b>				
<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	2,270,000	2,323,913
<i>Altice US Finance I Corporation 144A</i>	5.50	5-15-2026	2,200,000	2,249,500
<i>CCO Holdings LLC 144A</i>	4.00	3-1-2023	175,000	171,883

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<i>CCO Holdings LLC 144A</i>	5.00	2-1-2028	350,000	338,625
<i>CCO Holdings LLC</i>	5.13	2-15-2023	2,266,000	2,309,904
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	2,965,000	3,022,447
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2027	750,000	730,515
<i>CCO Holdings LLC</i>	5.25	9-30-2022	2,048,000	2,096,640
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	7,195,000	7,302,925
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	325,000	331,500
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	5,675,000	5,873,625
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	2,350,000	2,455,750
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	3,625,000	3,942,188
<i>Cinemark USA Incorporated</i>	4.88	6-1-2023	750,000	759,375
<i>CSC Holdings LLC 144A</i>	5.38	2-1-2028	1,125,000	1,122,188
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,525,000	1,525,000
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	669,925
<i>E.W. Scripps Company 144A</i>	5.13	5-15-2025	6,019,000	5,943,763
<i>EMI Music Publishing Group 144A</i>	7.63	6-15-2024	1,675,000	1,842,500
<i>Gray Television Incorporated 144A</i>	5.13	10-15-2024	2,400,000	2,412,000
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	6,650,000	6,849,500
<i>Lamar Media Corporation</i>	5.38	1-15-2024	725,000	746,750
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,825,163

Portfolio of investments January 31, 2018 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>Lin Television Corporation</i>	5.88%	11-15-2022	\$ 425,000	\$ 438,005
<i>Live Nation Entertainment Incorporated 144A</i>	4.88	11-1-2024	2,300,000	2,346,000
<i>Live Nation Entertainment Incorporated 144A</i>	5.38	6-15-2022	631,000	649,930
<i>National CineMedia LLC</i>	6.00	4-15-2022	7,000,000	7,096,250
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	1,375,000	1,420,540
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	2,815,000	2,899,450
<i>Nielsen Finance LLC 144A</i>	5.00	4-15-2022	1,945,000	1,976,606
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	326,336
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	735,000	752,456
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,326,842
<i>Salem Media Group Incorporated 144A</i>	6.75	6-1-2024	6,225,000	6,084,938
				82,162,932
<b>Specialty Retail : 5.06%</b>				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	7,200,000	7,488,000
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	2,259,000	2,322,930
<i>Group 1 Automotive Incorporated 144A</i>	5.25	12-15-2023	2,000,000	2,060,000
<i>Lithia Motors Incorporated 144A</i>	5.25	8-1-2025	6,825,000	7,029,750
<i>Penske Auto Group Incorporated</i>	3.75	8-15-2020	1,045,000	1,050,225
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	5,398,000	5,451,980
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,162,370
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	3,200,000	3,112,000
<i>Sonic Automotive Incorporated</i>	6.13	3-15-2027	1,799,000	1,785,508
				32,462,763
<b>Textiles, Apparel &amp; Luxury Goods : 0.63%</b>				
<i>The William Carter Company</i>	5.25	8-15-2021	1,200,000	1,224,000
<i>Wolverine World Wide Company 144A</i>	5.00	9-1-2026	2,775,000	2,802,750
				4,026,750
<b>Consumer Staples : 1.48%</b>				
<b>Beverages : 0.18%</b>				
<i>Cott Beverages Incorporated 144A</i>	5.50	4-1-2025	1,125,000	1,146,094
<b>Food Products : 1.04%</b>				
<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	673,350
<i>B&amp;G Foods Incorporated</i>	5.25	4-1-2025	1,750,000	1,752,188
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	302,006
<i>Lamb Weston Holdings Incorporated 144A</i>	4.63	11-1-2024	75,000	76,125
<i>Lamb Weston Holdings Incorporated 144A</i>	4.88	11-1-2026	75,000	76,500
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	2,360,000	2,383,600

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<i>Pilgrim s Pride Corporation 144A</i>	5.88	9-30-2027	400,000	401,000
<i>Pinnacle Foods Incorporated</i>	5.88	1-15-2024	100,000	105,881
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	210,000	216,300
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	670,000	698,475
				6,685,425

**Household Products : 0.26%**

<i>Central Garden &amp; Pet Company</i>	5.13	2-1-2028	400,000	398,000
<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	405,000	427,781
<i>Spectrum Brands Incorporated</i>	5.75	7-15-2025	775,000	815,688
				1,641,469

**Energy : 30.56%**

**Energy Equipment & Services : 8.83%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	6,900,000	5,830,500
<i>Diamond Offshore Drilling Incorporated</i>	4.88	11-1-2043	2,875,000	2,199,375
<i>Era Group Incorporated</i>	7.75	12-15-2022	4,745,000	4,602,650
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	3,100,000	3,115,500
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	4,195,000	4,320,850

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>Hornbeck Offshore Services Incorporated</i>	1.50%	9-1-2019	\$ 7,847,000	\$ 5,883,751
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	2,925,000	1,703,813
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	3,216,210
<i>NGPL PipeCo LLC 144A</i>	4.38	8-15-2022	675,000	681,953
<i>NGPL PipeCo LLC 144A</i>	4.88	8-15-2027	1,050,000	1,078,875
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	12,450,000	15,531,375
<i>PHI Incorporated</i>	5.25	3-15-2019	8,550,000	8,485,875
				56,650,727
<b>Oil, Gas &amp; Consumable Fuels : 21.73%</b>				
<i>Andeavor Logistics LP</i>	5.25	1-15-2025	1,150,000	1,206,293
<i>Archrock Partners LP</i>	6.00	10-1-2022	1,650,000	1,674,750
<i>Carrizo Oil &amp; Gas Incorporated</i>	8.25	7-15-2025	1,600,000	1,764,000
<i>Cheniere Energy Incorporated 144A</i>	5.25	10-1-2025	8,900,000	9,066,875
<i>Continental Resources Incorporated 144A</i>	4.38	1-15-2028	500,000	498,200
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	2,000,000	1,960,000
<i>Continental Resources Incorporated</i>	5.00	9-15-2022	1,325,000	1,341,563
<i>DCP Midstream Operating LP</i>	2.70	4-1-2019	1,425,000	1,419,656
<i>Denbury Resources Incorporated</i>	5.00	12-15-2023	1,088,000	919,492
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	6,205,000	5,243,225
<i>Denbury Resources Incorporated 144A</i>	9.25	3-31-2022	1,312,000	1,344,800
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	5,475,000	5,434,240
<i>Enable Midstream Partner LP</i>	3.90	5-15-2024	3,150,000	3,141,189
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	1,100,000	1,164,040
<i>EnLink Midstream LLC</i>	4.15	6-1-2025	5,000,000	5,008,954
<i>EnLink Midstream LLC</i>	4.40	4-1-2024	5,400,000	5,513,735
<i>Exterran Partners LP</i>	6.00	4-1-2021	7,750,000	7,846,875
<i>Gulfport Energy Corporation</i>	6.00	10-15-2024	1,625,000	1,637,188
<i>Gulfport Energy Corporation</i>	6.63	5-1-2023	2,900,000	2,987,000
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	1,155,000	1,254,057
<i>Kinder Morgan Incorporated</i>	7.42	2-15-2037	1,820,000	2,200,691
<i>Matador Resources Company</i>	6.88	4-15-2023	700,000	736,750
<i>Murphy Oil Corporation</i>	4.45	12-1-2022	3,200,000	3,212,000
<i>Murphy Oil Corporation</i>	5.75	8-15-2025	360,000	369,000
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	1,425,000	1,522,128
<i>Nabors Industries Limited</i>	0.75	1-15-2024	2,850,000	2,290,830
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	3,975,000	3,994,875
<i>PDC Energy Incorporated</i>	6.13	9-15-2024	950,000	988,000
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	7,320,000	7,686,000
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	5,300,000	6,207,625



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<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	1,150,000	1,374,250
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	2,450,000	2,474,500
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	1,775,000	1,750,594
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	2,275,000	2,424,712
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	2,820,000	3,072,648
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	740,000	808,948
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	2,300,000	2,521,344
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,766,960
<i>SemGroup Corporation 144A</i>	6.38	3-15-2025	5,725,000	5,739,313
<i>SemGroup Corporation 144A</i>	7.25	3-15-2026	2,869,000	2,969,415
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	1,508,000	1,553,240
<i>Southwestern Energy Company</i>	4.10	3-15-2022	815,000	802,775
<i>Southwestern Energy Company</i>	6.70	1-23-2025	75,000	76,313
<i>Southwestern Energy Company</i>	7.50	4-1-2026	750,000	784,688
<i>Southwestern Energy Company</i>	7.75	10-1-2027	750,000	778,125
<i>Summit Midstream Holdings LLC</i>	5.75	4-15-2025	400,000	403,000
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	12,825,000	13,145,625
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	725,000	785,719
<i>Ultra Resources Incorporated 144A</i>	6.88	4-15-2022	1,225,000	1,225,000
<i>Ultra Resources Incorporated 144A</i>	7.13	4-15-2025	2,700,000	2,696,625
<i>Western Gas Partners LP</i>	4.00	7-1-2022	300,000	303,720
<i>Western Gas Partners LP</i>	5.38	6-1-2021	375,000	395,476
				139,487,021

## Portfolio of investments January 31, 2018 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Financials : 9.01%</b>				
<b>Consumer Finance : 3.57%</b>				
<i>Ally Financial Incorporated</i>	7.50%	9-15-2020	\$ 300,000	\$ 330,000
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	1,300,000	1,353,625
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	3,016,000	3,288,948
<i>FirstCash Incorporated 144A</i>	5.38	6-1-2024	1,625,000	1,702,188
<i>Navient Corporation</i>	8.00	3-25-2020	2,725,000	2,945,589
<i>Navient Corporation</i>	8.45	6-15-2018	3,110,000	3,172,200
<i>OneMain Financial Group LLC 144A</i>	7.25	12-15-2021	6,900,000	7,141,500
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	1,375,000	1,423,125
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	75,000	82,688
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,342,000	1,476,200
				22,916,063
<b>Diversified Financial Services : 3.29%</b>				
<i>Infinity Acquisition LLC 144A</i>	7.25	8-1-2022	1,590,000	1,593,975
<i>LPL Holdings Incorporated 144A</i>	5.75	9-15-2025	16,500,000	16,835,115
<i>Tempo Acquisition LLC 144A</i>	6.75	6-1-2025	1,700,000	1,734,000
<i>Vantiv LLC 144A</i>	4.38	11-15-2025	975,000	967,688
				21,130,778
<b>Insurance : 2.15%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A</i>	8.13	7-15-2019	3,405,000	3,405,000
<i>Hub International Limited 144A</i>	7.88	10-1-2021	7,300,000	7,592,000
<i>USIS Merger Subordinate Incorporated 144A</i>	6.88	5-1-2025	2,700,000	2,781,000
				13,778,000
<b>Health Care : 10.43%</b>				
<b>Health Care Equipment &amp; Supplies : 3.11%</b>				
<i>Community Health Systems Incorporated</i>	5.13	8-1-2021	3,925,000	3,660,063
<i>Hill-Rom Holdings Incorporated 144A</i>	5.00	2-15-2025	975,000	989,625
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	325,000	338,406
<i>Hologic Incorporated 144A</i>	4.63	2-1-2028	475,000	475,000
<i>Hologic Incorporated 144A</i>	4.38	10-15-2025	4,525,000	4,525,000
<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	1,500,000	1,557,150
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	4,000,000	4,150,000
<i>Surgery Center Holdings Incorporated 144A</i>	6.75	7-1-2025	1,000,000	963,750
<i>Surgery Center Holdings Incorporated 144A</i>	8.88	4-15-2021	3,150,000	3,287,813
				19,946,807
<b>Health Care Providers &amp; Services : 6.18%</b>				

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<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	310,000	323,950
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	807,188
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	6,957,281
<i>HealthSouth Corporation</i>	5.75	9-15-2025	1,725,000	1,783,219
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	1,075,000	1,097,844
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	5,765,000	6,190,169
<i>MPT Operating Partnership LP</i>	5.00	10-15-2027	2,275,000	2,252,705
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	2,500,000	2,575,000
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	170,000	181,220
<i>Polaris Intermediate Corporation 144A</i>	8.50	12-1-2022	1,200,000	1,249,500
<i>Select Medical Corporation</i>	6.38	6-1-2021	6,730,000	6,881,425
<i>Tenet Healthcare Corporation 144A</i>	4.63	7-15-2024	614,000	603,255
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	575,000	602,675
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	7,235,000	8,157,463
				39,662,894

**Health Care Technology : 1.14%**

<i>Change Healthcare Holdings Incorporated 144A</i>	5.75	3-1-2025	5,454,000	5,549,445
<i>Quintiles IMS Holdings Incorporated 144A</i>	4.88	5-15-2023	1,375,000	1,423,125

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Technology (continued)</b>				
<i>Quintiles IMS Holdings Incorporated 144A</i>	5.00%	10-15-2026	\$ 375,000	\$ 382,031
				7,354,601
<b>Industrials : 5.61%</b>				
<b>Aerospace &amp; Defense : 0.06%</b>				
<i>RBS Global &amp; Rexnord LLC 144A</i>	4.88	12-15-2025	400,000	405,000
<b>Airlines : 0.38%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,428,749
<b>Commercial Services &amp; Supplies : 5.01%</b>				
<i>Acco Brands Corporation 144A</i>	5.25	12-15-2024	725,000	740,406
<i>Advanced Disposal Services Incorporated 144A</i>	5.63	11-15-2024	5,900,000	6,091,750
<i>Aramark Services Incorporated 144A</i>	5.00	2-1-2028	450,000	456,469
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	1,245,000	1,283,906
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	5,393,000	5,473,895
<i>Covanta Holding Corporation</i>	5.88	7-1-2025	1,500,000	1,526,250
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	3,205,000	3,281,119
<i>KAR Auction Services Incorporated 144A</i>	5.13	6-1-2025	11,725,000	11,886,219
<i>Waste Pro USA Incorporated 144A%%</i>	5.50	2-15-2026	725,000	737,688
<i>Wrangler Buyer Corporation 144A</i>	6.00	10-1-2025	650,000	671,125
				32,148,827
<b>Trading Companies &amp; Distributors : 0.16%</b>				
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,041,841
<b>Information Technology : 11.95%</b>				
<b>Communications Equipment : 0.25%</b>				
<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	1,550,000	1,630,895
<b>Electronic Equipment, Instruments &amp; Components : 2.13%</b>				
<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	13,657,848
<b>Internet Software &amp; Services : 1.64%</b>				
<i>Infor Software Parent LLC (PIK at 7.88%) 144A¥</i>	7.13	5-1-2021	1,260,000	1,285,200
<i>Infor U.S. Incorporated</i>	6.50	5-15-2022	875,000	902,344
<i>Zayo Group LLC 144A</i>	5.75	1-15-2027	1,975,000	2,007,193
<i>Zayo Group LLC</i>	6.00	4-1-2023	620,000	648,675
<i>Zayo Group LLC</i>	6.38	5-15-2025	5,396,000	5,659,055

10,502,467

**IT Services : 3.02%**

<i>Cardtronics Incorporated</i>	5.13	8-1-2022	3,375,000	3,265,313
<i>Cardtronics Incorporated 144A</i>	5.50	5-1-2025	2,400,000	2,226,000
<i>First Data Corporation 144A</i>	5.00	1-15-2024	2,325,000	2,386,031
<i>First Data Corporation 144A</i>	5.38	8-15-2023	550,000	567,188
<i>First Data Corporation 144A</i>	5.75	1-15-2024	2,095,000	2,165,057
<i>First Data Corporation 144A</i>	7.00	12-1-2023	3,550,000	3,738,612
<i>Gartner Incorporated 144A</i>	5.13	4-1-2025	4,825,000	5,016,553
				19,364,754

**Semiconductors & Semiconductor Equipment  
: 0.32%**

<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	1,325,000	1,378,000
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	659,000	691,126
				2,069,126

**Software : 0.52%**

<i>CDK Global Incorporated 144A</i>	4.88	6-1-2027	425,000	425,680
<i>CDK Global Incorporated</i>	5.00	10-15-2024	1,050,000	1,081,500

Portfolio of investments January 31, 2018 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Software (continued)</b>				
<i>SS&amp;C Technologies Incorporated</i>	5.88%	7-15-2023	\$ 1,430,000	\$ 1,499,713
<i>Symantec Corporation 144A</i>	5.00	4-15-2025	350,000	356,940
				3,363,833
<b>Technology Hardware, Storage &amp; Peripherals :</b>				
<b>4.07%</b>				
<i>Dell International LLC 144A</i>	5.88	6-15-2021	5,125,000	5,307,604
<i>Diamond 1 Finance Corporation 144A</i>	4.42	6-15-2021	250,000	258,954
<i>Diamond 1 Finance Corporation 144A</i>	7.13	6-15-2024	8,825,000	9,641,313
<i>NCR Corporation</i>	5.88	12-15-2021	380,000	389,975
<i>NCR Corporation</i>	6.38	12-15-2023	10,038,000	10,539,900
				26,137,746
<b>Materials : 3.47%</b>				
<b>Chemicals : 0.18%</b>				
<i>Celanese U.S. Holdings LLC</i>	5.88	6-15-2021	440,000	476,707
<i>Valvoline Incorporated</i>	5.50	7-15-2024	625,000	657,813
				1,134,520
<b>Containers &amp; Packaging : 3.29%</b>				
<i>Ball Corporation</i>	5.25	7-1-2025	630,000	667,013
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	700,000	726,635
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	575,000	599,438
<i>Crown Americas LLC 144A</i>	4.75	2-1-2026	1,650,000	1,662,375
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	2,910,000	3,353,775
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.88	8-15-2023	1,300,000	1,381,250
<i>Owens-Illinois Incorporated 144A</i>	5.38	1-15-2025	925,000	971,250
<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	7,500,000	8,287,500
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	2,350,000	2,485,125
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	784,000	785,960
<i>Silgan Holdings Incorporated</i>	5.50	2-1-2022	225,000	229,500
				21,149,821
<b>Metals &amp; Mining : 0.00%</b>				
<i>Indalex Holdings Corporation (a)</i>	11.50	2-1-2020	5,985,000	0
<b>Real Estate : 7.24%</b>				
<b>Equity REITs : 7.24%</b>				
<i>CoreCivic Incorporated</i>	4.63	5-1-2023	800,000	816,000

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<i>CoreCivic Incorporated</i>	5.00	10-15-2022	2,175,000	2,262,000
<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	806,870
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,742,910
<i>Equinix Incorporated</i>	5.75	1-1-2025	2,300,000	2,426,500
<i>Equinix Incorporated</i>	5.88	1-15-2026	2,350,000	2,496,875
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	7,800,000	7,858,500
<i>Iron Mountain Incorporated 144A</i>	5.25	3-15-2028	1,325,000	1,288,563
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	2,500,000	2,537,500
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	2,175,000	2,175,000
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	5,185,000	5,411,844
<i>MGM Growth Properties LLC 144A</i>	4.50	1-15-2028	775,000	756,109
<i>Sabra Health Care REIT Incorporated</i>	5.38	6-1-2023	2,100,000	2,147,250
<i>Sabra Health Care REIT Incorporated</i>	5.50	2-1-2021	2,285,000	2,344,981
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	1,586,000	1,597,895
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	2,595,000	2,663,119
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	2,925,000	3,005,438
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	1,110,000	1,132,200

46,469,554

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Telecommunication Services : 4.79%</b>				
<b>Diversified Telecommunication Services : 2.12%</b>				
<i>GCI Incorporated</i>	6.75%	6-1-2021	\$ 2,625,000	\$ 2,680,781
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	1,595,000	1,598,988
<i>Level 3 Financing Incorporated</i>	5.25	3-15-2026	1,050,000	1,030,313
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,583,175
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	1,125,000	1,119,375
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	1,595,000	1,598,142
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	1,275,000	1,290,938
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,715,350
				13,617,062
<b>Wireless Telecommunication Services : 2.67%</b>				
<i>SBA Communications Corporation 144A</i>	4.00	10-1-2022	250,000	246,250
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,485,000	1,520,269
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	2,600,000	2,687,750
<i>Sprint Capital Corporation</i>	7.63	2-15-2025	2,625,000	2,723,438
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	380,000	401,060
<i>T-Mobile USA Incorporated</i>	4.00	4-15-2022	1,075,000	1,095,828
<i>T-Mobile USA Incorporated</i>	4.50	2-1-2026	225,000	226,157
<i>T-Mobile USA Incorporated</i>	4.75	2-1-2028	225,000	225,844
<i>T-Mobile USA Incorporated</i>	5.13	4-15-2025	725,000	748,563
<i>T-Mobile USA Incorporated</i>	5.38	4-15-2027	350,000	367,500
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	523,325
<i>T-Mobile USA Incorporated</i>	6.00	4-15-2024	275,000	291,844
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	2,800,000	2,978,500
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	148,757
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	1,050,000	1,091,265
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,765,000	1,842,131
				17,118,481
<b>Utilities : 5.58%</b>				
<b>Electric Utilities : 0.05%</b>				
<i>NextEra Energy Incorporated 144A</i>	4.25	9-15-2024	350,000	351,750
<b>Gas Utilities : 0.36%</b>				
<i>AmeriGas Partners LP</i>	5.75	5-20-2027	2,250,000	2,303,438
<b>Independent Power &amp; Renewable Electricity Producers : 5.17%</b>				
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	7,913,194	8,704,513
<i>Pattern Energy Group Incorporated 144A</i>	5.88	2-1-2024	11,168,000	11,754,320



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<i>TerraForm Power Operating LLC 144A</i>	4.25	1-31-2023	7,625,000	7,548,750
<i>TerraForm Power Operating LLC 144A</i>	5.00	1-31-2028	1,275,000	1,257,469
<i>TerraForm Power Operating LLC 144A</i>	6.63	6-15-2025	3,600,000	3,928,500
				33,193,552

**Total Corporate Bonds and Notes (Cost \$719,375,549)** 739,752,550

**Loans : 5.49%**

**Consumer Discretionary : 2.31%**

**Auto Components : 0.53%**

<i>Federal-Mogul Corporation (1 Month LIBOR +3.75%) ±</i>	5.31	4-15-2021	3,408,159	3,434,266
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**Hotels, Restaurants & Leisure : 1.78%**

<i>CCM Merger Incorporated (1 Month LIBOR +2.75%) ±</i>	4.32	8-8-2021	829,672	836,417
<i>Montreign Operating Company LLC (1 Month LIBOR +8.25%) ±</i>	9.82	12-7-2022	10,425,000	10,568,344

11,404,761

Portfolio of investments January 31, 2018 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy : 0.52%</b>				
<b>Energy Equipment &amp; Services : 0.08%</b>				
<i>Panda Hummel Station (1 Month LIBOR</i>				
<i>+6.00%) ±</i>	7.57%	10-27-2022	\$ 533,917	\$ 519,234
<b>Oil, Gas &amp; Consumable Fuels : 0.44%</b>				
<i>Chesapeake Energy Corporation (3 Month</i>				
<i>LIBOR +7.50%) ±</i>	8.95	8-23-2021	725,000	775,301
<i>Ultra Resources Incorporated (3 Month LIBOR</i>				
<i>+3.00%) ±</i>	4.41	4-12-2024	2,025,000	2,032,594
				2,807,895
<b>Financials : 0.33%</b>				
<b>Diversified Financial Services : 0.33%</b>				
<i>Resolute Investment Managers Incorporated (3</i>				
<i>Month LIBOR +7.50%) ±</i>	9.27	4-30-2023	2,110,000	2,139,013
<b>Health Care : 0.32%</b>				
<b>Health Care Providers &amp; Services : 0.03%</b>				
<i>Press Ganey Holdings Incorporated (1 Month</i>				
<i>LIBOR +6.50%) ±</i>	8.07	10-21-2024	168,330	170,855
<b>Health Care Technology : 0.29%</b>				
<i>Emerald BidCo Incorporated (1 Month LIBOR</i>				
<i>+3.00%) ±</i>	4.57	10-21-2023	1,845,340	1,863,793
<b>Industrials : 0.43%</b>				
<b>Commercial Services &amp; Supplies : 0.43%</b>				
<i>Advantage Sales &amp; Marketing LLC (3 Month</i>				
<i>LIBOR</i>				
<i>+6.50%) ±</i>	8.27	7-25-2022	2,025,000	1,889,163
<i>WASH Multifamily Laundry Systems LLC 2015</i>				
<i>Term Loan B (1 Month LIBOR +3.25%) ±</i>	4.82	5-14-2022	564,192	567,013
<i>WASH Multifamily Laundry Systems LLC 1st</i>				
<i>Lien Term (1 Month LIBOR +3.25%) ±</i>	4.82	5-14-2022	98,807	99,301
<i>WASH Multifamily Laundry Systems LLC 2nd</i>				
<i>Lien Term (1 Month LIBOR +7.00%) ±</i>	8.57	5-12-2023	29,808	29,361
<i>WASH Multifamily Laundry Systems LLC 2nd</i>				
<i>Lien Term (1 Month LIBOR +7.00%) ±</i>	8.57	5-14-2023	170,192	167,639
				2,752,477

**Information Technology : 1.23%****Internet Software & Services : 1.23%***Ancestry.com Incorporated (1 Month LIBOR**+3.25%) ±*

4.83

10-19-2023

7,810,875

7,864,614

**Real Estate : 0.21%****Real Estate Management & Development :****0.21%***Capital Automotive LP (1 Month LIBOR**+6.00%) ±*

7.58

3-24-2025

1,328,633

1,355,206

**Utilities : 0.14%****Independent Power & Renewable Electricity****Producers : 0.14%***Vistra Energy Corporation (1 Month LIBOR**+2.25%) ±*

4.31

12-14-2023

915,750

920,906

**Total Loans (Cost \$34,865,238)**

35,233,020

**Expiration date****Shares****Rights : 0.07%****Utilities : 0.07%****Independent Power & Renewable Electricity****Producers : 0.07%***Vistra Energy Corporation*

12-14-2023

559,650

419,738

**Total Rights (Cost \$582,794)**

419,738

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Yankee Corporate Bonds and Notes : 11.53%</b>				
<b>Energy : 3.34%</b>				
<b>Energy Equipment &amp; Services : 0.84%</b>				
<i>Enscoc plc</i>	5.75%	10-1-2044	\$ 7,377,000	\$ 5,265,334
<i>Trinidad Drilling Limited 144A</i>	6.63	2-15-2025	100,000	98,000
				5,363,334
<b>Oil, Gas &amp; Consumable Fuels : 2.50%</b>				
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	3,600,000	3,483,000
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	1,909,000	1,789,688
<i>Griffin Coal Mining Company Limited 144A(a)(p)</i>	9.50	12-1-2016	2,119,383	8,478
<i>Griffin Coal Mining Company Limited (a)(p)</i>	9.50	12-1-2016	290,088	1,160
<i>Teekay Corporation</i>	8.50	1-15-2020	10,333,000	10,752,520
				16,034,846
<b>Financials : 0.55%</b>				
<b>Banks : 0.55%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.00	2-1-2025	2,775,000	2,802,750
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	717,500
<i>Preferred Term Securities XII Limited (a)</i>	0.00	12-24-2033	1,540,000	0
				3,520,250
<b>Health Care : 2.46%</b>				
<b>Pharmaceuticals : 2.46%</b>				
<i>Endo Finance LLC 144A</i>	5.88	10-15-2024	400,000	406,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.50	3-1-2023	3,825,000	3,434,391
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.50	11-1-2025	925,000	934,713
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	3,600,000	3,250,800
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	3,550,000	3,177,960
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.50	3-15-2022	525,000	550,095
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2021	700,000	693,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.00	3-15-2024	975,000	1,036,854
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	1,266,000	1,270,748
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	9.00	12-15-2025	1,025,000	1,052,870
				15,807,431
<b>Industrials : 2.24%</b>				
<b>Commercial Services &amp; Supplies : 1.66%</b>				

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<i>GFL Environmental Incorporated 144A</i>	5.63	5-1-2022	925,000	957,375
<i>GFL Environmental Incorporated 144A</i>	9.88	2-1-2021	1,050,000	1,106,438
<i>Ritchie Brothers Auctioneers Incorporated 144A</i>	5.38	1-15-2025	8,400,000	8,631,000
				10,694,813

**Machinery : 0.33%**

<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	760,000	788,500
<i>Sensata Technologies BV 144A</i>	6.25	2-15-2026	1,225,000	1,316,875
				2,105,375

**Professional Services : 0.25%**

<i>IHS Markit Limited 144A</i>	4.75	2-15-2025	1,400,000	1,456,000
<i>IHS Markit Limited 144A</i>	5.00	11-1-2022	125,000	132,188
				1,588,188

Portfolio of investments January 31, 2018 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Materials : 1.14%</b>				
<b>Containers &amp; Packaging : 1.01%</b>				
<i>Ardagh Packaging Finance plc 144A</i>	4.25%	9-15-2022	\$ 600,000	\$ 603,462
<i>Ardagh Packaging Finance plc 144A</i>	4.63	5-15-2023	275,000	277,750
<i>Ardagh Packaging Finance plc 144A</i>	6.00	2-15-2025	3,000,000	3,097,500
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	1,300,000	1,397,110
<i>OI European Group BV 144A</i>	4.00	3-15-2023	1,075,000	1,066,266
				6,442,088
<b>Metals &amp; Mining : 0.13%</b>				
<i>ArcelorMittal SA</i>	6.13	6-1-2025	450,000	511,875
<i>Novelis Corporation 144A</i>	6.25	8-15-2024	325,000	340,438
				852,313
<b>Telecommunication Services : 1.80%</b>				
<b>Diversified Telecommunication Services : 1.80%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	11,740,000	9,215,900
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	3,825,000	1,729,632
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	623,150
				11,568,682
<b>Total Yankee Corporate Bonds and Notes (Cost \$78,850,959)</b>				73,977,320
	<b>Yield</b>		<b>Shares</b>	
<b>Short-Term Investments : 2.35%</b>				
<b>Investment Companies : 2.35%</b>				
<i>Wells Fargo Government Money Market Fund Select Class (l)(u)##</i>	1.24		15,104,149	15,104,149
<b>Total Short-Term Investments (Cost \$15,104,149)</b>				15,104,149
<b>Total investments in securities (Cost \$848,779,295)</b>				864,487,616
<i>Other assets and liabilities, net</i>	(34.68)			(222,582,183)
<b>Total net assets</b>	100.00%		\$	641,905,433

*144A* The security may be resold in transactions exempt from registration, normally to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933.

*¥* 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.

*%%* The security is issued on a when-issued basis.

*Non-income-earning security*

*(a)* The security is fair valued in accordance with procedures approved by the Board of Trustees.

*±* Variable rate investment. The rate shown is the rate in effect at period end.

*Security is valued using significant unobservable inputs.*

*(p)* Issuer is undergoing bankruptcy proceedings.

*(l)* The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.

*(u)* The rate represents the 7-day annualized yield at period end.

*##* All or a portion of this security is segregated for when-issued securities.

*Abbreviations:*

*LIBOR* LondonInterbank Offered Rate

*LLC* Limitedliability company

*LP* Limitedpartnership

*plc* Publiclimited company

*REIT* Realestate investment trust

**Investments in Affiliates**

An affiliated investment is an investment in which the Fund owns at least 5% of the outstanding voting shares of the issuer or as a result of other relationships, such as the Fund and the issuer having the same investment manager. Transactions with issuers that were either affiliated persons of the Fund at the beginning of the period or the end of the period were as follows:

	<b>Shares, beginning of period</b>	<b>Shares purchased</b>	<b>Shares sold</b>	<b>Shares, end of period</b>	<b>Value, end of period</b>	<b>% of net assets</b>
<b>Short-Term Investments</b>						
<b>Investment Companies</b>						
Wells Fargo Government Money Market Fund Select Class	47,815,404	152,372,379	185,083,634	15,104,149	\$ 15,104,149	2.35%



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

**Notes to Portfolio of investments January 31, 2018 (unaudited)**

**Securities valuation**

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation under unusual or unexpected circumstances.

Debt securities are valued at the evaluated bid price provided by an independent pricing service or, if a reliable price is not available, the quoted bid price from an independent broker-dealer.

Equity securities that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price. If no sale occurs on the principal exchange or market that day, a fair value price will be determined in accordance with the Fund's Valuation Procedures.

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

Investments which are not valued using any of the methods discussed above are valued at their fair value, as determined in good faith by the Board of Trustees of the Fund. The Board of Trustees has established a Valuation Committee comprised of the Trustees and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities, unless the determination has been delegated to the Wells Fargo Asset Management Pricing Committee of Wells Fargo Funds Management, LLC. The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Wells Fargo Asset Management Pricing Committee which may include items for ratification.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market values, to assess the continued appropriateness of the fair valuation methodologies used. These securities are fair valued on a day-to-day basis, taking into consideration changes to appropriate market information and any significant changes to the inputs considered in the valuation process until there is a readily available price provided on an exchange or by an independent pricing service. Valuations received from an independent pricing service or independent broker-dealer quotes are periodically validated by comparisons to most recent trades and valuations provided by other independent pricing services in addition to the review of prices by the manager and/or subadviser. Unobservable inputs used in determining fair valuations are identified based on the type of security, taking into consideration factors utilized by market participants in valuing the investment, knowledge about the issuer and the current market environment.

**When-issued transactions**

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

## Loans

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. Investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When the Fund purchases participations, it generally has no rights to enforce compliance with terms of the loan agreement with the borrower. As a result, the Fund assumes the credit risk of both the borrower and the lender that is selling the participation. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan and may enforce compliance by the borrower with the terms of the loan agreement. Loans may include fully funded term loans or unfunded loan commitments, which are contractual obligations for future funding.

## 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 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 investments in securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of **January 31, 2018**:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets</b>				
<b>Investments in :</b>				
<b>Common stocks</b>				
Materials	\$ 839	\$ 0	\$ 0	\$ 839
<b>Corporate bonds and notes</b>	0	739,752,550	0	739,752,550
<b>Loans</b>	0	20,135,843	15,097,177	35,233,020
<b>Rights</b>				
Utilities	0	419,738	0	419,738
<b>Yankee corporate bonds and notes</b>	0	73,967,682	9,638	73,977,320
<b>Short-term investments</b>				
Investment companies	15,104,149	0	0	15,104,149
<b>Total assets</b>	<b>\$ 15,104,988</b>	<b>\$ 834,275,813</b>	<b>\$ 15,106,815</b>	<b>\$ 864,487,616</b>

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At January 31, 2018, the Fund did not have any transfers between 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:

	Loans	Yankee corporate bonds and notes	Total
<b>Balance as of April 30, 2017</b>	\$ 11,209,715	\$ 9,638	\$ 11,219,353
Accrued discounts (premiums)	18,490	0	18,490
Realized gains (losses)	(5,239)	0	(5,239)
Change in unrealized gains (losses)	52,370	0	52,370
Purchases	6,446,488	0	6,446,488
Sales	(1,428,470)	0	(1,428,470)
Transfers into Level 3	836,417	0	836,417
Transfers out of Level 3	(2,032,594)	0	(2,032,594)
<b>Balance as of January 31, 2018</b>	<b>\$ 15,097,177</b>	<b>\$ 9,638</b>	<b>\$ 15,106,815</b>
<b>Change in unrealized gains (losses) relating to securities still held at January 31, 2018</b>	<b>\$ 38,248</b>	<b>\$ 0</b>	<b>\$ 38,248</b>

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The loan obligations in the Level 3 table were valued using indicative broker quotes. These indicative broker quotes are considered Level 3 inputs. Quantitative unobservable inputs used by the brokers are often proprietary and not provided to the Fund and therefore the disclosure that would address these inputs is not included above.

The yankee corporate bonds and notes obligations in the Level 3 table represents two positions which were valued based on an analysis of the expected final distribution available to bondholders from asset sales.

ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Income Opportunities Fund (the Fund ) 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 Fund 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 Fund s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the 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 Income Opportunities Fund

By: /s/ Andrew Owen  
Andrew Owen  
President

Date: March 27, 2018

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 Income Opportunities Fund

By: /s/ Andrew Owen  
Andrew Owen  
President

Date: March 27, 2018

By: /s/ Jeremy DePalma  
Jeremy DePalma  
Treasurer

Date: March 27, 2018