

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

September 29, 2010

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, 2010

Date of reporting period: July 31, 2010

ITEM 1. SCHEDULE OF INVESTMENTS

PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME
ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|--------------------------------------|-----------------------------------|---------------|-----------|
| CORPORATE BONDS & NOTES: 114.93% | | | |
| CONSUMER DISCRETIONARY: 18.06% | | | |
| AUTO COMPONENTS: 1.93% | | | |
| \$ 4,455,000 | COOPER TIRE & RUBBER COMPANY | 7.63% | 03/15/ |
| 1,137,000 | GOODYEAR TIRE & RUBBER COMPANY | 9.00 | 07/01/ |
| 6,830,000 | GOODYEAR TIRE & RUBBER COMPANY | 10.50 | 05/15/ |
| DIVERSIFIED CONSUMER SERVICES: 3.06% | | | |
| 4,055,000 | CARRIAGE SERVICES INCORPORATED | 7.88 | 01/15/ |
| 9,376,000 | SERVICE CORPORATION INTERNATIONAL | 7.50 | 04/01/ |
| 880,000 | SERVICE CORPORATION INTERNATIONAL | 8.00 | 11/15/ |
| 6,550,000 | STONEMOR PARTNERS LP ++ | 10.25 | 12/01/ |

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HOTELS, RESTAURANTS & LEISURE: 3.59%

| | | | |
|-----------|---|-------|--------|
| 1,900,000 | AMERISTAR CASINOS INCORPORATED | 9.25 | 06/01/ |
| 1,030,000 | BOYD GAMING CORPORATION | 7.75 | 12/15/ |
| 975,000 | HARRAHS ENTERTAINMENT CORPORATION | 10.00 | 12/15/ |
| 2,555,000 | HARRAHS ENTERTAINMENT CORPORATION | 11.25 | 06/01/ |
| 940,000 | HARRAHS ENTERTAINMENT CORPORATION++ | 12.75 | 04/15/ |
| 1,685,000 | INN OF THE MOUNTAIN GODS RESORT & CASINO####(i) | 12.00 | 11/15/ |
| 920,000 | MGM MIRAGE INCORPORATED | 6.63 | 07/15/ |
| 1,645,000 | MGM MIRAGE INCORPORATED | 8.50 | 09/15/ |
| 4,335,000 | MGM MIRAGE INCORPORATED++ | 11.38 | 03/01/ |
| 125,000 | NCL CORPORATION LIMITED | 11.75 | 11/15/ |
| 2,880,000 | PINNACLE ENTERTAINMENT INCORPORATED | 7.50 | 06/15/ |
| 645,000 | POKAGON GAMING AUTHORITY++ | 10.38 | 06/15/ |
| 1,130,000 | SCIENTIFIC GAMES CORPORATION++ | 9.25 | 06/15/ |
| 385,000 | SENECA GAMING CORPORATION | 7.25 | 05/01/ |
| 2,090,000 | SHINGLE SPRINGS TRIBAL GAMING AUTHORITY++ | 9.38 | 06/15/ |
| 2,075,000 | SPEEDWAY MOTORSPORTS INCORPORATED | 8.75 | 06/01/ |

HOUSEHOLD DURABLES: 0.05%

| | | | |
|---------|--------------------------|-------|--------|
| 125,000 | LENNAR CORPORATION | 12.25 | 06/01/ |
| 149,000 | SEALY MATTRESS COMPANY++ | 10.88 | 04/15/ |

INTERNET & CATALOG RETAIL: 0.30%

| | | | |
|---------|---|-------|--------|
| 990,000 | QVC INCORPORATED++ | 7.50 | 10/01/ |
| 925,000 | TICKETMASTER ENTERTAINMENT INCORPORATED | 10.75 | 08/01/ |

MEDIA: 6.83%

| | | | |
|------------|--|-------|--------|
| 2,975,000 | CABLEVISION SYSTEM CORP++ | 8.63 | 09/15/ |
| 14,756,015 | CCH II CAPITAL CORPORATION | 13.50 | 11/30/ |
| 940,000 | CCO HOLDINGS LLC++ | 8.13 | 04/30/ |
| 2,290,000 | CHARTER COMMUNICATIONS INCORPORATED (o) (o) ++ | 8.00 | 04/30/ |
| 11,640,000 | CHARTER COMMUNICATIONS INCORPORATED (o) (o) ++ | 10.88 | 09/15/ |
| 2,260,000 | DISH DBS CORPORATION | 7.88 | 09/01/ |
| 775,000 | LIN TELEVISION CORP | 8.38 | 04/15/ |
| 2,575,000 | SALEM COMMUNICATIONS | 9.63 | 12/15/ |

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|-----------|---------------|---------------|-----------|
| ----- | ----- | ----- | ----- |

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MEDIA (continued)

| | | | |
|-----------|-------------------------------------|-------|--------|
| 250,000 | SIRIUS XM RADIO INCORPORATED++ | 9.75% | 09/01/ |
| 1,070,000 | SIRIUS XM RADIO INCORPORATED++ | 11.25 | 06/15/ |
| 815,000 | SIRIUS XM RADIO INCORPORATED++ | 13.00 | 08/01/ |
| 3,619,000 | YOUNG BROADCASTING INCORPORATED#### | 8.75 | 01/15/ |
| 2,325,000 | YOUNG BROADCASTING INCORPORATED#### | 10.00 | 03/01/ |

MULTILINE RETAIL: 0.20%

| | | | |
|-----------|-------------------|------|--------|
| 1,270,000 | SAKS INCORPORATED | 9.88 | 10/01/ |
|-----------|-------------------|------|--------|

SPECIALTY RETAIL: 0.97%

| | | | |
|-----------|----------------------------------|------|--------|
| 6,550,000 | AMERICAN ACHIEVEMENT CORPORATION | 8.25 | 04/01/ |
|-----------|----------------------------------|------|--------|

TEXTILES, APPAREL & LUXURY GOODS: 1.13%

| | | | |
|-----------|--------------------------------|-------|--------|
| 3,850,000 | OXFORD INDUSTRIAL INCORPORATED | 11.38 | 07/15/ |
| 3,235,000 | VISANT CORPORATION | 7.63 | 10/01/ |

CONSUMER STAPLES: 1.81%

BEVERAGES: 0.04%

| | | | |
|---------|-------------------------------|------|--------|
| 250,000 | COTT BEVERAGES INCORPORATED++ | 8.38 | 11/15/ |
|---------|-------------------------------|------|--------|

FOOD PRODUCTS: 1.77%

| | | | |
|-----------|----------------------------------|-------|--------|
| 3,075,000 | DOLE FOOD COMPANY INCORPORATED++ | 13.88 | 03/15/ |
| 3,035,000 | SMITHFIELD FOODS INCORPORATED | 7.00 | 08/01/ |
| 4,465,000 | SMITHFIELD FOODS INCORPORATED++ | 10.00 | 07/15/ |

ENERGY: 14.86%

ENERGY EQUIPMENT & SERVICES: 4.69%

| | | | |
|-----------|--|-------|--------|
| 2,210,000 | BRISTOW GROUP INCORPORATED | 7.50 | 09/15/ |
| 4,850,000 | FORBES ENERGY SERVICES LIMITED | 11.00 | 02/15/ |
| 3,395,000 | GULFMARK OFFSHORE INCORPORATED | 7.75 | 07/15/ |
| 4,110,000 | HERCULES OFFSHORE LLC++ | 10.50 | 10/15/ |
| 5,325,000 | HORNBECK OFFSHORE SERVICES INCORPORATED SERIES B | 6.13 | 12/01/ |
| 4,695,000 | HORNBECK OFFSHORE SERVICES INCORPORATED SERIES B | 8.00 | 09/01/ |
| 205,000 | OFFSHORE LOGISTICS INCORPORATED | 6.13 | 06/15/ |
| 860,000 | PARKER DRILLING COMPANY++ | 9.13 | 04/01/ |
| 7,495,000 | PHI INCORPORATED | 7.13 | 04/15/ |
| 210,000 | PRIDE INTERNATIONAL INCORPORATED | 8.50 | 06/15/ |

OIL, GAS & CONSUMABLE FUELS: 10.17%

| | | | |
|-----------|--|-------|--------|
| 1,185,000 | ALON REFINING KROTZ SPRINGS INCORPORATED | 13.50 | 10/15/ |
| 1,280,000 | ATLAS ENERGY RESOURCES LLC | 12.13 | 08/01/ |
| 5,085,000 | CHESAPEAKE ENERGY CORPORATION | 9.50 | 02/15/ |
| 2,665,000 | CONSOL ENERGY INCORPORATED++ | 8.25 | 04/01/ |
| 955,000 | EL PASO CORPORATION | 12.00 | 12/12/ |
| 1,820,000 | EL PASO CORPORATION | 7.42 | 02/15/ |
| 1,115,000 | FOREST OIL CORPORATION | 8.50 | 02/15/ |
| 1,870,000 | FOREST OIL CORPORATION | 7.25 | 06/15/ |
| 4,265,000 | HOLLY CORPORATION++ | 9.88 | 06/15/ |
| 1,770,000 | MURRAY ENERGY CORPORATION++ | 10.25 | 10/15/ |

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|---|--|---------------|-----------|
| OIL, GAS & CONSUMABLE FUELS (continued) | | | |
| 1,185,000 | NEWFIELD EXPLORATION COMPANY | 6.88% | 02/01/ |
| 8,705,000 | PEABODY ENERGY CORPORATION | 7.88 | 11/01/ |
| 215,000 | PENN VIRGINIA CORPORATION | 10.38 | 06/15/ |
| 1,065,000 | PETROHAWK ENERGY CORPORATION | 10.50 | 08/01/ |
| 2,045,000 | PETROHAWK ENERGY CORPORATION | 7.88 | 06/01/ |
| 3,170,000 | PIONEER NATURAL RESOURCE COMPANY | 7.50 | 01/15/ |
| 6,380,000 | PLAINS EXPLORATION & PRODUCTION COMPANY | 8.63 | 10/15/ |
| 4,940,000 | SABINE PASS LNG LP | 7.25 | 11/30/ |
| 5,870,000 | SANDRIDGE ENERGY INCORPORATED++ | 8.75 | 01/15/ |
| 1,250,000 | SOUTHWESTERN ENERGY COMPANY | 7.50 | 02/01/ |
| 1,450,000 | STALLION OILFIELD HOLDINGS INCORPORATED++ | 10.50 | 02/15/ |
| 950,000 | STONE ENERGY CORPORATION | 8.63 | 02/01/ |
| 2,235,000 | TESORO CORPORATION | 7.50 | 07/17/ |
| 1,390,000 | TESORO CORPORATION | 6.50 | 06/01/ |
| 2,185,000 | TESORO CORPORATION | 9.75 | 06/01/ |
| FINANCIALS: 25.16% | | | |
| CAPITAL MARKETS: 2.11% | | | |
| 1,845,000 | E*TRADE FINANCIAL CORPORATION | 7.38 | 09/15/ |
| 9,741,000 | E*TRADE FINANCIAL CORPORATION & | 12.50 | 11/30/ |
| 1,320,000 | PENSON WORLDWIDE INCORPORATED | 12.50 | 05/15/ |
| COMMERCIAL BANKS: 3.65% | | | |
| 4,375,000 | CAPITALSOURCE INCORPORATED++ | 12.75 | 07/15/ |
| 17,134,313 | CIT GROUP INCORPORATED | 7.00 | 05/01/ |
| 2,350,000 | CIT GROUP INCORPORATED | 7.00 | 05/01/ |
| CONSUMER FINANCE: 13.07% | | | |
| 1,900,000 | AMERICAN GENERAL FINANCE CORPORATION | 6.90 | 12/15/ |
| 2,280,000 | CLEARWIRE COMMUNICATIONS FINANCE CORPORATION++ | 12.00 | 12/01/ |
| 3,140,000 | CLEARWIRE COMMUNICATIONS FINANCE CORPORATION++ | 12.00 | 12/01/ |
| 3,865,000 | FORD MOTOR CREDIT COMPANY | 9.88 | 08/10/ |
| 130,000 | GMAC LLC | 6.88 | 09/15/ |
| 2,344,000 | GMAC LLC | 6.75 | 12/01/ |
| 1,990,000 | GMAC LLC | 8.00 | 11/01/ |
| 1,495,000 | GMAC LLC | 8.00 | 11/01/ |
| 2,862,000 | GMAC LLC | 6.88 | 08/28/ |
| 6,855,000 | GMAC LLC | 7.50 | 12/31/ |
| 5,119,000 | GMAC LLC | 8.00 | 12/31/ |
| 2,970,000 | GMAC LLC++ | 8.00 | 03/15/ |
| 3,026,161 | HOMER CITY FUNDING LLC | 8.73 | 10/01/ |

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|------------|--|-------|--------|
| 2,875,000 | INTERNATIONAL LEASE FINANCE CORPORATION | 4.75 | 01/13/ |
| 4,170,000 | INTERNATIONAL LEASE FINANCE CORPORATION | 5.30 | 05/01/ |
| 865,000 | INTERNATIONAL LEASE FINANCE CORPORATION | 6.38 | 03/25/ |
| 1,700,000 | INTERNATIONAL LEASE FINANCE CORPORATION++ | 8.63 | 09/15/ |
| 2,050,000 | INTERNATIONAL LEASE FINANCE CORPORATION SERIES MTN | 5.75 | 06/15/ |
| 8,465,000 | JBS USA FINANCE INCORPORATED | 11.63 | 05/01/ |
| 1,700,000 | LBI ESCROW CORPORATION++ | 8.00 | 11/01/ |
| 4,555,000 | LEVEL 3 FINANCING INCORPORATED++ | 10.00 | 02/01/ |
| 105,000 | NIELSEN FINANCE LLC SENIOR DISCOUNT NOTE # | 0.00 | 08/01/ |
| 1,290,000 | PINNACLE FOODS LLC CORPORATION++ | 9.25 | 04/01/ |
| 10,900,000 | SPRINT CAPITAL CORPORATION | 6.88 | 11/15/ |

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WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DATE |
|---|---|---------------|------------|
| CONSUMER FINANCE (continued) | | | |
| 4,725,000 | SPRINT CAPITAL CORPORATION | 6.90% | 05/01/ |
| 6,133,000 | SPRINT CAPITAL CORPORATION | 8.38 | 03/15/ |
| DIVERSIFIED FINANCIAL SERVICES: 3.04% | | | |
| 385,000 | AAC GROUP HOLDING CORPORATION | 10.25 | 10/01/ |
| 8,820,000 | ALLY FINANCIAL INCORPORATED | 8.30 | 02/12/ |
| 7,815,000 | LEUCADIA NATIONAL CORPORATION | 8.13 | 09/15/ |
| 2,450,000 | SHIP FINANCE INTERNATIONAL LIMITED | 8.50 | 12/15/ |
| REAL ESTATE INVESTMENT TRUSTS: 2.68% | | | |
| 11,580,000 | DUPONT FABROS TECHNOLOGY INCORPORATED++ | 8.50 | 12/15/ |
| 490,000 | HOST MARRIOTT CORPORATION++ | 9.00 | 05/15/ |
| 3,260,000 | OMEGA HEALTHCARE INVESTORS INCORPORATED | 7.00 | 04/01/ |
| 1,560,000 | VENTAS INCORPORATED | 9.00 | 05/01/ |
| THRIFTS & MORTGAGE FINANCE: 0.61% | | | |
| 4,020,000 | PROVIDENT FUNDING ASSOCIATES, LP++ | 10.25 | 04/15/ |
| HEALTH CARE: 3.95% | | | |
| BIOTECHNOLOGY: 0.18% | | | |
| 1,125,000 | TALECRIS BIOTHERAPEUTICS HOLDINGS COMPANY++ | 7.75 | 11/15/ |
| HEALTH CARE EQUIPMENT & SUPPLIES: 0.47% | | | |
| 1,215,000 | BIOMET INCORPORATED & | 10.38 | 10/15/ |

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| | | | |
|---|-----------------------------------|-------|--------|
| 1,585,000 | BIOMET INCORPORATED | 11.63 | 10/15/ |
| HEALTH CARE PROVIDERS & SERVICES: 2.89% | | | |
| 2,440,000 | APRIA HEALTHCARE GROUP++ | 11.25 | 11/01/ |
| 6,745,000 | HCA INCORPORATED | 9.25 | 11/15/ |
| 3,732,000 | HCA INCORPORATED & | 9.63 | 11/15/ |
| 1,830,000 | HCA INCORPORATED | 7.88 | 02/01/ |
| 250,000 | HCA INCORPORATED++ | 8.50 | 04/15/ |
| 1,750,000 | OMNICARE INCORPORATED | 6.88 | 12/15/ |
| 1,295,000 | PROSPECT MEDICAL HOLDING | 12.75 | 07/15/ |
| LIFE SCIENCES TOOLS & SERVICES: 0.30% | | | |
| 1,855,000 | BIO-RAD LABORATORIES INCORPORATED | 8.00 | 09/15/ |
| PHARMACEUTICALS: 0.11% | | | |
| 650,000 | MYLAN INCORPORATED | 7.63 | 07/15/ |
| INDUSTRIALS: 10.57% | | | |
| AEROSPACE & DEFENSE: 3.95% | | | |
| 4,470,000 | ALLIANT TECHSYSTEMS INCORPORATED | 6.75 | 04/01/ |
| 800,000 | DIGITALGLOBE INCORPORATED++ | 10.50 | 05/01/ |

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| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|---------------------------------------|--|---------------|-----------|
| ----- | ----- | ----- | ----- |
| AEROSPACE & DEFENSE (continued) | | | |
| 1,030,000 | GENCORP INCORPORATED | 9.50% | 08/15/ |
| 1,140,000 | GEOEYE INCORPORATED++ | 9.63 | 10/01/ |
| 3,265,000 | HEXCEL CORPORATION | 6.75 | 02/01/ |
| 2,570,000 | KRATOS DEFENSE & SECURITY SOLUTIONS INCORPORATED | 10.00 | 06/01/ |
| 5,506,000 | L-3 COMMUNICATIONS HOLDINGS INCORPORATED | 6.38 | 10/15/ |
| 5,585,000 | L-3 COMMUNICATIONS HOLDINGS INCORPORATED | 5.88 | 01/15/ |
| 1,445,000 | WYLE SERVICES CORPORATION++ | 10.50 | 04/01/ |
| AIRLINES: 0.03% | | | |
| 175,000 | DELTA AIR LINES INCORPORATED++ | 12.25 | 03/15/ |
| COMMERCIAL SERVICES & SUPPLIES: 2.69% | | | |
| 4,385,000 | CASELLA WASTE SYSTEMS INCORPORATED++ | 11.00 | 07/15/ |

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| | | | |
|--------------------------------------|---|-------|--------|
| 1,840,000 | CORRECTIONS CORPORATION OF AMERICA | 6.25 | 03/15/ |
| 1,410,000 | CORRECTIONS CORPORATION OF AMERICA | 7.75 | 06/01/ |
| 2,205,000 | GEO GROUP INCORPORATED++ | 7.75 | 10/15/ |
| 550,000 | INTERFACE INCORPORATED | 11.38 | 11/01/ |
| 3,520,000 | IRON MOUNTAIN INCORPORATED | 8.38 | 08/15/ |
| 3,050,000 | SGS INTERNATIONAL INCORPORATED | 12.00 | 12/15/ |
| INDUSTRIAL CONGLOMERATES: 0.62% | | | |
| 3,985,000 | OTTER TAIL CORPORATION | 9.00 | 12/15/ |
| MACHINERY: 1.03% | | | |
| 1,440,000 | CLEAVER-BROOKS INCORPORATED++ | 12.25 | 05/01/ |
| 4,589,823 | COMMERCIAL VEHICLE GROUP INCORPORATED&++ | 13.00 | 02/15/ |
| 940,000 | COMMERCIAL VEHICLE GROUP INCORPORATED | 8.00 | 07/01/ |
| PROFESSIONAL SERVICES: 0.04% | | | |
| 230,000 | AFFINIA GROUP INCORPORATED++ | 10.75 | 08/15/ |
| ROAD & RAIL: 2.03% | | | |
| 860,000 | AMSTED INDUSTRIES INCORPORATED++ | 8.13 | 03/15/ |
| 1,184,000 | KANSAS CITY SOUTHERN | 13.00 | 12/15/ |
| 8,285,000 | KANSAS CITY SOUTHERN | 8.00 | 06/01/ |
| 1,600,000 | RAILAMERICA INCORPORATED | 9.25 | 07/01/ |
| 205,000 | SWIFT TRANSPORTATION COMPANY INCORPORATED++ | 8.19 | 05/15/ |
| 490,000 | SWIFT TRANSPORTATION COMPANY INCORPORATED++ | 12.50 | 05/15/ |
| TRANSPORTATION INFRASTRUCTURE: 0.18% | | | |
| 1,190,000 | UNITED MARITIME GROUP++ | 11.75 | 06/15/ |
| INFORMATION TECHNOLOGY: 9.79% | | | |
| COMMUNICATIONS EQUIPMENT: 1.99% | | | |
| 585,000 | ECHOSTAR DBS CORPORATION | 7.13 | 02/01/ |
| 3,100,000 | LUCENT TECHNOLOGIES INCORPORATED | 6.45 | 03/15/ |
| 11,732,499 | LUCENT TECHNOLOGIES INCORPORATED | 1.00 | 03/08/ |

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| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|-----------|---------------|---------------|-----------|
| ----- | ----- | ----- | ----- |

COMMUNICATIONS EQUIPMENT (continued)

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| | | | |
|---|---|-------|--------|
| 3,225,000 | LUCENT TECHNOLOGIES INCORPORATED SERIES B | 2.88% | 06/15/ |
| COMPUTERS & PERIPHERALS: 0.06% | | | |
| 470,000 | STRATUS TECHNOLOGIES INCORPORATED | 12.00 | 03/29/ |
| ELECTRONIC EQUIPMENT & INSTRUMENTS: 4.45% | | | |
| 5,620,000 | DA-LITE SCREEN COMPANY INCORPORATED++ | 12.50 | 04/01/ |
| 2,820,000 | INTCOMEX INCORPORATED++ | 13.25 | 12/15/ |
| 13,532,000 | JABIL CIRCUIT INCORPORATED | 8.25 | 03/15/ |
| 3,380,000 | KEMET CORPORATION++ | 10.50 | 05/01/ |
| 2,530,000 | VIASYSTEM GROUP INCORPORATED++ | 12.00 | 01/15/ |
| INTERNET SOFTWARE & SERVICES: 0.91% | | | |
| 2,125,000 | EQUINIX INCORPORATED | 8.13 | 03/01/ |
| 3,395,000 | TERREMARK WORLDWIDE INCORPORATED++ | 12.00 | 06/15/ |
| IT SERVICES: 2.07% | | | |
| 2,345,000 | FIRST DATA CORPORATION | 9.88 | 09/24/ |
| 6,475,080 | FIRST DATA CORPORATION& | 10.55 | 09/24/ |
| 2,835,000 | IPAYMENT INCORPORATED | 9.75 | 05/15/ |
| 1,600,000 | UNISYS CORPORATION++ | 12.75 | 10/15/ |
| 1,155,000 | UNISYS CORPORATION++ | 14.25 | 09/15/ |
| 1,065,000 | UNISYS CORPORATION | 12.50 | 01/15/ |
| SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT: 0.31% | | | |
| 2,025,000 | ADVANCED MICRO DEVICES INCORPORATED | 5.75 | 08/15/ |
| MATERIALS: 6.64% | | | |
| CHEMICALS: 1.22% | | | |
| 2,855,000 | HUNTSMAN INTERNATIONAL LLC++ | 5.50 | 06/30/ |
| 4,807,125 | LYONDELL CHEMICAL COMPANY | 11.00 | 05/01/ |
| 300,000 | NOVA CHEMICALS CORPORATION++ | 8.38 | 11/01/ |
| CONSTRUCTION MATERIALS: 2.18% | | | |
| 1,480,000 | CPG INTERNATIONAL INCORPORATED+/- | 7.50 | 07/01/ |
| 3,415,000 | CPG INTERNATIONAL INCORPORATED | 10.50 | 07/01/ |
| 3,025,000 | CPG INTERNATIONAL INCORPORATED | 10.63 | 09/01/ |
| 3,725,000 | HEADWATERS INCORPORATION | 11.38 | 11/01/ |
| 2,565,000 | TEXAS INDUSTRIES INCORPORATED | 7.25 | 07/15/ |
| CONTAINERS & PACKAGING: 0.94% | | | |
| 5,780,000 | EXOPACK HOLDING CORPORATION | 11.25 | 02/01/ |
| 350,000 | GRAHAM PACKAGING COMPANY INCORPORATED++ | 8.25 | 01/01/ |

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DATE |
|---|---|---------------|------------|
| METALS & MINING: 1.42% | | | |
| 2,055,000 | CALIFORNIA STEEL INDUSTRIES INCORPORATED | 6.13% | 03/15/ |
| 1,185,000 | EDGEN MURRAY CORPORATION++ | 12.25 | 01/15/ |
| 5,725,000 | FREEPORT-MCMORAN COPPER & GOLD INCORPORATED | 8.38 | 04/01/ |
| 5,985,000 | INDALEX HOLDINGS CORPORATION#### | 11.50 | 02/01/ |
| PAPER & FOREST PRODUCTS: 0.88% | | | |
| 1,175,000 | CLEARWATER PAPER CORPORATION++ | 10.63 | 06/15/ |
| 2,430,000 | GEORGIA-PACIFIC CORPORATION | 8.88 | 05/15/ |
| 1,775,000 | GEORGIA-PACIFIC CORPORATION++ | 7.00 | 01/15/ |
| TELECOMMUNICATION SERVICES: 13.39% | | | |
| DIVERSIFIED TELECOMMUNICATION SERVICES: 9.10% | | | |
| 3,660,000 | CINCINNATI BELL INCORPORATED | 8.25 | 10/15/ |
| 9,580,000 | CITIZENS COMMUNICATIONS COMPANY | 7.88 | 01/15/ |
| 5,280,000 | FRONTIER COMMUNICATIONS | 8.13 | 10/01/ |
| 345,000 | GLOBAL CROSSING LIMITED++ | 12.00 | 09/15/ |
| 4,455,000 | NEW COMMUNICATIONS HOLDINGS++ | 8.25 | 04/15/ |
| 4,400,000 | NEW COMMUNICATIONS HOLDINGS++ | 8.50 | 04/15/ |
| 6,770,000 | NEW COMMUNICATIONS HOLDINGS++ | 8.75 | 04/15/ |
| 3,260,000 | QWEST CORPORATION | 7.50 | 06/15/ |
| 7,340,000 | QWEST CORPORATION | 8.88 | 03/15/ |
| 440,000 | QWEST CORPORATION | 7.63 | 08/03/ |
| 576,000 | QWEST CORPORATION | 6.88 | 07/15/ |
| 485,000 | SBA TELECOMMUNICATIONS INCORPORATED++ | 8.25 | 08/15/ |
| 1,090,000 | SBA TELECOMMUNICATIONS INCORPORATED++ | 8.00 | 08/15/ |
| 2,755,000 | U.S. WEST COMMUNICATIONS INCORPORATED | 7.25 | 09/15/ |
| 2,015,000 | U.S. WEST COMMUNICATIONS INCORPORATED | 7.13 | 11/15/ |
| 1,055,000 | WEST CORPORATION | 9.50 | 10/15/ |
| 5,380,000 | WINDSTREAM CORPORATION | 7.88 | 11/01/ |
| WIRELESS TELECOMMUNICATION SERVICES: 4.29% | | | |
| 1,785,000 | CRICKET COMMUNICATIONS INCORPORATED | 9.38 | 11/01/ |
| 805,000 | CRICKET COMMUNICATIONS INCORPORATED | 7.75 | 05/15/ |
| 165,000 | CROWN CASTLE INTERNATIONAL CORPORATION | 7.13 | 11/01/ |
| 4,155,000 | INTELSAT LIMITED | 8.50 | 01/15/ |
| 465,000 | INTELSAT LIMITED | 11.25 | 06/15/ |
| 2,607,559 | IPCS INCORPORATED&+/- | 3.59 | 05/01/ |
| 3,330,000 | METROPCS WIRELESS INCORPORATED | 9.25 | 11/01/ |
| 7,935,000 | NEXTEL COMMUNICATIONS INCORPORATED SERIES D | 7.38 | 08/01/ |
| 7,465,000 | NEXTEL COMMUNICATIONS SERIES F | 5.95 | 03/15/ |
| UTILITIES: 10.70% | | | |
| ELECTRIC UTILITIES: 5.90% | | | |
| 14,996,000 | AQUILA INCORPORATED (o) (o) | 11.88 | 07/01/ |

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| | | | |
|------------|--|-------|--------|
| 140,000 | EDISON MISSION ENERGY | 7.00 | 05/15/ |
| 2,935,000 | EDISON MISSION ENERGY | 7.20 | 05/15/ |
| 8,201,002 | ENERGY FUTURE HOLDINGS CORPORATION&+/- | 11.25 | 11/01/ |
| \$ 250,000 | MIRANT AMERICAS GENERATION LLC | 8.50 | 10/01/ |
| 7,560,525 | MIRANT MID-ATLANTIC LLC SERIES C | 10.06 | 12/30/ |
| 5,280,000 | MIRANT NORTH AMERICA LLC | 7.38 | 12/31/ |

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|---|--------------------------------------|---------------|-----------|
| ELECTRIC UTILITIES (continued) | | | |
| 715,000 | PUBLIC SERVICE COMPANY OF NEW MEXICO | 7.95% | 05/15/ |
| INDEPENDENT POWER PRODUCERS & ENERGY TRADERS: 4.78% | | | |
| 2,045,000 | AES CORPORATION | 8.88 | 02/15/ |
| 4,500,000 | CALPINE CORPORATION | 7.25 | 10/15/ |
| 4,850,000 | DYNEGY HOLDING INCORPORATED | 7.63 | 10/15/ |
| 2,135,000 | DYNEGY HOLDINGS INCORPORATED | 6.88 | 04/01/ |
| 1,140,000 | NRG ENERGY INCORPORATED | 7.25 | 02/01/ |
| 1,750,000 | NRG ENERGY INCORPORATED | 7.38 | 01/15/ |
| 3,675,000 | NRG ENERGY INCORPORATED | 8.50 | 06/15/ |
| 2,617,955 | RELIANT ENERGY INCORPORATED | 9.24 | 07/02/ |
| 780,000 | RELIANT ENERGY INCORPORATED | 9.68 | 07/02/ |
| 1,020,000 | RRI ENERGY INCORPORATED | 7.63 | 06/15/ |
| 8,390,000 | RRI ENERGY INCORPORATED | 6.75 | 12/15/ |
| 75,000 | RRI ENERGY INCORPORATED | 7.88 | 06/15/ |
| MULTI-UTILITIES: 0.02% | | | |
| 135,000 | CMS ENERGY CORPORATION | 8.75 | 06/15/ |
| TOTAL CORPORATE BONDS & NOTES (COST \$739,217,476) | | | |
| YANKEE OBLIGATIONS: 4.58% | | | |
| CONSUMER DISCRETIONARY: 0.02% | | | |
| DIVERSIFIED CONSUMER SERVICES: 0.02% | | | |
| 155,000 | DESARROLLADORA HOMEX SAB DE CV++ | 9.50 | 12/11/ |
| ENERGY: 1.61% | | | |
| OIL, GAS & CONSUMABLE FUELS: 1.61% | | | |
| 1,610,000 | CONNACHER OIL & GAS LIMITED++ | 10.25 | 12/15/ |
| 360,000 | CONNACHER OIL & GAS LIMITED++ | 11.75 | 07/15/ |

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| | | | |
|-----------|--|-------|--------|
| 1,000,000 | GRIFFIN COAL MINING COMPANY LIMITED++++### | 9.50 | 12/01/ |
| 7,306,000 | GRIFFIN COAL MINING COMPANY LIMITED#### | 9.50 | 12/31/ |
| 1,115,000 | OPTI CANADA INCORPORATED | 7.88 | 12/15/ |
| 1,065,000 | OPTI CANADA INCORPORATED | 8.25 | 12/15/ |
| 915,000 | P2021 RIG COMPANY++ | 13.50 | 12/15/ |
| 905,000 | RDS ULTRA-DEEPWATER LIMITED++ | 11.88 | 03/15/ |

FINANCIALS: 0.71%

CONSUMER FINANCE: 0.35%

| | | | |
|-----------|-------------------------------|-------|--------|
| 2,205,000 | WIND ACQUISITION FINANCE SA++ | 11.75 | 07/15/ |
|-----------|-------------------------------|-------|--------|

DIVERSIFIED FINANCIAL SERVICES: 0.36%

| | | | |
|-----------|--------------------------------|-------|--------|
| 2,074,500 | FMG FINANCE PROPERTY LIMITED++ | 10.63 | 09/01/ |
|-----------|--------------------------------|-------|--------|

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL | SECURITY NAME | INTEREST RATE | MATUR DAT |
|---|--|---------------|-----------|
| ----- | ----- | ----- | ----- |
| DIVERSIFIED FINANCIAL SERVICES(continued) | | | |
| 1,540,000 | PREFERRED TERM SECURITIES XII LIMITED+/-#### (I) | 0.00% | 12/24/ |
| INDUSTRIALS: 1.14% | | | |
| ROAD & RAIL: 1.14% | | | |
| 6,389,000 | KANSAS CITY SOUTHERN DE MEXICO | 7.38 | 06/01/ |
| 500,000 | KANSAS CITY SOUTHERN DE MEXICO++ | 8.00 | 02/01/ |
| 373,000 | KANSAS CITY SOUTHERN DE MEXICO | 12.50 | 04/01/ |
| MATERIALS: 0.83% | | | |
| CHEMICALS: 0.06% | | | |
| 375,000 | NOVA CHEMICALS CORPORATION++ | 8.63 | 11/01/ |
| METALS & MINING: 0.18% | | | |
| 630,000 | NOVELIS INCORPORATED | 7.25 | 02/15/ |
| 500,000 | VEDANTA RESOURCES PLC | 9.50 | 07/18/ |
| PAPER & FOREST PRODUCTS: 0.59% | | | |
| 715,000 | PE PAPER ESCROW GMBH++ | 12.00 | 08/01/ |
| 1,265,000 | SAPPI LIMITED++ | 6.75 | 06/15/ |
| 2,355,000 | SAPPI LIMITED++ | 7.50 | 06/15/ |

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TELECOMMUNICATION SERVICES: 0.27%
 WIRELESS TELECOMMUNICATION SERVICES: 0.27%
 870,000 DIGICEL GROUP LIMITED++ 12.00 04/01/
 690,000 TELESAT CANADA INCORPORATED 11.00 11/01/

TOTAL YANKEE OBLIGATIONS (COST \$28,436,215)

SHARES

COMMON STOCKS: 0.28%
 MATERIALS: 0.28%
 CHEMICALS: 0.28%
 54,080 LYONDELLBASELL CLASS A+
 49,566 LYONDELLBASELL CLASS B+
 TOTAL COMMON STOCKS (COST \$1,783,897)

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 OR 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, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL ----- | INTEREST RATE ----- | MATUR ----- |
|---|---------------------------|----------------|
| CONVERTIBLE DEBENTURE: 0.19% INFORMATION TECHNOLOGY: 0.19% \$ 1,290,000 NXP FUNDING LLC TOTAL CONVERTIBLE DEBENTURE (COST \$1,180,220) | 9.50% | 10/15/ |

SHARES

YIELD

PREFERRED STOCKS: 0.22%
 FINANCIALS: 0.22%

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CONSUMER FINANCE: 0.22%

1,800 ALLY FINANCIAL INCORPORATED

8.30

TOTAL PREFERRED STOCKS (COST \$1,435,638)

CLOSED END MUTUAL FUNDS: 0.69%

233,732 DREYFUS HIGH YIELD STRATEGIES FUND INCORPORATED

99,227 EATON VANCE LIMITED DURATION INCOME TRUST

30,704 LMP CORPORATE LOAN FUND INCORPORATED

170,560 NEW AMERICA HIGH INCOME FUND INCORPORATED

TOTAL CLOSED END MUTUAL FUNDS (COST \$2,481,655)

| PRINCIPAL | | INTEREST RATE | |
|-------------------------------|--|---------------|--------|
| ----- | | ----- | |
| TERM LOANS: 7.40% | | | |
| CONSUMER DISCRETIONARY: 2.97% | | | |
| \$ 1,875,000 | CAPITAL AUTOMOTIVE## | NA | 12/14/ |
| 8,625,000 | METALDYNE CORPORATION+/- | 13.00 | 04/09/ |
| 955,445 | TOWER AUTOMOTIVE HOLDINGS## | NA | 07/31/ |
| 2,375,000 | SUGARHOUSE HSP GAMING PROPERTIES LP+/- | 11.25 | 09/11/ |
| 5,920,000 | NEWSDAY LLC+/- | 10.50 | 07/15/ |
| CONSUMER STAPLES: 0.81% | | | |
| 5,743,407 | MERISANT COMPANY+/- | 7.75 | 01/08/ |
| ENERGY: 1.28% | | | |
| 8,606,069 | SEMGROUP ENERGY PARTNERS+/- | 9.50 | 07/20/ |
| FINANCIALS: 1.20% | | | |
| 2,621,825 | BLACKSTONE UTP CAPITAL LLC+/- | 7.75 | 10/29/ |
| 2,413,916 | REALOGY CORPORATION+/- | 3.35 | 09/01/ |
| 649,900 | REALOGY CORPORATION+/- | 3.38 | 09/01/ |
| INDUSTRIALS: 1.13% | | | |
| 6,622,200 | SWIFT TRANSPORTATION COMPANY INCORPORATED+/- | 8.25 | 06/05/ |
| 1,152,250 | NEFF CORPORATION+/- | 4.04 | 05/31/ |

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PORTFOLIO OF INVESTMENTS - JULY 31, 2010 (UNAUDITED)

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND (FORMERLY, EVERGREEN INCOME ADVANTAGE FUND)

| PRINCIPAL ----- | INTEREST RATE ----- | MATUR ----- |
|--|---------------------------|----------------|
| TELECOMMUNICATION SERVICES: 0.19% | | |
| 1,275,000 FAIRPOINT COMMUNICATIONS INCORPORATED## | NA | 04/01/ |
| UTILITIES: 0.22% | | |
| 1,925,000 TXU ENERGY COMPANY LLC## | NA | 10/10/ |
| TOTAL TERM LOANS (COST \$47,454,804) | | |
| | | |
| SHARES ----- | YIELD ----- | |
| SHORT-TERM INVESTMENTS: 5.71% | | |
| INVESTMENT COMPANIES: 5.71% | | |
| 37,995,752 WELLS FARGO ADVANTAGE MONEY MARKET TRUST**(1) (u) | 0.31% | |
| TOTAL SHORT-TERM INVESTMENTS (COST \$37,995,752) | | |
| TOTAL INVESTMENTS IN SECURITIES | | |
| (COST \$859,985,657) * | 134.00% | |
| OTHER ASSETS AND LIABILITIES, NET | (34.00) | |
| | ----- | |
| TOTAL NET ASSETS | 100.00% | |
| | ----- | |

SECURITY INITIALLY ISSUED IN ZERO COUPON FORM WHICH CONVERTS TO COUPON FORM AT A SPECIFIED RATE AND DATE. AN EFFECTIVE INTEREST RATE IS APPLIED TO RECOGNIZE INTEREST INCOME DAILY FOR THE BOND. THIS RATE IS BASED ON TOTAL EXPECTED INTEREST TO BE EARNED OVER THE LIFE OF THE BOND WHICH CONSISTS OF THE AGGREGATE COUPON-INTEREST PAYMENTS AND DISCOUNT AT ACQUISITION. THE RATE SHOWN IS THE STATED RATE AT THE CURRENT PERIOD END.

** ALL OR A PORTION OF THIS SECURITY HAS BEEN SEGREGATED FOR WHEN-ISSUED, DELAYED DELIVERY SECURITIES AND/OR UNFUNDED LOANS.

ALL OR A PORTION OF THE POSITION REPRESENTS AN UNFUNDED LOAN COMMITMENT.

(o) (o) THE RATE SHOWN IS THE STATED RATE AT THE CURRENT PERIOD END.

& PAYMENT-IN-KIND (PIK) SECURITIES ARE SECURITIES 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.

(1) INVESTMENT IN AN AFFILIATE.

+ NON-INCOME EARNING SECURITIES.

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- ++ SECURITIES THAT MAY BE RESOLD TO "QUALIFIED INSTITUTIONAL BUYERS" UNDER RULE 144A OR SECURITIES OFFERED PURSUANT TO SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED.
- +/- VARIABLE RATE INVESTMENTS.
- #### THIS 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.
- (u) RATE SHOWN IS THE 7-DAY ANNUALIZED YIELD AT PERIOD END.
- * COST FOR FEDERAL INCOME TAX PURPOSES IS \$865,344,350 AND NET UNREALIZED APPRECIATION (DEPRECIATION) CONSISTS OF:

| | |
|-------------------------------|---------------|
| GROSS UNREALIZED APPRECIATION | \$ 46,970,987 |
| GROSS UNREALIZED DEPRECIATION | (20,304,391) |
| | ----- |
| NET UNREALIZED APPRECIATION | \$ 26,666,596 |

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WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

NOTES TO PORTFOLIOS OF INVESTMENTS (unaudited)

The Fund's portfolio of investments as of the date on the cover of this report has not been audited. This report is provided for the general information of the Fund's shareholders. For more information regarding the Fund and its holdings, please see the Fund's most recent prospectus and annual report.

SECURITIES VALUATION

Certain fixed income securities with maturities exceeding 60 days are valued by using a pricing service approved by the Trust's Board of Trustees. This service uses market prices as quoted by an independent pricing service or by dealers in these securities when, in the service's judgment, these prices are readily available and are representative of the securities' fair values. For some securities, such prices are not readily available. These securities will generally be fair valued using methods which may include consideration of yields or prices of securities of comparable quality, coupon rate, maturity and type of issue, indications as to values from dealers in securities, trading characteristics and general market conditions.

Investments in securities are valued each business day as of the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. (Eastern Time). Securities which are traded on a national or foreign securities exchange are valued at the last reported sales price. Securities listed on The NASDAQ Stock Market, Inc. ("NASDAQ") are valued at the NASDAQ Official Closing

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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 Funds' Fair Valuation Procedures..

Investments in open-end mutual funds 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 by procedures established in good faith and approved by the Board of Trustees.

The valuation techniques used by the Fund to measure fair value are consistent with the market approach, income approach and/or cost approach, where applicable, for each security type.

WHEN-ISSUED TRANSACTIONS

Each Fund may purchase securities on a forward commitment or 'when-issued' basis. A 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

Each Fund may invest in term loans. A Fund records an investment when the borrower withdraws money and records interest as earned. These 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. There could be potential loss to the Fund in the event of default by the borrower.

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

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As of July 31, 2010, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

| INVESTMENTS IN SECURITIES | QUOTED PRICES (LEVEL 1) | SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | TOTAL |
|-------------------------------|----------------------------|--|--|--------------|
| EQUITY SECURITIES | | | | |
| COMMON STOCKS | \$ 1,865,628 | \$ 0 | \$ 0 | \$ 1,865,628 |
| PREFERRED STOCKS | 0 | 1,478,194 | 0 | 1,478,194 |
| CLOSED END-MUTUAL FUND SHARES | 4,624,301 | 0 | 0 | 4,624,301 |
| CORPORATE BOND AND NOTES | 0 | 765,044,468 | 0 | 765,044,468 |
| CONVERTIBLE DEBENTURES | 0 | 1,264,200 | 0 | 1,264,200 |
| LOANS | 0 | 34,802,855 | 14,424,305 | 49,227,160 |
| YANKEE BONDS | 0 | 30,511,243 | 0 | 30,511,243 |
| INVESTMENT COMPANIES | 37,995,752 | 0 | 0 | 37,995,752 |
| | 44,485,681 | 833,100,960 | 14,424,305 | 892,010,946 |

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

| | CORPORATE BONDS AND NOTES | LOANS | TOTAL |
|--|---------------------------------|--------------|--------------|
| Balance as of April 30, 2010 | \$ 817,002 | \$13,198,721 | \$14,015,723 |
| Realized gains or losses | (962,719) | 0 | (962,719) |
| Change in unrealized gains or losses | 1,025,056 | 19,628 | 1,044,684 |
| Amortization | 157 | 0 | 157 |
| Net purchases (sales) | (879,496) | 1,205,956 | 326,460 |
| Transfers in and/or out of Level 3 | 0 | 0 | 0 |
| Balance as of July 31, 2010 | 0 | 14,424,305 | 14,424,305 |
| Change in unrealized gains or losses included in earnings relating to securities still held at July 31, 2010 | \$ 0 | \$ (69,193) | \$ (69,193) |

DERIVATIVE TRANSACTIONS

During the three months ended July 31, 2010, the Fund entered into credit default contracts for speculative purposes.

As of July 31, 2010 the Fund did not have any open credit default swaps but had an average notional balance of \$1,494,396 during the three months ended July 31, 2010.

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ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Advantage 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 changes in the Fund's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) or in other factors that occurred during the registrant's last fiscal quarter that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Wells Fargo Advantage Income
Opportunities Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch
President

Date: September 28, 2010

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

Wells Fargo Advantage Income
Opportunities Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch
President

Date: September 28, 2010

By: /s/ Kasey Phillips

Kasey Phillips
Treasurer

Date: September 28, 2010