

WELLS FARGO INCOME OPPORTUNITIES FUND

Form N-Q

March 28, 2017

**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, 2017**

ITEM 1. INVESTMENTS

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2017  
(unaudited)

Security name	Shares	Value
<b>Common Stocks : 1.52%</b>		
<b>Energy : 0.13%</b>		
<b>Oil, Gas &amp; Consumable Fuels : 0.13%</b>		
<i>Swift Energy Company (i)</i>	27,009	\$ 837,279
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	653
<b>Utilities : 1.39%</b>		
<b>Electric Utilities : 1.39%</b>		
<i>Vistra Energy Corporation</i>	559,650	9,071,927
<b>Total Common Stocks (Cost \$40,553,578)</b>		9,909,859

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 112.20%</b>				
<b>Consumer Discretionary : 22.09%</b>				
<b>Auto Components : 2.04%</b>				
<i>Allison Transmission Incorporated 144A</i>	5.00%	10-1-2024	\$ 7,375,000	7,430,313
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	4,270,000	4,675,650
<i>Cooper Tire &amp; Rubber Company (i)</i>	8.00	12-15-2019	400,000	450,040
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	700,000	732,690
				13,288,693
<b>Distributors : 0.26%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	1,675,000	1,677,513
<b>Diversified Consumer Services : 1.62%</b>				
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	8,322,525
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,188,000
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,033,238
				10,543,763
<b>Hotels, Restaurants &amp; Leisure : 3.87%</b>				
<i>Brinker International Incorporated 144A</i>	5.00	10-1-2024	1,525,000	1,483,063
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	8,625,000	8,928,428
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	12,975,000	13,591,313
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	320,000	329,544
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	831,287
				25,163,635
<b>Household Durables : 0.01%</b>				
<i>American Greetings Corporation</i>	7.38	12-1-2021	50,000	51,813

**Leisure Products : 0.20%**

<i>Vista Outdoor Incorporated</i>	5.88	10-1-2023	1,250,000	1,301,563
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**Media : 10.67%**

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	2,270,000	2,363,638
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<i>Altice US Finance I Corporation 144A</i>	5.50	5-15-2026	2,200,000	2,255,000
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<i>AMC Entertainment Holdings Incorporated</i>				
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<i>144A</i>	5.88	11-15-2026	1,525,000	1,555,500
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<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,084,718
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<i>CBS Radio Incorporated 144A</i>	7.25	11-1-2024	80,000	83,350
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<i>CCO Holdings LLC</i>	5.13	2-15-2023	1,425,000	1,478,438
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<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	2,965,000	3,076,188
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<i>CCO Holdings LLC</i>	5.25	9-30-2022	2,048,000	2,120,131
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<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	7,195,000	7,491,794
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Portfolio of investments January 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>CCO Holdings LLC 144A</i>	5.50%	5-1-2026	\$ 325,000	\$ 340,438
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	5,675,000	6,013,729
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	2,350,000	2,513,772
<i>CCO Holdings LLC</i>	6.63	1-31-2022	1,228,000	1,270,980
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	3,625,000	4,010,156
<i>Cinemark USA Incorporated</i>	4.88	6-1-2023	600,000	604,440
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,525,000	1,608,875
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	704,850
<i>EMI Music Publishing 144A</i>	7.63	6-15-2024	950,000	1,037,875
<i>Gray Television Incorporated 144A</i>	5.13	10-15-2024	2,400,000	2,358,000
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	6,650,000	6,608,438
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,840,781
<i>Live Nation Entertainment Incorporated 144A</i>	4.88	11-1-2024	2,300,000	2,300,000
<i>National CineMedia LLC</i>	5.75	8-15-2026	1,600,000	1,628,000
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,400,000	3,510,500
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	1,375,000	1,373,281
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	2,815,000	2,919,155
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,640,221
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	331,200
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	35,000	36,531
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,332,375
				69,492,354
<b>Specialty Retail : 3.22%</b>				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	6,300,000	6,441,750
<i>Century Intermediate Holding Company (PIK at 10.50%) 144A</i>	9.75	2-15-2019	465,000	471,394
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	1,972,000	1,996,650
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	5,273,000	5,299,365
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,163,000
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	2,050,000	1,978,250
<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	2,510,000	2,622,950
				20,973,359
<b>Textiles, Apparel &amp; Luxury Goods : 0.20%</b>				
<i>Wolverine World Wide Company 144A</i>	5.00	9-1-2026	1,400,000	1,330,000
<b>Consumer Staples : 2.27%</b>				
<b>Beverages : 0.34%</b>				
<i>Cott Beverages Incorporated</i>	5.38	7-1-2022	850,000	870,400
<i>Cott Beverages Incorporated</i>	6.75	1-1-2020	1,295,000	1,342,268
				2,212,668

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**Food Products : 1.86%**

<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	685,075
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	306,284
<i>Lamb Weston Holdings Incorporated 144A</i>	4.63	11-1-2024	75,000	75,188
<i>Lamb Weston Holdings Incorporated 144A</i>	4.88	11-1-2026	75,000	75,094
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	1,860,000	1,872,797
<i>Pinnacle Foods Incorporated 144A</i>	5.63	5-1-2024	700,000	710,101
<i>Pinnacle Foods Incorporated</i>	5.88	1-15-2024	100,000	105,731
<i>Post Holdings Incorporated 144A</i>	5.00	8-15-2026	1,350,000	1,305,275
<i>Post Holdings Incorporated 144A</i>	8.00	7-15-2025	2,000,000	2,250,000
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	210,000	218,925
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	3,625,000	3,797,188
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	670,000	700,150
				12,101,808

**Household Products : 0.07%**

<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	405,000	433,350
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## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy : 28.72%</b>				
<b>Energy Equipment &amp; Services : 9.20%</b>				
<i>Bristow Group Incorporated</i>	6.25%	10-15-2022	\$ 8,450,000	\$ 7,552,188
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	810,000	847,463
<i>Era Group Incorporated</i>	7.75	12-15-2022	3,895,000	3,661,300
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	3,100,000	3,053,500
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	3,240,000	3,268,350
<i>Hornbeck Offshore Services Incorporated</i>	1.50	9-1-2019	4,525,000	3,235,375
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	6,700,000	4,673,250
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	3,398,690
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	3,990,000	4,109,700
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	14,900,000	16,464,500
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	715,000	747,175
<i>PHI Incorporated</i>	5.25	3-15-2019	9,275,000	8,927,188
				59,938,679
<b>Oil, Gas &amp; Consumable Fuels : 19.52%</b>				
<i>Archrock Partners LP</i>	6.00	10-1-2022	1,650,000	1,617,000
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	1,025,000	957,094
<i>Crestwood Midstream Partners LP</i>	6.13	3-1-2022	350,000	361,375
<i>Crestwood Midstream Partners LP</i>	6.25	4-1-2023	2,625,000	2,710,313
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	8,775,000	7,009,031
<i>Denbury Resources Incorporated</i>	5.50	5-1-2022	75,000	64,313
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	3,380,000	3,092,700
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	5,475,000	5,419,226
<i>Enable Midstream Partner LP</i>	3.90	5-15-2024	3,150,000	3,033,482
<i>Enable Midstream Partner LP</i>	5.00	5-15-2044	600,000	544,327
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	1,100,000	1,171,191
<i>EnLink Midstream LLC</i>	4.15	6-1-2025	5,000,000	4,913,105
<i>EnLink Midstream LLC</i>	4.40	4-1-2024	5,400,000	5,417,474
<i>Exterran Partners LP</i>	6.00	4-1-2021	6,100,000	6,039,000
<i>Gulfport Energy Corporation 144A</i>	6.00	10-15-2024	1,625,000	1,655,469
<i>Gulfport Energy Corporation 144A</i>	6.38	5-15-2025	1,325,000	1,358,125
<i>Gulfport Energy Corporation</i>	6.63	5-1-2023	3,825,000	3,997,125
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	1,155,000	1,294,184
<i>Kinder Morgan Incorporated (i)</i>	7.42	2-15-2037	1,820,000	2,040,759
<i>Matador Resources Company 144A</i>	6.88	4-15-2023	700,000	738,500
<i>Murphy Oil Corporation</i>	4.70	12-1-2022	2,900,000	2,847,438
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	1,425,000	1,528,313
<i>Nabors Industries Incorporated 144A</i>	5.50	1-15-2023	625,000	653,125
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	3,975,000	4,104,188
<i>PDC Energy Incorporated 144A</i>	6.13	9-15-2024	950,000	992,750
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	7,320,000	7,759,200



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<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	6,175,000	6,330,610
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	2,775,000	2,969,250
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	2,450,000	2,437,750
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	1,375,000	1,359,531
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.25	6-15-2019	850,000	8,415
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.50	9-15-2020	5,733,000	56,757
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	2,275,000	2,462,688
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	2,820,000	3,059,700
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	740,000	803,825
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	2,300,000	2,504,125
<i>Sabine Pass Liquefaction LLC 144A</i>	5.88	6-30-2026	4,500,000	5,000,625
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,807,725
<i>SemGroup Corporation</i>	7.50	6-15-2021	7,075,000	7,358,000
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	80,000	81,600
<i>Southwestern Energy Company</i>	4.10	3-15-2022	815,000	755,913
<i>Southwestern Energy Company</i>	6.70	1-23-2025	2,750,000	2,763,750
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	10,800,000	10,962,000
<i>Tesoro Logistics LP</i>	5.25	1-15-2025	1,150,000	1,198,875
<i>Tesoro Logistics LP</i>	6.13	10-15-2021	350,000	366,188
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	725,000	787,531
<i>Western Gas Partners LP</i>	4.00	7-1-2022	300,000	308,264

Portfolio of investments January 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>				
<i>Western Gas Partners LP</i>	5.38%	6-1-2021	\$ 375,000	\$ 405,899
				127,107,828
<b>Financials : 8.66%</b>				
<b>Banks : 1.01%</b>				
<i>CIT Group Incorporated</i>	5.25	3-15-2018	160,000	165,360
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	2,225,000	2,340,878
<i>CIT Group Incorporated 144A</i>	6.63	4-1-2018	3,880,000	4,075,940
				6,582,178
<b>Capital Markets : 0.57%</b>				
<i>Jefferies Finance LLC 144A</i>	6.88	4-15-2022	2,640,000	2,560,800
<i>Neuberger Berman Group LLC 144A</i>	5.88	3-15-2022	1,125,000	1,161,567
				3,722,367
<b>Consumer Finance : 4.43%</b>				
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	300,000	340,266
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	1,300,000	1,420,250
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	3,016,000	3,429,765
<i>Navient Corporation</i>	8.00	3-25-2020	2,725,000	2,925,969
<i>Navient Corporation</i>	8.45	6-15-2018	3,110,000	3,310,906
<i>OneMain Financial Group LLC 144A</i>	7.25	12-15-2021	4,150,000	4,238,149
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	2,100,000	2,100,000
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	550,000	561,000
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	6,950,000	7,158,500
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	1,275,000	1,329,188
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	75,000	80,531
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,892,000	1,967,680
				28,862,204
<b>Diversified Financial Services : 1.01%</b>				
<i>Infinity Acquisition LLC 144A(i)</i>	7.25	8-1-2022	2,815,000	2,470,163
<i>NewStar Financial Incorporated</i>	7.25	5-1-2020	4,075,000	4,105,563
				6,575,726
<b>Insurance : 1.64%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A</i>	8.13	7-15-2019	3,405,000	3,422,025
<i>Hub International Limited 144A</i>	7.88	10-1-2021	6,900,000	7,227,750
				10,649,775
<b>Health Care : 10.42%</b>				
<b>Health Care Equipment &amp; Supplies : 1.56%</b>				
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	325,000	337,188

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<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	1,500,000	1,563,750
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	3,750,000	4,050,000
<i>Surgery Center Holdings Company 144A</i>	8.88	4-15-2021	3,900,000	4,221,750
				10,172,688

**Health Care Providers & Services : 7.01%**

<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	310,000	322,013
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	2,215,000	2,163,767
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	2,925,000	3,038,344
<i>Fresenius Medical Care Holdings Incorporated 144A</i>	5.63	7-31-2019	1,000,000	1,067,500
<i>Fresenius Medical Care Holdings Incorporated</i>	6.88	7-15-2017	700,000	714,000
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	814,688
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	7,128,563
<i>HealthSouth Corporation</i>	5.75	9-15-2025	1,725,000	1,729,313
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	775,000	800,188

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<i>MPH Acquisition Holdings LLC 144A</i>	7.13%	6-1-2024	\$ 3,060,000	\$ 3,247,425
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	2,050,000	2,014,125
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	2,025,000	2,095,875
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	170,000	179,563
<i>Select Medical Corporation</i>	6.38	6-1-2021	6,730,000	6,662,700
<i>TeamHealth Incorporated 144A%%</i>	6.38	2-1-2025	775,000	757,563
<i>TeamHealth Incorporated 144A</i>	7.25	12-15-2023	2,145,000	2,456,025
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	2,600,000	2,743,000
<i>Tenet Healthcare Corporation 144A</i>	7.50	1-1-2022	725,000	777,563
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	6,110,000	6,950,125
				45,662,340
<b>Health Care Technology : 1.51%</b>				
<i>Change Healthcare Holdings Incorporated 144A</i>	6.00	2-15-2021	1,691,000	1,788,233
<i>Change Healthcare Holdings Incorporated</i>	11.00	12-31-2019	7,415,000	7,637,450
<i>QuintilesIMS Holdings Incorporated 144A</i>	5.00	10-15-2026	375,000	377,498
				9,803,181
<b>Pharmaceuticals : 0.34%</b>				
<i>Endo Finance LLC 144A</i>	5.38	1-15-2023	1,275,000	1,067,813
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	1,180,000	1,028,075
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.25	7-15-2022	100,000	84,012
				2,179,900
<b>Industrials : 4.72%</b>				
<b>Airlines : 0.39%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,515,763
<b>Commercial Services &amp; Supplies : 2.84%</b>				
<i>Acco Brands Corporation 144A</i>	5.25	12-15-2024	725,000	729,604
<i>Advanced Disposal Services Incorporated 144A</i>	5.63	11-15-2024	3,975,000	4,044,563
<i>Aramark Services Incorporated 144A</i>	5.13	1-15-2024	1,045,000	1,092,025
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	200,000	209,000
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	5,393,000	5,366,035
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	3,205,000	3,305,156
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	2,150,000	2,213,425
<i>The ServiceMaster Company LLC 144A</i>	5.13	11-15-2024	1,525,000	1,544,063
				18,503,871
<b>Construction &amp; Engineering : 0.77%</b>				
<i>AECOM</i>	5.75	10-15-2022	355,000	374,081
<i>AECOM</i>	5.88	10-15-2024	4,280,000	4,611,700

4,985,781

**Professional Services : 0.07%**

<i>Ascent Capital Group Incorporated</i>	4.00	7-15-2020	600,000	456,000
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**Trading Companies & Distributors : 0.65%**

<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	3,025,000	3,164,906
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<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,091,836
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4,256,742

**Information Technology : 10.40%****Communications Equipment : 0.33%**

<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	2,000,000	2,131,250
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**Electronic Equipment, Instruments &****Components : 2.70%**

<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	14,421,864
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Portfolio of investments January 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Electronic Equipment, Instruments &amp; Components (continued)</b>				
<i>Zebra Technologies Corporation</i>	7.25%	10-15-2022	\$ 2,910,000	\$ 3,135,525
				17,557,389
<b>Internet Software &amp; Services : 0.78%</b>				
<i>Infor Software Parent LLC</i>	6.50	5-15-2022	875,000	897,969
<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13	5-1-2021	1,260,000	1,294,650
<i>Zayo Group LLC 144A</i>	5.75	1-15-2027	150,000	153,375
<i>Zayo Group LLC</i>	6.00	4-1-2023	250,000	260,938
<i>Zayo Group LLC</i>	6.38	5-15-2025	2,375,000	2,507,109
				5,114,041
<b>IT Services : 0.93%</b>				
<i>First Data Corporation 144A</i>	5.00	1-15-2024	1,350,000	1,363,500
<i>First Data Corporation 144A</i>	5.38	8-15-2023	525,000	540,750
<i>First Data Corporation 144A</i>	5.75	1-15-2024	2,070,000	2,132,100
<i>First Data Corporation 144A</i>	6.75	11-1-2020	396,000	409,365
<i>First Data Corporation 144A</i>	7.00	12-1-2023	1,525,000	1,616,500
				6,062,215
<b>Semiconductors &amp; Semiconductor Equipment : 1.17%</b>				
<i>Micron Technology Incorporated 144A</i>	5.25	8-1-2023	600,000	601,500
<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	1,325,000	1,330,300
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	2,850,000	2,864,250
<i>Micron Technology Incorporated 144A</i>	5.63	1-15-2026	1,379,000	1,381,069
<i>Micron Technology Incorporated</i>	5.88	2-15-2022	1,410,000	1,465,512
				7,642,631
<b>Software : 0.55%</b>				
<i>Boxer Parent Company Incorporated (PIK at 9.75%) 144A</i>	9.00	10-15-2019	2,975,000	2,885,750
<i>SS&amp;C Technologies Incorporated</i>	5.88	7-15-2023	700,000	728,000
				3,613,750
<b>Technology Hardware, Storage &amp; Peripherals : 3.94%</b>				
<i>Diamond 1 Finance Corporation 144A</i>	5.88	6-15-2021	4,650,000	4,904,904
<i>Diamond 1 Finance Corporation 144A</i>	7.13	6-15-2024	8,825,000	9,662,113
<i>NCR Corporation</i>	5.88	12-15-2021	380,000	397,575
<i>NCR Corporation</i>	6.38	12-15-2023	10,038,000	10,665,375
				25,629,967

**Materials : 2.96%****Chemicals : 0.18%**

<i>Celanese U.S. Holdings LLC</i>	5.88	6-15-2021	440,000	488,190
<i>Valvoline Incorporated 144A</i>	5.50	7-15-2024	625,000	656,250
				1,144,440

**Containers & Packaging : 2.78%**

<i>Ball Corporation</i>	5.25	7-1-2025	305,000	320,342
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	700,000	716,240
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	350,000	370,563
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	2,910,000	3,288,300
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	1,225,000	1,247,969
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.88	8-15-2023	1,300,000	1,368,250
<i>Owens-Illinois Incorporated 144A</i>	5.38	1-15-2025	925,000	929,625
<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	5,380,000	5,722,975
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	837,000	889,313
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	1,775,000	1,837,125
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	1,400,000	1,419,250
				18,109,952

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Metals &amp; Mining : 0.00%</b>				
<i>Indalex Holdings Corporation (a)(i)(s)</i>	11.50%	2-1-2020	\$ 5,985,000	\$ 0
<b>Real Estate : 9.21%</b>				
<b>Equity REITs : 8.15%</b>				
<i>CoreCivic Incorporated</i>	5.00	10-15-2022	2,175,000	2,188,594
<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	817,068
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,763,426
<i>DuPont Fabros Technology Incorporated LP</i>	5.63	6-15-2023	4,875,000	5,070,000
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	7,670,000	8,015,150
<i>Equinix Incorporated</i>	5.75	1-1-2025	1,075,000	1,134,125
<i>Equinix Incorporated</i>	5.88	1-15-2026	2,200,000	2,334,420
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	6,425,000	6,447,488
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	2,500,000	2,575,000
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	2,175,000	2,093,438
<i>Iron Mountain Incorporated 144A</i>	6.00	10-1-2020	600,000	628,500
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	5,185,000	5,496,100
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	2,100,000	2,100,000
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	2,285,000	2,364,975
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	1,305,000	1,282,163
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	2,595,000	2,656,631
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	2,200,000	2,219,250
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	860,000	866,450
				53,052,778
<b>Real Estate Management &amp; Development : 1.06%</b>				
<i>Onex Corporation 144A</i>	7.75	1-15-2021	6,800,000	6,944,500
<b>Telecommunication Services : 8.70%</b>				
<b>Diversified Telecommunication Services : 3.27%</b>				
<i>Citizens Communications Company</i>	7.88	1-15-2027	830,000	699,275
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	1,980,000	2,137,172
<i>Frontier Communications Corporation</i>	8.25	4-15-2017	2,380,000	2,409,750
<i>Frontier Communications Corporation</i>	8.50	4-15-2020	1,000,000	1,065,600
<i>GCI Incorporated</i>	6.75	6-1-2021	2,625,000	2,703,750
<i>GCI Incorporated</i>	6.88	4-15-2025	1,125,000	1,170,000
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	1,595,000	1,606,963
<i>Level 3 Financing Incorporated 144A</i>	5.25	3-15-2026	1,050,000	1,046,063
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,627,713
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	1,125,000	1,139,423
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	1,595,000	1,627,905
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	1,275,000	1,303,688



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<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,747,038
				21,284,340

**Wireless Telecommunication Services : 5.43%**

<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	5,910,000	6,057,750
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,485,000	1,505,419
<i>SBA Communications Corporation 144A</i>	4.88	9-1-2024	1,025,000	1,000,503
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	8,600,000	8,858,000
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	1,830,000	2,099,925
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	380,000	406,600
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	528,750
<i>T-Mobile USA Incorporated</i>	6.00	4-15-2024	275,000	293,563
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	140,000	148,050
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	290,000	300,498
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	2,800,000	3,027,500
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	265,000	269,108
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	150,864
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	275,000	282,906
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	1,050,000	1,115,835
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	1,525,000	1,589,813
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	5,645,000	5,870,800

Portfolio of investments January 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Wireless Telecommunication Services</b>				
(continued)				
<i>T-Mobile USA Incorporated</i>	6.84%	4-28-2023	\$ 1,765,000	\$ 1,884,138
				35,390,022
<b>Utilities : 4.05%</b>				
<b>Electric Utilities : 0.01%</b>				
<i>Energy Future Intermediate Holding Company LLC</i>				
(s)	10.00	12-1-2020	150,000	35,625
<b>Independent Power &amp; Renewable Electricity</b>				
<b>Producers : 4.04%</b>				
<i>Calpine Corporation 144A</i>	5.88	1-15-2024	455,000	476,613
<i>Calpine Corporation 144A</i>	6.00	1-15-2022	865,000	902,844
<i>Calpine Corporation 144A</i>	7.88	1-15-2023	685,000	714,113
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	5,536,451	5,993,208
<i>Pattern Energy Group Incorporated 144A</i>	5.88	2-1-2024	5,650,000	5,763,000
<i>TerraForm Power Operating LLC 144A</i>	6.38	2-1-2023	9,065,000	9,314,288
<i>TerraForm Power Operating LLC 144A</i>	6.63	6-15-2025	3,050,000	3,172,000
				26,336,066
<b>Total Corporate Bonds and Notes (Cost</b>				
<b>\$706,946,824)</b>				730,594,508
<b>Loans : 3.56%</b>				
<b>Consumer Discretionary : 2.44%</b>				
<b>Auto Components : 0.11%</b>				
<i>Federal-Mogul Holdings Corporation ±</i>	4.00	4-15-2018	721,301	718,481
<b>Hotels, Restaurants &amp; Leisure : 1.04%</b>				
<i>CCM Merger Incorporated ±</i>	4.03	8-8-2021	594,929	599,391
<i>Montreign Operating Company ±&lt;</i>	9.31	12-7-2022	6,125,000	6,181,166
				6,780,557
<b>Internet &amp; Direct Marketing Retail : 1.29%</b>				
<i>Ancestry.com Incorporated ±</i>	5.25	10-19-2023	4,950,000	5,002,619
<i>Ancestry.com Incorporated ±</i>	9.25	10-19-2024	3,300,000	3,378,375
				8,380,994
<b>Energy : 0.25%</b>				
<b>Energy Equipment &amp; Services : 0.13%</b>				
<i>Hummel Station LLC ±</i>	7.00	10-27-2022	893,917	858,160
<b>Oil, Gas &amp; Consumable Fuels : 0.12%</b>				

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<i>Chesapeake Energy Corporation ±</i>	8.50	8-23-2021	725,000	792,664
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**Financials : 0.15%**

**Capital Markets : 0.15%**

<i>American Beacon Advisors Incorporated ±</i>	9.79	3-3-2023	1,010,000	989,800
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**Health Care : 0.04%**

**Health Care Providers & Services : 0.04%**

<i>Press Ganey Holdings Incorporated ±</i>	8.25	10-21-2024	250,000	254,063
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**Industrials : 0.44%**

**Commercial Services & Supplies : 0.44%**

<i>Advantage Sales &amp; Marketing LLC ±</i>	7.50	7-25-2022	2,025,000	1,964,250
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<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	569,979	572,475
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<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	99,820	100,257
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<i>WASH Multifamily Laundry Systems LLC ±</i>	8.00	5-12-2023	29,808	29,510
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## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Commercial Services &amp; Supplies (continued)</b>				
<i>WASH Multifamily Laundry Systems LLC ±(i)</i>	8.00%	5-14-2023	\$ 170,192	\$ 168,490
				2,834,982
<b>Information Technology : 0.10%</b>				
<b>Technology Hardware, Storage &amp; Peripherals : 0.10%</b>				
<i>Peak 10 Incorporated ±(i)</i>	8.28	6-17-2022	700,239	658,225
<b>Utilities : 0.14%</b>				
<b>Electric Utilities : 0.14%</b>				
<i>Texas Competitive Electric Holdings Company LLC ±</i>	4.02	12-14-2023	925,000	934,250
<b>Total Loans (Cost \$22,822,312)</b>				23,202,176
<b>Yankee Corporate Bonds and Notes : 11.24%</b>				
<b>Energy : 2.86%</b>				
<b>Energy Equipment &amp; Services : 0.61%</b>				
<i>Ensco plc</i>	5.75	10-1-2044	4,800,000	3,852,000
<i>Trinidad Drilling Limited 144A%%</i>	6.63	2-15-2025	100,000	102,250
				3,954,250
<b>Oil, Gas &amp; Consumable Fuels : 2.25%</b>				
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	3,600,000	3,330,000
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	2,075,000	1,909,000
<i>Griffin Coal Mining Company Limited 144A(a)(i)(s)</i>	9.50	12-1-2016	2,119,383	8,478
<i>Griffin Coal Mining Company Limited (a)(i)(s)</i>	9.50	12-1-2016	290,088	1,160
<i>Teekay Corporation</i>	8.50	1-15-2020	9,583,000	9,439,255
				14,687,893
<b>Financials : 0.27%</b>				
<b>Banks : 0.27%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.00	2-1-2025	1,050,000	1,043,438
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	726,250
<i>Preferred Term Securities XII Limited (a)(i)(s)</i>	0.00	12-24-2033	1,540,000	0
				1,769,688
<b>Health Care : 2.63%</b>				
<b>Pharmaceuticals : 2.63%</b>				
<i>Mallinckrodt plc 144A</i>	5.50	4-15-2025	970,000	835,413
<i>Mallinckrodt plc 144A</i>	5.63	10-15-2023	445,000	394,381
	5.63	12-1-2021	1,178,000	930,620

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*Valeant Pharmaceuticals International  
Incorporated 144A*

<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	3,600,000	2,740,500
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	10,925,000	8,180,094
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.38	10-15-2020	2,375,000	2,087,031
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2021	700,000	590,625
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	1,541,000	1,338,744
				17,097,408

**Industrials : 2.16%**

**Building Products : 0.05%**

<i>Allegion plc</i>	5.88	9-15-2023	340,000	362,100
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Portfolio of investments January 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Commercial Services &amp; Supplies : 2.05%</b>				
<i>GFL Environmental Incorporated 144A</i>	7.88%	4-1-2020	\$ 5,150,000	\$ 5,362,438
<i>GFL Environmental Incorporated 144A</i>	9.88	2-1-2021	850,000	924,375
<i>Ritchie Brothers Auctioneers Incorporated 144A</i>	5.38	1-15-2025	6,925,000	7,054,844
				13,341,657
<b>Machinery : 0.06%</b>				
<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	385,000	386,686
<b>Materials : 0.78%</b>				
<b>Containers &amp; Packaging : 0.50%</b>				
<i>Ardagh Packaging Finance plc 144A</i>	6.00	2-15-2025	1,975,000	1,987,344
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	1,175,000	1,258,719
				3,246,063
<b>Metals &amp; Mining : 0.28%</b>				
<i>ArcelorMittal SA</i>	6.13	6-1-2025	450,000	494,721
<i>Hudbay Minerals Incorporated 144A</i>	7.25	1-15-2023	470,000	497,025
<i>Hudbay Minerals Incorporated 144A</i>	7.63	1-15-2025	470,000	502,900
<i>Novelis Corporation 144A</i>	6.25	8-15-2024	325,000	343,281
				1,837,927
<b>Telecommunication Services : 2.54%</b>				
<b>Diversified Telecommunication Services : 2.54%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	11,740,000	8,218,000
<i>Intelsat Jackson Holdings SA</i>	7.25	4-1-2019	4,000,000	3,437,500
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	2,600,000	903,500
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	10,050,000	3,341,625
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	635,250
				16,535,875
<b>Total Yankee Corporate Bonds and Notes (Cost \$87,702,446)</b>				
				73,219,547
	<b>Yield</b>		<b>Shares</b>	
<b>Short-Term Investments : 5.69%</b>				
<b>Investment Companies : 5.69%</b>				
<i>Wells Fargo Government Money Market Fund Select Class (l)(u)##</i>	0.46		37,066,126	37,066,126
<b>Total Short-Term Investments (Cost \$37,066,126)</b>				
				37,066,126

<b>Total investments in securities</b>		
<b>(Cost \$895,091,286)*</b>	134.21%	873,992,216
<i>Other assets and liabilities, net</i>	(34.21)	(222,803,539)
<b>Total net assets</b>	100.00%	\$ 651,188,677

*Non-income-earning security**(i) Illiquid security*

*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.*

*(s) The security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on the security.*

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

*(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.*

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

**Wells Fargo Income Opportunities Fund****Portfolio of investments January 31, 2017 (unaudited)**

- (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 and/or unfunded loans.*
- \* *Cost for federal income tax purposes is \$903,028,582 and unrealized gains (losses) consists of:*

<i>Gross unrealized gains</i>	<i>\$ 37,427,978</i>
<i>Gross unrealized losses</i>	<i>(66,464,344)</i>
<i>Net unrealized losses</i>	<i>\$ (29,036,366)</i>

*Abbreviations:*

- LLC Limited liability company*
- LP Limited partnership*
- plc Public limited company*
- REIT Real estate investment trust*



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

**Notes to Portfolio of investments January 31, 2017 (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, the prior day's price will be deemed stale and 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 Management Valuation Team 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 Management Valuation Team 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 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:

- 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, 2017:

	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>				
Energy	\$ 837,279	\$ 0	\$ 0	\$ 837,279
Materials	653	\$ 0	0	653
Utilities	9,071,927	\$ 0	0	9,071,927
<b>Corporate bonds and notes</b>				
	0	730,594,508	0	730,594,508
<b>Loans</b>	0	19,884,093	3,318,083	23,202,176
<b>Yankee corporate bonds and notes</b>				
	0	73,209,909	9,638	73,219,547
<b>Short-term investments</b>				
Investment companies	37,066,126	0	0	37,066,126
<b>Total assets</b>	<b>\$ 46,975,985</b>	<b>\$ 823,688,510</b>	<b>\$ 3,327,721</b>	<b>\$ 873,992,216</b>

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At January 31, 2017, the Fund did not have any transfers into/out of Level 1. There were no material transfers between Level 2 and Level 3.

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 24, 2017

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 24, 2017

By: /s/ Jeremy DePalma  
Jeremy DePalma  
Treasurer

Date: March 24, 2017