

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

September 26, 2014

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: 800-222-8222

**Date of fiscal year end: Registrant is making a filing for Wells Fargo Advantage Income Opportunities Fund.
The Fund has an April 30 fiscal year end.**

Date of reporting period: July 31, 2014

ITEM 1. INVESTMENTS

Wells Fargo Advantage Income Opportunities Fund **Portfolio of investments** **July 31, 2014 (unaudited)**

Security name	Shares	Value
Common Stocks : 0.28%		
Telecommunication Services : 0.28%		
Diversified Telecommunication Services : 0.28%		
<i>Fairpoint Communications Incorporated</i>	134,376	\$ 1,961,890
Total Common Stocks (Cost \$3,109,765)		1,961,890

	Interest rate	Maturity date	Principal	
Corporate Bonds and Notes : 105.04%				
Consumer Discretionary : 19.29%				
Auto Components : 1.94%				
<i>Allison Transmission Incorporated 144A</i>	7.13%	5-15-2019	\$ 8,015,000	8,495,900
<i>Cooper Tire & Rubber Company</i>	7.63	3-15-2027	4,000,000	4,220,000
<i>Cooper Tire & Rubber Company</i>	8.00	12-15-2019	150,000	169,500
<i>Goodyear Tire & Rubber Company</i>	7.00	5-15-2022	700,000	759,500
				13,644,900
Distributors : 0.19%				
<i>LKQ Corporation</i>	4.75	5-15-2023	1,355,000	1,307,575
Diversified Consumer Services : 2.15%				
<i>Ceridian HCM Holding Incorporated 144A</i>	11.00	3-15-2021	75,000	85,500
<i>Service Corporation International</i>	6.75	4-1-2016	1,250,000	1,340,625
<i>Service Corporation International</i>	7.00	6-15-2017	1,250,000	1,384,375
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	7,821,190
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,278,750
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,037,663
<i>Sotheby's 144A</i>	5.25	10-1-2022	2,265,000	2,214,038
				15,162,141
Hotels, Restaurants & Leisure : 5.97%				
<i>Burger King Corporation</i>	9.88	10-15-2018	1,600,000	1,692,000
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	10,830,000	11,425,650
<i>DineEquity Incorporated</i>	9.50	10-30-2018	9,675,000	10,313,550
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	10,705,000	10,651,475
<i>Hilton Worldwide Finance LLC 144A</i>	5.63	10-15-2021	320,000	335,200
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	6,257,000	6,616,778
<i>Speedway Motorsports Incorporated</i>	6.75	2-1-2019	980,000	1,024,100
				42,058,753

Household Durables : 0.35%

<i>American Greetings Corporation</i>	7.38	12-1-2021	2,025,000	2,126,250
<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	325,000	345,719
				2,471,969

Media : 7.38%

<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,391,500
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.25	2-15-2022	320,000	319,200
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.63	2-15-2024	35,000	34,956
<i>CCO Holdings LLC</i>	8.13	4-30-2020	686,000	731,448
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	1,525,000	1,650,813
<i>CSC Holdings LLC</i>	7.63	7-15-2018	1,145,000	1,302,438
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,650,000	1,872,750
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	746,125

Portfolio of investments July 31, 2014 (unaudited) Wells Fargo Advantage Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
Media (continued)				
<i>DISH DBS Corporation</i>	7.88%	9-1-2019	\$ 2,260,000	\$ 2,599,000
<i>DreamWorks Animation SKG Incorporated 144A</i>	6.88	8-15-2020	3,880,000	4,054,600
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	1,160,000	1,235,400
<i>EchoStar DBS Corporation</i>	7.75	5-31-2015	650,000	680,875
<i>Gray Television Incorporated</i>	7.50	10-1-2020	10,550,000	11,037,938
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,887,638
<i>LIN Television Corporation</i>	6.38	1-15-2021	500,000	518,750
<i>LIN Television Corporation</i>	8.38	4-15-2018	3,475,000	3,622,688
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	330,000	355,575
<i>Lynx II Corporation 144A</i>	6.38	4-15-2023	605,000	635,250
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,635,000	3,753,138
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,330,000	1,436,400
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,720,600
<i>Regal Entertainment Group</i>	5.75	6-15-2023	665,000	668,325
<i>Regal Entertainment Group</i>	5.75	3-15-2022	5,650,000	5,763,000
				52,018,407
Specialty Retail : 1.31%				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	730,000	731,825
<i>Ahern Rentals Incorporated 144A</i>	9.50	6-15-2018	1,985,000	2,153,725
<i>Century Intermediate Holding Company (PIK at 9.75%) 144A</i>	9.75	2-15-2019	290,000	305,950
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	1,965,000	2,028,863
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	1,900,000	1,824,000
<i>Toys R Us Property Company II LLC</i>	8.50	12-1-2017	2,200,000	2,219,360
				9,263,723
Consumer Staples : 0.49%				
Food Products : 0.49%				
<i>Darling International Incorporated 144A</i>	5.38	1-15-2022	295,000	303,113
<i>Hearthside Group Holdings LLC 144A</i>	6.50	5-1-2022	200,000	197,500
<i>Simmons Foods Incorporated 144A</i>	10.50	11-1-2017	2,785,000	2,962,544
				3,463,157
Energy : 22.66%				
Energy Equipment & Services : 8.08%				
<i>Bristow Group Incorporated</i>	6.25	10-15-2022	5,830,000	6,150,650
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	475,000	527,250
<i>Compressco Partners LP 144A</i>	7.25	8-15-2022	1,980,000	1,955,250
<i>Dresser-Rand Group Incorporated</i>	6.50	5-1-2021	1,825,000	1,971,000

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<i>Era Group Incorporated</i>	7.75	12-15-2022	7,340,000	7,806,677
<i>Forum Energy Technologies Incorporated 144A</i>	6.25	10-1-2021	315,000	330,750
<i>Gulfmark Offshore Incorporated</i>	6.38	3-15-2022	8,173,000	8,173,000
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	3,955,000	3,875,900
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	840,000	848,400
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	5,905,000	5,949,288
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	11,515,000	11,284,700
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	715,000	773,988
<i>PHI Incorporated 144A</i>	5.25	3-15-2019	7,000,000	7,035,000
<i>Pride International Incorporated</i>	8.50	6-15-2019	210,000	265,330
				56,947,183

Oil, Gas & Consumable Fuels : 14.58%

<i>Crestwood Midstream Partners LP</i>	6.00	12-15-2020	1,230,000	1,266,900
<i>Crestwood Midstream Partners LP 144A</i>	6.13	3-1-2022	475,000	490,438
<i>CVR Refining LLC</i>	6.50	11-1-2022	2,148,000	2,223,180
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	1,280,000	1,196,800
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	700,000	731,500
<i>El Paso LLC</i>	6.50	9-15-2020	1,155,000	1,270,500

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Security name	Interest rate	Maturity date	Principal	Value
Oil, Gas & Consumable Fuels (continued)				
<i>El Paso LLC</i>	7.00%	6-15-2017	\$ 3,068,000	\$ 3,382,470
<i>El Paso LLC</i>	7.25	6-1-2018	3,149,000	3,542,625
<i>El Paso LLC</i>	7.42	2-15-2037	1,820,000	1,824,550
<i>El Paso LLC</i>	7.80	8-1-2031	3,050,000	3,355,000
<i>Energy Transfer Equity LP</i>	7.50	10-15-2020	5,950,000	6,649,125
<i>Exterran Partners LP</i>	6.00	4-1-2021	4,000,000	4,000,000
<i>Kinder Morgan Finance Company LLC 144A</i>	6.00	1-15-2018	125,000	135,313
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	3,280,000	3,493,200
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	3,170,000	3,894,691
<i>Plains Exploration & Production Company</i>	8.63	10-15-2019	6,380,000	6,730,900
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	6,255,000	6,427,013
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	10,760,000	10,652,400
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	4,425,000	4,447,125
<i>Rose Rock Midstream LP 144A</i>	5.63	7-15-2022	355,000	355,888
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	1,425,000	1,474,875
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	1,710,000	1,735,650
<i>Sabine Pass Liquefaction LLC 144A</i>	5.75	5-15-2024	525,000	532,875
<i>Sabine Pass Liquefaction LLC 144A</i>	6.25	3-15-2022	3,415,000	3,594,288
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	9,370,000	9,838,500
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	9,675,000	10,545,750
<i>SemGroup Corporation</i>	7.50	6-15-2021	4,420,000	4,762,550
<i>Suburban Propane Partners LP</i>	7.38	3-15-2020	1,475,000	1,537,688
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	592,000	634,920
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	1,875,000	1,950,000
				102,676,714

Financials : 17.08%
Banks : 0.34%