

WELLS FARGO INCOME OPPORTUNITIES FUND

Form N-Q

March 24, 2016

**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, 2016**

ITEM 1. INVESTMENTS

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2016  
(unaudited)

Security name	Shares	Value
<b>Common Stocks : 0.15%</b>		
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	\$ 546
<b>Telecommunication Services : 0.15%</b>		
<b>Diversified Telecommunication Services : 0.15%</b>		
<i>Fairpoint Communications Incorporated</i>	55,687	835,305
<b>Total Common Stocks (Cost \$1,274,443)</b>		<b>835,851</b>

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 116.92%</b>				
<b>Consumer Discretionary : 21.95%</b>				
<b>Auto Components : 0.94%</b>				
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	\$ 4,000,000	4,160,000
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	400,000	444,000
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	700,000	748,650
				<b>5,352,650</b>

<b>Distributors : 0.22%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	1,355,000	<b>1,277,088</b>

<b>Diversified Consumer Services : 2.14%</b>				
<i>Monitronics International</i>	9.13	4-1-2020	575,000	461,438
<i>Service Corporation International</i>	7.00	6-15-2017	1,250,000	1,321,875
<i>Service Corporation International</i>	7.50	4-1-2027	7,078,000	8,122,005
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,231,318
<i>Service Corporation International</i>	8.00	11-15-2021	885,000	1,039,875
				<b>12,176,511</b>

<b>Hotels, Restaurants &amp; Leisure : 5.55%</b>				
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	10,830,000	11,154,900
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	12,975,000	12,780,375
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	320,000	329,600
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	6,297,000	6,548,880
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	822,938
				<b>31,636,693</b>

<b>Household Durables : 0.69%</b>				
<i>American Greetings Corporation</i>	7.38	12-1-2021	3,375,000	3,434,063
<i>Tempur Sealy International Incorporated 144A</i>	5.63	10-15-2023	175,000	178,500

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<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	325,000	343,688
				<b>3,956,251</b>

**Leisure Products : 0.18%**

<i>Vista Outdoor Incorporated 144A</i>	5.88	10-1-2023	1,025,000	<b>1,042,938</b>
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**Media : 10.50%**

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	2,270,000	2,281,350
<i>Cable One Incorporated 144A</i>	5.75	6-15-2022	625,000	631,250
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	2,975,000	3,094,000
<i>CCO Holdings LLC</i>	5.13	2-15-2023	1,425,000	1,421,438
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	795,000	792,913
<i>CCO Holdings LLC</i>	5.25	9-30-2022	2,048,000	2,073,600
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	7,195,000	7,123,050
<i>CCO Holdings LLC 144A</i>	5.88	5-1-2027	1,145,000	1,127,825
<i>CCO Holdings LLC</i>	6.63	1-31-2022	1,228,000	1,300,145

## Portfolio of investments January 31, 2016 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>CCO Holdings LLC</i>	7.38%	6-1-2020	\$ 2,364,000	\$ 2,458,560
<i>CCOH Safari LLC 144A</i>	5.75	2-15-2026	5,125,000	5,098,734
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	1,941,000	1,755,440
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	3,625,000	3,316,875
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	1,525,000	1,589,813
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,525,000	1,605,063
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	676,275
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	1,160,000	1,160,000
<i>Gray Television Incorporated</i>	7.50	10-1-2020	8,125,000	8,378,906
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,854,169
<i>LIN Television Corporation</i>	6.38	1-15-2021	500,000	522,500
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	810,000	850,500
<i>National CineMedia LLC</i>	6.00	4-15-2022	3,340,000	3,419,325
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,750,000	1,806,875
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	300,000	285,000
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	3,510,000	3,518,775
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	327,200
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	35,000	35,788
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,295,719
				<b>59,801,088</b>
<b>Specialty Retail : 1.57%</b>				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	730,000	744,600
<i>ABC Supply Company Incorporated 144A</i>	5.75	12-15-2023	475,000	484,500
<i>Century Intermediate Holding Company (PIK at 10.50%) 144A(i)</i>	9.75	2-15-2019	465,000	474,300
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	1,860,000	1,804,200
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,084,250
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	1,900,000	1,790,750
<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	1,495,000	1,551,063
				<b>8,933,663</b>
<b>Textiles, Apparel &amp; Luxury Goods : 0.16%</b>				
<i>Wolverine World Wide Company</i>	6.13	10-15-2020	875,000	<b>905,625</b>
<b>Consumer Staples : 1.56%</b>				
<b>Beverages : 0.38%</b>				
<i>Cott Beverages Incorporated</i>	5.38	7-1-2022	850,000	824,500
<i>Cott Beverages Incorporated</i>	6.75	1-1-2020	1,295,000	1,333,850
				<b>2,158,350</b>

**Food Products : 1.08%**

<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	668,325
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	289,100
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	1,860,000	1,790,250
<i>Pinnacle Foods Incorporated 144A</i>	5.88	1-15-2024	100,000	103,500
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	3,625,000	3,208,125
<i>Treehouse Foods Incorporated 144A</i>	6.00	2-15-2024	100,000	102,875
				<b>6,162,175</b>

**Household Products : 0.10%**

<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	405,000	414,113
<i>Spectrum Brands Incorporated 144A</i>	5.75	7-15-2025	150,000	153,750
				<b>567,863</b>

**Energy : 22.53%****Energy Equipment & Services : 8.74%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	8,040,000	5,527,500
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	810,000	761,400
<i>Era Group Incorporated</i>	7.75	12-15-2022	7,340,000	5,578,400
<i>Forum Energy Technologies Incorporated</i>	6.25	10-1-2021	1,590,000	1,272,000

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2016  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services</b>				
(continued)				
<i>Gulfmark Offshore Incorporated</i>	6.38%	3-15-2022	\$ 7,033,000	\$ 2,180,230
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	1,360,000	1,050,600
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	2,125,000	1,662,813
<i>Hornbeck Offshore Services Company</i>	1.50	9-1-2019	2,100,000	1,103,813
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	4,705,000	2,658,325
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	2,737,200
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	3,990,000	3,750,600
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	17,845,000	13,428,363
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	715,000	672,100
<i>PHI Incorporated</i>	5.25	3-15-2019	9,000,000	7,267,500
<i>Pride International Incorporated</i>	8.50	6-15-2019	210,000	168,000
				<b>49,818,844</b>

**Oil, Gas & Consumable Fuels : 13.79%**

<i>Alpha Natural Resources Incorporated (s)</i>	6.25	6-1-2021	800,000	2,000
<i>Arch Coal Incorporated (s)</i>	7.00	6-15-2019	1,950,000	12,188
<i>Arch Coal Incorporated (s)</i>	7.25	6-15-2021	775,000	6,297
<i>Berry Petroleum Company LLC</i>	6.38	9-15-2022	5,200,000	1,040,000
<i>Berry Petroleum Company LLC</i>	6.75	11-1-2020	550,000	121,000
<i>Continental Resources Company</i>	5.00	9-15-2022	1,250,000	875,000
<i>CSI Compressco LP</i>	7.25	8-15-2022	2,575,000	1,673,750
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	6,300,000	2,079,000
<i>Denbury Resources Incorporated</i>	5.50	5-1-2022	580,000	203,000
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	2,605,000	937,800
<i>El Paso Pipeline Partners Operating LLC</i>	5.00	10-1-2021	2,850,000	2,693,236
<i>Exterran Partners LP</i>	6.00	4-1-2021	3,550,000	2,644,750
<i>Kinder Morgan Energy Partners LP</i>	5.55	6-1-2045	1,525,000	1,195,057
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	1,155,000	1,156,229
<i>Kinder Morgan Incorporated</i>	7.00	6-15-2017	1,998,000	2,058,052
<i>Kinder Morgan Incorporated (i)</i>	7.42	2-15-2037	1,820,000	1,586,341
<i>Kinder Morgan Incorporated</i>	7.80	8-1-2031	3,050,000	2,926,097
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	4,300,000	4,091,020
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	2,126,000	2,115,370
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	3,170,000	3,349,986
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	6,255,000	5,598,225
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	6,960,000	5,289,600
<i>Rockies Express Pipeline LLC 144A(i)</i>	7.50	7-15-2038	4,425,000	3,540,000
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.25	6-15-2019	850,000	55,250
<i>Sabine Oil &amp; Gas Corporation (i)(s)</i>	7.50	9-15-2020	5,733,000	372,645
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	1,425,000	1,303,875
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	2,820,000	2,474,550
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	740,000	636,400
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	525,000	460,688



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<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,146,069
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	9,370,000	9,686,238
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	7,325,000	7,590,531
<i>SemGroup Corporation</i>	7.50	6-15-2021	4,620,000	3,557,400
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	80,000	69,000
<i>Suburban Propane Partners LP</i>	5.50	6-1-2024	480,000	399,600
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	716,000	701,680
<i>Swift Energy Company (i)(s)</i>	7.13	6-1-2017	9,300,000	697,500
<i>Swift Energy Company (i)(s)</i>	8.88	1-15-2020	1,750,000	131,250
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	650,000	91,781
<i>Ultra Petroleum Corporation 144A</i>	6.13	10-1-2024	14,075,000	1,970,500
				<b>78,538,955</b>

**Financials : 22.73%**

**Banks : 1.15%**

<i>CIT Group Incorporated</i>	5.25	3-15-2018	160,000	165,299
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	2,225,000	2,297,313
<i>CIT Group Incorporated 144A</i>	6.63	4-1-2018	3,880,000	4,103,100
				<b>6,565,712</b>

## Portfolio of investments January 31, 2016 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Capital Markets : 1.61%</b>				
<i>Jefferies Finance LLC 144A</i>	6.88%	4-15-2022	\$ 6,910,000	\$ 5,441,625
<i>Jefferies Finance LLC 144A</i>	7.38	4-1-2020	515,000	430,025
<i>Jefferies Finance LLC 144A</i>	7.50	4-15-2021	2,625,000	2,141,016
<i>Neuberger Berman Group LLC 144A</i>	5.88	3-15-2022	1,125,000	1,172,813
				<b>9,185,479</b>
<b>Consumer Finance : 6.65%</b>				
<i>Ally Financial Incorporated</i>	5.75	11-20-2025	1,100,000	1,097,250
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	200,000	222,500
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	1,900,000	2,073,375
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	3,016,000	3,377,920
<i>Ford Motor Credit Company LLC</i>	8.00	12-15-2016	200,000	210,434
<i>Homer City Generation LLC (PIK at 9.23%)</i>				
¥	8.73	10-1-2026	2,891,288	2,255,204
<i>Navient Corporation</i>	5.88	3-25-2021	1,000,000	865,000
<i>Navient Corporation</i>	8.00	3-25-2020	5,450,000	5,368,250
<i>SLM Corporation</i>	6.13	3-25-2024	2,975,000	2,443,219
<i>SLM Corporation</i>	7.25	1-25-2022	1,600,000	1,424,000
<i>SLM Corporation</i>	8.45	6-15-2018	3,110,000	3,218,850
<i>Springleaf Finance Corporation</i>	5.75	9-15-2016	2,325,000	2,342,438
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	2,850,000	2,600,625
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	550,000	554,125
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	6,950,000	7,105,680
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	992,000	932,480
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,892,000	1,783,210
				<b>37,874,560</b>
<b>Diversified Financial Services : 2.59%</b>				
<i>Denali Borrower LLC 144A</i>	5.63	10-15-2020	6,930,000	7,293,825
<i>Infinity Acquisition LLC 144A(i)</i>	7.25	8-1-2022	4,310,000	3,663,500
<i>NewStar Financial Incorporated</i>	7.25	5-1-2020	4,075,000	3,789,750
				<b>14,747,075</b>
<b>Insurance : 1.28%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A¥</i>	8.13	7-15-2019	5,070,000	4,258,800
<i>Hub International Limited 144A</i>	7.88	10-1-2021	3,480,000	3,053,700
				<b>7,312,500</b>
<b>Real Estate Management &amp; Development : 0.84%</b>				
<i>Onex Corporation 144A</i>	7.75	1-15-2021	5,295,000	<b>4,752,263</b>
<b>REITs : 8.61%</b>				

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<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	797,050
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,670,025
<i>DuPont Fabros Technology Incorporated LP</i>	5.63	6-15-2023	4,875,000	4,899,375
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	7,670,000	7,900,100
<i>Equinix Incorporated</i>	5.88	1-15-2026	700,000	724,500
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	4,650,000	4,478,508
<i>Iron Mountain Incorporated</i>	5.75	8-15-2024	8,220,000	8,117,250
<i>Iron Mountain Incorporated 144A</i>	6.00	10-1-2020	600,000	639,000
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	5,185,000	5,392,400
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	1,425,000	1,428,563
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	1,960,000	1,999,200
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	825,000	783,750
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	4,350,000	4,311,938
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	850,000	818,125
<i>The Geo Group Incorporated</i>	6.63	2-15-2021	2,030,000	2,073,138
				<b>49,032,922</b>

## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2016  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care : 11.31%</b>				
<b>Health Care Equipment &amp; Supplies : 1.06%</b>				
<i>Crimson Merger Sub Incorporated 144A</i>	6.63	5-15-2022	\$ 6,225,000	\$ 4,170,750
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75%	9-1-2023	325,000	331,094
<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	1,500,000	1,552,500
				<b>6,054,344</b>
<b>Health Care Providers &amp; Services : 7.34%</b>				
<i>Acadia Healthcare Company Incorporated</i>	5.63	2-15-2023	465,000	439,367
<i>Centene Corporation</i>	5.75	6-1-2017	1,925,000	1,992,375
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	2,215,000	2,179,006
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	2,925,000	3,045,656
<i>Fresenius Medical Care Holdings Incorporated 144A</i>	5.63	7-31-2019	1,000,000	1,082,500
<i>Fresenius Medical Care Holdings Incorporated</i>	6.88	7-15-2017	700,000	745,500
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	804,375
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	7,193,813
<i>HealthSouth Corporation 144A</i>	5.75	11-1-2024	825,000	814,349
<i>HealthSouth Corporation</i>	5.75	11-1-2024	125,000	123,386
<i>HealthSouth Corporation 144A</i>	5.75	9-15-2025	1,975,000	1,915,355
<i>HealthSouth Corporation</i>	7.75	9-15-2022	1,363,000	1,414,113
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	775,000	794,375
<i>Molina Healthcare Incorporated 144A</i>	5.38	11-15-2022	775,000	775,000
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	1,780,000	1,806,700
<i>MPT Operating Partnership LP</i>	6.88	5-1-2021	3,175,000	3,286,125
<i>Select Medical Corporation</i>	6.38	6-1-2021	10,230,000	8,695,500
<i>Team Health Incorporated 144A</i>	7.25	12-15-2023	1,875,000	1,959,375
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	2,600,000	2,756,000
				<b>41,822,870</b>
<b>Health Care Technology : 1.34%</b>				
<i>Emdeon Incorporated</i>	11.00	12-31-2019	7,315,000	<b>7,607,600</b>
<b>Pharmaceuticals : 1.57%</b>				
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	1,180,000	1,174,100
<i>Endo Finance LLC 144A</i>	5.88	1-15-2023	1,275,000	1,265,438
<i>Endo Finance LLC 144A</i>	6.00	2-1-2025	1,275,000	1,259,216
<i>Endo Finance LLC 144A</i>	7.75	1-15-2022	3,925,000	4,096,719
<i>PRA Holdings Incorporated 144A</i>	9.50	10-1-2023	975,000	1,067,625
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.25	7-15-2022	100,000	98,000
				<b>8,961,098</b>

**Industrials : 8.04%****Airlines : 0.43%**

<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	<b>2,447,325</b>
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**Commercial Services & Supplies : 3.29%**

<i>ADT Corporation</i>	4.13	6-15-2023	1,775,000	1,633,000
<i>ADT Corporation</i>	6.25	10-15-2021	6,390,000	6,629,625
<i>Aramark Services Incorporated 144A</i>	5.13	1-15-2024	200,000	206,500
<i>Berry Plastics Corporation 144A</i>	6.00	10-15-2022	350,000	357,000
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	5,393,000	4,705,393
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	3,205,000	3,020,713
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	2,150,000	2,175,531
				<b>18,727,762</b>

**Construction & Engineering : 1.36%**

<i>AECOM</i>	5.75	10-15-2022	355,000	358,994
<i>AECOM</i>	5.88	10-15-2024	4,280,000	4,263,950
<i>United Rentals North America Incorporated</i>	4.63	7-15-2023	1,965,000	1,913,419
<i>United Rentals North America Incorporated</i>	5.50	7-15-2025	1,385,000	1,237,844
				<b>7,774,207</b>

## Portfolio of investments January 31, 2016 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Machinery : 0.13%</b>				
<i>Enpro Industries Incorporated</i>	5.88%	9-15-2022	\$ 745,000	\$ 724,513
<b>Professional Services : 0.06%</b>				
<i>Ascent Capital Group Incorporated</i>	4.00	7-15-2020	600,000	342,750
<b>Trading Companies &amp; Distributors : 2.77%</b>				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	6,975,000	7,114,500
<i>H&amp;E Equipment Services Incorporated</i>	7.00	9-1-2022	8,320,000	7,592,000
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,098,738
				<b>15,805,238</b>
<b>Information Technology : 8.46%</b>				
<b>Communications Equipment : 0.31%</b>				
<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	1,800,000	1,750,500
<b>Electronic Equipment, Instruments &amp; Components : 3.12%</b>				
<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	14,716,050
<i>Zebra Technologies Corporation</i>	7.25	10-15-2022	2,910,000	3,026,400
				<b>17,742,450</b>
<b>Internet Software &amp; Services : 0.29%</b>				
<i>Infor Software Parent LLC 144A</i>	6.50	5-15-2022	875,000	763,438
<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13	5-1-2021	1,260,000	897,750
				<b>1,661,188</b>
<b>IT Services : 1.75%</b>				
<i>Audatex North America Incorporated 144A</i>	6.00	6-15-2021	4,470,000	4,503,525
<i>Audatex North America Incorporated 144A</i>	6.13	11-1-2023	3,090,000	3,113,175
<i>First Data Corporation 144A</i>	5.00	1-15-2024	370,000	371,850
<i>First Data Corporation 144A</i>	5.75	1-15-2024	520,000	517,400
<i>First Data Corporation 144A</i>	6.75	11-1-2020	1,391,000	1,465,766
				<b>9,971,716</b>
<b>Semiconductors &amp; Semiconductor Equipment : 0.67%</b>				
<i>Micron Technology Incorporated 144A</i>	5.25	8-1-2023	600,000	486,000
<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	400,000	325,000
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	1,675,000	1,323,250
<i>Micron Technology Incorporated 144A</i>	5.63	1-15-2026	550,000	426,250
<i>Micron Technology Incorporated</i>	5.88	2-15-2022	1,410,000	1,254,900
				<b>3,815,400</b>
<b>Software : 0.89%</b>				

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<i>Activision Blizzard Incorporated 144A</i>	5.63	9-15-2021	1,155,000	1,212,750
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	285,000	304,950
<i>Boxer Parent Company Incorporated (PIK at 9.75%) 144A</i>	9.00	10-15-2019	4,375,000	2,493,750
<i>Emdeon Incorporated 144A</i>	6.00	2-15-2021	1,057,000	977,857
<i>SS&amp;C Technologies Incorporated 144A</i>	5.88	7-15-2023	90,000	93,150
				<b>5,082,457</b>

**Technology Hardware, Storage & Peripherals : 1.43%**

<i>NCR Corporation</i>	5.88	12-15-2021	380,000	373,350
<i>NCR Corporation</i>	6.38	12-15-2023	7,865,000	7,781,395
				<b>8,154,745</b>

**Materials : 2.38%**

**Chemicals : 0.08%**

<i>Celanese US Holdings LLC</i>	5.88	6-15-2021	440,000	<b>466,400</b>
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## Wells Fargo Income Opportunities Fund

Portfolio of investments January 31, 2016  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Containers &amp; Packaging : 2.30%</b>				
<i>Ball Corporation</i>	5.25%	7-1-2025	\$ 305,000	\$ 314,150
<i>Crown Americas LLC</i>	6.25	2-1-2021	515,000	532,381
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	60,000	64,200
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	1,225,000	1,212,750
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.38	1-15-2025	925,000	862,563
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.88	8-15-2023	1,300,000	1,275,625
<i>Owens-Brockway Glass Container Incorporated 144A</i>	6.38	8-15-2025	4,805,000	4,732,925
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	837,000	912,330
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	1,775,000	1,775,000
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	1,400,000	1,426,250
				<b>13,108,174</b>

**Metals & Mining : 0.00%**

<i>Indalex Holdings Corporation (a)(i)(s)</i>	11.50	2-1-2020	5,985,000	<b>0</b>
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**Telecommunication Services : 14.24%****Diversified Telecommunication Services : 5.97%**

<i>Citizens Communications Company</i>	7.88	1-15-2027	830,000	639,100
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	1,980,000	2,022,075
<i>Frontier Communications Corporation</i>	8.25	4-15-2017	2,380,000	2,493,050
<i>Frontier Communications Corporation</i>	8.50	4-15-2020	1,000,000	991,250
<i>GCI Incorporated</i>	6.75	6-1-2021	4,145,000	4,113,913
<i>GCI Incorporated</i>	6.88	4-15-2025	2,150,000	2,107,000
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	1,595,000	1,602,975
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,599,081
<i>Level 3 Financing Incorporated 144A</i>	5.38	1-15-2024	1,125,000	1,136,250
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	1,595,000	1,604,969
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	1,275,000	1,303,688
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,770,275
<i>Level 3 Financing Incorporated</i>	7.00	6-1-2020	297,000	311,850
<i>Qwest Corporation (i)</i>	7.63	8-3-2021	440,000	439,450
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	11,370,000	4,320,600
<i>Windstream Corporation</i>	6.38	8-1-2023	1,250,000	903,125
<i>Windstream Corporation</i>	7.88	11-1-2017	5,380,000	5,622,100
				<b>33,980,751</b>

**Wireless Telecommunication Services : 8.27%**



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<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	5,910,000	6,078,435
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,485,000	1,485,000
<i>SBA Communications Corporation</i>	5.63	10-1-2019	270,000	280,800
<i>SBA Communications Corporation</i>	5.75	7-15-2020	2,795,000	2,899,813
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	19,435,000	12,827,100
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	6,780,000	4,779,900
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	380,000	279,300
<i>Sprint Communications Incorporated</i>	11.50	11-15-2021	1,200,000	1,008,000
<i>Sprint Corporation</i>	7.13	6-15-2024	2,035,000	1,373,625
<i>Sprint Corporation</i>	7.63	2-15-2025	675,000	461,109
<i>Sprint Corporation</i>	7.88	9-15-2023	1,160,000	829,400
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	502,750
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	140,000	142,450
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	290,000	295,800
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	2,800,000	2,807,000
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	265,000	273,281
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	141,400
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2026	365,000	363,175
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	275,000	283,250
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	1,510,000	1,560,963
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	825,000	843,563
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	5,645,000	5,800,238
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,765,000	1,822,363
				<b>47,138,715</b>

Portfolio of investments January 31, 2016 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Utilities : 3.72%</b>				
<b>Electric Utilities : 0.74%</b>				
<i>Energy Future Intermediate Holding Company LLC (s)</i>				
	10.00%	12-1-2020	\$ 150,000	\$ 4,875
<i>Otter Tail Corporation (i)</i>	9.00	12-15-2016	3,985,000	4,190,498
				<b>4,195,373</b>
<b>Gas Utilities : 0.77%</b>				
<i>AmeriGas Finance LLC</i>	6.75	5-20-2020	1,675,000	1,658,250
<i>AmeriGas Finance LLC</i>	7.00	5-20-2022	2,810,000	2,753,800
				<b>4,412,050</b>
<b>Independent Power &amp; Renewable</b>				
<b>Electricity Producers : 2.21%</b>				
<i>Calpine Corporation 144A</i>	5.88	1-15-2024	455,000	466,375
<i>Calpine Corporation 144A</i>	6.00	1-15-2022	865,000	898,519
<i>Calpine Corporation 144A</i>	7.88	1-15-2023	872,000	930,860
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	5,467,116	5,767,808
<i>Reliant Energy Incorporated</i>	9.24	7-2-2017	841,834	835,520
<i>Reliant Energy Incorporated</i>	9.68	7-2-2026	780,000	764,400
<i>TerraForm Power Operating LLC 144A</i>	5.88	2-1-2023	1,695,000	1,351,763
<i>TerraForm Power Operating LLC 144A</i>	6.13	6-15-2025	2,050,000	1,583,625
				<b>12,598,870</b>
<b>Total Corporate Bonds and Notes</b>				
<b>(Cost \$736,498,151)</b>				<b>666,145,701</b>
<b>Loans : 4.86%</b>				
<b>Consumer Discretionary : 1.60%</b>				
<b>Hotels, Restaurants &amp; Leisure : 0.12%</b>				
<i>CCM Merger Incorporated ±</i>	4.50	8-8-2021	662,066	<b>657,928</b>
<b>Media : 0.76%</b>				
<i>Learfield Communications Incorporated ±</i>	8.75	10-9-2021	4,404,984	<b>4,338,910</b>
<b>Specialty Retail : 0.72%</b>				
<i>Focus Brands Incorporated ±</i>	10.25	8-21-2018	4,124,203	<b>4,113,892</b>
<b>Financials : 0.26%</b>				
<b>Diversified Financial Services : 0.17%</b>				
<i>American Beacon Advisors Incorporated ±(i)</i>	9.75	3-3-2023	1,010,000	<b>989,800</b>
<b>Insurance : 0.09%</b>				
<i>Asurion LLC ±</i>	8.50	3-3-2021	575,000	<b>483,822</b>

**Industrials : 0.40%****Commercial Services & Supplies :****0.19%**

<i>W3 Company (i)±</i>	9.25	9-13-2020	488,775	219,949
<i>WASH Multifamily Laundry Systems LLC</i>				
<i>±</i>	4.25	5-14-2022	575,767	555,258
<i>WASH Multifamily Laundry Systems LLC</i>				
<i>±</i>	4.25	5-14-2022	100,834	97,242
<i>WASH Multifamily Laundry Systems LLC</i>				
<i>±</i>	8.00	5-12-2023	29,808	27,908
<i>WASH Multifamily Laundry Systems LLC</i>				
<i>±(i)</i>	8.00	5-14-2023	170,192	159,342
				<b>1,059,699</b>

**Transportation Infrastructure : 0.21%**

<i>HGIM Corporation ±</i>	5.50	6-18-2020	2,592,371	<b>1,228,136</b>
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**Information Technology : 0.11%****Technology Hardware, Storage &****Peripherals : 0.11%**

<i>Peak 10 Incorporated ±(i)</i>	8.25	6-17-2022	700,239	<b>637,218</b>
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<b>Wells Fargo Income Opportunities Fund</b>	<b>Portfolio of investments</b>	<b>January 31, 2016 (unaudited)</b>
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Security name	Interest rate	Maturity date	Principal	Value
<b>Telecommunication Services : 0.73%</b>				
<b>Diversified Telecommunication Services : 0.57%</b>				
<i>nTelos Incorporated ±</i>	5.75%	11-9-2019	\$ 3,288,973	\$ <b>3,272,528</b>
<b>Wireless Telecommunication Services : 0.16%</b>				
<i>LTS Buyer LLC ±(i)</i>	8.00	4-12-2021	935,369	<b>894,447</b>
<b>Utilities : 1.76%</b>				
<b>Electric Utilities : 1.76%</b>				
<i>Texas Competitive Electric Holdings Company LLC ±(s)</i>	4.66	10-10-2016	34,355,889	10,023,331
<b>Total Loans (Cost \$52,512,141)</b>				<b>27,699,711</b>

	Dividend yield	Shares	
<b>Preferred Stocks : 0.36%</b>			
<b>Financials : 0.36%</b>			
<b>Banks : 0.36%</b>			
<i>GMAC Capital Trust I ±</i>	7.98	81,784	2,081,403
<b>Total Preferred Stocks (Cost \$2,078,248)</b>			<b>2,081,403</b>

	Interest rate			
<b>Yankee Corporate Bonds and Notes : 8.77%</b>				
<b>Energy : 1.16%</b>				
<b>Oil, Gas &amp; Consumable Fuels : 1.16%</b>				
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	\$ 565,000	327,700
<i>Griffin Coal Mining Company Limited 144A(a)(i)(s)</i>	9.50	12-1-2016	2,119,383	847,753
<i>Griffin Coal Mining Company Limited (a)(i)(s)</i>	9.50	12-1-2016	290,088	116,035
<i>Teekay Corporation</i>	8.50	1-15-2020	6,828,000	4,301,640
<i>Teekay Corporation 144A</i>	8.50	1-15-2020	1,650,000	1,039,500
				<b>6,632,628</b>

<b>Financials : 0.13%</b>				
<b>Banks : 0.13%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	719,250
	0.00	12-24-2033	1,540,000	0

*Preferred Term Securities XII Limited*  
(a)(i)(s)

**719,250**

**Health Care : 1.92%**

**Pharmaceuticals : 1.92%**

<i>Mallinckrodt plc 144A</i>	5.50	4-15-2025	970,000	863,300
<i>Mallinckrodt plc 144A</i>	5.63	10-15-2023	445,000	417,188
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	140,000	129,150
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	1,610,000	1,440,950
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	900,000	808,875
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2018	1,120,000	1,111,600
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	6,225,000	6,162,750
				<b>10,933,813</b>

**Industrials : 0.59%**

**Building Products : 0.06%**

<i>Allegion plc</i>	5.88	9-15-2023	340,000	<b>351,050</b>
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Portfolio of investments January 31, 2016 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Commercial Services &amp; Supplies : 0.47%</b>				
<i>GFL Environmental Incorporated 144A</i>	7.88%	4-1-2020	\$ 2,680,000	\$ 2,666,600
<b>Machinery : 0.06%</b>				
<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	385,000	370,563
<b>Materials : 1.29%</b>				
<b>Containers &amp; Packaging : 0.61%</b>				
<i>Ardagh Finance Holdings SA (PIK at 8.63%) 144A</i>	8.63	6-15-2019	1,662,270	1,529,288
<i>Ardagh Packaging Finance plc 144A</i>	9.13	10-15-2020	1,925,000	1,929,813
				<b>3,459,101</b>
<b>Metals &amp; Mining : 0.34%</b>				
<i>ArcelorMittal SA</i>	6.13	6-1-2025	175,000	126,875
<i>ArcelorMittal SA</i>	7.25	2-25-2022	585,000	475,313
<i>Novelis Incorporated</i>	8.38	12-15-2017	250,000	240,000
<i>Novelis Incorporated</i>	8.75	12-15-2020	1,195,000	1,086,136
				<b>1,928,324</b>
<b>Paper &amp; Forest Products : 0.34%</b>				
<i>Sappi Limited 144A(i)</i>	7.50	6-15-2032	2,155,000	1,939,500
<b>Telecommunication Services : 3.68%</b>				
<b>Diversified Telecommunication Services : 3.42%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	11,740,000	9,362,623
<i>Intelsat Jackson Holdings SA</i>	7.25	10-15-2020	1,200,000	1,032,000
<i>Intelsat Jackson Holdings SA</i>	7.50	4-1-2021	3,364,000	2,901,450
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	2,595,000	1,128,825
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	10,050,000	4,145,625
<i>Virgin Media Finance plc 144A</i>	5.38	4-15-2021	274,500	280,676
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	620,125
				<b>19,471,324</b>
<b>Wireless Telecommunication Services : 0.26%</b>				
<i>Telesat Canada Incorporated 144A</i>	6.00	5-15-2017	1,475,000	1,486,063
<b>Total Yankee Corporate Bonds and Notes</b>				<b>49,958,216</b>

**(Cost \$65,368,917)**

	Yield	Shares	
<b>Short-Term Investments : 5.79%</b>			
<b>Investment Companies : 5.79%</b>			
<i>Wells Fargo Cash Investment Money Market Fund, Select Class (l)(u)</i>	0.40	32,982,808	<b>32,982,808</b>
<b>Total Short-Term Investments</b>			<b>32,982,808</b>
<b>(Cost \$32,982,808)</b>			
<b>Total investments in securities</b>			
<b>(Cost \$890,714,708)*</b>	136.85%		779,703,690
<i>Other assets and liabilities, net</i>	(36.85)		(209,947,453)
<b>Total net assets</b>	<b>100.00%</b>		<b>\$ 569,756,237</b>

*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.*

*(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.*

**Wells Fargo Income Opportunities Fund****Portfolio of investments    January 31, 2016  
(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.*  
\* *Cost for federal income tax purposes is \$895,554,093 and unrealized gains (losses) consists of:*

<i>Gross unrealized gains</i>	\$ 8,778,834
<i>Gross unrealized losses</i>	(124,629,237)
<i>Net unrealized losses</i>	\$(115,850,403)

*Abbreviations:*

<i>LLC</i>	<i>Limited liability company</i>
<i>LP</i>	<i>Limited partnership</i>
<i>plc</i>	<i>Public limited company</i>
<i>REIT</i>	<i>Real estate investment trust</i>



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

**Notes to Portfolio of investments January 31, 2016 (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).

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 subadvisor. 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.

**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, use of amortized cost, 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, 2016:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets</b>				
<b>Investments in :</b>				
<b>Common stocks</b>				
Materials	\$ 546	\$ 0	\$ 0	\$ 546
Telecommunication services	835,305	0	0	835,305
<b>Corporate bonds and notes</b>	0	666,145,701	0	666,145,701
<b>Loans</b>	0	13,940,164	13,759,547	27,699,711
<b>Preferred stocks</b>				
Financials	2,081,403	0	0	2,081,403
<b>Yankee corporate bonds and notes</b>	0	48,994,428	963,788	49,958,216
<b>Short-term investments</b>				
Investment companies	32,982,808	0	0	32,982,808
<b>Total assets</b>	<b>\$ 35,900,062</b>	<b>\$ 729,080,293</b>	<b>\$ 14,723,335</b>	<b>\$ 779,703,690</b>

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At January 31, 2016, the Fund did not have any transfers into/out of Level 1 or Level 2.

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

	Loans	Yankee corporate bonds and notes	Total
<b>Balance as of April 31, 2015</b>	\$ 19,480,727	\$ 0	\$ 19,480,727
Accrued discounts (premiums)	47,755	0	47,755
Realized gains (losses)	(77,401)	0	(77,401)
Change in unrealized gains (losses)	63,148	0	63,148
Purchases	198,500	0	198,500
Sales	(6,590,400)	0	(6,590,400)
Transfers into Level 3	637,218	963,788	1,601,006
Transfers out of Level 3	0	0	0
<b>Balance as of January 31, 2016</b>	<b>\$ 13,759,547</b>	<b>\$ 963,788</b>	<b>\$ 14,723,335</b>
<b>Change in unrealized gains (losses) relating to securities still held at January 31, 2016</b>	<b>\$ 34,123</b>	<b>\$ 0</b>	<b>\$ 34,123</b>

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

The following is a list of common abbreviations for terms and entities that may have appeared in this report.

ACA	ACA Financial Guaranty Corporation
ADR	American depositary receipt
ADS	American depositary shares
AGC	Assured Guaranty Corporation
AGM	Assured Guaranty Municipal
Ambac	Ambac Financial Group Incorporated
AMT	Alternative minimum tax
AUD	Australian dollar
BAN	Bond anticipation notes
BHAC	Berkshire Hathaway Assurance Corporation
BRL	Brazilian real
CAB	Capital appreciation bond
CAD	Canadian dollar
CCAB	Convertible capital appreciation bond
CDA	Community Development Authority
CDO	Collateralized debt obligation
CHF	Swiss franc
COP	Colombian peso
CLP	Chilean peso
DKK	Danish krone
DRIVER	Derivative inverse tax-exempt receipts
DW&P	Department of Water & Power
DWR	Department of Water Resources
ECFA	Educational & Cultural Facilities Authority

EDA Economic Development Authority

EDFA Economic Development Finance Authority

ETF Exchange-traded fund

EUR Euro

FDIC Federal Deposit Insurance Corporation

FFCB Federal Farm Credit Banks

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Administration

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FICO The Financing Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British pound

GDR Global depositary receipt

GNMA Government National Mortgage Association

GO General obligation

HCFR Healthcare facilities revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher education facilities authority revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong dollar

HUD Department of Housing and Urban Development

HUF Hungarian forint

IDA Industrial Development Authority

IDAG Industrial Development Agency

IDR Indonesian rupiah

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIFER Long Inverse Floating Exempt Receipts

LIQ Liquidity agreement

LLC Limited liability company

LLLP Limited liability limited partnership

LLP Limited liability partnership

LOC Letter of credit

LP Limited partnership

MBIA Municipal Bond Insurance Association

MFHR Multifamily housing revenue

MSTR Municipal securities trust receipts

MTN Medium-term note

MUD Municipal Utility District

MXN Mexican peso

MYR Malaysian ringgit

National National Public Finance Guarantee Corporation

NGN Nigerian naira

NOK Norwegian krone

NZD New Zealand dollar

PCFA Pollution Control Financing Authority

PCL Public Company Limited

PCR Pollution control revenue

PFA Public Finance Authority

PFFA Public Facilities Financing Authority

PFOTER Puttable floating option tax-exempt receipts

plc Public limited company

PLN Polish zloty

PUTTER Puttable tax-exempt receipts

R&D Research & development

Radian Radian Asset Assurance

RAN Revenue anticipation notes

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real estate investment trust

ROC Reset option certificates

RON Romanian lei

RUB Russian ruble



SAVRS Select auction variable rate securities

SBA Small Business Authority

SDR Swedish depositary receipt

SEK Swedish krona

SFHR Single-family housing revenue

SFMR Single-family mortgage revenue

SGD Singapore dollar

SPA Standby purchase agreement

SPDR Standard & Poor's Depositary Receipts

SPEAR Short Puttable Exempt Adjustable Receipts

STRIPS Separate trading of registered interest and principal securities

TAN Tax anticipation notes

TBA To be announced

THB Thai baht

TIPS Treasury inflation-protected securities

TRAN Tax revenue anticipation notes

TRY Turkish lira

TTFA Transportation Trust Fund Authority

TVA Tennessee Valley Authority

ZAR South African rand

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/ Karla M. Rabusch  
Karla M. Rabusch

President

Date: March 24, 2016

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/ Karla M. Rabusch  
Karla M. Rabusch

President

Date: March 24, 2016

By: /s/ Jeremy DePalma  
Jeremy DePalma

Treasurer

Date: March 24, 2016