

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Form N-Q

March 28, 2012

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: 811-21331

Wells Fargo Advantage Multi-Sector Income 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: **October 31, 2011**

Date of reporting period: **January 31, 2012**

ITEM 1. SCHEDULE OF INVESTMENTS

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS
January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|---|---------------|---------------|--------------|--------------|
| Agency Securities: 18.84% | | | | |
| <i>FHLB ± (d)</i> | 2.44% | 12/01/2034 | \$ 6,740,248 | \$ 7,093,038 |
| <i>FHLB ± (d)</i> | 2.51 | 06/01/2035 | 2,714,732 | 2,887,069 |
| <i>FHLMC ± (d)</i> | 2.36 | 12/01/2035 | 4,463,412 | 4,691,386 |
| <i>FHLMC ± (d)</i> | 2.37 | 01/01/2036 | 6,114,953 | 6,435,561 |
| <i>FHLMC ± (d)</i> | 2.42 | 04/01/2034 | 13,190,848 | 13,932,064 |
| <i>FHLMC ± (d)</i> | 2.47 | 08/01/2035 | 4,646,716 | 4,905,042 |
| <i>FHLMC ±</i> | 2.48 | 07/01/2032 | 1,123 | 1,136 |
| <i>FHLMC ± (d)</i> | 2.60 | 09/01/2038 | 5,696,743 | 6,024,263 |
| <i>FHLMC</i> | 8.50 | 04/01/2015 | 14,374 | 14,612 |
| <i>FHLMC</i> | 8.50 | 07/01/2028 | 125,973 | 152,773 |
| <i>FHLMC</i> | 8.50 | 03/01/2030 | 70,046 | 77,494 |
| <i>FHLMC Series 0196 Class A ±</i> | 1.11 | 12/15/2021 | 83,679 | 83,736 |
| <i>FHLMC Series 1383 ± (d)</i> | 5.82 | 02/01/2037 | 1,839,409 | 1,987,473 |
| <i>FHLMC Series 2011-K16 Class B 144A</i> | 4.75 | 11/25/2046 | 1,000,000 | 893,707 |
| <i>FHLMC Series 2012-K705 Class B (a)</i> | 4.16 | 09/25/2044 | 754,000 | 701,097 |
| <i>FHLMC Series 2390 Class FD ±</i> | 0.74 | 12/15/2031 | 83,902 | 84,145 |
| <i>FHLMC Series 2411 Class F ±</i> | 0.84 | 02/15/2032 | 110,840 | 111,282 |
| <i>FHLMC Series 2567 Class FH ±</i> | 0.69 | 02/15/2033 | 181,010 | 181,173 |
| <i>FNMA ± (d)</i> | 2.14 | 12/01/2035 | 1,584,805 | 1,646,646 |
| <i>FNMA ± (d)</i> | 2.35 | 08/01/2036 | 2,115,660 | 2,200,697 |
| <i>FNMA ± (d)</i> | 2.39 | 03/01/2035 | 5,184,533 | 5,477,453 |
| <i>FNMA ± (d)</i> | 2.39 | 07/01/2038 | 2,267,970 | 2,400,822 |
| <i>FNMA ± (d)</i> | 2.44 | 04/01/2034 | 4,481,350 | 4,693,932 |
| <i>FNMA ± (d)</i> | 2.48 | 06/01/2038 | 3,460,578 | 3,676,218 |
| <i>FNMA ± (d)</i> | 2.49 | 10/01/2034 | 10,460,352 | 11,063,145 |
| <i>FNMA ± (d)</i> | 2.53 | 08/01/2039 | 5,527,968 | 5,879,831 |
| <i>FNMA ± (d)</i> | 2.58 | 07/01/2038 | 2,258,016 | 2,383,429 |
| <i>FNMA ± (d)</i> | 2.60 | 01/01/2038 | 3,050,872 | 3,137,636 |
| <i>FNMA ± (d)</i> | 2.61 | 02/01/2036 | 1,329,470 | 1,403,874 |
| <i>FNMA ± (d)</i> | 2.65 | 04/01/2036 | 1,655,474 | 1,720,724 |
| <i>FNMA ± (d)</i> | 2.68 | 05/01/2035 | 3,436,120 | 3,650,462 |
| <i>FNMA ± (d)</i> | 2.69 | 05/01/2036 | 10,104,058 | 10,729,818 |
| <i>FNMA ± (d)</i> | 2.71 | 07/01/2036 | 1,222,375 | 1,295,239 |
| <i>FNMA ±</i> | 2.74 | 05/01/2036 | 876,876 | 911,373 |
| <i>FNMA ± (d)</i> | 4.24 | 02/01/2035 | 5,193,095 | 5,526,272 |
| <i>FNMA ± (d)</i> | 4.81 | 09/01/2032 | 2,358,019 | 2,506,562 |
| <i>FNMA ± (d)</i> | 4.85 | 04/01/2034 | 2,774,361 | 2,908,158 |
| <i>FNMA</i> | 6.00 | 04/01/2033 | 190,138 | 211,905 |
| <i>FNMA ± (d)</i> | 6.26 | 09/01/2037 | 1,960,867 | 2,122,761 |
| <i>FNMA</i> | 6.50 | 11/01/2032 | 65,923 | 75,445 |
| <i>FNMA</i> | 7.50 | 07/01/2017 | 101,435 | 110,764 |
| <i>FNMA</i> | 7.50 | 10/01/2028 | 12,414 | 12,444 |
| <i>FNMA</i> | 7.50 | 11/01/2028 | 164,133 | 178,760 |
| <i>FNMA</i> | 7.50 | 02/01/2030 | 43,460 | 44,325 |
| <i>FNMA</i> | 7.50 | 09/01/2030 | 100,851 | 109,329 |
| <i>FNMA</i> | 7.50 | 07/01/2032 | 21,696 | 21,796 |
| <i>FNMA</i> | 8.00 | 12/01/2024 | 9,075 | 9,190 |
| <i>FNMA</i> | 8.00 | 06/01/2030 | 36,206 | 37,173 |
| <i>FNMA</i> | 12.00 | 01/01/2016 | 14,719 | 16,476 |
| <i>FNMA Series 1996-46 Class FA ±</i> | 0.78 | 08/25/2021 | 50,535 | 50,749 |

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| | | | | |
|--|------|------------|-----------|-----------|
| <i>FNMA Series 2001-25 Class Z</i> | 6.00 | 06/25/2031 | 533,210 | 598,288 |
| <i>FNMA Series 2001-35 Class F ±</i> | 0.88 | 07/25/2031 | 24,547 | 24,714 |
| <i>FNMA Series 2001-57 Class F ±</i> | 0.78 | 06/25/2031 | 24,713 | 24,859 |
| <i>FNMA Series 2001-T10 Class A2</i> | 7.50 | 12/25/2041 | 225,968 | 263,577 |
| <i>FNMA Series 2002-77 Class FH ±</i> | 0.69 | 12/18/2032 | 167,040 | 167,590 |
| <i>FNMA Series 2002-97 Class FR ±</i> | 0.83 | 01/25/2033 | 52,920 | 53,024 |
| <i>FNMA Series 2003-W8 Class 3F2 ±</i> | 0.63 | 05/25/2042 | 1,045,017 | 1,045,863 |
| <i>FNMA Series G91-16 Class F ±</i> | 0.73 | 06/25/2021 | 56,098 | 56,288 |
| <i>FNMA Series G92-17 Class F ±</i> | 1.33 | 03/25/2022 | 119,192 | 120,913 |
| <i>GNMA</i> | 6.50 | 06/15/2028 | 71,161 | 83,170 |
| <i>GNMA</i> | 7.25 | 07/15/2017 | 36,415 | 40,305 |
| <i>GNMA</i> | 7.25 | 08/15/2017 | 14,899 | 16,491 |
| <i>GNMA</i> | 7.25 | 08/15/2017 | 55,683 | 61,439 |
| <i>GNMA</i> | 7.25 | 08/15/2017 | 43,986 | 48,477 |
| <i>GNMA</i> | 7.25 | 09/15/2017 | 41,716 | 46,205 |

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|--------------|--------------------|
| Agency Securities (continued) | | | | |
| GNMA | 7.25% | 10/15/2017 | \$ 95,283 | \$ 105,185 |
| GNMA | 7.25 | 10/15/2017 | 46,720 | 51,385 |
| GNMA | 7.25 | 11/15/2017 | 37,494 | 41,099 |
| GNMA | 7.25 | 01/15/2018 | 13,218 | 14,604 |
| GNMA | 7.25 | 01/15/2018 | 30,495 | 33,998 |
| GNMA | 7.25 | 02/15/2018 | 31,111 | 34,460 |
| GNMA | 7.25 | 05/15/2018 | 16,130 | 17,631 |
| Total Agency Securities | | | | |
| (Cost \$125,839,308) | | | | 129,420,024 |
| Shares | | | | |
| Common Stocks: 0.23% | | | | |
| Consumer Discretionary: 0.00% | | | | |
| Hotels, Restaurants & Leisure: 0.00% | | | | |
| <i>Trump Entertainment Resorts Incorporated</i> | | | 1,161 | 4,644 |
| Industrials: 0.19% | | | | |
| Commercial Services & Supplies: 0.19% | | | | |
| <i>Covanta Energy Corporation</i> | | | 1,316,237 | 1,303,404 |
| Telecommunication Services: 0.04% | | | | |
| Diversified Telecommunication Services: 0.04% | | | | |
| <i>Fairpoint Communications Incorporated</i> | | | 70,442 | 286,699 |
| Total Common Stocks | | | | |
| (Cost \$2,917,066) | | | | 1,594,747 |
| Principal | | | | |
| Convertible Debentures: 0.15% | | | | |
| Information Technology: 0.15% | | | | |
| Communications Equipment: 0.15% | | | | |
| <i>Lucent Technologies Incorporated Series B</i> | 2.88 | 06/15/2025 | \$ 1,145,000 | 1,046,244 |
| Total Convertible Debentures | | | | |
| (Cost \$765,113) | | | | 1,046,244 |
| Corporate Bonds and Notes: 52.54% | | | | |
| Consumer Discretionary: 10.57% | | | | |
| Auto Components: 1.28% | | | | |
| <i>Allison Transmission Incorporated 144A</i> | 7.13 | 05/15/2019 | 3,050,000 | 3,069,063 |
| <i>Armored Autogroup Incorporated 144A</i> | 9.25 | 11/01/2018 | 375,000 | 313,125 |
| <i>Cooper Tire & Rubber Company</i> | 7.63 | 03/15/2027 | 1,895,000 | 1,800,250 |
| <i>Cooper Tire & Rubber Company</i> | 8.00 | 12/15/2019 | 450,000 | 468,000 |

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| | | | | |
|---|-------|------------|-----------|------------------|
| <i>Exide Technologies</i> | 8.63 | 02/01/2018 | 600,000 | 495,000 |
| <i>Goodyear Tire & Rubber Company</i> | 8.75 | 08/15/2020 | 468,000 | 513,630 |
| <i>Goodyear Tire & Rubber Company</i> | 10.50 | 05/15/2016 | 1,957,000 | 2,142,915 |
| | | | | 8,801,983 |

Diversified Consumer Services: 1.35%

| | | | | |
|--|------|------------|-----------|-----------|
| <i>Carriage Services Incorporated</i> | 7.88 | 01/15/2015 | 1,795,000 | 1,808,463 |
| <i>Service Corporation International</i> | 6.75 | 04/01/2016 | 475,000 | 521,906 |
| <i>Service Corporation International</i> | 7.00 | 06/15/2017 | 1,610,000 | 1,787,100 |
| <i>Service Corporation International</i> | 7.00 | 05/15/2019 | 650,000 | 702,000 |
| <i>Service Corporation International</i> | 7.50 | 04/01/2027 | 3,965,000 | 3,890,656 |

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|---|---------------|---------------|------------|-------------------|
| Diversified Consumer Services (continued) | | | | |
| <i>Service Corporation International</i> | 8.00% | 11/15/2021 | \$ 475,000 | \$ 546,250 |
| | | | | 9,256,375 |
| Hotels, Restaurants & Leisure: 2.86% | | | | |
| <i>Ameristar Casinos Incorporated</i> | 7.50 | 04/15/2021 | 1,800,000 | 1,917,000 |
| <i>Burger King Corporation</i> | 9.88 | 10/15/2018 | 850,000 | 935,000 |
| <i>Chukchansi Economic Development Authority ± 144A (s) (i)</i> | 4.16 | 11/15/2012 | 1,375,000 | 907,500 |
| <i>CityCenter Holdings LLC</i> | 7.63 | 01/15/2016 | 175,000 | 183,750 |
| <i>CityCenter Holdings LLC ¥</i> | 11.50 | 01/15/2017 | 1,138,307 | 1,215,143 |
| <i>DineEquity Incorporated</i> | 9.50 | 10/30/2018 | 3,475,000 | 3,787,750 |
| <i>Greektown Superholdings</i> | 13.00 | 07/01/2015 | 4,125,000 | 4,413,750 |
| <i>NAI Entertainment Holdings LLC 144A</i> | 8.25 | 12/15/2017 | 1,000,000 | 1,092,500 |
| <i>Pinnacle Entertainment Incorporated</i> | 7.50 | 06/15/2015 | 1,250,000 | 1,275,000 |
| <i>Scientific Games Corporation</i> | 9.25 | 06/15/2019 | 485,000 | 528,650 |
| <i>Speedway Motorsports Incorporated</i> | 6.75 | 02/01/2019 | 225,000 | 231,750 |
| <i>Speedway Motorsports Incorporated</i> | 8.75 | 06/01/2016 | 950,000 | 1,035,500 |
| <i>William Hill plc</i> | 7.13 | 11/11/2016 | 396,000 | 648,978 |
| <i>Yonkers Racing Corporation 144A</i> | 11.38 | 07/15/2016 | 1,400,000 | 1,494,500 |
| | | | | 19,666,771 |
| Household Durables: 0.07% | | | | |
| <i>American Greetings</i> | 7.38 | 12/01/2021 | 475,000 | 480,344 |
| Media: 3.90% | | | | |
| <i>Cablevision Systems Corporation</i> | 8.63 | 09/15/2017 | 1,310,000 | 1,460,650 |
| <i>CCH II Capital LLC</i> | 13.50 | 11/30/2016 | 7,535,929 | 8,685,158 |
| <i>Cinemark USA Incorporated</i> | 7.38 | 06/15/2021 | 775,000 | 815,688 |
| <i>Cinemark USA Incorporated</i> | 8.63 | 06/15/2019 | 350,000 | 385,000 |
| <i>CSC Holdings LLC</i> | 7.88 | 02/15/2018 | 600,000 | 670,500 |
| <i>CSC Holdings LLC</i> | 8.50 | 04/15/2014 | 400,000 | 445,000 |
| <i>DISH DBS Corporation</i> | 7.88 | 09/01/2019 | 480,000 | 553,200 |
| <i>EchoStar DBS Corporation</i> | 6.63 | 10/01/2014 | 1,000,000 | 1,075,000 |
| <i>EchoStar DBS Corporation</i> | 7.13 | 02/01/2016 | 125,000 | 137,188 |
| <i>EchoStar DBS Corporation</i> | 7.75 | 05/31/2015 | 350,000 | 390,250 |
| <i>Gray Television Incorporated</i> | 10.50 | 06/29/2015 | 2,825,000 | 2,930,938 |
| <i>Interactive Data Corporation</i> | 10.25 | 08/01/2018 | 1,250,000 | 1,384,375 |
| <i>Lamar Media Corporation 144A</i> | 5.88 | 02/01/2022 | 250,000 | 250,313 |
| <i>Lamar Media Corporation</i> | 7.88 | 04/15/2018 | 575,000 | 628,188 |
| <i>Lamar Media Corporation Series C</i> | 9.75 | 04/01/2014 | 500,000 | 567,500 |
| <i>LIN Television Corporation</i> | 8.38 | 04/15/2018 | 775,000 | 786,625 |
| <i>Regal Cinemas Corporation</i> | 8.63 | 07/15/2019 | 2,325,000 | 2,551,688 |
| <i>Regal Entertainment Group</i> | 9.13 | 08/15/2018 | 325,000 | 355,875 |
| <i>Salem Communications Corporation</i> | 9.63 | 12/15/2016 | 2,516,000 | 2,723,570 |
| | | | | 26,796,706 |
| Specialty Retail: 0.81% | | | | |
| <i>Advance Auto Parts Incorporated</i> | 4.50 | 01/15/2022 | 600,000 | 624,231 |
| <i>Gap Incorporated</i> | 5.95 | 04/12/2021 | 600,000 | 576,003 |
| <i>Limited Brands Incorporated</i> | 6.63 | 04/01/2021 | 50,000 | 55,000 |

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| | | | | |
|---|------|------------|-----------|------------------|
| <i>Macys Retail Holdings Incorporated</i> | 3.88 | 01/15/2022 | 600,000 | 615,197 |
| <i>RadioShack Corporation</i> | 6.75 | 05/15/2019 | 1,525,000 | 1,281,000 |
| <i>Rent-A-Center Incorporated</i> | 6.63 | 11/15/2020 | 375,000 | 387,188 |
| <i>Toys R Us Property Company LLC</i> | 8.50 | 12/01/2017 | 1,905,000 | 2,040,731 |
| | | | | 5,579,350 |

Textiles, Apparel & Luxury Goods: 0.30%

| | | | | |
|---------------------------------------|-------|------------|-----------|------------------|
| <i>Oxford Industries Incorporated</i> | 11.38 | 07/15/2015 | 1,865,000 | 2,044,506 |
|---------------------------------------|-------|------------|-----------|------------------|

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|---|---------------|---------------|------------|-------------------|
| Consumer Staples: 0.70% | | | | |
| Food & Staples Retailing: 0.09% | | | | |
| <i>SABMiller Holdings Incorporated 144A</i> | 3.75% | 01/15/2022 | \$ 600,000 | \$ 625,117 |
| Food Products: 0.50% | | | | |
| <i>Darling International Incorporated</i> | 8.50 | 12/15/2018 | 125,000 | 140,000 |
| <i>Dole Food Company Incorporated</i> | 13.88 | 03/15/2014 | 1,452,000 | 1,671,615 |
| <i>Smithfield Foods Incorporated</i> | 10.00 | 07/15/2014 | 1,370,000 | 1,609,750 |
| | | | | 3,421,365 |
| Tobacco: 0.11% | | | | |
| <i>Lorillard Tobacco Company</i> | 6.88 | 05/01/2020 | 650,000 | 750,741 |
| Energy: 7.74% | | | | |
| Energy Equipment & Services: 1.88% | | | | |
| <i>Bristow Group Incorporated</i> | 7.50 | 09/15/2017 | 1,585,000 | 1,648,400 |
| <i>Cleaver-Brooks Incorporated 144A</i> | 12.25 | 05/01/2016 | 630,000 | 636,300 |
| <i>GulfMark Offshore Incorporated</i> | 7.75 | 07/15/2014 | 1,625,000 | 1,633,125 |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 6.13 | 12/01/2014 | 2,345,000 | 2,347,931 |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 8.00 | 09/01/2017 | 2,230,000 | 2,347,075 |
| <i>Oil States International Incorporated</i> | 6.50 | 06/01/2019 | 1,230,000 | 1,306,875 |
| <i>Parker Drilling Company</i> | 9.13 | 04/01/2018 | 460,000 | 487,600 |
| <i>PHI Incorporated</i> | 8.63 | 10/15/2018 | 2,500,000 | 2,525,000 |
| | | | | 12,932,306 |
| Oil, Gas & Consumable Fuels: 5.86% | | | | |
| <i>Chesapeake Energy Corporation</i> | 9.50 | 02/15/2015 | 2,250,000 | 2,531,250 |
| <i>Cloud Peak Energy Resources Incorporated</i> | 8.25 | 12/15/2017 | 125,000 | 135,000 |
| <i>Cloud Peak Energy Resources Incorporated</i> | 8.50 | 12/15/2019 | 225,000 | 245,813 |
| <i>Coffeyville Resources LLC 144A</i> | 9.00 | 04/01/2015 | 932,000 | 997,240 |
| <i>Coffeyville Resources LLC 144A</i> | 10.88 | 04/01/2017 | 1,350,000 | 1,512,000 |
| <i>Consol Energy Incorporated</i> | 8.25 | 04/01/2020 | 825,000 | 894,094 |
| <i>Crestwood Midstream Part Company 144A</i> | 7.75 | 04/01/2019 | 675,000 | 680,063 |
| <i>Denbury Resources Incorporated</i> | 6.38 | 08/15/2021 | 350,000 | 378,875 |
| <i>Denbury Resources Incorporated</i> | 8.25 | 02/15/2020 | 425,000 | 483,438 |
| <i>El Paso Corporation</i> | 6.50 | 09/15/2020 | 445,000 | 486,545 |
| <i>El Paso Corporation</i> | 7.00 | 06/15/2017 | 425,000 | 470,796 |
| <i>El Paso Corporation</i> | 7.25 | 06/01/2018 | 1,610,000 | 1,794,772 |
| <i>El Paso Corporation</i> | 7.42 | 02/15/2037 | 800,000 | 884,217 |
| <i>El Paso Corporation</i> | 7.80 | 08/01/2031 | 1,850,000 | 2,168,711 |
| <i>Encore Acquisition Company</i> | 9.50 | 05/01/2016 | 375,000 | 420,469 |
| <i>Energy Transfer Equity LP</i> | 7.50 | 10/15/2020 | 3,100,000 | 3,425,500 |
| <i>Ferrellgas Finance Corporation</i> | 9.13 | 10/01/2017 | 2,325,000 | 2,441,250 |
| <i>Forest Oil Corporation</i> | 7.25 | 06/15/2019 | 1,345,000 | 1,345,000 |
| <i>Forest Oil Corporation</i> | 8.50 | 02/15/2014 | 535,000 | 583,150 |
| <i>Holly Corporation</i> | 9.88 | 06/15/2017 | 1,895,000 | 2,112,925 |
| <i>Inergy Holdings LP</i> | 6.88 | 08/01/2021 | 421,000 | 402,055 |
| <i>Inergy Holdings LP</i> | 7.00 | 10/01/2018 | 500,000 | 486,250 |
| <i>Overseas Shipholding Group</i> | 7.50 | 02/15/2024 | 800,000 | 486,000 |
| <i>Petrohawk Energy Corporation</i> | 7.88 | 06/01/2015 | 790,000 | 837,400 |
| <i>Petrohawk Energy Corporation</i> | 10.50 | 08/01/2014 | 495,000 | 550,069 |

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|--|------|------------|-----------|-------------------|
| <i>Pioneer Natural Resources Company</i> | 7.50 | 01/15/2020 | 1,220,000 | 1,467,372 |
| <i>Plains Exploration & Production Company</i> | 8.63 | 10/15/2019 | 2,885,000 | 3,245,625 |
| <i>Regency Energy Partners</i> | 6.88 | 12/01/2018 | 250,000 | 271,250 |
| <i>Sabine Pass LNG LP</i> | 7.25 | 11/30/2013 | 2,265,000 | 2,344,275 |
| <i>Sabine Pass LNG LP</i> | 7.50 | 11/30/2016 | 3,125,000 | 3,257,813 |
| <i>Susser Holdings LLC</i> | 8.50 | 05/15/2016 | 975,000 | 1,057,875 |
| <i>Tesoro Corporation</i> | 9.75 | 06/01/2019 | 945,000 | 1,070,213 |
| <i>Weatherford International Incorporated</i> | 6.35 | 06/15/2017 | 650,000 | 742,178 |
| | | | | 40,209,483 |

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|---|---------------|---------------|--------------|-------------------|
| Financials: 13.29% | | | | |
| Capital Markets: 0.90% | | | | |
| <i>E*TRADE Financial Corporation ¥</i> | 12.50% | 11/30/2017 | \$ 4,291,000 | \$ 4,966,833 |
| <i>Oppenheimer Holdings Incorporated</i> | 8.75 | 04/15/2018 | 1,225,000 | 1,226,531 |
| | | | | 6,193,364 |
| Commercial Banks: 1.54% | | | | |
| <i>CIT Group Incorporated 144A</i> | 5.25 | 04/01/2014 | 750,000 | 763,125 |
| <i>CIT Group Incorporated 144A</i> | 7.00 | 05/04/2015 | 1,472,000 | 1,479,360 |
| <i>CIT Group Incorporated</i> | 7.00 | 05/01/2016 | 2,103,629 | 2,103,629 |
| <i>CIT Group Incorporated</i> | 7.00 | 05/01/2017 | 2,900,000 | 2,903,625 |
| <i>Emigrant Bancorp Incorporated 144A (i)</i> | 6.25 | 06/15/2014 | 2,925,000 | 2,639,754 |
| <i>HSBC Bank USA</i> | 6.00 | 08/09/2017 | 650,000 | 694,117 |
| | | | | 10,583,610 |
| Consumer Finance: 6.90% | | | | |
| <i>American General Finance Corporation</i> | 5.40 | 12/01/2015 | 1,625,000 | 1,289,844 |
| <i>American General Finance Corporation</i> | 5.75 | 09/15/2016 | 1,100,000 | 827,750 |
| <i>American General Finance Corporation</i> | 6.50 | 09/15/2017 | 200,000 | 145,000 |
| <i>Calpine Construction Finance Corporation 144A</i> | 7.25 | 10/15/2017 | 4,800,000 | 5,016,000 |
| <i>Calpine Construction Finance Corporation 144A</i> | 8.00 | 06/01/2016 | 1,375,000 | 1,481,563 |
| <i>Clearwire Communications Finance Corporation 144A</i> | 12.00 | 12/01/2015 | 940,000 | 885,950 |
| <i>Clearwire Communications Finance Corporation 144A</i> | 12.00 | 12/01/2015 | 1,450,000 | 1,366,625 |
| <i>Ford Motor Credit Company LLC</i> | 5.00 | 05/15/2018 | 650,000 | 672,860 |
| <i>Ford Motor Credit Company LLC</i> | 8.00 | 12/15/2016 | 250,000 | 296,015 |
| <i>General Motors Financial Company Incorporated 144A</i> | 6.75 | 06/01/2018 | 900,000 | 936,000 |
| <i>GMAC LLC</i> | 6.75 | 12/01/2014 | 1,298,000 | 1,353,165 |
| <i>GMAC LLC</i> | 6.88 | 08/28/2012 | 1,244,000 | 1,262,660 |
| <i>GMAC LLC</i> | 7.50 | 12/31/2013 | 3,620,000 | 3,810,050 |
| <i>Homer City Funding LLC</i> | 8.73 | 10/01/2026 | 1,263,376 | 1,149,672 |
| <i>International Lease Finance Corporation</i> | 6.38 | 03/25/2013 | 460,000 | 466,325 |
| <i>International Lease Finance Corporation 144A</i> | 6.75 | 09/01/2016 | 100,000 | 107,625 |
| <i>International Lease Finance Corporation</i> | 8.63 | 09/15/2015 | 900,000 | 970,875 |
| <i>JBS USA Finance Incorporated</i> | 11.63 | 05/01/2014 | 3,745,000 | 4,302,069 |
| <i>Level 3 Financing Incorporated</i> | 10.00 | 02/01/2018 | 2,010,000 | 2,145,675 |
| <i>Local TV Finance LLC 144A ¥</i> | 9.25 | 06/15/2015 | 2,825,000 | 2,796,750 |
| <i>Nielsen Finance LLC Company</i> | 11.50 | 05/01/2016 | 601,000 | 689,648 |
| <i>Nielson Finance LLC Company</i> | 7.75 | 10/15/2018 | 5,100,000 | 5,680,125 |
| <i>Springleaf Finance Corporation</i> | 6.90 | 12/15/2017 | 2,975,000 | 2,305,625 |
| <i>Sprint Capital Corporation</i> | 6.88 | 11/15/2028 | 7,885,000 | 5,844,756 |
| <i>Sprint Capital Corporation</i> | 8.75 | 03/15/2032 | 1,855,000 | 1,558,200 |
| | | | | 47,360,827 |
| Diversified Financial Services: 1.66% | | | | |
| <i>Ally Financial Incorporated</i> | 8.30 | 02/12/2015 | 2,055,000 | 2,266,912 |
| <i>Bank of America Corporation</i> | 3.70 | 09/01/2015 | 650,000 | 644,719 |
| <i>Citigroup Incorporated</i> | 6.00 | 08/15/2017 | 650,000 | 712,158 |
| <i>General Electric Capital Corporation</i> | 4.65 | 10/17/2021 | 650,000 | 687,211 |
| <i>General Electric Capital Corporation</i> | 7.63 | 12/10/2014 | 2,000,000 | 1,791,608 |
| <i>Moody s Corporation</i> | 5.50 | 09/01/2020 | 552,000 | 588,759 |
| <i>Nuveen Investments Incorporated</i> | 5.50 | 09/15/2015 | 2,950,000 | 2,669,750 |

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| | | | | |
|---|-------|------------|-----------|-------------------|
| <i>Nuveen Investments Incorporated</i> | 10.50 | 11/15/2015 | 875,000 | 912,188 |
| <i>Nuveen Investments Incorporated 144A</i> | 10.50 | 11/15/2015 | 1,100,000 | 1,135,750 |
| | | | | 11,409,055 |

Insurance: 0.57%

| | | | | |
|---|-------|------------|-----------|------------------|
| <i>Hub International Holdings Incorporated 144A</i> | 10.25 | 06/15/2015 | 3,375,000 | 3,412,969 |
| <i>USI Holdings Corporation 144A</i> | 9.75 | 05/15/2015 | 525,000 | 514,500 |
| | | | | 3,927,469 |

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|--------------|-------------------|
| REITs: 1.72% | | | | |
| <i>Dupont Fabros Technology Incorporated</i> | 8.50% | 12/15/2017 | \$ 5,560,000 | \$ 6,102,100 |
| <i>Health Care Incorporated</i> | 5.25 | 01/15/2022 | 650,000 | 686,923 |
| <i>Host Hotels & Resorts LP</i> | 9.00 | 05/15/2017 | 235,000 | 260,850 |
| <i>MPT Operating Partnership LP</i> | 6.88 | 05/01/2021 | 775,000 | 804,063 |
| <i>Omega Healthcare Investors Incorporated</i> | 6.75 | 10/15/2022 | 1,775,000 | 1,881,500 |
| <i>Omega Healthcare Investors Incorporated</i> | 7.00 | 01/15/2016 | 500,000 | 511,875 |
| <i>Ventas Incorporated</i> | 9.00 | 05/01/2012 | 859,000 | 871,431 |
| <i>WEA Finance LLC 144A</i> | 4.63 | 05/10/2021 | 650,000 | 686,639 |
| | | | | 11,805,381 |
| Health Care: 1.97% | | | | |
| Health Care Equipment & Supplies: 0.44% | | | | |
| <i>Biomet Incorporated</i> | 10.38 | 10/15/2017 | 540,000 | 585,900 |
| <i>Biomet Incorporated</i> | 11.63 | 10/15/2017 | 2,200,000 | 2,392,500 |
| | | | | 2,978,400 |
| Health Care Providers & Services: 1.40% | | | | |
| <i>Apria Healthcare Group Incorporated</i> | 11.25 | 11/01/2014 | 590,000 | 615,813 |
| <i>Aviv Healthcare Properties LP</i> | 7.75 | 02/15/2019 | 1,025,000 | 1,027,563 |
| <i>Centene Corporation</i> | 5.75 | 06/01/2017 | 1,000,000 | 1,020,000 |
| <i>Community Health Systems Incorporated</i> | 8.88 | 07/15/2015 | 422,000 | 438,880 |
| <i>Emergency Medical Services Corporation</i> | 8.13 | 06/01/2019 | 425,000 | 433,500 |
| <i>HCA Incorporated</i> | 6.50 | 02/15/2020 | 1,875,000 | 1,987,500 |
| <i>HCA Incorporated</i> | 7.50 | 02/15/2022 | 350,000 | 374,500 |
| <i>HCA Incorporated</i> | 8.50 | 04/15/2019 | 375,000 | 416,250 |
| <i>Health Management Association 144A</i> | 7.38 | 01/15/2020 | 225,000 | 231,750 |
| <i>Health Management plc</i> | 6.13 | 04/15/2016 | 175,000 | 180,688 |
| <i>HealthSouth Corporation</i> | 7.25 | 10/01/2018 | 400,000 | 413,000 |
| <i>HealthSouth Corporation</i> | 7.75 | 09/15/2022 | 400,000 | 417,000 |
| <i>Sabra Health Care LP</i> | 8.13 | 11/01/2018 | 1,450,000 | 1,526,125 |
| <i>United Surgical Partners International Incorporated</i> | 8.88 | 05/01/2017 | 525,000 | 549,938 |
| | | | | 9,632,507 |
| Pharmaceuticals: 0.13% | | | | |
| <i>Mylan Incorporated 144A</i> | 6.00 | 11/15/2018 | 300,000 | 309,750 |
| <i>Mylan Incorporated 144A</i> | 7.63 | 07/15/2017 | 375,000 | 412,031 |
| <i>Mylan Incorporated 144A</i> | 7.88 | 07/15/2020 | 150,000 | 166,500 |
| | | | | 888,281 |
| Industrials: 3.05% | | | | |
| Aerospace & Defense: 0.71% | | | | |
| <i>Alliant Techsystems Incorporated</i> | 6.75 | 04/01/2016 | 1,980,000 | 2,034,450 |
| <i>GeoEye Incorporated</i> | 9.63 | 10/01/2015 | 485,000 | 538,350 |
| <i>Hexcel Corporation</i> | 6.75 | 02/01/2015 | 480,000 | 484,200 |
| <i>L-3 Communications Holdings Incorporated</i> | 6.38 | 10/15/2015 | 1,379,000 | 1,413,475 |
| <i>TransDigm Group Incorporated</i> | 7.75 | 12/15/2018 | 375,000 | 410,625 |
| | | | | 4,881,100 |
| Commercial Services & Supplies: 1.54% | | | | |
| <i>Casella Waste Systems Incorporated</i> | 11.00 | 07/15/2014 | 1,945,000 | 2,120,050 |

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| | | | | |
|---|------|------------|-----------|-----------|
| <i>Corrections Corporation of America</i> | 7.75 | 06/01/2017 | 1,270,000 | 1,378,744 |
| <i>Crown Cork & Seal Company Incorporated (i)</i> | 7.50 | 12/15/2096 | 600,000 | 516,000 |
| <i>Geo Group Incorporated</i> | 7.75 | 10/15/2017 | 1,450,000 | 1,551,500 |
| <i>Interface Incorporated</i> | 7.63 | 12/01/2018 | 125,000 | 134,688 |
| <i>Iron Mountain Incorporated</i> | 6.75 | 10/15/2018 | 250,000 | 318,837 |
| <i>Iron Mountain Incorporated</i> | 8.38 | 08/15/2021 | 1,385,000 | 1,513,113 |
| <i>KAR Holdings Incorporated ±</i> | 4.43 | 05/01/2014 | 1,150,000 | 1,145,688 |

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|------------|-------------------|
| Commercial Services & Supplies (continued) | | | | |
| <i>Mac-Gray Corporation</i> | 7.63% | 08/15/2015 | \$ 458,000 | \$ 469,450 |
| <i>NCO Group Incorporated</i> | 11.88 | 11/15/2014 | 1,425,000 | 1,403,625 |
| | | | | 10,551,695 |
| Machinery: 0.51% | | | | |
| <i>Columbus McKinnon Corporation</i> | 7.88 | 02/01/2019 | 725,000 | 746,750 |
| <i>CPM Holdings Incorporated</i> | 10.63 | 09/01/2014 | 1,315,000 | 1,410,338 |
| <i>Dresser Rand Group Incorporated 144A</i> | 6.50 | 05/01/2021 | 925,000 | 955,063 |
| <i>Titan International Incorporated</i> | 7.88 | 10/01/2017 | 375,000 | 396,094 |
| | | | | 3,508,245 |
| Professional Services: 0.08% | | | | |
| <i>Verisk Analytics Incorporated</i> | 5.80 | 05/01/2021 | 530,000 | 583,957 |
| Road & Rail: 0.21% | | | | |
| <i>Kansas City Southern</i> | 8.00 | 06/01/2015 | 55,000 | 58,300 |
| <i>RailAmerica Incorporated</i> | 9.25 | 07/01/2017 | 1,247,000 | 1,387,288 |
| | | | | 1,445,588 |
| Information Technology: 4.26% | | | | |
| Communications Equipment: 0.33% | | | | |
| <i>Allbritton Communications Company</i> | 8.00 | 05/15/2018 | 1,275,000 | 1,316,438 |
| <i>Lucent Technologies Incorporated</i> | 6.45 | 03/15/2029 | 1,285,000 | 970,175 |
| | | | | 2,286,613 |
| Computers & Peripherals: 0.24% | | | | |
| <i>Seagate Technology HDD Holdings</i> | 6.88 | 05/01/2020 | 300,000 | 321,000 |
| <i>Seagate Technology HDD Holdings</i> | 7.75 | 12/15/2018 | 1,225,000 | 1,356,688 |
| | | | | 1,677,688 |
| Electronic Equipment, Instruments & Components: 1.63% | | | | |
| <i>CDW Financial Corporation</i> | 12.54 | 10/12/2017 | 725,000 | 784,813 |
| <i>GCI Incorporated</i> | 6.75 | 06/01/2021 | 575,000 | 577,875 |
| <i>GCI Incorporated</i> | 8.63 | 11/15/2019 | 2,125,000 | 2,289,688 |
| <i>Jabil Circuit Incorporated</i> | 8.25 | 03/15/2018 | 5,275,000 | 6,145,375 |
| <i>Viasystem Group Incorporated 144A</i> | 12.00 | 01/15/2015 | 1,285,000 | 1,374,950 |
| | | | | 11,172,701 |
| Internet Software & Services: 0.19% | | | | |
| <i>Equinix Incorporated</i> | 7.00 | 07/15/2021 | 75,000 | 81,375 |
| <i>Equinix Incorporated</i> | 8.13 | 03/01/2018 | 1,085,000 | 1,204,350 |
| | | | | 1,285,725 |
| IT Services: 1.84% | | | | |
| <i>Fidelity National Information Services Incorporated 144A</i> | 7.63 | 07/15/2017 | 175,000 | 190,750 |
| <i>Fidelity National Information Services Incorporated</i> | 7.63 | 07/15/2017 | 225,000 | 246,375 |
| <i>Fidelity National Information Services Incorporated</i> | 7.88 | 07/15/2020 | 1,000,000 | 1,125,000 |
| <i>First Data Corporation 144A</i> | 7.38 | 06/15/2019 | 625,000 | 623,438 |
| <i>First Data Corporation</i> | 11.25 | 03/31/2016 | 4,550,000 | 3,947,125 |

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| | | | | |
|--|-------|------------|-----------|-----------|
| <i>SunGard Data Systems Incorporated</i> | 7.38 | 11/15/2018 | 525,000 | 553,875 |
| <i>SunGard Data Systems Incorporated</i> | 7.63 | 11/15/2020 | 250,000 | 265,625 |
| <i>SunGard Data Systems Incorporated</i> | 10.25 | 08/15/2015 | 3,455,000 | 3,575,925 |
| <i>TW Telecommunications Holdings Incorporated</i> | 8.00 | 03/01/2018 | 675,000 | 730,688 |
| <i>Unisys Corporation</i> | 12.50 | 01/15/2016 | 460,000 | 491,050 |
| <i>Unisys Corporation 144A</i> | 12.75 | 10/15/2014 | 434,000 | 489,335 |

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|------------|-------------------|
| IT Services (continued) | | | | |
| <i>Unisys Corporation 144A</i> | 14.25% | 09/15/2015 | \$ 332,000 | \$ 375,990 |
| | | | | 12,615,176 |
| Software: 0.03% | | | | |
| <i>Audatex North American Incorporated 144A</i> | 6.75 | 06/15/2018 | 225,000 | 228,938 |
| Materials: 2.15% | | | | |
| Chemicals: 1.09% | | | | |
| <i>Huntsman International LLC</i> | 5.50 | 06/30/2016 | 1,260,000 | 1,247,400 |
| <i>Lyondell Chemical Company</i> | 11.00 | 05/01/2018 | 4,482,876 | 4,908,749 |
| <i>Rockwood Specialties Group Incorporated</i> | 7.63 | 11/15/2014 | 340,000 | 449,184 |
| <i>Solutia Incorporated</i> | 7.88 | 03/15/2020 | 695,000 | 816,625 |
| <i>Solutia Incorporated</i> | 8.75 | 11/01/2017 | 50,000 | 56,625 |
| | | | | 7,478,583 |
| Containers & Packaging: 0.37% | | | | |
| <i>Crown Americas LLC</i> | 7.63 | 05/15/2017 | 450,000 | 495,000 |
| <i>Graham Packaging Company</i> | 9.88 | 10/15/2014 | 1,825,000 | 1,861,500 |
| <i>Owens Brockway Glass Container Incorporated</i> | 7.38 | 05/15/2016 | 175,000 | 196,000 |
| | | | | 2,552,500 |
| Metals & Mining: 0.38% | | | | |
| <i>Freeport-McMoRan Copper & Gold Incorporated</i> | 8.38 | 04/01/2017 | 2,485,000 | 2,621,675 |
| <i>Indalex Holdings Corporation (s)</i> | 11.50 | 02/01/2014 | 3,170,000 | 11,888 |
| | | | | 2,633,563 |
| Paper & Forest Products: 0.31% | | | | |
| <i>Clearwater Paper Corporation</i> | 10.63 | 06/15/2016 | 545,000 | 610,400 |
| <i>Georgia Pacific Corporation</i> | 8.88 | 05/15/2031 | 1,080,000 | 1,500,436 |
| | | | | 2,110,836 |
| Telecommunication Services: 5.13% | | | | |
| Diversified Telecommunication Services: 2.10% | | | | |
| <i>Avaya Incorporated</i> | 9.75 | 11/01/2015 | 1,175,000 | 1,125,063 |
| <i>Citizens Communications Company</i> | 7.88 | 01/15/2027 | 1,805,000 | 1,547,788 |
| <i>Frontier Communications Corporation</i> | 8.13 | 10/01/2018 | 845,000 | 842,888 |
| <i>Frontier Communications Corporation</i> | 8.25 | 05/01/2014 | 200,000 | 211,000 |
| <i>Frontier Communications Corporation</i> | 8.25 | 04/15/2017 | 1,040,000 | 1,047,800 |
| <i>Frontier Communications Corporation</i> | 8.50 | 04/15/2020 | 525,000 | 519,750 |
| <i>Intelsat Jackson Holdings Limited</i> | 8.50 | 11/01/2019 | 850,000 | 920,125 |
| <i>Intelsat Jackson Holdings Limited</i> | 9.50 | 06/15/2016 | 725,000 | 761,250 |
| <i>Qtel International Finance Limited</i> | 5.00 | 10/19/2025 | 500,000 | 503,750 |
| <i>Qwest Corporation</i> | 7.13 | 11/15/2043 | 795,000 | 781,088 |
| <i>Qwest Corporation</i> | 7.25 | 09/15/2025 | 1,040,000 | 1,120,031 |
| <i>Qwest Corporation</i> | 7.50 | 06/15/2023 | 1,370,000 | 1,370,000 |
| <i>Qwest Corporation</i> | 7.63 | 08/03/2021 | 230,000 | 235,944 |
| <i>SBA Telecommunications Incorporated</i> | 8.00 | 08/15/2016 | 700,000 | 757,750 |
| <i>SBA Telecommunications Incorporated</i> | 8.25 | 08/15/2019 | 100,000 | 109,000 |
| <i>Windstream Corporation</i> | 7.88 | 11/01/2017 | 2,330,000 | 2,574,650 |

14,427,877

Wireless Telecommunication Services: 3.03%

| | | | | |
|-----------------------------------|------|------------|---------|---------|
| <i>American Tower Corporation</i> | 5.90 | 11/01/2021 | 650,000 | 700,111 |
| <i>CCO Holdings LLC 144A</i> | 7.75 | 05/01/2017 | 325,000 | 353,031 |
| <i>CCO Holdings LLC</i> | 8.13 | 04/30/2020 | 450,000 | 497,813 |

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|--------------|--------------------|
| Wireless Telecommunication Services (continued) | | | | |
| <i>Cricket Communications Incorporated</i> | 7.75% | 05/15/2016 | \$ 1,705,000 | \$ 1,807,300 |
| <i>Cricket Communications Incorporated</i> | 7.75 | 10/15/2020 | 1,550,000 | 1,476,375 |
| <i>Crown Castle International Corporation</i> | 7.13 | 11/01/2019 | 75,000 | 81,563 |
| <i>Crown Castle International Corporation</i> | 9.00 | 01/15/2015 | 325,000 | 354,250 |
| <i>iPCS Incorporated ¥</i> | 3.68 | 05/01/2014 | 1,357,019 | 1,241,672 |
| <i>MetroPCS Communications Incorporated</i> | 6.63 | 11/15/2020 | 2,775,000 | 2,754,188 |
| <i>MetroPCS Communications Incorporated</i> | 7.88 | 09/01/2018 | 775,000 | 817,625 |
| <i>Sprint Nextel Corporation 144A</i> | 9.00 | 11/15/2018 | 325,000 | 350,188 |
| <i>Sprint Nextel Corporation 144A</i> | 11.50 | 11/15/2021 | 625,000 | 646,875 |
| <i>Sprint Nextel Corporation Series D</i> | 7.38 | 08/01/2015 | 3,260,000 | 3,154,050 |
| <i>Sprint Nextel Corporation Series F</i> | 5.95 | 03/15/2014 | 2,335,000 | 2,311,650 |
| <i>Syniverse Holdings Incorporated</i> | 9.13 | 01/15/2019 | 3,975,000 | 4,283,063 |
| | | | | 20,829,754 |
| Utilities: 3.68% | | | | |
| Electric Utilities: 1.75% | | | | |
| <i>Aquila Incorporated Step Bond</i> | 11.88 | 07/01/2012 | 6,545,000 | 6,823,915 |
| <i>Dolphin Subsidiary II Incorporated 144A</i> | 7.25 | 10/15/2021 | 2,125,000 | 2,364,063 |
| <i>IPALCO Enterprises Incorporated</i> | 5.00 | 05/01/2018 | 900,000 | 887,625 |
| <i>Otter Tail Corporation</i> | 9.00 | 12/15/2016 | 1,835,000 | 1,963,450 |
| <i>PNM Resources Incorporated</i> | 9.25 | 05/15/2015 | 9,000 | 9,945 |
| | | | | 12,048,998 |
| Gas Utilities: 0.36% | | | | |
| <i>AmeriGas Finance LLC</i> | 6.75 | 05/20/2020 | 100,000 | 100,000 |
| <i>AmeriGas Finance LLC</i> | 7.00 | 05/20/2022 | 125,000 | 125,313 |
| <i>AmeriGas Partners LP</i> | 6.25 | 08/20/2019 | 1,500,000 | 1,492,500 |
| <i>AmeriGas Partners LP</i> | 6.50 | 05/20/2021 | 475,000 | 471,438 |
| <i>Suburban Propane Partners LP</i> | 7.38 | 03/15/2020 | 275,000 | 288,750 |
| | | | | 2,478,001 |
| Independent Power Producers & Energy Traders: 1.57% | | | | |
| <i>Mirant Mid-Atlantic LLC Series C</i> | 10.06 | 12/30/2028 | 3,614,632 | 3,686,925 |
| <i>NRG Energy Incorporated</i> | 7.38 | 01/15/2017 | 3,475,000 | 3,592,281 |
| <i>NRG Energy Incorporated</i> | 8.50 | 06/15/2019 | 1,615,000 | 1,623,075 |
| <i>Reliant Energy Incorporated</i> | 7.63 | 06/15/2014 | 450,000 | 450,000 |
| <i>Reliant Energy Incorporated</i> | 9.24 | 07/02/2017 | 1,071,656 | 1,028,790 |
| <i>Reliant Energy Incorporated</i> | 9.68 | 07/02/2026 | 410,000 | 385,400 |
| | | | | 10,766,471 |
| Total Corporate Bonds and Notes | | | | |
| (Cost \$346,766,524) | | | | 360,907,950 |
| Foreign Corporate Bonds and Notes @: 5.29% | | | | |
| Consumer Discretionary: 0.41% | | | | |
| Hotels, Restaurants & Leisure: 0.23% | | | | |
| <i>Casino Guichard Perrachon SA (EUR)</i> | 4.73 | 05/26/2021 | 900,000 | 1,139,125 |
| <i>ODEON & UCI Cinemas Group (GBP)</i> | 9.00 | 08/01/2018 | 300,000 | 463,285 |

1,602,410

Media: 0.18%

| | | | | |
|--|------|------------|---------|------------------|
| <i>UPC Holding BV</i> (EUR) | 9.63 | 12/01/2019 | 470,000 | 653,207 |
| <i>Ziggo Bond Company BV</i> (EUR) | 8.00 | 05/15/2018 | 200,000 | 274,036 |
| <i>Ziggo Bond Company BV144A (i)</i> (EUR) | 8.00 | 05/15/2018 | 200,000 | 274,036 |
| | | | | 1,201,279 |

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|-----------|-------------------|
| Consumer Staples: 0.09% | | | | |
| Food & Staples Retailing: 0.09% | | | | |
| <i>Foodcorp Limited</i> (EUR) | 8.75% | 03/01/2018 | 520,000 | \$ 642,776 |
| Financials: 4.15% | | | | |
| Commercial Banks: 2.90% | | | | |
| <i>Banco De Brasil</i> (EUR) | 4.50 | 01/20/2016 | 600,000 | 791,344 |
| <i>Eurofima</i> (AUD) | 6.25 | 12/28/2018 | 2,450,000 | 2,572,267 |
| <i>European Investment Bank</i> (AUD) | 6.13 | 01/23/2017 | 6,930,000 | 7,453,526 |
| <i>Instituto de Credito Oficial</i> (EUR) | 4.38 | 05/23/2012 | 1,800,000 | 2,368,758 |
| <i>International Bank for Reconstruction & Development</i> (AUD) | 5.75 | 10/01/2020 | 950,000 | 1,076,461 |
| <i>KfW Bankengruppe</i> (AUD) | 6.25 | 12/04/2019 | 1,225,000 | 1,363,448 |
| <i>KfW Bankengruppe</i> (NZD) | 6.38 | 02/17/2015 | 4,819,000 | 4,308,125 |
| | | | | 19,933,929 |
| Consumer Finance: 0.15% | | | | |
| <i>Fiat Industrial SpA</i> (EUR) | 6.25 | 03/09/2018 | 400,000 | 502,291 |
| <i>Virgin Media Finance plc</i> (GBP) | 8.88 | 10/15/2019 | 300,000 | 528,287 |
| | | | | 1,030,578 |
| Diversified Financial Services: 0.20% | | | | |
| <i>Voto-Votorantim Limited</i> (EUR) | 5.25 | 04/28/2017 | 1,000,000 | 1,340,751 |
| Thriffs & Mortgage Finance: 0.90% | | | | |
| <i>Dexia Kommunalbank AG</i> (EUR) | 3.50 | 06/05/2014 | 4,000,000 | 5,244,055 |
| <i>Nationwide Building Society</i> (EUR) | 3.75 | 01/20/2015 | 700,000 | 927,992 |
| | | | | 6,172,047 |
| Industrials: 0.39% | | | | |
| Building Products: 0.07% | | | | |
| <i>Heidelbergcement AG</i> (EUR) | 8.50 | 10/31/2019 | 330,000 | 466,189 |
| Machinery: 0.04% | | | | |
| <i>Savcio Holdings Limited</i> (EUR) | 8.00 | 02/15/2013 | 250,000 | 307,392 |
| Trading Companies & Distributors: 0.08% | | | | |
| <i>Rexel SA</i> (EUR) | 7.00 | 12/17/2018 | 200,000 | 265,534 |
| <i>Rexel SA</i> (EUR) | 8.25 | 12/15/2016 | 200,000 | 283,847 |
| | | | | 549,381 |
| Transportation Infrastructure: 0.20% | | | | |
| <i>BAA Funding Limited</i> (EUR) | 4.60 | 02/15/2018 | 1,000,000 | 1,351,948 |
| Materials: 0.17% | | | | |
| Metals & Mining: 0.09% | | | | |
| <i>New World Resources NV</i> (EUR) | 7.38 | 05/15/2015 | 500,000 | 640,944 |
| Paper & Forest Products: 0.08% | | | | |
| <i>Smurfit Kappa Funding plc</i> (EUR) | 7.25 | 11/15/2017 | 400,000 | 546,765 |

Utilities: 0.08%

Water Utilities: 0.08%

| | | | | |
|-----------------------|------|------------|---------|----------------|
| Zinc Capital SA (EUR) | 8.88 | 05/15/2018 | 500,000 | 562,461 |
|-----------------------|------|------------|---------|----------------|

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS
January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|----------------|--------------------|
| Total Foreign Corporate Bonds and Notes | | | | |
| (Cost \$34,544,493) | | | | 36,348,850 |
| Foreign Government Bonds @: 26.19% | | | | |
| Australia Series 124 (AUD) | 5.75% | 05/15/2021 | 2,750,000 | \$ 3,379,365 |
| Australia Series 22 (AUD) | 6.00 | 07/21/2022 | 4,000,000 | 4,410,434 |
| Brazil (BRL) | 12.50 | 01/05/2016 | 26,000,000 | 17,261,905 |
| Brazil (BRL) | 12.50 | 01/05/2022 | 19,500,000 | 13,895,089 |
| Chile (CLP) | 5.50 | 08/05/2020 | 1,700,000,000 | 3,587,775 |
| Colombia (COP) | 7.75 | 04/14/2021 | 10,000,000,000 | 6,616,396 |
| Hungary (HUF) | 0.00 | 05/02/2012 | 1,220,000,000 | 5,323,109 |
| Indonesia (IDR) | 6.25 | 04/15/2017 | 13,000,000,000 | 1,543,372 |
| Indonesia (IDR) | 7.00 | 05/15/2027 | 72,500,000,000 | 8,877,605 |
| Indonesia (IDR) | 7.38 | 09/15/2016 | 48,000,000,000 | 5,884,122 |
| Korea (KRW) | 5.25 | 09/10/2015 | 2,850,000,000 | 2,688,215 |
| Korea (KRW) | 5.25 | 03/10/2027 | 3,830,000,000 | 3,921,677 |
| Malaysia (MYR) | 4.26 | 09/15/2016 | 49,000,000 | 16,816,036 |
| Mexico (MXN) | 7.25 | 12/15/2016 | 155,000,000 | 13,006,129 |
| Mexico (MXN) | 8.50 | 11/18/2038 | 166,900,000 | 14,532,661 |
| New Zealand (NZD) | 6.00 | 12/15/2017 | 6,705,000 | 6,303,879 |
| Peru (PEN) | 7.84 | 08/12/2020 | 20,000,000 | 8,509,483 |
| Philippines (EUR) | 6.25 | 03/15/2016 | 1,500,000 | 2,084,704 |
| Poland (PLN) | 5.50 | 04/25/2015 | 41,000,000 | 12,941,149 |
| Queensland Treasury (AUD) | 6.00 | 03/01/2022 | 3,600,000 | 4,157,889 |
| Russia (RUB) | 7.85 | 03/10/2018 | 150,000,000 | 5,118,871 |
| South Africa (ZAR) | 8.00 | 12/21/2018 | 55,000,000 | 7,244,633 |
| South Africa (ZAR) | 8.25 | 09/15/2017 | 88,000,000 | 11,820,946 |
| Total Foreign Government Bonds | | | | 179,925,444 |
| (Cost \$172,054,265) | | | | |
| Non-Agency Mortgage Backed Securities: 1.87% | | | | |
| American Home Mortgage Assets Series 2006-2 Class 1A1 ± | 1.16 | 09/25/2046 | \$ 4,232,135 | 2,060,940 |
| Banc of America Commercial Mortgage Incorporated Series 2006-03 Class AM | 6.05 | 07/10/2044 | 1,340,000 | 1,299,606 |
| Centex Home Equity Series 2002-D Class AF6 | 4.66 | 12/25/2032 | 230,045 | 223,477 |
| Centex Home Equity Series 2004-B Class AF6 | 4.19 | 03/25/2034 | 305,000 | 299,694 |
| Countrywide Asset Backed Certificates Series 2007-7 Class 2A1 ± | 0.36 | 10/25/2047 | 370,242 | 365,767 |
| Greenwich Capital Commercial Funding Corporation Series 2006-GG7 Class AM | 6.08 | 07/10/2038 | 1,820,000 | 1,882,058 |
| GS Mortgage Securities Trust Series 2007-GG10 Class A4 | 5.98 | 08/10/2045 | 1,000,000 | 1,108,498 |
| Lehman XS Trust Series 2006-18N Class A5A ± (i) | 0.45 | 12/25/2036 | 3,571,816 | 1,268,538 |
| Merrill Lynch Countrywide Commercial Mortgage Trust Series 2006-4 Class AM | 5.20 | 12/12/2049 | 340,000 | 330,716 |
| Merrill Lynch Mortgage Trust Series 2006-C1 Class AM | 5.81 | 05/12/2039 | 565,000 | 595,641 |
| Morgan Stanley Capital I Series 2005-HQ6 Class A4B | 5.04 | 08/13/2042 | 650,000 | 677,339 |
| RAAC Series 2005-SP2 Class 1A3 ± | 0.68 | 05/25/2044 | 464,401 | 457,501 |
| | 0.48 | 02/25/2036 | 500,194 | 478,634 |

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Residential Asset Mortgage Products Incorporated Series

2006-EFC1 Class A2 ±

Soundview Home Equity Loan Trust Series 2005-OPT2 Class

| | | | | |
|------|------|------------|---------|---------|
| A5 ± | 0.65 | 08/25/2035 | 388,826 | 380,261 |
|------|------|------------|---------|---------|

Structured Asset Securities Corporation Series 2005 Class 1A7

| | | | | |
|--------|------|------------|---------|---------|
| ± 144A | 0.52 | 02/25/2035 | 185,182 | 182,500 |
|--------|------|------------|---------|---------|

Wachovia Bank Commercial Mortgage Trust Series 2006-C23

| | | | | |
|----------|------|------------|-----------|-----------|
| Class AM | 5.47 | 01/15/2045 | 1,220,000 | 1,268,139 |
|----------|------|------------|-----------|-----------|

Total Non-Agency Mortgage Backed Securities

| | | | | |
|----------------------------|--|--|--|-------------------|
| (Cost \$13,823,502) | | | | 12,879,309 |
|----------------------------|--|--|--|-------------------|

Dividend Yield

Shares

Preferred Stocks: 0.09%

Financials: 0.09%

Diversified Financial Services: 0.09%

| | | | | |
|-----------------------------|------|--|--------|----------------|
| <i>GMAC Capital Trust I</i> | 8.13 | | 27,000 | 599,130 |
|-----------------------------|------|--|--------|----------------|

Total Preferred Stocks

| | | | | |
|-------------------------|--|--|--|----------------|
| (Cost \$675,000) | | | | 599,130 |
|-------------------------|--|--|--|----------------|

PORTFOLIO OF INVESTMENTS **January 31, 2012**
(UNAUDITED)
WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Term Loans: 14.60% | | | | |
| <i>Advantage Sales & Marketing LLC</i> | 9.25% | 06/18/2018 | \$ 475,000 | \$ 466,688 |
| <i>Allison Transmission Incorporated <</i> | 2.79 | 08/07/2014 | 3,369,734 | 3,336,576 |
| <i>Ameristar Casinos Incorporated</i> | 4.00 | 04/13/2018 | 1,022,425 | 1,025,236 |
| <i>Atlantic Broadband Finance LLC</i> | 4.00 | 03/08/2016 | 437,691 | 434,864 |
| <i>B&G Foods Incorporated</i> | 4.50 | 11/18/2018 | 775,000 | 775,775 |
| <i>Barrington Broadcasting Group</i> | 7.50 | 06/08/2017 | 3,843,243 | 3,814,419 |
| <i>Capital Automotive LP</i> | 5.00 | 03/10/2017 | 3,784,962 | 3,758,959 |
| <i>CCC Information Services Incorporated <</i> | 4.00 | 11/11/2015 | 200,000 | 200,750 |
| <i>CCM Merger Incorporated <</i> | 7.00 | 03/01/2017 | 5,045,904 | 5,006,798 |
| <i>Coinmach Corporation</i> | 3.41 | 11/20/2014 | 3,330,406 | 3,040,195 |
| <i>Covanta Energy Corporation</i> | 0.48 | 02/10/2014 | 680,308 | 673,675 |
| <i>Crown Castle International Corporation <</i> | 3.00 | 01/25/2019 | 6,025,000 | 6,019,999 |
| <i>DineEquity Incorporated <</i> | 0.00 | 10/19/2017 | 2,000,000 | 2,000,000 |
| <i>Dunkin Brands Incorporated <</i> | 4.00 | 11/23/2017 | 3,205,716 | 3,196,772 |
| <i>Entercom Communication LLC <</i> | 0.00 | 11/30/2018 | 275,000 | 274,656 |
| <i>Fairpoint Communications Incorporated</i> | 6.50 | 01/22/2016 | 3,532,230 | 2,971,135 |
| <i>Federal Mogul Corporation</i> | 2.22 | 12/28/2015 | 1,751,273 | 1,670,644 |
| <i>Federal Mogul Corporation</i> | 2.23 | 12/29/2014 | 3,075,183 | 2,933,602 |
| <i>Fidelity National Information Services Incorporated</i> | 4.25 | 07/18/2016 | 100,000 | 100,374 |
| <i>First Data Corporation</i> | 3.02 | 09/24/2014 | 916,226 | 868,885 |
| <i>First Data Corporation</i> | 3.02 | 09/24/2014 | 1,408,988 | 1,336,185 |
| <i>First Data Corporation</i> | 3.02 | 09/24/2014 | 3,094,510 | 2,934,617 |
| <i>Genesys Telecommunication <</i> | 1.00 | 01/25/2019 | 1,975,000 | 1,974,506 |
| <i>Gray Television Incorporated</i> | 3.80 | 12/31/2014 | 971,356 | 956,786 |
| <i>HCA Incorporated</i> | 2.77 | 05/01/2016 | 987,179 | 948,926 |
| <i>Helm Holdings Corporation</i> | 6.25 | 06/02/2017 | 2,619,175 | 2,560,244 |
| <i>HHI Holdings LLC</i> | 7.00 | 03/21/2017 | 942,875 | 935,803 |
| <i>Interactive Data Corporation</i> | 4.50 | 02/12/2018 | 1,994,975 | 1,987,494 |
| <i>KAR Auction Services Incorporated</i> | 5.00 | 05/19/2017 | 4,987,867 | 4,956,693 |
| <i>Level 3 Financing Incorporated</i> | 2.75 | 03/13/2014 | 700,000 | 680,092 |
| <i>LIN Television Corporation</i> | 5.00 | 12/15/2018 | 400,000 | 402,000 |
| <i>Local TV Finance LLC</i> | 2.28 | 05/07/2013 | 1,424,159 | 1,402,797 |
| <i>LPL Holdings Incorporated <</i> | 2.09 | 06/28/2013 | 3,493,596 | 3,465,617 |
| <i>MedAssets Incorporated</i> | 5.25 | 11/16/2016 | 648,222 | 648,546 |
| <i>Merisant Company (i)</i> | 7.50 | 01/08/2014 | 817,551 | 805,288 |
| <i>MSCI Incorporated <</i> | 0.00 | 03/14/2017 | 1,600,000 | 1,600,336 |
| <i>National Cinemedia LLC</i> | 2.05 | 02/13/2015 | 2,955,172 | 2,903,457 |
| <i>NCO Group Incorporated</i> | 8.00 | 11/15/2013 | 1,100,332 | 1,091,397 |
| <i>Newsday LLC</i> | 10.50 | 08/01/2013 | 2,755,000 | 2,834,206 |
| <i>Novelis Incorporated</i> | 3.75 | 03/10/2017 | 997,500 | 991,894 |
| <i>nTelos Incorporated <</i> | 1.00 | 08/07/2015 | 1,000,000 | 993,130 |
| <i>Panolam Industries International Incorporated (i)</i> | 8.25 | 12/31/2013 | 209,504 | 197,283 |
| <i>Penn National Gaming Incorporated <</i> | 0.00 | 07/16/2018 | 1,000,000 | 1,002,780 |
| <i>Prestige Brands International <</i> | 4.00 | 12/20/2018 | 325,000 | 326,463 |
| <i>Springleaf Finance Corporation</i> | 5.50 | 05/05/2017 | 700,000 | 650,125 |
| <i>Texas Competitive Electric Holding LLC <</i> | 3.80 | 10/10/2014 | 15,421,983 | 10,436,827 |
| <i>Texas Competitive Electric Holding LLC</i> | 4.80 | 10/10/2017 | 375,000 | 231,094 |
| <i>Total Safety US Incorporated</i> | 7.50 | 10/27/2017 | 900,000 | 869,625 |
| <i>Towerco Finance LLC <</i> | 0.00 | 02/02/2017 | 1,950,000 | 1,952,438 |
| <i>Transdigm Incorporated</i> | 4.00 | 02/14/2017 | 2,718,372 | 2,711,249 |
| <i>United Surgical Partners International Incorporated</i> | 2.27 | 04/18/2014 | 1,818,821 | 1,770,749 |

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| | | | | |
|--|------|------------|---------|---------|
| <i>United Surgical Partners International Incorporated</i> | 2.27 | 04/21/2014 | 132,601 | 129,097 |
| <i>Warnaco Incorporated</i> | 3.75 | 06/15/2018 | 600,000 | 594,000 |
| <i>Web Service Company LLC</i> | 1.00 | 08/28/2014 | 458,174 | 453,881 |

Total Term Loans

(Cost \$102,911,780) **100,305,627**

Yankee Corporate Bonds and Notes: 5.89%

Consumer Discretionary: 0.26%

Media: 0.26%

| | | | | |
|--|------|------------|---------|---------|
| <i>Intelsat Jackson Holdings Limited</i> | 7.25 | 10/15/2020 | 875,000 | 913,281 |
|--|------|------------|---------|---------|

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|--|---------------|---------------|------------|------------------|
| Media (continued) | | | | |
| <i>Videotron Limited</i> | 9.13% | 04/15/2018 | \$ 775,000 | \$ 860,250 |
| | | | | 1,773,531 |
| Energy: 1.24% | | | | |
| Oil, Gas & Consumable Fuels: 1.24% | | | | |
| <i>Griffin Coal Mining Company Limited 144A (s)</i> | 9.50 | 12/01/2016 | 3,792,790 | 2,972,599 |
| <i>Griffin Coal Mining Company Limited (s)</i> | 9.50 | 12/01/2016 | 310,082 | 243,027 |
| <i>Petroplus Finance Limited</i> | 5.75 | 01/20/2020 | 1,650,000 | 1,769,165 |
| <i>Ship Finance International Limited</i> | 8.50 | 12/15/2013 | 3,720,000 | 3,561,900 |
| | | | | 8,546,691 |
| Financials: 0.67% | | | | |
| Capital Markets: 0.06% | | | | |
| <i>Mubadala Development Company 144A</i> | 5.50 | 04/20/2021 | 360,000 | 375,763 |
| Commercial Banks: 0.43% | | | | |
| <i>Banco de Credito Del Peru (i)</i> | 4.75 | 03/16/2016 | 1,200,000 | 1,203,000 |
| <i>Eurasian Development Bank</i> | 7.38 | 09/29/2014 | 1,000,000 | 1,065,000 |
| <i>Standard Chartered Bank 144A</i> | 6.40 | 09/26/2017 | 650,000 | 699,309 |
| | | | | 2,967,309 |
| Consumer Finance: 0.10% | | | | |
| <i>Virgin Media Finance plc</i> | 6.50 | 01/15/2018 | 650,000 | 698,750 |
| Diversified Financial Services: 0.08% | | | | |
| <i>BM&F Bovespa SA</i> | 5.50 | 07/16/2020 | 500,000 | 530,000 |
| <i>Preferred Term Securities XII Limited (s) (i)</i> | 1.87 | 12/24/2033 | 635,000 | 191 |
| | | | | 530,191 |
| Industrials: 0.10% | | | | |
| Commercial Services & Supplies: 0.06% | | | | |
| <i>Tyco Electronics Group SA</i> | 3.50 | 02/03/2022 | 400,000 | 398,428 |
| Road & Rail: 0.04% | | | | |
| <i>Transnet Limited 144A</i> | 4.50 | 02/10/2016 | 300,000 | 308,395 |
| Information Technology: 0.16% | | | | |
| Computers & Peripherals: 0.16% | | | | |
| <i>Seagate Technology HDD Holdings</i> | 6.80 | 10/01/2016 | 650,000 | 710,125 |
| <i>Seagate Technology HDD Holdings 144A</i> | 7.00 | 11/01/2021 | 375,000 | 401,250 |
| | | | | 1,111,375 |
| Materials: 1.39% | | | | |
| Metals & Mining: 0.80% | | | | |
| <i>Kazatomprom</i> | 6.25 | 05/20/2015 | 500,000 | 530,000 |
| <i>Novelis Incorporated</i> | 7.25 | 02/15/2015 | 1,030,000 | 1,026,529 |
| <i>Novelis Incorporated</i> | 8.38 | 12/15/2017 | 550,000 | 603,625 |
| <i>Novelis Incorporated</i> | 8.75 | 12/15/2020 | 725,000 | 810,188 |
| <i>Teck Resources Limited</i> | 10.75 | 05/15/2019 | 2,050,000 | 2,506,025 |

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR
INCOME FUND

| Security Name | Interest Rate | Maturity Date | Principal | Value |
|---|---------------|---------------|---------------|--------------------|
| Paper & Forest Products: 0.59% | | | | |
| <i>PE Paper Escrow GmbH 144A</i> | 12.00% | 08/01/2014 | \$ 1,170,000 | \$ 1,269,450 |
| <i>Sappi Limited 144A</i> | 7.50 | 06/15/2032 | 3,560,000 | 2,812,400 |
| | | | | 4,081,850 |
| Telecommunication Services: 1.92% | | | | |
| Diversified Telecommunication Services: 1.52% | | | | |
| <i>Intelsat Jackson Holdings SA 144A</i> | 7.25 | 04/01/2019 | 425,000 | 444,125 |
| <i>Intelsat Jackson Holdings SA 144A</i> | 7.50 | 04/01/2021 | 525,000 | 551,250 |
| <i>Intelsat Jackson Holdings SA</i> | 11.25 | 06/15/2016 | 4,875,000 | 5,167,500 |
| <i>Qtel International Finance Limited</i> | 4.75 | 02/16/2021 | 300,000 | 304,500 |
| <i>Sable International Finance Limited</i> | 7.75 | 02/15/2017 | 350,000 | 358,750 |
| <i>Wind Acquisition Finance SpA 144A</i> | 11.75 | 07/15/2017 | 3,660,000 | 3,623,400 |
| | | | | 10,449,525 |
| Wireless Telecommunication Services: 0.40% | | | | |
| <i>Digicel Group Limited 144A</i> | 12.00 | 04/01/2014 | 1,335,000 | 1,505,213 |
| <i>Telesat Canada Incorporated</i> | 11.00 | 11/01/2015 | 1,135,000 | 1,214,450 |
| | | | | 2,719,663 |
| Utilities: 0.15% | | | | |
| Electric Utilities: 0.15% | | | | |
| <i>Eskom Holdings Limited</i> | 5.75 | 01/26/2021 | 1,000,000 | 1,045,000 |
| Total Yankee Corporate Bonds and Notes | | | | |
| (Cost \$38,159,104) | | | | 40,482,838 |
| Yankee Government Bonds: 1.29% | | | | |
| <i>Dominican Republic</i> | 7.50 | 05/06/2021 | 3,500,000 | 3,575,250 |
| <i>Sri Lanka Republic</i> | 6.25 | 07/27/2021 | 3,500,000 | 3,450,612 |
| <i>State of Qatar 144A Republic</i> | 4.50 | 01/20/2022 | 1,750,000 | 1,802,500 |
| Total Yankee Government Bonds | | | | |
| (Cost \$8,874,063) | | | | 8,828,362 |
| | | Yield | Shares | |
| Short-Term Investments: 5.77% | | | | |
| Investment Companies: 5.77% | | | | |
| <i>Wells Fargo Advantage Cash Investment Money Market Fund (I) (u) ##</i> | | 0.02 | 39,604,647 | 39,604,647 |
| Total Short-Term Investments | | | | |
| (Cost \$39,604,647) | | | | 39,604,647 |
| Total Investments in Securities | | | | |
| (Cost \$886,934,865)* | | | | 911,943,172 |
| | | 132.75% | | |

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| | | |
|--|----------------|-----------------------|
| <i>Other Assets and Liabilities, Net</i> | (32.75) | (224,996,437) |
| Total Net Assets | 100.00% | \$ 686,946,735 |

± *Variable rate investment.*

(d) *All or a portion of this security has been segregated as collateral for reverse repurchase agreements.*

144A *Security that may be resold to qualified institutional buyers under Rule 144A or securities offered pursuant to Section 4(2) of the Securities Act of 1933, as amended.*

(a) *Security is fair valued by the Management Valuation Team, and in certain instances by the Board of Trustees, in accordance with procedures approved by the Board of Trustees.*
Non-income earning security.

WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012
(UNAUDITED)

INCOME FUND

- (s) Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this security.
- (i) Illiquid security.
- ¥ 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.
- @ Foreign bond principal is denominated in local currency.
- < All or a portion of the position represents an unfunded loan commitment.
- (l) Investment in an affiliate.
- (u) Rate shown is the 7-day annualized yield at period end.
- ## All or a portion of this security has been segregated for when-issued securities or unfunded loans.
- * Cost for federal income tax purposes is \$891,910,710 and net unrealized appreciation (depreciation) consists of:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 21,434,827 |
| Gross unrealized depreciation | (1,402,365) |
| Net unrealized appreciation | \$ 20,032,462 |

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

NOTES TO PORTFOLIO OF INVESTMENTS January 31, 2012 (UNAUDITED)

The following notes are to be read in conjunction with the Portfolio of Investments for Wells Fargo Advantage Multi-Sector Income Fund (the Fund).

Securities valuation

Fixed income securities with maturities exceeding 60 days are valued based on evaluated prices received from an independent pricing service approved by the Board of Trustees which may utilize both transaction data and market information such as yield, prices of securities of comparable quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If valuations are not available from the pricing service or values received are deemed not representative of market value, values will be obtained from a third party broker-dealer or determined based on the Fund's Fair Value Procedures.

Investments in equity securities are valued each business day as of the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. (Eastern Time). Securities which are traded on a national or foreign securities exchange are valued at the last reported sales price, except that securities listed on The Nasdaq Stock Market, Inc. (Nasdaq) are valued at the Nasdaq Official Closing Price (NOCP), and if no NOCP is available, then at the last reported sales price. If no sales price is shown on the Nasdaq, the bid price will be used. In the absence of any sale of securities listed on the Nasdaq, and in the case of other securities (including U.S. Government obligations, but excluding debt securities maturing in 60 days or less), the price will be deemed stale and the valuations will be determined in accordance with the Fund's Fair Value Procedures.

Securities denominated in foreign currencies are translated into U.S. dollars using the closing rates of exchange in effect on the day of valuation.

Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and therefore may not fully reflect trading or events that occur after the close of the principal exchange in which the foreign investments are traded but before the close of the New York Stock Exchange. If such trading or events are expected to materially affect the value of the investments, then those investments are fair valued following procedures approved by the Board of Trustees. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. Depending on market activity, such fair valuations may be frequent. Such fair value pricing may result in NAVs that are higher or lower than NAVs based on the closing price or latest quoted bid price.

Debt securities of sufficient credit quality with original maturities of 60 days or less generally are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost, plus accretion of discount or minus amortization of premium over the period until maturity.

Investments in open-end mutual funds and non-registered investment companies are generally valued at net asset value.

Investments which are not valued using any of the methods discussed above, are valued at their fair value, as determined by procedures established in good faith and approved by the Board of Trustees.

Foreign currency translation

The accounting records of the Fund are maintained in U.S. dollars. Assets, including investment securities, and liabilities denominated in foreign currency are translated into U.S. dollars at the prevailing rates of exchange at the date of valuation. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective dates of such transactions. Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually paid or received. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities other than investments in securities resulting in changes in exchange rates.

The changes in net assets arising from changes in exchange rates and the changes in net assets resulting from changes in market prices of securities are not separately presented. Such changes are recorded with net realized and unrealized gains or losses from investments. Gains and losses from certain foreign currency transactions are treated as ordinary income for U.S. federal income tax purposes.

Reverse repurchase agreements

To obtain short-term financing, the Fund may enter into reverse repurchase agreements with banks and other financial institutions, which are deemed by the investment adviser to be creditworthy. At the time the Fund enters into a reverse repurchase agreement, it will establish a segregated account with the custodian containing qualified assets having a value not less than the repurchase price, including accrued interest. If the counterparty to the transaction is rendered insolvent, the Fund may be delayed or limited in the repurchase of the collateral securities.

Forward foreign currency contracts

The Fund may be subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. A forward foreign currency contract is an agreement between two parties to purchase or sell a specific currency for an agreed-upon price at a future date. The Fund enters into forward foreign currency contracts to facilitate transactions in foreign-denominated securities and to attempt to minimize the risk to the Fund from adverse changes in the relationship between currencies. Forward foreign currency contracts are

recorded at the forward rate and marked-to-market daily. When the contracts are closed, realized gains and losses arising from such transactions are recorded as realized gains or losses on foreign currency related transactions. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts or if the value of the foreign currency changes unfavorably. The Fund's maximum risk of loss from counterparty credit risk is the unrealized gains or losses on the contracts. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty.

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 to cover its obligation by confirming the availability of qualifying assets having a value sufficient to make payment for the securities purchased. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

Term loans

The Fund may invest in term loans. The loans are marked-to-market daily and the Fund begins earning interest when the loans are funded. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. The Fund assumes the credit risk of the borrower and there could be potential loss to the Fund in the event of default by the borrower.

As of January 31, 2012, the Fund had unfunded loan commitments of \$17,652,563.

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

As of January 31, 2012, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|----------------------------------|-------------------------------|--|--|--------------|
| Investments in Securities | | | | |
| Equity securities | | | | |
| <i>Common stocks</i> | \$ 286,699 | \$ 1,308,048 | \$ 0 | \$ 1,594,747 |
| <i>Preferred stocks</i> | 599,130 | 0 | 0 | 599,130 |
| Agency securities | 0 | 129,420,024 | 0 | 129,420,024 |
| Convertible debenture | 0 | 1,046,244 | 0 | 1,046,244 |
| Corporate bonds and notes | 0 | 355,806,835 | 5,101,115 | 360,907,950 |

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| | | | | |
|--|---------------|----------------|---------------|----------------|
| Foreign corporate bonds and notes | 0 | 36,348,850 | 0 | 36,348,850 |
| Foreign government bonds | 0 | 179,925,444 | 0 | 179,925,444 |
| Non agency mortgage-backed securities | 0 | 12,879,309 | 0 | 12,879,309 |
| Term loans | 0 | 91,331,537 | 8,974,090 | 100,305,627 |
| Yankee corporate bonds and notes | 0 | 40,482,647 | 191 | 40,482,838 |
| Yankee government bonds | 0 | 8,828,362 | 0 | 8,828,362 |
| Short-term investments | | | | |
| <i>Investment companies</i> | 39,604,647 | 0 | 0 | 39,604,647 |
| | \$ 40,490,476 | \$ 857,377,300 | \$ 14,075,396 | \$ 911,943,172 |

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As of January 31, 2012, the inputs used in valuing the Fund's other financial instruments, which are carried at fair value, were as follows:

| Other financial instruments | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|--|----------------------------|--|--|--------------|
| Forward foreign currency contracts+ | \$ 0 | \$ (694,048) | \$ 0 | \$ (694,048) |

+ Forward foreign currency contracts are presented at the unrealized gains or losses on the instrument.

Transfers in and transfers out are recognized at the end of the reporting period. For the three months ended January 31, 2012, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

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

| | Corporate bonds and notes | Term loans | Yankee corporate bonds and notes | Total |
|--|---------------------------------|---------------|---|---------------|
| Balance as of October 31, 2011 | \$ 5,243,760 | \$ 3,971,316 | \$ 191 | \$ 9,215,267 |
| Accrued discounts (premiums) | 638 | 7,384 | 0 | 8,022 |
| Realized gains (losses) | 0 | 231 | 0 | 231 |
| Change in unrealized gains (losses) | (143,283) | (5,214) | 0 | (148,497) |
| Purchases | 0 | 0 | 0 | 0 |
| Sales | 0 | (6,425) | 0 | (6,425) |
| Transfers into Level 3 | 0 | 5,006,798 | 0 | 5,006,798 |
| Transfers out of Level 3 | 0 | 0 | 0 | 0 |
| Balance as of January 31, 2012 | \$ 5,101,115 | \$ 8,974,090 | \$ 191 | \$ 14,075,396 |
| Change in unrealized gains (losses) relating to securities still held at January 31, 2012 | \$ (143,284) | \$ (3,706) | \$ 0 | \$ (146,990) |

Derivative transactions

During the three months ended January 31, 2012, the Fund entered into forward foreign currency exchange contracts for economic hedging purposes.

At January 31, 2012, the Fund had forward foreign currency contracts outstanding as follows:

Forward foreign currency contracts to buy:

| Exchange Date | Counterparty | Contracts to Receive | U.S. Value at January 31, 2012 | In Exchange for U.S. \$ | Net Unrealized Gains (Losses) |
|---------------|-------------------|----------------------|-----------------------------------|----------------------------|-------------------------------------|
| 02/01/2012 | State Street Bank | 1,197,153,060 HUF | \$ 5,321,335 | \$ 5,162,368 | \$ 158,967 |
| 02/27/2012 | State Street Bank | 12,850,000 ZAR | 1,636,803 | 1,601,585 | 35,218 |

Exchange Date Counterparty

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| | | Contracts to Receive | U.S. Value at January 31, 2012 | In Exchange For | U.S. Value at January 31, 2012 | Net Unrealized Gains (Losses) |
|------------|-------------------|-------------------------|-----------------------------------|--------------------|-----------------------------------|-------------------------------------|
| 02/02/2012 | State Street Bank | 11,500,000 CAD | \$ 11,468,769 | 875,150,000 JPY | \$ 11,481,895 | \$ (13,126) |
| 02/02/2012 | State Street Bank | 894,010,000 JPY | 11,729,336 | 11,500,000 CAD | 11,468,769 | 260,567 |
| 02/10/2012 | State Street Bank | 8,377,152 EUR | 10,957,893 | 65,000,000 NOK | 11,075,406 | (117,513) |
| 02/10/2012 | State Street Bank | 65,000,000 NOK | 11,075,406 | 8,313,509 EUR | 10,874,642 | 200,764 |
| 02/21/2012 | State Street Bank | 474,691,680 JPY | 6,229,173 | 20,400,000 PLN | 6,309,191 | (80,018) |
| 02/21/2012 | State Street Bank | 20,400,000 PLN | 6,309,191 | 471,627,600 JPY | 6,188,965 | 120,226 |

Forward foreign currency contracts to sell:

| Exchange Date | Counterparty | Contracts to Deliver | U.S. Value at January 31, 2012 | In Exchange for U.S. \$ | Net Unrealized Gains (Losses) |
|---------------|-------------------|----------------------|-----------------------------------|----------------------------|-------------------------------------|
| 02/27/2012 | State Street Bank | 31,500,000 ZAR | \$ 4,012,397 | \$ 3,671,842 | \$ (340,555) |
| 02/27/2012 | State Street Bank | 132,300,000 ZAR | 16,852,067 | 16,094,499 | (757,568) |
| 05/02/2012 | State Street Bank | 1,220,000,000 HUF | 5,368,010 | 5,207,000 | (161,010) |

The Fund had average contract amounts of \$137,779,288 and \$35,037,690 in forward foreign currency exchange contracts to buy and forward foreign currency exchange contracts to sell, respectively, during the three months ended January 31, 2012.

The following is a list of common abbreviations for terms and entities which may have appeared in the portfolio of investments.

ACB Agricultural Credit Bank

ADR American Depository Receipt

ADS American Depository Shares

AGC-ICC Assured Guaranty Corporation - Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

AUD Australian Dollar

BAN Bond Anticipation Notes

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil 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 Certificate of Participation

CR Custody Receipts

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

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EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British Pound

GDR Global Depository 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

HUF Hungarian Forint

IBC Insured Bond Certificate

IDA Industrial Development Authority

IDAG Industrial Development Agency

IDR Industrial Development Revenue

IEP Irish Pound

JPY Japanese Yen

KRW Republic of Korea Won

LIBOR London Interbank Offered Rate

LLC Limited Liability Company

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LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MSTR Municipal Securities Trust Receipts

MTN Medium Term Note

MUD Municipal Utility District

MXN Mexican Peso

MYR Malaysian Ringgit

NATL-RE National Public Finance Guarantee Corporation

NOK Norwegian Krone

NZD New Zealand Dollar

PCFA Pollution Control Finance Authority

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

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real Estate Investment Trust

ROC Reset Option Certificates

SAVRS Select Auction Variable Rate Securities

SBA Small Business Authority

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SPDR Standard & Poor's Depository Receipts

TAN Tax Anticipation Notes

TBA To Be Announced

TIPS Treasury Inflation-Protected Securities

TRAN Tax Revenue Anticipation Notes

TCR Transferable Custody Receipts

TRY Turkish Lira

TTFA Transportation Trust Fund Authority

TVA Tennessee Valley Authority

XLCA XL Capital Assurance

ZAR South African Rand

ITEM 2. CONTROLS AND PROCEDURES

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

SIGNATURES

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

Wells Fargo Advantage Multi-Sector Income Fund

By: /s/ **KARLA M. RABUSCH**
Karla M. Rabusch

President

Date: March 26, 2012

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

Wells Fargo Advantage Multi-Sector Income Fund

By: /s/ **KARLA M. RABUSCH**
Karla M. Rabusch

President

Date: March 26, 2012

By: /s/ **KASEY L. PHILLIPS**
Kasey L. Phillips

Treasurer

Date: March 26, 2012