

WELLS FARGO INCOME OPPORTUNITIES FUND

Form N-Q

September 25, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS**

**OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-21507**

**Wells Fargo Income Opportunities Fund**

**(Exact name of registrant as specified in charter)**

**525 Market Street, 12<sup>th</sup> Floor, San Francisco, CA 94105**

**(Address of principal executive offices) (Zip code)**

**C. David Messman**

**Wells Fargo Funds Management, LLC**

**525 Market Street, 12<sup>th</sup> Floor, San Francisco, CA 94105**

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: 800-222-8222**

**Date of fiscal year end: April 30**

**Registrant is making a filing for Wells Fargo Income Opportunities Fund.**

**Date of reporting period: July 31, 2017**

ITEM 1. INVESTMENTS

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2017 (unaudited)

Security name	Shares	Value
<b>Common Stocks : 0.47%</b>		
<b>Energy : 0.06%</b>		
<b>Oil, Gas &amp; Consumable Fuels : 0.06%</b>		
<i>SilverBow Resources Incorporated (i)</i>	16,268	\$ 407,188
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	631
<b>Utilities : 0.41%</b>		
<b>Independent Power &amp; Renewable Electricity Producers : 0.41%</b>		
<i>Vistra Energy Corporation</i>	164,991	2,710,802
<b>Total Common Stocks (Cost \$13,311,556)</b>		<b>3,118,621</b>

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 112.39%</b>				
<b>Consumer Discretionary : 21.12%</b>				
<b>Auto Components : 2.10%</b>				
<i>Allison Transmission Incorporated 144A</i>	5.00%	10-1-2024	\$ 7,375,000	7,633,125
<i>Cooper Tire &amp; Rubber Company (i)</i>	7.63	3-15-2027	5,190,000	5,812,800
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	400,000	446,000
				<b>13,891,925</b>
<b>Distributors : 0.34%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	2,200,000	2,227,500
<b>Diversified Consumer Services : 1.93%</b>				
<i>Service Corporation International</i>	7.50	4-1-2027	8,109,000	9,649,710
<i>Service Corporation International</i>	7.63	10-1-2018	1,100,000	1,168,750
<i>Service Corporation International</i>	8.00	11-15-2021	1,635,000	1,937,475
				<b>12,755,935</b>
<b>Hotels, Restaurants &amp; Leisure : 1.05%</b>				
<i>Brinker International Incorporated 144A</i>	5.00	10-1-2024	850,000	850,000
<i>CCM Merger Incorporated 144A</i>	6.00	3-15-2022	5,025,000	5,265,446
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	845,625
				<b>6,961,071</b>

**Leisure Products : 0.13%**

<i>Vista Outdoor Incorporated</i>	5.88	10-1-2023	850,000	871,250
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**Media : 11.79%**

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	2,270,000	2,383,500
<i>Altice US Finance I Corporation 144A</i>	5.50	5-15-2026	2,200,000	2,332,000
<i>AMC Entertainment Holdings Incorporated</i>	5.75	6-15-2025	150,000	153,609
<i>AMC Entertainment Holdings Incorporated</i>	5.88	11-15-2026	1,525,000	1,555,500
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	1,322,000	1,330,263
<i>CBS Radio Incorporated 144A</i>	7.25	11-1-2024	80,000	84,300
<i>CCO Holdings LLC</i>	5.13	2-15-2023	2,266,000	2,345,310
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	2,965,000	3,113,250
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2027	750,000	775,313
<i>CCO Holdings LLC</i>	5.25	9-30-2022	2,048,000	2,112,000
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	7,195,000	7,653,681
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	325,000	345,416
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	5,675,000	6,100,625
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	2,350,000	2,524,060
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	3,625,000	4,046,406

Portfolio of investments July 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>Cinemark USA Incorporated</i>	4.88%	6-1-2023	\$ 600,000	\$ 609,750
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,525,000	1,568,844
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	695,325
<i>EMI Music Publishing 144A</i>	7.63	6-15-2024	950,000	1,054,500
<i>Gray Television Incorporated 144A</i>	5.13	10-15-2024	2,400,000	2,457,000
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	6,650,000	6,882,750
<i>Lamar Media Corporation</i>	5.88	2-1-2022	1,785,000	1,843,013
<i>Lin Television Corporation</i>	5.88	11-15-2022	425,000	445,719
<i>Live Nation Entertainment Incorporated 144A</i>	4.88	11-1-2024	2,300,000	2,357,500
<i>National CineMedia LLC</i>	5.75	8-15-2026	1,600,000	1,536,000
<i>National CineMedia LLC</i>	6.00	4-15-2022	7,000,000	7,192,500
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	1,375,000	1,421,406
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	2,815,000	2,941,675
<i>Nielsen Finance LLC 144A</i>	5.00	4-15-2022	1,595,000	1,644,844
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	331,200
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	735,000	767,156
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,337,156
<i>Salem Media Group Incorporated 144A</i>	6.75	6-1-2024	3,825,000	3,968,438
<i>The E.W. Scripps Company 144A</i>	5.13	5-15-2025	1,900,000	1,966,500
				77,876,509
<b>Specialty Retail : 3.57%</b>				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	6,300,000	6,441,750
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	1,972,000	2,021,300
<i>Group 1 Automotive Incorporated 144A</i>	5.25	12-15-2023	2,000,000	2,005,000
<i>Lithia Motors Incorporated 144A</i>	5.25	8-1-2025	700,000	721,000
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	5,273,000	5,292,774
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,173,500
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	3,200,000	3,104,000
<i>Sonic Automotive Incorporated</i>	6.13	3-15-2027	1,799,000	1,807,995
				23,567,319
<b>Textiles, Apparel &amp; Luxury Goods : 0.21%</b>				
<i>Wolverine World Wide Company 144A</i>	5.00	9-1-2026	1,400,000	1,390,200
<b>Consumer Staples : 2.00%</b>				
<b>Beverages : 0.31%</b>				
<i>Cott Beverages Incorporated</i>	5.38	7-1-2022	850,000	881,875
<i>Cott Beverages Incorporated 144A</i>	5.50	4-1-2025	1,125,000	1,182,656
				2,064,531
<b>Food Products : 1.50%</b>				

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<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	685,913
<i>B&amp;G Foods Incorporated</i>	5.25	4-1-2025	1,750,000	1,824,375
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	306,800
<i>Lamb Weston Holdings Incorporated 144A</i>	4.63	11-1-2024	75,000	78,281
<i>Lamb Weston Holdings Incorporated 144A</i>	4.88	11-1-2026	75,000	78,406
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	1,860,000	1,906,500
<i>Pinnacle Foods Incorporated 144A</i>	5.63	5-1-2024	700,000	726,250
<i>Pinnacle Foods Incorporated</i>	5.88	1-15-2024	100,000	107,250
<i>Post Holdings Incorporated 144A</i>	5.00	8-15-2026	1,350,000	1,385,438
<i>Post Holdings Incorporated 144A</i>	5.50	3-1-2025	875,000	923,125
<i>Post Holdings Incorporated 144A</i>	5.75	3-1-2027	875,000	927,500
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	210,000	225,488
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	670,000	699,313

9,874,639

**Household Products : 0.19%**

<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	405,000	433,350
<i>Spectrum Brands Incorporated</i>	5.75	7-15-2025	775,000	826,344

1,259,694

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy : 28.49%</b>				
<b>Energy Equipment &amp; Services : 8.79%</b>				
<i>Bristow Group Incorporated</i>	6.25%	10-15-2022	\$ 6,725,000	\$ 4,354,438
<i>Era Group Incorporated</i>	7.75	12-15-2022	3,895,000	3,544,450
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	3,100,000	2,943,450
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	4,195,000	4,090,125
<i>Hornbeck Offshore Services Incorporated</i>	1.50	9-1-2019	7,847,000	6,238,365
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	2,925,000	1,608,750
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	4,562,000	2,748,605
<i>NGPL PipeCo LLC 144A(z)%%</i>	4.38	8-15-2022	675,000	694,406
<i>NGPL PipeCo LLC 144A(z)%%</i>	4.88	8-15-2027	1,050,000	1,081,500
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	3,990,000	4,059,825
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	14,900,000	18,476,000
<i>PHI Incorporated</i>	5.25	3-15-2019	8,550,000	8,250,750
				58,090,664
<b>Oil, Gas &amp; Consumable Fuels : 19.70%</b>				
<i>Archrock Partners LP</i>	6.00	10-1-2022	1,650,000	1,608,750
<i>Carrizo Oil &amp; Gas Incorporated</i>	8.25	7-15-2025	1,550,000	1,633,313
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	2,000,000	1,850,000
<i>Continental Resources Incorporated</i>	5.00	9-15-2022	1,325,000	1,313,406
<i>DCP Midstream Operating Company</i>	2.70	4-1-2019	1,425,000	1,416,094
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	3,200,000	1,632,000
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	6,205,000	3,614,413
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	5,475,000	5,461,323
<i>Enable Midstream Partner LP</i>	3.90	5-15-2024	3,150,000	3,143,574
<i>Enable Midstream Partner LP</i>	4.40	3-15-2027	1,300,000	1,318,044
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	1,100,000	1,183,621
<i>EnLink Midstream LLC</i>	4.15	6-1-2025	5,000,000	5,013,095
<i>EnLink Midstream LLC</i>	4.40	4-1-2024	5,400,000	5,545,876
<i>Exterran Partners LP</i>	6.00	4-1-2021	7,750,000	7,672,500
<i>Gulfport Energy Corporation 144A</i>	6.00	10-15-2024	1,625,000	1,607,775
<i>Gulfport Energy Corporation 144A</i>	6.38	5-15-2025	1,325,000	1,323,344
<i>Gulfport Energy Corporation</i>	6.63	5-1-2023	2,900,000	2,929,000
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	1,155,000	1,286,081
<i>Kinder Morgan Incorporated (i)</i>	7.42	2-15-2037	1,820,000	2,094,640
<i>Matador Resources Company</i>	6.88	4-15-2023	700,000	742,000
<i>Murphy Oil Corporation</i>	4.70	12-1-2022	3,125,000	3,070,313
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	1,425,000	1,514,063
<i>Nabors Industries Limited</i>	0.75	1-15-2024	800,000	633,000
<i>Nabors Industries Limited</i>	5.50	1-15-2023	625,000	595,188
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	3,975,000	4,064,438
<i>PDC Energy Incorporated 144A</i>	6.13	9-15-2024	950,000	974,938



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<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	7,320,000	7,743,242
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	6,175,000	6,804,078
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	2,775,000	3,156,563
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	2,450,000	2,431,625
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	1,375,000	1,350,509
<i>Sabine Oil &amp; Gas Corporation (a)(i)(s)</i>	7.25	6-15-2019	850,000	0
<i>Sabine Oil &amp; Gas Corporation (a)(i)(s)</i>	7.50	9-15-2020	5,733,000	0
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	2,275,000	2,485,772
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	2,820,000	3,139,960
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	740,000	823,221
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	2,300,000	2,585,835
<i>Sabine Pass Liquefaction LLC</i>	5.88	6-30-2026	4,500,000	5,066,213
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,415,000	3,876,005
<i>SemGroup Corporation 144A</i>	6.38	3-15-2025	5,625,000	5,568,750
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	1,508,000	1,541,930
<i>Southwestern Energy Company</i>	4.10	3-15-2022	815,000	759,988
<i>Southwestern Energy Company</i>	6.70	1-23-2025	1,425,000	1,403,183
<i>Summit Midstream Holdings LLC</i>	5.75	4-15-2025	400,000	405,000
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	12,225,000	12,515,344
<i>Tesoro Logistics LP</i>	5.25	1-15-2025	1,150,000	1,230,500
<i>Tesoro Logistics LP</i>	6.13	10-15-2021	350,000	362,688
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	725,000	792,063
<i>Ultra Resources Incorporated 144A</i>	6.88	4-15-2022	1,200,000	1,236,000
<i>Ultra Resources Incorporated 144A</i>	7.13	4-15-2025	925,000	943,269

## Portfolio of investments July 31, 2017 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>				
<i>Western Gas Partners LP</i>	4.00%	7-1-2022	\$ 300,000	\$ 309,480
<i>Western Gas Partners LP</i>	5.38	6-1-2021	375,000	403,846
				130,175,853
<b>Financials : 10.30%</b>				
<b>Banks : 0.12%</b>				
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	744,000	780,679
<b>Consumer Finance : 4.70%</b>				
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	300,000	339,750
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	1,300,000	1,399,125
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	3,016,000	3,423,160
<i>FirstCash Incorporated 144A</i>	5.38	6-1-2024	1,575,000	1,657,688
<i>Navient Corporation</i>	8.00	3-25-2020	2,725,000	3,013,850
<i>Navient Corporation</i>	8.45	6-15-2018	3,110,000	3,266,122
<i>OneMain Financial Group LLC 144A</i>	7.25	12-15-2021	6,900,000	7,262,250
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	1,375,000	1,450,625
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	550,000	552,063
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	6,950,000	7,062,938
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	75,000	84,188
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,342,000	1,509,750
				31,021,509
<b>Diversified Financial Services : 3.81%</b>				
<i>Infinity Acquisition LLC (i)144A</i>	7.25	8-1-2022	1,590,000	1,510,500
<i>Jefferies Finance LLC 144A(z)%%</i>	7.25	8-15-2024	425,000	426,063
<i>LPL Holdings Incorporated 144A</i>	5.75	9-15-2025	16,500,000	17,283,750
<i>NewStar Financial Incorporated</i>	7.25	5-1-2020	4,075,000	4,176,875
<i>Tempo Acquisition LLC 144A</i>	6.75	6-1-2025	1,700,000	1,763,750
				25,160,938
<b>Insurance : 1.67%</b>				
<i>Hub Holdings LLC (PIK at 8.88%) 144A</i>	8.13	7-15-2019	3,405,000	3,405,000
<i>HUB International Limited 144A</i>	7.88	10-1-2021	6,900,000	7,219,125
<i>USIS Merger Sub Incorporated 144A</i>	6.88	5-1-2025	425,000	439,875
				11,064,000
<b>Health Care : 10.39%</b>				
<b>Health Care Equipment &amp; Supplies : 2.08%</b>				
<i>Hill-Rom Holdings Incorporated 144A</i>	5.00	2-15-2025	925,000	950,438
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	325,000	342,875

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<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	1,500,000	1,584,375
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	4,000,000	4,230,000
<i>Surgery Center Holdings Incorporated 144A</i>	6.75	7-1-2025	2,125,000	2,183,438
<i>Surgery Center Holdings Incorporated 144A</i>	8.88	4-15-2021	4,075,000	4,421,375
				13,712,501

**Health Care Providers & Services : 7.23%**

<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	310,000	333,250
<i>Community Health Systems Incorporated</i>	6.25	3-31-2023	1,175,000	1,202,906
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	2,215,000	2,247,782
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	2,925,000	3,020,063
<i>Fresenius Medical Care Holdings Incorporated 144A</i>	5.63	7-31-2019	1,000,000	1,062,500
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	829,500
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	7,128,563
<i>HealthSouth Corporation</i>	5.75	9-15-2025	1,725,000	1,776,750
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	1,000,000	1,030,000
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	3,675,000	3,978,188
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	2,050,000	2,142,250
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	2,025,000	2,090,813

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<i>MPT Operating Partnership LP</i>	6.38%	3-1-2024	\$ 170,000	\$ 185,300
<i>Select Medical Corporation</i>	6.38	6-1-2021	6,730,000	6,931,900
<i>Tenet Healthcare Corporation 144A</i>	4.63	7-15-2024	2,264,000	2,252,680
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	3,325,000	3,561,906
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	6,885,000	7,960,781
				47,735,132
<b>Health Care Technology : 0.74%</b>				
<i>Change Healthcare Holdings Incorporated 144A</i>	5.75	3-1-2025	4,379,000	4,526,791
<i>QuintilesIMS Holdings Incorporated 144A</i>	5.00	10-15-2026	375,000	392,813
				4,919,604
<b>Pharmaceuticals : 0.34%</b>				
<i>Endo Finance LLC 144A</i>	5.38	1-15-2023	1,275,000	1,090,125
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	1,180,000	1,089,730
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.25	7-15-2022	100,000	94,250
				2,274,105
<b>Industrials : 5.30%</b>				
<b>Airlines : 0.38%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,487,476
<b>Commercial Services &amp; Supplies : 4.21%</b>				
<i>Acco Brands Corporation 144A</i>	5.25	12-15-2024	725,000	754,000
<i>Advanced Disposal Services Incorporated 144A(i)</i>	5.63	11-15-2024	5,675,000	5,887,813
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	1,245,000	1,322,302
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	5,393,000	5,258,175
<i>Covanta Holding Corporation</i>	5.88	7-1-2025	1,500,000	1,458,750
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	3,205,000	3,285,125
<i>DAE Funding LLC 144A(z)%%</i>	4.50	8-1-2022	775,000	788,563
<i>DAE Funding LLC 144A(z)%%</i>	5.00	8-1-2024	775,000	791,469
<i>KAR Auction Services Incorporated 144A</i>	5.13	6-1-2025	6,450,000	6,724,125
<i>The ServiceMaster Company LLC 144A</i>	5.13	11-15-2024	1,525,000	1,566,938
				27,837,260
<b>Professional Services : 0.07%</b>				
<i>Ascent Capital Group Incorporated</i>	4.00	7-15-2020	600,000	480,000
<b>Trading Companies &amp; Distributors : 0.64%</b>				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	3,025,000	3,138,438

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<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,071,607
				4,210,045

**Information Technology : 11.83%**

**Communications Equipment : 0.38%**

<i>CommScope Technologies Finance LLC 144A</i>	5.00	3-15-2027	325,000	325,813
<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	2,050,000	2,203,750
				2,529,563

**Electronic Equipment, Instruments & Components : 2.69%**

<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	13,532,000	14,056,365
<i>Zebra Technologies Corporation</i>	7.25	10-15-2022	3,485,000	3,709,347
				17,765,712

**Internet Software & Services : 1.14%**

<i>Infor Software Parent LLC</i>	6.50	5-15-2022	875,000	911,094
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Portfolio of investments July 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Internet Software &amp; Services (continued)</b>				
<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13%	5-1-2021	\$ 1,260,000	\$ 1,304,100
<i>Zayo Group LLC 144A</i>	5.75	1-15-2027	1,950,000	2,067,000
<i>Zayo Group LLC</i>	6.00	4-1-2023	620,000	653,325
<i>Zayo Group LLC</i>	6.38	5-15-2025	2,375,000	2,573,906
				7,509,425
<b>IT Services : 2.41%</b>				
<i>Cardtronics Incorporated</i>	5.13	8-1-2022	2,925,000	2,983,500
<i>Cardtronics Incorporated 144A</i>	5.50	5-1-2025	2,075,000	2,137,250
<i>First Data Corporation 144A</i>	5.00	1-15-2024	2,100,000	2,184,000
<i>First Data Corporation 144A</i>	5.38	8-15-2023	525,000	549,281
<i>First Data Corporation 144A</i>	5.75	1-15-2024	2,070,000	2,186,438
<i>First Data Corporation 144A</i>	7.00	12-1-2023	1,675,000	1,806,906
<i>Gartner Incorporated 144A</i>	5.13	4-1-2025	3,850,000	4,071,375
				15,918,750
<b>Semiconductors &amp; Semiconductor Equipment : 0.67%</b>				
<i>Micron Technology Incorporated 144A</i>	5.25	8-1-2023	600,000	626,063
<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	1,325,000	1,380,899
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	659,000	699,159
<i>Micron Technology Incorporated</i>	5.88	2-15-2022	1,685,000	1,752,400
				4,458,521
<b>Software : 0.52%</b>				
<i>CDK Global Incorporated 144A</i>	4.88	6-1-2027	425,000	436,688
<i>CDK Global Incorporated</i>	5.00	10-15-2024	1,050,000	1,113,000
<i>SS&amp;C Technologies Incorporated</i>	5.88	7-15-2023	1,430,000	1,519,375
<i>Symantec Corporation 144A</i>	5.00	4-15-2025	325,000	340,438
				3,409,501
<b>Technology Hardware, Storage &amp; Peripherals : 4.02%</b>				
<i>Diamond 1 Finance Corporation 144A</i>	4.42	6-15-2021	250,000	264,165
<i>Diamond 1 Finance Corporation 144A</i>	5.88	6-15-2021	5,125,000	5,374,844
<i>Diamond 1 Finance Corporation 144A</i>	7.13	6-15-2024	8,825,000	9,821,060
<i>NCR Corporation</i>	5.88	12-15-2021	380,000	396,150
<i>NCR Corporation</i>	6.38	12-15-2023	10,038,000	10,715,565
				26,571,784
<b>Materials : 3.06%</b>				

**Chemicals : 0.18%**

<i>Celanese U.S. Holdings LLC</i>	5.88	6-15-2021	440,000	493,097
<i>Valvoline Incorporated 144A</i>	5.50	7-15-2024	625,000	662,500
				1,155,597

**Containers & Packaging : 2.88%**

<i>Ball Corporation</i>	5.25	7-1-2025	305,000	335,500
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	700,000	729,750
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	350,000	371,875
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	2,910,000	3,411,975
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	1,225,000	1,228,063
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.88	8-15-2023	1,300,000	1,440,563
<i>Owens-Illinois Incorporated 144A</i>	5.38	1-15-2025	925,000	993,219
<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	6,210,000	7,001,775
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	2,350,000	2,511,563
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	784,000	793,800
<i>Silgan Holdings Incorporated</i>	5.50	2-1-2022	225,000	230,625
				19,048,708

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Metals &amp; Mining : 0.00%</b>				
<i>Indalex Holdings Corporation (a)(i)(s)</i>	11.50%	2-1-2020	\$ 5,985,000	\$ 0
<b>Real Estate : 8.77%</b>				
<b>Equity REITs : 8.77%</b>				
<i>CoreCivic Incorporated</i>	5.00	10-15-2022	2,175,000	2,267,438
<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	831,413
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	4,385,000	4,898,010
<i>DuPont Fabros Technology Incorporated LP</i>	5.63	6-15-2023	4,875,000	5,205,574
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	7,670,000	7,948,996
<i>Equinix Incorporated</i>	5.38	5-15-2027	675,000	729,844
<i>Equinix Incorporated</i>	5.75	1-1-2025	1,075,000	1,155,625
<i>Equinix Incorporated</i>	5.88	1-15-2026	2,350,000	2,573,250
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	7,500,000	7,837,500
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	2,500,000	2,593,750
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	2,175,000	2,310,938
<i>Iron Mountain Incorporated 144A</i>	6.00	10-1-2020	600,000	621,000
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	5,185,000	5,483,138
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	2,100,000	2,173,500
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	2,285,000	2,372,413
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,485,000	1,541,994
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	1,305,000	1,318,050
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	2,595,000	2,695,556
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	2,200,000	2,285,250
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	1,085,000	1,129,637
				57,972,876
<b>Telecommunication Services : 5.84%</b>				
<b>Diversified Telecommunication Services : 2.44%</b>				
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	1,980,000	2,066,625
<i>GCI Incorporated</i>	6.75	6-1-2021	2,625,000	2,707,031
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	1,595,000	1,658,800
<i>Level 3 Financing Incorporated</i>	5.25	3-15-2026	1,050,000	1,115,625
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,614,988
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	1,125,000	1,184,063
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	1,595,000	1,694,688
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	1,275,000	1,329,188
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,736,475
				16,107,483
<b>Wireless Telecommunication Services : 3.40%</b>				
<i>SBA Communications Corporation</i>	4.88	9-1-2024	1,025,000	1,064,719



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<i>Sprint Capital Corporation</i>	6.88	11-15-2028	8,600,000	9,374,000
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	1,830,000	2,269,200
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	380,000	415,150
<i>T-Mobile USA Incorporated</i>	4.00	4-15-2022	1,075,000	1,120,688
<i>T-Mobile USA Incorporated</i>	5.13	4-15-2025	725,000	768,500
<i>T-Mobile USA Incorporated</i>	5.38	4-15-2027	350,000	378,000
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	529,215
<i>T-Mobile USA Incorporated</i>	6.00	4-15-2024	275,000	295,625
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	140,000	146,650
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	2,800,000	3,013,500
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	150,805
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	1,050,000	1,110,375
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,765,000	1,873,106
				22,509,533

**Utilities : 5.29%**

**Gas Utilities : 0.34%**

<i>AmeriGas Partners LP</i>	5.75	5-20-2027	2,250,000	2,272,500
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Portfolio of investments July 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Independent Power &amp; Renewable Electricity Producers : 4.95%</b>				
<i>Calpine Corporation 144A</i>	6.00%	1-15-2022	\$ 255,000	\$ 262,969
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	8,141,392	8,772,350
<i>Pattern Energy Group Incorporated 144A</i>	5.88	2-1-2024	10,418,000	10,990,990
<i>TerraForm Power Operating LLC 144A</i>	6.38	2-1-2023	9,065,000	9,427,600
<i>TerraForm Power Operating LLC 144A</i>	6.63	6-15-2025	3,050,000	3,248,250
				32,702,159
<b>Total Corporate Bonds and Notes (Cost \$714,348,609)</b>				742,622,451
<b>Loans : 5.38%</b>				
<b>Consumer Discretionary : 1.94%</b>				
<b>Auto Components : 0.52%</b>				
<i>Federal-Mogul Corporation ±</i>	4.98	4-15-2021	3,408,159	3,432,289
<b>Hotels, Restaurants &amp; Leisure : 1.42%</b>				
<i>CCM Merger Incorporated ±</i>	3.98	8-8-2021	896,311	898,776
<i>Montreign Operating Company ±</i>	9.48	12-7-2022	8,425,000	8,511,862
				9,410,638
<b>Energy : 0.55%</b>				
<b>Energy Equipment &amp; Services : 0.12%</b>				
<i>Hummel Station LLC ±</i>	7.23	10-27-2022	893,917	822,404
<b>Oil, Gas &amp; Consumable Fuels : 0.43%</b>				
<i>Chesapeake Energy Corporation ±</i>	8.69	8-23-2021	725,000	777,744
<i>Ultra Resources Incorporated ±</i>	4.22	4-12-2024	2,025,000	2,032,594
				2,810,338
<b>Financials : 0.15%</b>				
<b>Diversified Financial Services : 0.15%</b>				
<i>American Beacon Advisors Incorporated ±</i>	10.06	3-3-2023	1,010,000	1,010,000
<b>Health Care : 0.04%</b>				
<b>Health Care Providers &amp; Services : 0.04%</b>				
<i>Press Ganey Holdings Incorporated ±</i>	8.48	10-21-2024	250,000	255,313
<b>Industrials : 0.42%</b>				
<b>Commercial Services &amp; Supplies : 0.42%</b>				

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<i>Advantage Sales &amp; Marketing LLC ±</i>	7.80	7-25-2022	2,025,000	1,913,625
<i>WASH Multifamily Laundry Systems LLC ±</i>	4.48	5-14-2022	567,085	567,085
<i>WASH Multifamily Laundry Systems LLC ±</i>	4.48	5-14-2022	99,313	99,313
<i>WASH Multifamily Laundry Systems LLC ±</i>	8.23	5-12-2023	29,808	29,510
<i>WASH Multifamily Laundry Systems LLC (i)±</i>	8.23	5-14-2023	170,192	168,490
				2,778,023

**Information Technology : 1.20%**

**Internet Software & Services : 1.20%**

<i>Ancestry.com Incorporated ±</i>	4.48	10-19-2023	4,900,500	4,938,773
<i>Ancestry.com Incorporated ±</i>	9.48	10-19-2024	2,970,000	3,029,400
				7,968,173

**Real Estate : 0.21%**

**Real Estate Management & Development :  
0.21%**

<i>Capital Automotive LP ±</i>	7.24	3-24-2025	1,340,000	1,360,944
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## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2017 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Telecommunication Services : 0.73%</b>				
<b>Diversified Telecommunication Services : 0.73%</b>				
<i>Frontier Communications Corporation ±</i>	4.98%	6-15-2024	\$ 5,000,000	\$ 4,797,900
<b>Utilities : 0.14%</b>				
<b>Independent Power &amp; Renewable Electricity Producers : 0.14%</b>				
<i>Vistra Energy Corporation ±</i>	4.48	12-14-2023	920,375	927,066
<b>Total Loans (Cost \$35,394,062)</b>				35,573,088

	Expiration date	Shares	
<b>Rights : 0.09%</b>			
<b>Utilities : 0.09%</b>			
<b>Independent Power &amp; Renewable Electricity Producers : 0.09%</b>			
<i>Vistra Energy Corporation (i)</i>	12-14-2023	559,650	559,650
<b>Total Rights (Cost \$615,615)</b>			559,650

	Maturity date	Principal	
<b>Yankee Corporate Bonds and Notes : 11.69%</b>			
<b>Energy : 2.90%</b>			
<b>Energy Equipment &amp; Services : 0.71%</b>			
<i>Ensco plc</i>	5.75	10-1-2044	\$ 6,902,000
<i>Trinidad Drilling Limited 144A</i>	6.63	2-15-2025	100,000
			4,701,335
<b>Oil, Gas &amp; Consumable Fuels : 2.19%</b>			
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	3,600,000
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	1,759,000
<i>Griffin Coal Mining Company Limited (a)(i)144A(s)</i>	9.50	12-1-2016	2,119,383
<i>Griffin Coal Mining Company Limited (a)(i)(s)</i>	9.50	12-1-2016	290,088
<i>Teekay Corporation</i>	8.50	1-15-2020	9,583,000
			14,464,678

**Financials : 0.54%****Banks : 0.54%**

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<i>Nielsen Holding and Finance BV 144A</i>	5.00	2-1-2025	2,775,000	2,865,188
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	722,750
<i>Preferred Term Securities XII Limited (a)(i)(s)</i>	0.00	12-24-2033	1,540,000	0
				3,587,938

**Health Care : 3.12%**

**Pharmaceuticals : 3.12%**

<i>Endo Finance LLC 144A</i>	5.88	10-15-2024	400,000	414,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.50	3-1-2023	3,825,000	3,260,813
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	1,178,000	1,066,090
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	3,600,000	3,096,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	7,880,000	6,707,850
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.38	10-15-2020	2,375,000	2,309,688
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.50	3-15-2022	525,000	553,875
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2021	700,000	661,500
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.00	3-15-2024	950,000	1,011,750
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	1,541,000	1,496,696
				20,578,262

Portfolio of investments July 31, 2017 (unaudited)

Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Industrials : 1.77%</b>				
<b>Building Products : 0.05%</b>				
<i>Allegion plc</i>	5.88%	9-15-2023	\$ 340,000	\$ 366,489
<b>Commercial Services &amp; Supplies : 1.46%</b>				
<i>GFL Environmental Incorporated 144A</i>	5.63	5-1-2022	925,000	955,063
<i>GFL Environmental Incorporated 144A</i>	9.88	2-1-2021	1,050,000	1,136,625
<i>Ritchie Brothers Auctioneers Incorporated 144A</i>	5.38	1-15-2025	7,175,000	7,527,580
				9,619,268
<b>Machinery : 0.08%</b>				
<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	485,000	510,463
<b>Professional Services : 0.18%</b>				
<i>IHS Markit Limited 144A</i>	4.75	2-15-2025	1,150,000	1,210,375
<b>Materials : 0.90%</b>				
<b>Containers &amp; Packaging : 0.77%</b>				
<i>Ardagh Packaging Finance plc 144A</i>	4.25	9-15-2022	600,000	616,500
<i>Ardagh Packaging Finance plc 144A</i>	6.00	2-15-2025	2,950,000	3,150,954
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	1,175,000	1,296,906
				5,064,360
<b>Metals &amp; Mining : 0.13%</b>				
<i>ArcelorMittal SA</i>	6.13	6-1-2025	450,000	513,563
<i>Novelis Corporation 144A</i>	6.25	8-15-2024	325,000	347,750
				861,313
<b>Telecommunication Services : 2.46%</b>				
<b>Diversified Telecommunication Services : 2.46%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	11,740,000	10,125,750
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	4,975,000	3,184,000
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	3,750,000	2,321,222
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	635,250
				16,266,222
<b>Total Yankee Corporate Bonds and Notes</b>				
<b>(Cost \$81,778,553)</b>				77,230,703

	Yield	Shares	
<b>Short-Term Investments : 3.76%</b>			
<b>Investment Companies : 3.76%</b>			
<i>Wells Fargo Government Money Market Fund Select Class (l)(u)##</i>	0.89	24,808,767	24,808,767
<b>Total Short-Term Investments (Cost \$24,808,767)</b>			24,808,767
<b>Total investments in securities (Cost \$870,257,162)*</b>	133.78%		883,913,280
<i>Other assets and liabilities, net</i>	(33.78)		(223,181,933)
<b>Total net assets</b>	100.00%		\$ 660,731,347

*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) The security is fair valued in accordance with procedures approved by the Board of Trustees.*

*(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.*

*(z) Zero coupon security. The rate represents the current yield to maturity.*

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

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

¥ 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.

± Variable rate investment. The rate shown is the rate in effect at period end.

(l) The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.

(u) The rate represents the 7-day annualized yield at period end.

## All or a portion of this security is segregated for when-issued securities.

\* Cost for federal income tax purposes is \$875,577,795 and unrealized gains (losses) consists of:

Gross unrealized gains	\$ 43,219,468
Gross unrealized losses	(34,883,983)
Net unrealized gains	\$ 8,335,485

*Abbreviations:*

LLC Limited liability company

LP Limited partnership

plc Public limited company

REIT Real estate investment trust



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

**Notes to Portfolio of investments July 31, 2017 (unaudited)**

**Securities valuation**

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation under unusual or unexpected circumstances.

Debt securities are valued at the evaluated bid price provided by an independent pricing service or, if a reliable price is not available, the quoted bid price from an independent broker-dealer.

Equity securities that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price. If no sale occurs on the principal exchange or market that day, the prior day's price will be deemed stale and a fair value price will be determined in accordance with the Fund's Valuation Procedures.

Investments in registered open-end investment companies are valued at net asset value.

Investments which are not valued using any of the methods discussed above are valued at their fair value, as determined in good faith by the Board of Trustees of the Fund. The Board of Trustees has established a Valuation Committee comprised of the Trustees and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities, unless the determination has been delegated to the Management Valuation Team of Wells Fargo Funds Management, LLC. The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Management Valuation Team which may include items for ratification.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market values, to assess the continued appropriateness of the fair valuation methodologies used. These securities are fair valued on a day-to-day basis, taking into consideration changes to appropriate market information and any significant changes to the inputs considered in the valuation process until there is a readily available price provided on an exchange or by an independent pricing service. Valuations received from an independent pricing service or independent broker-dealer quotes are periodically validated by comparisons to most recent trades and valuations provided by other independent pricing services in addition to the review of prices by the manager and/or subadviser. Unobservable inputs used in determining fair valuations are identified based on the type of security, taking into consideration factors utilized by market participants in valuing the investment, knowledge about the issuer and the current market environment.

**When-issued transactions**

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

## **Loans**

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. Investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When the Fund purchases participations, it generally has no rights to enforce compliance with terms of the loan agreement with the borrower. As a result, the Fund assumes the credit risk of both the borrower and the lender that is selling the participation. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan and may enforce compliance by the borrower with the terms of the loan agreement. Loans may include fully funded term loans or unfunded loan commitments, which are contractual obligations for future funding.

## **Fair valuation measurements**

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the Fund's investments. The three-level hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Fund's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs are summarized into three broad levels as follows:

- Level 1 quoted prices in active markets for identical securities
- Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing investments in securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of July 31, 2017:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets</b>				
<b>Investments in :</b>				
<b>Common stocks</b>				
Energy	\$ 0	\$ 407,188	\$ 0	\$ 407,188
Materials	631	0	0	631
Utilities	2,710,802	0	0	2,710,802
<b>Corporate bonds and notes</b>	0	742,622,451	0	742,622,451
<b>Loans</b>	0	32,620,973	2,952,115	35,573,088
<b>Rights</b>				
Utilities	0	559,650	0	559,650
<b>Yankee corporate bonds and notes</b>	0	77,221,065	9,638	77,230,703
<b>Short-term investments</b>				
Investment companies	24,808,767	0	0	24,808,767
<b>Total assets</b>	<b>\$ 27,520,200</b>	<b>\$ 853,431,327</b>	<b>\$ 2,961,753</b>	<b>\$ 883,913,280</b>

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At July 31, 2017, the Fund did not have any transfers between Level 1 and Level 2. Bank loans with a market value of \$8,511,862 were transferred from Level 3 to Level 2 due to an increase in the number of market contributors.

ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Income Opportunities Fund (the Fund ) disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the Fund is made known to them by the appropriate persons based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.

(b) There were no significant changes in the Fund s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

**SIGNATURES**

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

Wells Fargo Income Opportunities Fund

By: /s/ Andrew Owen

Andrew Owen  
President

Date: September 25, 2017

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

Wells Fargo Income Opportunities Fund

By: /s/ Andrew Owen

Andrew Owen  
President

Date: September 25, 2017

By: /s/ Jeremy DePalma

Jeremy DePalma  
Treasurer

Date: September 25, 2017