

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

July 27, 2011

**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 Advantage Utilities and High Income 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: 800-643-9691**

Date of fiscal year end: **August 31, 2010**

Date of reporting period: **May 31, 2011**

## ITEM 1. SCHEDULE OF INVESTMENTS

PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Shares    | Value        |
|--|-----------|--------------|
| <b>Common Stocks: 67.87%</b>                         |           |              |
| <b>Consumer Discretionary: 6.95%</b>                 |           |              |
| <b>Media: 6.95%</b>                                  |           |              |
| <i>Comcast Corporation Class A</i>                   | 47,900    | \$ 1,208,996 |
| <i>Mediaset SpA</i>                                  | 1,310,000 | 6,854,633    |
|  |           | 8,063,629    |
| <b>Energy: 6.25%</b>                                 |           |              |
| <b>Oil, Gas &amp; Consumable Fuels: 6.25%</b>        |           |              |
| <i>Enbridge Incorporated</i>                         | 15,000    | 1,009,350    |
| <i>EQT Corporation</i>                               | 15,000    | 812,700      |
| <i>Southwestern Energy Company</i>                   | 25,000    | 1,094,250    |
| <i>Spectra Energy Corporation</i>                    | 100,000   | 2,759,000    |
| <i>The Williams Companies Incorporated</i>           | 50,000    | 1,569,500    |
|  |           | 7,244,800    |
| <b>Financials: 4.89%</b>                             |           |              |
| <b>Capital Markets: 0.56%</b>                        |           |              |
| <i>optionsXpress Holdings Incorporated</i>           | 35,600    | 651,480      |
| <b>Consumer Finance: 4.33%</b>                       |           |              |
| <i>MasterCard Incorporated</i>                       | 9,000     | 2,583,450    |
| <i>Visa Incorporated Class A</i>                     | 30,000    | 2,431,800    |
|  |           | 5,015,250    |
| <b>Industrials: 0.11%</b>                            |           |              |
| <b>Construction &amp; Engineering: 0.11%</b>         |           |              |
| <i>Ameresco Incorporated Class A</i>                 | 9,000     | 131,580      |
| <b>Information Technology: 0.83%</b>                 |           |              |
| <b>IT Services: 0.83%</b>                            |           |              |
| <i>Convergys Corporation</i>                         | 75,000    | 958,500      |
| <b>Telecommunication Services: 14.31%</b>            |           |              |
| <b>Diversified Telecommunication Services: 8.20%</b> |           |              |
| <i>BCE Incorporated</i>                              | 16,000    | 643,840      |
| <i>Shenandoah Telecommunications Company(i)</i>      | 40,000    | 728,400      |
| <i>Tele2 AB Series B</i>                             | 325,000   | 6,356,286    |
| <i>Telecom Italia RSP</i>                            | 357,100   | 436,817      |
| <i>Windstream Corporation</i>                        | 100,000   | 1,345,000    |
|  |           | 9,510,343    |

**Wireless Telecommunication Services: 6.11%**

|                                     |         |           |
|-------------------------------------|---------|-----------|
| <i>Portugal Telecom SGPS SA ADR</i> | 585,000 | 6,411,600 |
| <i>Vivo Participacoes SA ADR</i>    | 12,000  | 541,440   |
| <i>Vodafone Group plc ADR</i>       | 5,000   | 140,150   |
|                                     |         | 7,093,190 |

*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report or Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*

## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

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| Security Name                                | Shares  | Value      |
|--|---------|------------|
| <b>Utilities: 34.53%</b>                     |         |            |
| <b>Electric Utilities: 20.63%</b>            |         |            |
| American Electric Power Company Incorporated | 600     | \$ 22,920  |
| CenterPoint Energy Incorporated              | 50,000  | 966,500    |
| CH Energy Group Incorporated                 | 500     | 26,975     |
| Chesapeake Midstream Partner LP              | 5,000   | 131,200    |
| Chesapeake Utilities Corporation             | 200     | 8,088      |
| China Hydroelectric Company ADR              | 10,000  | 43,800     |
| Duke Energy Corporation                      | 500     | 9,375      |
| Edison International                         | 2,000   | 78,720     |
| Entergy Corporation                          | 1,000   | 68,150     |
| FirstEnergy Corporation                      | 25,000  | 1,115,500  |
| Great Plains Energy Incorporated             | 150,000 | 3,175,500  |
| Hawaiian Electric Industries Incorporated    | 100,000 | 2,483,000  |
| ITC Holdings Corporation                     | 36,000  | 2,602,440  |
| Nextera Energy Incorporated                  | 70,000  | 4,056,500  |
| Northeast Utilities                          | 100,000 | 3,524,000  |
| NSTAR  | 1,000   | 46,040     |
| NV Energy Incorporated                       | 75,000  | 1,182,750  |
| Pepco Holdings Incorporated                  | 100     | 1,997      |
| Portland General Electric Company            | 75,000  | 1,947,750  |
| Progress Energy Incorporated                 | 400     | 19,048     |
| South Jersey Industries Incorporated         | 200     | 11,194     |
| The Southern Company                         | 60,000  | 2,404,800  |
|  |         | 23,926,247 |
| <b>Gas Utilities: 2.96%</b>                  |         |            |
| El Paso Corporation                          | 25,000  | 526,250    |
| MDU Resources Group Incorporated             | 500     | 11,815     |
| National Fuel Gas Company                    | 40,000  | 2,881,600  |
| New Jersey Resources Corporation             | 200     | 9,216      |
|  |         | 3,428,881  |
| <b>Multi-Utilities: 6.07%</b>                |         |            |
| Dominion Resources Incorporated              | 300     | 14,316     |
| PG&E Corporation                             | 96,000  | 4,164,480  |
| Public Service Enterprise Group Incorporated | 50,000  | 1,675,000  |
| Sempra Energy                                | 19,900  | 1,097,883  |
| Wisconsin Energy Corporation                 | 3,000   | 93,810     |
|  |         | 7,045,489  |
| <b>Water Utilities: 4.87%</b>                |         |            |
| American Water Works Company Incorporated    | 50,000  | 1,500,500  |
| Middlesex Water Company                      | 25,000  | 469,000    |
| Pennichuck Corporation                       | 130,000 | 3,684,200  |
|  |         | 5,653,700  |

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**Total Common Stocks**  
**(Cost \$70,225,811)**

78,723,089

|  | <b>Interest Rate</b> | <b>Maturity Date</b> | <b>Principal</b> |        |
|--|----------------------|----------------------|------------------|--------|
| <b>Corporate Bonds and Notes: 29.22%</b> |                      |                      |                  |        |
| <b>Consumer Discretionary: 4.97%</b>     |                      |                      |                  |        |
| <b>Auto Components: 0.48%</b>            |                      |                      |                  |        |
| <i>Allison Transmission Incorporated</i> | 7.13%                | 05/15/2019           | 100,000          | 99,250 |

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## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal  | Value     |
|--|---------------|---------------|------------|-----------|
| <b>Auto Components (continued)</b>                   |               |               |            |           |
| <i>Cooper Tire &amp; Rubber Company</i>              | 7.63%         | 03/15/2027    | \$ 215,000 | 209,088   |
| <i>Goodyear Tire &amp; Rubber Company</i>            | 10.50         | 05/15/2016    | 218,000    | 246,885   |
|  |               |               |            | 555,223   |
| <b>Diversified Consumer Services: 0.86%</b>          |               |               |            |           |
| <i>Carriage Services Incorporated</i>                | 7.88          | 01/15/2015    | 185,000    | 187,313   |
| <i>Service Corporation International</i>             | 6.75          | 04/01/2016    | 75,000     | 80,438    |
| <i>Service Corporation International</i>             | 7.50          | 04/01/2027    | 465,000    | 451,050   |
| <i>Service Corporation International</i>             | 8.00          | 11/15/2021    | 40,000     | 44,300    |
| <i>StoneMor Partners LP</i>                          | 10.25         | 12/01/2017    | 225,000    | 231,469   |
|  |               |               |            | 994,570   |
| <b>Hotels, Restaurants &amp; Leisure: 1.07%</b>      |               |               |            |           |
| <i>Ameristar Casinos Incorporated</i>                | 7.50          | 04/15/2021    | 75,000     | 77,813    |
| <i>Burger King Corporation</i>                       | 9.88          | 10/15/2018    | 75,000     | 79,969    |
| <i>Chukchansi Economic Development Authority</i>     | 3.92          | 11/15/2012    | 100,000    | 82,250    |
| <i>Cinemark USA Incorporated</i>                     | 7.38          | 06/15/2021    | 25,000     | 25,000    |
| <i>Citycenter Holdings LLC</i>                       | 7.63          | 01/15/2016    | 25,000     | 25,625    |
| <i>Citycenter Holdings LLC</i> ¥                     | 11.50         | 01/15/2017    | 75,000     | 83,813    |
| <i>DineEquity Incorporated</i>                       | 9.50          | 10/30/2018    | 50,000     | 54,750    |
| <i>Greektown Superholdings Incorporated</i>          | 13.00         | 07/01/2015    | 300,000    | 339,000   |
| <i>Greektown Superholdings Incorporated</i>          | 13.00         | 07/01/2015    | 150,000    | 169,500   |
| <i>Scientific Games Corporation</i>                  | 9.25          | 06/15/2019    | 60,000     | 66,000    |
| <i>Speedway Motorsports Incorporated</i>             | 6.75          | 02/01/2019    | 25,000     | 25,375    |
| <i>Speedway Motorsports Incorporated</i>             | 8.75          | 06/01/2016    | 120,000    | 131,400   |
| <i>Yonkers Racing Corporation</i>                    | 11.38         | 07/15/2016    | 75,000     | 82,594    |
|  |               |               |            | 1,243,089 |
| <b>Household Durables: 0.01%</b>                     |               |               |            |           |
| <i>Sealy Mattress Corporation</i>                    | 10.88         | 04/15/2016    | 9,000      | 10,103    |
| <b>Leisure Equipment &amp; Products: 0.02%</b>       |               |               |            |           |
| <i>Eastman Kodak Company</i>                         | 7.25          | 11/15/2013    | 25,000     | 23,813    |
| <b>Media: 2.20%</b>                                  |               |               |            |           |
| <i>Cablevision Systems Corporation</i>               | 8.63          | 09/15/2017    | 145,000    | 163,488   |
| <i>CCH II Capital Corporation</i>                    | 13.50         | 11/30/2016    | 605,000    | 719,950   |
| <i>Charter Communications Incorporated Step Bond</i> | 10.88         | 09/15/2014    | 595,000    | 660,450   |
| <i>CSC Holdings LLC</i>                              | 7.88          | 02/15/2018    | 50,000     | 54,750    |
| <i>DISH DBS Corporation</i>                          | 7.88          | 09/01/2019    | 115,000    | 125,206   |
| <i>Gray Television Incorporated</i>                  | 10.50         | 06/29/2015    | 50,000     | 53,125    |
| <i>Interactive Data Corporation</i>                  | 10.25         | 08/01/2018    | 25,000     | 27,813    |
| <i>Lamar Media Corporation Series C</i>              | 9.75          | 04/01/2014    | 25,000     | 29,063    |
| <i>LIN Television Corporation</i>                    | 8.38          | 04/15/2018    | 75,000     | 80,250    |

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|   |      |            |         |           |
|---|------|------------|---------|-----------|
| <i>Local TV Finance LLC</i> ¥           | 9.25 | 06/15/2015 | 100,000 | 100,000   |
| <i>NAI Entertainment Holdings LLC</i>   | 8.25 | 12/15/2017 | 75,000  | 81,000    |
| <i>Regal Cinemas Corporation</i>        | 8.63 | 07/15/2019 | 200,000 | 214,000   |
| <i>Salem Communications Corporation</i> | 9.63 | 12/15/2016 | 230,000 | 246,675   |
|   |      |            |         | 2,555,770 |

**Specialty Retail: 0.13%**

|                                    |      |            |        |        |
|------------------------------------|------|------------|--------|--------|
| <i>Gap Incorporated</i>            | 5.95 | 04/12/2021 | 50,000 | 49,012 |
| <i>Limited Brands Incorporated</i> | 6.63 | 04/01/2021 | 25,000 | 26,063 |
| <i>Rent-A-Center Incorporated</i>  | 6.63 | 11/15/2020 | 25,000 | 24,938 |

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| Security Name   | Interest Rate | Maturity Date | Principal | Value     |
|---|---------------|---------------|-----------|-----------|
| <b>Specialty Retail (continued)</b>                     |               |               |           |           |
| <i>Toys R Us Property Company I LLC</i>                 | 8.50%         | 12/01/2017    | \$ 50,000 | 53,563    |
|   |               |               |           | 153,576   |
| <b>Textiles, Apparel &amp; Luxury Goods: 0.20%</b>      |               |               |           |           |
| <i>Oxford Industries Incorporated</i>                   | 11.38         | 07/15/2015    | 200,000   | 228,000   |
| <b>Consumer Staples: 0.28%</b>                          |               |               |           |           |
| <b>Food Products: 0.28%</b>                             |               |               |           |           |
| <i>Blue Merger Incorporated</i>                         | 7.63          | 02/15/2019    | 75,000    | 76,547    |
| <i>Darling International Incorporated</i>               | 8.50          | 12/15/2018    | 25,000    | 27,250    |
| <i>Dole Food Company Incorporated</i>                   | 13.88         | 03/15/2014    | 181,000   | 219,236   |
|   |               |               |           | 323,033   |
| <b>Energy: 4.71%</b>                                    |               |               |           |           |
| <b>Energy Equipment &amp; Services: 0.88%</b>           |               |               |           |           |
| <i>Bristow Group Incorporated</i>                       | 7.50          | 09/15/2017    | 110,000   | 115,500   |
| <i>Dresser Rand Group Incorporated</i>                  | 6.50          | 05/01/2021    | 75,000    | 77,438    |
| <i>Gulfmark Offshore Incorporated</i>                   | 7.75          | 07/15/2014    | 225,000   | 228,375   |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 6.13          | 12/01/2014    | 260,000   | 261,300   |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 8.00          | 09/01/2017    | 55,000    | 56,375    |
| <i>Oil States International Incorporated</i>            | 6.50          | 06/01/2019    | 50,000    | 50,313    |
| <i>PHI Incorporated</i>                                 | 8.63          | 10/15/2018    | 200,000   | 212,500   |
| <i>Pride International Incorporated</i>                 | 8.50          | 06/15/2019    | 10,000    | 12,804    |
|   |               |               |           | 1,014,605 |
| <b>Oil, Gas &amp; Consumable Fuels: 3.83%</b>           |               |               |           |           |
| <i>Chesapeake Energy Corporation</i>                    | 9.50          | 02/15/2015    | 255,000   | 300,900   |
| <i>Coffeyville Resources Energy Incorporated</i>        | 9.00          | 04/01/2015    | 45,000    | 48,825    |
| <i>Coffeyville Resources Energy Incorporated</i>        | 10.88         | 04/01/2017    | 100,000   | 113,500   |
| <i>Connacher Oil &amp; Gas Limited</i>                  | 10.25         | 12/15/2015    | 55,000    | 60,019    |
| <i>Connacher Oil &amp; Gas Limited</i>                  | 11.75         | 07/15/2014    | 20,000    | 21,350    |
| <i>Consol Energy Incorporated</i>                       | 8.25          | 04/01/2020    | 165,000   | 183,150   |
| <i>Denbury Resources Incorporated</i>                   | 6.38          | 08/15/2021    | 25,000    | 25,313    |
| <i>Denbury Resources Incorporated</i>                   | 8.25          | 02/15/2020    | 25,000    | 27,625    |
| <i>El Paso Corporation</i>                              | 6.50          | 09/15/2020    | 45,000    | 50,852    |
| <i>El Paso Corporation</i>                              | 7.25          | 06/01/2018    | 75,000    | 88,243    |
| <i>El Paso Corporation</i>                              | 7.42          | 02/15/2037    | 90,000    | 103,933   |
| <i>El Paso Corporation</i>                              | 7.80          | 08/01/2031    | 100,000   | 121,465   |
| <i>Energy Transfer Equity</i>                           | 7.50          | 10/15/2020    | 300,000   | 327,000   |
| <i>Ferrellgas LP</i>                                    | 6.50          | 05/01/2021    | 50,000    | 49,813    |
| <i>Ferrellgas LP</i>                                    | 9.13          | 10/01/2017    | 200,000   | 224,000   |
| <i>Forest Oil Corporation</i>                           | 7.25          | 06/15/2019    | 95,000    | 97,613    |
| <i>Forest Oil Corporation</i>                           | 8.50          | 02/15/2014    | 65,000    | 71,988    |
| <i>Hilcorp Energy Company</i>                           | 7.75          | 11/01/2015    | 50,000    | 51,750    |
| <i>Holly Corporation</i>                                | 9.88          | 06/15/2017    | 220,000   | 246,950   |

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|  |       |            |         |         |
|--|-------|------------|---------|---------|
| <i>Inergy LP</i>                                   | 6.88  | 08/01/2021 | 50,000  | 51,500  |
| <i>Inergy LP</i>                                   | 7.00  | 10/01/2018 | 50,000  | 51,500  |
| <i>Newfield Exploration Company</i>                | 6.88  | 02/01/2020 | 55,000  | 58,300  |
| <i>OPTI Canada Incorporated</i>                    | 8.25  | 12/15/2014 | 50,000  | 24,875  |
| <i>Peabody Energy Corporation</i>                  | 7.88  | 11/01/2026 | 390,000 | 440,700 |
| <i>Penn Virginia Corporation</i>                   | 10.38 | 06/15/2016 | 10,000  | 11,250  |
| <i>Petrohawk Energy Corporation</i>                | 7.88  | 06/01/2015 | 95,000  | 100,225 |
| <i>Petrohawk Energy Corporation</i>                | 10.50 | 08/01/2014 | 60,000  | 68,100  |
| <i>Pioneer Natural Resource Company</i>            | 7.50  | 01/15/2020 | 145,000 | 164,678 |
| <i>Plains Exploration &amp; Production Company</i> | 8.63  | 10/15/2019 | 325,000 | 359,125 |

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| Security Name                                      | Interest Rate | Maturity Date | Principal | Value     |
|--|---------------|---------------|-----------|-----------|
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b> |               |               |           |           |
| <i>Regency Energy Partners</i>                     | 6.88%         | 12/01/2018    | \$ 25,000 | 26,313    |
| <i>Sabine Pass LNG LP</i>                          | 7.25          | 11/30/2013    | 250,000   | 258,750   |
| <i>Sabine Pass LNG LP</i>                          | 7.50          | 11/30/2016    | 200,000   | 205,500   |
| <i>Sandridge Energy Incorporated</i>               | 8.75          | 01/15/2020    | 90,000    | 97,875    |
| <i>Stallion Oilfield Holdings Incorporated</i>     | 10.50         | 02/15/2015    | 44,000    | 47,960    |
| <i>Suburban Propane Partners LP</i>                | 7.38          | 03/15/2020    | 25,000    | 26,750    |
| <i>Susser Holdings LLC</i>                         | 8.50          | 05/15/2016    | 125,000   | 135,000   |
| <i>Tesoro Corporation(i)</i>                       | 9.75          | 06/01/2019    | 90,000    | 102,150   |
|  |               |               |           | 4,444,840 |

**Financials: 7.19%****Capital Markets: 0.59%**

|  |       |            |         |         |
|--|-------|------------|---------|---------|
| <i>E*TRADE Financial Corporation</i> ¥   | 12.50 | 11/30/2017 | 68,000  | 81,770  |
| <i>Nuveen Investments Incorporated</i>   | 5.50  | 09/15/2015 | 200,000 | 180,000 |
| <i>Nuveen Investments Incorporated</i>   | 10.50 | 11/15/2015 | 200,000 | 211,000 |
| <i>Nuveen Investments Incorporated</i>   | 10.50 | 11/15/2015 | 150,000 | 159,000 |
| <i>Oppenheimer Holdings Incorporated</i> | 8.75  | 04/15/2018 | 50,000  | 52,750  |
|  |       |            |         | 684,520 |

**Commercial Banks: 0.68%**

|                                   |       |            |         |         |
|-----------------------------------|-------|------------|---------|---------|
| <i>CapitalSource Incorporated</i> | 12.75 | 07/15/2014 | 215,000 | 259,613 |
| <i>CIT Group Incorporated</i>     | 5.25  | 04/01/2014 | 75,000  | 76,396  |
| <i>CIT Group Incorporated</i>     | 6.63  | 04/01/2018 | 25,000  | 26,288  |
| <i>CIT Group Incorporated</i>     | 7.00  | 05/01/2015 | 425,000 | 428,188 |
|                                   |       |            |         | 790,485 |

**Consumer Finance: 3.49%**

|   |       |            |         |         |
|---|-------|------------|---------|---------|
| <i>American General Finance Corporation</i>               | 5.40  | 12/01/2015 | 125,000 | 118,125 |
| <i>American General Finance Corporation</i>               | 5.75  | 09/15/2016 | 50,000  | 46,375  |
| <i>American General Finance Corporation</i>               | 6.50  | 09/15/2017 | 50,000  | 46,500  |
| <i>Calpine Construction Finance Corporation</i>           | 7.25  | 10/15/2017 | 325,000 | 338,000 |
| <i>Calpine Construction Finance Corporation</i>           | 8.00  | 06/01/2016 | 125,000 | 136,250 |
| <i>Clearwire Communications Finance Corporation</i>       | 12.00 | 12/01/2015 | 130,000 | 142,188 |
| <i>Ford Motor Credit Company</i>                          | 9.88  | 08/10/2011 | 235,000 | 238,347 |
| <i>GMAC LLC</i>   | 6.75  | 12/01/2014 | 36,000  | 38,340  |
| <i>GMAC LLC</i>   | 6.88  | 09/15/2011 | 6,000   | 6,060   |
| <i>GMAC LLC</i>   | 6.88  | 08/28/2012 | 146,000 | 152,570 |
| <i>Homer City Funding LLC</i>                             | 8.73  | 10/01/2026 | 142,089 | 128,590 |
| <i>International Lease Finance Corporation</i>            | 4.75  | 01/13/2012 | 140,000 | 142,100 |
| <i>International Lease Finance Corporation</i>            | 5.30  | 05/01/2012 | 275,000 | 281,875 |
| <i>International Lease Finance Corporation</i>            | 8.63  | 09/15/2015 | 75,000  | 83,156  |
| <i>International Lease Finance Corporation Series MTN</i> | 5.75  | 06/15/2011 | 50,000  | 50,000  |
| <i>JBS USA Finance Incorporated</i>                       | 11.63 | 05/01/2014 | 420,000 | 491,400 |

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|                                       |       |            |         |           |
|---------------------------------------|-------|------------|---------|-----------|
| <i>Nielsen Finance LLC Company</i>    | 7.75  | 10/15/2018 | 375,000 | 402,188   |
| <i>Nielsen Finance LLC Company</i>    | 11.50 | 05/01/2016 | 49,000  | 57,943    |
| <i>Springleaf Finance Corporation</i> | 6.90  | 12/15/2017 | 125,000 | 118,750   |
| <i>Sprint Capital Corporation</i>     | 6.88  | 11/15/2028 | 675,000 | 654,750   |
| <i>Sprint Capital Corporation</i>     | 6.90  | 05/01/2019 | 120,000 | 125,400   |
| <i>Sprint Capital Corporation</i>     | 8.38  | 03/15/2012 | 235,000 | 246,163   |
|                                       |       |            |         | 4,045,070 |

**Diversified Financial Services: 1.21%**

|  |      |            |         |           |
|--|------|------------|---------|-----------|
| <i>Ally Financial Incorporated</i>                   | 8.30 | 02/12/2015 | 825,000 | 919,875   |
| <i>Dunkin Finance Corporation</i>                    | 9.63 | 12/01/2018 | 38,000  | 38,332    |
| <i>General Motors Financial Company Incorporated</i> | 6.75 | 06/01/2018 | 100,000 | 100,760   |
| <i>Leucadia National Corporation</i>                 | 8.13 | 09/15/2015 | 313,000 | 347,430   |
|  |      |            |         | 1,406,397 |

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**PORTFOLIO OF INVESTMENTS** May 31, 2011 (UNAUDITED)**WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND**

| Security Name  | Interest Rate | Maturity Date | Principal  | Value     |
|--|---------------|---------------|------------|-----------|
| <b>Insurance: 0.42%</b>                                |               |               |            |           |
| <i>Emigrant Bancorp Incorporated (i)</i>               | 6.25%         | 06/15/2014    | \$ 225,000 | 201,491   |
| <i>HUB International Holdings Incorporated</i>         | 10.25         | 06/15/2015    | 275,000    | 285,313   |
|  |               |               |            | 486,804   |
| <b>REIT: 0.80%</b>                                     |               |               |            |           |
| <i>Dupont Fabros Technology Incorporated</i>           | 8.50          | 12/15/2017    | 565,000    | 622,206   |
| <i>Host Marriott Corporation</i>                       | 9.00          | 05/15/2017    | 30,000     | 33,900    |
| <i>MPT Operating Partnership LP</i>                    | 6.88          | 05/01/2021    | 50,000     | 50,250    |
| <i>Omega Healthcare Investors Incorporated</i>         | 6.75          | 10/15/2022    | 125,000    | 124,688   |
| <i>Ventas Incorporated</i>                             | 9.00          | 05/01/2012    | 90,000     | 96,165    |
|  |               |               |            | 927,209   |
| <b>Health Care: 1.32%</b>                              |               |               |            |           |
| <i>Health Care Equipment &amp; Supplies: 0.24%</i>     |               |               |            |           |
| <i>Biomet Incorporated</i> ¥                           | 10.38         | 10/15/2017    | 60,000     | 66,600    |
| <i>Biomet Incorporated</i>                             | 11.63         | 10/15/2017    | 100,000    | 112,250   |
| <i>Fresenius Medical Care Incorporated</i>             | 5.75          | 02/15/2021    | 100,000    | 98,250    |
|  |               |               |            | 277,100   |
| <b>Health Care Providers &amp; Services: 0.97%</b>     |               |               |            |           |
| <i>Apria Healthcare Group</i>                          | 11.25         | 11/01/2014    | 120,000    | 126,750   |
| <i>Aviv Healthcare Properties LP</i>                   | 7.75          | 02/15/2019    | 100,000    | 102,250   |
| <i>Centene Corporation</i>                             | 5.75          | 06/01/2017    | 75,000     | 73,875    |
| <i>HCA Incorporated</i>                                | 9.25          | 11/15/2016    | 400,000    | 427,000   |
| <i>HCA Incorporated</i> ¥                              | 9.63          | 11/15/2016    | 129,000    | 138,030   |
| <i>Health Management plc</i>                           | 6.13          | 04/15/2016    | 50,000     | 52,250    |
| <i>Healthisouth Corporation</i>                        | 7.25          | 10/01/2018    | 25,000     | 26,563    |
| <i>Healthisouth Corporation</i>                        | 7.75          | 09/15/2022    | 25,000     | 26,688    |
| <i>Sabra Health Care Corporation</i>                   | 8.13          | 11/01/2018    | 150,000    | 153,375   |
|  |               |               |            | 1,126,781 |
| <b>Life Sciences Tools &amp; Services: 0.04%</b>       |               |               |            |           |
| <i>Community Health Systems Incorporated Series WI</i> | 8.88          | 07/15/2015    | 50,000     | 51,625    |
| <b>Pharmaceuticals: 0.07%</b>                          |               |               |            |           |
| <i>Mylan Incorporated</i>                              | 6.00          | 11/15/2018    | 25,000     | 25,688    |
| <i>Mylan Incorporated</i>                              | 7.63          | 07/15/2017    | 25,000     | 27,531    |
| <i>Mylan Incorporated</i>                              | 7.88          | 07/15/2020    | 25,000     | 27,688    |
|  |               |               |            | 80,907    |
| <b>Industrials: 2.11%</b>                              |               |               |            |           |
| <b>Aerospace &amp; Defense: 0.88%</b>                  |               |               |            |           |
| <i>Alliant Techsystems Incorporated</i>                | 6.75          | 04/01/2016    | 225,000    | 231,188   |
| <i>Digitalglobe Incorporated</i>                       | 10.50         | 05/01/2014    | 50,000     | 55,938    |
| <i>Geeye Incorporated</i>                              | 9.63          | 10/01/2015    | 55,000     | 62,081    |

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|   |       |            |         |           |
|---|-------|------------|---------|-----------|
| <i>Hexcel Corporation</i>                                   | 6.75  | 02/01/2015 | 53,000  | 54,126    |
| <i>Huntington Ingalls Industries Incorporated</i>           | 7.13  | 03/15/2021 | 25,000  | 26,094    |
| <i>Kratos Defense &amp; Security Solutions Incorporated</i> | 10.00 | 06/01/2017 | 130,000 | 143,000   |
| <i>L-3 Communications Holdings Incorporated</i>             | 6.38  | 10/15/2015 | 360,000 | 371,700   |
| <i>Wyle Services Corporation</i>                            | 10.50 | 04/01/2018 | 70,000  | 74,725    |
|   |       |            |         | 1,018,852 |

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## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal | Value   |
|--|---------------|---------------|-----------|---------|
| <b>Commercial Services &amp; Supplies: 0.81%</b>     |               |               |           |         |
| <i>Brickman Group Holdings</i>                       | 9.13%         | 11/01/2018    | \$ 25,000 | 25,938  |
| <i>Casella Waste Systems Incorporated</i>            | 7.75          | 02/15/2019    | 25,000    | 25,313  |
| <i>Casella Waste Systems Incorporated</i>            | 11.00         | 07/15/2014    | 220,000   | 248,600 |
| <i>Corrections Corporation of America</i>            | 6.25          | 03/15/2013    | 60,000    | 60,450  |
| <i>Corrections Corporation of America</i>            | 7.75          | 06/01/2017    | 95,000    | 104,025 |
| <i>Geo Group Incorporated</i>                        | 7.75          | 10/15/2017    | 100,000   | 107,250 |
| <i>Iron Mountain Incorporated</i>                    | 8.38          | 08/15/2021    | 155,000   | 165,850 |
| <i>KAR Holdings Incorporated</i>                     | 4.27          | 05/01/2014    | 75,000    | 74,063  |
| <i>KAR Holdings Incorporated</i>                     | 10.00         | 05/01/2015    | 25,000    | 26,313  |
| <i>NCO Group Incorporated</i>                        | 11.88         | 11/15/2014    | 125,000   | 108,750 |
|  |               |               |           | 946,552 |
| <b>Industrial Conglomerates: 0.21%</b>               |               |               |           |         |
| <i>Otter Tail Corporation</i>                        | 9.00          | 12/15/2016    | 215,000   | 238,919 |
| <b>Machinery: 0.14%</b>                              |               |               |           |         |
| <i>Cleaver-Brooks Incorporated</i>                   | 12.25         | 05/01/2016    | 55,000    | 57,200  |
| <i>Columbus Mckinnon Corporation</i>                 | 7.88          | 02/01/2019    | 75,000    | 77,625  |
| <i>Titan International Incorporated</i>              | 7.88          | 10/01/2017    | 25,000    | 26,875  |
|  |               |               |           | 161,700 |
| <b>Professional Services: 0.02%</b>                  |               |               |           |         |
| <i>CDRT Merger Sub Incorporated</i>                  | 8.13          | 06/01/2019    | 25,000    | 25,219  |
| <b>Road &amp; Rail: 0.05%</b>                        |               |               |           |         |
| <i>RailAmerica Incorporated</i>                      | 9.25          | 07/01/2017    | 50,000    | 55,375  |
| <b>Information Technology: 1.92%</b>                 |               |               |           |         |
| <b>Communications Equipment: 0.26%</b>               |               |               |           |         |
| <i>Lucent Technologies Incorporated</i>              | 6.45          | 03/15/2029    | 155,000   | 142,213 |
| <i>Lucent Technologies Incorporated Series B</i>     | 2.88          | 06/15/2025    | 160,000   | 158,200 |
|  |               |               |           | 300,413 |
| <b>Computers &amp; Peripherals: 0.18%</b>            |               |               |           |         |
| <i>Seagate Technology HDD Holdings</i>               | 6.80          | 10/01/2016    | 50,000    | 53,250  |
| <i>Seagate Technology HDD Holdings</i>               | 6.88          | 05/01/2020    | 25,000    | 25,188  |
| <i>Seagate Technology HDD Holdings</i>               | 7.00          | 11/01/2021    | 25,000    | 25,375  |
| <i>Seagate Technology HDD Holdings</i>               | 7.75          | 12/15/2018    | 100,000   | 105,250 |
|  |               |               |           | 209,063 |
| <b>Electronic Equipment &amp; Instruments: 0.88%</b> |               |               |           |         |
| <i>Jabil Circuit Incorporated</i>                    | 8.25          | 03/15/2018    | 620,000   | 714,550 |
| <i>Kemet Corporation</i>                             | 10.50         | 05/01/2018    | 160,000   | 180,400 |

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|                                     |       |            |         |           |
|-------------------------------------|-------|------------|---------|-----------|
| <i>Viasystem Group Incorporated</i> | 12.00 | 01/15/2015 | 115,000 | 129,950   |
|                                     |       |            |         | 1,024,900 |

**Internet Software & Services: 0.09%**

|                             |      |            |        |         |
|-----------------------------|------|------------|--------|---------|
| <i>Equinix Incorporated</i> | 8.13 | 03/01/2018 | 95,000 | 102,600 |
|-----------------------------|------|------------|--------|---------|

**IT Services: 0.51%**

|  |       |            |         |         |
|--|-------|------------|---------|---------|
| <i>First Data Corporation</i>            | 11.25 | 03/31/2016 | 75,000  | 75,188  |
| <i>Intcomex Incorporated</i>             | 13.25 | 12/15/2014 | 105,000 | 109,200 |
| <i>SunGard Data Systems Incorporated</i> | 7.38  | 11/15/2018 | 50,000  | 51,000  |
| <i>SunGard Data Systems Incorporated</i> | 7.63  | 11/15/2020 | 25,000  | 25,938  |
| <i>SunGard Data Systems Incorporated</i> | 10.25 | 08/15/2015 | 225,000 | 234,000 |

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## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal | Value   |
|--|---------------|---------------|-----------|---------|
| <b>IT Services (continued)</b>                         |               |               |           |         |
| <i>Unisys Corporation</i>                              | 12.75%        | 10/15/2014    | \$ 47,000 | 55,519  |
| <i>Unisys Corporation</i>                              | 14.25         | 09/15/2015    | 36,000    | 42,885  |
|  |               |               |           | 593,730 |
| <b>Materials: 1.58%</b>                                |               |               |           |         |
| <b>Chemicals: 0.47%</b>                                |               |               |           |         |
| <i>Huntsman International LLC</i>                      | 5.50          | 06/30/2016    | 140,000   | 139,125 |
| <i>LBI Escrow Corporation</i>                          | 8.00          | 11/01/2017    | 75,000    | 84,375  |
| <i>Lyondell Chemical Company</i>                       | 11.00         | 05/01/2018    | 240,241   | 270,571 |
| <i>Solutia Incorporated</i>                            | 7.88          | 03/15/2020    | 50,000    | 55,000  |
|  |               |               |           | 549,071 |
| <b>Construction Materials: 0.14%</b>                   |               |               |           |         |
| <i>CPG International Incorporated</i>                  | 10.88         | 09/01/2014    | 150,000   | 163,500 |
| <b>Containers &amp; Packaging: 0.39%</b>               |               |               |           |         |
| <i>Crown Americas LLC</i>                              | 7.63          | 05/15/2017    | 25,000    | 27,438  |
| <i>Exopack Holding Corporation</i>                     | 11.25         | 02/01/2014    | 280,000   | 287,000 |
| <i>Graham Packaging Company Incorporated</i>           | 9.88          | 10/15/2014    | 100,000   | 103,750 |
| <i>Owens Brockway Glass Container Incorporated</i>     | 7.38          | 05/15/2016    | 25,000    | 27,625  |
|  |               |               |           | 445,813 |
| <b>Metals &amp; Mining: 0.37%</b>                      |               |               |           |         |
| <i>Freeport-McMoRan Copper &amp; Gold Incorporated</i> | 8.38          | 04/01/2017    | 295,000   | 323,394 |
| <i>Novelis Incorporated</i>                            | 8.38          | 12/15/2017    | 50,000    | 54,500  |
| <i>Novelis Incorporated</i>                            | 8.75          | 12/15/2020    | 50,000    | 55,250  |
|  |               |               |           | 433,144 |
| <b>Paper &amp; Forest Products: 0.21%</b>              |               |               |           |         |
| <i>Clearwater Paper Corporation</i>                    | 10.63         | 06/15/2016    | 70,000    | 79,275  |
| <i>Georgia-Pacific Corporation</i>                     | 8.88          | 05/15/2031    | 125,000   | 160,156 |
|  |               |               |           | 239,431 |
| <b>Telecommunication Services: 3.12%</b>               |               |               |           |         |
| <b>Diversified Telecommunication Services: 2.00%</b>   |               |               |           |         |
| <i>Citizens Communications Company</i>                 | 7.88          | 01/15/2027    | 475,000   | 467,875 |
| <i>Frontier Communications Corporation</i>             | 8.13          | 10/01/2018    | 60,000    | 65,925  |
| <i>Frontier Communications Corporation</i>             | 8.25          | 05/01/2014    | 140,000   | 155,050 |
| <i>GCI Incorporated</i>                                | 6.75          | 06/01/2021    | 75,000    | 75,750  |
| <i>GCI Incorporated</i>                                | 8.63          | 11/15/2019    | 125,000   | 139,219 |
| <i>Intelsat Jackson Holdings Limited</i>               | 7.25          | 04/01/2019    | 50,000    | 50,375  |
| <i>Intelsat Jackson Holdings Limited</i>               | 7.50          | 04/01/2021    | 25,000    | 25,313  |
| <i>Intelsat Jackson Holdings Limited</i>               | 9.50          | 06/15/2016    | 250,000   | 262,500 |
| <i>Qwest Corporation</i>                               | 7.50          | 06/15/2023    | 180,000   | 180,675 |
| <i>Qwest Corporation</i>                               | 7.63          | 08/03/2021    | 20,000    | 20,600  |

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|  |      |            |         |           |
|--|------|------------|---------|-----------|
| <i>Qwest Corporation</i>                     | 8.88 | 03/15/2012 | 350,000 | 368,813   |
| <i>SBA Telecommunications Incorporated</i>   | 8.00 | 08/15/2016 | 50,000  | 54,313    |
| <i>SBA Telecommunications Incorporated</i>   | 8.25 | 08/15/2019 | 25,000  | 27,531    |
| <i>U.S. West Communications Incorporated</i> | 7.25 | 09/15/2025 | 125,000 | 133,438   |
| <i>Windstream Corporation</i>                | 7.88 | 11/01/2017 | 265,000 | 289,844   |
|  |      |            |         | 2,317,221 |

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## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal     | Value      |
|--|---------------|---------------|---------------|------------|
| <b>Wireless Telecommunication Services: 1.12%</b>              |               |               |               |            |
| <i>Allbritton Communications Company</i>                       | 8.00%         | 05/15/2018    | \$ 75,000     | 78,188     |
| <i>CC Holdings GS V LLC</i>                                    | 7.75          | 05/01/2017    | 50,000        | 54,938     |
| <i>Cricket Communications Incorporated Series I</i>            | 7.75          | 05/15/2016    | 150,000       | 159,375    |
| <i>Crown Castle International Corporation</i>                  | 7.13          | 11/01/2019    | 10,000        | 10,650     |
| <i>MetroPCS Communications Incorporated</i>                    | 6.63          | 11/15/2020    | 175,000       | 174,563    |
| <i>MetroPCS Communications Incorporated</i>                    | 7.88          | 09/01/2018    | 50,000        | 53,813     |
| <i>Sprint Nextel Corporation Series D</i>                      | 7.38          | 08/01/2015    | 475,000       | 477,969    |
| <i>Syniverse Holdings Incorporated</i>                         | 9.13          | 01/15/2019    | 275,000       | 294,594    |
|  |               |               |               | 1,304,090  |
| <b>Utilities: 2.02%</b>  |               |               |               |            |
| <b>Electric Utilities: 1.68%</b>                               |               |               |               |            |
| <i>Aquila Incorporated Step Bond</i>                           | 11.88         | 07/01/2012    | 794,000       | 881,126    |
| <i>Energy Future Holdings Corporation</i>                      | 12.00         | 11/01/2017    | 49,556        | 45,839     |
| <i>IPALCO Enterprises Incorporated</i>                         | 5.00          | 05/01/2018    | 75,000        | 75,563     |
| <i>Mirant Mid-Atlantic LLC Series C</i>                        | 10.06         | 12/30/2028    | 438,432       | 491,044    |
| <i>NRG Energy Incorporated</i>                                 | 7.38          | 01/15/2017    | 250,000       | 263,750    |
| <i>NRG Energy Incorporated</i>                                 | 8.50          | 06/15/2019    | 185,000       | 191,475    |
|  |               |               |               | 1,948,797  |
| <b>Gas Utilities: 0.04%</b>                                    |               |               |               |            |
| <i>AmeriGas Partners LP</i>                                    | 6.50          | 05/20/2021    | 50,000        | 51,500     |
| <b>Independent Power Producers &amp; Energy Traders: 0.30%</b> |               |               |               |            |
| <i>Dynegy Holding Incorporated</i>                             | 7.63          | 10/15/2026    | 190,000       | 131,100    |
| <i>Reliant Energy Incorporated</i>                             | 9.24          | 07/02/2017    | 108,798       | 118,862    |
| <i>Reliant Energy Incorporated</i>                             | 9.68          | 07/02/2026    | 10,000        | 10,925     |
| <i>RRI Energy Incorporated</i>                                 | 7.63          | 06/15/2014    | 50,000        | 52,250     |
| <i>RRI Energy Incorporated</i>                                 | 7.88          | 06/15/2017    | 30,000        | 30,150     |
|  |               |               |               | 343,287    |
| <b>Total Corporate Bonds and Notes</b>                         |               |               |               |            |
| <b>(Cost \$31,494,842)</b>                                     |               |               |               | 33,896,697 |
|  | <b>Yield</b>  |               | <b>Shares</b> |            |
| <b>Preferred Stocks: 9.85%</b>                                 |               |               |               |            |
| <b>Financials: 0.05%</b>                                       |               |               |               |            |
| <b>Consumer Finance: 0.05%</b>                                 |               |               |               |            |
| <i>GMAC Capital Trust I</i>                                    | 8.13          |               | 2,200         | 57,772     |
| <b>Utilities: 9.80%</b>  |               |               |               |            |

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**Electric Utilities: 5.84%**

|   |      |        |           |
|---|------|--------|-----------|
| <i>Great Plains Energy Incorporated</i>     | 9.17 | 50,000 | 3,315,500 |
| <i>Interstate Power &amp; Light Company</i> | 7.30 | 61,513 | 1,783,877 |
| <i>Union Electric Company</i>               | 5.66 | 21,082 | 1,670,557 |
|   |      |        | 6,769,934 |

**Multi-Utilities: 3.96%**

|                          |      |         |           |
|--------------------------|------|---------|-----------|
| <i>Scana Corporation</i> | 6.80 | 165,000 | 4,590,300 |
|--------------------------|------|---------|-----------|

**Total Preferred Stocks**

|                            |  |  |            |
|----------------------------|--|--|------------|
| <b>(Cost \$10,833,975)</b> |  |  | 11,418,006 |
|----------------------------|--|--|------------|

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**PORTFOLIO OF INVESTMENTS** May 31, 2011 (UNAUDITED)**WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND**

| Security Name  | Interest Rate | Maturity Date | Principal  | Value   |
|--|---------------|---------------|------------|---------|
| <b>Term Loans: 3.16%</b>                               |               |               |            |         |
| <i>Arrowhead General Insurance Agency Incorporated</i> | 7.50%         | 03/03/2017    | \$ 100,000 | 99,167  |
| <i>Blackstone Group LP</i>                             | 7.75          | 11/02/2014    | 137,958    | 140,027 |
| <i>Capital Automotive LP</i>                           | 5.00          | 03/10/2017    | 296,920    | 296,365 |
| <i>CCM Merger Incorporated&lt;</i>                     | 7.00          | 03/01/2017    | 150,000    | 152,157 |
| <i>Coinmach Corporation</i>                            | 3.25          | 11/20/2014    | 273,332    | 263,492 |
| <i>Fairpoint Communications Incorporated</i>           | 6.50          | 01/22/2016    | 375,000    | 347,280 |
| <i>Federal Mogul Corporation</i>                       | 2.14          | 12/28/2015    | 16,762     | 16,133  |
| <i>Federal Mogul Corporation</i>                       | 2.15          | 12/29/2014    | 32,853     | 31,621  |
| <i>First Data Corporation</i>                          | 2.94          | 09/24/2014    | 70,394     | 65,766  |
| <i>First Data Corporation</i>                          | 2.94          | 09/24/2014    | 164,254    | 153,594 |
| <i>First Data Corporation</i>                          | 2.94          | 09/24/2014    | 240,789    | 225,198 |
| <i>Gray Television Incorporated</i>                    | 3.71          | 12/31/2014    | 71,630     | 71,031  |
| <i>HHI Holdings LLC</i>                                | 7.01          | 03/21/2017    | 100,000    | 99,750  |
| <i>Local TV Finance LLC</i>                            | 2.31          | 05/07/2013    | 120,356    | 117,734 |
| <i>Merisant Company(i)</i>                             | 7.50          | 01/08/2014    | 87,303     | 86,321  |
| <i>NCO Group Incorporated</i>                          | 8.00          | 11/15/2013    | 70,906     | 70,493  |
| <i>Newsday LLC</i>                                     | 10.50         | 08/01/2013    | 365,000    | 387,510 |
| <i>Panoram Industries International(i)</i>             | 8.25          | 12/31/2013    | 23,279     | 21,329  |
| <i>Springleaf Finance Corporation</i>                  | 5.50          | 05/05/2017    | 100,000    | 99,804  |
| <i>Texas Competitive Electric Holdings Company LLC</i> | 3.71          | 10/10/2014    | 568,328    | 483,079 |
| <i>Texas Competitive Electric Holdings Company LLC</i> | 4.74          | 10/10/2017    | 490,970    | 388,480 |
| <i>WASH Multifamily Laundry Systems LLC</i>            | 7.00          | 08/28/2014    | 49,872     | 49,747  |

**Total Term Loans****(Cost \$3,646,862)**

3,666,078

|                        | Expiration Date | Shares |
|------------------------|-----------------|--------|
| <b>Warrants: 0.00%</b> |                 |        |

**Utilities: 0.00%****Electric Utilities: 0.00%**

|   |            |        |       |
|---|------------|--------|-------|
| 10,000 <i>China Hydroelectric Company ADR</i> | 04/15/2018 | 10,000 | 1,970 |
|---|------------|--------|-------|

**Total Warrants****(Cost \$12,000)**

1,970

|  | Maturity Date | Principal |
|--|---------------|-----------|
| <b>Yankee Corporate Bonds and Notes: 0.90%</b> |               |           |

**Consumer Discretionary: 0.07%****Media: 0.07%**

|                          |      |            |           |        |
|--------------------------|------|------------|-----------|--------|
| <i>Videotron Limited</i> | 9.13 | 04/15/2018 | \$ 75,000 | 83,813 |
|--------------------------|------|------------|-----------|--------|

**Energy: 0.39%**

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**Oil, Gas & Consumable Fuels: 0.39%**

|   |       |            |         |         |
|---|-------|------------|---------|---------|
| <i>General Maritime Corporation</i>           | 12.00 | 11/15/2017 | 100,000 | 88,000  |
| <i>Griffin Coal Mining Company Limited</i> ^^ | 0.00  | 12/31/2049 | 321,000 | 314,580 |
| <i>OPTI Canada Incorporated</i>               | 7.88  | 12/15/2014 | 110,000 | 54,175  |
|   |       |            |         | 456,755 |

**Financials: 0.25%**

**Capital Markets: 0.05%**

|                           |      |            |        |        |
|---------------------------|------|------------|--------|--------|
| <i>FMC Finance III SA</i> | 6.88 | 07/15/2017 | 50,000 | 53,188 |
|---------------------------|------|------------|--------|--------|

**Consumer Finance: 0.11%**

|                                    |       |            |         |         |
|------------------------------------|-------|------------|---------|---------|
| <i>Wind Acquisition Finance SA</i> | 11.75 | 07/15/2017 | 110,000 | 127,875 |
|------------------------------------|-------|------------|---------|---------|

*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report or Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*

## PORTFOLIO OF INVESTMENTS May 31, 2011 (UNAUDITED)

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal     | Value e     |
|--|---------------|---------------|---------------|-------------|
| <b>Diversified Financial Services: 0.09%</b>                           |               |               |               |             |
| <i>Ship Finance International Limited</i>                              | 8.50%         | 12/15/2013    | \$ 105,000    | 106,050     |
| <b>Materials: 0.14%</b>  |               |               |               |             |
| <b>Metals &amp; Mining: 0.06%</b>                                      |               |               |               |             |
| <i>Teck Resources Limited</i>  | 10.75         | 05/15/2019    | 55,000        | 70,054      |
| <b>Paper &amp; Forest Products: 0.08%</b>                              |               |               |               |             |
| <i>Sappi Limited</i>   | 7.50          | 06/15/2032    | 100,000       | 92,750      |
| <b>Telecommunication Services: 0.05%</b>                               |               |               |               |             |
| <b>Diversified Telecommunication Services: 0.01%</b>                   |               |               |               |             |
| <i>Global Crossing Limited</i>   | 12.00         | 09/15/2015    | 5,000         | 5,838       |
| <b>Wireless Telecommunication Services: 0.04%</b>                      |               |               |               |             |
| <i>Digicel Group Limited</i>   | 12.00         | 04/01/2014    | 20,000        | 23,250      |
| <i>Intelsat Limited</i>  | 11.25         | 06/15/2016    | 25,000        | 26,500      |
|  |               |               |               | 49,750      |
| <b>Total Yankee Corporate Bonds and Notes</b>                          |               |               |               |             |
| <b>(Cost \$924,465)</b>  |               |               |               | 1,046,073   |
| <b>Investment Companies: 0.01%</b>                                     |               |               |               |             |
| <i>Eaton Vance Limited Duration Income Trust</i>                       |               |               | 627           | 10,371      |
| <i>New America High Income Fund Incorporated</i>                       |               |               | 355           | 3,763       |
| <b>Total Investment Companies</b>                                      |               |               |               |             |
| <b>(Cost \$7,185)</b>  |               |               |               | 14,134      |
|  | <b>Yield</b>  |               | <b>Shares</b> |             |
| <b>Short-Term Investments: 5.74%</b>                                   |               |               |               |             |
| <b>Investment Companies: 5.74%</b>                                     |               |               |               |             |
| <i>Wells Fargo Advantage Cash Investment Money Market Fund##(l)(u)</i> | 0.12          |               | 6,660,532     | 6,660,532   |
| <b>Total Short-Term Investments</b>                                    |               |               |               |             |
| <b>(Cost \$6,660,532)</b>  |               |               |               | 6,660,532   |
| <b>Total Investments in Securities</b>                                 |               | 116.75%       |               | 135,426,579 |

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|  |                |                       |
|--|----------------|-----------------------|
| <b>(Cost \$123,805,672)*</b>             |                |                       |
| <i>Other Assets and Liabilities, Net</i> | (16.75)        | (19,432,293)          |
| <b>Total Net Assets</b>                  | <b>100.00%</b> | <b>\$ 115,994,286</b> |

- 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.
- (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.
  - < All or a portion of the position represents an unfunded loan commitment.
  - ^^ Security is currently in default with regards to scheduled interest and/or principal payments.
  - ## All or a portion of this security has been segregated for when-issued, delayed delivery securities and/or unfunded loans.
  - (l) Investment in an affiliate.
  - (u) Rate shown is the 7-day annualized yield at period end.  
Non-income earning security.
  - \* Cost for federal income tax purposes is \$124,230,342 and net unrealized appreciation (depreciation) consists of:

|   |                      |
|---|----------------------|
| Gross unrealized appreciation                     | \$ 16,115,977        |
| Gross unrealized depreciation                     | (4,919,740)          |
| <b>Net unrealized appreciation (depreciation)</b> | <b>\$ 11,196,237</b> |

*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report or Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*



**PORTFOLIO OF INVESTMENTS    May 31, 2011 (UNAUDITED)**

**WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND**

*The Portfolio of Investments should be read in conjunction with the Financial Statements and Notes to Financial Statements which are included in the Fund's audited Annual Report or Semi-Annual Report. These reports include additional information about the Fund's security valuation policies and about certain security types invested in by the Fund.*

**WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND**

NOTES TO PORTFOLIO OF INVESTMENTS May 31, 2011 (unaudited)

The following notes are to be read in conjunction with the Portfolio of Investments for Wells Fargo Advantage Utilities and High Income Fund (the Fund ).

**Securities valuation**

Investments in 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.

Certain fixed income securities with maturities exceeding 60 days are valued based on available market quotations 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 open-end mutual funds and non-registered investment companies are generally valued at net asset value.

Certain 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.

The valuation techniques used by the Fund to measure fair value are consistent with the market approach, income approach and/or cost approach, where applicable, for each security type.

**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 May 31, 2011, the Fund had unfunded loan commitments of \$206,188.

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

As of May 31, 2011, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

|   | Quoted<br>Prices<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total          |
|---|-------------------------------|---|--|----------------|
| <b>Investments in Securities</b>        |                               |   |  |                |
| <b>Equity securities</b>                |                               |   |  |                |
| <i>Common stocks</i>                    | \$ 78,723,089                 | \$ 0  | \$ 0   | \$ 78,723,089  |
| <i>Preferred stocks</i>                 | 11,418,006                    | 0   | 0  | 11,418,006     |
| <i>Warrants</i>                         | 0                             | 1,970   | 0  | 1,970          |
| <i>Investment companies</i>             | 14,134                        | 0   | 0  | 14,134         |
| <b>Corporate bonds and notes</b>        | 0                             | 33,275,866  | 620,831  | 33,896,697     |
| <b>Term loans</b>                       | 0                             | 3,666,078   | 0  | 3,666,078      |
| <b>Yankee corporate bonds and notes</b> | 0                             | 1,046,073   | 0  | 1,046,073      |
| <b>Short-term investments</b>           |                               |   |  |                |
| <i>Investment companies</i>             | 6,660,532                     | 0   | 0  | 6,660,532      |
|   | \$ 96,815,761                 | \$ 37,989,987   | \$ 620,831   | \$ 135,426,579 |

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended May 31, 2011, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

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

|   | Corporate<br>bonds and<br>notes |
|---|---------------------------------|
| <b>Balance as of August 31, 2010</b>  | <b>\$ 0</b>                     |
| Realized gains (losses)   | 0                               |
| Change in unrealized gains (losses)   | 0                               |
| Purchases   | 0                               |
| Sales   | 0                               |
| Transfers into Level 3  | 620,831                         |
| Transfers out of Level 3  | 0                               |
| <b>Balance as of May 31, 2011</b>   | <b>\$ 620,831</b>               |
| <b>Change in unrealized gains (losses) included in earnings relating to securities still held at May 31, 2011</b> | <b>\$ 0</b>                     |

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

ABAG Association of Bay Area Governments

ACB Agricultural Credit Bank

ADR American Depositary Receipt

ADS American Depositary Shares

AGC-ICC Assured Guaranty Corporation Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

ARM Adjustable Rate Mortgages

AUD Australian Dollar

BAN Bond Anticipation Notes

BART Bay Area Rapid Transit

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil Real

CAD Canadian Dollar

CDA Community Development Authority

CDO Collateralized Debt Obligation

CDSC Contingent Deferred Sales Charge

CGIC Capital Guaranty Insurance Company

CGY Capital Guaranty Corporation

CHF Swiss Franc

CIFG CDC (Caisse des Dépôts et Consignations) IX IS Financial Guarantee

COP Certificate of Participation

CP Commercial Paper

CR Custody Receipts

CTF Common Trust Fund

DEM Deutsche Mark

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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

EDFA Economic Development Finance Authority

ETET Eagle Tax-Exempt Trust

ETF Exchange-Traded Fund

EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHAG Federal Housing Agency

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FRF French Franc

FSA Farm Service Agency

GBP Great British Pound

GDR Global Depositary Receipt

GNMA Government National Mortgage Association

GO General Obligation

HCFR Healthcare Facilities Revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher Education Facilities Authority Revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong Dollar

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HUD Housing & Urban Development

HUF Hungarian Forint

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

LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MFMR Multi-Family Mortgage Revenue

MMD Municipal Market Data

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

NLG Netherlands Guilder

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



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plc Public Limited Company

PLN Polish Zloty

PSFG Public School Fund Guaranty

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

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SLMA Student Loan Marketing Association

SPDR Standard & Poor's Depository Receipts

STIT Short-Term Investment Trust

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

USD Unified School District

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 Utilities and High 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 Utilities and High Income Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch  
President

Date: July 27, 2011

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 Utilities and High Income Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch  
President

Date: July 27, 2011

By: /s/ Kasey L. Phillips

Kasey L. Phillips  
Treasurer

Date: July 27, 2011