

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES FUND

Form N-Q

March 28, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-21269

Wells Fargo Advantage Income Opportunities Fund

(Exact name of registrant as specified in charter)

525 Market Street, 12th Floor, San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market Street, 12th Floor, San Francisco, CA 94105

(Name and address of agent for service)

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

Date of fiscal year end: April 30, 2011

Date of reporting period: January 31, 2012

ITEM 1. SCHEDULE OF INVESTMENTS

WELLS FARGO ADVANTAGE INCOME OPPORTUNITIES
FUNDPORTFOLIO OF INVESTMENTS - January 31, 2012
(UNAUDITED)

Security Name	Shares	Value		
Common Stocks: 0.08%				
Consumer Discretionary : 0.00%				
Hotels, Restaurants & Leisure: 0.00%				
<i>Trump Entertainment Resorts Incorporated</i>	2,149	\$ 8,596		
Telecommunication Services : 0.08%				
Diversified Telecommunication Services: 0.08%				
<i>Fairpoint Communications Incorporated</i>	134,375	546,907		
Total Common Stocks (Cost \$3,109,765)		555,503		
	Interest Rate	Maturity Date	Principal	
Convertible Debentures: 0.43%				
Information Technology : 0.43%				
Communications Equipment : 0.43%				
<i>Lucent Technologies Incorporated Series B</i>	2.88%	06/15/2025	\$ 3,225,000	2,946,844
Total Convertible Debentures (Cost \$2,307,500)				2,946,844
Corporate Bonds and Notes: 111.25%				
Consumer Discretionary : 21.29%				
Auto Components : 2.48%				
<i>Allison Transmission Incorporated 144A</i>	7.13	05/15/2019	6,075,000	6,112,969
<i>Armored Autogroup Incorporated 144A</i>	9.25	11/01/2018	800,000	668,000
<i>Cooper Tire & Rubber Company</i>	7.63	03/15/2027	4,455,000	4,232,250
<i>Cooper Tire & Rubber Company</i>	8.00	12/15/2019	150,000	156,000
<i>Exide Technologies</i>	8.63	02/01/2018	1,100,000	907,500
<i>Goodyear Tire & Rubber Company</i>	10.50	05/15/2016	4,440,000	4,861,800
				16,938,519
Diversified Consumer Services : 2.75%				
<i>Carriage Services Incorporated</i>	7.88	01/15/2015	4,055,000	4,085,413
<i>Service Corporation International</i>	6.75	04/01/2016	1,250,000	1,373,438
<i>Service Corporation International</i>	7.00	05/15/2019	1,125,000	1,215,000
<i>Service Corporation International</i>	7.50	04/01/2027	9,376,000	9,200,200
<i>Service Corporation International</i>	8.00	11/15/2021	880,000	1,012,000
<i>Service Corporation International Series WI</i>	7.00	06/15/2017	1,650,000	1,831,500
				18,717,551
Hotels, Restaurants & Leisure : 5.92%				
<i>Ameristar Casinos Incorporated</i>	7.50	04/15/2021	4,477,000	4,768,005
<i>Burger King Corporation</i>	9.88	10/15/2018	1,600,000	1,760,000
<i>Chukchansi Economic Development Authority 144A(s)</i>	4.16	11/15/2012	2,525,000	1,666,500
<i>CityCenter Holdings LLC</i>	7.63	01/15/2016	350,000	367,500
<i>CityCenter Holdings LLC ¥</i>	11.50	01/15/2017	2,232,558	2,383,256
<i>Dineequity Incorporated</i>	9.50	10/30/2018	7,150,000	7,793,500
<i>Greektown Superholdings Incorporated Series A</i>	13.00	07/01/2015	6,662,000	7,128,340
<i>Greektown Superholdings Incorporated Series B</i>	13.00	07/01/2015	1,625,000	1,738,750

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<i>NAI Entertainment Holdings LLC 144A</i>	8.25	12/15/2017	2,700,000	2,949,750
<i>Pinnacle Entertainment Incorporated</i>	7.50	06/15/2015	2,880,000	2,937,600
<i>Scientific Games Corporation</i>	9.25	06/15/2019	1,130,000	1,231,700
<i>Speedway Motorsports Incorporated</i>	6.75	02/01/2019	450,000	463,500

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

Security Name	Interest Rate	Maturity Date	Principal	Value
Hotels, Restaurants & Leisure (continued)				
<i>Speedway Motorsports Incorporated</i>	8.75%	06/01/2016	\$ 2,075,000	\$ 2,261,750
<i>Yonkers Racing Corporation 144A</i>	11.38	07/15/2016	2,750,000	2,935,625
				40,385,776
Household Durables: 0.14%				
<i>American Greetings</i>	7.38	12/01/2021	950,000	960,688
Media : 8.02%				
<i>Cablevision Systems Corporation</i>	8.63	09/15/2017	2,975,000	3,317,125
<i>CCH II Capital Corporation</i>	13.50	11/30/2016	12,981,015	14,960,620
<i>CCO Holdings LLC</i>	8.13	04/30/2020	746,000	825,263
<i>Cinemark USA Incorporated</i>	7.38	06/15/2021	1,525,000	1,605,063
<i>Cinemark USA Incorporated</i>	8.63	06/15/2019	1,100,000	1,210,000
<i>CSC Holdings LLC</i>	7.88	02/15/2018	1,400,000	1,564,500
<i>CSC Holdings LLC</i>	8.50	04/15/2014	200,000	222,500
<i>DISH DBS Corporation</i>	7.88	09/01/2019	2,260,000	2,604,650
<i>EchoStar DBS Corporation</i>	7.75	05/31/2015	650,000	724,750
<i>Gray Television Incorporated</i>	10.50	06/29/2015	5,225,000	5,420,938
<i>Lamar Media Corporation 144A</i>	5.88	02/01/2022	500,000	500,625
<i>Lamar Media Corporation</i>	7.88	04/15/2018	1,500,000	1,638,750
<i>Lamar Media Corporation Series C</i>	9.75	04/01/2014	925,000	1,049,875
<i>LIN Television Corporation</i>	8.38	04/15/2018	2,225,000	2,258,375
<i>Local TV Finance LLC 144A</i>	9.25	06/15/2015	5,450,000	5,395,500
<i>Regal Cinemas Corporation</i>	8.63	07/15/2019	4,575,000	5,021,063
<i>Regal Entertainment Group</i>	9.13	08/15/2018	675,000	739,125
<i>Salem Communications Corporation</i>	9.63	12/15/2016	4,941,000	5,348,633
<i>Sirius XM Radio Incorporated 144A</i>	9.75	09/01/2015	250,000	271,875
				54,679,230
Specialty Retail : 1.36%				
<i>Gap Incorporated</i>	5.95	04/12/2021	1,175,000	1,128,006
<i>Limited Brands Incorporated</i>	6.63	04/01/2021	925,000	1,017,500
<i>RadioShack Corporation</i>	6.75	05/15/2019	2,675,000	2,247,000
<i>Rent A Center Incorporated</i>	6.63	11/15/2020	700,000	722,750
<i>Toys R Us Property Company LLC</i>	8.50	12/01/2017	3,900,000	4,177,875
				9,293,131
Textiles, Apparel & Luxury Goods: 0.62%				
<i>Oxford Industrial Incorporated</i>	11.38	07/15/2015	3,850,000	4,220,563
Consumer Staples : 1.43%				
Beverages: 0.04%				