

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

July 29, 2014

**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: 800-222-8222**

**Date of fiscal year end: Registrant is making a filing for Wells Fargo Advantage Utilities and High Income Fund. The Fund has an August 31 fiscal year end.**

**Date of reporting period: May 31, 2014**

ITEM 1. INVESTMENTS

## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

| Security name   | Shares  | Value        |
|---|---------|--------------|
| <b>Common Stocks : 64.82%</b>                         |         |              |
| <b>Consumer Discretionary : 1.95%</b>                 |         |              |
| <b>Media : 1.95%</b>                                  |         |              |
| Lagardere SCA   | 71,500  | \$ 2,491,698 |
| <b>Energy : 9.53%</b>                                 |         |              |
| <b>Oil, Gas &amp; Consumable Fuels : 9.53%</b>        |         |              |
| Energen Corporation                                   | 15,000  | 1,280,700    |
| EQT Corporation                                       | 15,000  | 1,603,200    |
| Kinder Morgan Incorporated                            | 10,577  | 353,166      |
| Spectra Energy Corporation                            | 75,000  | 3,043,500    |
| The Williams Companies Incorporated                   | 100,000 | 4,696,000    |
| Veresen Incorporated                                  | 75,000  | 1,176,566    |
|   |         | 12,153,132   |
| <b>Industrials : 4.41%</b>                            |         |              |
| <b>Air Freight &amp; Logistics : 4.36%</b>            |         |              |
| Deutsche Post AG                                      | 150,000 | 5,563,697    |
| <b>Construction &amp; Engineering : 0.05%</b>         |         |              |
| Ameresco Incorporated Class A                         | 9,000   | 58,950       |
| <b>Telecommunication Services : 8.36%</b>             |         |              |
| <b>Diversified Telecommunication Services : 5.15%</b> |         |              |
| BCE Incorporated                                      | 16,000  | 734,880      |
| CenturyLink Incorporated                              | 100,000 | 3,767,000    |
| Verizon Communications Incorporated                   | 41,291  | 2,062,898    |
|   |         | 6,564,778    |
| <b>Wireless Telecommunication Services : 3.21%</b>    |         |              |
| Shenandoah Telecommunications Company                 | 40,000  | 1,104,400    |
| Vodafone Group plc ADR                                | 85,636  | 2,998,116    |
|   |         | 4,102,516    |
| <b>Utilities : 40.57%</b>                             |         |              |
| <b>Electric Utilities : 27.21%</b>                    |         |              |
| American Electric Power Company Incorporated          | 100,000 | 5,335,000    |
| Chesapeake Utilities Corporation                      | 200     | 13,082       |
| Duke Energy Corporation                               | 30,514  | 2,168,935    |
| Edison International                                  | 75,000  | 4,135,500    |
| Enel SpA  | 200,000 | 1,131,960    |
| Entergy Corporation                                   | 1,000   | 75,420       |
| Great Plains Energy Incorporated                      | 175,000 | 4,453,750    |
| IDACORP Incorporated                                  | 25,000  | 1,370,750    |
| ITC Holdings Corporation                              | 135,000 | 4,941,000    |
| NextEra Energy Incorporated                           | 50,000  | 4,868,000    |

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|                                    |        |            |
|------------------------------------|--------|------------|
| <i>Northeast Utilities</i>         | 90,000 | 4,086,000  |
| <i>Pepco Holdings Incorporated</i> | 100    | 2,770      |
| <i>PNM Resources Incorporated</i>  | 75,000 | 2,134,500  |
|                                    |        | 34,716,667 |

**Gas Utilities : 0.94%**

|   |         |           |
|---|---------|-----------|
| <i>New Jersey Resources Corporation</i> | 200     | 11,002    |
| <i>Snam Rete Gas SpA</i>                | 200,000 | 1,173,945 |

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

| Security name                                       | Shares  | Value      |
|---|---------|------------|
| <b>Gas Utilities (continued)</b>                    |         |            |
| <i>South Jersey Industries Incorporated</i>         | 200     | \$ 11,504  |
|   |         | 1,196,451  |
| <b>Multi-Utilities : 10.51%</b>                     |         |            |
| <i>CenterPoint Energy Incorporated</i>              | 50,000  | 1,206,000  |
| <i>Dominion Resources Incorporated</i>              | 300     | 20,688     |
| <i>MDU Resources Group Incorporated</i>             | 500     | 16,940     |
| <i>Public Service Enterprise Group Incorporated</i> | 50,000  | 1,948,000  |
| <i>Sempra Energy</i>                                | 19,900  | 1,996,965  |
| <i>Suez Environnement Company SA</i>                | 275,000 | 5,525,528  |
| <i>Veolia Environnement SA</i>                      | 137,000 | 2,618,257  |
| <i>Wisconsin Energy Corporation</i>                 | 1,600   | 72,832     |
|   |         | 13,405,210 |
| <b>Water Utilities : 1.91%</b>                      |         |            |
| <i>American Water Works Company Incorporated</i>    | 50,000  | 2,430,500  |
| <b>Total Common Stocks (Cost \$58,617,550)</b>      |         | 82,683,599 |

|  | Interest rate | Maturity date | Principal  |         |
|--|---------------|---------------|------------|---------|
| <b>Corporate Bonds and Notes : 28.08%</b>        |               |               |            |         |
| <b>Consumer Discretionary : 5.34%</b>            |               |               |            |         |
| <b>Auto Components : 0.47%</b>                   |               |               |            |         |
| <i>Allison Transmission Incorporated 144A</i>    | 7.13%         | 5-15-2019     | \$ 340,000 | 364,650 |
| <i>Cooper Tire &amp; Rubber Company</i>          | 7.63          | 3-15-2027     | 200,000    | 208,000 |
| <i>Goodyear Tire &amp; Rubber Company</i>        | 7.00          | 5-15-2022     | 25,000     | 27,875  |
|  |               |               |            | 600,525 |
| <b>Distributors : 0.06%</b>                      |               |               |            |         |
| <i>LKQ Corporation</i>                           | 4.75          | 5-15-2023     | 75,000     | 73,313  |
| <b>Diversified Consumer Services : 0.54%</b>     |               |               |            |         |
| <i>Ceridian HCM Holding Incorporated 144A</i>    | 11.00         | 3-15-2021     | 10,000     | 11,525  |
| <i>Service Corporation International</i>         | 6.75          | 4-1-2016      | 100,000    | 108,375 |
| <i>Service Corporation International</i>         | 7.00          | 6-15-2017     | 25,000     | 28,095  |
| <i>Service Corporation International</i>         | 7.50          | 4-1-2027      | 351,000    | 380,835 |
| <i>Service Corporation International</i>         | 7.63          | 10-1-2018     | 25,000     | 29,095  |
| <i>Service Corporation International</i>         | 8.00          | 11-15-2021    | 40,000     | 46,452  |
| <i>Sotheby's 144A</i>                            | 5.25          | 10-1-2022     | 95,000     | 91,200  |
|  |               |               |            | 695,577 |
| <b>Hotels, Restaurants &amp; Leisure : 1.74%</b> |               |               |            |         |
| <i>Burger King Corporation</i>                   | 9.88          | 10-15-2018    | 75,000     | 80,813  |

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|  |      |            |         |           |
|--|------|------------|---------|-----------|
| <i>CCM Merger Incorporated 144A</i>        | 9.13 | 5-1-2019   | 465,000 | 497,550   |
| <i>CEC Entertainment Incorporated 144A</i> | 8.00 | 2-15-2022  | 75,000  | 76,125    |
| <i>DineEquity Incorporated</i>             | 9.50 | 10-30-2018 | 350,000 | 377,563   |
| <i>Greektown Holdings LLC 144A</i>         | 8.88 | 3-15-2019  | 480,000 | 492,000   |
| <i>Hilton Worldwide Finance LLC 144A</i>   | 5.63 | 10-15-2021 | 15,000  | 15,863    |
| <i>Pinnacle Entertainment Incorporated</i> | 7.50 | 4-15-2021  | 355,000 | 383,844   |
| <i>Ruby Tuesday Incorporated</i>           | 7.63 | 5-15-2020  | 110,000 | 109,725   |
| <i>Scientific Games Corporation</i>        | 9.25 | 6-15-2019  | 60,000  | 63,075    |
| <i>Speedway Motorsports Incorporated</i>   | 6.75 | 2-1-2019   | 120,000 | 127,200   |
|  |      |            |         | 2,223,758 |

**Household Durables : 0.10%**

|                                       |      |           |        |        |
|---------------------------------------|------|-----------|--------|--------|
| <i>American Greetings Corporation</i> | 7.38 | 12-1-2021 | 90,000 | 95,400 |
|---------------------------------------|------|-----------|--------|--------|

**Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)**

| <b>Security name</b>  | <b>Interest rate</b> | <b>Maturity date</b> | <b>Principal</b> | <b>Value</b> |
|---|----------------------|----------------------|------------------|--------------|
| <b>Household Durables (continued)</b>                           |                      |                      |                  |              |
| <i>Tempur Sealy International Incorporated</i>                  | 6.88%                | 12-15-2020           | \$ 25,000        | \$ 27,375    |
|   |                      |                      |                  | 122,775      |
| <b>Media : 1.98%</b>  |                      |                      |                  |              |
| <i>Allbritton Communications Company</i>                        | 8.00                 | 5-15-2018            | 150,000          | 156,563      |
| <i>Cablevision Systems Corporation</i>                          | 8.63                 | 9-15-2017            | 145,000          | 169,650      |
| <i>CBS Outdoor Americas Capital LLC 144A</i>                    | 5.25                 | 2-15-2022            | 15,000           | 15,375       |
| <i>Cinemark USA Incorporated</i>                                | 7.38                 | 6-15-2021            | 75,000           | 82,969       |
| <i>CSC Holdings LLC</i>   | 7.63                 | 7-15-2018            | 45,000           | 52,088       |
| <i>CSC Holdings LLC</i>   | 7.88                 | 2-15-2018            | 75,000           | 86,625       |
| <i>CSC Holdings LLC</i>   | 8.63                 | 2-15-2019            | 125,000          | 149,063      |
| <i>DISH DBS Corporation</i>                                     | 7.88                 | 9-1-2019             | 115,000          | 136,850      |
| <i>DreamWorks Animation SKG Incorporated 144A</i>               | 6.88                 | 8-15-2020            | 170,000          | 183,600      |
| <i>EchoStar DBS Corporation</i>                                 | 7.13                 | 2-1-2016             | 50,000           | 54,500       |
| <i>Gray Television Incorporated</i>                             | 7.50                 | 10-1-2020            | 420,000          | 450,450      |
| <i>Lamar Media Corporation</i>                                  | 5.88                 | 2-1-2022             | 75,000           | 80,438       |
| <i>LIN Television Corporation</i>                               | 6.38                 | 1-15-2021            | 25,000           | 26,250       |
| <i>LIN Television Corporation</i>                               | 8.38                 | 4-15-2018            | 150,000          | 158,438      |
| <i>Live Nation Entertainment Incorporated 144A</i>              | 7.00                 | 9-1-2020             | 15,000           | 16,388       |
| <i>Lynx II Corporation 144A</i>                                 | 6.38                 | 4-15-2023            | 25,000           | 26,375       |
| <i>National CineMedia LLC</i>                                   | 6.00                 | 4-15-2022            | 170,000          | 177,650      |
| <i>National CineMedia LLC</i>                                   | 7.88                 | 7-15-2021            | 50,000           | 54,875       |
| <i>Nexstar Broadcasting Group Incorporated</i>                  | 6.88                 | 11-15-2020           | 145,000          | 154,788      |
| <i>Regal Entertainment Group</i>                                | 5.75                 | 6-15-2023            | 30,000           | 30,675       |
| <i>Regal Entertainment Group</i>                                | 5.75                 | 3-15-2022            | 250,000          | 258,125      |
|   |                      |                      |                  | 2,521,735    |
| <b>Specialty Retail : 0.45%</b>                                 |                      |                      |                  |              |
| <i>ABC Supply Company Incorporated 144A</i>                     | 5.63                 | 4-15-2021            | 40,000           | 41,400       |
| <i>Ahern Rentals Incorporated 144A</i>                          | 9.50                 | 6-15-2018            | 85,000           | 94,138       |
| <i>Century Intermediate Holding Company (PIK at 9.75%) 144A</i> | 9.75                 | 2-15-2019            | 15,000           | 16,013       |
| <i>Neiman Marcus Group Limited 144A</i>                         | 8.00                 | 10-15-2021           | 15,000           | 16,500       |
| <i>Penske Auto Group Incorporated</i>                           | 5.75                 | 10-1-2022            | 80,000           | 83,700       |
| <i>Rent-A-Center Incorporated</i>                               | 6.63                 | 11-15-2020           | 140,000          | 145,950      |
| <i>Sonic Automotive Incorporated</i>                            | 5.00                 | 5-15-2023            | 70,000           | 69,125       |
| <i>Toys R Us Property Company II LLC</i>                        | 8.50                 | 12-1-2017            | 100,000          | 102,000      |
|   |                      |                      |                  | 568,826      |
| <b>Consumer Staples : 0.13%</b>                                 |                      |                      |                  |              |
| <b>Food Products : 0.13%</b>                                    |                      |                      |                  |              |
| <i>Darling International Incorporated 144A</i>                  | 5.38                 | 1-15-2022            | 15,000           | 15,600       |
| <i>Hearthside Group Holdings LLC 144A</i>                       | 6.50                 | 5-1-2022             | 10,000           | 10,075       |
| <i>Simmons Foods Incorporated 144A</i>                          | 10.50                | 11-1-2017            | 135,000          | 145,800      |
|   |                      |                      |                  | 171,475      |



**Energy : 5.56%****Energy Equipment & Services : 1.92%**

|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Bristow Group Incorporated</i>                  | 6.25 | 10-15-2022 | 265,000 | 285,538 |
| <i>Cleaver Brooks Incorporated 144A</i>            | 8.75 | 12-15-2019 | 25,000  | 27,813  |
| <i>Dresser-Rand Group Incorporated</i>             | 6.50 | 5-1-2021   | 90,000  | 96,300  |
| <i>Era Group Incorporated</i>                      | 7.75 | 12-15-2022 | 204,000 | 215,730 |
| <i>Forum Energy Technologies Incorporated 144A</i> | 6.25 | 10-1-2021  | 15,000  | 15,938  |
| <i>Gulfmark Offshore Incorporated</i>              | 6.38 | 3-15-2022  | 430,000 | 447,200 |
| <i>Hornbeck Offshore Services Incorporated</i>     | 5.00 | 3-1-2021   | 190,000 | 186,675 |
| <i>Hornbeck Offshore Services Incorporated</i>     | 5.88 | 4-1-2020   | 40,000  | 41,600  |
| <i>NGPL PipeCo LLC 144A</i>                        | 7.12 | 12-15-2017 | 265,000 | 265,000 |
| <i>NGPL PipeCo LLC 144A</i>                        | 7.77 | 12-15-2037 | 515,000 | 486,675 |
| <i>NGPL PipeCo LLC 144A</i>                        | 9.63 | 6-1-2019   | 35,000  | 37,975  |

## Portfolio of investments May 31, 2014 (unaudited)

## Wells Fargo Advantage Utilities and High Income Fund

| Security name                                      | Interest rate | Maturity date | Principal  | Value      |
|--|---------------|---------------|------------|------------|
| <b>Energy Equipment &amp; Services (continued)</b> |               |               |            |            |
| <i>PHI Incorporated 144A</i>                       | 5.25%         | 3-15-2019     | \$ 325,000 | \$ 330,688 |
| <i>Pride International Incorporated</i>            | 8.50          | 6-15-2019     | 10,000     | 12,755     |
|  |               |               |            | 2,449,887  |
| <b>Oil, Gas &amp; Consumable Fuels : 3.64%</b>     |               |               |            |            |
| <i>Crestwood Midstream Partners LP</i>             | 6.00          | 12-15-2020    | 76,000     | 79,230     |
| <i>Crestwood Midstream Partners LP 144A</i>        | 6.13          | 3-1-2022      | 25,000     | 26,188     |
| <i>CVR Refining LLC</i>                            | 6.50          | 11-1-2022     | 68,000     | 71,485     |
| <i>Denbury Resources Incorporated</i>              | 4.63          | 7-15-2023     | 45,000     | 43,313     |
| <i>Denbury Resources Incorporated</i>              | 6.38          | 8-15-2021     | 25,000     | 26,875     |
| <i>El Paso LLC</i>                                 | 6.50          | 9-15-2020     | 45,000     | 49,824     |
| <i>El Paso LLC</i>                                 | 7.00          | 6-15-2017     | 75,000     | 84,450     |
| <i>El Paso LLC</i>                                 | 7.25          | 6-1-2018      | 175,000    | 199,118    |
| <i>El Paso LLC</i>                                 | 7.42          | 2-15-2037     | 90,000     | 90,113     |
| <i>El Paso LLC</i>                                 | 7.80          | 8-1-2031      | 100,000    | 108,250    |
| <i>Energy Transfer Equity LP</i>                   | 7.50          | 10-15-2020    | 300,000    | 346,500    |
| <i>Exterran Partners LP</i>                        | 6.00          | 4-1-2021      | 225,000    | 228,375    |
| <i>Kinder Morgan Finance Company LLC 144A</i>      | 6.00          | 1-15-2018     | 25,000     | 27,398     |
| <i>Murphy Oil USA Incorporated 144A</i>            | 6.00          | 8-15-2023     | 30,000     | 31,200     |
| <i>Northern Tier Energy LLC</i>                    | 7.13          | 11-15-2020    | 140,000    | 150,500    |
| <i>Pioneer Natural Resources Company</i>           | 7.50          | 1-15-2020     | 145,000    | 180,094    |
| <i>Plains Exploration &amp; Production Company</i> | 8.63          | 10-15-2019    | 325,000    | 348,563    |
| <i>Rockies Express Pipeline LLC 144A</i>           | 5.63          | 4-15-2020     | 260,000    | 259,350    |
| <i>Rockies Express Pipeline LLC 144A</i>           | 6.88          | 4-15-2040     | 435,000    | 408,900    |
| <i>Rockies Express Pipeline LLC 144A</i>           | 7.50          | 7-15-2038     | 205,000    | 199,875    |
| <i>Sabine Pass Liquefaction LLC</i>                | 5.63          | 2-1-2021      | 75,000     | 78,563     |
| <i>Sabine Pass Liquefaction LLC</i>                | 5.63          | 4-15-2023     | 90,000     | 92,475     |
| <i>Sabine Pass Liquefaction LLC 144A</i>           | 5.75          | 5-15-2024     | 50,000     | 51,375     |
| <i>Sabine Pass Liquefaction LLC 144A</i>           | 6.25          | 3-15-2022     | 200,000    | 214,750    |
| <i>Sabine Pass LNG LP</i>                          | 6.50          | 11-1-2020     | 395,000    | 421,663    |
| <i>Sabine Pass LNG LP</i>                          | 7.50          | 11-30-2016    | 370,000    | 409,775    |
| <i>SemGroup Corporation</i>                        | 7.50          | 6-15-2021     | 220,000    | 237,050    |
| <i>Suburban Propane Partners LP</i>                | 7.38          | 3-15-2020     | 60,000     | 64,125     |
| <i>Suburban Propane Partners LP</i>                | 7.38          | 8-1-2021      | 26,000     | 28,600     |
| <i>Ultra Petroleum Corporation 144A</i>            | 5.75          | 12-15-2018    | 85,000     | 89,675     |
|  |               |               |            | 4,647,652  |
| <b>Financials : 4.66%</b>                          |               |               |            |            |
| <b>Banks : 0.93%</b>                               |               |               |            |            |
| <i>CIT Group Incorporated 144A</i>                 | 5.50          | 2-15-2019     | 100,000    | 108,000    |
| <i>CIT Group Incorporated 144A</i>                 | 6.63          | 4-1-2018      | 50,000     | 55,875     |
| <i>Emigrant Bancorp Incorporated 144A</i>          | 6.25          | 6-15-2014     | 275,000    | 275,390    |
| <i>Nielsen Finance LLC</i>                         | 7.75          | 10-15-2018    | 381,000    | 403,384    |
| <i>Nuveen Investments Incorporated</i>             | 5.50          | 9-15-2015     | 275,000    | 283,938    |

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|   |      |            |        |           |
|---|------|------------|--------|-----------|
| <i>Nuveen Investments Incorporated 144A</i> | 9.13 | 10-15-2017 | 50,000 | 54,250    |
|   |      |            |        | 1,180,837 |

**Consumer Finance : 2.24%**

|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Ally Financial Incorporated</i>                   | 5.50 | 2-15-2017  | 50,000  | 54,313  |
| <i>Ally Financial Incorporated</i>                   | 6.75 | 12-1-2014  | 36,000  | 36,990  |
| <i>Ally Financial Incorporated</i>                   | 7.50 | 9-15-2020  | 90,000  | 107,325 |
| <i>Ally Financial Incorporated</i>                   | 8.00 | 3-15-2020  | 65,000  | 78,813  |
| <i>Ally Financial Incorporated</i>                   | 8.30 | 2-12-2015  | 825,000 | 864,150 |
| <i>Ford Motor Credit Company LLC</i>                 | 8.00 | 12-15-2016 | 25,000  | 29,140  |
| <i>General Motors Financial Company Incorporated</i> | 6.75 | 6-1-2018   | 95,000  | 108,181 |
| <i>Homer City Funding LLC (PIK at 9.23%) ¥</i>       | 8.73 | 10-1-2026  | 149,149 | 159,403 |
| <i>SLM Corporation</i>                               | 6.13 | 3-25-2024  | 90,000  | 90,450  |
| <i>SLM Corporation</i>                               | 7.25 | 1-25-2022  | 70,000  | 77,350  |
| <i>SLM Corporation</i>                               | 8.00 | 3-25-2020  | 330,000 | 381,150 |
| <i>SLM Corporation</i>                               | 8.45 | 6-15-2018  | 125,000 | 147,188 |

**Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)**

| <b>Security name</b>                                    | <b>Interest rate</b> | <b>Maturity date</b> | <b>Principal</b> | <b>Value</b> |
|---|----------------------|----------------------|------------------|--------------|
| <b>Consumer Finance (continued)</b>                     |                      |                      |                  |              |
| <i>Springleaf Finance Corporation</i>                   | 5.40%                | 12-1-2015            | \$ 140,000       | \$ 146,825   |
| <i>Springleaf Finance Corporation</i>                   | 5.75                 | 9-15-2016            | 50,000           | 53,063       |
| <i>Springleaf Finance Corporation</i>                   | 6.00                 | 6-1-2020             | 175,000          | 177,625      |
| <i>Springleaf Finance Corporation</i>                   | 6.50                 | 9-15-2017            | 50,000           | 53,875       |
| <i>Springleaf Finance Corporation</i>                   | 6.90                 | 12-15-2017           | 243,000          | 266,085      |
| <i>Springleaf Finance Corporation</i>                   | 7.75                 | 10-1-2021            | 22,000           | 24,585       |
|   |                      |                      |                  | 2,856,511    |
| <b>Diversified Financial Services : 0.27%</b>           |                      |                      |                  |              |
| <i>Denali Borrower LLC 144A</i>                         | 5.63                 | 10-15-2020           | 330,000          | 344,438      |
| <b>Real Estate Management &amp; Development : 0.42%</b> |                      |                      |                  |              |
| <i>Hockey Merger Sub 2 Incorporated 144A</i>            | 7.88                 | 10-1-2021            | 240,000          | 257,400      |
| <i>Onex Corporation 144A</i>                            | 7.75                 | 1-15-2021            | 270,000          | 278,100      |
|   |                      |                      |                  | 535,500      |
| <b>REITs : 0.80%</b>                                    |                      |                      |                  |              |
| <i>Crown Castle International Corporation</i>           | 5.25                 | 1-15-2023            | 75,000           | 78,000       |
| <i>DuPont Fabros Technology Incorporated LP</i>         | 5.88                 | 9-15-2021            | 340,000          | 351,900      |
| <i>Omega Healthcare Investors Incorporated</i>          | 6.75                 | 10-15-2022           | 125,000          | 135,313      |
| <i>Sabra Health Care Incorporated</i>                   | 5.38                 | 6-1-2023             | 50,000           | 51,250       |
| <i>Sabra Health Care Incorporated</i>                   | 5.50                 | 2-1-2021             | 55,000           | 57,750       |
| <i>The Geo Group Incorporated</i>                       | 5.13                 | 4-1-2023             | 125,000          | 124,063      |
| <i>The Geo Group Incorporated</i>                       | 5.88                 | 1-15-2022            | 200,000          | 207,000      |
| <i>The Geo Group Incorporated</i>                       | 6.63                 | 2-15-2021            | 20,000           | 21,450       |
|   |                      |                      |                  | 1,026,726    |
| <b>Health Care : 2.05%</b>                              |                      |                      |                  |              |
| <b>Health Care Equipment &amp; Supplies : 0.20%</b>     |                      |                      |                  |              |
| <i>Crimson Merger Sub Incorporated 144A</i>             | 6.63                 | 5-15-2022            | 140,000          | 138,950      |
| <i>Hologic Incorporated</i>                             | 6.25                 | 8-1-2020             | 110,000          | 116,875      |
|   |                      |                      |                  | 255,825      |
| <b>Health Care Providers &amp; Services : 1.31%</b>     |                      |                      |                  |              |
| <i>Aviv Healthcare Properties LP</i>                    | 6.00                 | 10-15-2021           | 40,000           | 42,200       |
| <i>Aviv Healthcare Properties LP</i>                    | 7.75                 | 2-15-2019            | 100,000          | 106,750      |
| <i>Capella Healthcare Incorporated</i>                  | 9.25                 | 7-1-2017             | 65,000           | 68,169       |
| <i>Centene Corporation</i>                              | 5.75                 | 6-1-2017             | 75,000           | 81,375       |
| <i>Community Health Systems Incorporated 144A</i>       | 6.88                 | 2-1-2022             | 95,000           | 99,988       |
| <i>DaVita HealthCare Partners Incorporated</i>          | 5.75                 | 8-15-2022            | 55,000           | 58,919       |
| <i>DaVita HealthCare Partners Incorporated</i>          | 6.38                 | 11-1-2018            | 5,000            | 5,250        |
| <i>HCA Incorporated</i>                                 | 5.88                 | 3-15-2022            | 25,000           | 27,219       |
| <i>HCA Incorporated</i>                                 | 6.50                 | 2-15-2020            | 175,000          | 198,844      |
| <i>HealthSouth Corporation</i>                          | 5.75                 | 11-1-2024            | 25,000           | 26,375       |
| <i>HealthSouth Corporation</i>                          | 7.25                 | 10-1-2018            | 20,000           | 21,025       |

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|  |      |           |         |           |
|--|------|-----------|---------|-----------|
| <i>HealthSouth Corporation</i>           | 8.13 | 2-15-2020 | 60,000  | 64,650    |
| <i>MPH Acquisition Holdings LLC 144A</i> | 6.63 | 4-1-2022  | 30,000  | 31,125    |
| <i>MPT Operating Partnership LP</i>      | 6.38 | 2-15-2022 | 70,000  | 75,075    |
| <i>MPT Operating Partnership LP</i>      | 6.88 | 5-1-2021  | 125,000 | 136,250   |
| <i>Select Medical Corporation</i>        | 6.38 | 6-1-2021  | 345,000 | 359,663   |
| <i>Select Medical Corporation 144A</i>   | 6.38 | 6-1-2021  | 110,000 | 114,675   |
| <i>Tenet Healthcare Corporation</i>      | 6.00 | 10-1-2020 | 50,000  | 53,750    |
| <i>Tenet Healthcare Corporation</i>      | 8.13 | 4-1-2022  | 90,000  | 102,375   |
|  |      |           |         | 1,673,677 |

**Health Care Technology : 0.23%**

|                            |       |            |         |         |
|----------------------------|-------|------------|---------|---------|
| <i>Emdeon Incorporated</i> | 11.00 | 12-31-2019 | 255,000 | 293,888 |
|----------------------------|-------|------------|---------|---------|

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

| Security name  | Interest rate | Maturity date | Principal | Value     |
|--|---------------|---------------|-----------|-----------|
| <b>Pharmaceuticals : 0.31%</b>                                 |               |               |           |           |
| <i>Endo Finance Company 144A</i>                               | 5.75%         | 1-15-2022     | \$ 65,000 | \$ 66,625 |
| <i>Par Pharmaceutical Company</i>                              | 7.38          | 10-15-2020    | 159,000   | 172,515   |
| <i>Pinnacle Incorporated 144A</i>                              | 9.50          | 10-1-2023     | 35,000    | 38,850    |
| <i>Salix Pharmaceuticals Incorporated 144A</i>                 | 6.00          | 1-15-2021     | 100,000   | 107,250   |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 5.63          | 12-1-2021     | 5,000     | 5,188     |
|  |               |               |           | 390,428   |
| <b>Industrials : 1.88%</b>                                     |               |               |           |           |
| <b>Aerospace &amp; Defense : 0.13%</b>                         |               |               |           |           |
| <i>TransDigm Group Incorporated</i>                            | 5.50          | 10-15-2020    | 65,000    | 65,325    |
| <i>TransDigm Group Incorporated 144A%%</i>                     | 6.00          | 7-15-2022     | 10,000    | 10,075    |
| <i>TransDigm Group Incorporated 144A%%</i>                     | 6.50          | 7-15-2024     | 10,000    | 10,150    |
| <i>TransDigm Group Incorporated</i>                            | 7.75          | 12-15-2018    | 75,000    | 80,625    |
|  |               |               |           | 166,175   |
| <b>Airlines : 0.13%</b>  |               |               |           |           |
| <i>Aviation Capital Group Corporation 144A</i>                 | 6.75          | 4-6-2021      | 100,000   | 111,595   |
| <i>Aviation Capital Group Corporation 144A</i>                 | 7.13          | 10-15-2020    | 50,000    | 56,550    |
|  |               |               |           | 168,145   |
| <b>Commercial Services &amp; Supplies : 0.95%</b>              |               |               |           |           |
| <i>ADT Corporation</i>   | 4.13          | 6-15-2023     | 85,000    | 79,475    |
| <i>ADT Corporation</i>   | 6.25          | 10-15-2021    | 55,000    | 57,888    |
| <i>Covanta Holding Corporation</i>                             | 5.88          | 3-1-2024      | 80,000    | 82,000    |
| <i>Covanta Holding Corporation</i>                             | 6.38          | 10-1-2022     | 195,000   | 209,869   |
| <i>Covanta Holding Corporation</i>                             | 7.25          | 12-1-2020     | 105,000   | 114,844   |
| <i>Iron Mountain Incorporated</i>                              | 5.75          | 8-15-2024     | 315,000   | 315,000   |
| <i>Iron Mountain Incorporated</i>                              | 6.00          | 8-15-2023     | 205,000   | 217,813   |
| <i>Iron Mountain Incorporated</i>                              | 7.75          | 10-1-2019     | 30,000    | 32,925    |
| <i>Iron Mountain Incorporated</i>                              | 8.38          | 8-15-2021     | 99,000    | 104,198   |
|  |               |               |           | 1,214,012 |
| <b>Machinery : 0.06%</b>                                       |               |               |           |           |
| <i>Columbus McKinnon Corporation</i>                           | 7.88          | 2-1-2019      | 75,000    | 80,156    |
| <b>Trading Companies &amp; Distributors : 0.55%</b>            |               |               |           |           |
| <i>Ashtead Capital Incorporated 144A</i>                       | 6.50          | 7-15-2022     | 290,000   | 316,100   |
| <i>H&amp;E Equipment Services Incorporated</i>                 | 7.00          | 9-1-2022      | 235,000   | 258,500   |
| <i>International Lease Finance Corporation 144A</i>            | 7.13          | 9-1-2018      | 35,000    | 40,513    |
| <i>International Lease Finance Corporation</i>                 | 8.63          | 9-15-2015     | 75,000    | 81,758    |
|  |               |               |           | 696,871   |
| <b>Transportation Infrastructure : 0.06%</b>                   |               |               |           |           |

|                                 |      |          |        |        |
|---------------------------------|------|----------|--------|--------|
| <i>Watco Companies LLC 144A</i> | 6.38 | 4-1-2023 | 70,000 | 71,400 |
|---------------------------------|------|----------|--------|--------|

**Information Technology : 2.01%**

**Communications Equipment : 0.14%**

|   |      |            |         |         |
|---|------|------------|---------|---------|
| <i>CyrusOne LP</i>                      | 6.38 | 11-15-2022 | 25,000  | 26,563  |
| <i>Lucent Technologies Incorporated</i> | 6.45 | 3-15-2029  | 155,000 | 151,513 |
|   |      |            |         | 178,076 |

**Electronic Equipment, Instruments & Components : 0.58%**

|                                   |      |           |         |         |
|-----------------------------------|------|-----------|---------|---------|
| <i>Jabil Circuit Incorporated</i> | 8.25 | 3-15-2018 | 620,000 | 737,800 |
|-----------------------------------|------|-----------|---------|---------|

## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

| Security name   | Interest rate | Maturity date | Principal | Value     |
|---|---------------|---------------|-----------|-----------|
| <b>Internet Software &amp; Services : 0.01%</b>               |               |               |           |           |
| <i>Sophia Holding Finance LP (PIK at 9.63%) 144A</i>          | 9.63%         | 12-1-2018     | \$ 10,000 | \$ 10,400 |
| <b>IT Services : 0.84%</b>                                    |               |               |           |           |
| <i>Audatex North America Incorporated 144A</i>                | 6.00          | 6-15-2021     | 125,000   | 133,125   |
| <i>Audatex North America Incorporated 144A</i>                | 6.13          | 11-1-2023     | 30,000    | 32,138    |
| <i>Fidelity National Information Services Incorporated</i>    | 7.88          | 7-15-2020     | 100,000   | 106,600   |
| <i>First Data Corporation 144A</i>                            | 6.75          | 11-1-2020     | 80,000    | 85,900    |
| <i>First Data Corporation 144A</i>                            | 7.38          | 6-15-2019     | 50,000    | 53,625    |
| <i>First Data Corporation 144A</i>                            | 11.75         | 8-15-2021     | 170,000   | 188,700   |
| <i>First Data Holdings Incorporated (PIK at 14.50%) 144A</i>  | 14.50         | 9-24-2019     | 68,115    | 68,456    |
| <i>SunGard Data Systems Incorporated</i>                      | 6.63          | 11-1-2019     | 100,000   | 105,750   |
| <i>SunGard Data Systems Incorporated</i>                      | 7.38          | 11-15-2018    | 253,000   | 267,864   |
| <i>SunGard Data Systems Incorporated</i>                      | 7.63          | 11-15-2020    | 25,000    | 27,406    |
|   |               |               |           | 1,069,564 |
| <b>Semiconductors &amp; Semiconductor Equipment : 0.10%</b>   |               |               |           |           |
| <i>Micron Technology Incorporated 144A</i>                    | 5.88          | 2-15-2022     | 115,000   | 122,763   |
| <b>Software : 0.12%</b>                                       |               |               |           |           |
| <i>Activision Blizzard Incorporated 144A</i>                  | 5.63          | 9-15-2021     | 45,000    | 48,488    |
| <i>Activision Blizzard Incorporated 144A</i>                  | 6.13          | 9-15-2023     | 10,000    | 11,025    |
| <i>BMC Software Finance Incorporated 144A</i>                 | 8.13          | 7-15-2021     | 45,000    | 47,363    |
| <i>Nuance Communications Incorporated 144A</i>                | 5.38          | 8-15-2020     | 50,000    | 50,875    |
|   |               |               |           | 157,751   |
| <b>Technology Hardware, Storage &amp; Peripherals : 0.22%</b> |               |               |           |           |
| <i>NCR Corporation 144A</i>                                   | 5.88          | 12-15-2021    | 15,000    | 15,825    |
| <i>NCR Corporation 144A</i>                                   | 6.38          | 12-15-2023    | 250,000   | 269,375   |
|   |               |               |           | 285,200   |
| <b>Materials : 0.51%</b>                                      |               |               |           |           |
| <b>Chemicals : 0.02%</b>                                      |               |               |           |           |
| <i>Celanese US Holdings LLC</i>                               | 5.88          | 6-15-2021     | 20,000    | 22,075    |
| <b>Containers &amp; Packaging : 0.34%</b>                     |               |               |           |           |
| <i>Crown Americas LLC</i>                                     | 6.25          | 2-1-2021      | 20,000    | 21,500    |
| <i>Crown Cork &amp; Seal Company Incorporated</i>             | 7.38          | 12-15-2026    | 5,000     | 5,594     |
| <i>Crown Cork &amp; Seal Company Incorporated (i)</i>         | 7.50          | 12-15-2096    | 50,000    | 47,500    |
| <i>Owens-Illinois Incorporated</i>                            | 7.80          | 5-15-2018     | 60,000    | 69,750    |
| <i>Sealed Air Corporation 144A</i>                            | 8.38          | 9-15-2021     | 215,000   | 246,175   |
| <i>Silgan Holdings Incorporated</i>                           | 5.00          | 4-1-2020      | 50,000    | 51,500    |
|   |               |               |           | 442,019   |



**Paper & Forest Products : 0.15%**

|                            |      |           |         |         |
|----------------------------|------|-----------|---------|---------|
| <i>Georgia-Pacific LLC</i> | 8.88 | 5-15-2031 | 125,000 | 187,143 |
|----------------------------|------|-----------|---------|---------|

**Telecommunication Services : 3.64%****Diversified Telecommunication Services : 1.58%**

|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Citizens Communications Company</i>             | 7.88 | 1-15-2027  | 200,000 | 204,500 |
| <i>Frontier Communications Corporation</i>         | 8.13 | 10-1-2018  | 60,000  | 69,975  |
| <i>GCI Incorporated</i>                            | 6.75 | 6-1-2021   | 170,000 | 172,550 |
| <i>GCI Incorporated</i>                            | 8.63 | 11-15-2019 | 368,000 | 391,920 |
| <i>Qwest Corporation</i>                           | 7.25 | 9-15-2025  | 125,000 | 144,640 |
| <i>Qwest Corporation</i>                           | 7.63 | 8-3-2021   | 20,000  | 22,600  |
| <i>Syniverse Holdings Incorporated</i>             | 9.13 | 1-15-2019  | 365,000 | 394,200 |
| <i>TW Telecommunications Holdings Incorporated</i> | 5.38 | 10-1-2022  | 260,000 | 265,525 |
| <i>TW Telecommunications Holdings Incorporated</i> | 5.38 | 10-1-2022  | 40,000  | 40,850  |

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

| Security name   | Interest rate | Maturity date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Diversified Telecommunication Services (continued)</b>     |               |               |            |            |
| <i>Windstream Corporation</i>                                 | 7.88%         | 11-1-2017     | \$ 265,000 | \$ 305,413 |
|   |               |               |            | 2,012,173  |
| <b>Wireless Telecommunication Services : 2.06%</b>            |               |               |            |            |
| <i>MetroPCS Wireless Incorporated</i>                         | 6.63          | 11-15-2020    | 240,000    | 255,600    |
| <i>MetroPCS Wireless Incorporated</i>                         | 7.88          | 9-1-2018      | 130,000    | 136,988    |
| <i>SBA Telecommunications Corporation</i>                     | 5.63          | 10-1-2019     | 10,000     | 10,563     |
| <i>SBA Telecommunications Corporation</i>                     | 5.75          | 7-15-2020     | 100,000    | 105,500    |
| <i>SBA Telecommunications Corporation</i>                     | 8.25          | 8-15-2019     | 7,000      | 7,368      |
| <i>Sprint Capital Corporation</i>                             | 6.88          | 11-15-2028    | 1,100,000  | 1,127,500  |
| <i>Sprint Capital Corporation</i>                             | 8.75          | 3-15-2032     | 105,000    | 121,538    |
| <i>Sprint Communications Incorporated</i>                     | 7.00          | 8-15-2020     | 120,000    | 132,300    |
| <i>Sprint Communications Incorporated 144A</i>                | 9.00          | 11-15-2018    | 25,000     | 30,375     |
| <i>Sprint Communications Incorporated</i>                     | 11.50         | 11-15-2021    | 25,000     | 34,000     |
| <i>Sprint Corporation 144A</i>                                | 7.13          | 6-15-2024     | 70,000     | 75,425     |
| <i>Sprint Corporation 144A</i>                                | 7.25          | 9-15-2021     | 10,000     | 11,075     |
| <i>Sprint Corporation 144A</i>                                | 7.88          | 9-15-2023     | 10,000     | 11,300     |
| <i>T-Mobile USA Incorporated</i>                              | 6.13          | 1-15-2022     | 5,000      | 5,300      |
| <i>T-Mobile USA Incorporated</i>                              | 6.25          | 4-1-2021      | 35,000     | 37,188     |
| <i>T-Mobile USA Incorporated</i>                              | 6.46          | 4-28-2019     | 10,000     | 10,588     |
| <i>T-Mobile USA Incorporated</i>                              | 6.50          | 1-15-2024     | 5,000      | 5,313      |
| <i>T-Mobile USA Incorporated</i>                              | 6.54          | 4-28-2020     | 10,000     | 10,800     |
| <i>T-Mobile USA Incorporated</i>                              | 6.63          | 4-1-2023      | 35,000     | 37,800     |
| <i>T-Mobile USA Incorporated</i>                              | 6.63          | 4-28-2021     | 65,000     | 70,038     |
| <i>T-Mobile USA Incorporated</i>                              | 6.73          | 4-28-2022     | 305,000    | 329,400    |
| <i>T-Mobile USA Incorporated</i>                              | 6.84          | 4-28-2023     | 65,000     | 70,525     |
|   |               |               |            | 2,636,484  |
| <b>Utilities : 2.30%</b>                                      |               |               |            |            |
| <b>Electric Utilities : 1.77%</b>                             |               |               |            |            |
| <i>ComEd Financing III</i>                                    | 6.35          | 3-15-2033     | 1,340,000  | 1,333,300  |
| <i>Energy Future Intermediate Holding Company LLC 144A(s)</i> | 6.88          | 8-15-2017     | 25,000     | 25,750     |
| <i>IPALCO Enterprises Incorporated 144A</i>                   | 7.25          | 4-1-2016      | 145,000    | 158,050    |
| <i>Mirant Mid-Atlantic LLC Series C</i>                       | 10.06         | 12-30-2028    | 438,432    | 495,429    |
| <i>Otter Tail Corporation (i)</i>                             | 9.00          | 12-15-2016    | 215,000    | 250,593    |
|   |               |               |            | 2,263,122  |
| <b>Gas Utilities : 0.22%</b>                                  |               |               |            |            |
| <i>AmeriGas Finance LLC</i>                                   | 6.50          | 5-20-2021     | 5,000      | 5,388      |
| <i>AmeriGas Finance LLC</i>                                   | 6.75          | 5-20-2020     | 175,000    | 190,750    |
| <i>AmeriGas Finance LLC</i>                                   | 7.00          | 5-20-2022     | 75,000     | 82,875     |
|   |               |               |            | 279,013    |

**Independent Power & Renewable Electricity**

**Producers : 0.31%**

|                                    |      |            |         |         |
|------------------------------------|------|------------|---------|---------|
| <i>Calpine Corporation 144A</i>    | 6.00 | 1-15-2022  | 40,000  | 42,900  |
| <i>NSG Holdings LLC 144A</i>       | 7.75 | 12-15-2025 | 245,000 | 265,213 |
| <i>Reliant Energy Incorporated</i> | 9.24 | 7-2-2017   | 67,388  | 69,747  |
| <i>Reliant Energy Incorporated</i> | 9.68 | 7-2-2026   | 10,000  | 10,900  |
|                                    |      |            |         | 388,760 |

**Total Corporate Bonds and Notes (Cost \$33,668,722)** 35,822,455

## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

| Security name   | Dividend yield | Shares  | Value      |
|---|----------------|---------|------------|
| <b>Preferred Stocks : 13.36%</b>                      |                |         |            |
| <b>Financials : 0.07%</b>                             |                |         |            |
| <b>Banks : 0.07%</b>                                  |                |         |            |
| <i>GMAC Capital Trust I ±</i>                         | 8.13%          | 3,457   | \$ 93,754  |
| <b>Telecommunication Services : 1.85%</b>             |                |         |            |
| <b>Diversified Telecommunication Services : 1.85%</b> |                |         |            |
| <i>Qwest Corporation</i>                              | 7.00           | 90,000  | 2,357,100  |
| <b>Utilities : 11.44%</b>                             |                |         |            |
| <b>Electric Utilities : 7.71%</b>                     |                |         |            |
| <i>Duke Energy Corporation</i>                        | 5.13           | 130,000 | 3,121,300  |
| <i>Entergy Arkansas Incorporated</i>                  | 4.75           | 65,000  | 1,439,100  |
| <i>Entergy Louisiana LLC</i>                          | 4.70           | 70,483  | 1,564,723  |
| <i>Indianapolis Power &amp; Light Company</i>         | 5.65           | 20,000  | 2,001,876  |
| <i>Interstate Power &amp; Light Company</i>           | 5.10           | 50,000  | 1,235,000  |
| <i>Wisconsin Public Service</i>                       | 5.08           | 4,804   | 476,947    |
|   |                |         | 9,838,946  |
| <b>Multi-Utilities : 3.73%</b>                        |                |         |            |
| <i>DTE Energy Company Series Q</i>                    | 5.25           | 100,000 | 2,283,000  |
| <i>Integrus Energy Group ±</i>                        | 6.00           | 95,000  | 2,475,700  |
|   |                |         | 4,758,700  |
| <b>Total Preferred Stocks (Cost \$16,819,088)</b>     |                |         | 17,048,500 |

|  | Interest rate | Maturity date | Principal |         |
|--|---------------|---------------|-----------|---------|
| <b>Loans ±: 3.28%</b>                        |               |               |           |         |
| <i>Accellent Incorporated</i>                | 7.50          | 3-11-2022     | \$ 45,000 | 44,700  |
| <i>Alliance Laundry Systems LLC</i>          | 9.50          | 12-10-2019    | 159,122   | 161,111 |
| <i>Applied Systems Incorporated</i>          | 7.50          | 1-22-2022     | 25,000    | 25,413  |
| <i>Asurion LLC</i>                           | 8.50          | 3-3-2021      | 95,000    | 97,494  |
| <i>Capital Automotive LP</i>                 | 4.00          | 4-10-2019     | 196,273   | 196,666 |
| <i>Capital Automotive LP</i>                 | 6.00          | 4-30-2020     | 110,000   | 111,925 |
| <i>CBAC Borrower LLC</i>                     | 8.25          | 7-2-2020      | 85,000    | 87,975  |
| <i>CCM Merger Incorporated</i>               | 5.00          | 3-1-2017      | 157,160   | 157,487 |
| <i>Centaur Acquisition LLC</i>               | 8.75          | 2-20-2020     | 135,000   | 136,350 |
| <i>Dell Incorporated</i>                     | 4.50          | 4-29-2020     | 601,975   | 600,530 |
| <i>Focus Brands Incorporated</i>             | 10.25         | 8-21-2018     | 176,935   | 179,146 |
| <i>Four Seasons Holdings Incorporated</i>    | 6.25          | 12-24-2020    | 25,000    | 25,313  |
| <i>HGIM Corporation</i>                      | 5.50          | 6-18-2020     | 84,787    | 83,445  |
| <i>Learfield Communications Incorporated</i> | 8.75          | 10-9-2021     | 15,000    | 15,244  |
| <i>Level 3 Financing Incorporated</i>        | 4.00          | 1-15-2020     | 250,000   | 250,375 |
| <i>Neff Rental &lt;</i>                      | 0.00          | 5-21-2021     | 60,000    | 59,663  |

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|  |      |            |           |           |
|--|------|------------|-----------|-----------|
| <i>Philadelphia Energy Solutions LLC</i>           | 6.25 | 4-4-2018   | 222,750   | 200,894   |
| <i>Sedgwick Incorporated</i>                       | 6.75 | 2-28-2022  | 45,000    | 44,791    |
| <i>Spin Holdco Incorporated</i>                    | 4.25 | 11-14-2019 | 119,501   | 119,291   |
| <i>Tallgrass Operations LLC</i>                    | 4.25 | 11-13-2018 | 103,074   | 103,546   |
| <i>Texas Competitive Electric Holdings LLC (s)</i> | 0.00 | 10-10-2014 | 1,471,940 | 1,173,342 |
| <i>TWCC Holdings Corporation</i>                   | 7.00 | 6-26-2020  | 150,000   | 148,437   |
| <i>Vertafore Incorporated</i>                      | 9.75 | 10-29-2017 | 35,000    | 35,700    |
| <i>W3 Company</i>                                  | 9.25 | 9-13-2020  | 19,950    | 19,950    |
| <i>WASH Multifamily Laundry Systems LLC</i>        | 4.50 | 2-21-2019  | 108,900   | 108,628   |
| <b>Total Loans (Cost \$4,465,342)</b>              |      |            |           | 4,187,416 |

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

| Security name  | Expiration date | Shares        | Value           |
|--|-----------------|---------------|-----------------|
| <b>Warrants : 0.03%</b>  |                 |               |                 |
| <b>Utilities : 0.03%</b>                                       |                 |               |                 |
| <b>Gas Utilities : 0.03%</b>                                   |                 |               |                 |
| <i>Kinder Morgan Incorporated</i>                              | 5-25-2017       | 16,000        | \$ 36,640       |
| <b>Total Warrants (Cost \$30,480)</b>                          |                 |               | 36,640          |
|  | Interest rate   | Maturity date | Principal       |
| <b>Yankee Corporate Bonds and Notes : 1.44%</b>                |                 |               |                 |
| <b>Consumer Discretionary : 0.00%</b>                          |                 |               |                 |
| <b>Media : 0.00%</b>   |                 |               |                 |
| <i>Videotron Limited</i>                                       | 9.13%           | 4-15-2018     | \$ 3,000 3,105  |
| <b>Energy : 0.19%</b>  |                 |               |                 |
| <b>Oil, Gas &amp; Consumable Fuels : 0.19%</b>                 |                 |               |                 |
| <i>Griffin Coal Mining Company Limited 144A(s)</i>             | 9.50            | 12-1-2016     | 93,118 70,770   |
| <i>Teekay Corporation</i>                                      | 8.50            | 1-15-2020     | 146,000 168,813 |
|  |                 |               | 239,583         |
| <b>Financials : 0.02%</b>                                      |                 |               |                 |
| <b>Banks : 0.02%</b>   |                 |               |                 |
| <i>Nielsen Holding and Finance BV 144A</i>                     | 5.50            | 10-1-2021     | 30,000 31,163   |
| <b>Health Care : 0.12%</b>                                     |                 |               |                 |
| <b>Pharmaceuticals : 0.12%</b>                                 |                 |               |                 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 6.75            | 8-15-2018     | 50,000 54,000   |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 7.50            | 7-15-2021     | 85,000 94,350   |
|  |                 |               | 148,350         |
| <b>Information Technology : 0.11%</b>                          |                 |               |                 |
| <b>Technology Hardware, Storage &amp; Peripherals : 0.11%</b>  |                 |               |                 |
| <i>Seagate Technology HDD Holdings</i>                         | 6.80            | 10-1-2016     | 50,000 56,000   |
| <i>Seagate Technology HDD Holdings</i>                         | 6.88            | 5-1-2020      | 80,000 86,800   |
|  |                 |               | 142,800         |
| <b>Materials : 0.21%</b>                                       |                 |               |                 |
| <b>Metals &amp; Mining : 0.15%</b>                             |                 |               |                 |
| <i>Novelis Incorporated</i>                                    | 8.38            | 12-15-2017    | 100,000 106,750 |
| <i>Novelis Incorporated</i>                                    | 8.75            | 12-15-2020    | 75,000 83,344   |
|  |                 |               | 190,094         |

**Paper & Forest Products : 0.06%**

|                           |      |           |         |        |
|---------------------------|------|-----------|---------|--------|
| <i>Sappi Limited 144A</i> | 7.50 | 6-15-2032 | 100,000 | 84,500 |
|---------------------------|------|-----------|---------|--------|

**Telecommunication Services : 0.79%**

**Diversified Telecommunication Services : 0.75%**

|                                     |      |            |         |         |
|-------------------------------------|------|------------|---------|---------|
| <i>Intelsat Jackson Holdings SA</i> | 5.50 | 8-1-2023   | 210,000 | 208,950 |
| <i>Intelsat Jackson Holdings SA</i> | 6.63 | 12-15-2022 | 55,000  | 57,338  |
| <i>Intelsat Jackson Holdings SA</i> | 7.25 | 4-1-2019   | 240,000 | 256,500 |
| <i>Intelsat Jackson Holdings SA</i> | 7.25 | 10-15-2020 | 150,000 | 162,000 |

**Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)**

| <b>Security name</b>  | <b>Interest rate</b> | <b>Maturity date</b> | <b>Principal</b> | <b>Value</b>   |
|---|----------------------|----------------------|------------------|----------------|
| <b>Diversified Telecommunication Services (continued)</b>                             |                      |                      |                  |                |
| <i>Intelsat Jackson Holdings SA</i>   | 7.50%                | 4-1-2021             | \$ 50,000        | \$ 54,750      |
| <i>Intelsat Jackson Holdings SA</i>   | 8.50                 | 11-1-2019            | 40,000           | 42,650         |
| <i>Intelsat Luxembourg SA</i>   | 7.75                 | 6-1-2021             | 95,000           | 100,700        |
| <i>Intelsat Luxembourg SA</i>   | 8.13                 | 6-1-2023             | 40,000           | 43,000         |
| <i>Virgin Media Secured Finance plc 144A</i>  | 5.38                 | 4-15-2021            | 25,000           | 25,719         |
|   |                      |                      |                  | 951,607        |
| <b>Wireless Telecommunication Services :</b>  |                      |                      |                  |                |
| <b>0.04%</b>  |                      |                      |                  |                |
| <i>Telesat Canada 144A</i>  | 6.00                 | 5-15-2017            | 50,000           | 51,688         |
| <b>Total Yankee Corporate Bonds and Notes</b>   |                      |                      |                  |                |
| <b>(Cost \$1,755,310)</b>   |                      |                      |                  | 1,842,890      |
| <b>Short-Term Investments : 5.24%</b>   |                      |                      |                  |                |
|   | <b>Yield</b>         |                      | <b>Shares</b>    |                |
| <b>Investment Companies : 5.24%</b>   |                      |                      |                  |                |
| <i>Wells Fargo Advantage Cash Investment Money Market Fund, Select Class (l)(u)##</i> | 0.07                 |                      | 6,682,299        | 6,682,299      |
| <b>Total Short-Term Investments</b>   |                      |                      |                  |                |
| <b>(Cost \$6,682,299)</b>   |                      |                      |                  | 6,682,299      |
| <b>Total investments in securities</b>  |                      |                      |                  |                |
| <b>(Cost \$122,038,791)*</b>  |                      |                      |                  | 148,303,799    |
| <i>Other assets and liabilities, net</i>  | (16.25)              |                      |                  | (20,735,664)   |
| <b>Total net assets</b>   |                      |                      |                  | \$ 127,568,135 |

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

Non-income-earning security

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

(s) Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this 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.

% Security issued on a when-issued basis.

< All or a portion of the position represents an unfunded loan commitment.



(l) Represents an affiliate of the Fund under Sections 2(a)(2) and 2(a)(3) of the Investment Company Act of 1940, as amended

(u) Rate shown is the 7-day annualized yield at period end.

## All or a portion of this security has been segregated for when-issued securities and/or unfunded loans.

\* Cost for federal income tax purposes is \$122,525,871 and unrealized gains (losses) consists of:

|                         |               |
|-------------------------|---------------|
| Gross unrealized gains  | \$ 29,348,977 |
| Gross unrealized losses | (3,571,049)   |
| Net unrealized gains    | \$ 25,777,928 |

**Wells Fargo Advantage Utilities and High Income Fund (the Fund )**

**Notes to Portfolio of investments May 31, 2014 (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).

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 primary exchange or market for the security that day, the prior day's price will be deemed stale and fair values will be determined in accordance with the Fund's Valuation Procedures.

The values of securities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency pricing source at a time each business day specified by the Management Valuation Team of Wells Fargo Funds Management, LLC ( Funds Management ).

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 securities 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 such securities, then fair value pricing procedures approved by the Board of Trustees of the Fund are applied. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. Foreign securities that are fair valued under these procedures are categorized as Level 2 and the application of these procedures may result in transfers between Level 1 and Level 2. 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 last reported sales price or latest quoted bid price. On May 31, 2014, such fair value pricing was not used in pricing foreign securities.

Fixed income securities acquired with maturities exceeding 60 days are valued based on evaluated bid prices provided by an independent pricing service which may utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If prices are not available from the independent pricing service or prices received are deemed not representative of market value, prices will be obtained from an independent broker-dealer.

Short-term securities, with maturities of 60 days or less at time of purchase, generally are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost, plus accretion of discount or minus amortization of premium over the period until maturity.

Investments in 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. 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. 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 adviser 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.

### **Foreign currency translation**

The accounting records of the Fund are maintained in U.S. dollars. The values of other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency pricing source at a time each business day specified by the Management Valuation Team. Purchases and sales of securities, and income and expenses are converted at the rate of exchange on the respective dates of such transactions. Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually paid or received. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities other than investments in securities resulting from changes in exchange rates. The changes in net assets arising from changes in exchange rates and the changes in net assets resulting from changes in market prices of securities are not separately presented. Such changes are included in net realized and unrealized gains or losses from investments.

### **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.

As of May 31, 2014, the Fund had unfunded loan commitments of \$59,700.

## Fair valuation measurements

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

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

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

As of May 31, 2014, the inputs used in valuing investments in securities were as follows:

| Assets                  | Quoted<br>prices<br>(Level 1) | Other significant<br>observable<br>inputs (Level<br>2) | Significant<br>unobservable<br>inputs (Level 3) | Total        |
|-------------------------|-------------------------------|--|---|--------------|
| <b>Investments in :</b> |                               |  |   |              |
| <b>Common stocks</b>    |                               |  |   |              |
| Consumer Discretionary  | \$ 2,491,698                  | \$ 0   | \$ 0  | \$ 2,491,698 |
| Energy                  | 12,153,132                    | 0  | 0   | 12,153,132   |

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|   |                       |                      |                   |                       |
|---|-----------------------|----------------------|-------------------|-----------------------|
| Industrials                             | 5,622,647             | 0                    | 0                 | 5,622,647             |
| Telecommunication Services              | 10,667,294            | 0                    | 0                 | 10,667,294            |
| Utilities                               | 51,748,828            | 0                    | 0                 | 51,748,828            |
| <b>Corporate bonds and notes</b>        | 0                     | 35,822,455           | 0                 | 35,822,455            |
| <b>Loans</b>                            | 0                     | 3,769,195            | 418,221           | 4,187,416             |
| <b>Preferred stocks</b>                 |                       |                      |                   |                       |
| Financials                              | 93,754                | 0                    | 0                 | 93,754                |
| Telecommunication Services              | 2,357,100             | 0                    | 0                 | 2,357,100             |
| Utilities                               | 12,118,823            | 2,478,823            | 0                 | 14,597,646            |
| <b>Warrants</b>                         |                       |                      |                   |                       |
| Utilities                               | 0                     | 36,640               | 0                 | 36,640                |
| <b>Yankee corporate bonds and notes</b> | 0                     | 1,842,890            | 0                 | 1,842,890             |
| <b>Short-term investments</b>           |                       |                      |                   |                       |
| Investment companies                    | 6,682,299             | 0                    | 0                 | 6,682,299             |
| <b>Total assets</b>                     | <b>\$ 103,935,575</b> | <b>\$ 43,950,003</b> | <b>\$ 418,221</b> | <b>\$ 148,303,799</b> |

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended May 31, 2014, the Fund did not have any transfers into/out of Level 1, Level 2, or Level 3.

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

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

EDA Economic Development Authority

EDFA Economic Development Finance Authority

ETF Exchange-traded fund

EUR Euro

FDIC Federal Deposit Insurance Corporation

FFCB Federal Farm Credit Banks

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Administration

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FICO The Financing Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British pound

GDR Global depositary receipt

GNMA Government National Mortgage Association

GO General obligation

HCFR Healthcare facilities revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher education facilities authority revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong dollar

HUD Department of Housing and Urban Development

HUF Hungarian forint

IDA Industrial Development Authority



IDAG Industrial Development Agency

IDR Indonesian rupiah

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIQ Liquidity agreement

LLC Limited liability company

LLLP Limited liability limited partnership

LLP Limited liability partnership

LOC Letter of credit

LP Limited partnership

MBIA Municipal Bond Insurance Association

MFHR Multifamily housing revenue

MSTR Municipal securities trust receipts

MTN Medium-term note

MUD Municipal Utility District

MXN Mexican peso

MYR Malaysian ringgit

National National Public Finance Guarantee Corporation

NGN Nigerian naira

NOK Norwegian krone

NZD New Zealand dollar

PCFA Pollution Control Financing Authority

PCL Public Company Limited

PCR Pollution control revenue

PFA Public Finance Authority

PFFA Public Facilities Financing Authority

PFOTER Puttable floating option tax-exempt receipts

plc Public limited company

PLN Polish zloty

PUTTER Puttable tax-exempt receipts

|        |  |
|--------|--|
| R&D    | Research & development   |
| Radian | Radian Asset Assurance   |
| RAN    | Revenue anticipation notes                                       |
| RDA    | Redevelopment Authority  |
| RDFA   | Redevelopment Finance Authority                                  |
| REIT   | Real estate investment trust                                     |
| ROC    | Reset option certificates  |
| RON    | Romanian lei   |
| RUB    | Russian ruble  |
| SAVRS  | Select auction variable rate securities                          |
| SBA    | Small Business Authority   |
| SEK    | Swedish krona  |
| SFHR   | Single-family housing revenue                                    |
| SFMR   | Single-family mortgage revenue                                   |
| SGD    | Singapore dollar   |
| SKK    | Slovakian koruna   |
| SPA    | Standby purchase agreement                                       |
| SPDR   | Standard & Poor's Depositary Receipts                            |
| STRIPS | Separate trading of registered interest and principal securities |
| TAN    | Tax anticipation notes   |
| TBA    | To be announced  |
| THB    | Thai baht  |
| TIPS   | Treasury inflation-protected securities                          |
| TRAN   | Tax revenue anticipation notes                                   |
| TRY    | Turkish lira   |
| TTFA   | Transportation Trust Fund Authority                              |

TVA Tennessee Valley Authority

ZAR South African rand

ITEM 2. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo Advantage Utilities and High Income 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 Advantage Utilities and High  
Income Fund

By: /s/ Karla M. Rabusch  
Karla M. Rabusch  
President

Date: July 28, 2014

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 28, 2014

By: /s/ Nancy Wisner  
Nancy Wisner  
Treasurer

Date: July 28, 2014