

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Form N-Q

March 28, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-21331**

**Wells Fargo Advantage Multi-Sector Income Fund**

(Exact name of registrant as specified in charter)

525 Market Street, 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: **October 31, 2011**

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

**ITEM 1. SCHEDULE OF INVESTMENTS**

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS  
January 31, 2012  
(UNAUDITED)

## INCOME FUND

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

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

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR  
INCOME FUND

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

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

**Diversified Consumer Services: 1.35%**

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

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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



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

**Textiles, Apparel & Luxury Goods: 0.30%**

<i>Oxford Industries Incorporated</i>	11.38	07/15/2015	1,865,000	<b>2,044,506</b>
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**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE MULTI-SECTOR**  
**INCOME FUND**

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

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

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS  
January 31, 2012  
(UNAUDITED)

## INCOME FUND

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

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

**Insurance: 0.57%**

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

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

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

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

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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



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

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

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

14,427,877

**Wireless Telecommunication Services: 3.03%**

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

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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

1,602,410

**Media: 0.18%**

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

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

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

Utilities: 0.08%

Water Utilities: 0.08%

Zinc Capital SA (EUR)	8.88	05/15/2018	500,000	<b>562,461</b>
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## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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



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*Residential Asset Mortgage Products Incorporated Series*

*2006-EFC1 Class A2 ±*

*Soundview Home Equity Loan Trust Series 2005-OPT2 Class*

<i>A5 ±</i>	0.65	08/25/2035	388,826	380,261
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*Structured Asset Securities Corporation Series 2005 Class 1A7*

<i>± 144A</i>	0.52	02/25/2035	185,182	182,500
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*Wachovia Bank Commercial Mortgage Trust Series 2006-C23*

<i>Class AM</i>	5.47	01/15/2045	1,220,000	1,268,139
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**Total Non-Agency Mortgage Backed Securities**

<b>(Cost \$13,823,502)</b>				<b>12,879,309</b>
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**Dividend Yield**

**Shares**

**Preferred Stocks: 0.09%**

**Financials: 0.09%**

**Diversified Financial Services: 0.09%**

<i>GMAC Capital Trust I</i>	8.13		27,000	<b>599,130</b>
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**Total Preferred Stocks**

<b>(Cost \$675,000)</b>				<b>599,130</b>
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**PORTFOLIO OF INVESTMENTS**    **January 31, 2012**  
**(UNAUDITED)**
**WELLS FARGO ADVANTAGE MULTI-SECTOR**  
**INCOME FUND**

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

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

**Total Term Loans**

(Cost \$102,911,780)

**100,305,627**

**Yankee Corporate Bonds and Notes: 5.89%**

**Consumer Discretionary: 0.26%**

**Media: 0.26%**

<i>Intelsat Jackson Holdings Limited</i>	7.25	10/15/2020	875,000	913,281
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## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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



PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR  
INCOME FUND

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

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

± *Variable rate investment.*

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

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

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

## WELLS FARGO ADVANTAGE MULTI-SECTOR

PORTFOLIO OF INVESTMENTS January 31, 2012  
(UNAUDITED)

## INCOME FUND

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

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



**WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND**

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

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

**Securities valuation**

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

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

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

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

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

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

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

**Foreign currency translation**

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

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

**Reverse repurchase agreements**

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

**Forward foreign currency contracts**

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

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

#### When-issued transactions

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

#### Term loans

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

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

#### Fair valuation measurements

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

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)  
The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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

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

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

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

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

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

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

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

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

**Derivative transactions**

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

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

Forward foreign currency contracts to buy:

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

Exchange Date                      Counterparty

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

Forward foreign currency contracts to sell:

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

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

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

ACB Agricultural Credit Bank

ADR American Depository Receipt

ADS American Depository Shares

AGC-ICC Assured Guaranty Corporation - Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

AUD Australian Dollar

BAN Bond Anticipation Notes

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil Real

CAB Capital Appreciation Bond

CAD Canadian Dollar

CCAB Convertible Capital Appreciation Bond

CDA Community Development Authority

CDO Collateralized Debt Obligation

CHF Swiss Franc

COP Certificate of Participation

CR Custody Receipts

DKK Danish Krone

DRIVER Derivative Inverse Tax-Exempt Receipts

DW&P Department of Water & Power

DWR Department of Water Resources

ECFA Educational & Cultural Facilities Authority

EDA Economic Development Authority

EDFA Economic Development Finance Authority

ETF Exchange-Traded Fund



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EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British Pound

GDR Global Depository Receipt

GNMA Government National Mortgage Association

GO General Obligation

HCFR Healthcare Facilities Revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher Education Facilities Authority Revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong Dollar

HUF Hungarian Forint

IBC Insured Bond Certificate

IDA Industrial Development Authority

IDAG Industrial Development Agency

IDR Industrial Development Revenue

IEP Irish Pound

JPY Japanese Yen

KRW Republic of Korea Won

LIBOR London Interbank Offered Rate

LLC Limited Liability Company

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LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MSTR Municipal Securities Trust Receipts

MTN Medium Term Note

MUD Municipal Utility District

MXN Mexican Peso

MYR Malaysian Ringgit

NATL-RE National Public Finance Guarantee Corporation

NOK Norwegian Krone

NZD New Zealand Dollar

PCFA Pollution Control Finance Authority

PCR Pollution Control Revenue

PFA Public Finance Authority

PFFA Public Facilities Financing Authority

PFOTER Puttable Floating Option Tax-Exempt Receipts

plc Public Limited Company

PLN Polish Zloty

PUTTER Puttable Tax-Exempt Receipts

R&D Research & Development

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real Estate Investment Trust

ROC Reset Option Certificates

SAVRS Select Auction Variable Rate Securities

SBA Small Business Authority

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SPDR Standard & Poor's Depository Receipts

TAN Tax Anticipation Notes

TBA To Be Announced

TIPS Treasury Inflation-Protected Securities

TRAN Tax Revenue Anticipation Notes

TCR Transferable Custody Receipts

TRY Turkish Lira

TTFA Transportation Trust Fund Authority

TVA Tennessee Valley Authority

XLCA XL Capital Assurance

ZAR South African Rand



**ITEM 2. CONTROLS AND PROCEDURES**

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

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

**SIGNATURES**

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

Wells Fargo Advantage Multi-Sector Income Fund

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

**President**

Date: March 26, 2012

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

Wells Fargo Advantage Multi-Sector Income Fund

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

**President**

Date: March 26, 2012

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

**Treasurer**

Date: March 26, 2012