

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Form N-Q

September 26, 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, 12th Floor, San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

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

(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2011

Date of reporting period: July 31, 2012

ITEM 1. PORTFOLIO OF INVESTMENTS

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Agency Securities : 5.03%				
FHLMC	8.50%	4/1/15	\$ 7,545	\$ 7,592
FHLMC	8.50	7/1/28	114,413	141,105
FHLMC	8.50	3/1/30	65,807	69,371
FHLMC Series 0196 Class A ±	1.05	12/15/21	76,480	77,484
FHLMC Series 1383 ±	5.80	2/1/37	1,433,696	1,538,577
FHLMC Series 2390 Class FD ±	0.70	12/15/31	70,693	71,144
FHLMC Series 2411 Class F ±	0.80	2/15/32	101,337	102,294
FHLMC Series 2567 Class FH ±	0.65	2/15/33	171,378	171,749
FNMA ±	2.12	12/1/35	1,413,206	1,478,991
FNMA ±	2.28	8/1/36	1,923,014	2,011,974
FNMA ±	2.51	1/1/38	2,626,068	2,711,990
FNMA ±	2.58	6/1/38	3,023,040	3,228,121
FNMA ±	2.62	4/1/36	1,531,425	1,602,514
FNMA ±	2.64	7/1/36	1,033,264	1,099,980
FNMA ±	2.64	5/1/36	823,014	857,582
FNMA ±	4.77	9/1/32	2,079,775	2,233,044
FNMA ±	4.85	4/1/34	2,496,572	2,635,082
FNMA	6.00	4/1/33	184,794	207,980
FNMA ±	6.39	9/1/37	1,536,440	1,688,560
FNMA	6.50	11/1/32	65,123	75,096
FNMA	7.50	7/1/17	90,905	99,263
FNMA	7.50	10/1/28	11,406	11,433
FNMA	7.50	11/1/28	161,686	175,723
FNMA	7.50	2/1/30	42,186	42,949
FNMA	7.50	9/1/30	98,385	106,278
FNMA	8.00	12/1/24	5,363	5,420
FNMA	8.00	6/1/30	33,520	34,242
FNMA	12.00	1/1/16	11,800	13,080
FNMA Series 1996-46 Class FA ±	0.75	8/25/21	46,387	46,615
FNMA Series 2001-25 Class Z	6.00	6/25/31	449,027	503,929
FNMA Series 2001-35 Class F ±	0.85	7/25/31	20,456	20,668
FNMA Series 2001-57 Class F ±	0.75	6/25/31	20,595	20,762
FNMA Series 2001-T10 Class A2	7.50	12/25/41	214,930	254,640
FNMA Series 2002-77 Class FH ±	0.65	12/18/32	147,069	147,750
FNMA Series 2002-97 Class FR ±	0.80	1/25/33	44,171	44,357
FNMA Series 2003-W8 Class 3F2 ±	0.60	5/25/42	977,864	979,285
FNMA Series G91-16 Class F ±	0.70	6/25/21	50,445	50,654
FNMA Series G92-17 Class F ±	1.30	3/25/22	111,402	113,368
FREMF Mortgage Trust Series 2011 Class K16-B ±144A	4.59	11/25/46	1,000,000	1,019,779
FREMF Mortgage Trust Series 2011 Class K701-B ±144A	4.29	7/25/48	165,000	169,819
FREMF Mortgage Trust Series 2011 Class K702-B ±144A	4.77	4/25/44	740,000	779,722
FREMF Mortgage Trust Series 2012 Class B-K705 ±144A	4.16	9/25/44	1,000,000	1,015,719
FREMF Mortgage Trust Series 2012 Class K17-B ±144A	4.35	12/25/44	500,000	497,676
FREMF Mortgage Trust Series 2012 Class K18-B ±144A	4.26	1/25/45	810,000	800,140
FREMF Mortgage Trust Series 2012 Class K19-B ±144A#	4.18	5/25/45	1,000,000	983,700
FREMF Mortgage Trust Series 2012 Class K501-C ±144A	3.49	11/25/46	800,000	757,546
FREMF Mortgage Trust Series 2012 Class K706-B ±144A	4.02	11/25/44	500,000	502,320
FREMF Mortgage Trust Series 2012 Class K706-C ±144A	4.02	11/25/44	555,000	509,058
FREMF Mortgage Trust Series 2012 Class K707-B ±144A	3.88	1/25/47	930,000	923,151
FREMF Mortgage Trust Series 2012 Class K709-B ±144A	3.74	4/25/45	1,000,000	984,600
FREMF Mortgage Trust Series 2012 Class K710-B ±144A	3.95	6/25/47	1,000,000	984,110
GNMA	6.50	6/15/28	69,622	81,861

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GNMA	7.25	7/15/17	32,871	36,407
GNMA	7.25	8/15/17	13,781	15,254
GNMA	7.25	8/15/17	26,693	29,375
GNMA	7.25	8/15/17	51,332	56,653
GNMA	7.25	9/15/17	38,657	42,818
GNMA	7.25	10/15/17	42,259	46,486
GNMA	7.25	10/15/17	73,008	80,534
GNMA	7.25	11/15/17	33,750	37,007
GNMA	7.25	1/15/18	28,399	31,909
GNMA	7.25	1/15/18	12,097	13,367
GNMA	7.25	2/15/18	29,001	32,130

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Agency Securities (continued)				
GNMA	7.25%	5/15/18	\$ 15,063	\$ 16,468
Total Agency Securities (Cost \$33,869,953)				35,128,255
Asset-Backed Securities : 0.11%				
CVS Pass-Through Trust Series T (Cost \$717,227)	6.04	12/10/28	640,690	734,391
Total Asset-Backed Securities (Cost \$717,227)				734,391
Shares				
Common Stocks : 0.06%				
Consumer Discretionary : 0.00%				
Hotels, Restaurants & Leisure : 0.00%				
Trump Entertainment Resorts Incorporated (i)			1,161	4,644
Telecommunication Services : 0.06%				
Diversified Telecommunication Services : 0.06%				
Fairpoint Communications Incorporated			70,442	430,401
Total Common Stocks (Cost \$1,617,838)				435,045
Principal				
Corporate Bonds and Notes : 58.38%				
Consumer Discretionary : 13.10%				
Auto Components : 0.93%				
Allison Transmission Incorporated 144A	7.13	5/15/19	3,050,000	3,206,313
Cooper Tire & Rubber Company	7.63	3/15/27	1,895,000	1,868,944
Cooper Tire & Rubber Company	8.00	12/15/19	450,000	482,063
Goodyear Tire & Rubber Company	7.00	5/15/22	400,000	408,500
Goodyear Tire & Rubber Company	8.75	8/15/20	468,000	513,630
				6,479,450
Diversified Consumer Services : 1.34%				
Carriage Services Incorporated	7.88	1/15/15	1,795,000	1,812,950
Service Corporation International	6.75	4/1/16	475,000	524,875
Service Corporation International	7.00	6/15/17	1,410,000	1,603,875
Service Corporation International	7.00	5/15/19	650,000	706,875
Service Corporation International	7.50	4/1/27	3,965,000	4,143,425
Service Corporation International	8.00	11/15/21	475,000	559,313
				9,351,313
Hotels, Restaurants & Leisure : 3.59%				
Ameristar Casinos Incorporated	7.50	4/15/21	2,150,000	2,316,625
Burger King Corporation	9.88	10/15/18	850,000	974,313
CCM Merger Incorporated 144A	9.13	5/1/19	4,000,000	4,060,000
Chukchansi Economic Development Authority 144A	9.75	5/30/20	1,306,000	966,440
CityCenter Holdings LLC	7.63	1/15/16	175,000	184,406
CityCenter Holdings LLC 144A	7.63	1/15/16	425,000	446,781

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<i>CityCenter Holdings LLC ¥</i>	10.75	1/15/17	1,811,822	1,909,207
<i>DineEquity Incorporated</i>	9.50	10/30/18	3,475,000	3,839,875
<i>Greektown Superholdings</i>	13.00	7/1/15	4,125,000	4,485,938
<i>NAI Entertainment Holdings LLC 144A</i>	8.25	12/15/17	1,620,000	1,802,250
<i>Penn National Gaming Incorporated</i>	8.75	8/15/19	250,000	276,563
<i>Ruby Tuesday Incorporated 144A</i>	7.63	5/15/20	2,200,000	1,977,250
<i>Scientific Games Corporation</i>	9.25	6/15/19	485,000	534,713
<i>Speedway Motorsports Incorporated</i>	6.75	2/1/19	225,000	236,813

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Hotels, Restaurants & Leisure (continued)				
<i>Speedway Motorsports Incorporated</i>	8.75%	6/1/16	\$ 950,000	\$ 1,030,750
				25,041,924
Household Durables : 0.07%				
<i>American Greetings Corporation</i>	7.38	12/1/21	475,000	503,500
Internet & Catalog Retail : 0.11%				
<i>Expedia Incorporated</i>	5.95	8/15/20	750,000	803,512
Media : 6.01%				
<i>Cablevision Systems Corporation</i>	8.63	9/15/17	1,310,000	1,496,675
<i>CBS Corporation</i>	8.88	5/15/19	750,000	1,015,489
<i>CCH II Capital LLC</i>	13.50	11/30/16	7,535,929	8,346,041
<i>CCO Holdings LLC</i>	6.50	4/30/21	900,000	974,250
<i>CCO Holdings LLC</i>	7.00	1/15/19	500,000	548,750
<i>Cinemark USA Incorporated</i>	7.38	6/15/21	775,000	860,250
<i>Cinemark USA Incorporated</i>	8.63	6/15/19	350,000	390,250
<i>CSC Holdings LLC</i>	7.63	7/15/18	325,000	368,063
<i>CSC Holdings LLC</i>	7.88	2/15/18	1,100,000	1,256,750
<i>CSC Holdings LLC</i>	8.50	4/15/14	400,000	441,000
<i>DIRECTV Holdings LLC</i>	3.80	3/15/22	750,000	793,604
<i>DISH DBS Corporation</i>	7.88	9/1/19	480,000	558,000
<i>EchoStar DBS Corporation</i>	7.13	2/1/16	125,000	137,969
<i>EchoStar DBS Corporation</i>	7.75	5/31/15	350,000	391,563
<i>Gray Television Incorporated</i>	10.50	6/29/15	5,175,000	5,485,500
<i>Interpublic Group of Companies</i>	4.00	3/15/22	750,000	776,894
<i>Lamar Media Corporation</i>	5.88	2/1/22	650,000	685,750
<i>Lamar Media Corporation</i>	7.88	4/15/18	2,150,000	2,386,500
<i>Lamar Media Corporation Series C</i>	9.75	4/1/14	500,000	560,625
<i>LIN Television Corporation</i>	8.38	4/15/18	1,625,000	1,685,938
<i>Local TV Finance LLC 144A</i>	9.25	6/15/15	4,775,000	4,870,500
<i>National CineMedia LLC 144A</i>	6.00	4/15/22	850,000	879,750
<i>National CineMedia LLC</i>	7.88	7/15/21	650,000	700,375
<i>Regal Cinemas Corporation</i>	8.63	7/15/19	2,650,000	2,961,375
<i>Salem Communications Corporation</i>	9.63	12/15/16	2,329,000	2,579,368
<i>Time Warner Cable Incorporated</i>	4.00	1/15/22	750,000	825,837
				41,977,066
Specialty Retail : 1.05%				
<i>Advance Auto Parts Incorporated</i>	4.50	1/15/22	600,000	644,123
<i>Gap Incorporated</i>	5.95	4/12/21	600,000	634,274
<i>Limited Brands Incorporated</i>	6.63	4/1/21	800,000	889,001
<i>Macys Retail Holdings Incorporated</i>	3.88	1/15/22	600,000	647,152
<i>RadioShack Corporation</i>	6.75	5/15/19	1,950,000	1,248,000
<i>Rent-A-Center Incorporated</i>	6.63	11/15/20	375,000	404,531
<i>Toys R Us Property Company I LLC</i>	10.75	7/15/17	725,000	801,125
<i>Toys R Us Property Company LLC</i>	8.50	12/1/17	1,905,000	2,057,400
				7,325,606
Consumer Staples : 0.79%				
Food & Staples Retailing : 0.10%				

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<i>SABMiller Holdings Incorporated 144A</i>	3.75	1/15/22	600,000	658,743
Food Products : 0.58%				
<i>Dole Food Company Incorporated</i>	13.88	3/15/14	1,452,000	1,640,760
<i>Kraft Foods Incorporated 144A</i>	3.50	6/6/22	750,000	795,797
<i>Smithfield Foods Incorporated</i>	10.00	7/15/14	1,370,000	1,613,175
				4,049,732

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Tobacco : 0.11%				
Lorillard Tobacco Company	6.88%	5/1/20	\$ 650,000	\$ 793,893
Energy : 9.22%				
Energy Equipment & Services : 3.44%				
Bristow Group Incorporated	7.50	9/15/17	1,585,000	1,644,438
Dresser Rand Group Incorporated	6.50	5/1/21	925,000	971,250
Gulfmark Offshore Incorporated 144A	6.38	3/15/22	2,025,000	2,070,563
Hornbeck Offshore Services Incorporated Series B	8.00	9/1/17	2,230,000	2,386,100
NGPL PipeCo LLC 144A	7.12	12/15/17	375,000	385,313
NGPL PipeCo LLC 144A	7.77	12/15/37	2,700,000	2,646,000
NGPL PipeCo LLC 144A	9.63	6/1/19	2,550,000	2,773,125
Oil States International Incorporated	6.50	6/1/19	1,230,000	1,294,575
PHI Incorporated	8.63	10/15/18	2,500,000	2,581,250
Rockies Express Pipeline 144A	3.90	4/15/15	2,000,000	1,950,000
Rockies Express Pipeline 144A	5.63	4/15/20	400,000	380,000
Rockies Express Pipeline 144A	6.88	4/15/40	4,963,000	4,479,108
Rockies Express Pipeline 144A	7.50	7/15/38	500,000	473,750
				24,035,472
Oil, Gas & Consumable Fuels : 5.78%				
Coffeyville Resources LLC 144A	9.00	4/1/15	932,000	990,250
Coffeyville Resources LLC 144A	10.88	4/1/17	1,350,000	1,501,875
Crestwood Midstream Part Company	7.75	4/1/19	675,000	685,125
Denbury Resources Incorporated	6.38	8/15/21	350,000	375,375
Denbury Resources Incorporated	8.25	2/15/20	425,000	478,125
El Paso Corporation	6.50	4/1/20	750,000	882,040
El Paso Corporation	6.50	9/15/20	445,000	499,272
El Paso Corporation	7.00	6/15/17	850,000	974,196
El Paso Corporation	7.25	6/1/18	1,585,000	1,828,849
El Paso Corporation	7.42	2/15/37	800,000	858,368
El Paso Corporation	7.80	8/1/31	1,850,000	2,153,962
Encore Acquisition Company	9.50	5/1/16	375,000	410,625
Energy Transfer Equity LP	7.50	10/15/20	3,100,000	3,541,750
Energy Transfer Partners LP	5.20	2/1/22	750,000	829,637
Ferrellgas Finance Corporation	9.13	10/1/17	2,450,000	2,621,500
Holly Corporation	9.88	6/15/17	1,895,000	2,098,713
Inergy LP	6.88	8/1/21	421,000	432,578
Inergy LP	7.00	10/1/18	500,000	516,250
Kinder Morgan Energy Partners LP	3.95	9/1/22	750,000	792,192
Nabors Industries Incorporated	4.63	9/15/21	750,000	804,684
Petrohawk Energy Corporation	7.88	6/1/15	790,000	821,600
Petrohawk Energy Corporation	10.50	8/1/14	495,000	545,817
Phillips 66 144A	4.30	4/1/22	625,000	684,657
Pioneer Natural Resources Company	3.95	7/15/22	750,000	779,048
Pioneer Natural Resources Company	7.50	1/15/20	1,220,000	1,517,093
Plains Exploration & Production Company	8.63	10/15/19	2,885,000	3,245,625
Regency Energy Partners	6.88	12/1/18	250,000	267,500
Sabine Pass LNG LP	7.25	11/30/13	2,265,000	2,355,600
Sabine Pass LNG LP	7.50	11/30/16	3,250,000	3,424,688
Susser Holdings LLC	8.50	5/15/16	975,000	1,062,750
Tesoro Corporation	9.75	6/1/19	945,000	1,072,575

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<i>Weatherford International Incorporated</i>	6.35	6/15/17	650,000	751,361
<i>Western Gas Partners LP</i>	5.38	6/1/21	503,000	565,528
				40,369,208

Financials : 14.38%

Capital Markets : 1.15%

<i>Ace Securities Corporation ±</i>	0.65	8/25/45	439,182	421,737
<i>Ace Securities Corporation ±</i>	2.87	6/25/33	751,230	675,163
<i>E*TRADE Financial Corporation</i>	12.50	11/30/17	4,291,000	4,913,195

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Capital Markets (continued)				
<i>Goldman Sachs Group Incorporated</i>	5.75%	1/24/22	\$ 750,000	\$ 820,089
<i>Oppenheimer Holdings Incorporated</i>	8.75	4/15/18	1,225,000	1,194,375
				8,024,559
Commercial Banks : 1.20%				
<i>CIT Group Incorporated 144A</i>	4.75	2/15/15	1,475,000	1,534,158
<i>CIT Group Incorporated</i>	5.00	5/15/17	250,000	261,250
<i>CIT Group Incorporated 144A</i>	5.25	4/1/14	750,000	781,875
<i>CIT Group Incorporated</i>	5.25	3/15/18	500,000	529,375
<i>CIT Group Incorporated 144A</i>	5.50	2/15/19	1,275,000	1,345,125
<i>City National Bank</i>	5.38	7/15/22	500,000	522,642
<i>Emigrant Bancorp Incorporated 144A(i)</i>	6.25	6/15/14	2,925,000	2,688,762
<i>HSBC Bank USA</i>	6.00	8/9/17	650,000	735,629
				8,398,816
Consumer Finance : 6.97%				
<i>Ally Financial Incorporated</i>	5.50	2/15/17	750,000	781,513
<i>Ally Financial Incorporated</i>	8.30	2/12/15	2,055,000	2,283,619
<i>American General Finance Corporation</i>	5.40	12/1/15	1,625,000	1,397,500
<i>American General Finance Corporation</i>	5.75	9/15/16	1,100,000	907,500
<i>American General Finance Corporation</i>	6.50	9/15/17	200,000	162,500
<i>Clearwire Communications Finance Corporation 144A</i>	12.00	12/1/15	1,450,000	1,370,250
<i>Clearwire Communications Finance Corporation 144A</i>	12.00	12/1/15	940,000	883,600
<i>Ford Motor Credit Company LLC</i>	5.00	5/15/18	650,000	693,016
<i>Ford Motor Credit Company LLC</i>	8.00	12/15/16	250,000	295,557
<i>General Motors Financial Company Incorporated</i>	6.75	6/1/18	1,150,000	1,266,487
<i>GMAC LLC</i>	6.75	12/1/14	1,298,000	1,400,218
<i>GMAC LLC</i>	6.88	8/28/12	1,244,000	1,246,488
<i>GMAC LLC</i>	7.50	12/31/13	3,620,000	3,895,265
<i>Homer City Funding LLC</i>	8.73	10/1/26	1,235,276	1,188,953
<i>International Lease Finance Corporation</i>	6.38	3/25/13	460,000	471,500
<i>International Lease Finance Corporation 144A</i>	6.75	9/1/16	100,000	109,750
<i>International Lease Finance Corporation 144A</i>	7.13	9/1/18	75,000	84,844
<i>International Lease Finance Corporation</i>	8.63	9/15/15	900,000	1,014,750
<i>JBS USA Finance Incorporated</i>	11.63	5/1/14	3,745,000	4,245,894
<i>Level 3 Financing Incorporated</i>	10.00	2/1/18	2,010,000	2,195,925
<i>Nielsen Finance LLC Company</i>	7.75	10/15/18	5,100,000	5,737,500
<i>Nielsen Finance LLC Company</i>	11.50	5/1/16	601,000	676,125
<i>Springleaf Finance Corporation</i>	6.90	12/15/17	4,620,000	3,765,300
<i>Sprint Capital Corporation</i>	6.88	11/15/28	11,985,000	10,756,538
<i>Sprint Capital Corporation</i>	8.75	3/15/32	1,855,000	1,850,363
				48,680,955
Diversified Financial Services : 2.70%				
<i>Bank of America Corporation</i>	3.70	9/1/15	650,000	672,372
<i>Bank of America Corporation</i>	5.70	1/24/22	250,000	285,871
<i>Blackstone Holdings Finance Company LLC 144A</i>	5.88	3/15/21	750,000	807,622
<i>Citigroup Incorporated</i>	4.50	1/14/22	250,000	263,249
<i>Citigroup Incorporated</i>	6.00	8/15/17	650,000	736,211
<i>Discover Financial Services 144A</i>	5.20	4/27/22	750,000	800,958

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<i>Dolphin Subsidiary II Incorporated 144A</i>	7.25	10/15/21	2,400,000	2,730,000
<i>General Electric Capital Corporation</i>	4.65	10/17/21	650,000	743,784
<i>Hub International Holdings Incorporated 144A</i>	10.25	6/15/15	3,625,000	3,643,125
<i>ING US Incorporated 144A</i>	5.50	7/15/22	750,000	766,167
<i>Moody's Corporation</i>	5.50	9/1/20	1,302,000	1,437,903
<i>Neuberger Berman Group LLC 144A</i>	5.63	3/15/20	500,000	523,750
<i>Neuberger Berman Group LLC 144A</i>	5.88	3/15/22	650,000	687,375
<i>Nuveen Investments Incorporated</i>	5.50	9/15/15	2,950,000	2,655,000
<i>Nuveen Investments Incorporated</i>	10.50	11/15/15	1,550,000	1,573,250

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Diversified Financial Services (continued)				
<i>USI Holdings Corporation 144A</i>	9.75%	5/15/15	\$ 525,000	\$ 530,250
				18,856,887
Insurance : 0.49%				
<i>American International Group Incorporated</i>	4.88	6/1/22	750,000	799,330
<i>Berkley Corporation</i>	4.63	3/15/22	650,000	675,506
<i>Hartford Financial Services Group</i>	5.13	4/15/22	650,000	692,329
<i>Liberty Mutual Group Incorporated 144A</i>	4.95	5/1/22	750,000	768,839
<i>Prudential Covered Trust Company 144A</i>	3.00	9/30/15	480,000	489,832
				3,425,836
Real Estate Management & Development : 0.27%				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7/15/22	1,825,000	1,898,000
REITs : 1.60%				
<i>Alexandria Real Estate Company</i>	4.60	4/1/22	650,000	674,832
<i>Dupont Fabros Technology Incorporated</i>	8.50	12/15/17	5,560,000	6,129,900
<i>Health Care Incorporated</i>	5.25	1/15/22	650,000	731,041
<i>Host Hotels & Resorts LP</i>	9.00	5/15/17	235,000	259,088
<i>Omega Healthcare Investors Incorporated</i>	6.75	10/15/22	1,775,000	1,961,375
<i>Ventas Incorporated</i>	4.25	3/1/22	650,000	699,992
<i>WEA Finance LLC 144A</i>	4.63	5/10/21	650,000	703,451
				11,159,679
Health Care : 3.25%				
Biotechnology : 0.11%				
<i>Amgen Incorporated</i>	3.63	5/15/22	750,000	800,416
Health Care Equipment & Supplies : 0.47%				
<i>Biomet Incorporated ¥</i>	10.38	10/15/17	540,000	577,800
<i>Boston Scientific Corporation</i>	6.00	1/15/20	750,000	904,985
<i>CareFusion Corporation</i>	6.38	8/1/19	750,000	903,650
<i>Hologic Incorporated 144A#</i>	6.25	8/1/20	850,000	898,875
				3,285,310
Health Care Providers & Services : 2.12%				
<i>Apria Healthcare Group Incorporated</i>	11.25	11/1/14	590,000	616,550
<i>Aristotle Holding Incorporated 144A</i>	3.90	2/15/22	665,000	715,670
<i>Aviv Healthcare Properties LP</i>	7.75	2/15/19	1,025,000	1,059,594
<i>Centene Corporation</i>	5.75	6/1/17	1,000,000	1,048,750
<i>Community Health Systems Incorporated</i>	7.13	7/15/20	775,000	811,813
<i>Community Health Systems Incorporated</i>	8.88	7/15/15	422,000	430,440
<i>Coventry Health Care Incorporated</i>	5.45	6/15/21	750,000	856,571
<i>Emergency Medical Services Corporation</i>	8.13	6/1/19	425,000	452,094
<i>HCA Incorporated</i>	5.88	3/15/22	425,000	457,406
<i>HCA Incorporated</i>	6.50	2/15/20	1,875,000	2,095,313
<i>HCA Incorporated</i>	7.50	11/15/95	800,000	652,000
<i>HCA Incorporated</i>	8.50	4/15/19	375,000	422,578
<i>Health Management Associates Incorporated</i>	6.13	4/15/16	175,000	187,906

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<i>HealthSouth Corporation</i>	7.25	10/1/18	400,000	433,500
<i>HealthSouth Corporation</i>	7.75	9/15/22	400,000	435,000
<i>Humana Incorporated</i>	7.20	6/15/18	750,000	907,439
<i>MPT Operating Partnership LP</i>	6.38	2/15/22	475,000	491,625
<i>MPT Operating Partnership LP</i>	6.88	5/1/21	775,000	823,438
<i>PSS World Medical Incorporated</i>	6.38	3/1/22	250,000	261,250
<i>Sabra Health Care LP</i>	8.13	11/1/18	1,450,000	1,558,750

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Health Care Providers & Services (continued)				
<i>Tenet Healthcare Corporation</i>	10.00%	5/1/18	\$ 75,000	\$ 87,000
				14,804,687
Life Sciences Tools & Services : 0.13%				
<i>Life Technologies Corporation</i>	6.00	3/1/20	750,000	897,255
Pharmaceuticals : 0.42%				
<i>Mylan Incorporated 144A</i>	6.00	11/15/18	725,000	781,188
<i>Mylan Incorporated 144A</i>	7.63	7/15/17	1,125,000	1,255,078
<i>Mylan Incorporated 144A</i>	7.88	7/15/20	775,000	881,563
				2,917,829
Industrials : 3.30%				
Aerospace & Defense : 0.65%				
<i>Alliant Techsystems Incorporated</i>	6.75	4/1/16	1,980,000	2,029,500
<i>GeoEye Incorporated</i>	9.63	10/1/15	485,000	537,138
<i>L-3 Communications Corporation Incorporated</i>	4.95	2/15/21	750,000	828,104
<i>L-3 Communications Corporation Incorporated</i>	6.38	10/15/15	673,000	687,301
<i>TransDigm Group Incorporated</i>	7.75	12/15/18	375,000	418,125
				4,500,168
Airlines : 0.05%				
<i>Delta Air Lines Incorporated</i>	4.75	5/7/20	340,000	345,100
Commercial Services & Supplies : 1.56%				
<i>ADT Corporation 144A</i>	3.50	7/15/22	750,000	775,108
<i>Casella Waste Systems Incorporated</i>	11.00	7/15/14	1,945,000	2,061,700
<i>Corrections Corporation of America</i>	7.75	6/1/17	1,270,000	1,375,569
<i>Covanta Energy Corporation</i>	6.38	10/1/22	225,000	241,649
<i>Crown Cork & Seal Company Incorporated (i)</i>	7.50	12/15/96	600,000	518,250
<i>Geo Group Incorporated</i>	7.75	10/15/17	1,450,000	1,562,375
<i>Interface Incorporated</i>	7.63	12/1/18	125,000	133,750
<i>Iron Mountain Incorporated</i>	8.38	8/15/21	1,385,000	1,533,888
<i>KAR Holdings Incorporated ±</i>	4.47	5/1/14	1,150,000	1,145,688
<i>Penske Truck Leasing Company 144A</i>	3.75	5/11/17	750,000	760,751
<i>Republic Services Incorporated</i>	3.55	6/1/22	750,000	789,693
				10,898,421
Machinery : 0.71%				
<i>Cleaver-Brooks Incorporated 144A</i>	12.25	5/1/16	630,000	672,525
<i>Columbus McKinnon Corporation</i>	7.88	2/1/19	725,000	768,500
<i>CPM Holdings Incorporated</i>	10.63	9/1/14	1,315,000	1,393,900
<i>Titan International Incorporated</i>	7.88	10/1/17	375,000	388,125
<i>UR Financing Escrow Corporation 144A</i>	5.75	7/15/18	1,685,000	1,760,825
				4,983,875
Professional Services : 0.29%				
<i>Interactive Data Corporation</i>	10.25	8/1/18	1,250,000	1,415,625
<i>Verisk Analytics Incorporated</i>	5.80	5/1/21	530,000	600,779

2,016,404

Transportation Infrastructure : 0.04%

<i>Overseas Shipholding Group</i>	7.50	2/15/24	525,000	262,500
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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Information Technology : 3.95%				
Communications Equipment : 0.30%				
<i>Allbritton Communications Company</i>	8.00%	5/15/18	\$ 1,275,000	\$ 1,354,688
<i>Lucent Technologies Incorporated</i>	6.45	3/15/29	1,285,000	732,450
				2,087,138
Computers & Peripherals : 0.11%				
<i>Hewlett Packard Company</i>	4.05	9/15/22	750,000	755,180
Electronic Equipment, Instruments & Components : 1.17%				
<i>CDW Financial Corporation</i>	12.54	10/12/17	1,725,000	1,850,063
<i>Jabil Circuit Incorporated</i>	8.25	3/15/18	5,275,000	6,330,000
				8,180,063
Internet Software & Services : 0.19%				
<i>Equinix Incorporated</i>	7.00	7/15/21	75,000	83,438
<i>Equinix Incorporated</i>	8.13	3/1/18	1,085,000	1,201,638
				1,285,076
IT Services : 2.06%				
<i>Audatex North American Incorporated 144A</i>	6.75	6/15/18	750,000	800,625
<i>Fidelity National Information Services Incorporated 144A</i>	5.00	3/15/22	275,000	290,125
<i>Fidelity National Information Services Incorporated</i>	7.63	7/15/17	225,000	248,625
<i>Fidelity National Information Services Incorporated 144A</i>	7.63	7/15/17	175,000	192,500
<i>Fidelity National Information Services Incorporated</i>	7.88	7/15/20	1,000,000	1,127,500
<i>First Data Corporation 144A</i>	7.38	6/15/19	625,000	652,344
<i>First Data Corporation</i>	11.25	3/31/16	4,550,000	4,333,875
<i>SunGard Data Systems Incorporated</i>	7.38	11/15/18	1,545,000	1,641,563
<i>SunGard Data Systems Incorporated</i>	7.63	11/15/20	250,000	268,438
<i>SunGard Data Systems Incorporated</i>	10.25	8/15/15	3,455,000	3,537,056
<i>TW Telecommunications Holdings Incorporated</i>	8.00	3/1/18	675,000	754,313
<i>Unisys Corporation</i>	12.50	1/15/16	80,000	85,200
<i>Unisys Corporation 144A</i>	12.75	10/15/14	434,000	468,720
				14,400,884
Software : 0.12%				
<i>CA Incorporated</i>	5.38	12/1/19	750,000	857,068
Materials : 0.99%				
Chemicals : 0.38%				
<i>Dow Chemical Company</i>	4.13	11/15/21	750,000	827,189
<i>Huntsman International LLC</i>	5.50	6/30/16	1,260,000	1,263,150
<i>Solutia Incorporated</i>	7.88	3/15/20	474,000	560,505
<i>Solutia Incorporated</i>	8.75	11/1/17	33,000	37,373
				2,688,217
Containers & Packaging : 0.10%				
<i>Crown Americas LLC</i>	7.63	5/15/17	450,000	488,250
<i>Owens Brockway Glass Container Incorporated</i>	7.38	5/15/16	175,000	197,313

685,563

Metals & Mining : 0.20%

<i>Alcoa Incorporated</i>	5.40	4/15/21	750,000	769,512
<i>Freeport-McMoRan Copper & Gold Incorporated</i>	3.55	3/1/22	600,000	606,378

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Metals & Mining (continued)				
<i>Indalex Holdings Corporation (a)(s)(i)</i>	11.50%	2/1/14	\$ 3,170,000	\$ 0
				1,375,890
Paper & Forest Products : 0.31%				
<i>Clearwater Paper Corporation</i>	10.63	6/15/16	545,000	607,675
<i>Georgia-Pacific Corporation</i>	8.88	5/15/31	1,080,000	1,585,187
				2,192,862
Telecommunication Services : 5.40%				
Diversified Telecommunication Services : 3.31%				
<i>Avaya Incorporated</i>	9.75	11/1/15	575,000	448,500
<i>CenturyLink Incorporated</i>	5.80	3/15/22	600,000	637,384
<i>Citizens Communications Company</i>	7.88	1/15/27	1,805,000	1,619,988
<i>Frontier Communications Corporation</i>	8.13	10/1/18	845,000	921,050
<i>Frontier Communications Corporation</i>	8.25	5/1/14	4,000	4,380
<i>Frontier Communications Corporation</i>	8.25	4/15/17	1,040,000	1,138,800
<i>Frontier Communications Corporation</i>	8.50	4/15/20	525,000	568,313
<i>GCI Incorporated</i>	6.75	6/1/21	425,000	412,250
<i>GCI Incorporated</i>	8.63	11/15/19	5,550,000	5,896,875
<i>Intelsat Jackson Holdings Limited</i>	8.50	11/1/19	850,000	945,625
<i>Qwest Corporation</i>	7.13	11/15/43	795,000	796,988
<i>Qwest Corporation</i>	7.25	9/15/25	1,040,000	1,195,115
<i>Qwest Corporation</i>	7.63	8/3/21	230,000	246,195
<i>SBA Telecommunications Incorporated 144A</i>	5.75	7/15/20	150,000	157,875
<i>SBA Telecommunications Incorporated</i>	8.00	8/15/16	455,000	484,120
<i>SBA Telecommunications Incorporated</i>	8.25	8/15/19	65,000	72,313
<i>Syniverse Holdings Incorporated</i>	9.13	1/15/19	4,575,000	4,998,188
<i>Windstream Corporation</i>	7.88	11/1/17	2,330,000	2,560,088
				23,104,047
Wireless Telecommunication Services : 2.09%				
<i>American Tower Corporation</i>	5.90	11/1/21	650,000	737,833
<i>CC Holdings LLC 144A</i>	7.75	5/1/17	325,000	352,219
<i>CC Holdings LLC</i>	8.13	4/30/20	450,000	508,500
<i>Cricket Communications Incorporated</i>	7.75	5/15/16	1,705,000	1,807,300
<i>Cricket Communications Incorporated</i>	7.75	10/15/20	1,550,000	1,480,250
<i>Crown Castle International Corporation</i>	7.13	11/1/19	75,000	82,313
<i>Crown Castle International Corporation</i>	9.00	1/15/15	325,000	354,453
<i>Crown Castle Towers LLC 144A</i>	6.11	1/15/40	750,000	883,962
<i>iPCS Incorporated ¥</i>	3.72	5/1/14	1,357,019	1,333,271
<i>MetroPCS Communications Incorporated</i>	6.63	11/15/20	2,225,000	2,247,250
<i>MetroPCS Communications Incorporated</i>	7.88	9/1/18	775,000	821,500
<i>Motorola Solutions Incorporated</i>	3.75	5/15/22	750,000	768,770
<i>Sprint Nextel Corporation 144A</i>	9.00	11/15/18	325,000	379,438
<i>Sprint Nextel Corporation 144A</i>	11.50	11/15/21	625,000	750,000
<i>Sprint Nextel Corporation Series F</i>	5.95	3/15/14	2,085,000	2,090,213
				14,597,272
Utilities : 4.00%				

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Electric Utilities : 1.41%

<i>Great Plains Energy Incorporated</i>	4.85	6/1/21	750,000	818,784
<i>IPALCO Enterprises Incorporated</i>	5.00	5/1/18	900,000	927,000
<i>IPALCO Enterprises Incorporated 144A</i>	7.25	4/1/16	1,925,000	2,146,375
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12/30/28	3,614,632	3,921,876
<i>Otter Tail Corporation</i>	9.00	12/15/16	1,835,000	1,990,975
<i>PNM Resources Incorporated</i>	9.25	5/15/15	9,000	10,283
				9,815,293

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Gas Utilities : 0.33%				
<i>AmeriGas Finance LLC</i>	6.75%	5/20/20	\$ 1,775,000	\$ 1,877,063
<i>AmeriGas Finance LLC</i>	7.00	5/20/22	425,000	451,563
				2,328,626
Independent Power Producers & Energy Traders : 2.01%				
<i>Calpine Construction Finance Corporation 144A</i>	7.25	10/15/17	4,925,000	5,331,313
<i>Calpine Construction Finance Corporation 144A</i>	8.00	6/1/16	1,350,000	1,463,063
<i>NRG Energy Incorporated</i>	7.38	1/15/17	3,475,000	3,605,313
<i>NRG Energy Incorporated</i>	8.50	6/15/19	1,615,000	1,728,050
<i>Reliant Energy Incorporated</i>	7.63	6/15/14	450,000	479,250
<i>Reliant Energy Incorporated</i>	9.24	7/2/17	946,943	989,556
<i>Reliant Energy Incorporated</i>	9.68	7/2/26	410,000	430,500
				14,027,045
Multi-Utilities : 0.21%				
<i>Ameren Illinois Company</i>	9.75	11/15/18	500,000	680,221
<i>CMS Energy Corporation</i>	5.05	3/15/22	750,000	800,383
				1,480,604
Oil, Gas & Consumable Fuels : 0.04%				
<i>Suburban Propane Partners LP</i>	7.38	3/15/20	275,000	288,750
				407,695,694
Foreign Corporate Bonds and Notes @: 5.24%				
Consumer Discretionary : 0.65%				
Automobiles : 0.14%				
<i>Aston Martin Capital Limited (GBP)</i>	9.25	15/7/18	400,000	509,551
<i>Jaguar Land Rover plc (GBP)</i>	8.25	15/3/20	300,000	483,290
				992,841
Hotels, Restaurants & Leisure : 0.34%				
<i>Casino Guichard Perrachon SA (EUR)</i>	4.73	26/5/21	900,000	1,231,070
<i>ODEON & UCI Cinemas Group (GBP)</i>	9.00	1/8/18	300,000	456,244
<i>William Hill plc (GBP)</i>	7.13	11/11/16	396,000	681,403
				2,368,717
Media : 0.17%				
<i>UPC Holding BV (EUR)</i>	9.63	1/12/19	470,000	640,454
<i>Ziggo Bond Company BV (EUR)</i>	8.00	15/5/18	200,000	268,227
<i>Ziggo Bond Company BV 144A(i) (EUR)</i>	8.00	15/5/18	200,000	268,227
				1,176,908
Consumer Staples : 0.15%				
Food & Staples Retailing : 0.15%				
<i>Foodcorp Limited (EUR)</i>	8.75	1/3/18	820,000	1,019,017

Financials : 3.69%

Commercial Banks : 2.48%

<i>Eurofima (AUD)</i>	6.25	28/12/18	2,450,000	2,789,609
<i>European Investment Bank (AUD)</i>	6.13	23/1/17	6,930,000	7,798,467
<i>International Bank for Reconstruction & Development (AUD)</i>	5.75	1/10/20	950,000	1,121,873
<i>KfW Bankengruppe (AUD)</i>	6.25	4/12/19	1,225,000	1,455,812

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Commercial Banks (continued)				
<i>KfW Bankengruppe (NZD)</i>	6.38%	17/2/15	4,819,000	\$ 4,186,905
				17,352,666
Consumer Finance : 0.07%				
<i>Fiat Industrial SpA (EUR)</i>	6.25	9/3/18	400,000	504,464
Diversified Financial Services : 0.44%				
<i>General Electric Capital Corporation (NZD)</i>	7.63	10/12/14	2,000,000	1,736,569
<i>Voto-Votorantim Limited (EUR)</i>	5.25	28/4/17	1,000,000	1,319,860
				3,056,429
Thrifts & Mortgage Finance : 0.70%				
<i>Dexia Kommunalbank AG (EUR)</i>	3.50	5/6/14	3,100,000	3,974,773
<i>Nationwide Building Society (EUR)</i>	3.75	20/1/15	700,000	901,512
				4,876,285
Industrials : 0.39%				
Building Products : 0.07%				
<i>Heidelbergcement AG (EUR)</i>	8.50	31/10/19	330,000	471,505
Commercial Services & Supplies : 0.04%				
<i>Iron Mountain Incorporated (EUR)</i>	6.75	15/10/18	250,000	309,138
Trading Companies & Distributors : 0.08%				
<i>Rexel SA (EUR)</i>	7.00	17/12/18	200,000	268,227
<i>Rexel SA (EUR)</i>	8.25	15/12/16	200,000	271,303
				539,530
Transportation Infrastructure : 0.20%				
<i>BAA Funding Limited (EUR)</i>	4.60	15/2/20	1,000,000	1,360,647
Materials : 0.16%				
Metals & Mining : 0.09%				
<i>New World Resources NV (EUR)</i>	7.38	15/5/15	500,000	605,972
Paper & Forest Products : 0.07%				
<i>Smurfit Kappa Funding plc (EUR)</i>	7.25	15/11/17	400,000	527,226
Telecommunication Services : 0.12%				
Diversified Telecommunication Services : 0.12%				
<i>Telefonica Emisiones Company (EUR)</i>	4.69	11/11/19	300,000	334,435
<i>Virgin Media Finance plc (GBP)</i>	8.88	15/10/19	300,000	523,270
				857,705
Utilities : 0.08%				
Water Utilities : 0.08%				
<i>Zinc Capital SA (EUR)</i>	8.88	15/5/18	500,000	575,212
Total Foreign Corporate Bonds and Notes (Cost \$33,265,469)				36,594,262

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Foreign Government Bonds @: 26.81%

<i>Australia Series 124 (AUD)</i>	5.75	15/5/21	2,750,000	3,516,147
<i>Australia Series 22 (AUD)</i>	6.00	21/7/22	4,000,000	4,730,018
<i>Brazil (BRL)</i>	12.50	5/1/16	26,000,000	15,574,370

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Foreign Government Bonds @ (continued)				
Brazil (BRL)	12.50%	5/1/22	19,500,000	\$ 13,679,119
Chile (CLP)	5.50	5/8/20	1,700,000,000	3,848,990
Colombia (COP)	7.75	14/4/21	10,000,000,000	7,020,256
Hungary (HUF)	6.75	24/11/17	4,720,000,000	19,982,309
Korea (KRW)	5.25	10/9/15	1,850,000,000	1,747,199
Korea (KRW)	5.25	10/3/27	2,830,000,000	3,088,957
Mexico (MXN)	7.25	15/12/16	207,000,000	17,017,848
Mexico (MXN)	8.50	18/11/38	69,900,000	6,634,863
New Zealand (NZD)	6.00	15/12/17	6,705,000	6,245,906
Peru (PEN)	7.84	12/8/20	20,000,000	9,202,589
Poland (PLN)	4.75	25/10/16	25,500,000	7,732,778
Poland (PLN)	5.25	25/10/20	59,000,000	18,257,090
Queensland Treasury (AUD)	6.00	1/3/22	3,600,000	4,392,154
Russia (RUB)	7.85	10/3/18	455,000,000	15,087,593
South Africa (ZAR)	2.60	31/3/28	66,189,971	8,642,116
South Africa (ZAR)	6.50	28/2/41	101,000,000	10,137,163
Turkey ₺ (TRY)	0.00	20/2/13	20,000,000	10,688,916
Total Foreign Government Bonds (Cost \$184,571,230)				187,226,381
Non-Agency Mortgage Backed Securities : 6.34%				
American General Mortgage Loan Series 2009 Series 1-A6 ±144A	5.75	9/25/48	\$ 1,000,000	1,024,965
American General Mortgage Loan Series 2010 Class 1A-A3 ±144A	5.65	3/25/58	460,000	481,347
American Home Mortgage Assets Series 2006-2 Class 1A1 ±	1.11	9/25/46	4,059,239	2,090,480
Banc of America Commercial Mortgage Securities Incorporated Series 2006-03 Class AM ±	5.86	7/10/44	1,340,000	1,352,658
Banc of America Commercial Mortgage Securities Incorporated Series 2008-1 Class AM ±	6.25	2/10/51	550,000	599,894
Banc of America Funding Corporation Series 2005 Class 5-1A1	5.50	9/25/35	689,016	719,473
Banc of America Funding Corporation Series 2009 Class R6-3A1 ±144A	2.30	1/26/37	89,889	90,345
Banc of America Mortgage Securities Series 2003 Class A-3A1 ±	2.86	2/25/33	192,373	163,571
Bear Stearns Asset Backed Securities Series 2006 Class 1A2 ±	0.47	12/25/35	299,287	290,381
Bear Stearns Commercial Mortgage Series 2007-PW17 Class AM ±	5.90	6/11/50	318,000	342,539
Bear Stearns Commercial Mortgage Series 2007-PW18 Class AM ±	6.08	6/11/50	100,000	109,003
Carrington Mortgage Loan Trust Series 2005-FRE1 Class A5 ±	0.53	12/25/35	100,000	97,585
Centex Home Equity Series 2002-A Class AF6	5.54	1/25/32	618,857	625,042
Centex Home Equity Series 2002-D Class AF6 ±	4.66	12/25/32	210,082	213,020
Centex Home Equity Series 2004-B Class AF6	4.19	3/25/34	305,000	305,665
Chase Funding Mortgage Loan Series 2003 Class 5-1A4	4.40	2/25/30	166,525	167,287
Citigroup Commercial Mortgage Series 2006 Class C4 ±	5.73	3/15/49	680,000	740,609
Citigroup Commercial Mortgage Series 2006 Class C5	5.46	10/15/49	325,000	354,829
Citigroup Mortgage Loan Trust Incorporated Series 2003-HE3 Class A3 ±	0.63	12/25/33	126,574	112,124
Countrywide Asset Backed Certificates Series 2003-5 Class AF5	5.94	2/25/34	97,099	98,680
Countrywide Asset Backed Certificates Series 2007-7 Class 2A1 ±	0.33	10/25/47	97,298	97,014
Countrywide Home Loans Series 2003-48 Class 2A2 ±	1.45	10/25/33	297,270	292,812
Credit Based Asset Servicing Series 2005-CB2 Class M1 ±	0.69	4/25/36	370,469	330,888
Credit Suisse First Boston Mortgage Securities Series 2002-AR13 Class A4 ±	2.37	5/25/32	105,493	102,439
Credit Suisse First Boston Mortgage Securities Series 2002-AR5 Class 1A1 ±	2.29	9/25/32	696,698	602,599
Credit Suisse First Boston Mortgage Securities Series 2003-AR9 class 2A2 ±	2.59	3/25/33	61,332	57,997
Credit Suisse Mortgage Capital Series 2006 ±	5.81	6/15/38	1,000,000	1,085,446
Equity One Asset Backed Securities Series 2004-2 Class AF4 ±	4.62	7/25/34	423,501	423,716
First Franklin Mortgage Loan Assets Series 2005-FT9 Class A3 ±	0.53	10/25/35	219,913	216,780
First Horizon Mortgage Pass Through Series 2004-AR1 Class 1A1 ±	2.59	2/25/34	646,931	589,208

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<i>Fremont Home Loan Trust Series 2006-2 Class 2A2 ±</i>	0.36	2/25/36	54,036	53,852
<i>Greenwich Capital Commercial Funding Corporation Series 2006-GG7 Class AM ±</i>	5.87	7/10/38	2,570,000	2,734,850
<i>Greenwich Capital Commercial Funding Corporation Series 2007-GG11 Class A4</i>	5.74	12/10/49	475,000	535,716
<i>GS Mortgage Securities Trust Series 2006-GG6 Class AM ±</i>	5.62	4/10/38	800,000	840,009
<i>GS Mortgage Securities Trust Series 2007-GG10 Class A4 ±</i>	5.79	8/10/45	1,000,000	1,126,479

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Non-Agency Mortgage Backed Securities (continued)				
<i>GS Mortgage Securities Trust Series 2010-C1 Class X ±144A(c)</i>	1.55%	8/10/43	\$ 6,672,860	\$ 552,766
<i>GSMPS Mortgage Loan Trust Series 2006-1 Class A1 ±144A</i>	0.55	3/25/35	182,354	149,106
<i>GSMPS Mortgage Loan Trust Series 2006-SEA1 Class A ±144A</i>	0.55	5/25/36	494,898	470,176
<i>JPMorgan Chase Commercial Mortgage Trust Series 2006-LDP9 Class AM</i>	5.37	5/15/47	500,000	498,962
<i>JPMorgan Chase Commercial Mortgage Trust Series 2007-CB18 Class AM ±</i>	5.47	6/12/47	875,000	917,588
<i>JPMorgan Chase Commercial Mortgage Trust Series 2007-CB20 Class AM ±</i>	5.88	2/12/51	785,000	849,128
<i>JPMorgan Mortgage Trust Series 2004-A3 Class 2A1 ±</i>	3.00	7/25/34	184,900	170,210
<i>JPMorgan Mortgage Trust Series 2004-A3 Series 3A3 ±</i>	4.87	7/25/34	200,000	194,816
<i>JPMorgan Mortgage Trust Series 2005-A3 Class 11A2 ±</i>	4.48	6/25/35	575,000	583,166
<i>JPMorgan Mortgage Trust Series 2005-A5 Class 3A2 ±</i>	2.77	8/25/35	563,812	560,794
<i>JPMorgan Mortgage Trust Series 2009-7 Class 2A1 ±144A</i>	6.00	2/27/37	113,179	114,649
<i>JPMorgan Mortgage Trust Series 2009-7 Class 5A1 ±144A</i>	6.00	2/27/37	673,445	683,833
<i>LB UBS Commercial Mortgage Trust Series 2007-C1 Class AM</i>	5.46	2/15/40	750,000	790,526
<i>Lehman XS Trust Series 2006-18N Class A5A ±(i)</i>	0.42	12/25/36	3,547,816	1,562,433
<i>MASTR Adjustable Rate Mortgage Series 2003-6 Class 3A1 ±</i>	2.76	12/25/33	950,114	906,118
<i>MASTR Alternative Loans Trust Series 2005-1 Class 5A1</i>	5.50	1/25/20	150,474	153,789
<i>Merrill Lynch Countrywide Commercial Mortgage Trust Series 2006-4 Class AM ±</i>	5.20	12/12/49	340,000	340,036
<i>Merrill Lynch Countrywide Commercial Mortgage Trust Series 2007-7 Class A4 ±</i>	5.74	6/12/50	470,000	511,931
<i>Merrill Lynch Countrywide Commercial Mortgage Trust Series 2007-9 Class A4</i>	5.70	9/12/49	829,000	920,176
<i>Merrill Lynch Mortgage Trust Series 2005-A8 Class A1B3 ±</i>	5.25	8/25/36	120,000	124,169
<i>Merrill Lynch Mortgage Trust Series 2006-C1 Class AM ±</i>	5.66	5/12/39	565,000	618,191
<i>MLCC Mortgage Investors Incorporated Series 2003-G Class A2 ±</i>	1.42	1/25/29	264,324	216,629
<i>Morgan Stanley Capital I Trust Series 2005-HQ6 Class A4B</i>	5.04	8/13/42	650,000	690,398
<i>Morgan Stanley Capital I Trust Series 2006-HQ10 Class AM</i>	5.36	11/12/41	500,000	539,449
<i>Morgan Stanley Capital I Trust Series 2006-HQ8 Class AM ±</i>	5.47	3/12/44	1,000,000	1,081,946
<i>Morgan Stanley Capital I Trust Series 2006-HQ9 Class AM ±</i>	5.77	7/12/44	25,000	28,064
<i>Morgan Stanley Capital I Trust Series 2006-IQ12 Class AM</i>	5.37	12/15/43	500,000	535,688
<i>Morgan Stanley Capital I Trust Series 2007-HQ11 Class AM ±</i>	5.48	2/12/44	500,000	533,146
<i>Morgan Stanley Capital I Trust Series 2007-LQ16 Class AM ±</i>	6.10	12/12/49	800,000	867,329
<i>Morgan Stanley Capital I Trust Series 2010-GG10 Class A4B ±144A</i>	5.79	8/15/45	615,000	647,106
<i>Morgan Stanley Capital I Trust Series 2010-R5 Class 3A ±144A</i>	0.49	3/26/37	292,102	285,494
<i>Morgan Stanley Capital I Trust Series 2012-C5 Class XA ±144A(c)</i>	2.10	8/15/45	6,000,000	680,280
<i>Morgan Stanley Capital Incorporated Series 2004-NC1 Class M1 ±</i>	1.30	12/27/33	919,889	805,722
<i>New Century Home Equity Loan Series 2004-3 Class M1 ±</i>	1.18	11/25/34	1,165,049	825,906
<i>RAAC Series 2005-SP2 Class 1A3 ±</i>	0.65	5/25/44	251,138	251,964
<i>Renaissance Home Equity Loan Trust Series 2004-4 Class AF4</i>	4.88	2/25/35	879,894	895,273
<i>Residential Asset Mortgage Products Incorporated Series 2006-EFC1 Class A2 ±</i>	0.45	2/25/36	392,545	378,107
<i>Residential Asset Securities Series 2004-KS3 Class A14 ±</i>	3.77	1/25/32	410,822	408,183
<i>Residential Funding Mortgage Securities I Series 2004-S9 Class 1A19</i>	5.50	12/25/34	200,000	202,321
<i>Saxon Asset Securities Trust Series 2002-1 Class AF5 ±</i>	6.76	12/25/30	214,701	206,331
<i>Saxon Asset Securities Trust Series 2003-1 Class AF7</i>	4.03	6/25/33	884,388	884,648
<i>Soundview Home Equity Loan Trust Series 2005-OPT2 Class A5 ±</i>	0.62	8/25/35	255,256	253,425
<i>Structured Asset Securities Corporation Series 2002-9 Class A2 ±</i>	0.55	10/25/27	158,449	150,682
<i>Structured Asset Securities Corporation Series 2005 Class 1A7 ±144A</i>	0.49	2/25/35	35,416	35,313
<i>Terwin Mortgage Trust Series 2003-6HE Class A3 ±</i>	1.39	11/25/33	375,520	317,005
<i>Wachovia Bank Commercial Mortgage Trust Series 2006-C23 Class AM ±</i>	5.47	1/15/45	1,220,000	1,327,439
<i>Washington Mutual Mortgage Trust Series 2004-RA4 Class 3A</i>	7.50	7/25/34	440,898	462,411
Total Non-Agency Mortgage Backed Securities (Cost \$43,911,088)				44,252,124

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Dividend yield	Shares	Value
Preferred Stocks : 0.09%			
Financials : 0.09%			
Diversified Financial Services : 0.09%			
GMAC Capital Trust I ±	8.13%	27,000	\$ 658,260
Total Preferred Stocks (Cost \$675,000)			658,260

	Interest rate	Maturity date	Principal	
Term Loans : 18.76%				
Advantage Sales & Marketing LLC	9.25	6/18/18	\$ 475,000	472,625
Allison Transmission Incorporated	2.75	8/7/14	3,235,427	3,220,350
Ameristar Casinos Incorporated	4.00	4/13/18	1,009,997	1,011,380
Applied Systems Incorporated	5.50	3/8/19	598,500	594,759
Atlantic Broadband Finance LLC	5.25	4/3/19	1,850,000	1,851,850
B&G Foods Incorporated	4.50	11/18/18	771,125	774,017
Barrington Broadcasting Group	7.50	6/8/17	3,651,081	3,672,367
Capital Automotive LP	5.25	3/10/17	3,617,459	3,611,418
CCC Information Services Incorporated	5.50	11/11/15	192,872	192,089
CCM Merger Incorporated	6.00	3/1/17	3,764,890	3,720,954
Charter Communications Operating LLC	4.00	4/26/19	1,870,313	1,866,647
Coinmach Corporation	3.25	11/20/14	3,313,060	3,176,397
Covanta Energy Holdings	4.00	3/23/19	2,593,500	2,581,829
Crown Castle International Corporation	4.00	1/25/19	6,616,750	6,598,025
DineEquity Incorporated	4.27	10/19/17	1,815,454	1,818,177
Dunkin Brands Incorporated	4.00	11/23/17	3,182,019	3,158,154
Energy Transfer Equity LP	3.75	3/21/17	2,325,000	2,288,195
Entercom Radio LLC	6.25	11/30/18	262,167	262,363
Fairpoint Communications Incorporated	6.50	1/22/16	2,704,269	2,436,086
Federal Mogul Corporation	2.18	12/29/14	3,429,259	3,256,184
Federal Mogul Corporation	2.19	12/28/15	3,961,628	3,761,684
First Data Corporation	3.00	9/24/14	916,226	889,124
First Data Corporation	3.00	9/24/14	1,408,988	1,367,310
First Data Corporation	3.00	9/24/14	3,094,510	3,002,975
Focus Brands Incorporated	6.27	3/5/18	430,193	432,881
Focus Brands Incorporated	10.25	8/22/18	1,300,000	1,308,125
Genesys Telecommunication	6.75	1/25/19	1,970,063	1,987,301
Goodyear Tire & Rubber Company	4.75	4/12/19	6,200,000	6,129,134
Gray Television Incorporated	3.75	12/31/14	966,297	958,142
Helm Holdings Corporation	6.25	6/2/17	2,605,980	2,592,951
HHI Holdings LLC	7.00	3/21/17	938,130	938,130
Interactive Data Corporation	4.50	2/12/18	3,349,546	3,353,733
KAR Auction Services Incorporated	5.00	5/19/17	4,957,510	4,985,421
Level 3 Financing Incorporated	2.65	3/13/14	2,700,000	2,689,200
LIN Television Corporation	5.00	12/15/18	398,000	398,995
LPL Holdings	2.75	3/23/17	543,125	525,642
LPL Holdings	4.00	3/22/19	3,765,563	3,751,404
MedAssets Incorporated	5.25	11/16/16	616,659	618,355
Merisant Company (i)	7.50	1/8/14	774,969	767,220
Mission Broadcasting Incorporated	5.00	9/30/16	77,342	76,762
Newsday LLC	10.50	8/1/13	2,755,000	2,792,027
Nexstar Broadcasting Incorporated	5.00	9/30/16	215,914	214,295
Nielsen Finance LLC Class C	3.50	5/2/16	273,604	272,750

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<i>Nielsen Finance LLC Class D</i>	2.50	2/7/17	222,188	214,829
<i>Novelis Incorporated</i>	4.00	3/10/17	992,500	984,808
<i>nTelos Incorporated</i>	4.00	8/7/15	996,448	988,975
<i>Panolam Industries International Incorporated (i)</i>	8.25	12/31/13	203,429	199,361
<i>Penn National Gaming Incorporated</i>	3.75	7/16/18	994,975	996,845
<i>Phillips Van Heusen Corporation</i>	3.50	5/6/16	124,370	124,104
<i>Prestige Brands International</i>	5.27	12/20/18	288,068	290,050
<i>RailAmerica Incorporated</i>	4.00	2/27/19	598,500	598,003
<i>Rexnord Corporation</i>	5.00	4/30/18	1,094,500	1,099,195
<i>SBA Communications Corporation</i>	3.75	6/29/18	1,989,950	1,984,975
<i>Springleaf Finance Corporation</i>	5.50	5/5/17	700,000	668,206

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

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Security name	Interest rate	Maturity date	Principal	Value
Term Loans (continued)				
<i>Syniverse Technologies Incorporated</i>	5.00%	4/10/19	\$ 1,000,000	\$ 996,250
<i>Telesat Holdings Incorporated</i>	4.25	3/26/19	2,650,000	2,641,547
<i>Texas Competitive Electric Holding LLC</i>	3.75	10/10/14	17,121,983	11,915,873
<i>Texas Competitive Electric Holding LLC</i>	4.75	10/10/17	375,000	238,084
<i>Total Safety US Incorporated</i>	7.50	10/27/17	895,500	896,243
<i>Towerco Finance LLC</i>	4.50	4/12/18	1,937,676	1,938,490
<i>Transdigm Incorporated</i>	4.00	2/14/17	2,704,642	2,707,536
<i>Tronox Incorporated</i>	4.25	2/2/18	1,885,714	1,849,188
<i>Tronox Incorporated</i>	4.25	2/2/18	514,286	504,324
<i>United Surgical Partners International Incorporated</i>	5.25	4/19/17	1,941,441	1,923,638
<i>United Surgical Partners International Incorporated</i>	6.00	3/19/19	1,321,688	1,324,992
<i>Valeant Pharmaceuticals International</i>	4.75	2/8/19	1,695,750	1,695,750
<i>Warnaco Incorporated</i>	3.75	6/15/18	596,985	596,239
<i>Web Service Company LLC</i>	7.00	8/28/14	455,807	451,249
<i>Wendys Arbys Restaurants LLC</i>	4.75	5/3/19	2,800,000	2,807,000
Total Term Loans (Cost \$133,044,051)				131,013,181
Yankee Corporate Bonds and Notes : 8.90%				
Consumer Discretionary : 1.07%				
Media : 1.07%				
<i>Grupo Televisa SA</i>	6.00	5/15/18	750,000	886,467
<i>Intelsat Jackson Holdings SA</i>	7.25	10/15/20	875,000	934,063
<i>Intelsat Jackson Holdings SA 144A</i>	7.25	10/15/20	900,000	956,250
<i>Intelsat Luxembourg SA ¥</i>	11.50	2/4/17	2,675,000	2,782,000
<i>Myriad International Holdings BV 144A</i>	6.38	7/28/17	750,000	834,375
<i>Videotron Limited</i>	5.00	7/15/22	200,000	209,000
<i>Videotron Limited</i>	9.13	4/15/18	775,000	846,688
				7,448,843
Consumer Staples : 0.47%				
Beverages : 0.12%				
<i>Pernod Ricard SA 144A</i>	4.45	1/15/22	760,000	825,560
Food Products : 0.24%				
<i>Brasil Foods SA Company 144A</i>	5.88	6/6/22	1,600,000	1,696,000
Tobacco : 0.11%				
<i>BAT International Finance plc 144A</i>	3.25	6/7/22	750,000	768,696
Energy : 1.84%				
Energy Equipment & Services : 0.12%				
<i>EnSCO plc</i>	4.70	3/15/21	750,000	842,160
Oil, Gas & Consumable Fuels : 1.72%				
<i>Griffin Coal Mining Company Limited (s)</i>	9.50	12/1/16	310,082	263,182
<i>Griffin Coal Mining Company Limited 144A(s)</i>	9.50	12/1/16	3,792,790	3,219,130
<i>Lukoil International Finance Company</i>	7.25	11/5/19	600,000	696,000
<i>Petrobras International Finance Company</i>	5.38	1/27/21	670,000	750,241
<i>Petroleos Mexicanos 144A</i>	4.88	1/24/22	750,000	845,625
<i>Petroplus Finance Limited</i>	5.75	1/20/20	650,000	735,027
<i>Ship Finance International Limited</i>	8.50	12/15/13	3,720,000	3,701,400

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<i>TNK BP Finance SA</i>	6.63	3/20/17	1,150,000	1,273,625
<i>Woodside Finance Limited 144A</i>	8.75	3/1/19	405,000	525,799
				12,010,029

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PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Security name	Interest rate	Maturity date	Principal	Value
Financials : 1.07%				
Commercial Banks : 0.84%				
<i>Banco de Brasil 144A</i>	5.88%	1/26/22	\$ 750,000	\$ 788,475
<i>Banco de Credito del Peru (i)</i>	4.75	3/16/16	1,200,000	1,266,000
<i>Banco del Estado de Chile 144A</i>	3.88	2/8/22	650,000	684,321
<i>Export Import Bank of Korea</i>	5.00	4/11/22	750,000	853,228
<i>Macquarie Bank Limited 144A</i>	5.00	2/22/17	750,000	777,410
<i>Royal Bank of Scotland plc</i>	4.38	3/16/16	750,000	783,239
<i>Standard Chartered Bank 144A</i>	6.40	9/26/17	650,000	733,200
				5,885,873
Diversified Financial Services : 0.23%				
<i>BM&F Bovespa SA</i>	5.50	7/16/20	500,000	543,250
<i>Corporación Andina de Fomento</i>	4.38	6/15/22	958,000	1,037,711
<i>Preferred Term Securities XII Limited (s)(i)</i>	2.09	12/24/33	635,000	191
				1,581,152
Industrials : 0.29%				
Airlines : 0.08%				
<i>Aguila 3 SA</i>	7.88	1/31/18	500,000	530,000
Commercial Services & Supplies : 0.09%				
<i>Tyco Electronics Group SA</i>	3.50	2/3/22	625,000	648,778
Road & Rail : 0.12%				
<i>Canadian Pacific Railway Company</i>	4.50	1/15/22	750,000	829,862
Information Technology : 0.51%				
Computers & Peripherals : 0.40%				
<i>Seagate Technology HDD Holdings</i>	6.80	10/1/16	650,000	723,125
<i>Seagate Technology HDD Holdings</i>	6.88	5/1/20	300,000	323,625
<i>Seagate Technology HDD Holdings</i>	7.00	11/1/21	375,000	407,344
<i>Seagate Technology HDD Holdings</i>	7.75	12/15/18	1,225,000	1,356,688
				2,810,782
Internet Software & Services : 0.11%				
<i>Tencent Holdings Limited 144A</i>	4.63	12/12/16	750,000	788,729
Materials : 1.34%				
Metals & Mining : 0.92%				
<i>ArcelorMittal</i>	4.50	2/25/17	725,000	717,888
<i>Gold Fields Orogen Holdings Company</i>	4.88	10/7/20	1,300,000	1,268,771
<i>Novelis Incorporated</i>	7.25	2/15/15	1,030,000	1,030,000
<i>Novelis Incorporated</i>	8.38	12/15/17	550,000	602,250
<i>Novelis Incorporated</i>	8.75	12/15/20	725,000	804,750
<i>Teck Resources Limited</i>	10.75	5/15/19	1,025,000	1,240,250
<i>Vale Overseas Limited</i>	4.38	1/11/22	750,000	784,770
				6,448,679
Paper & Forest Products : 0.42%				

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<i>Sappi Limited 144A</i>	7.50	6/15/32	3,560,000	2,901,400
Telecommunication Services : 2.05%				
Diversified Telecommunication Services : 1.63%				
<i>Ericsson LM</i>	4.13	5/15/22	750,000	765,044

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WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

PORTFOLIO OF INVESTMENTS July 31, 2012 (UNAUDITED)

Security name	Interest rate	Maturity date	Principal	Value
Diversified Telecommunication Services (continued)				
<i>Intelsat Jackson Holdings Limited</i>	7.25%	4/1/19	\$ 1,425,000	\$ 1,522,969
<i>Intelsat Jackson Holdings Limited</i>	7.50	4/1/21	525,000	561,750
<i>Intelsat Jackson Holdings Limited</i>	11.25	6/15/16	2,949,000	3,103,823
<i>Qtel International Finance Limited</i>	5.00	10/19/25	500,000	551,250
<i>Sable International Finance Limited</i>	7.75	2/15/17	350,000	365,750
<i>Virgin Media Finance plc</i>	6.50	1/15/18	650,000	715,000
<i>Vivendi SA 144A</i>	4.75	4/12/22	750,000	739,920
<i>Wind Acquisition Finance SpA 144A</i>	11.75	7/15/17	3,660,000	3,037,800
				11,363,306
Wireless Telecommunication Services : 0.42%				
<i>Digicel Group Limited 144A</i>	12.00	4/1/14	1,335,000	1,485,188
<i>Globo Comunicacoes Participacoes SA 144A</i>	4.88	4/11/22	750,000	812,813
<i>Telesat Canada Incorporated 144A</i>	6.00	5/15/17	625,000	646,875
				2,944,876
Utilities : 0.26%				
Electric Utilities : 0.26%				
<i>Comision Federal de Electricidad 144A</i>	4.88	5/26/21	650,000	734,500
<i>Eskom Holdings Limited</i>	5.75	1/26/21	1,000,000	1,108,750
				1,843,250
Total Yankee Corporate Bonds and Notes (Cost \$59,171,413)				62,167,975
	Yield		Shares	
Short-Term Investments : 2.24%				
Investment Companies : 2.24%				
<i>Wells Fargo Advantage Cash Investment Money Market Fund, Select Class (l)(u)##</i>	0.16		15,640,267	15,640,267
Total Short-Term Investments (Cost \$15,640,267)				15,640,267
Total Investments in Securities (Cost \$893,947,632)*		131.96%		921,545,835
<i>Other Assets and Liabilities, Net</i>		(31.96)		(223,205,500)
Total Net Assets		100.00%		\$ 698,340,335

± Variable rate investment

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.

Security issued on a when-issued basis.

Non-income earning security

(i) Illiquid security

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- ¥ *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.*
- (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) *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.*
- @ *Foreign bond principal is denominated in local currency.*
- ¤ *Security issued in zero coupon form with no periodic interest payments.*
- (c) *Interest-only securities entitle holders to receive only the interest payments on the underlying mortgages. The principal amount shown is the notional amount of the underlying mortgages. Interest rate disclosed represents the coupon rate.*
- (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.
 * Cost for federal income tax purposes is \$900,799,591 and unrealized appreciation (depreciation) consists of:

Gross unrealized appreciation	\$ 38,076,864
Gross unrealized depreciation	(17,330,620)
Net unrealized appreciation	\$ 20,746,244

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

NOTES TO PORTFOLIO OF INVESTMENTS JULY 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 original 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 Valuation Procedures.

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 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 Valuation 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.

Investments in open-end mutual funds and non-registered investment companies are fair 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. 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 in determining the fair value of portfolio securities, unless the responsibility has been delegated to the Management Valuation Team of Wells Fargo Funds Management, LLC (Funds Management). The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Fair Value Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees considers for ratification any valuation actions taken by the Valuation Committee or the Management Valuation Team.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market information to assess the continued appropriateness of the fair valuation methodology 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 input factors considered in the valuation process until there is a readily available price provided on the exchange or by an independent pricing service. Valuations received from an independent pricing service or broker 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 sub-adviser. 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. 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.

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 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.

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.

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 July 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
Investments in Securities				
Agency securities	\$ 0	\$ 35,128,255	\$ 0	\$ 35,128,255
Asset-backed securities	0	734,391	0	734,391
Equity securities				
<i>Common stocks</i>	430,401	0	4,644	435,045
<i>Preferred stocks</i>	658,260	0	0	658,260
Corporate bonds and notes	0	407,695,694	0	407,695,694
Foreign corporate bonds and notes	0	36,594,262	0	36,594,262
Foreign government bonds	0	187,226,381	0	187,226,381

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Non agency mortgage-backed securities	0	44,252,124	0	44,252,124
Term loans	0	114,947,869	16,065,312	131,013,181
Yankee corporate bonds and notes	0	62,167,975	0	62,167,975
Short-term investments				
<i>Investment companies</i>	15,640,267	0	0	15,640,267
	\$ 16,728,928	\$ 888,746,951	\$ 16,069,956	\$ 921,545,835

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As of July 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
Forward foreign currency contracts+	\$ 0	\$ (237,717)	\$ 0	\$ (237,717)

+ 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 nine months ended July 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	Common stocks	Term loans	Yankee corporate bonds and notes	Total
Balance as of November 01, 2011	\$ 5,243,760	\$ 0	\$ 3,971,316	\$ 191	\$ 9,215,267
Accrued discounts (premiums)	1,956	0	33,565	0	35,521
Realized gains (losses)	(3,211)	0	1,192	0	(2,019)
Change in unrealized gains (losses)	224,139	0	87,305	0	311,144
Purchases	0	0	14,954,419	0	14,954,419
Sales	(124,713)	0	(190,458)	0	(315,171)
Transfers into Level 3	0	4,644	0	0	4,644
Transfers out of Level 3	(5,341,931)	0	(2,792,027)	(191)	(8,134,149)
Balance as of July 31, 2012	\$ 0	\$ 4,644	\$ 16,065,312	\$ 0	\$ 16,069,656
Change in unrealized gains (losses) relating to securities still held at July 31, 2012	\$ 0	\$ 0	\$ 161,711	\$ 0	\$ 161,711

Derivative transactions

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

At July 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 July 31, 2012	In Exchange for U.S. \$	Unrealized Gains (Losses)
08/06/2012	State Street Bank	27,600,000 MYR	\$ 8,816,688	\$ 8,626,348	\$ 190,340
08/06/2012	State Street Bank	28,800,000 MYR	9,200,022	9,128,368	71,654
08/29/2012	State Street Bank	42,000,000 ZAR	5,056,320	5,096,809	(40,489)

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10/02/2012	State Street Bank	330,000,000 THB	10,441,585	10,298,018	143,567
10/09/2012	State Street Bank	56,400,000 MYR	17,938,075	18,057,823	(119,748)

Forward foreign currency contracts to sell:

Exchange Date	Counterparty	Contracts to Deliver	U.S. Value at July 31, 2012	In Exchange for U.S. \$	Unrealized Gains (Losses)
08/06/2012	State Street Bank	56,400,000 MYR	\$ 18,016,710	\$ 18,117,571	\$ 100,861
08/29/2012	State Street Bank	40,000,000 ZAR	4,815,543	4,699,557	(115,986)
08/29/2012	State Street Bank	73,000,000 ZAR	8,788,366	8,544,007	(244,359)
08/29/2012	State Street Bank	69,750,000 ZAR	8,397,103	8,251,899	(145,204)
09/28/2012	State Street Bank	19,185,000 TRY	10,591,762	10,544,279	(47,483)
10/18/2012	State Street Bank	2,700,000 EUR	3,325,275	3,294,405	(30,870)

The Fund had average contract amounts of \$55,148,017 and \$21,121,731 in forward foreign currency exchange contracts to buy and forward foreign currency exchange contracts to sell, respectively, during the nine months ended July 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

FGLMC Federal Government Loan Mortgage Company

FHA Federal Housing Authority

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 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

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LIBOR London Interbank Offered Rate

LIQ Liquidity Agreement

LLC Limited Liability Company

LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

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

SPA Standby Purchase Agreement

SPDR Standard & Poor's Depository Receipts

STRIPS Separate Trading of Registered Interest and Principal
Securities

TAN Tax Anticipation Notes

TBA To Be Announced

TIPS Treasury Inflation-Protected Securities

TRAN Tax Revenue Anticipation Notes

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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: September 24, 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: September 24, 2012

By: /s/ Nancy Wisner

Nancy Wisner
Treasurer

Date: September 24, 2012