

WELLS FARGO MULTI-SECTOR INCOME FUND

Form N-Q

September 28, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-21507

Wells Fargo 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

Registrant is making a filing for Wells Fargo Multi-Sector Income Fund.

Date of reporting period: July 31, 2016

ITEM 1. INVESTMENTS

Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Agency Securities : 2.43%				
<i>FHLMC ±</i>	4.06%	9-1-2032	\$ 1,184,560	\$ 1,251,739
<i>FHLMC</i>	8.50	7-1-2028	50,171	61,829
<i>FHLMC</i>	8.50	3-1-2030	26,907	27,308
<i>FHLMC Series 1383 ±</i>	2.66	2-1-2037	367,314	389,258
<i>FHLMC Series 196 Class A ±</i>	1.24	12-15-2021	23,275	23,526
<i>FHLMC Series 2011-K16 Class B ±144A</i>	4.60	11-25-2046	1,000,000	1,109,007
<i>FHLMC Series 2011-K701 Class B ±144A</i>	4.29	7-25-2048	165,000	168,968
<i>FHLMC Series 2011-K702 Class B ±144A</i>	4.77	4-25-2044	740,000	771,295
<i>FHLMC Series 2012-K17 Class B ±144A</i>	4.35	12-25-2044	675,000	740,810
<i>FHLMC Series 2012-K18 Class B ±144A</i>	4.25	1-25-2045	810,000	885,660
<i>FHLMC Series 2012-K501 Class C ±144A</i>	3.32	11-25-2046	800,000	801,034
<i>FHLMC Series 2012-K705 Class B ±144A</i>	4.16	9-25-2044	1,000,000	1,036,576
<i>FHLMC Series 2012-K706 Class B ±144A</i>	4.03	11-25-2044	500,000	518,863
<i>FHLMC Series 2012-K706 Class C ±144A</i>	4.03	11-25-2044	805,000	828,570
<i>FHLMC Series 2012-K707 Class B ±144A</i>	3.88	1-25-2047	930,000	961,405
<i>FHLMC Series 2012-K709 Class B ±144A</i>	3.74	4-25-2045	1,000,000	1,032,404
<i>FHLMC Series 2012-K711 Class B ±144A</i>	3.56	8-25-2045	264,000	273,405
<i>FHLMC Series 2013-K30 Class B ±144A</i>	3.56	6-25-2045	700,000	730,612
<i>FHLMC Series 2013-K713 Class B ±144A</i>	3.16	4-25-2046	1,000,000	1,021,329
<i>FHLMC Series 2390 Class FD ±</i>	0.89	12-15-2031	25,267	25,730
<i>FHLMC Series 2567 Class FH ±</i>	0.84	2-15-2033	72,706	72,788
<i>FHLMC Series K007 Class XI ±(c)</i>	1.16	4-25-2020	923,074	27,728
<i>FHLMC Series K016 Class XI ±(c)</i>	1.55	10-25-2021	374,326	24,729
<i>FHLMC Series K020 Class XI ±(c)</i>	1.45	5-25-2022	6,648,152	462,356
<i>FNMA ±</i>	2.27	9-1-2037	496,764	523,920
<i>FNMA</i>	6.00	4-1-2033	64,691	67,563
<i>FNMA</i>	6.50	11-1-2032	57,563	60,470
<i>FNMA</i>	7.50	10-1-2028	1,569	1,577
<i>FNMA</i>	7.50	2-1-2030	29,934	30,237
<i>FNMA</i>	7.50	9-1-2030	74,777	78,551
<i>FNMA</i>	8.00	6-1-2030	2,822	2,838
<i>FNMA Series 1996-46 Class FA ±</i>	0.95	8-25-2021	13,404	13,482
<i>FNMA Series 1997-20 Class IO ±(c)</i>	1.84	3-25-2027	1,060,767	35,095
<i>FNMA Series 2001-25 Class Z</i>	6.00	6-25-2031	149,618	169,627
<i>FNMA Series 2001-35 Class F ±</i>	1.05	7-25-2031	6,558	6,654
<i>FNMA Series 2001-57 Class F ±</i>	0.95	6-25-2031	6,603	6,632
<i>FNMA Series 2002-77 Class FH ±</i>	0.85	12-18-2032	48,783	48,828
<i>FNMA Series 2002-97 Class FR ±</i>	1.00	1-25-2033	11,590	11,733
<i>FNMA Series G91-16 Class F ±</i>	0.90	6-25-2021	12,724	12,794
<i>FNMA Series G92-17 Class F ±</i>	1.50	3-25-2022	48,246	48,993
<i>GNMA</i>	6.50	6-15-2028	32,792	37,670
<i>GNMA</i>	7.25	7-15-2017	563	563
<i>GNMA</i>	7.25	8-15-2017	1,923	1,928

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<i>GNMA</i>	7.25	8-15-2017	3,161	3,171
<i>GNMA</i>	7.25	9-15-2017	6,590	6,649
<i>GNMA</i>	7.25	10-15-2017	11,443	11,537
<i>GNMA</i>	7.25	10-15-2017	4,053	4,083
<i>GNMA</i>	7.25	11-15-2017	6,120	6,174
<i>GNMA</i>	7.25	1-15-2018	573	574
<i>GNMA</i>	7.25	1-15-2018	4,208	4,222
<i>GNMA</i>	7.25	2-15-2018	8,159	8,238
<i>GNMA</i>	7.25	5-15-2018	4,862	4,879
Total Agency Securities (Cost \$13,522,803)				14,455,611
Asset-Backed Securities : 0.10%				
<i>CVS Pass-Through Trust Series T</i>	6.04	12-10-2028	536,035	618,652
Total Asset-Backed Securities (Cost \$600,069)				618,652

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Shares	Value		
Common Stocks : 0.07%				
Energy : 0.07%				
Oil, Gas & Consumable Fuels : 0.07%				
<i>Swift Energy Company (i)</i>	16,549	\$ 446,988		
Materials : 0.00%				
Chemicals : 0.00%				
<i>LyondellBasell Industries NV Class A</i>	9	677		
Total Common Stocks (Cost \$4,298,197)		447,665		
	Interest rate	Maturity date	Principal	
Corporate Bonds and Notes : 73.77%				
Consumer Discretionary : 12.70%				
Auto Components : 0.58%				
<i>Cooper Tire & Rubber Company (i)</i>	7.63%	3-15-2027	\$ 1,680,000	1,839,600
<i>Cooper Tire & Rubber Company (i)</i>	8.00	12-15-2019	550,000	618,750
<i>Goodyear Tire & Rubber Company</i>	7.00	5-15-2022	400,000	429,500
<i>Goodyear Tire & Rubber Company</i>	8.75	8-15-2020	468,000	560,430
				3,448,280
Distributors : 0.15%				
<i>LKQ Corporation</i>	4.75	5-15-2023	900,000	902,250
Diversified Consumer Services : 0.81%				
<i>Service Corporation International</i>	7.50	4-1-2027	2,993,000	3,501,810
<i>Service Corporation International</i>	7.63	10-1-2018	680,000	759,900
<i>Service Corporation International</i>	8.00	11-15-2021	475,000	561,688
				4,823,398
Hotels, Restaurants & Leisure : 2.55%				
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	6,270,000	6,575,663
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	7,625,000	7,987,188
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	195,000	202,069
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	425,000	434,563
				15,199,483
Household Durables : 0.47%				
<i>American Greetings Corporation</i>	7.38	12-1-2021	2,000,000	2,090,000
<i>Tempur Sealy International Incorporated 144A</i>	5.50	6-15-2026	575,000	581,831
<i>Tempur Sealy International Incorporated</i>	5.63	10-15-2023	105,000	108,675
				2,780,506

Internet & Catalog Retail : 0.14%

<i>Expedia Incorporated</i>	5.95	8-15-2020	750,000	843,356
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Leisure Products : 0.11%

<i>Vista Outdoor Incorporated 144A</i>	5.88	10-1-2023	600,000	628,500
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Media : 6.19%

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	1,395,000	1,440,338
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<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	1,310,000	1,391,875
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<i>CCO Holdings LLC</i>	5.13	2-15-2023	300,000	310,313
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<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	1,780,000	1,840,075
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<i>CCO Holdings LLC</i>	5.25	9-30-2022	1,250,000	1,301,563
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Media (continued)				
<i>CCO Holdings LLC 144A</i>	5.38%	5-1-2025	\$ 4,150,000	\$ 4,316,000
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	215,000	224,406
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	3,375,000	3,560,625
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	1,250,000	1,334,375
<i>CCO Holdings LLC</i>	6.63	1-31-2022	775,000	818,594
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	1,335,000	1,328,147
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	2,030,000	2,161,950
<i>Cinemark USA Incorporated</i>	4.88	6-1-2023	325,000	331,500
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,000,000	1,080,000
<i>CSC Holdings LLC</i>	8.63	2-15-2019	383,000	426,806
<i>EMI Music Publishing 144A</i>	7.63	6-15-2024	525,000	563,063
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	1,025,000	1,053,700
<i>Gray Television Incorporated</i>	7.50	10-1-2020	4,600,000	4,801,250
<i>Interpublic Group of Companies</i>	4.00	3-15-2022	750,000	797,531
<i>Lamar Media Corporation</i>	5.88	2-1-2022	690,000	720,188
<i>LIN Television Corporation</i>	6.38	1-15-2021	275,000	287,375
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	200,000	208,000
<i>National CineMedia LLC</i>	6.00	4-15-2022	1,725,000	1,789,688
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,000,000	1,035,000
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	75,000	76,219
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	175,000	180,031
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	1,750,000	1,833,125
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	20,000	21,100
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	775,000	826,344
<i>Time Warner Cable Incorporated</i>	4.00	1-15-2022	750,000	824,516
				36,883,697
Multiline Retail : 0.10%				
<i>Macy's Retail Holdings Incorporated</i>	3.88	1-15-2022	600,000	621,152
Specialty Retail : 1.60%				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	450,000	464,625
<i>ABC Supply Company Incorporated 144A</i>	5.75	12-15-2023	300,000	315,750
<i>Advance Auto Parts Incorporated</i>	4.50	1-15-2022	600,000	646,608
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	1,175,000	1,204,963
<i>Century Intermediate Holding Company (PIK at 10.50%)</i>				
<i>144A(i)¥</i>	9.75	2-15-2019	300,000	306,375
<i>L Brands Incorporated</i>	6.63	4-1-2021	750,000	860,625
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	2,150,000	2,139,250
<i>Penske Auto Group Incorporated</i>	5.50	5-15-2026	375,000	370,313
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	1,155,000	1,172,441
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	1,224,000	1,208,700

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<i>Sonic Automotive Incorporated</i>	7.00	7-15-2022	825,000	868,313
				9,557,963

Consumer Staples : 1.29%

Beverages : 0.14%

<i>Cott Beverages Incorporated</i>	6.75	1-1-2020	790,000	828,513
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Food & Staples Retailing : 0.11%

<i>SABMiller Holdings Incorporated 144A</i>	3.75	1-15-2022	600,000	651,955
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Food Products : 0.87%

<i>B&G Foods Incorporated</i>	4.63	6-1-2021	300,000	308,250
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<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	180,000	186,300
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<i>Kraft Foods Group Incorporated</i>	3.50	6-6-2022	750,000	807,955
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<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	1,130,000	1,144,125
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<i>Pinnacle Foods Incorporated 144A</i>	5.63	5-1-2024	325,000	331,702
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<i>Pinnacle Foods Incorporated 144A</i>	5.88	1-15-2024	75,000	79,688
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<i>Post Holdings Incorporated 144A%%</i>	5.00	8-15-2026	700,000	697,813
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Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Food Products (continued)				
<i>Prestige Brands Incorporated 144A</i>	6.38%	3-1-2024	\$ 130,000	\$ 137,150
<i>Simmons Foods Incorporated 144A</i>	7.88	10-1-2021	1,100,000	1,014,750
<i>TreeHouse Foods Incorporated 144A</i>	6.00	2-15-2024	50,000	53,750
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	410,000	428,450
				5,189,933
Household Products : 0.04%				
<i>Central Garden & Pet Company</i>	6.13	11-15-2023	250,000	265,000
Tobacco : 0.13%				
<i>Reynolds American Incorporated</i>	6.88	5-1-2020	650,000	769,649
Energy : 18.02%				
Energy Equipment & Services : 5.54%				
<i>Bristow Group Incorporated</i>	6.25	10-15-2022	4,480,000	3,180,800
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	95,000	97,850
<i>Era Group Incorporated</i>	7.75	12-15-2022	2,875,000	2,458,125
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	1,025,000	953,250
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	1,375,000	1,299,375
<i>Hilcorp Energy Company 144A</i>	7.63	4-15-2021	325,000	332,313
<i>Holly Energy Partners LP 144A</i>	6.00	8-1-2024	650,000	658,125
<i>Hornbeck Offshore Services Incorporated</i>	1.50	9-1-2019	1,575,000	914,484
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	3,100,000	1,945,250
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	1,860,000	1,222,950
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	2,060,000	2,152,700
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	11,920,000	12,277,600
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	435,000	455,663
<i>PHI Incorporated</i>	5.25	3-15-2019	5,525,000	5,083,000
				33,031,485
Oil, Gas & Consumable Fuels : 12.48%				
<i>Alpha Natural Resources Incorporated (s)</i>	6.25	6-1-2021	475,000	1,781
<i>Arch Coal Incorporated (s)</i>	7.00	6-15-2019	1,200,000	22,800
<i>Arch Coal Incorporated (s)</i>	7.25	6-15-2021	475,000	9,500
<i>Continental Resources Incorporated</i>	5.00	9-15-2022	825,000	771,375
<i>Crestwood Midstream Partners LP</i>	6.13	3-1-2022	225,000	211,077
<i>Crestwood Midstream Partners LP</i>	6.25	4-1-2023	1,350,000	1,265,625
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	4,725,000	2,835,000
<i>Denbury Resources Incorporated</i>	5.50	5-1-2022	655,000	415,925
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	1,460,000	970,900
<i>El Paso LLC</i>	6.50	4-1-2020	750,000	839,960
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	2,350,000	2,274,466
<i>Enable Midstream Partner LP</i>	3.90	5-15-2024	1,750,000	1,631,789

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<i>Enable Midstream Partner LP</i>	5.00	5-15-2044	275,000	228,277
<i>Enable Oklahoma Intrastate Transmission LLC</i>				
<i>144A</i>	6.25	3-15-2020	250,000	263,427
<i>Energy Transfer Partners LP</i>	5.20	2-1-2022	750,000	800,556
<i>Enlink Midstream LLC</i>	4.15	6-1-2025	2,950,000	2,769,197
<i>Enlink Midstream LLC</i>	4.40	4-1-2024	3,200,000	3,117,770
<i>Exterran Partners LP</i>	6.00	4-1-2021	2,225,000	2,052,563
<i>Kinder Morgan Energy Partners LP</i>	3.95	9-1-2022	750,000	768,928
<i>Kinder Morgan Incorporated</i>	5.55	6-1-2045	925,000	928,008
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	285,000	318,948
<i>Kinder Morgan Incorporated</i>	7.00	6-15-2017	530,000	551,229
<i>Kinder Morgan Incorporated (i)</i>	7.42	2-15-2037	800,000	839,718
<i>Kinder Morgan Incorporated</i>	7.80	8-1-2031	1,850,000	2,203,648
<i>Nabors Industries Incorporated</i>	4.63	9-15-2021	750,000	665,686
<i>Overseas Shipholding Group Incorporated</i>	8.13	3-30-2018	2,805,000	2,833,050
<i>Phillips 66</i>	4.30	4-1-2022	625,000	685,145
<i>Pioneer Natural Resources Company</i>	3.95	7-15-2022	750,000	790,095
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	4,450,000	4,583,500

Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Oil, Gas & Consumable Fuels (continued)				
<i>Rockies Express Pipeline LLC 144A</i>	6.88%	4-15-2040	\$ 5,199,000	\$ 5,121,015
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	2,390,000	2,366,100
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	1,200,000	1,077,000
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	825,000	736,313
<i>Sabine Oil & Gas Corporation (i)(s)</i>	7.25	6-15-2019	520,000	5,200
<i>Sabine Oil & Gas Corporation (i)(s)</i>	7.50	9-15-2020	3,500,000	70,000
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	1,375,000	1,419,688
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	1,710,000	1,744,200
<i>Sabine Pass Liquefaction LLC</i>	5.63	3-1-2025	460,000	469,632
<i>Sabine Pass Liquefaction LLC</i>	5.75	5-15-2024	1,625,000	1,665,625
<i>Sabine Pass Liquefaction LLC 144A</i>	5.88	6-30-2026	625,000	641,406
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,550,000	3,714,188
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	2,845,000	2,958,800
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	3,025,000	3,074,156
<i>SemGroup Corporation</i>	7.50	6-15-2021	2,755,000	2,644,800
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	50,000	49,500
<i>Southwestern Energy Company</i>	4.10	3-15-2022	425,000	376,125
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	309,000	321,360
<i>Swift Energy Company (i)(s)(a)</i>	7.13	6-1-2017	5,696,000	0
<i>Swift Energy Company (i)(s)(a)</i>	8.88	1-15-2020	1,075,000	0
<i>Tesoro Logistics LP</i>	6.13	10-15-2021	225,000	234,023
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	450,000	474,471
<i>Ultra Petroleum Corporation 144A(s)</i>	5.75	12-15-2018	410,000	307,500
<i>Ultra Petroleum Corporation 144A(s)</i>	6.13	10-1-2024	8,475,000	6,356,250
<i>Valvoline Incorporated 144A</i>	5.50	7-15-2024	375,000	391,406
<i>Western Gas Partners LP</i>	3.95	6-1-2025	175,000	171,721
<i>Western Gas Partners LP</i>	4.00	7-1-2022	175,000	176,086
<i>Western Gas Partners LP</i>	5.38	6-1-2021	728,000	774,965
<i>Western Gas Partners LP</i>	5.45	4-1-2044	650,000	635,602
<i>Williams Partners LP</i>	3.35	8-15-2022	750,000	713,749
				74,340,824

Financials : 13.55%**Banks : 0.89%**

<i>Bank of America Corporation</i>	5.70	1-24-2022	250,000	292,900
<i>CIT Group Incorporated</i>	5.25	3-15-2018	100,000	104,000
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	1,275,000	1,351,500
<i>CIT Group Incorporated 144A</i>	6.63	4-1-2018	550,000	584,375
<i>Citigroup Incorporated</i>	4.50	1-14-2022	250,000	276,443
<i>Citigroup Incorporated</i>	6.00	8-15-2017	650,000	681,023
<i>City National Bank</i>	5.38	7-15-2022	500,000	587,293
<i>HSBC Bank USA</i>	6.00	8-9-2017	650,000	677,021
<i>JPMorgan Chase & Company</i>	3.38	5-1-2023	750,000	766,595

5,321,150

Capital Markets : 1.00%

<i>ACE Securities Corporation ±</i>	3.08	6-25-2033	382,125	377,632
<i>Blackstone Holdings Finance Company LLC 144A</i>	5.88	3-15-2021	750,000	878,603
<i>Goldman Sachs Group Incorporated</i>	5.75	1-24-2022	750,000	873,071
<i>Jefferies Finance LLC 144A</i>	6.88	4-15-2022	3,560,000	3,146,150
<i>Neuberger Berman Group LLC 144A</i>	5.88	3-15-2022	650,000	673,563
				5,949,019

Consumer Finance : 3.06%

<i>Ally Financial Incorporated</i>	8.00	12-31-2018	780,000	866,775
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	755,000	866,363
<i>Discover Financial Services</i>	5.20	4-27-2022	750,000	828,667
<i>Ford Motor Credit Company LLC</i>	5.00	5-15-2018	650,000	687,251

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Consumer Finance (continued)				
<i>Ford Motor Credit Company LLC</i>	8.00%	12-15-2016	\$ 250,000	\$ 256,338
<i>General Motors Financial Company</i>	3.70	5-9-2023	750,000	766,346
<i>Navient Corporation</i>	8.00	3-25-2020	1,930,000	2,062,688
<i>SLM Corporation</i>	8.45	6-15-2018	1,675,000	1,821,563
<i>Springleaf Finance Corporation</i>	5.75	9-15-2016	1,100,000	1,102,750
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	1,735,000	1,682,950
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	200,000	208,000
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	4,550,000	4,802,616
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	975,000	967,688
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	175,000	181,125
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,160,000	1,148,400
				18,249,520
Diversified Financial Services : 1.70%				
<i>Denali Borrower LLC 144A</i>	5.63	10-15-2020	3,510,000	3,681,288
<i>General Electric Capital Corporation</i>	4.65	10-17-2021	187,000	214,313
<i>Infinity Acquisition LLC 144A(i)</i>	7.25	8-1-2022	1,735,000	1,526,800
<i>ING US Incorporated</i>	5.50	7-15-2022	750,000	852,528
<i>Moody s Corporation</i>	5.50	9-1-2020	1,302,000	1,475,463
<i>NewStar Financial Incorporated</i>	7.25	5-1-2020	2,450,000	2,344,773
				10,095,165
Insurance : 1.85%				
<i>American International Group Incorporated</i>	4.88	6-1-2022	750,000	841,505
<i>Endurance Specialty Holdings Limited</i>	7.00	7-15-2034	575,000	684,718
<i>Hartford Financial Services Group Incorporated</i>	5.13	4-15-2022	650,000	743,516
<i>Hub Holdings LLC (PIK at 8.88%) 144A</i> ¥	8.13	7-15-2019	1,950,000	1,881,750
<i>Hub International Limited 144A</i>	7.88	10-1-2021	3,950,000	3,959,875
<i>Liberty Mutual Group Incorporated 144A</i>	4.95	5-1-2022	750,000	838,934
<i>ProAssurance Corporation</i>	5.30	11-15-2023	750,000	808,788
<i>Progressive Corporation ±</i>	6.70	6-15-2067	600,000	558,000
<i>W.R. Berkley Corporation</i>	4.63	3-15-2022	650,000	712,847
				11,029,933
Real Estate Management & Development : 0.54%				
<i>Onex Corporation 144A</i>	7.75	1-15-2021	3,205,000	3,237,050
REITs : 4.51%				
<i>Alexandria Real Estate Company</i>	4.60	4-1-2022	650,000	705,433
<i>American Tower Corporation</i>	5.90	11-1-2021	650,000	759,700
<i>Crown Castle International Corporation</i>	4.88	4-15-2022	460,000	509,399
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	95,000	108,743

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<i>DuPont Fabros Technology Incorporated LP</i>	5.63	6-15-2023	2,975,000	3,112,594
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	4,655,000	4,879,022
<i>Equinix Incorporated</i>	5.88	1-15-2026	425,000	457,938
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	1,825,000	1,820,438
<i>Essex Portfolio LP</i>	3.63	8-15-2022	750,000	793,309
<i>Health Care REIT Incorporated</i>	5.25	1-15-2022	650,000	732,583
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	1,175,000	1,216,125
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	950,000	961,875
<i>Iron Mountain Incorporated 144A</i>	6.00	10-1-2020	230,000	242,650
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	2,960,000	3,145,000
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	900,000	906,750
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	1,100,000	1,146,750
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	800,000	802,000
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	2,740,000	2,811,925
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	840,000	861,000
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	184,000	188,830
<i>Ventas Realty LP</i>	4.25	3-1-2022	650,000	704,217
				26,866,281

Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Health Care : 6.41%				
Biotechnology : 0.14%				
<i>Amgen Incorporated</i>	3.63%	5-15-2022	\$ 750,000	\$ 812,226
Health Care Equipment & Supplies : 1.06%				
<i>Crimson Merger Sub Incorporated 144A</i>	6.63	5-15-2022	2,400,000	2,046,000
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	200,000	208,750
<i>Hologic Incorporated 144A</i>	5.25	7-15-2022	670,000	710,200
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	1,425,000	1,536,335
<i>Surgery Center Holdings Company 144A</i>	8.88	4-15-2021	1,710,000	1,821,150
				6,322,435
Health Care Providers & Services : 3.83%				
<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	190,000	196,293
<i>Centene Corporation</i>	5.75	6-1-2017	1,000,000	1,030,000
<i>Coventry Health Care Incorporated</i>	5.45	6-15-2021	750,000	852,691
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	445,000	450,006
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	525,000	554,531
<i>Express Scripts Holding Company</i>	3.90	2-15-2022	665,000	720,877
<i>HCA Incorporated</i>	6.50	2-15-2020	1,875,000	2,064,844
<i>HealthSouth Corporation</i>	5.75	9-15-2025	575,000	593,757
<i>Humana Incorporated</i>	7.20	6-15-2018	750,000	826,823
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	475,000	495,188
<i>Molina Healthcare Incorporated 144A</i>	5.38	11-15-2022	475,000	484,500
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	675,000	720,563
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	1,250,000	1,314,063
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	1,075,000	1,128,750
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	110,000	119,900
<i>MPT Operating Partnership LP</i>	6.88	5-1-2021	775,000	802,358
<i>Select Medical Corporation</i>	6.38	6-1-2021	5,565,000	5,505,900
<i>Team Health Incorporated 144A</i>	7.25	12-15-2023	950,000	1,035,500
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	1,475,000	1,559,813
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	2,100,000	2,367,750
				22,824,107
Health Care Technology : 0.87%				
<i>Change Healthcare Holdings Incorporated 144A</i>	6.00	2-15-2021	500,000	530,000
<i>Change Healthcare Holdings Incorporated</i>	11.00	12-31-2019	4,400,000	4,653,000
				5,183,000
Life Sciences Tools & Services : 0.14%				
<i>Life Technologies Corporation</i>	6.00	3-1-2020	750,000	845,462
Pharmaceuticals : 0.37%				

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<i>Endo Finance LLC 144A</i>	5.38	1-15-2023	375,000	325,313
<i>Endo Finance LLC 144A</i>	5.75	1-15-2022	715,000	643,500
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2021	425,000	381,438
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.25	7-15-2022	75,000	66,938
<i>Watson Pharmaceuticals Incorporated</i>	3.25	10-1-2022	750,000	782,883
				2,200,072

Industrials : 5.48%

Aerospace & Defense : 0.18%

<i>BAE Systems Holdings Incorporated 144A</i>	3.80	10-7-2024	1,000,000	1,060,909
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Airlines : 0.36%

<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	1,320,000	1,542,420
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Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Airlines (continued)				
<i>Delta Air Lines Incorporated</i>	4.75%	11-7-2021	\$ 541,839	\$ 580,445
				2,122,865
Commercial Services & Supplies : 1.18%				
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	120,000	123,900
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	2,260,000	2,237,400
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	1,500,000	1,548,750
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	1,480,000	1,533,650
<i>Penske Truck Leasing Company 144A</i>	3.75	5-11-2017	750,000	762,624
<i>Republic Services Incorporated</i>	3.55	6-1-2022	750,000	810,982
				7,017,306
Construction & Engineering : 0.64%				
<i>AECOM</i>	5.75	10-15-2022	215,000	226,288
<i>AECOM</i>	5.88	10-15-2024	2,610,000	2,799,225
<i>United Rentals North America Incorporated</i>	4.63	7-15-2023	800,000	816,000
				3,841,513
Professional Services : 0.14%				
<i>Ascent Capital Group Incorporated</i>	4.00	7-15-2020	375,000	224,063
<i>Verisk Analytics Incorporated</i>	5.80	5-1-2021	530,000	609,390
				833,453
Road & Rail : 0.11%				
<i>TTX Company 144A</i>	2.60	6-15-2020	650,000	663,470
Technology Hardware, Storage & Peripherals : 1.47%				
<i>Diamond 1 Finance Corporation / Diamond 2 Finance Corporation 144A</i>	5.88	6-15-2021	2,825,000	2,953,196
<i>Diamond 1 Finance Corporation / Diamond 2 Finance Corporation 144A</i>	7.13	6-15-2024	5,400,000	5,811,561
				8,764,757
Trading Companies & Distributors : 1.40%				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	4,650,000	4,905,750
<i>H&E Equipment Services Incorporated</i>	7.00	9-1-2022	3,250,000	3,388,125
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	75,000	83,063
				8,376,938
Information Technology : 4.23%				
Communications Equipment : 0.32%				
<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	1,100,000	1,160,500

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<i>Motorola Solutions Incorporated</i>	3.75	5-15-2022	750,000	768,698
				1,929,198

Electronic Equipment, Instruments & Components : 1.36%

<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	5,275,000	5,736,563
<i>L-3 Communications Corporation</i>	4.95	2-15-2021	750,000	831,064
<i>Zebra Technologies Corporation</i>	7.25	10-15-2022	1,450,000	1,547,875
				8,115,502

Internet Software & Services : 0.22%

<i>Infor Software Parent LLC</i>	6.50	5-15-2022	550,000	545,875
<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13	5-1-2021	550,000	512,875

Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Internet Software & Services (continued)				
<i>Zayo Group LLC</i>	6.00%	4-1-2023	\$ 75,000	\$ 78,000
<i>Zayo Group LLC</i>	6.38	5-15-2025	175,000	183,094
				1,319,844
IT Services : 0.23%				
<i>First Data Corporation 144A</i>	5.00	1-15-2024	420,000	423,150
<i>First Data Corporation 144A</i>	5.75	1-15-2024	320,000	322,800
<i>First Data Corporation 144A</i>	6.75	11-1-2020	585,000	609,863
				1,355,813
Semiconductors & Semiconductor Equipment : 0.60%				
<i>Micron Technology Incorporated 144A</i>	5.25	8-1-2023	375,000	336,563
<i>Micron Technology Incorporated 144A</i>	5.25	1-15-2024	700,000	628,250
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	1,100,000	987,250
<i>Micron Technology Incorporated 144A</i>	5.63	1-15-2026	900,000	798,750
<i>Micron Technology Incorporated</i>	5.88	2-15-2022	850,000	820,250
				3,571,063
Software : 0.64%				
<i>Activision Blizzard Incorporated 144A</i>	5.63	9-15-2021	705,000	737,606
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	175,000	190,969
<i>Boxer Parent Company Incorporated (PIK at 9.75%) 144A</i>	9.00	10-15-2019	2,160,000	1,825,200
<i>CA Incorporated</i>	5.38	12-1-2019	750,000	825,671
<i>SS&C Technologies Incorporated</i>	5.88	7-15-2023	200,000	207,500
				3,786,946
Technology Hardware, Storage & Peripherals : 0.86%				
<i>Hewlett-Packard Company</i>	4.05	9-15-2022	750,000	796,728
<i>NCR Corporation</i>	5.88	12-15-2021	230,000	239,200
<i>NCR Corporation</i>	6.38	12-15-2023	3,950,000	4,088,250
				5,124,178
Materials : 1.57%				
Chemicals : 0.14%				
<i>Dow Chemical Company</i>	4.13	11-15-2021	750,000	824,222
Containers & Packaging : 1.39%				
<i>Ball Corporation</i>	5.25	7-1-2025	190,000	205,200
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	350,000	361,813
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	215,000	228,169

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<i>Crown Cork & Seal Company Incorporated</i>	7.38	12-15-2026	35,000	38,938
<i>Crown Cork & Seal Company Incorporated (i)</i>	7.50	12-15-2096	600,000	612,000
<i>Owens-Brockway Glass Container Incorporated</i>				
<i>144A</i>	5.88	8-15-2023	425,000	456,875
<i>Owens-Illinois Incorporated 144A</i>	5.38	1-15-2025	575,000	597,281
<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	2,950,000	3,235,781
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	1,295,000	1,418,025
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	1,100,000	1,156,375
				8,310,457

Metals & Mining : 0.04%

<i>Indalex Holdings Corporation (a)(i)(s)</i>	11.50	2-1-2020	3,170,000	0
<i>Kaiser Aluminum Corporation 144A</i>	5.88	5-15-2024	200,000	210,000
				210,000

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Telecommunication Services : 7.87%				
Diversified Telecommunication Services : 2.81%				
<i>AT&T Incorporated</i>	3.80%	3-15-2022	\$ 750,000	\$ 808,935
<i>CenturyLink Incorporated</i>	5.80	3-15-2022	600,000	613,500
<i>Citizens Communications Company</i>	7.88	1-15-2027	355,000	310,767
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	845,000	929,500
<i>Frontier Communications Corporation</i>	8.25	4-15-2017	1,040,000	1,086,800
<i>Frontier Communications Corporation</i>	8.50	4-15-2020	525,000	564,900
<i>GCI Incorporated</i>	6.75	6-1-2021	2,350,000	2,420,500
<i>GCI Incorporated</i>	6.88	4-15-2025	1,385,000	1,436,938
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	975,000	1,004,250
<i>Level 3 Financing Incorporated 144A</i>	5.25	3-15-2026	650,000	680,063
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	300,000	315,000
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	700,000	734,125
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	975,000	1,023,750
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	350,000	367,500
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	175,000	182,219
<i>SBA Communications Corporation</i>	5.63	10-1-2019	160,000	165,200
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	6,805,000	3,393,994
<i>Windstream Corporation</i>	6.38	8-1-2023	800,000	692,000
				16,729,941
Wireless Telecommunication Services : 5.06%				
<i>Crown Castle Towers LLC 144A</i>	6.11	1-15-2040	750,000	835,904
<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	3,300,000	3,399,000
<i>SBA Communications Corporation</i>	4.88	7-15-2022	640,000	656,000
<i>SBA Communications Corporation</i>	5.75	7-15-2020	2,000,000	2,060,000
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	13,190,000	11,277,412
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	2,075,000	1,950,500
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	225,000	213,705
<i>Sprint Corporation</i>	7.13	6-15-2024	600,000	534,000
<i>Sprint Corporation</i>	7.63	2-15-2025	400,000	360,000
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	300,000	317,172
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	85,000	89,516
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	165,000	172,631
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	825,000	882,750
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	160,000	163,000
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	80,000	85,600
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2026	500,000	541,500
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	165,000	170,363
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	655,000	703,012
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	925,000	972,406
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	3,490,000	3,655,775

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<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	1,060,000	1,131,550
				30,171,796

Utilities : 2.65%

Electric Utilities : 0.45%

<i>Great Plains Energy Incorporated</i>	4.85	6-1-2021	750,000	824,930
<i>Otter Tail Corporation (i)</i>	9.00	12-15-2016	1,835,000	1,878,855
				2,703,785

Gas Utilities : 0.12%

<i>AmeriGas Finance LLC</i>	5.63	5-20-2024	350,000	362,250
<i>AmeriGas Finance LLC</i>	5.88	8-20-2026	350,000	366,625
				728,875

Independent Power & Renewable Electricity

Producers : 1.84%

<i>Calpine Corporation 144A</i>	6.00	1-15-2022	515,000	538,175
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Independent Power & Renewable Electricity Producers (continued)				
<i>Calpine Corporation 144A</i>	7.88%	1-15-2023	\$ 530,000	\$ 560,475
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	2,316,942	2,479,128
<i>Reliant Energy Incorporated</i>	9.68	7-2-2026	410,000	381,300
<i>TerraForm Power Operating LLC 144A</i>	5.88	2-1-2023	5,125,000	5,144,219
<i>TerraForm Power Operating LLC 144A</i>	6.13	6-15-2025	1,850,000	1,840,750
				10,944,047
Multi-Utilities : 0.24%				
<i>Ameren Illinois Company</i>	9.75	11-15-2018	500,000	591,539
<i>CMS Energy Corporation</i>	5.05	3-15-2022	750,000	853,362
				1,444,901
Total Corporate Bonds and Notes (Cost \$430,459,329)				439,653,143
Foreign Corporate Bonds and Notes @ : 2.54%				
Consumer Discretionary : 0.06%				
Auto Components : 0.02%				
<i>HP Pelzer Holding GmbH (EUR)</i>	7.50	7-15-2021	100,000	118,788
Internet & Catalog Retail : 0.04%				
<i>Priceline Group Incorporated (EUR)</i>	2.38	9-23-2024	200,000	240,943
Consumer Staples : 0.15%				
Food Products : 0.15%				
<i>BRF S.A. 144A (BRL)</i>	7.75	5-22-2018	3,100,000	866,449
Energy : 0.25%				
Energy Equipment & Services : 0.02%				
<i>Rapid Holding GmbH 144A (EUR)</i>	6.63	11-15-2020	100,000	116,927
Oil, Gas & Consumable Fuels : 0.23%				
<i>Petroleos Mexicanos 144A (MXN)</i>	7.19	9-12-2024	28,200,000	1,368,969
Financials : 1.64%				
Banks : 1.56%				
<i>Eurofima (AUD)</i>	6.25	12-28-2018	2,450,000	2,035,308
<i>European Investment Bank (ZAR)</i>	9.00	3-31-2021	17,400,000	1,285,689
<i>KfW (TRY)</i>	5.00	1-16-2017	11,400,000	3,730,486
<i>KfW (AUD)</i>	5.00	3-19-2024	1,300,000	1,163,899
<i>Landwirtschaftliche Rentenbank (ZAR)</i>	8.25	5-23-2022	15,000,000	1,076,337

9,291,719

Diversified Financial Services : 0.08%

<i>AA Bond Company Limited (GBP)</i>	4.25	7-31-2043	200,000	279,786
<i>TES Finance plc (GBP)</i>	6.75	7-15-2020	200,000	211,752
				491,538

Materials : 0.12%**Chemicals : 0.12%**

<i>Albemarle Corporation (EUR)</i>	1.88	12-8-2021	600,000	711,485
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Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Telecommunication Services : 0.32%				
Diversified Telecommunication Services : 0.07%				
<i>Verizon Communications Incorporated</i> (EUR)	3.25%	2-17-2026	300,000	\$ 413,747
Wireless Telecommunication Services : 0.25%				
<i>America Movil SAB de CV</i> (MXN)	7.13	12-9-2024	28,850,000	1,514,663
Total Foreign Corporate Bonds and Notes (Cost \$19,928,359)				15,135,228
Foreign Government Bonds @: 24.00%				
<i>Brazil</i> (BRL)	10.00	1-1-2017	38,525,000	11,792,234
<i>Brazil</i> (BRL)	10.00	1-1-2025	32,800,000	9,292,140
<i>Colombia</i> (COP)	7.00	9-11-2019	18,500,000,000	6,005,510
<i>Colombia</i> (COP)	7.00	5-4-2022	18,650,000,000	5,994,420
<i>Colombia</i> (COP)	7.75	4-14-2021	5,250,000,000	1,767,814
<i>Hungary</i> (HUF)	6.75	11-24-2017	1,305,000,000	5,055,165
<i>Indonesia</i> (IDR)	7.88	4-15-2019	133,640,000,000	10,519,478
<i>Indonesia</i> (IDR)	10.00	7-15-2017	50,000,000,000	3,947,158
<i>Korea</i> (KRW)	5.25	3-10-2027	2,830,000,000	3,480,747
<i>Malaysia</i> (MYR)	3.66	10-15-2020	20,700,000	5,215,307
<i>Malaysia</i> (MYR)	4.18	7-15-2024	19,850,000	5,094,118
<i>Mexico</i> (MXN)	4.75	6-14-2018	113,800,000	6,020,372
<i>Mexico</i> (MXN)	5.75	3-5-2026	77,000,000	4,049,321
<i>Mexico</i> (MXN)	6.50	6-10-2021	40,000,000	2,211,078
<i>Mexico</i> (MXN)	10.00	12-5-2024	76,220,000	5,174,846
<i>Poland</i> (PLN)	2.50	7-25-2026	42,500,000	10,555,190
<i>Poland</i> (PLN)	3.25	7-25-2025	34,100,000	9,056,228
<i>Queensland Treasury</i> (AUD)	5.75	7-22-2024	4,100,000	3,915,364
<i>Republic of South Africa</i> (ZAR)	7.75	2-28-2023	103,000,000	7,201,114
<i>Republic of South Africa</i> (ZAR)	8.00	12-21-2018	129,000,000	9,340,320
<i>State of New South Wales Australia</i> (AUD)	5.00	8-20-2024	3,900,000	3,624,028
<i>Thailand</i> (THB)	3.25	6-16-2017	110,000,000	3,207,181
<i>Thailand</i> (THB)	3.85	12-12-2025	108,500,000	3,584,681
<i>Turkey</i> (TRY)	6.30	2-14-2018	7,325,000	2,364,881
<i>Turkey</i> (TRY)	9.00	3-8-2017	13,600,000	4,554,654
Total Foreign Government Bonds (Cost \$163,551,180)				143,023,349

Loans : 14.44%**Consumer Discretionary : 3.01%****Auto Components : 0.56%**

<i>Allison Transmission Incorporated</i> ±	3.50	8-23-2019	\$ 3,350,010	3,351,417
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Distributors : 0.50%

<i>Spin Holdco Incorporated</i> ±	4.25	11-14-2019	2,994,944	2,960,503
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Hotels, Restaurants & Leisure : 0.10%

<i>CCM Merger Incorporated</i> ±	4.50	8-8-2021	603,825	604,833
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Household Products : 0.18%

<i>Anchor Glass Container Corporation</i> ±	4.75	7-1-2022	1,053,006	1,055,638
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Leisure Products : 0.35%

<i>AMF Bowling Centers Incorporated</i> ±	7.25	9-18-2021	1,711,926	1,711,926
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<i>Life Time Fitness Incorporated</i> ±	4.25	6-10-2022	372,120	371,111
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				2,083,037
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Media : 0.85%

<i>Altice US Finance I Corporation</i> ±	4.25	12-14-2022	520,392	521,370
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Media (continued)				
<i>Cablevision Systems Corporation ±</i>	5.00%	10-9-2022	\$ 698,250	\$ 702,440
<i>Charter Communications Operating LLC ±</i>	3.50	1-24-2023	917,700	921,371
<i>Entercom Radio LLC ±</i>	4.00	11-23-2018	996,374	996,792
<i>Learfield Communications Incorporated ±</i>	4.25	10-9-2020	1,654,615	1,652,034
<i>Mission Broadcasting Incorporated ±</i>	3.75	10-1-2020	124,591	124,594
<i>Nexstar Broadcasting Incorporated ±</i>	3.75	10-1-2020	141,288	141,292
				5,059,893
Multiline Retail : 0.03%				
<i>Doosan Infracore International Incorporated ±</i>	4.50	5-28-2021	178,369	179,038
Specialty Retail : 0.44%				
<i>Focus Brands Incorporated ±</i>	4.25	2-21-2018	648,609	647,961
<i>Focus Brands Incorporated ±</i>	10.25	8-21-2018	2,023,863	2,006,154
				2,654,115
Consumer Staples : 0.22%				
Food Products : 0.15%				
<i>B&G Foods Incorporated ±</i>	3.75	11-2-2022	640,110	643,112
<i>Pinnacle Foods Incorporated ±</i>	3.24	1-13-2023	248,750	249,372
				892,484
Tobacco : 0.07%				
<i>Reynolds Group Holdings Incorporated ±%<</i>	3.25	2-1-2023	450,000	450,243
Energy : 0.48%				
Energy Equipment & Services : 0.48%				
<i>Hummel Station LLC ±</i>	7.00	10-27-2022	3,025,000	2,858,625
Financials : 1.74%				
Capital Markets : 0.12%				
<i>La Quinta Intermediate Holdings LLC ±</i>	3.75	4-14-2021	746,231	739,702
Consumer Finance : 0.03%				
<i>KAR Auction Services Incorporated ±</i>	4.25	3-9-2023	199,500	201,080
Diversified Financial Services : 0.68%				
<i>American Beacon Advisors Incorporated ±</i>	5.50	4-30-2022	2,330,189	2,306,887
<i>American Beacon Advisors Incorporated ±(i)</i>	9.75	3-3-2023	440,000	418,000
<i>Ipreo Holdings LLC ±</i>	4.25	8-6-2021	142,473	135,974
<i>LPL Holdings Incorporated ±</i>	4.75	11-20-2022	1,193,802	1,196,786
				4,057,647

Insurance : 0.19%

<i>Hub International Limited ±</i>	4.00	10-2-2020	271,359	270,534
<i>Solera Holdings Incorporated ±</i>	5.75	3-3-2023	872,813	879,359
				1,149,893

Real Estate Management & Development :

0.69%

<i>Capital Automotive LP ±</i>	4.00	4-10-2019	2,220,601	2,226,618
<i>Capital Automotive LP ±</i>	6.00	4-30-2020	1,849,333	1,855,344
				4,081,962

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
REITs : 0.03%				
<i>MGM Growth Properties LLC ±</i>	4.00%	4-25-2023	\$ 149,625	\$ 150,623
Health Care : 1.75%				
Health Care Equipment & Supplies : 0.37%				
<i>DJO Finance LLC ±</i>	4.25	6-8-2020	564,300	549,137
<i>Kinetic Concepts Incorporated ±</i>	5.00	11-4-2020	1,362,510	1,363,641
<i>Prestige Brands Incorporated ±</i>	3.50	9-3-2021	266,281	267,447
				2,180,225
Health Care Providers & Services : 0.82%				
<i>Acadia Healthcare Company Incorporated ±</i>	3.75	2-11-2022	157,600	157,403
<i>Acadia Healthcare Company Incorporated ±</i>	4.50	2-16-2023	945,250	947,613
<i>Community Health Systems Incorporated ±</i>	4.00	1-27-2021	942,857	930,779
<i>MPH Acquisition Holdings LLC ±</i>	5.00	6-7-2023	550,000	555,500
<i>Surgery Center Holdings Incorporated ±</i>	5.25	11-3-2020	1,108,125	1,112,280
<i>Team Health Incorporated ±</i>	3.75	11-23-2022	522,378	523,684
<i>Vizient Incorporated ±</i>	6.25	2-13-2023	648,375	655,669
				4,882,928
Health Care Technology : 0.19%				
<i>Alere Incorporated ±</i>	4.50	6-18-2022	101,487	99,816
<i>Emdeon Incorporated ±</i>	3.75	11-2-2018	989,770	991,631
<i>Hill-Rom Holdings Incorporated ±</i>	3.50	9-8-2022	66,000	66,275
				1,157,722
Pharmaceuticals : 0.37%				
<i>Endo Finance LLC ±</i>	3.75	9-26-2022	298,500	295,142
<i>Valeant Pharmaceuticals International Incorporated ±</i>	4.75	12-11-2019	1,501,027	1,483,390
<i>Valeant Pharmaceuticals International Incorporated ±</i>	5.00	4-1-2022	428,774	425,516
				2,204,048
Industrials : 1.60%				
Aerospace & Defense : 0.50%				
<i>TransDigm Incorporated ±</i>	3.75	2-28-2020	3,003,392	2,995,523
Commercial Services & Supplies : 0.75%				
<i>ADS Waste Holdings Incorporated ±</i>	3.75	10-9-2019	1,016,091	1,014,607
<i>Gates Global Limited ±</i>	4.25	7-6-2021	847,272	828,421
<i>Sedgwick Claims Management Services Incorporated ±</i>	3.75	3-1-2021	526,914	517,256
<i>W3 Company ±(i)</i>	9.25	9-13-2020	289,275	115,710

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<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	1,086,772	1,077,947
<i>WASH Multifamily Laundry Systems LLC ±</i>	4.25	5-14-2022	190,326	188,780
<i>WASH Multifamily Laundry Systems LLC ±</i>	8.00	5-12-2023	17,885	17,572
<i>WASH Multifamily Laundry Systems LLC ±(i)</i>	8.00	5-14-2023	102,115	100,328
<i>Waste Industries USA Incorporated ±%%<</i>	3.50	2-27-2020	588,563	588,745
				4,449,366

Electrical Equipment : 0.16%

<i>Nusil Technology LLC ±</i>	6.00	4-5-2019	974,467	972,031
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Machinery : 0.11%

<i>Onex Wizard Acquisition Company ±</i>	4.25	3-13-2022	632,746	633,303
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Transportation Infrastructure : 0.08%

<i>OSG Bulk Ships Incorporated ±</i>	5.25	8-5-2019	74,161	73,141
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Transportation Infrastructure (continued)				
<i>OSG International Incorporated</i> ±	5.75%	8-5-2019	\$ 390,725	\$ 387,794
				460,935
Information Technology : 2.92%				
Internet Software & Services : 0.45%				
<i>Black Knight InfoServ LLC</i> ±	3.75	5-27-2022	495,622	498,720
<i>CCC Information Services Incorporated</i> ±	4.00	12-20-2019	579,967	578,761
<i>Infor US Incorporated</i> ±	3.75	6-3-2020	686,761	678,176
<i>Sophia Holding Finance LP</i> ±	4.75	9-30-2022	150,696	150,632
<i>Vertafore Incorporated</i> ±	4.75	6-30-2023	450,000	450,644
<i>Zayo Group LLC</i> ±	3.75	5-6-2021	356,913	356,659
				2,713,592
Semiconductors & Semiconductor Equipment : 0.26%				
<i>Avago Technologies</i> ±	4.25	2-1-2023	934,936	934,786
<i>Micron Technology Incorporated</i> ±	6.64	4-26-2022	350,000	353,413
<i>NXP Semiconductors NV</i> ±	3.75	12-7-2020	239,940	241,440
				1,529,639
Software : 0.11%				
<i>SS&C Technologies Incorporated</i> ±	4.00	7-8-2022	73,145	73,511
<i>SS&C Technologies Incorporated</i> ±	4.00	7-8-2022	564,555	567,378
				640,889
Technology Hardware, Storage & Peripherals : 2.10%				
<i>CDW LLC</i> ±	3.25	4-29-2020	871,001	872,577
<i>Dell Incorporated</i> ±	3.25	5-24-2023	2,500,000	2,500,575
<i>Dell Incorporated</i> ±	4.00	4-29-2020	8,212,813	8,214,537
<i>Kronos Incorporated</i> ±	4.50	10-30-2019	569,266	570,689
<i>Peak 10 Incorporated</i> ±(i)	8.25	6-17-2022	430,000	382,700
				12,541,078
Materials : 0.03%				
Containers & Packaging : 0.03%				
<i>Owens-Illinois Incorporated</i> ±	3.50	9-1-2022	167,875	168,085
Telecommunication Services : 1.37%				
Diversified Telecommunication Services : 0.74%				
<i>Avaya Incorporated</i> ±	5.24	10-26-2017	199,261	162,597
<i>Level 3 Financing Incorporated</i> ±	4.00	1-15-2020	1,700,000	1,706,800

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<i>Telesat Canada ±</i>	3.50	3-28-2019	2,544,646	2,537,496
				4,406,893

Wireless Telecommunication Services : 0.63%

<i>LTS Buyer LLC ±</i>	4.00	4-13-2020	1,848,369	1,846,058
<i>LTS Buyer LLC ±(i)</i>	8.00	4-12-2021	566,625	565,208
<i>Syniverse Holdings Incorporated ±</i>	4.00	4-23-2019	937,955	755,053
<i>Syniverse Holdings Incorporated ±</i>	4.00	4-23-2019	165,800	134,298
<i>T-Mobile USA Incorporated ±</i>	3.50	11-9-2022	447,750	450,231
				3,750,848

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Utilities : 1.32%				
Electric Utilities : 1.32%				
<i>Green Energy Partners ±(i)</i>	6.50%	11-13-2021	\$ 1,330,000	\$ 1,263,500
<i>Texas Competitive Electric Holdings LLC ±(s)</i>	4.66	10-10-2016	20,096,983	6,606,883
				7,870,383
Total Loans (Cost \$99,904,340)				86,088,221
Municipal Obligations : 0.05%				
New York : 0.05%				
<i>Build New York City Resource Corporation Bronx Charter School for Excellence Project Series B (Education Revenue)</i>	5.00	4-1-2018	270,000	269,768
Total Municipal Obligations (Cost \$270,000)				269,768
Non-Agency Mortgage-Backed Securities : 5.72%				
<i>Argent Securities Incorporated Series 2004-W5 Class AV3B ±</i>	1.35	4-25-2034	67,233	61,765
<i>Asset-Backed Funding Certificates Series 2003-AHL1 Class A1</i>	4.18	3-25-2033	221,284	220,792
<i>Asset-Backed Securities Corporation Home Equity Series 2002-HE3 Class M2 ±</i>	2.77	10-15-2032	102,070	101,867
<i>Banc of America Commercial Mortgage Securities Incorporated Series 2006-03 Class AM ±</i>	6.15	7-10-2044	1,340,000	1,005,000
<i>Banc of America Commercial Mortgage Securities Incorporated Series 2007-1 Class AMFX ±</i>	5.48	1-15-2049	530,000	527,523
<i>Banc of America Commercial Mortgage Securities Incorporated Series 2008-1 Class AM ±</i>	6.48	2-10-2051	550,000	581,265
<i>Banc of America Commercial Mortgage Trust Series 2006-5 Class AM</i>	5.45	9-10-2047	750,000	752,017
<i>Banc of America Funding Corporation Series 2005 Class 5-1A1</i>	5.50	9-25-2035	340,462	352,694
<i>Banc of America Funding Corporation Series 2009 Class R6-3A1 144A±</i>	2.22	1-26-2037	39,138	39,083
<i>Banc of America Mortgage Securities Series 2003 Class 1A1 ±</i>	3.06	4-25-2033	341,396	318,562
<i>Banc of America Mortgage Securities Series 2003 Class A-3A1 ±</i>	2.87	2-25-2033	56,939	55,068
<i>Bear Stearns Commercial Mortgage Series 2007-PW17</i>	5.92	6-11-2050	318,000	330,003

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<i>Class AM ±</i>				
<i>Bear Stearns Commercial Mortgage Series</i>				
<i>2007-PW18</i>				
<i>Class AM ±</i>	6.08	6-11-2050	100,000	104,096
<i>Bear Stearns Commercial Mortgage Series</i>				
<i>2007-PW18</i>				
<i>Class AMA ±</i>	6.09	6-11-2050	715,000	744,126
<i>Centex Home Equity Series 2002-A Class AF6</i>	5.54	1-25-2032	69,617	69,442
<i>Centex Home Equity Series 2002-D Class AF6 ±</i>	4.66	12-25-2032	24,537	24,759
<i>Centex Home Equity Series 2004-B Class AF6</i>	4.69	3-25-2034	196,316	199,636
<i>CFCRE Commercial Mortgage Trust Series</i>				
<i>2015-RUM</i>				
<i>Class A 144A±</i>	2.14	7-15-2030	480,000	478,861
<i>Citigroup Commercial Mortgage Trust Series</i>				
<i>2012-GC8</i>				
<i>Class C 144A±</i>	5.04	9-10-2045	1,000,000	1,094,332
<i>Citigroup Commercial Mortgage Trust Series</i>				
<i>2015</i>				
<i>Class A 144A±</i>	1.59	9-15-2027	595,000	590,496
<i>Citigroup Mortgage Loan Trust Incorporated</i>				
<i>Series 2003-HE3</i>				
<i>Class A3 ±</i>	0.83	12-25-2033	49,342	47,726
<i>Commercial Mortgage Trust Series 2007-C9</i>				
<i>144A±</i>	1.09	12-10-2049	940,000	922,457
<i>Commercial Mortgage Trust Series 2012-CR2</i>				
<i>Class C ±</i>	5.02	8-15-2045	1,000,000	1,092,229
<i>Countrywide Asset Backed Certificates Series</i>				
<i>2003-5</i>				
<i>Class AF5</i>	5.42	2-25-2034	97,099	97,416
<i>Countrywide Home Loans Series 2003-48 Class</i>				
<i>2A2 ±</i>	2.82	10-25-2033	101,207	98,760
<i>Credit Suisse Commercial Mortgage Trust Series</i>				
<i>2006-C4 Class AM</i>				
	5.51	9-15-2039	417,138	416,773
<i>Credit Suisse Commercial Mortgage Trust Series</i>				
<i>2006-C5 Class AM</i>				
	5.34	12-15-2039	1,000,000	1,006,296
<i>Credit Suisse First Boston Mortgage Securities</i>				
<i>Series 2002-AR25 Class 1A1 ±</i>				
	2.36	9-25-2032	570,985	529,368
<i>Credit Suisse First Boston Mortgage Securities</i>				
<i>Series 2003-AR15 Class 3A1 ±</i>				
	3.13	6-25-2033	160,336	158,873
<i>Credit Suisse First Boston Mortgage Securities</i>				
<i>Series 2003-AR9 Class 2A2 ±</i>				
	2.64	3-25-2033	37,683	36,496
<i>Credit-Based Asset Servicing & Securitization</i>				
<i>LLC Series 2005-CB2 Class M1 ±</i>				
	1.11	4-25-2036	108,964	108,640
<i>Equity One Asset Backed Securities Series 2004-2</i>				
<i>Class AF4 ±</i>	4.62	7-25-2034	423,501	426,736
<i>First Horizon Mortgage Pass Through Series</i>				
<i>2004-AR1</i>				
<i>Class 1A1 ±</i>	2.77	2-25-2034	416,730	410,593
<i>First Horizon Mortgage Pass Through Series</i>				
<i>2004-AR4</i>				
<i>Class 3A1 ±</i>	2.82	8-25-2034	8,975	8,755

Global Mortgage Securitization Limited Series
2004-A
Class A2 144A±

0.77	11-25-2032	172,155	161,324
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Non-Agency Mortgage-Backed Securities				
(continued)				
<i>GMAC Mortgage Corporation Loan Series 2003-GH1</i>				
<i>Class A5</i>	6.10%	7-25-2034	\$ 66,064	\$ 68,187
<i>Great Wolf Trust Series 2015 Class A 144A±</i>	1.89	5-15-2034	1,015,000	1,009,956
<i>Greenwich Capital Commercial Funding Corporation Series 2007-GG11 Class A4</i>				
<i>GS Mortgage Securities Trust Series 2007-GG10 Class A4 ±</i>	5.74	12-10-2049	375,218	388,424
<i>GS Mortgage Securities Trust Series 2010-C1 Class X 144A±</i>	5.99	8-10-2045	871,865	890,302
<i>GS Mortgage Securities Trust Series 2012-GCJ7 Class XA ±</i>	1.45	8-10-2043	5,390,855	254,696
<i>GS Mortgage Securities Trust Series 2014-GSFLC Class C 144A±</i>	2.47	5-10-2045	4,517,135	356,856
<i>GS Mortgage Securities Trust Series 2014 Class C 144A</i>	2.69	7-15-2031	1,000,000	974,575
<i>GS Mortgage Securities Trust Series 2016-ICE2 Class A 144A±</i>	3.79	1-10-2031	1,000,000	1,017,518
<i>GSA Home Equity Trust Series 2004-5 Class AF5 ±</i>	2.37	2-15-2033	500,000	504,868
<i>GSCCRE Commercial Mortgage Trust Series 2015-HULA Class C 144A±</i>	4.68	6-25-2034	9,100	9,104
<i>GSMPS Mortgage Loan Trust Series 2005-AHL Class M1 ±</i>	3.19	8-15-2032	1,000,000	991,954
<i>GSMPS Mortgage Loan Trust Series 2006-1 Class A1 144A±</i>	1.10	4-25-2035	9,632	9,552
<i>GSMPS Mortgage Loan Trust Series 2006-SEA1 Class A 144A±</i>	0.75	3-25-2035	122,964	120,960
<i>JPMorgan Chase Commercial Mortgage Securities Corporation Series 2007-CB18 Class AMFL ±</i>	0.75	5-25-2036	50,828	50,617
<i>JPMorgan Chase Commercial Mortgage Securities Corporation Series 2014-INN Class A 144A±</i>	0.61	6-12-2047	750,000	729,854
<i>JPMorgan Chase Commercial Mortgage Securities Corporation Series 2015-FL7 Class A 144A±</i>	1.40	6-15-2029	521,000	517,084
<i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-CB18 Class AM ±</i>	1.69	5-15-2028	364,108	362,432
<i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-LDPX Class AM ±</i>	5.47	6-12-2047	875,000	879,966
	5.46	1-15-2049	550,000	532,167
	3.00	7-25-2034	71,564	69,364

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<i>JPMorgan Mortgage Trust Series 2004-A3 Class</i>				
<i>2A1 ±</i>				
<i>JPMorgan Mortgage Trust Series 2004-A3 Series</i>				
<i>3A3 ±</i>	2.68	7-25-2034	71,776	69,643
<i>JPMorgan Mortgage Trust Series 2005-A3 Class</i>				
<i>11A2 ±</i>	2.82	6-25-2035	244,982	247,959
<i>JPMorgan Mortgage Trust Series 2009-7 Class</i>				
<i>2A1 144A±</i>	6.00	2-27-2037	29,826	30,300
<i>JPMorgan Mortgage Trust Series 2009-7 Class</i>				
<i>5A1 144A±</i>	6.00	2-27-2037	104,479	104,907
<i>MASTR Adjustable Rate Mortgage Trust Series</i>				
<i>2003-6 Class 3A1 ±</i>				
	2.74	12-25-2033	435,247	429,312
<i>MASTR Adjustable Rate Mortgage Trust Series</i>				
<i>2003-6 Class 4A2 ±</i>				
	2.81	1-25-2034	18,218	17,700
<i>MASTR Adjustable Rate Mortgage Trust Series</i>				
<i>2004-13 Class 3A7 ±</i>				
	2.92	11-21-2034	24,316	24,792
<i>MASTR Alternative Loans Trust Series 2005-1</i>				
<i>Class 5A1</i>				
	5.50	1-25-2020	36,767	37,717
<i>Merrill Lynch Countrywide Commercial Mortgage</i>				
<i>Trust Series 2006-4 Class AM</i>				
	5.20	12-12-2049	340,000	342,442
<i>Merrill Lynch Countrywide Commercial Mortgage</i>				
<i>Trust Series 2007-9 Class A4</i>				
	5.70	9-12-2049	785,179	813,420
<i>Merrill Lynch Mortgage Trust Series 2005-A8</i>				
<i>Class A1B3 ±</i>				
	5.25	8-25-2036	69,458	70,785
<i>Merrill Lynch Mortgage Trust Series 2007-C1</i>				
<i>Class A1A ±</i>				
	6.02	6-12-2050	608,264	620,901
<i>Mesa Trust Asset Backed Certificates Series</i>				
<i>2001-5</i>				
<i>Class A 144A±</i>				
	1.25	12-25-2031	16,394	15,209
<i>Mid State Trust Series 11 Class A1</i>				
	4.86	7-15-2038	229,578	244,333
<i>MLCC Mortgage Investors Incorporated Series</i>				
<i>2003-G Class A2 ±</i>				
	1.64	1-25-2029	104,938	98,341
<i>Morgan Stanley Bank of America Merrill Lynch</i>				
<i>Trust Series 2012-C5 Class XA 144A±</i>				
	1.73	8-15-2045	5,336,813	323,239
<i>Morgan Stanley Capital I Trust Series 2004-NC1</i>				
<i>Class M1 ±</i>				
	1.50	12-27-2033	504,268	488,104
<i>Morgan Stanley Capital I Trust Series 2006-HQ10</i>				
<i>Class AM</i>				
	5.36	11-12-2041	500,000	501,702
<i>Morgan Stanley Capital I Trust Series 2006-HQ9</i>				
<i>Class AJ ±</i>				
	5.79	7-12-2044	150,104	150,035
<i>Morgan Stanley Capital I Trust Series 2006-IQ12</i>				
<i>Class AM</i>				
	5.37	12-15-2043	500,000	502,242
<i>Morgan Stanley Capital I Trust Series 2007-HQ13</i>				
<i>Class A3</i>				
	5.57	12-15-2044	1,221,426	1,258,808
<i>Morgan Stanley Capital I Trust Series 2010-GG10</i>				
<i>Class A4B 144A±</i>				
	5.99	8-15-2045	615,000	625,236
<i>Morgan Stanley Capital I Trust Series 2012-C4</i>				
<i>Class C 144A±</i>				
	5.70	3-15-2045	900,000	998,512
<i>New Century Home Equity Loan Trust Series</i>				
<i>2004-3</i>				
<i>Class M1 ±</i>				
	1.38	11-25-2034	1,165,049	1,044,717

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<i>New Century Home Equity Loan Trust Series</i>				
<i>2005-1</i>				
<i>Class AIMZ ±</i>	1.03	3-25-2035	62,015	61,908
<i>Provident Funding Mortgage Loan Series 2005-1</i>				
<i>Class 2A1 ±</i>	2.84	5-25-2035	38,200	36,781
<i>RBSSP Resecuritization Trust Series 2010-3</i>				
<i>Class 4A1 144A±</i>	3.24	12-26-2035	21,757	21,759
<i>Renaissance Home Equity Loan Trust Series</i>				
<i>2004-4</i>				
<i>Class AF4</i>	4.88	2-25-2035	366,290	367,321
<i>Residential Funding Mortgage Securities Trust</i>				
<i>Series</i>				
<i>03-S12 Class 2A1</i>	4.00	12-25-2032	58,483	58,546
<i>Saxon Asset Securities Trust Series 2002-1 Class</i>				
<i>AF5</i>	6.76	12-25-2030	151,972	154,823
<i>Saxon Asset Securities Trust Series 2003-1 Class</i>				
<i>AF7</i>	4.03	6-25-2033	525,322	531,295
<i>Sequoia Mortgage Trust Series 2003-1 Class 1A ±</i>	1.21	4-20-2033	19,379	18,187

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Non-Agency Mortgage-Backed Securities				
(continued)				
<i>Structured Adjustable Rate Mortgage Loan Trust Series 2004-2 Class 2A ±</i>	2.84%	3-25-2034	\$ 63,514	\$ 62,370
<i>Structured Asset Securities Corporation Series 1998-2 Class A ±</i>	0.97	2-25-2028	246,438	238,597
<i>Structured Asset Securities Corporation Series 2002-9 Class A2 ±</i>	1.05	10-25-2027	69,953	68,133
<i>Terwin Mortgage Trust Series 2003-6HE Class A3 ±</i>	1.59	11-25-2033	173,407	164,427
<i>Vendee Mortgage Trust Series 2003-2 Class IO ±(c)</i>	0.75	5-15-2033	5,342,028	163,306
<i>Washington Mutual Mortgage Trust Series 2004-RA4 Class 3A</i>	7.50	7-25-2034	169,449	180,993
Total Non-Agency Mortgage-Backed Securities (Cost \$34,246,379)				34,101,067
Yankee Corporate Bonds and Notes : 8.31%				
Consumer Discretionary : 0.49%				
Media : 0.49%				
<i>Grupo Televisa SAB</i>	6.00	5-15-2018	750,000	809,485
<i>Myriad International Holdings BV</i>	6.00	7-18-2020	500,000	549,350
<i>Myriad International Holdings BV 144A</i>	6.38	7-28-2017	750,000	777,750
<i>WPP Finance 2010</i>	3.63	9-7-2022	750,000	797,249
				2,933,834
Consumer Staples : 0.34%				
Beverages : 0.14%				
<i>Pernod Ricard SA 144A</i>	4.45	1-15-2022	760,000	840,562
Food Products : 0.07%				
<i>Fage International SA 144A%</i>	5.63	8-15-2026	400,000	408,500
Tobacco : 0.13%				
<i>BAT International Finance plc 144A</i>	3.25	6-7-2022	750,000	800,496
Energy : 1.45%				
Oil, Gas & Consumable Fuels : 1.45%				
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	689,000	558,090
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	1,000,000	790,000
<i>Griffin Coal Mining Company Limited 144A(a)(i)(s)</i>	9.50	12-1-2016	1,685,411	674,164
<i>Griffin Coal Mining Company Limited (a)(i)(s)</i>	9.50	12-1-2016	137,792	55,117
<i>Petrobras International Finance Company</i>	5.38	1-27-2021	670,000	635,663

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<i>Petroleos Mexicanos</i>	4.88	1-24-2022	750,000	770,625
<i>Teekay Corporation</i>	8.50	1-15-2020	4,475,000	3,848,500
<i>Teekay Corporation 144A</i>	8.50	1-15-2020	1,000,000	840,000
<i>Woodside Finance Limited 144A</i>	8.75	3-1-2019	405,000	470,017
				8,642,176

Financials : 0.98%

Banks : 0.78%

<i>ABN AMRO Bank NV 144A</i>	4.80	4-18-2026	750,000	793,913
<i>Banco del Estado de Chile 144A</i>	3.88	2-8-2022	650,000	695,922
<i>Corporación Andina de Fomento</i>	4.38	6-15-2022	958,000	1,068,055
<i>Export Import Bank of Korea</i>	5.00	4-11-2022	750,000	870,920
<i>Macquarie Bank Limited 144A</i>	5.00	2-22-2017	750,000	764,695
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	415,000	431,600
<i>Preferred Term Securities XII Limited (a)(i)(s)</i>	0.00	12-24-2033	635,000	0
				4,625,105

Diversified Financial Services : 0.20%

<i>GE Capital International Funding Company</i>	2.34	11-15-2020	527,000	546,662
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Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Diversified Financial Services (continued)				
<i>Tyco Electronics Group SA</i>	3.50%	2-3-2022	\$ 625,000	\$ 661,104
				1,207,766
Health Care : 1.71%				
Pharmaceuticals : 1.71%				
<i>Mallinckrodt plc 144A</i>	5.50	4-15-2025	500,000	461,250
<i>Mallinckrodt plc 144A</i>	5.63	10-15-2023	275,000	264,000
<i>Perrigo Finance plc</i>	3.90	12-15-2024	1,000,000	1,037,022
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	700,000	597,625
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.88	5-15-2023	2,220,000	1,848,150
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.13	4-15-2025	4,800,000	3,984,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.38	10-15-2020	1,425,000	1,286,063
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	785,000	730,050
				10,208,160
Industrials : 0.64%				
Building Products : 0.04%				
<i>Allegion plc</i>	5.88	9-15-2023	210,000	223,650
Commercial Services & Supplies : 0.42%				
<i>GFL Environmental Incorporated 144A</i>	7.88	4-1-2020	1,900,000	1,961,750
<i>GFL Environmental Incorporated 144A</i>	9.88	2-1-2021	500,000	542,500
				2,504,250
Machinery : 0.04%				
<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	235,000	240,875
Road & Rail : 0.14%				
<i>Canadian Pacific Railway Company</i>	4.50	1-15-2022	750,000	827,774
Information Technology : 0.26%				
Communications Equipment : 0.13%				
<i>Ericsson LM</i>	4.13	5-15-2022	750,000	812,906
Internet Software & Services : 0.13%				
<i>Tencent Holdings Limited 144A</i>	4.63	12-12-2016	750,000	758,993
Materials : 0.70%				

Containers & Packaging : 0.40%

<i>Ardagh Finance Holdings SA (PIK at 8.63%)</i>				
<i>144A¥</i>	8.63	6-15-2019	1,587,602	1,635,230
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	725,000	764,875
				2,400,105

Metals & Mining : 0.30%

<i>ArcelorMittal SA</i>	6.13	6-1-2025	275,000	291,415
<i>Glencore Finance Canada Limited 144A</i>	4.25	10-25-2022	750,000	736,287
<i>Vale Overseas Limited</i>	4.38	1-11-2022	750,000	728,438
				1,756,140

Portfolio of investments July 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Interest rate	Maturity date	Principal	Value
Telecommunication Services : 1.62%				
Diversified Telecommunication Services : 1.39%				
<i>Intelsat Jackson Holdings SA</i>	5.50%	8-1-2023	\$ 6,775,000	\$ 4,437,625
<i>Intelsat Jackson Holdings SA</i>	7.25	4-1-2019	1,675,000	1,252,063
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	1,445,000	332,350
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	5,815,000	1,351,988
<i>Qtel International Finance Limited</i>	5.00	10-19-2025	300,000	339,750
<i>Virgin Media Finance plc 144A</i>	5.38	4-15-2021	162,000	168,480
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	365,000	375,038
				8,257,294
Wireless Telecommunication Services : 0.23%				
<i>Globo Comunicacoes Participacoes SA 144A</i>	4.88	4-11-2022	595,000	615,825
<i>Telesat Canada Incorporated 144A</i>	6.00	5-15-2017	775,000	773,063
				1,388,888
Utilities : 0.12%				
Electric Utilities : 0.12%				
<i>Comision Federal de Electricidad 144A</i>	4.88	5-26-2021	650,000	697,125
Total Yankee Corporate Bonds and Notes (Cost \$58,247,283)				49,534,599
		Yield	Shares	
Short-Term Investments : 4.65%				
Investment Companies : 4.65%				
<i>Wells Fargo Government Money Market Fund Select Class (l)(u)##</i>		0.32	27,744,692	27,744,692
Total Short-Term Investments (Cost \$27,744,692)				27,744,692
Total investments in securities (Cost \$852,772,631)*				
<i>Other assets and liabilities, net</i>	136.08%			811,071,995
	(36.08)			(215,065,353)
Total net assets	100.00%			\$ 596,006,642

- ± *Variable rate investment. The rate shown is the rate in effect at period end.*
- 144A *The security may be resold in transactions exempt from registration, normally to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933.*
- (c) *Investment in an interest-only security entitles holders to receive only the interest payments on the underlying mortgages. The principal amount shown is the notional amount of the underlying mortgages. The rate represents the coupon rate.*
Non-income-earning 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.*
- %% *The security is issued on a when-issued basis.*
- (s) *The security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on the security.*
- (a) *The security is fair valued in accordance with procedures approved by the Board of Trustees.*
- @ *Foreign bond principal is denominated in the local currency of the issuer.*
- < *All or a portion of the position represents an unfunded loan commitment.*
- (l) *The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.*
- (u) *The rate represents the 7-day annualized yield at period end.*
- ## *All or a portion of this security is segregated for when-issued securities and/or unfunded loans.*

Wells Fargo Multi-Sector Income Fund

Portfolio of investments July 31, 2016 (unaudited)

* Cost for federal income tax purposes is \$858,231,457 and unrealized gains (losses) consists of:

Gross unrealized gains	\$ 27,328,822
Gross unrealized losses	(74,488,284)
Net unrealized losses	\$ (47,159,462)

Abbreviations:

AUD	Australian dollar
BRL	Brazilian real
COP	Colombian Peso
EUR	Euro
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
GBP	Great British pound
GNMA	Government National Mortgage Association
HUF	Hungarian forint
IDR	Indonesian rupiah
KRW	Republic of Korea won
LLC	Limited liability company
LP	Limited partnership
MXN	Mexican peso
MYR	Malaysian ringgit
plc	Public limited company
PLN	Polish zloty
REIT	Real estate investment trust
THB	Thai baht
TRY	Turkish lira
ZAR	South African rand

Wells Fargo Multi-Sector Income Fund (the Fund)

Notes to Portfolio of investments July 31, 2016 (unaudited)

Securities valuation

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation under unusual or unexpected circumstances.

Debt securities are valued at the evaluated bid price provided by an independent pricing service or, if a reliable price is not available, the quoted bid price from an independent broker-dealer.

Equity securities that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price. If no sale occurs on the principal exchange or market that day, the prior day's price will be deemed stale and a fair value price will be determined in accordance with the Fund's Valuation Procedures.

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

Investments in registered open-end investment companies are valued at net asset value.

Investments which are not valued using any of the methods discussed above are valued at their fair value, as determined in good faith by the Board of Trustees of the Fund. The Board of Trustees has established a Valuation Committee comprised of the Trustees and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities, unless the determination has been delegated to the Management Valuation Team. The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Management Valuation Team which may include items for ratification.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market values, to assess the continued appropriateness of the fair valuation methodologies used. These securities are fair valued on a day-to-day basis, taking into consideration changes to appropriate market information and any significant changes to the inputs considered in the valuation process until there is a readily available price provided on an exchange or by an independent pricing service. Valuations received from an independent pricing service or independent broker-dealer quotes are periodically validated by comparisons to most recent trades and valuations provided by other independent pricing services in addition to the review of prices by the manager and/or subadviser. Unobservable inputs used in determining fair valuations are identified based on the type of security, taking into consideration factors utilized by market participants in valuing the investment, knowledge about the issuer and the current market environment.

Foreign currency translation

The accounting records of the Fund are maintained in U.S. dollars. The values of other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency

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

When-issued transactions

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

Loans

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. Investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When the Fund purchases participations, it generally has no rights to enforce compliance with terms of the loan agreement with the borrower. As a result, the Fund assumes the credit risk of both the borrower and the lender that is selling the participation. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan and may enforce compliance by the borrower with the terms of the loan agreement. Loans may include fully funded term loans or unfunded loan commitments, which are contractual obligations for future funding.

As of July 31, 2016, the Fund had unfunded loan commitments of \$3,413,469.

Fair valuation measurements

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

Level 1 quoted prices in active markets for identical securities

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

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of July 31, 2016:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Investments in :				
Agency securities	\$ 0	\$ 14,455,611	\$ 0	14,455,611
Asset-backed securities	0	618,652	0	618,652
Common stocks				
Energy	446,988	0	0	446,988
Materials	677	0	0	677
Corporate bonds and notes	0	439,653,143	0	439,653,143
Foreign corporate bonds and notes	0	15,135,228	0	15,135,228
Foreign government bonds	0	143,023,349	0	143,023,349
Loans	0	73,150,199	12,938,022	86,088,221
Municipal obligations	0	269,768	0	269,768
Non-agency mortgage-backed securities	0	34,101,067	0	34,101,067
Yankee corporate bonds and notes	0	48,805,318	729,281	49,534,599
Short-term investments				
Investment companies	27,744,692	0	0	27,744,692

Total assets	\$ 28,192,357	\$ 769,212,335	\$ 13,667,303	\$ 811,071,995
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The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At July 31, 2016, the Fund did not have any transfers between 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:

	Loans	Yankee corporate bonds and notes	Total
Balance as of October 31, 2015	\$ 16,654,991	\$ 729,281	\$ 17,384,272
Accrued discounts (premiums)	27,542	146,998	174,540
Realized gains (losses)	122,113	0	122,113
Change in unrealized gains (losses)	(194,890)	(146,998)	(341,888)
Purchases	1,966,301	0	1,966,301
Sales	(7,450,342)	0	(7,450,342)
Transfers into Level 3	3,818,461	0	3,818,461
Transfers out of Level 3	(2,006,154)	0	(2,006,154)
Balance as of July 31, 2016	\$ 12,938,022	\$ 729,281	\$ 13,667,303
Change in unrealized gains (losses) relating to securities still held at July 31, 2016	\$ (107,408)	\$ (146,998)	\$ (254,406)

The investment types categorized above were valued using indicative broker quotes. These indicative broker quotes are considered Level 3 inputs. Quantitative unobservable inputs used by the brokers are often proprietary and not provided to the Fund and therefore the disclosure that would address these inputs is not included above.

ITEM 2. CONTROLS AND PROCEDURES

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

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

SIGNATURES

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

Wells Fargo Multi-Sector Income Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch
President

Date: September 23, 2016

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 Multi-Sector Income Fund

By: /s/ Karla M. Rabusch

Karla M. Rabusch
President

Date: September 23, 2016

By: /s/ Jeremy DePalma

Jeremy DePalma
Treasurer

Date: September 23, 2016