

WELLS FARGO MULTI-SECTOR INCOME FUND

Form N-CSRS

June 27, 2018

[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21331

Wells Fargo Multi-Sector Income Fund

(Exact name of registrant as specified in charter)

525 Market St., San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market St., 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

Date of reporting period: April 30, 2018

Table of Contents

ITEM 1. REPORT TO STOCKHOLDERS

Table of Contents

Semi-Annual Report

April 30, 2018

Wells Fargo Multi-Sector Income Fund (ERC)

Table of Contents*Reduce clutter. Save trees.*Sign up for electronic delivery of prospectuses and shareholder reports at wellsfargo.com/advantagedelivery

Contents

| | |
|--|----|
| <u>Letter to shareholders</u> | 2 |
| <u>Performance highlights</u> | 6 |
| <u>Portfolio of investments</u> | 10 |
| Financial statements | |
| <u>Statement of assets and liabilities</u> | 31 |
| <u>Statement of operations</u> | 32 |
| <u>Statement of changes in net assets</u> | 33 |
| <u>Statement of cash flows</u> | 34 |
| <u>Financial highlights</u> | 35 |
| <u>Notes to financial statements</u> | 36 |
| <u>Other information</u> | 41 |
| <u>Automatic dividend reinvestment plan</u> | 45 |

The views expressed and any forward-looking statements are as of April 30, 2018, unless otherwise noted, and are those of the Fund managers and/or Wells Fargo Funds Management, LLC. Discussions of individual securities, or the markets generally, or any Wells Fargo Fund are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Funds Management, LLC and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

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Table of Contents

2 Wells Fargo Multi-Sector Income Fund

Letter to shareholders (unaudited)

Andrew Owen

President

Wells Fargo Funds

Through the last quarter of 2017, global economies strengthened, equity markets advanced, and foreign bonds outperformed fixed-income investments in the U.S.

Dear Shareholder:

We are pleased to offer you this semi-annual report for the Wells Fargo Multi-Sector Income Fund for the six-month period that ended April 30, 2018. Through the last two months of 2017, global economies strengthened, equity markets advanced, and foreign bonds outperformed fixed-income investments in the U.S. while inflation remained subdued. A negative turn in investor sentiment during the first four months of 2018 sent global equity and fixed-income markets lower and rekindled concerns about inflation.

For the six-month period, U.S. stocks, as measured by the S&P 500 Index,¹ gained 3.82% and international stocks, as measured by the MSCI ACWI ex USA Index (Net),² added 3.47%. Emerging market stocks, as measured by the MSCI EM Index (Net),³ added 4.80%. In bond markets, the Bloomberg Barclays U.S. Aggregate Bond Index⁴ declined 1.87% while fixed-income investments outside the U.S. gained 3.70%, as measured by the Bloomberg Barclays Global Aggregate ex-USD Index.⁵ The Bloomberg Barclays Municipal Bond Index⁶ fell 0.97%, and the ICE BofAML U.S. High Yield Index⁷ was down 0.23%.

The fourth quarter of 2017 was characterized by continued optimism in global markets.

U.S. stocks continued to rally during the fourth quarter of 2017, boosted by synchronized expansion in the global economy and favorable company earnings. In October 2017, the U.S. Federal Reserve (Fed) began to sell the bonds acquired during a series of quantitative easing programs following the 2008 financial crisis. The Bank of England suggested it could hike interest rates in November, and the pound gained against other currencies. In addition, the Fed increased rates by another 25 basis points (bps; 100 bps equal 1.00%) in December. Stocks received a boost from growing optimism about tax reform legislation.

International markets, particularly emerging markets, continued to show strength, supported by several factors that led some observers to describe conditions as a Goldilocks economic scenario: synchronized global growth, low inflation, and healthy corporate earnings, all supported abroad by a weaker U.S. dollar.

¹ The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.

² The Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. You cannot invest directly in an index.

³ The MSCI Emerging Markets (EM) Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure large- and mid-cap equity market performance of emerging markets. The MSCI EM Index (Net) consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, the Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and the United Arab Emirates. You cannot invest directly in an index.

⁴ The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. You cannot invest directly in an index.

⁵ The Bloomberg Barclays Global Aggregate ex-USD Index is an unmanaged index that provides a broad-based measure of the global investment-grade fixed-income markets excluding the U.S. dollar-denominated debt market. You cannot invest directly in an index.

⁶ The Bloomberg Barclays Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. You cannot invest directly in an index.

⁷ The ICE BofAML U.S. High Yield Index is a market-capitalization-weighted index of domestic and Yankee high-yield bonds. The index tracks the performance of high-yield securities traded in the U.S. bond market. You cannot invest directly in an index. Copyright 2018. ICE Data Indices, LLC. All rights reserved.

Table of Contents

Letter to shareholders (unaudited) Wells Fargo Multi-Sector Income Fund 3
Volatility reemerged during the first four months of 2018 as economic signals were mixed.

The first four months of 2018 began with stock market gains in January. Subsequently, investor optimism was supplanted by several concerns. Trade tensions emerged, particularly between the U.S. and China, as the U.S. threatened to impose tariffs on a broad range of imported products. Increasing interest rates and inflation also caused concern. Long-term interest rates in the U.S. trended higher – rates on the 10-year and 30-year Treasury bonds moved from 2.46% and 2.81%, respectively, at the beginning of the year on January 1, 2018, to 2.95% and 3.11%, respectively, on April 30, 2018.

During February 2018, the U.S. stock market endured a loss of more than 10% before recovering. The Fed increased the federal funds rate by 25 bps in March, and the rate of inflation reached the Fed’s 2% target for the first time in a year. In April, the U.S. Bureau of Economic Analysis placed first-quarter U.S. gross domestic product growth at 2.3%. The unemployment rate fell to a 17-year low of 3.9% in April, and wage growth data improved.

Internationally, central banks maintained low interest rates and monetary policies that were accommodative of business activity. Industrial production, retail sales, and fixed-asset investment increased in China. During January 2018, purchasing managers’ indices in China, the eurozone, India, and Japan reported data for December that indicated continued growth. Despite positive economic signals and business fundamentals, international stock values fell during February and March 2018, swept up in the selling momentum in U.S. markets before generally moving higher in April.

Don’t let short-term uncertainty derail long-term investment goals.

Periods of investment uncertainty can present challenges, but experience has taught us that maintaining long-term investment goals can be an effective way to plan for the future. Although diversification cannot guarantee an investment profit or prevent losses, we believe it can be an effective way to manage investment risk and potentially smooth out overall portfolio performance. We encourage investors to know their investments and to understand that appropriate levels of risk-taking may unlock opportunities.

Thank you for choosing to invest with Wells Fargo Funds. We appreciate your confidence in us and remain committed to helping you meet your financial needs.

Sincerely,

Andrew Owen

President

Wells Fargo Funds

During February 2018, the U.S. stock market endured a loss of more than 10% before recovering.

Table of Contents

4 Wells Fargo Multi-Sector Income Fund
Notice to shareholders

Letter to shareholders (unaudited)

The Fund's managed distribution plan provides for the declaration of monthly distributions to common shareholders of the Fund at an annual minimum fixed rate of 9% based on the Fund's average monthly NAV per share over the prior 12 months. Under the managed distribution plan, monthly distributions may be sourced from income, paid-in capital, and/or capital gains, if any. To the extent that sufficient investment income is not available on a monthly basis, the Fund may distribute paid-in capital and/or capital gains, if any, in order to maintain its managed distribution level. You should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the managed distribution plan. Shareholders may elect to reinvest distributions received pursuant to the managed distribution plan in the Fund under the existing dividend reinvestment plan, which is described later in this report.

On November 10, 2017, the Fund announced an extension of its open-market share repurchase program (the Buyback Program). Under the extended Buyback Program, the Fund may repurchase up to 10% of its outstanding shares in open market transactions during the period beginning on January 1, 2018 and ending on December 31, 2018. The Fund's Board of Trustees has delegated to Wells Fargo Funds Management, LLC, the Fund's adviser, discretion to administer the Buyback Program including the determination of the amount and timing of repurchases in accordance with the best interests of the Fund and subject to applicable legal limitations.

For further information about your Fund, contact your investment professional, visit our website at wellsfargofunds.com, or call us directly at **1-800-222-8222**.

Table of Contents

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Table of Contents

6 Wells Fargo Multi-Sector Income Fund

Performance highlights (unaudited)

Investment objective

The Fund seeks a high level of current income consistent with limiting its overall exposure to domestic interest rate risk.

Strategy summary

The Fund allocates its assets between three separate investment strategies, or sleeves. Under normal market conditions, the Fund will allocate approximately 30%-70% of its total assets to a sleeve consisting of non-investment-grade (high yield) corporate debt, including floating-rate high yield bank loan securities; approximately 10%-40% to a sleeve of foreign debt securities, including emerging market debt; and approximately 10%-30% to a sleeve of adjustable-rate and fixed-rate mortgage backed securities, and investment grade corporate bonds.

Adviser

Wells Fargo Funds Management, LLC

Subadvisers

Wells Fargo Asset Management (International), LLC

Wells Capital Management Incorporated

Portfolio managers

Christopher Y. Kauffman, CFA®

Michael Lee

Niklas Nordenfelt, CFA®

Tony Norris

Alex Perrin

Phillip Susser

Christopher Wightman

Peter Wilson

Noah Wise, CFA®

Average annual total returns (%) as of April 30, 2018¹

| | 6 months | 1 year | 5 year | 10 year |
|--|----------|--------|--------|---------|
| Based on market value | 4.34 | 4.95 | 3.89 | 8.02 |
| Based on net asset value (NAV) per share | 2.71 | 6.62 | 4.61 | 7.39 |
| Multi-Sector Income Blended Index ² | 0.77 | 4.02 | 2.89 | 5.46 |
| ICE BofAML U.S. Cash Pay High Yield Index ³ | (0.27) | 3.18 | 4.73 | 7.68 |
| J.P. Morgan GBI-EM Global Diversified Composite Index ⁴ | 5.15 | 8.38 | (1.92) | 3.33 |
| Bloomberg Barclays Credit Bond Index ⁵ | (2.34) | 0.65 | 2.27 | 4.99 |
| Bloomberg Barclays U.S. Securitized Index ⁶ | (1.52) | (0.37) | 1.59 | 3.43 |
| J.P. Morgan Global Government Index (ex U.S.) ⁷ | 4.19 | 8.03 | 0.76 | 2.19 |

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on fund distributions or the sales of fund shares. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted, which assumes the reinvestment of dividends and capital gains. Performance figures of the Fund do not reflect brokerage commissions that a shareholder would pay on the purchase and sale of shares. If taxes and such brokerage commissions had been reflected, performance would have been lower. To obtain performance information current to the most recent month-end, please call 1-800-222-8222.

The Fund's annualized expense ratio for the six months ended April 30, 2018, was 2.00% which includes 0.89% of interest expense.

Comparison of NAV vs. market value⁸

The Fund is leveraged through a revolving credit facility. The use of leverage results in certain risks, including, among others, the likelihood of greater volatility of net asset value and the market value of common shares. Foreign investments are especially volatile and can rise or fall dramatically due to differences in the political and economic conditions of the host country. These risks are generally intensified in emerging markets. Derivatives involve additional risks, including interest-rate risk, credit risk, the risk of improper valuation, and the risk of non-correlation to the relevant instruments that they are designed to hedge or closely track. Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the Fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes and their impact on the Fund and its share price can be sudden and unpredictable. High-yield securities have a greater risk of default and tend to be more volatile than higher-rated debt securities. The Fund is exposed to mortgage- and asset-backed securities risk. This closed-end fund is no longer available as an initial public offering and is only offered through broker/dealers on the secondary market.

Please see footnotes on page 7.

Table of Contents

| | |
|------------------------------------|--|
| Performance highlights (unaudited) | Wells Fargo Multi-Sector Income Fund 7 |
|------------------------------------|--|

- ¹ Total returns based on market value are calculated assuming a purchase of common stock on the first day and sale on the last day of the period reported. Total returns based on NAV are calculated based on the NAV at the beginning of the period and end of the period. Dividends and distributions, if any, are assumed for the purposes of these calculations to be reinvested at prices obtained under the Fund's Automatic Dividend Reinvestment Plan.
- ² Source: Wells Fargo Funds Management, LLC. The Multi-Sector Income Blended Index is composed of 60% ICE BofAML U.S. Cash Pay High Yield Index, 18% J.P. Morgan GBI-EM Global Diversified Composite Index, 7.5% Bloomberg Barclays Credit Bond Index, 7.5% Bloomberg Barclays U.S. Securitized Index, and 7% J.P. Morgan Global Government Bond Index (ex U.S.).
- ³ The ICE BofAML U.S. Cash Pay High Yield Index tracks the performance of U.S. dollar-denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. domestic market. You cannot invest directly in an index. Copyright 2018. ICE Data Indices, LLC. All rights reserved.
- ⁴ The J.P. Morgan GBI-EM Global Diversified Composite Index is an unmanaged index of debt instruments of 31 emerging countries. You cannot invest directly in an index.
- ⁵ The Bloomberg Barclays Credit Bond Index is an unmanaged index of fixed income securities composed of securities from the Bloomberg Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. You cannot invest directly in an index.
- ⁶ The Bloomberg Barclays U.S. Securitized Index is an unmanaged composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible), and fixed-rate mortgage-backed securities. You cannot invest directly in an index.
- ⁷ The J.P. Morgan Global Government Bond Index (ex U.S.) measures the total return from investing in 12 developed government bond markets: Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, and the U.K. You cannot invest directly in an index.
- ⁸ This chart does not reflect any brokerage commissions charged on the purchase and sale of the Fund's common stock. Dividends and distributions paid by the Fund are included in the Fund's average annual total returns but have the effect of reducing the Fund's NAV.

- ⁹ The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. You cannot invest directly in an index.
- ¹⁰ The ten largest holdings, excluding cash and cash equivalents, are calculated based on the value of the investments divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.
- ¹¹ The credit quality distribution of portfolio holdings reflected in the chart is based on ratings from Standard & Poor's, Moody's Investors Service, and/or Fitch Ratings Ltd. Credit quality ratings apply to the underlying holdings of the Fund and not to the Fund itself. The percentages of the Fund's portfolio with the ratings depicted in the chart are calculated based on the total market value of fixed income securities held by the Fund. If a security was rated by all three rating agencies, the middle rating was utilized. If rated by two of three rating agencies, the lower rating was utilized, and if rated by one of the rating agencies, that rating was utilized. Standard & Poor's rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. Standard & Poor's rates the creditworthiness of short-term notes from SP-1 (highest) to SP-3 (lowest). Moody's rates the creditworthiness of bonds, ranging from Aaa (highest) to C (lowest). Ratings Aa to B may be modified by the addition of a number 1 (highest) to 3 (lowest) to show relative standing within the ratings categories. Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG 1/VMIG 1 (highest) to SG (lowest). Fitch rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Credit quality distribution is subject to change and may have changed since the date specified.
- ¹² Amounts are calculated based on the total long-term investments of the Fund. These amounts are subject to change and may have changed since the date specified.

Table of Contents**8 Wells Fargo Multi-Sector Income Fund
MANAGERS DISCUSSION**

Performance highlights (unaudited)

The Fund's return based on market value was 4.34% for the six-month period that ended April 30, 2018. During the same period, the Fund's return based on its net asset value (NAV) was 2.71%. Based on its NAV return, the Fund outperformed the Multi-Sector Income Blended Index, which added 0.77% over the same period.

Overview

During the period, among corporate and mortgage bonds and as measured by the Bloomberg Barclays U.S. Aggregate Bond Index⁹, U.S. investment-grade corporate bonds underperformed U.S. Treasuries with strong performance through January that was more than erased when spreads widened in February and March. Commercial mortgage-backed securities (CMBS) and residential mortgage-backed securities (RMBS) generated relatively higher returns. Floating-rate and interest-only securities were the best performers, while fixed-rate agency collateralized mortgage obligations (CMOs) and agency multifamily mortgage securities were the worst.

Among high-yield bonds, lower-quality CCC-rated bonds outperformed higher-quality, more interest-rate-sensitive bonds. This is not particularly unusual in the latter stages of an economic cycle when interest rates begin to rise.

Among bonds issued in international and emerging markets, returns were strong but front-loaded, with gains in November, January, and March offset by losses in February and April. Emerging market bonds have held up relatively well in the face of rising U.S. bond yields, but the tone on currency markets turned less positive late in the first quarter of 2018.

Ten largest holdings (%) as of April 30, 2018¹⁰

| | |
|---|------|
| Malaysia, 4.23%, 6-30-2031 | 2.77 |
| Mexico, 8.00%, 11-07-2047 | 2.63 |
| Indonesia, 7.88%, 4-15-2019 | 2.15 |
| LPL Holdings Incorporated, 5.75%, 9-15-2025 | 2.12 |
| Colombia, 7.50%, 8-26-2026 | 1.91 |
| Indonesia, 8.38%, 9-15-2026 | 1.87 |
| NGPL PipeCo LLC, 7.77%, 12-15-2037 | 1.69 |
| Colombia, 7.00%, 5-04-2022 | 1.53 |
| Colombia, 7.00%, 9-11-2019 | 1.48 |
| New Zealand, 4.50%, 4-15-2027 | 1.43 |

Credit quality as of April 30, 2018¹¹**Contributors to performance**

Securitized holdings generally added value during the period with CMBS and RMBS being the largest contributors within the mortgage and corporate sleeve of the Fund. Holdings in non-corporate credit sectors like agencies and supranationals also helped performance. Security selection within property and casualty companies in the financials

sector contributed, as did selection in metals and mining companies in the industrials sector.

Many emerging bond and currency markets turned in strong performances. Exposure to South Africa, Colombia, and Mexico contributed. Indonesian and Brazilian bonds and exposure to the Malaysian ringgit also added value.

Overall, industry credit selection contributed to portfolio performance with the high-yield sleeve, with solid security selection in oil-field services, finance companies, cable and satellite, and pharmaceutical companies. Credit selection in high-quality BB-rated and lower-quality CCC-rated companies also helped. The shorter average life of the portfolio also had a positive effect.

Detractors from performance

Within the mortgage and corporate sleeve of the Fund, holdings in agency multifamily and fixed-rate agency CMOs were modest detractors as were certain agency MBS pools.

The main detractors from Fund performance in the high-yield sleeve were credit selection in the energy exploration and production, brokers/asset manager, and media entertainment sectors.

Within the international and emerging market bonds, positioning in the Brazilian real and Indonesian ringgit weighed on overall portfolio performance. Exposure to the Indian rupee was also a detractor.

Please see footnotes on page 7.

Table of Contents

Performance highlights (unaudited)

Wells Fargo Multi-Sector Income Fund 9

Outlook

While we expect fundamentals to remain favorable for corporate credit over the remainder of the year, we see limited upside from current levels as valuations already reflect a benign macro environment. From an economic perspective, the economy has experienced accelerating growth led by a strong labor market, solid consumer confidence, relatively healthy household balance sheets, stimulative tax reform, and synchronized global growth. All of these conditions provide a solid backdrop for low high-yield spreads. Our strategy is to maintain current exposure to credit and wait for weakness to add to those holdings. We plan to reduce credit exposure if spreads tighten noticeably from present levels and in the meantime will seek opportunities to capture relative value from industry, yield curve, and individual issue decisions. Within securitized sectors, we remain focused on shorter-duration cash flows in the senior part of the capital structure.

We are always on the lookout for potential threats to growth. Typically prolonged easy credit conditions lead to an increase in aggressively financed deals within the high-yield sector in which weaker companies are able to raise money and pollute the high-yield market with riskier bonds as a whole. From a ratings perspective in the high-yield bond market, quality is strong as the percentage of the high-yield index composed of BB-rated credits is near an all-time high and the percentage of CCC-rated bonds is at low levels not seen since the late 1990s. Interest coverage levels, which measure a company's ability to meet interest expenses, are higher than average.

Markets have turned more volatile of late, and the overhang of trade and geopolitical worries suggests this will remain the case. International and emerging markets are offering value on a relative basis versus developed markets, but increased selectivity will be important in the quarters to come. Within these markets, we continue to tilt away from low-yielding markets and toward higher-yielding and emerging market issues.

Burgeoning market risk includes gradually increasing inflation and potential trade wars. Our concerns about inflation are mitigated by the fact that inflation often takes a fair amount of time to build up and it will take time to have a detrimental impact. Our concern about trade wars is mitigated by the large entrenched interests that would be hurt by a trade war and a broader understanding in the investment, business, and government communities that all parties lose in a trade war.

Effective maturity distribution as of April 30, 2018¹²

Country allocation as of April 30, 2018¹²

Please see footnotes on page 7.

Table of Contents

10 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|------------|
| Agency Securities: 1.70% | | | | |
| <i>FHLMC (5 Year Treasury Constant Maturity +2.06%) ±</i> | 3.54% | 9-1-2032 | \$ 932,043 | \$ 962,620 |
| <i>FHLMC</i> | 8.50 | 7-1-2028 | 35,211 | 39,640 |
| <i>FHLMC Series 1383 (1 Year Treasury Constant Maturity +2.25%) ±</i> | 3.62 | 2-1-2037 | 218,298 | 228,848 |
| <i>FHLMC Series 196 Class A (1 Month LIBOR +0.80%) ±</i> | 2.70 | 12-15-2021 | 8,037 | 8,086 |
| <i>FHLMC Series 2011-K16 Class B 144A±±</i> | 4.60 | 11-25-2046 | 1,000,000 | 1,040,587 |
| <i>FHLMC Series 2012-K17 Class B 144A±±</i> | 4.49 | 12-25-2044 | 675,000 | 691,663 |
| <i>FHLMC Series 2012-K18 Class B 144A±±</i> | 4.26 | 1-25-2045 | 810,000 | 827,695 |
| <i>FHLMC Series 2012-K706 Class B 144A±±</i> | 4.03 | 11-25-2044 | 500,000 | 500,911 |
| <i>FHLMC Series 2012-K706 Class C 144A±±</i> | 4.03 | 11-25-2044 | 805,000 | 805,530 |
| <i>FHLMC Series 2012-K707 Class B 144A±±</i> | 4.02 | 1-25-2047 | 930,000 | 932,329 |
| <i>FHLMC Series 2012-K711 Class B 144A±±</i> | 3.68 | 8-25-2045 | 264,000 | 265,369 |
| <i>FHLMC Series 2013-K30 Class B 144A±±</i> | 3.67 | 6-25-2045 | 700,000 | 694,502 |
| <i>FHLMC Series 2390 Class FD (1 Month LIBOR +0.45%) ±</i> | 2.35 | 12-15-2031 | 18,141 | 18,262 |
| <i>FHLMC Series 2567 Class FH (1 Month LIBOR +0.40%) ±</i> | 2.30 | 2-15-2033 | 54,639 | 54,674 |
| <i>FHLMC Series K007 Class XI ±±(c)</i> | 1.21 | 4-25-2020 | 769,319 | 12,647 |
| <i>FHLMC Series K016 Class XI ±±(c)</i> | 1.52 | 10-25-2021 | 362,111 | 15,543 |
| <i>FHLMC Series K020 Class XI ±±(c)</i> | 1.56 | 5-25-2022 | 6,397,799 | 299,553 |
| <i>FNMA (6 Month LIBOR +1.64%) ±</i> | 3.27 | 9-1-2037 | 57,050 | 58,902 |
| <i>FNMA</i> | 6.00 | 4-1-2033 | 60,154 | 61,729 |
| <i>FNMA</i> | 7.50 | 2-1-2030 | 23,215 | 23,354 |
| <i>FNMA</i> | 7.50 | 9-1-2030 | 30,040 | 30,325 |
| <i>FNMA Series 1996-46 Class FA (1 Month LIBOR +0.50%) ±</i> | 2.40 | 8-25-2021 | 3,816 | 3,818 |
| <i>FNMA Series 1997-20 Class IO ±±(c)</i> | 1.84 | 3-25-2027 | 529,569 | 12,693 |
| <i>FNMA Series 2001-25 Class Z</i> | 6.00 | 6-25-2031 | 94,783 | 101,633 |
| <i>FNMA Series 2001-35 Class F (1 Month LIBOR +0.60%) ±</i> | 2.50 | 7-25-2031 | 4,463 | 4,532 |
| <i>FNMA Series 2001-57 Class F (1 Month LIBOR +0.50%) ±</i> | 2.40 | 6-25-2031 | 4,493 | 4,518 |
| <i>FNMA Series 2002-77 Class FH (1 Month LIBOR +0.40%) ±</i> | 2.29 | 12-18-2032 | 33,314 | 33,336 |

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| <i>FNMA Series 2002-97 Class FR (1 Month LIBOR +0.55%) ±</i> | 2.45 | 1-25-2033 | 7,675 | 7,775 |
| <i>FNMA Series G91-16 Class F (1 Month LIBOR +0.45%) ±</i> | 2.35 | 6-25-2021 | 5,066 | 5,087 |
| <i>FNMA Series G92-17 Class F (1 Month LIBOR +1.05%) ±</i> | 2.95 | 3-25-2022 | 21,356 | 21,615 |
| <i>GNMA</i> | 6.50 | 6-15-2028 | 24,593 | 27,508 |
| Total Agency Securities (Cost \$7,555,827) | | | | 7,795,284 |
| Asset-Backed Securities: 0.87% | | | | |
| <i>Asset-Backed Funding Certificates Series 2003-AHL1 Class A1</i> | 4.18 | 3-25-2033 | 153,675 | 153,315 |
| <i>Bear Stearns Asset Backed Securities Series 2002-2 Class A1 (1 Month LIBOR +0.66%)</i> | 2.56 | 10-25-2032 | 170,639 | 171,192 |
| <i>Countrywide Asset Backed Certificates Series 2003-5 Class AF5</i> | 5.21 | 2-25-2034 | 87,960 | 90,400 |
| <i>CVS Pass-Through Trust Series T</i> | 6.04 | 12-10-2028 | 481,701 | 514,912 |
| <i>Equity One Asset Backed Securities Series 2004-2 Class AF4 ±±</i> | 4.62 | 7-25-2034 | 119,269 | 119,082 |
| <i>Five Guys Funding LLC Series 17-1A Class A2 144A</i> | 4.60 | 7-25-2047 | 995,000 | 995,298 |
| <i>Mesa Trust Asset Backed Certificates Series 2001-5 Class A (1 Month LIBOR +0.40%) 144A</i> | 2.67 | 12-25-2031 | 12,123 | 11,951 |
| <i>MMAF Equipment Finance LLC Series 2017-AA Class A4 144A</i> | 2.41 | 8-16-2024 | 170,000 | 166,307 |
| <i>Montana Higher Education Student Assistance Corporation Series 2012-1 Class A2 (1 Month LIBOR +1.00%)</i> | 2.82 | 5-20-2030 | 541,649 | 546,733 |
| <i>Navient SLM Student Loan Series 2005-B Class A3 (3 Month LIBOR +0.27%)</i> | 2.39 | 12-15-2023 | 38,083 | 38,089 |
| <i>Saxon Asset Securities Trust Series 2002-1 Class AF5</i> | 5.94 | 12-25-2030 | 123,095 | 125,795 |
| <i>Saxon Asset Securities Trust Series 2003-1 Class AF7</i> | 4.03 | 6-25-2033 | 386,856 | 391,945 |
| <i>Structured Asset Securities Corporation Series 1998-2 Class A (1 Month LIBOR +0.52%)</i> | 2.42 | 2-25-2028 | 118,505 | 117,444 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 11

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|-----------|
| Asset-Backed Securities (continued) | | | | |
| <i>Structured Asset Securities Corporation</i> | | | | |
| <i>Series 2002-9 Class A2 (1 Month LIBOR +0.60%)</i> | | | | |
| | 2.17% | 10-25-2027 | \$ 46,531 | \$ 45,953 |
| <i>Student Loan Consolidation Center Series</i> | | | | |
| <i>2011-1 Class A (1 Month LIBOR +1.22%) 144A</i> | | | | |
| | 3.12 | 10-25-2027 | 475,738 | 482,319 |
| Total Asset-Backed Securities (Cost \$3,994,747) | | | | 3,970,735 |
| Shares | | | | |
| Common Stocks: 0.00% | | | | |
| Materials: 0.00% | | | | |
| Chemicals: 0.00% | | | | |
| <i>LyondellBasell Industries NV Class A</i> | | | | |
| | | | 9 | 952 |
| Total Common Stocks (Cost \$779) | | | | 952 |
| Principal | | | | |
| Corporate Bonds and Notes: 72.79% | | | | |
| Consumer Discretionary: 14.11% | | | | |
| Auto Components: 1.29% | | | | |
| <i>Allison Transmission Incorporated 144A</i> | | | | |
| | 4.75 | 10-1-2027 | \$ 650,000 | 611,813 |
| <i>Allison Transmission Incorporated 144A</i> | | | | |
| | 5.00 | 10-1-2024 | 2,250,000 | 2,209,950 |
| <i>Cooper Tire & Rubber Company</i> | | | | |
| | 7.63 | 3-15-2027 | 1,710,000 | 1,906,650 |
| <i>Cooper Tire & Rubber Company</i> | | | | |
| | 8.00 | 12-15-2019 | 600,000 | 642,000 |
| <i>Goodyear Tire & Rubber Company</i> | | | | |
| | 8.75 | 8-15-2020 | 468,000 | 519,480 |
| | | | | 5,889,893 |
| Distributors: 0.26% | | | | |
| <i>LKQ Corporation</i> | | | | |
| | 4.75 | 5-15-2023 | 1,075,000 | 1,065,916 |

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| | | | | |
|---|------|------------|-----------|-----------|
| <i>Spectrum Brands Incorporated</i> | 6.63 | 11-15-2022 | 125,000 | 129,375 |
| | | | | 1,195,291 |
| Diversified Consumer Services: 1.22% | | | | |
| <i>Service Corporation International</i> | 4.63 | 12-15-2027 | 650,000 | 635,570 |
| <i>Service Corporation International</i> | 5.38 | 5-15-2024 | 100,000 | 102,345 |
| <i>Service Corporation International</i> | 7.50 | 4-1-2027 | 3,400,000 | 3,876,000 |
| <i>Service Corporation International</i> | 8.00 | 11-15-2021 | 850,000 | 956,250 |
| | | | | 5,570,165 |
| Hotels, Restaurants & Leisure: 1.33% | | | | |
| <i>CCM Merger Incorporated 144A</i> | 6.00 | 3-15-2022 | 3,531,000 | 3,592,793 |
| <i>Hilton Domestic Operating Company Incorporated</i> | 5.13 | 5-1-2026 | 425,000 | 425,000 |
| <i>Pinnacle Entertainment Incorporated</i> | 5.63 | 5-1-2024 | 325,000 | 339,625 |
| <i>Wyndham Hotels & Resorts Company 144A</i> | 5.38 | 4-15-2026 | 1,725,000 | 1,742,250 |
| | | | | 6,099,668 |
| Internet & Direct Marketing Retail: 0.17% | | | | |
| <i>Expedia Incorporated</i> | 5.95 | 8-15-2020 | 750,000 | 791,100 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

12 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|--------------|--------------|
| Media: 7.68% | | | | |
| <i>Altice US Finance I Corporation 144A</i> | 5.38% | 7-15-2023 | \$ 1,395,000 | \$ 1,396,744 |
| <i>Altice US Finance I Corporation 144A</i> | 5.50 | 5-15-2026 | 1,275,000 | 1,235,953 |
| <i>CCO Holdings LLC 144A</i> | 4.00 | 3-1-2023 | 100,000 | 96,500 |
| <i>CCO Holdings LLC 144A</i> | 5.00 | 2-1-2028 | 150,000 | 138,507 |
| <i>CCO Holdings LLC</i> | 5.13 | 2-15-2023 | 100,000 | 100,470 |
| <i>CCO Holdings LLC 144A</i> | 5.13 | 5-1-2027 | 450,000 | 421,637 |
| <i>CCO Holdings LLC</i> | 5.25 | 9-30-2022 | 1,250,000 | 1,271,500 |
| <i>CCO Holdings LLC 144A</i> | 5.38 | 5-1-2025 | 4,150,000 | 4,079,969 |
| <i>CCO Holdings LLC</i> | 5.75 | 9-1-2023 | 50,000 | 50,625 |
| <i>CCO Holdings LLC 144A</i> | 5.50 | 5-1-2026 | 215,000 | 209,346 |
| <i>CCO Holdings LLC 144A</i> | 5.75 | 2-15-2026 | 3,375,000 | 3,349,688 |
| <i>CCO Holdings LLC 144A</i> | 5.88 | 4-1-2024 | 1,250,000 | 1,268,763 |
| <i>Cequel Communications Holdings I LLC 144A</i> | 7.75 | 7-15-2025 | 2,030,000 | 2,136,575 |
| <i>Cinemark USA Incorporated</i> | 4.88 | 6-1-2023 | 375,000 | 370,781 |
| <i>CSC Holdings LLC 144A</i> | 5.38 | 2-1-2028 | 425,000 | 397,375 |
| <i>CSC Holdings LLC</i> | 8.63 | 2-15-2019 | 383,000 | 398,577 |
| <i>EMI Music Publishing Group 144A</i> | 7.63 | 6-15-2024 | 1,425,000 | 1,541,850 |
| <i>Gray Television Incorporated 144A</i> | 5.13 | 10-15-2024 | 450,000 | 429,188 |
| <i>Gray Television Incorporated 144A</i> | 5.88 | 7-15-2026 | 3,875,000 | 3,729,688 |
| <i>Interpublic Group of Companies</i> | 4.00 | 3-15-2022 | 750,000 | 754,212 |
| <i>Lamar Media Corporation</i> | 5.38 | 1-15-2024 | 375,000 | 383,438 |
| <i>Live Nation Entertainment Incorporated 144A</i> | 4.88 | 11-1-2024 | 1,400,000 | 1,370,250 |
| <i>Live Nation Entertainment Incorporated 144A</i> | 5.63 | 3-15-2026 | 250,000 | 249,375 |
| <i>National CineMedia LLC</i> | 6.00 | 4-15-2022 | 1,950,000 | 1,979,250 |
| <i>Nexstar Broadcasting Group Incorporated 144A</i> | 5.63 | 8-1-2024 | 850,000 | 837,250 |
| <i>Nexstar Broadcasting Group Incorporated 144A</i> | 6.13 | 2-15-2022 | 950,000 | 977,313 |
| <i>Nielsen Finance LLC 144A</i> | 5.00 | 4-15-2022 | 75,000 | 75,570 |
| <i>Outfront Media Capital Corporation</i> | 5.63 | 2-15-2024 | 20,000 | 20,200 |
| <i>Outfront Media Capital Corporation</i> | 5.88 | 3-15-2025 | 775,000 | 794,375 |
| <i>Salem Media Group Incorporated 144A</i> | 6.75 | 6-1-2024 | 2,200,000 | 2,084,500 |
| <i>The E.W. Scripps Company 144A</i> | 5.13 | 5-15-2025 | 2,460,000 | 2,287,800 |
| <i>Time Warner Cable Incorporated</i> | 4.00 | 1-15-2022 | 750,000 | 761,970 |
| | | | | 35,199,239 |

Multiline Retail: 0.13%

| | | | | |
|--|------|-----------|---------|---------|
| <i>Macy's Retail Holdings Incorporated</i> | 3.88 | 1-15-2022 | 600,000 | 597,220 |
|--|------|-----------|---------|---------|

Specialty Retail: 1.77%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>Advance Auto Parts Incorporated</i> | 4.50 | 1-15-2022 | 600,000 | 616,302 |
| <i>Asbury Automotive Group Incorporated</i> | 6.00 | 12-15-2024 | 1,175,000 | 1,166,188 |
| <i>Lithia Motors Incorporated 144A</i> | 5.25 | 8-1-2025 | 945,000 | 935,550 |
| <i>Penske Auto Group Incorporated</i> | 3.75 | 8-15-2020 | 540,000 | 535,950 |
| <i>Penske Auto Group Incorporated</i> | 5.38 | 12-1-2024 | 2,150,000 | 2,133,875 |
| <i>Penske Auto Group Incorporated</i> | 5.75 | 10-1-2022 | 1,155,000 | 1,185,319 |
| <i>Sonic Automotive Incorporated</i> | 5.00 | 5-15-2023 | 849,000 | 818,224 |
| <i>Sonic Automotive Incorporated</i> | 6.13 | 3-15-2027 | 775,000 | 744,000 |
| | | | | 8,135,408 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 13

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Textiles, Apparel & Luxury Goods: 0.26% | | | | |
| <i>The William Carter Company</i> | 5.25% | 8-15-2021 | \$ 600,000 | \$ 609,750 |
| <i>Wolverine World Wide Incorporated 144A</i> | 5.00 | 9-1-2026 | 600,000 | 573,563 |
| | | | | 1,183,313 |
| Consumer Staples: 1.39% | | | | |
| Beverages: 0.28% | | | | |
| <i>Anheuser-Busch InBev Finance Incorporated</i> | 3.75 | 1-15-2022 | 600,000 | 609,890 |
| <i>Cott Beverages Incorporated 144A</i> | 5.50 | 4-1-2025 | 675,000 | 669,938 |
| | | | | 1,279,828 |
| Food Products: 0.90% | | | | |
| <i>B&G Foods Incorporated</i> | 4.63 | 6-1-2021 | 300,000 | 296,532 |
| <i>B&G Foods Incorporated</i> | 5.25 | 4-1-2025 | 1,050,000 | 960,750 |
| <i>Darling Ingredients Incorporated</i> | 5.38 | 1-15-2022 | 180,000 | 183,375 |
| <i>Kraft Foods Group Incorporated</i> | 3.50 | 6-6-2022 | 750,000 | 746,061 |
| <i>Lamb Weston Holdings Incorporated 144A</i> | 4.63 | 11-1-2024 | 175,000 | 173,469 |
| <i>Pilgrim's Pride Corporation 144A</i> | 5.75 | 3-15-2025 | 1,305,000 | 1,275,638 |
| <i>Pilgrim's Pride Corporation 144A</i> | 5.88 | 9-30-2027 | 150,000 | 143,250 |
| <i>Pinnacle Foods Incorporated</i> | 5.88 | 1-15-2024 | 75,000 | 77,250 |
| <i>Prestige Brands Incorporated 144A</i> | 6.38 | 3-1-2024 | 280,000 | 281,400 |
| | | | | 4,137,725 |
| Household Products: 0.06% | | | | |
| <i>Central Garden & Pet Company</i> | 5.13 | 2-1-2028 | 225,000 | 213,188 |
| <i>Spectrum Brands Incorporated</i> | 5.75 | 7-15-2025 | 50,000 | 49,953 |
| | | | | 263,141 |
| Tobacco: 0.15% | | | | |
| <i>Reynolds American Incorporated</i> | 6.88 | 5-1-2020 | 650,000 | 694,531 |

Energy: 18.73%

Energy Equipment & Services: 5.72%

| | | | | |
|--|------|------------|-----------|------------|
| <i>Bristow Group Incorporated</i> | 6.25 | 10-15-2022 | 3,430,000 | 2,829,750 |
| <i>Bristow Group Incorporated 144A</i> | 8.75 | 3-1-2023 | 775,000 | 800,188 |
| <i>Diamond Offshore Drilling Incorporated</i> | 4.88 | 11-1-2043 | 1,325,000 | 954,000 |
| <i>Era Group Incorporated</i> | 7.75 | 12-15-2022 | 2,350,000 | 2,303,000 |
| <i>Hilcorp Energy Company 144A</i> | 5.00 | 12-1-2024 | 1,450,000 | 1,410,125 |
| <i>Hilcorp Energy Company 144A</i> | 5.75 | 10-1-2025 | 1,525,000 | 1,509,750 |
| <i>Hornbeck Offshore Services Incorporated</i> | 1.50 | 9-1-2019 | 4,750,000 | 3,752,510 |
| <i>Hornbeck Offshore Services Incorporated</i> | 5.00 | 3-1-2021 | 150,000 | 84,000 |
| <i>Hornbeck Offshore Services Incorporated</i> | 5.88 | 4-1-2020 | 1,860,000 | 1,199,700 |
| <i>NGPL PipeCo LLC 144A</i> | 4.38 | 8-15-2022 | 350,000 | 348,250 |
| <i>NGPL PipeCo LLC 144A</i> | 4.88 | 8-15-2027 | 550,000 | 534,703 |
| <i>NGPL PipeCo LLC 144A</i> | 7.77 | 12-15-2037 | 6,435,000 | 7,754,138 |
| <i>Oceaneering International Incorporated</i> | 6.00 | 2-1-2028 | 800,000 | 796,000 |
| <i>PHI Incorporated</i> | 5.25 | 3-15-2019 | 1,125,000 | 1,071,439 |
| <i>USA Compression Partners LP 144A</i> | 6.88 | 4-1-2026 | 850,000 | 867,000 |
| | | | | 26,214,553 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

14 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|------------|
| Oil, Gas & Consumable Fuels: 13.01% | | | | |
| <i>Carrizo Oil & Gas Incorporated</i> | 8.25% | 7-15-2025 | \$ 800,000 | \$ 858,008 |
| <i>Cheniere Energy Incorporated 144A</i> | 5.25 | 10-1-2025 | 3,725,000 | 3,641,188 |
| <i>Continental Resources Incorporated</i> | 3.80 | 6-1-2024 | 700,000 | 682,500 |
| <i>Continental Resources Incorporated 144A</i> | 4.38 | 1-15-2028 | 250,000 | 245,625 |
| <i>Continental Resources Incorporated</i> | 5.00 | 9-15-2022 | 675,000 | 685,125 |
| <i>DCP Midstream Operating LLC</i> | 2.70 | 4-1-2019 | 725,000 | 717,757 |
| <i>Denbury Resources Incorporated</i> | 6.38 | 8-15-2021 | 3,209,000 | 2,904,145 |
| <i>Denbury Resources Incorporated 144A</i> | 9.25 | 3-31-2022 | 676,000 | 703,040 |
| <i>El Paso LLC</i> | 6.50 | 4-1-2020 | 750,000 | 792,113 |
| <i>Enable Midstream Partner LP</i> | 2.40 | 5-15-2019 | 2,350,000 | 2,322,447 |
| <i>Enable Midstream Partner LP</i> | 3.90 | 5-15-2024 | 1,750,000 | 1,692,642 |
| <i>Enable Oklahoma Intrastate Transmission LLC 144A</i> | 6.25 | 3-15-2020 | 250,000 | 259,746 |
| <i>Energy Transfer Partners LP</i> | 5.20 | 2-1-2022 | 750,000 | 779,187 |
| <i>EnLink Midstream LLC</i> | 4.40 | 4-1-2024 | 3,200,000 | 3,171,545 |
| <i>Exterran Partners LP</i> | 6.00 | 4-1-2021 | 2,550,000 | 2,543,625 |
| <i>Kinder Morgan Energy Partners LP</i> | 3.95 | 9-1-2022 | 750,000 | 751,517 |
| <i>Kinder Morgan Incorporated</i> | 6.50 | 9-15-2020 | 285,000 | 304,721 |
| <i>Kinder Morgan Incorporated</i> | 7.42 | 2-15-2037 | 800,000 | 883,267 |
| <i>Matador Resources Company</i> | 6.88 | 4-15-2023 | 300,000 | 313,500 |
| <i>Murphy Oil Corporation</i> | 4.45 | 12-1-2022 | 1,250,000 | 1,220,313 |
| <i>Murphy Oil Corporation</i> | 5.75 | 8-15-2025 | 185,000 | 184,538 |
| <i>Murphy Oil Corporation</i> | 6.88 | 8-15-2024 | 850,000 | 899,938 |
| <i>Nabors Industries Limited</i> | 4.63 | 9-15-2021 | 750,000 | 733,125 |
| <i>Phillips 66</i> | 4.30 | 4-1-2022 | 625,000 | 646,751 |
| <i>Pioneer Natural Resources Company</i> | 3.95 | 7-15-2022 | 750,000 | 760,733 |
| <i>Rockies Express Pipeline LLC 144A</i> | 5.63 | 4-15-2020 | 3,500,000 | 3,623,585 |
| <i>Rockies Express Pipeline LLC 144A</i> | 6.88 | 4-15-2040 | 3,074,000 | 3,542,785 |
| <i>Rockies Express Pipeline LLC 144A</i> | 7.50 | 7-15-2038 | 240,000 | 289,800 |
| <i>Rockpoint Gas Storage 144A</i> | 7.00 | 3-31-2023 | 1,375,000 | 1,373,281 |
| <i>Rose Rock Midstream LP</i> | 5.63 | 7-15-2022 | 1,300,000 | 1,257,750 |
| <i>Rose Rock Midstream LP</i> | 5.63 | 11-15-2023 | 825,000 | 777,563 |
| <i>Sabine Pass Liquefaction LLC</i> | 5.63 | 2-1-2021 | 600,000 | 629,694 |
| <i>Sabine Pass Liquefaction LLC</i> | 5.63 | 4-15-2023 | 1,500,000 | 1,598,119 |
| <i>Sabine Pass Liquefaction LLC</i> | 5.63 | 3-1-2025 | 410,000 | 436,454 |
| <i>Sabine Pass Liquefaction LLC</i> | 5.75 | 5-15-2024 | 1,000,000 | 1,073,178 |

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| | | | | |
|---|------|-----------|-----------|------------|
| <i>Sabine Pass Liquefaction LLC</i> | 6.25 | 3-15-2022 | 1,575,000 | 1,699,623 |
| <i>SemGroup Corporation</i> | 6.38 | 3-15-2025 | 3,425,000 | 3,262,313 |
| <i>SemGroup Corporation</i> | 7.25 | 3-15-2026 | 1,000,000 | 992,500 |
| <i>Southern Star Central Corporation 144A</i> | 5.13 | 7-15-2022 | 925,000 | 941,188 |
| <i>Southwestern Energy Company</i> | 7.50 | 4-1-2026 | 400,000 | 411,000 |
| <i>Southwestern Energy Company</i> | 7.75 | 10-1-2027 | 400,000 | 412,000 |
| <i>Summit Midstream Holdings LLC</i> | 5.75 | 4-15-2025 | 225,000 | 214,646 |
| <i>Tallgrass Energy Partners LP 144A</i> | 5.50 | 9-15-2024 | 5,200,000 | 5,278,000 |
| <i>Tesoro Logistics LP</i> | 6.38 | 5-1-2024 | 450,000 | 479,250 |
| <i>Ultra Resources Incorporated 144A</i> | 6.88 | 4-15-2022 | 650,000 | 477,750 |
| <i>Ultra Resources Incorporated 144A</i> | 7.13 | 4-15-2025 | 2,125,000 | 1,417,109 |
| <i>Western Gas Partners LP</i> | 5.38 | 6-1-2021 | 15,000 | 15,518 |
| <i>Williams Partners LP</i> | 3.35 | 8-15-2022 | 750,000 | 730,182 |
| | | | | 59,630,384 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 15

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Financials: 8.74% | | | | |
| Banks: 1.31% | | | | |
| <i>Bank of America Corporation</i> | 5.70% | 1-24-2022 | \$ 250,000 | \$ 270,424 |
| <i>Citigroup Incorporated</i> | 4.13 | 3-9-2021 | 60,000 | 60,063 |
| <i>Citigroup Incorporated</i> | 4.50 | 1-14-2022 | 250,000 | 258,950 |
| <i>Citigroup Incorporated</i> | 5.25 | 3-7-2025 | 10,000 | 10,213 |
| <i>Citigroup Incorporated</i> | 6.13 | 3-9-2028 | 75,000 | 77,531 |
| <i>City National Bank</i> | 5.38 | 7-15-2022 | 500,000 | 528,470 |
| <i>International Bank for Reconstruction & Development</i> | 7.50 | 6-9-2021 | 5,000,000 | 1,452,672 |
| <i>International Finance Corporation</i> | 7.50 | 5-9-2022 | 9,000,000 | 2,597,982 |
| <i>JPMorgan Chase & Company</i> | 3.38 | 5-1-2023 | 750,000 | 734,697 |
| | | | | 5,991,002 |
| Capital Markets: 0.39% | | | | |
| <i>ACE Securities Corporation (1 Month LIBOR +2.63%) ±</i> | 4.52 | 6-25-2033 | 189,054 | 189,247 |
| <i>Blackstone Holdings Finance Company LLC 144A</i> | 5.88 | 3-15-2021 | 750,000 | 799,766 |
| <i>Goldman Sachs Group Incorporated</i> | 5.75 | 1-24-2022 | 750,000 | 806,936 |
| | | | | 1,795,949 |
| Consumer Finance: 1.77% | | | | |
| <i>Ally Financial Incorporated</i> | 8.00 | 12-31-2018 | 780,000 | 803,400 |
| <i>Ally Financial Incorporated</i> | 8.00 | 3-15-2020 | 880,000 | 948,200 |
| <i>Discover Financial Services</i> | 5.20 | 4-27-2022 | 750,000 | 781,810 |
| <i>FirstCash Incorporated 144A</i> | 5.38 | 6-1-2024 | 575,000 | 583,625 |
| <i>Ford Motor Credit Company LLC</i> | 5.00 | 5-15-2018 | 650,000 | 650,629 |
| <i>General Motors Financial Company Incorporated</i> | 3.70 | 5-9-2023 | 750,000 | 737,491 |
| <i>Navient Corporation</i> | 8.00 | 3-25-2020 | 930,000 | 990,450 |
| <i>OneMain Financial Group LLC 144A</i> | 7.25 | 12-15-2021 | 1,712,000 | 1,771,920 |
| <i>Springleaf Finance Corporation</i> | 6.00 | 6-1-2020 | 825,000 | 856,969 |
| | | | | 8,124,494 |

Diversified Financial Services: 2.65%

| | | | | |
|---|------|------------|------------|------------|
| <i>General Electric Capital Corporation</i> | 4.65 | 10-17-2021 | 187,000 | 194,929 |
| <i>Infinity Acquisition LLC 144A</i> | 7.25 | 8-1-2022 | 960,000 | 950,400 |
| <i>ING US Incorporated</i> | 5.50 | 7-15-2022 | 750,000 | 803,658 |
| <i>LPL Holdings Incorporated 144A</i> | 5.75 | 9-15-2025 | 10,025,000 | 9,724,250 |
| <i>Vantiv LLC 144A</i> | 4.38 | 11-15-2025 | 500,000 | 477,500 |
| | | | | 12,150,737 |

Insurance: 2.62%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>American International Group Incorporated</i> | 4.88 | 6-1-2022 | 750,000 | 784,345 |
| <i>Endurance Specialty Holdings Limited</i> | 7.00 | 7-15-2034 | 575,000 | 691,810 |
| <i>Hartford Financial Services Group Incorporated</i> | 5.13 | 4-15-2022 | 650,000 | 688,631 |
| <i>HUB Holdings LLC (PIK at 8.88%) 144A</i> | 8.13 | 7-15-2019 | 1,075,000 | 1,078,225 |
| <i>HUB International Limited</i> | 7.00 | 5-1-2026 | 500,000 | 501,250 |
| <i>HUB International Limited 144A</i> | 7.88 | 10-1-2021 | 3,950,000 | 4,115,900 |
| <i>Liberty Mutual Group Incorporated 144A</i> | 4.95 | 5-1-2022 | 750,000 | 784,099 |
| <i>ProAssurance Corporation</i> | 5.30 | 11-15-2023 | 750,000 | 794,345 |
| <i>Prudential Financial Incorporated (3 Month LIBOR +2.38%) ±</i> | 4.50 | 9-15-2047 | 750,000 | 711,563 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

16 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|--------------|--------------|
| Insurance (continued) | | | | |
| <i>USIS Merger Subordinate Incorporated 144A</i> | 6.88% | 5-1-2025 | \$ 1,175,000 | \$ 1,183,813 |
| <i>W.R. Berkley Corporation</i> | 4.63 | 3-15-2022 | 650,000 | 671,430 |
| | | | | 12,005,411 |
| Health Care: 6.92% | | | | |
| Biotechnology: 0.16% | | | | |
| <i>Amgen Incorporated</i> | 3.63 | 5-15-2022 | 750,000 | 754,253 |
| Health Care Equipment & Supplies: 1.37% | | | | |
| <i>Hill-Rom Holdings Incorporated 144A</i> | 5.00 | 2-15-2025 | 400,000 | 397,212 |
| <i>Hill-Rom Holdings Incorporated 144A</i> | 5.75 | 9-1-2023 | 200,000 | 206,500 |
| <i>Hologic Incorporated 144A</i> | 4.38 | 10-15-2025 | 1,925,000 | 1,852,813 |
| <i>Hologic Incorporated 144A</i> | 4.63 | 2-1-2028 | 225,000 | 214,875 |
| <i>Kinetics Concepts Incorporated 144A</i> | 7.88 | 2-15-2021 | 1,425,000 | 1,476,870 |
| <i>Surgery Center Holdings Incorporated 144A</i> | 6.75 | 7-1-2025 | 500,000 | 472,500 |
| <i>Surgery Center Holdings Incorporated 144A</i> | 8.88 | 4-15-2021 | 1,600,000 | 1,644,000 |
| | | | | 6,264,770 |
| Health Care Providers & Services: 4.51% | | | | |
| <i>Acadia Healthcare Company Incorporated</i> | 6.50 | 3-1-2024 | 190,000 | 196,650 |
| <i>CHS Incorporated</i> | 5.13 | 8-1-2021 | 1,850,000 | 1,702,000 |
| <i>Coventry Health Care Incorporated</i> | 5.45 | 6-15-2021 | 750,000 | 790,830 |
| <i>Express Scripts Holding Company</i> | 3.90 | 2-15-2022 | 665,000 | 667,480 |
| <i>HCA Incorporated</i> | 5.25 | 6-15-2026 | 325,000 | 326,625 |
| <i>HCA Incorporated</i> | 6.50 | 2-15-2020 | 1,400,000 | 1,463,000 |
| <i>HealthSouth Corporation</i> | 5.75 | 9-15-2025 | 575,000 | 587,938 |
| <i>Mednax Incorporated 144A</i> | 5.25 | 12-1-2023 | 475,000 | 471,438 |
| <i>MPH Acquisition Holdings LLC 144A</i> | 7.13 | 6-1-2024 | 2,861,000 | 2,912,241 |
| <i>MPT Operating Partnership LP</i> | 5.00 | 10-15-2027 | 1,100,000 | 1,042,250 |
| <i>MPT Operating Partnership LP</i> | 5.25 | 8-1-2026 | 1,575,000 | 1,531,688 |
| <i>MPT Operating Partnership LP</i> | 6.38 | 3-1-2024 | 110,000 | 115,500 |
| <i>NVA Holdings Company 144A</i> | 6.88 | 4-1-2026 | 200,000 | 201,500 |
| <i>Polaris Intermediate Corporation 144A</i> | 8.50 | 12-1-2022 | 475,000 | 482,125 |

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| | | | | |
|--|-------|-----------|-----------|------------|
| <i>Select Medical Corporation</i> | 6.38 | 6-1-2021 | 3,050,000 | 3,095,750 |
| <i>Tenet Healthcare Corporation 144A</i> | 4.63 | 7-15-2024 | 436,000 | 421,786 |
| <i>Tenet Healthcare Corporation</i> | 6.00 | 10-1-2020 | 700,000 | 724,969 |
| <i>Vizient Incorporated 144A</i> | 10.38 | 3-1-2024 | 3,550,000 | 3,931,625 |
| | | | | 20,665,395 |

Health Care Technology: 0.49%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>Change Healthcare Holdings Incorporated 144A</i> | 5.75 | 3-1-2025 | 1,950,000 | 1,906,125 |
| <i>Quintiles IMS Holdings Incorporated 144A</i> | 4.88 | 5-15-2023 | 100,000 | 101,250 |
| <i>Quintiles IMS Holdings Incorporated 144A</i> | 5.00 | 10-15-2026 | 225,000 | 221,906 |
| | | | | 2,229,281 |

Life Sciences Tools & Services: 0.23%

| | | | | |
|---|------|----------|---------|-----------|
| <i>Charles River Laboratories Incorporated 144A</i> | 5.50 | 4-1-2026 | 275,000 | 279,730 |
| <i>Life Technologies Corporation</i> | 6.00 | 3-1-2020 | 750,000 | 785,938 |
| | | | | 1,065,668 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 17

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|------------|
| Pharmaceuticals: 0.16% | | | | |
| <i>Watson Pharmaceuticals Incorporated</i> | 3.25% | 10-1-2022 | \$ 750,000 | \$ 726,351 |
| Industrials: 3.99% | | | | |
| Aerospace & Defense: 0.47% | | | | |
| <i>BAE Systems Holdings Incorporated 144A</i> | 3.80 | 10-7-2024 | 1,000,000 | 997,012 |
| <i>RBS Global & Rexnord LLC 144A</i> | 4.88 | 12-15-2025 | 1,200,000 | 1,158,000 |
| | | | | 2,155,012 |
| Airlines: 0.60% | | | | |
| <i>Aviation Capital Group Corporation 144A</i> | 6.75 | 4-6-2021 | 1,100,000 | 1,199,836 |
| <i>BBA US Holdings Incorporated</i> | 5.38 | 5-1-2026 | 1,140,000 | 1,146,361 |
| <i>Delta Air Lines Incorporated</i> | 4.75 | 11-7-2021 | 407,587 | 415,290 |
| | | | | 2,761,487 |
| Commercial Services & Supplies: 2.64% | | | | |
| <i>Advanced Disposal Services Incorporated 144A</i> | 5.63 | 11-15-2024 | 1,750,000 | 1,763,125 |
| <i>Aramark Services Incorporated 144A</i> | 5.00 | 2-1-2028 | 225,000 | 218,905 |
| <i>Aramark Services Incorporated</i> | 5.13 | 1-15-2024 | 545,000 | 554,538 |
| <i>Covanta Holding Corporation</i> | 5.88 | 3-1-2024 | 1,485,000 | 1,462,725 |
| <i>Covanta Holding Corporation</i> | 5.88 | 7-1-2025 | 900,000 | 875,250 |
| <i>Covanta Holding Corporation</i> | 6.38 | 10-1-2022 | 1,750,000 | 1,787,188 |
| <i>KAR Auction Services Incorporated 144A</i> | 5.13 | 6-1-2025 | 4,950,000 | 4,801,500 |
| <i>Waste Pro USA Incorporated 144A</i> | 5.50 | 2-15-2026 | 375,000 | 371,138 |
| <i>Wrangler Buyer Corporation 144A</i> | 6.00 | 10-1-2025 | 250,000 | 246,250 |
| | | | | 12,080,619 |
| Professional Services: 0.12% | | | | |
| <i>Verisk Analytics Incorporated</i> | 5.80 | 5-1-2021 | 530,000 | 563,787 |
| Road & Rail: 0.14% | | | | |

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| | | | | |
|--|------|-----------|---------|-----------|
| <i>TTX Company 144A</i> | 2.60 | 6-15-2020 | 650,000 | 641,620 |
| Trading Companies & Distributors: 0.02% | | | | |
| <i>International Lease Finance Corporation 144A</i> | 7.13 | 9-1-2018 | 75,000 | 76,006 |
| Information Technology: 6.11% | | | | |
| Communications Equipment: 0.35% | | | | |
| <i>CommScope Technologies Finance LLC 144A</i> | 6.00 | 6-15-2025 | 825,000 | 849,750 |
| <i>Motorola Solutions Incorporated</i> | 3.75 | 5-15-2022 | 750,000 | 745,720 |
| | | | | 1,595,470 |
| Electronic Equipment, Instruments & Components: 0.30% | | | | |
| <i>Keysight Technologies</i> | 4.60 | 4-6-2027 | 600,000 | 605,107 |
| <i>L-3 Communications Corporation</i> | 4.95 | 2-15-2021 | 750,000 | 777,686 |
| | | | | 1,382,793 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

18 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Internet Software & Services: 0.82% | | | | |
| <i>Infor Incorporated</i> | 6.50% | 5-15-2022 | \$ 550,000 | \$ 558,250 |
| <i>Infor Software Parent LLC (PIK at 7.88%) 144A</i> | 7.13 | 5-1-2021 | 550,000 | 554,125 |
| <i>Zayo Group LLC 144A</i> | 5.75 | 1-15-2027 | 1,150,000 | 1,141,375 |
| <i>Zayo Group LLC</i> | 6.00 | 4-1-2023 | 75,000 | 77,153 |
| <i>Zayo Group LLC</i> | 6.38 | 5-15-2025 | 1,400,000 | 1,449,280 |
| | | | | 3,780,183 |
| IT Services: 1.89% | | | | |
| <i>Cardtronics Incorporated</i> | 5.13 | 8-1-2022 | 460,000 | 446,200 |
| <i>Cardtronics Incorporated 144A</i> | 5.50 | 5-1-2025 | 1,390,000 | 1,285,750 |
| <i>First Data Corporation 144A</i> | 5.00 | 1-15-2024 | 2,725,000 | 2,745,438 |
| <i>First Data Corporation 144A</i> | 5.38 | 8-15-2023 | 332,000 | 338,574 |
| <i>First Data Corporation 144A</i> | 5.75 | 1-15-2024 | 370,000 | 375,132 |
| <i>First Data Corporation 144A</i> | 7.00 | 12-1-2023 | 975,000 | 1,020,221 |
| <i>Gartner Incorporated 144A</i> | 5.13 | 4-1-2025 | 2,425,000 | 2,430,335 |
| | | | | 8,641,650 |
| Semiconductors & Semiconductor Equipment: 0.22% | | | | |
| <i>Micron Technology Incorporated 144A</i> | 5.25 | 1-15-2024 | 700,000 | 728,350 |
| <i>Micron Technology Incorporated</i> | 5.50 | 2-1-2025 | 256,000 | 266,240 |
| | | | | 994,590 |
| Software: 0.09% | | | | |
| <i>CDK Global Incorporated</i> | 5.00 | 10-15-2024 | 225,000 | 228,375 |
| <i>Symantec Corporation 144A</i> | 5.00 | 4-15-2025 | 200,000 | 200,814 |
| | | | | 429,189 |
| Technology Hardware, Storage & Peripherals: 2.44% | | | | |
| <i>Dell International LLC 144A</i> | 5.88 | 6-15-2021 | 1,000,000 | 1,028,693 |

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| | | | | |
|------------------------------------|------|------------|-----------|------------|
| <i>Dell International LLC 144A</i> | 7.13 | 6-15-2024 | 4,525,000 | 4,819,125 |
| <i>Hewlett-Packard Company</i> | 4.05 | 9-15-2022 | 750,000 | 763,108 |
| <i>NCR Corporation</i> | 5.88 | 12-15-2021 | 5,000 | 5,095 |
| <i>NCR Corporation</i> | 6.38 | 12-15-2023 | 4,400,000 | 4,554,000 |
| | | | | 11,170,021 |

Materials: 1.83%

Chemicals: 0.25%

| | | | | |
|-------------------------------|------|------------|---------|-----------|
| <i>Dow Chemical Company</i> | 4.13 | 11-15-2021 | 750,000 | 766,350 |
| <i>Valvoline Incorporated</i> | 5.50 | 7-15-2024 | 375,000 | 384,375 |
| | | | | 1,150,725 |

Containers & Packaging: 1.58%

| | | | | |
|-----------------------------------|------|------------|---------|---------|
| <i>Ball Corporation</i> | 4.88 | 3-15-2026 | 575,000 | 573,563 |
| <i>Ball Corporation</i> | 5.00 | 3-15-2022 | 25,000 | 25,906 |
| <i>Ball Corporation</i> | 5.25 | 7-1-2025 | 190,000 | 195,700 |
| <i>Berry Plastics Corporation</i> | 5.13 | 7-15-2023 | 350,000 | 352,188 |
| <i>Berry Plastics Corporation</i> | 6.00 | 10-15-2022 | 215,000 | 223,869 |
| <i>Crown Americas LLC 144A</i> | 4.75 | 2-1-2026 | 850,000 | 820,250 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 19

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|-----------|-----------|
| Containers & Packaging (continued) | | | | |
| <i>Crown Cork & Seal Company Incorporated</i> | 7.38% | 12-15-2026 | \$ 35,000 | \$ 38,938 |
| <i>Flex Acquisition Company Incorporated</i> | 6.88 | 1-15-2025 | 800,000 | 804,000 |
| <i>Owens-Brockway Glass Container Incorporated 144A</i> | 5.88 | 8-15-2023 | 325,000 | 332,313 |
| <i>Owens-Illinois Incorporated 144A</i> | 6.38 | 8-15-2025 | 3,100,000 | 3,247,250 |
| <i>Reynolds Group Issuer Incorporated 144A</i> | 5.13 | 7-15-2023 | 200,000 | 200,876 |
| <i>Sealed Air Corporation 144A</i> | 5.25 | 4-1-2023 | 325,000 | 333,125 |
| <i>Silgan Holdings Incorporated</i> | 5.50 | 2-1-2022 | 75,000 | 76,125 |
| | | | | 7,224,103 |
| Metals & Mining: 0.00% | | | | |
| <i>Indalex Holdings Corporation (a)</i> | 11.50 | 2-1-2020 | 3,170,000 | 0 |
| Real Estate: 3.91% | | | | |
| Equity REITs: 3.91% | | | | |
| <i>Alexandria Real Estate Company</i> | 4.60 | 4-1-2022 | 650,000 | 671,765 |
| <i>American Tower Corporation</i> | 5.90 | 11-1-2021 | 650,000 | 700,281 |
| <i>CoreCivic Incorporated</i> | 5.00 | 10-15-2022 | 575,000 | 580,750 |
| <i>DDR Corporation</i> | 4.70 | 6-1-2027 | 600,000 | 600,059 |
| <i>Equinix Incorporated</i> | 5.75 | 1-1-2025 | 1,275,000 | 1,322,813 |
| <i>Equinix Incorporated</i> | 5.88 | 1-15-2026 | 425,000 | 439,875 |
| <i>ESH Hospitality Incorporated 144A</i> | 5.25 | 5-1-2025 | 1,700,000 | 1,661,750 |
| <i>Essex Portfolio LP</i> | 3.63 | 8-15-2022 | 750,000 | 748,492 |
| <i>Iron Mountain Incorporated 144A</i> | 5.25 | 3-15-2028 | 675,000 | 635,344 |
| <i>Iron Mountain Incorporated 144A</i> | 5.38 | 6-1-2026 | 150,000 | 144,750 |
| <i>Iron Mountain Incorporated</i> | 6.00 | 8-15-2023 | 2,500,000 | 2,575,000 |
| <i>MGM Growth Properties LLC</i> | 4.50 | 1-15-2028 | 400,000 | 368,000 |
| <i>Omega HealthCare Investors Incorporated</i> | 4.50 | 4-1-2027 | 600,000 | 568,807 |
| <i>Sabra Health Care REIT Incorporated</i> | 5.38 | 6-1-2023 | 900,000 | 906,750 |
| <i>Sabra Health Care REIT Incorporated</i> | 5.50 | 2-1-2021 | 1,225,000 | 1,252,563 |
| <i>The Geo Group Incorporated</i> | 5.13 | 4-1-2023 | 800,000 | 790,000 |
| <i>The Geo Group Incorporated</i> | 5.88 | 1-15-2022 | 1,565,000 | 1,606,081 |
| <i>The Geo Group Incorporated</i> | 5.88 | 10-15-2024 | 840,000 | 835,800 |
| <i>The Geo Group Incorporated</i> | 6.00 | 4-15-2026 | 184,000 | 181,295 |

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| | | | | |
|-------------------------------|------|-----------|---------|------------|
| <i>Ventas Realty LP</i> | 4.25 | 3-1-2022 | 650,000 | 662,931 |
| <i>Welltower Incorporated</i> | 5.25 | 1-15-2022 | 650,000 | 680,774 |
| | | | | 17,933,880 |

Telecommunication Services: 2.59%

Diversified Telecommunication Services: 1.23%

| | | | | |
|---------------------------------------|------|-----------|-----------|-----------|
| <i>AT&T Incorporated</i> | 3.80 | 3-15-2022 | 750,000 | 757,045 |
| <i>GCI Incorporated</i> | 6.75 | 6-1-2021 | 1,000,000 | 1,010,000 |
| <i>Level 3 Financing Incorporated</i> | 5.13 | 5-1-2023 | 975,000 | 965,250 |
| <i>Level 3 Financing Incorporated</i> | 5.25 | 3-15-2026 | 650,000 | 628,680 |
| <i>Level 3 Financing Incorporated</i> | 5.38 | 8-15-2022 | 300,000 | 301,500 |
| <i>Level 3 Financing Incorporated</i> | 5.38 | 1-15-2024 | 700,000 | 693,000 |
| <i>Level 3 Financing Incorporated</i> | 5.38 | 5-1-2025 | 625,000 | 615,438 |
| <i>Level 3 Financing Incorporated</i> | 5.63 | 2-1-2023 | 500,000 | 506,250 |
| <i>Level 3 Financing Incorporated</i> | 6.13 | 1-15-2021 | 175,000 | 177,188 |
| | | | | 5,654,351 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

20 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|------------|
| Wireless Telecommunication Services: 1.36% | | | | |
| <i>SBA Communications Corporation 144A</i> | 4.00% | 10-1-2022 | \$ 225,000 | \$ 214,313 |
| <i>SBA Communications Corporation</i> | 4.88 | 7-15-2022 | 640,000 | 641,600 |
| <i>Sprint Capital Corporation</i> | 6.88 | 11-15-2028 | 1,025,000 | 1,045,500 |
| <i>Sprint Capital Corporation</i> | 7.63 | 2-15-2025 | 1,050,000 | 1,105,125 |
| <i>Sprint Communications Incorporated</i> | 7.00 | 8-15-2020 | 225,000 | 237,938 |
| <i>T-Mobile USA Incorporated</i> | 4.00 | 4-15-2022 | 650,000 | 649,594 |
| <i>T-Mobile USA Incorporated</i> | 4.50 | 2-1-2026 | 125,000 | 120,313 |
| <i>T-Mobile USA Incorporated</i> | 4.75 | 2-1-2028 | 125,000 | 120,288 |
| <i>T-Mobile USA Incorporated</i> | 5.13 | 4-15-2025 | 425,000 | 428,188 |
| <i>T-Mobile USA Incorporated</i> | 5.38 | 4-15-2027 | 225,000 | 227,531 |
| <i>T-Mobile USA Incorporated</i> | 6.00 | 3-1-2023 | 300,000 | 310,875 |
| <i>T-Mobile USA Incorporated</i> | 6.38 | 3-1-2025 | 975,000 | 1,023,750 |
| <i>T-Mobile USA Incorporated</i> | 6.50 | 1-15-2024 | 80,000 | 83,800 |
| | | | | 6,208,815 |
| Utilities: 4.47% | | | | |
| Electric Utilities: 0.21% | | | | |
| <i>Great Plains Energy Incorporated</i> | 4.85 | 6-1-2021 | 750,000 | 773,356 |
| <i>NextEra Energy Incorporated 144A</i> | 4.25 | 9-15-2024 | 175,000 | 168,875 |
| | | | | 942,231 |
| Gas Utilities: 0.21% | | | | |
| <i>AmeriGas Partners LP</i> | 5.75 | 5-20-2027 | 1,000,000 | 962,500 |
| Independent Power & Renewable Electricity Producers: 3.77% | | | | |
| <i>NSG Holdings LLC 144A</i> | 7.75 | 12-15-2025 | 4,817,618 | 5,275,292 |
| <i>Pattern Energy Group Incorporated 144A</i> | 5.88 | 2-1-2024 | 5,225,000 | 5,329,500 |
| <i>TerraForm Power Operating LLC 144A</i> | 4.25 | 1-31-2023 | 3,025,000 | 2,888,875 |
| <i>TerraForm Power Operating LLC 144A</i> | 5.00 | 1-31-2028 | 675,000 | 631,969 |
| <i>TerraForm Global Operating LLC 144A</i> | 6.13 | 3-1-2026 | 1,175,000 | 1,189,688 |
| <i>TerraForm Power Operating LLC 144A</i> | 6.63 | 6-15-2025 | 1,850,000 | 1,974,875 |
| | | | | 17,290,199 |

Multi-Utilities: 0.28%

| | | | | |
|--------------------------------|------|------------|---------|-----------|
| <i>Ameren Illinois Company</i> | 9.75 | 11-15-2018 | 500,000 | 518,442 |
| <i>CMS Energy Corporation</i> | 5.05 | 3-15-2022 | 750,000 | 788,368 |
| | | | | 1,306,810 |

Total Corporate Bonds and Notes (Cost \$331,169,465) 333,600,811

Foreign Corporate Bonds and Notes @: 4.55%

Consumer Staples: 0.19%

Food Products: 0.19%

| | | | | |
|--------------------------|------|-----------|-----------|---------|
| <i>BRF SA 144A (BRL)</i> | 7.75 | 5-22-2018 | 3,100,000 | 872,074 |
|--------------------------|------|-----------|-----------|---------|

Energy: 0.30%

Oil, Gas & Consumable Fuels: 0.30%

| | | | | |
|---------------------------------------|------|-----------|------------|-----------|
| <i>Petroleos Mexicanos 144A (MXN)</i> | 7.19 | 9-12-2024 | 28,200,000 | 1,356,873 |
|---------------------------------------|------|-----------|------------|-----------|

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 21

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|-----------------|--------------|
| Financials: 3.75% | | | | |
| Banks: 3.69% | | | | |
| <i>European Investment Bank (BRL)</i> | 7.25% | 6-28-2021 | 9,000,000 | \$ 2,602,632 |
| <i>European Investment Bank (ZAR)</i> | 8.00 | 5-5-2027 | 21,000,000 | 1,656,245 |
| <i>European Investment Bank (ZAR)</i> | 8.38 | 7-29-2022 | 40,000,000 | 3,274,448 |
| <i>European Investment Bank (ZAR)</i> | 8.75 | 8-18-2025 | 20,000,000 | 1,655,499 |
| <i>European Investment Bank (ZAR)</i> | 9.00 | 3-31-2021 | 17,400,000 | 1,447,418 |
| <i>International Bank for Reconstruction & Development (ZAR)</i> | 7.00 | 6-7-2023 | 15,000,000 | 1,163,177 |
| <i>KfW (AUD)</i> | 5.00 | 3-19-2024 | 1,300,000 | 1,088,807 |
| <i>Landwirtschaftliche Rentenbank (ZAR)</i> | 6.00 | 3-18-2019 | 35,000,000 | 2,774,673 |
| <i>Landwirtschaftliche Rentenbank (ZAR)</i> | 8.25 | 5-23-2022 | 15,000,000 | 1,226,594 |
| | | | | 16,889,493 |
| Diversified Financial Services: 0.06% | | | | |
| <i>AA Bond Company Limited (GBP)</i> | 4.25 | 7-31-2043 | 200,000 | 285,074 |
| Telecommunication Services: 0.31% | | | | |
| Wireless Telecommunication Services: 0.31% | | | | |
| <i>America Movil SAB de CV (MXN)</i> | 7.13 | 12-9-2024 | 28,850,000 | 1,435,508 |
| Total Foreign Corporate Bonds and Notes (Cost \$22,396,348) | | | | 20,839,022 |
| Foreign Government Bonds @: 22.47% | | | | |
| <i>Colombia (COP)</i> | 7.00 | 9-11-2019 | 18,500,000,000 | 6,800,818 |
| <i>Colombia (COP)</i> | 7.00 | 5-4-2022 | 18,650,000,000 | 7,004,014 |
| <i>Colombia (COP)</i> | 7.50 | 8-26-2026 | 22,725,000,000 | 8,731,394 |
| <i>Colombia (COP)</i> | 7.75 | 4-14-2021 | 5,250,000,000 | 1,960,496 |
| <i>India (INR)</i> | 7.80 | 4-11-2021 | 435,000,000 | 6,552,375 |
| <i>Indonesia (IDR)</i> | 7.88 | 4-15-2019 | 133,640,000,000 | 9,850,697 |
| <i>Indonesia (IDR)</i> | 8.38 | 9-15-2026 | 110,000,000,000 | 8,550,943 |
| <i>Malaysia (MYR)</i> | 4.18 | 7-15-2024 | 19,850,000 | 5,081,802 |
| <i>Malaysia (MYR)</i> | 4.23 | 6-30-2031 | 51,300,000 | 12,679,684 |

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| | | | | | |
|--|-------|-----------|--|-------------|-------------|
| <i>Mexico (MXN)</i> | 5.75 | 3-5-2026 | | 72,000,000 | 3,465,284 |
| <i>Mexico (MXN)</i> | 8.00 | 11-7-2047 | | 217,500,000 | 12,065,042 |
| <i>Mexico (MXN)</i> | 10.00 | 12-5-2024 | | 14,100,000 | 857,767 |
| <i>Mexico (MXN)</i> | 10.00 | 12-5-2024 | | 62,120,000 | 3,779,040 |
| <i>New Zealand (NZD)</i> | 4.50 | 4-15-2027 | | 8,250,000 | 6,554,360 |
| <i>Queensland Treasury (AUD)</i> | 5.75 | 7-22-2024 | | 4,100,000 | 3,592,679 |
| <i>Republic of Peru (PEN)</i> | 6.35 | 8-12-2028 | | 16,400,000 | 5,471,364 |
| Total Foreign Government Bonds (Cost \$112,137,216) | | | | | 102,997,759 |

Loans: 19.71%

Consumer Discretionary: 5.32%

Auto Components: 0.71%

| | | | | | |
|---|------|-----------|----|-----------|-----------|
| <i>Allison Transmission Incorporated (1 Month LIBOR +1.75%) ±</i> | 3.65 | 9-23-2022 | \$ | 1,876,177 | 1,889,723 |
| <i>Belron Finance US LLC (3 Month LIBOR +2.50%) ±</i> | 4.29 | 11-7-2024 | | 299,250 | 300,498 |
| <i>Federal-Mogul Corporation (1 Month LIBOR +3.75%) ±</i> | 5.65 | 4-15-2021 | | 1,036,583 | 1,046,026 |
| | | | | | 3,236,247 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

22 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|--------------|--------------|
| Distributors: 0.54% | | | | |
| <i>Spin Holdco Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.08% | 11-14-2022 | \$ 2,453,599 | \$ 2,469,965 |
| Food & Staples Retailing: 0.09% | | | | |
| <i>TKC Holdings Incorporated (1 Month LIBOR +4.25%) ±</i> | 6.16 | 2-1-2023 | 396,000 | 399,069 |
| Hotels, Restaurants & Leisure: 2.72% | | | | |
| <i>CCM Merger Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 8-8-2021 | 656,828 | 660,605 |
| <i>Four Seasons Holdings Incorporated (1 Month LIBOR +2.00%) ±</i> | 3.90 | 11-30-2023 | 899,277 | 904,897 |
| <i>Greektown Holdings LLC (1 Month LIBOR +3.00%) ±</i> | 4.90 | 3-21-2024 | 4,974,937 | 4,981,156 |
| <i>La Quinta Intermediate Holdings LLC (3 Month LIBOR +3.00%) ±</i> | 5.35 | 4-14-2021 | 733,040 | 733,502 |
| <i>Montreign Operating Company LLC (1 Month LIBOR +8.25%) ±</i> | 10.15 | 12-7-2022 | 5,375,000 | 5,213,750 |
| | | | | 12,493,910 |
| Household Products: 0.18% | | | | |
| <i>Anchor Glass Container Corporation (1 Month LIBOR +7.75%) ±</i> | 9.64 | 12-7-2024 | 650,000 | 609,375 |
| <i>Lifetime Brands Incorporated (1 Month LIBOR +3.50%) ±</i> | 5.39 | 2-28-2025 | 200,000 | 200,500 |
| | | | | 809,875 |
| Internet & Direct Marketing Retail: 0.07% | | | | |
| <i>Shutterfly Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.66 | 8-17-2024 | 325,000 | 327,844 |
| Media: 1.01% | | | | |

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| | | | | |
|---|------|-----------|-----------|-----------|
| <i>A-L Parent LLC (1 Month LIBOR +3.25%) ±</i> | 5.16 | 12-1-2023 | 3,456,250 | 3,490,813 |
| <i>Altice US Finance I Corporation (1 Month LIBOR +2.25%) ±</i> | 4.15 | 7-28-2025 | 712,403 | 711,292 |
| <i>CSC Holdings LLC (1 Month LIBOR +2.50%) ±</i> | 4.40 | 1-25-2026 | 150,000 | 150,000 |
| <i>Mission Broadcasting Incorporated (1 Month LIBOR +2.50%) ±</i> | 4.39 | 1-17-2024 | 31,646 | 31,772 |
| <i>Nexstar Broadcasting Group Incorporated (1 Month LIBOR +2.50%) ±</i> | 4.39 | 1-17-2024 | 246,431 | 247,417 |
| | | | | 4,631,294 |

Consumer Staples: 0.17%

Food Products: 0.17%

| | | | | |
|--|------|-----------|---------|---------|
| <i>B&G Foods Incorporated (1 Month LIBOR +2.00%) ±</i> | 3.90 | 11-2-2022 | 492,417 | 494,800 |
| <i>CHG PPC Parent LLC (1 Month LIBOR +2.75%) ±</i> | 4.65 | 3-31-2025 | 125,000 | 125,625 |
| <i>Prestige Brands Incorporated (1 Month LIBOR +2.00%) ±</i> | 3.90 | 1-26-2024 | 161,893 | 162,753 |
| | | | | 783,178 |

Energy: 0.97%

Energy Equipment & Services: 0.39%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>ExGen Renewables IV LLC (3 Month LIBOR +3.00%) ±</i> | 4.99 | 11-28-2024 | 648,375 | 652,836 |
| <i>Hummel Station (1 Month LIBOR +6.00%) ±</i> | 7.90 | 10-27-2022 | 1,199,434 | 1,148,458 |
| | | | | 1,801,294 |

Oil, Gas & Consumable Fuels: 0.58%

| | | | | |
|--|------|-----------|-----------|-----------|
| <i>Chesapeake Energy Corporation (3 Month LIBOR +7.50%) ±</i> | 9.44 | 8-23-2021 | 450,000 | 475,875 |
| <i>Lucid Energy Group II Borrower LLC (1 Month LIBOR +3.00%) ±</i> | 4.90 | 2-17-2025 | 225,000 | 224,719 |
| <i>Traverse Midstream Partners LLC (3 Month LIBOR +4.00%) ±</i> | 5.85 | 9-27-2024 | 575,000 | 577,875 |
| <i>Ultra Resources Incorporated (1 Month LIBOR +3.00%) ±</i> | 4.90 | 4-12-2024 | 1,475,000 | 1,379,125 |
| | | | | 2,657,594 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 23

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Financials: 2.70% | | | | |
| Capital Markets: 0.44% | | | | |
| <i>EIG Management Company LLC (3 Month LIBOR +3.75%) ±</i> | 5.65% | 1-31-2025 | \$ 125,000 | \$ 125,729 |
| <i>Neptune Finco Corporation (1 Month LIBOR +2.25%) ±</i> | 4.15 | 7-17-2025 | 778,148 | 775,425 |
| <i>Russell Investments US Institutional Holdco Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.55 | 6-1-2023 | 419,661 | 421,759 |
| <i>Victory Capital Holdings Incorporated (3 Month LIBOR +2.75%) < ±</i> | 5.05 | 2-7-2025 | 696,111 | 701,332 |
| | | | | 2,024,245 |
| Consumer Finance: 0.03% | | | | |
| <i>KAR Auction Services Incorporated (3 Month LIBOR +2.50%) ±</i> | 4.81 | 3-9-2023 | 154,312 | 154,890 |
| Diversified Financial Services: 1.15% | | | | |
| <i>Ipreo Holdings LLC (3 Month LIBOR +3.00%) ±</i> | 5.30 | 8-6-2021 | 139,955 | 140,086 |
| <i>LPL Holdings Incorporated (3 Month LIBOR +2.25%) ±</i> | 4.56 | 9-23-2024 | 1,071,715 | 1,078,413 |
| <i>Nielsen Finance LLC (1 Month LIBOR +2.00%) ±</i> | 3.90 | 10-4-2023 | 467,899 | 470,018 |
| <i>Resolute Investment Managers Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.55 | 4-30-2022 | 2,446,373 | 2,458,605 |
| <i>Resolute Investment Managers Incorporated (3 Month LIBOR +7.50%) ±</i> | 9.86 | 4-30-2023 | 1,090,000 | 1,103,625 |
| | | | | 5,250,747 |
| Insurance: 1.08% | | | | |
| <i>Alliant Holdings I LLC (1 Month LIBOR +3.25%) ±</i> | 5.15 | 8-12-2022 | 1,382,265 | 1,389,674 |
| <i>AmWINS Group Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 1-25-2024 | 892,919 | 898,169 |

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| | | | | |
|---|------|-----------|-----------|-----------|
| <i>HUB International Limited (2 Month LIBOR +3.00%) <±</i> | 4.84 | 4-25-2025 | 1,250,000 | 1,257,288 |
| <i>Solera Holdings Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 3-3-2023 | 1,085,759 | 1,089,287 |
| <i>USI Incorporated (3 Month LIBOR +3.00%) <±</i> | 5.30 | 5-16-2024 | 298,875 | 299,870 |
| | | | | 4,934,288 |

Health Care: 2.11%

Health Care Equipment & Supplies: 0.41%

| | | | | |
|---|------|----------|-----------|-----------|
| <i>DJO Finance LLC (1 Month LIBOR +3.25%) ±</i> | 5.36 | 6-8-2020 | 554,325 | 556,576 |
| <i>Kinetic Concepts Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.55 | 2-2-2024 | 1,326,217 | 1,334,174 |
| | | | | 1,890,750 |

Health Care Providers & Services: 1.01%

| | | | | |
|---|------|------------|-----------|-----------|
| <i>CHS Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.23 | 1-27-2021 | 571,102 | 553,495 |
| <i>MPH Acquisition Holdings LLC (3 Month LIBOR +2.75%) ±</i> | 5.05 | 6-7-2023 | 462,824 | 465,074 |
| <i>Press Ganey Holdings Incorporated (1 Month LIBOR +2.75%) <±</i> | 4.65 | 10-21-2023 | 2,188,515 | 2,202,193 |
| <i>Press Ganey Holdings Incorporated (1 Month LIBOR +6.50%) ±</i> | 8.40 | 10-21-2024 | 516,856 | 522,025 |
| <i>Surgery Center Holdings Incorporated (1 Month LIBOR +3.25%) ±</i> | 5.16 | 9-2-2024 | 248,438 | 248,826 |
| <i>TeamHealth Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 2-6-2024 | 444,008 | 429,577 |
| <i>Vizient Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 2-13-2023 | 192,929 | 193,953 |
| | | | | 4,615,143 |

Health Care Technology: 0.14%

| | | | | |
|---|------|----------|---------|---------|
| <i>Change Healthcare Holdings Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 3-1-2024 | 662,346 | 664,830 |
|---|------|----------|---------|---------|

Life Sciences Tools & Services: 0.10%

| | | | | |
|--|------|----------|---------|---------|
| <i>INC Research LLC (1 Month LIBOR +2.25%) ±</i> | 4.15 | 8-1-2024 | 452,734 | 454,188 |
|--|------|----------|---------|---------|

The accompanying notes are an integral part of these financial statements.

Table of Contents

24 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Pharmaceuticals: 0.45% | | | | |
| <i>Endo Finance LLC (1 Month LIBOR +4.25%)</i> ± | 6.19% | 4-29-2024 | \$ 294,462 | \$ 292,622 |
| <i>Valeant Pharmaceuticals International Incorporated (1 Month LIBOR +3.50%)</i> ± | 5.39 | 4-1-2022 | 1,741,953 | 1,760,470 |
| | | | | 2,053,092 |
| Industrials: 3.12% | | | | |
| Aerospace & Defense: 0.54% | | | | |
| <i>TransDigm Incorporated (1 Month LIBOR +2.50%)</i> ± | 4.71 | 8-22-2024 | 2,455,053 | 2,466,297 |
| Commercial Services & Supplies: 1.60% | | | | |
| <i>Advanced Disposal Services Incorporated (1 Month LIBOR +2.25%)</i> ± | 4.00 | 11-10-2023 | 1,208,630 | 1,215,677 |
| <i>Advantage Sales & Marketing LLC (1 Month LIBOR +3.25%)</i> ± | 5.15 | 7-25-2021 | 224,435 | 214,510 |
| <i>Advantage Sales & Marketing LLC (1 Month LIBOR +6.50%)</i> ± | 8.40 | 7-25-2022 | 1,250,000 | 1,151,388 |
| <i>Casella Waste Systems Incorporated (1 Month LIBOR +2.50%)</i> ± | 4.40 | 10-17-2023 | 1,950,312 | 1,963,731 |
| <i>GFL Environmental Incorporated (3 Month LIBOR +2.75%)</i> ± | 5.05 | 9-29-2023 | 172,375 | 172,375 |
| <i>Sedgwick Claims Management Services Incorporated (1 Month LIBOR +2.75%)</i> ± | 4.65 | 3-1-2021 | 518,829 | 518,938 |
| <i>WASH Multifamily Laundry Systems LLC 1st Lien Term (1 Month LIBOR +3.25%)</i> ± | 5.15 | 5-14-2022 | 169,641 | 169,641 |
| <i>WASH Multifamily Laundry Systems LLC 2015 Term B (1 Month LIBOR +3.25%)</i> ± | 5.15 | 5-14-2022 | 968,662 | 968,662 |
| <i>WASH Multifamily Laundry Systems LLC 2nd Lien Term (1 Month LIBOR +7.00%)</i> ± | 8.90 | 5-12-2023 | 17,885 | 17,706 |
| <i>WASH Multifamily Laundry Systems LLC 2nd Lien Term (1 Month LIBOR +7.00%)</i> ± | 8.90 | 5-14-2023 | 102,115 | 101,094 |
| <i>Wrangler Buyer Corporation (1 Month LIBOR +3.00%)</i> ± | 4.90 | 9-27-2024 | 822,938 | 826,279 |

7,320,001

Communications Equipment: 0.24%

| | | | | |
|--|------|-----------|-----------|-----------|
| <i>Charter Communications Operating LLC (1 Month LIBOR +2.00%) ±</i> | 3.91 | 4-30-2025 | 1,097,250 | 1,101,562 |
|--|------|-----------|-----------|-----------|

Electrical Equipment: 0.10%

| | | | | |
|--|------|-----------|---------|---------|
| <i>Generac Power Systems Incorporated (3 Month LIBOR +2.00%) ±</i> | 4.31 | 5-31-2023 | 450,000 | 451,688 |
|--|------|-----------|---------|---------|

Machinery: 0.64%

| | | | | |
|--|------|-----------|---------|-----------|
| <i>Columbus Mckinnon Corp Term Loan B (3 Month LIBOR +2.50%) ±</i> | 4.80 | 1-31-2024 | 999,664 | 1,007,161 |
| <i>Gates Global LLC (3 Month LIBOR +2.75%) ±</i> | 5.05 | 4-1-2024 | 606,193 | 609,400 |
| <i>Onex Wizard Acquisition Company (1 Month LIBOR +2.75%) ±</i> | 4.65 | 3-13-2022 | 574,457 | 577,008 |
| <i>RBS Global Incorporated (1 Month LIBOR +2.25%) ±</i> | 4.15 | 8-21-2024 | 750,000 | 755,063 |
| | | | | 2,948,632 |

Information Technology: 2.29%**Electronic Equipment, Instruments & Components: 0.50%**

| | | | | |
|---|------|----------|-----------|-----------|
| <i>Dell Incorporated (1 Month LIBOR +2.00%) ±</i> | 3.91 | 9-7-2023 | 2,260,849 | 2,267,202 |
|---|------|----------|-----------|-----------|

Internet Software & Services: 1.60%

| | | | | |
|--|------|------------|-----------|-----------|
| <i>Ancestry.com Incorporated (1 Month LIBOR +3.25%) ±</i> | 5.15 | 10-19-2023 | 5,922,242 | 5,955,584 |
| <i>Applied Systems Incorporated (3 Month LIBOR +3.25%) ±</i> | 5.55 | 9-19-2024 | 323,375 | 326,104 |
| <i>Infor US Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 2-1-2022 | 785,109 | 788,218 |
| <i>Sophia Holding Finance LP (3 Month LIBOR +3.25%) ±</i> | 5.55 | 9-30-2022 | 144,292 | 144,942 |
| <i>Zayo Group LLC (1 Month LIBOR +2.25%) ±</i> | 4.15 | 1-19-2024 | 132,244 | 133,112 |
| | | | | 7,347,960 |

Semiconductors & Semiconductor Equipment: 0.08%

| | | | | |
|--|------|-----------|---------|---------|
| <i>Micron Technology Incorporated (1 Month LIBOR +1.75%) ±</i> | 3.66 | 4-26-2022 | 343,875 | 346,310 |
|--|------|-----------|---------|---------|

Software: 0.11%

| | | | | |
|--|------|-----------|---------|---------|
| <i>SS&C Technologies Incorporated (1 Month LIBOR +2.50%) ±</i> | 4.40 | 4-16-2025 | 137,325 | 138,183 |
| <i>SS&C Technologies Incorporated (1 Month LIBOR +2.50%) ±</i> | 4.40 | 4-16-2025 | 371,158 | 373,478 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 25

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Materials: 0.71% | | | | |
| Containers & Packaging: 0.71% | | | | |
| <i>Berry Plastics Corporation (1 Month LIBOR +2.00%) ±</i> | 3.90% | 10-1-2022 | \$ 412,327 | \$ 414,817 |
| <i>Reynolds Group Holdings Incorporated (1 Month LIBOR +2.75%) ±</i> | 4.65 | 2-5-2023 | 2,462,578 | 2,477,969 |
| <i>RING Container Technologies (1 Month LIBOR +2.75%) ±</i> | 4.65 | 10-31-2024 | 349,125 | 349,781 |
| | | | | 3,242,567 |
| Real Estate: 1.24% | | | | |
| Equity REITs: 0.77% | | | | |
| <i>ESH Hospitality Incorporated (1 Month LIBOR +2.25%) ±</i> | 4.15 | 8-30-2023 | 1,220,747 | 1,226,009 |
| <i>MGM Growth Properties LLC (1 Month LIBOR +2.00%) ±</i> | 3.90 | 4-25-2023 | 318,374 | 320,017 |
| <i>The Geo Group Incorporated (3 Month LIBOR + 2.25%) < ±</i> | 3.75 | 3-22-2024 | 420,151 | 420,676 |
| <i>The Geo Group Incorporated (1 Month LIBOR +2.00%) ±</i> | 3.75 | 3-22-2024 | 1,541,041 | 1,542,967 |
| | | | | 3,509,669 |
| Real Estate Management & Development: 0.47% | | | | |
| <i>Capital Automotive LP (1 Month LIBOR +2.50%) ±</i> | 4.41 | 3-24-2024 | 1,357,088 | 1,361,756 |
| <i>Capital Automotive LP (1 Month LIBOR +6.00%) ±</i> | 7.91 | 3-24-2025 | 808,086 | 816,167 |
| | | | | 2,177,923 |
| Telecommunication Services: 0.74% | | | | |
| Diversified Telecommunication Services: 0.64% | | | | |
| <i>Level 3 Financing Incorporated (1 Month LIBOR +2.25%) ±</i> | 4.15 | 2-22-2024 | 555,420 | 557,736 |

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| | | | | |
|--|------|------------|-----------|-----------|
| <i>Telesat Canada (3 Month LIBOR +2.50%) ±</i> | 4.41 | 11-17-2023 | 2,391,502 | 2,399,729 |
| | | | | 2,957,465 |

Wireless Telecommunication Services: 0.10%

| | | | | |
|--|------|----------|---------|---------|
| <i>Sprint Communications Incorporated (1 Month LIBOR +2.50%) ±</i> | 4.44 | 2-2-2024 | 445,500 | 446,614 |
|--|------|----------|---------|---------|

Utilities: 0.34%

Independent Power & Renewable Electricity Producers: 0.34%

| | | | | |
|---|------|------------|---------|-----------|
| <i>TerraForm Power Operating LLC (1 Month LIBOR +2.75%) ±</i> | 4.65 | 11-8-2022 | 673,313 | 675,837 |
| <i>Vistra Energy Corporation (1 Month LIBOR +2.25%) ±</i> | 4.15 | 12-14-2023 | 891,678 | 897,251 |
| | | | | 1,573,088 |

Total Loans (Cost \$86,903,571) 90,321,082

Non-Agency Mortgage-Backed Securities: 4.23%

| | | | | |
|--|------|-----------|---------|---------|
| <i>Argent Securities Incorporated Series 2004-W5 Class AV3B (1 Month LIBOR +0.90%) ±</i> | 2.80 | 4-25-2034 | 50,420 | 50,393 |
| <i>Banc of America Commercial Mortgage Securities Incorporated Series 2006-03 Class AM ±±</i> | 5.96 | 7-10-2044 | 679,874 | 404,525 |
| <i>Banc of America Commercial Mortgage Securities Incorporated Series 2007-1 Class AMFX ±±</i> | 5.48 | 1-15-2049 | 142,250 | 144,079 |
| <i>Banc of America Funding Corporation Series 2005 Class 5-1A1</i> | 5.50 | 9-25-2035 | 219,686 | 229,765 |
| <i>Banc of America Mortgage Securities Series 2003 Class 1A1 ±±</i> | 3.76 | 4-25-2033 | 259,673 | 245,471 |
| <i>Centex Home Equity Series 2002-A Class AF6</i> | 5.54 | 1-25-2032 | 27,772 | 28,151 |
| <i>Centex Home Equity Series 2004-B Class AF6</i> | 4.69 | 3-25-2034 | 111,018 | 113,552 |
| <i>CIFC Funding Limited Series 2012-2RA Class A1 (3 Month LIBOR +0.80%) 144A ±</i> | 3.16 | 1-20-2028 | 485,000 | 484,031 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

26 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|--------------|--------------|
| Non-Agency Mortgage-Backed Securities (continued) | | | | |
| <i>Citigroup Commercial Mortgage Trust Series 2012-GC8 Class C 144A ±±</i> | 5.04% | 9-10-2045 | \$ 1,000,000 | \$ 1,019,799 |
| <i>Citigroup Commercial Mortgage Trust Series 2015 Class A (1 Month LIBOR +1.15%) 144A ±</i> | 3.05 | 9-15-2027 | 595,000 | 595,180 |
| <i>Citigroup Commercial Mortgage Trust Series 2017-1500 Class A (1 Month LIBOR +0.85%) 144A ±</i> | 2.75 | 7-15-2032 | 750,000 | 751,155 |
| <i>Citigroup Commercial Mortgage Trust Series 2017-MDRB Class A (1 Month LIBOR +1.10%) 144A ±</i> | 3.00 | 7-15-2030 | 1,000,000 | 997,247 |
| <i>Citigroup Mortgage Loan Trust Incorporated Series 2003-HE3 Class A3 (1 Month LIBOR +0.76%) ±</i> | 2.66 | 12-25-2033 | 21,518 | 21,424 |
| <i>Commercial Mortgage Trust Series 2012-CR2 Class C ±±</i> | 4.99 | 8-15-2045 | 1,000,000 | 1,010,794 |
| <i>Commercial Mortgage Trust Series 2012-LC4 Class A4</i> | 3.29 | 12-10-2044 | 205,000 | 204,811 |
| <i>Commercial Mortgage Trust Series 2012-LC4 Class AM</i> | 4.06 | 12-10-2044 | 500,000 | 507,071 |
| <i>Commercial Mortgage Trust Series 2012-LC4 Class C ±±</i> | 5.78 | 12-10-2044 | 500,000 | 499,095 |
| <i>Countrywide Home Loans Series 2003-48 Class 2A2 ±±</i> | 3.68 | 10-25-2033 | 66,636 | 65,911 |
| <i>Credit Suisse First Boston Mortgage Securities Series 2002-AR25 Class 1A1 ±±</i> | 2.99 | 9-25-2032 | 433,303 | 419,672 |
| <i>Credit Suisse First Boston Mortgage Securities Series 2003-AR15 Class 3A1 ±±</i> | 3.45 | 6-25-2033 | 81,705 | 81,981 |
| <i>Credit Suisse First Boston Mortgage Securities Series 2003-AR9 Class 2A2 ±±</i> | 3.75 | 3-25-2033 | 23,370 | 23,264 |
| <i>Credit-Based Asset Servicing & Securitization LLC Series 2005-CB2 Class M1 (1 Month LIBOR +0.66%) ±</i> | 2.56 | 4-25-2036 | 9,565 | 9,576 |
| <i>Crown Point Limited Series 2015-3A Class A1AR (3 Month LIBOR +0.91%) 144A ±</i> | 3.26 | 12-31-2027 | 500,000 | 500,088 |
| <i>Global Mortgage Securitization Limited Series 2004-A Class A2 (1 Month LIBOR +0.32%) 144A</i> | 2.22 | 11-25-2032 | 92,624 | 87,907 |

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| | | | | |
|--|------|------------|-----------|-----------|
| ± | | | | |
| <i>GS Mortgage Securities Trust Series 2010-C1 Class X 144A±±(c)</i> | 1.51 | 8-10-2043 | 5,088,239 | 122,713 |
| <i>GS Mortgage Securities Trust Series 2012-GCJ7 Class XA ±±(c)</i> | 2.41 | 5-10-2045 | 3,363,754 | 185,170 |
| <i>GS Mortgage Securities Trust Series 2014 Class C 144A</i> | 3.79 | 1-10-2031 | 1,000,000 | 999,985 |
| <i>GSAA Home Equity Trust Series 2004-5 Class AF5</i> | 4.51 | 6-25-2034 | 1,842 | 1,843 |
| <i>GSCCRE Commercial Mortgage Trust Series 2015-HULA Class C (1 Month LIBOR +2.75%) 144A ±</i> | 4.65 | 8-15-2032 | 1,000,000 | 1,003,772 |
| <i>GSMPs Mortgage Loan Trust Series 2005-AHL Class M1 (1 Month LIBOR +0.65%) ±</i> | 2.54 | 4-25-2035 | 3,334 | 3,338 |
| <i>GSMPs Mortgage Loan Trust Series 2006-1 Class A1 (1 Month LIBOR +0.30%) 144A ±</i> | 2.20 | 3-25-2035 | 67,818 | 67,325 |
| <i>JPMorgan Chase Commercial Mortgage Securities Corporation Series 2013-C17 Class B ±±</i> | 5.04 | 1-15-2047 | 50,000 | 52,128 |
| <i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-CB18 Class AM ±±</i> | 5.47 | 6-12-2047 | 252,490 | 252,220 |
| <i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-CB18 Class AMFL (1 Month LIBOR +0.17%) ±</i> | 1.90 | 6-12-2047 | 216,420 | 212,854 |
| <i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-LDPX Class AM ±±</i> | 5.46 | 1-15-2049 | 110,450 | 110,744 |
| <i>JPMorgan Chase Commercial Mortgage Securities Trust Series 2014-PHH Class A (1 Month LIBOR +1.45%) 144A ±</i> | 3.35 | 8-15-2027 | 700,000 | 700,000 |
| <i>JPMorgan Mortgage Trust Series 2004-A3 Class 2A1 ±±</i> | 3.63 | 7-25-2034 | 49,207 | 49,856 |
| <i>JPMorgan Mortgage Trust Series 2004-A3 Class 3A3 ±±</i> | 3.51 | 7-25-2034 | 52,809 | 52,155 |
| <i>JPMorgan Mortgage Trust Series 2005-A3 Class 11A2 ±±</i> | 3.73 | 6-25-2035 | 174,273 | 177,430 |
| <i>JPMorgan Mortgage Trust Series 2009-7 Class 2A1 144A±±</i> | 6.00 | 2-27-2037 | 5,430 | 5,437 |
| <i>MASTR Adjustable Rate Mortgage Trust Series 2003-6 Class 3A1 ±±</i> | 3.53 | 12-25-2033 | 309,726 | 310,413 |
| <i>MASTR Adjustable Rate Mortgage Trust Series 2003-6 Class 4A2 ±±</i> | 3.69 | 1-25-2034 | 8,312 | 8,148 |
| <i>MASTR Adjustable Rate Mortgage Trust Series 2004-13 Class 3A7 ±±</i> | 3.47 | 11-21-2034 | 14,615 | 14,995 |
| <i>MASTR Alternative Loans Trust Series 2005-1 Class 5A1</i> | 5.50 | 1-25-2020 | 10,855 | 11,034 |
| <i>MASTR Specialized Loan Trust Series 2005-3 Class A1 (1 Month LIBOR +0.36%) 144A ±</i> | 2.26 | 11-25-2035 | 203,163 | 202,586 |
| <i>Merrill Lynch Mortgage Trust Series 2005-A8 Class A1B3</i> | 5.25 | 8-25-2036 | 12,869 | 12,929 |
| <i>Mid-State Trust Series 11 Class A1</i> | 4.86 | 7-15-2038 | 190,141 | 196,755 |
| <i>MLCC Mortgage Investors Incorporated Series 2003-G Class A2 (6 Month LIBOR +0.68%) ±</i> | 2.33 | 1-25-2029 | 73,069 | 72,993 |
| | 1.63 | 8-15-2045 | 4,161,124 | 203,226 |

*Morgan Stanley Bank of America Merrill Lynch
Trust Series 2012-C5 Class XA 144A±±(c)*

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 27

| Security name | Interest rate | Maturity date | Principal | Value |
|---|---------------|---------------|------------|------------|
| Non-Agency Mortgage-Backed Securities (continued) | | | | |
| <i>Morgan Stanley Bank of America Merrill Lynch Trust Series 2013-C11 Class A4 ±±</i> | 4.31% | 8-15-2046 | \$ 569,000 | \$ 587,965 |
| <i>Morgan Stanley Capital I Trust Series 2004-NC1 Class M1 (1 Month LIBOR +1.05%) ±</i> | 2.95 | 12-27-2033 | 400,943 | 402,047 |
| <i>Morgan Stanley Capital I Trust Series 2012-C4 Class C 144A±±</i> | 5.60 | 3-15-2045 | 900,000 | 916,562 |
| <i>Morgan Stanley Mortgage Loan Trust Series 2004-4 Class 2A ±±</i> | 6.39 | 9-25-2034 | 41,409 | 45,167 |
| <i>New Century Home Equity Loan Trust Series 2004-3 Class M1 (1 Month LIBOR +0.93%) ±</i> | 2.83 | 11-25-2034 | 1,165,049 | 1,173,448 |
| <i>Octagon Investment Partners Series 2015-1A Class AIR (3 Month LIBOR +0.90%) 144A±</i> | 2.79 | 5-21-2027 | 700,000 | 700,010 |
| <i>Provident Funding Mortgage Loan Series 2005-1 Class 2A1 ±±</i> | 3.64 | 5-25-2035 | 19,064 | 18,675 |
| <i>Rait Trust Series 2017-FL8 Class A (1 Month LIBOR +0.85%) 144A ±</i> | 2.75 | 12-15-2037 | 305,036 | 305,036 |
| <i>RBSSP Resecuritization Trust Series 2010-3 Class 4A1 144A±±</i> | 4.16 | 12-26-2035 | 1,530 | 1,529 |
| <i>Renaissance Home Equity Loan Trust Series 2004-4 Class AF4</i> | 4.88 | 2-25-2035 | 70,421 | 70,485 |
| <i>Sequoia Mortgage Trust Series 2003-1 Class 1A (1 Month LIBOR +0.76%) ±</i> | 2.58 | 4-20-2033 | 12,222 | 12,006 |
| <i>SoFi Professional Loan Program LLC Series 2017-A Class A2B 144A</i> | 2.40 | 3-26-2040 | 750,000 | 722,975 |
| <i>Stonemont Portfolio Trust Series 2017 Class A (1 Month LIBOR +0.85%) 144A ±</i> | 2.75 | 8-20-2030 | 465,000 | 465,727 |
| <i>Structured Adjustable Rate Mortgage Loan Trust Series 2004-2 Class 2A ±±</i> | 3.70 | 3-25-2034 | 46,272 | 45,947 |
| <i>Terwin Mortgage Trust Series 2003-6HE Class A3 (1 Month LIBOR +1.14%) ±</i> | 3.04 | 11-25-2033 | 167,403 | 165,875 |
| <i>Vendee Mortgage Trust Series 2003-2 Class IO ±±(c)</i> | 0.71 | 5-15-2033 | 3,842,370 | 118,381 |
| | 7.50 | 7-25-2034 | 113,027 | 121,594 |

Washington Mutual Mortgage Trust Series
2004-RA4 Class 3A

Total Non-Agency Mortgage-Backed Securities (Cost \$19,562,281) 19,398,420

| | Expiration date | Shares | |
|---|-----------------|---------|---------|
| Rights: 0.05% | | | |
| Utilities: 0.05% | | | |
| Independent Power & Renewable Electricity Producers: 0.05% | | | |
| <i>Vistra Energy Corporation</i> | 12-31-2046 | 327,375 | 212,794 |
| Total Rights (Cost \$340,913) | | | 212,794 |

| | | Maturity date | Principal | |
|--|------|---------------|------------|---------|
| Yankee Corporate Bonds and Notes: 9.35% | | | | |
| Consumer Discretionary: 0.20% | | | | |
| Media: 0.16% | | | | |
| <i>WPP Finance 2010</i> | 3.63 | 9-7-2022 | \$ 750,000 | 741,942 |
| Textiles, Apparel & Luxury Goods: 0.04% | | | | |
| <i>Eagle Intermediate Global Holding BV %%</i> | 7.50 | 5-1-2025 | 150,000 | 153,750 |
| Consumer Staples: 0.33% | | | | |
| Beverages: 0.17% | | | | |
| <i>Pernod Ricard SA 144A</i> | 4.45 | 1-15-2022 | 760,000 | 785,819 |
| Tobacco: 0.16% | | | | |
| <i>BAT International Finance plc 144A</i> | 3.25 | 6-7-2022 | 750,000 | 737,434 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

28 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|--------------|--------------|
| Energy: 2.58% | | | | |
| Energy Equipment & Services: 0.37% | | | | |
| <i>Ensco plc</i> | 5.75% | 10-1-2044 | \$ 2,320,000 | \$ 1,612,400 |
| <i>Trinidad Drilling Limited 144A</i> | 6.63 | 2-15-2025 | 75,000 | 71,906 |
| | | | | 1,684,306 |
| Oil, Gas & Consumable Fuels: 2.21% | | | | |
| <i>Baytex Energy Corporation 144A</i> | 5.13 | 6-1-2021 | 2,114,000 | 1,997,730 |
| <i>Baytex Energy Corporation 144A</i> | 5.63 | 6-1-2024 | 900,000 | 801,000 |
| <i>Griffin Coal Mining Company Limited 144A(a)</i> | 9.50 | 12-1-2016 | 1,122,015 | 0 |
| <i>Griffin Coal Mining Company Limited (a)</i> | 9.50 | 12-1-2016 | 91,731 | 0 |
| <i>Nabors Industries Incorporated</i> | 0.75 | 1-15-2024 | 1,425,000 | 1,113,281 |
| <i>Teekay Corporation</i> | 8.50 | 1-15-2020 | 5,625,000 | 5,807,813 |
| <i>Woodside Finance Limited 144A</i> | 8.75 | 3-1-2019 | 405,000 | 422,918 |
| | | | | 10,142,742 |
| Financials: 0.94% | | | | |
| Banks: 0.80% | | | | |
| <i>ABN AMRO Bank NV 144A</i> | 4.80 | 4-18-2026 | 750,000 | 762,083 |
| <i>Banco del Estado de Chile 144A</i> | 3.88 | 2-8-2022 | 650,000 | 652,706 |
| <i>Corporación Andina de Fomento</i> | 4.38 | 6-15-2022 | 958,000 | 995,113 |
| <i>Nielsen Holding and Finance BV 144A</i> | 5.00 | 2-1-2025 | 875,000 | 860,781 |
| <i>Nielsen Holding and Finance BV 144A</i> | 5.50 | 10-1-2021 | 415,000 | 421,225 |
| <i>Preferred Term Securities XII Limited (a)</i> | 0.00 | 12-24-2033 | 635,000 | 0 |
| | | | | 3,691,908 |
| Diversified Financial Services: 0.14% | | | | |
| <i>Tyco Electronics Group SA</i> | 3.50 | 2-3-2022 | 625,000 | 628,601 |
| Health Care: 1.35% | | | | |
| Pharmaceuticals: 1.35% | | | | |

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| | | | | |
|--|------|-----------|-----------|-----------|
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 5.50 | 3-1-2023 | 2,200,000 | 1,989,625 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 5.50 | 11-1-2025 | 375,000 | 373,125 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 5.88 | 5-15-2023 | 770,000 | 704,069 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 6.13 | 4-15-2025 | 1,940,000 | 1,749,822 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 6.50 | 3-15-2022 | 325,000 | 337,188 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 6.75 | 8-15-2021 | 425,000 | 427,656 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 7.00 | 3-15-2024 | 575,000 | 606,451 |
| <i>Valeant Pharmaceuticals International Incorporated 144A</i> | 7.50 | 7-15-2021 | 10,000 | 10,163 |
| | | | | 6,198,099 |

Industrials: 0.99%

Commercial Services & Supplies: 0.44%

| | | | | |
|---|------|-----------|-----------|-----------|
| <i>Ritchie Brothers Auctioneers Incorporated 144A</i> | 5.38 | 1-15-2025 | 2,050,000 | 2,039,750 |
|---|------|-----------|-----------|-----------|

Machinery: 0.24%

| | | | | |
|-------------------------------------|------|-----------|---------|-----------|
| <i>Sensata Technologies BV 144A</i> | 5.00 | 10-1-2025 | 260,000 | 259,350 |
| <i>Sensata Technologies BV 144A</i> | 6.25 | 2-15-2026 | 800,000 | 831,680 |
| | | | | 1,091,030 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Portfolio of investments April 30, 2018 (unaudited)

Wells Fargo Multi-Sector Income Fund 29

| Security name | Interest rate | Maturity date | Principal | Value |
|--|---------------|---------------|------------|------------|
| Professional Services: 0.14% | | | | |
| <i>IHS Markit Limited 144A</i> | 4.75% | 2-15-2025 | \$ 650,000 | \$ 653,315 |
| Road & Rail: 0.17% | | | | |
| <i>Canadian Pacific Railway Company</i> | 4.50 | 1-15-2022 | 750,000 | 775,719 |
| Materials: 1.25% | | | | |
| Containers & Packaging: 0.85% | | | | |
| <i>Ardagh Packaging Finance plc 144A</i> | 4.25 | 9-15-2022 | 375,000 | 372,656 |
| <i>Ardagh Packaging Finance plc 144A</i> | 6.00 | 2-15-2025 | 1,700,000 | 1,719,125 |
| <i>Ardagh Packaging Finance plc 144A</i> | 7.25 | 5-15-2024 | 725,000 | 766,688 |
| <i>OI European Group BV 144A</i> | 4.00 | 3-15-2023 | 1,100,000 | 1,045,000 |
| | | | | 3,903,469 |
| Metals & Mining: 0.40% | | | | |
| <i>ArcelorMittal SA</i> | 6.13 | 6-1-2025 | 275,000 | 297,688 |
| <i>Glencore Finance Canada Limited 144A</i> | 4.25 | 10-25-2022 | 750,000 | 756,368 |
| <i>Vale Overseas Limited</i> | 4.38 | 1-11-2022 | 750,000 | 759,075 |
| | | | | 1,813,131 |
| Telecommunication Services: 1.56% | | | | |
| Diversified Telecommunication Services: 0.37% | | | | |
| <i>Intelsat Luxembourg SA</i> | 7.75 | 6-1-2021 | 1,970,000 | 1,334,675 |
| <i>Virgin Media Finance plc 144A</i> | 6.38 | 4-15-2023 | 365,000 | 367,738 |
| | | | | 1,702,413 |
| Wireless Telecommunication Services: 1.19% | | | | |
| <i>Globo Comunicacoes Participacoes SA 144A</i> | 4.88 | 4-11-2022 | 595,000 | 597,981 |
| <i>Intelsat Jackson Holdings SA</i> | 5.50 | 8-1-2023 | 5,775,000 | 4,843,781 |
| | | | | 5,441,762 |

Utilities: 0.15%

Electric Utilities: 0.15%

| | | | | |
|--|------|-----------|---------|---------|
| <i>Comision Federal de Electricidad 144A</i> | 4.88 | 5-26-2021 | 650,000 | 666,250 |
|--|------|-----------|---------|---------|

| | | | | |
|---|--|--|--|------------|
| Total Yankee Corporate Bonds and Notes (Cost \$44,640,583) | | | | 42,851,440 |
|---|--|--|--|------------|

| | Yield | | Shares | |
|---|-------|--|------------|------------|
| Short-Term Investments: 4.30% | | | | |
| Investment Companies: 4.30% | | | | |
| <i>Wells Fargo Government Money Market Fund Select Class (l)(u)##</i> | 1.59 | | 19,708,914 | 19,708,914 |
| Total Short-Term Investments (Cost \$19,708,914) | | | | 19,708,914 |

| | | | |
|---|----------------|--|-----------------------|
| Total investments in securities (Cost \$648,410,644) | 140.02% | | 641,697,213 |
| <i>Other assets and liabilities, net</i> | (40.02) | | (183,397,435) |
| Total net assets | 100.00% | | \$ 458,299,778 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

30 Wells Fargo Multi-Sector Income Fund

Portfolio of investments April 30, 2018 (unaudited)

± 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.

±± The coupon of the security is adjusted based on the principal and interest payments received from the underlying pool of mortgages as well as the credit quality and the actual prepayment speed of the underlying mortgages.

(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.

¥ 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.

(a) The security is fair valued in accordance with procedures approved by the Board of Trustees.

Security is valued using significant unobservable inputs.

< All or a portion of the position represents an unfunded loan commitment. The rate represents current interest rate if the loan is partially funded.

Non-income-earning security

%% The security is issued on a when-issued basis.

(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 and/or unfunded loans.

@ Foreign bond principal is denominated in the local currency of the issuer.

Abbreviations:

AUD Australian dollar
 BRL Brazilian real
 COP Colombian peso
 FHLMC Federal Home Loan Mortgage Corporation
 FNMA Federal National Mortgage Association
 GBP Great British pound
 GNMA Government National Mortgage Association
 IDR Indonesian rupiah
 INR Indian rupee
 LIBOR London Interbank Offered Rate
 MXN Mexican peso
 MYR Malaysian ringgit
 NZD New Zealand dollar
 PEN Peruvian sol
 REIT Real estate investment trust
 ZAR South African rand

Investments in Affiliates

An affiliated investment is an investment in which the Fund owns at least 5% of the outstanding voting shares of the issuer or as a result of other relationships, such as the Fund and the issuer having the same investment manager. Transactions with issuers that were either affiliated persons of the Fund at the beginning of the period or the end of the period were as follows:

| | Shares, beginning of period | Shares purchased | Shares sold | Shares, end of period | Net change in Income from realized gains (losses) | Net change in Income from unrealized gains (losses) | Value, end of period | % of net assets |
|--|-----------------------------------|---------------------|----------------|-----------------------------|--|--|----------------------------|-----------------------|
| Short-Term Investments | | | | | | | | |
| Investment Companies | | | | | | | | |
| Wells Fargo Government Money Market Fund Select | 25,651,250 | 83,119,843 | 89,062,179 | 19,708,914 | \$ 0 \$ 0 | \$ 121,487 | \$ 19,708,914 | 4.30% |

Class

The accompanying notes are an integral part of these financial statements.

Table of Contents

Statement of assets and liabilities April 30, 2018
(unaudited)

Wells Fargo Multi-Sector Income Fund 31

Assets

| | |
|---|--------------------|
| Investments in unaffiliated securities, at value (cost \$628,701,730) | \$ 621,988,299 |
| Investments in affiliated securities, at value (cost \$19,708,914) | 19,708,914 |
| Cash | 159 |
| Foreign currency, at value (cost \$1,461,389) | 1,426,435 |
| Receivable for investments sold | 2,042,661 |
| Principal paydown receivable | 9,048 |
| Receivable for interest | 9,099,936 |
| Prepaid expenses and other assets | 20,193 |
| Total assets | 654,295,645 |

Liabilities

| | |
|--|--------------------|
| Secured borrowing payable | 187,000,000 |
| Dividends payable | 3,556,662 |
| Payable for investments purchased | 3,176,398 |
| Advisory fee payable | 294,031 |
| Payable for Fund shares redeemed | 87,050 |
| Administration fee payable | 26,730 |
| Trustees' fees and expenses payable | 2,760 |
| Accrued expenses and other liabilities | 1,852,236 |
| Total liabilities | 195,995,867 |

Total net assets **\$ 458,299,778**

NET ASSETS CONSIST OF

| | |
|--|-----------------------|
| Paid-in capital | \$ 508,393,419 |
| Overdistributed net investment income | (14,894,504) |
| Accumulated net realized losses on investments | (28,477,351) |
| Net unrealized losses on investments | (6,721,786) |
| Total net assets | \$ 458,299,778 |

NET ASSET VALUE PER SHARE

Based on \$458,299,778 divided by 32,826,992 shares issued and outstanding (100,000,000 shares authorized) \$13.96

The accompanying notes are an integral part of these financial statements.

Table of Contents

32 Wells Fargo Multi-Sector Income Fund Statement of operations six months ended April 30, 2018
(unaudited)

Investment income

| | |
|---|---------------|
| Interest (net of foreign interest withholding taxes of \$210,506) | \$ 19,117,175 |
| Income from affiliated securities | 121,487 |
| Dividends | 17 |
| Total investment income | 19,238,679 |

Expenses

| | |
|-----------------------------|------------|
| Advisory fee | 1,825,686 |
| Administration fee | 165,971 |
| Custody and accounting fees | 131,489 |
| Professional fees | 367,741 |
| Shareholder report expenses | 92,885 |
| Trustees fees and expenses | 18,942 |
| Transfer agent fees | 22,724 |
| Interest expense | 2,135,823 |
| Other fees and expenses | 15,409 |
| Total expenses | 4,776,670 |
| Net investment income | 14,462,009 |

REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS**Net realized losses on:**

| | |
|------------------------------------|-------------|
| Unaffiliated securities | (2,484,711) |
| Foreign currency transactions | (380,237) |
| Net realized losses on investments | (2,864,948) |

Net change in unrealized gains (losses) on:

| | |
|---|---------------------|
| Unaffiliated securities | (3,427,186) |
| Foreign currency transactions | (27,235) |
| Net change in unrealized gains (losses) on investments | (3,454,421) |
| Net realized and unrealized gains (losses) on investments | (6,319,369) |
| Net increase in net assets resulting from operations | \$ 8,142,640 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

| Statement of changes in net assets | Wells Fargo Multi-Sector Income Fund 33 | |
|--|---|--------------------------------|
| | Six months ended April 30, 2018 (unaudited) | Year ended October 31, 2017 |
| Operations | | |
| Net investment income | \$ 14,462,009 | \$ 36,933,415 |
| Net realized losses on investments | (2,864,948) | (21,012,373) |
| Net change in unrealized gains (losses) on investments | (3,454,421) | 27,791,101 |
| Net increase in net assets resulting from operations | 8,142,640 | 43,712,143 |
| Distributions to shareholders from | | |
| Net investment income | (21,932,849) | (26,702,083) |
| Tax basis return of capital | 0 | (19,927,206) |
| Total distributions to shareholders | (21,932,849) | (46,629,289) |
| Capital share transactions | | |
| Cost of shares repurchased | (27,734,043) | (88,098,943) |
| Net decrease in net assets resulting from capital share transactions | (27,734,043) | (88,098,943) |
| Total decrease in net assets | (41,524,252) | (91,016,089) |
| Net assets | | |
| Beginning of period | 499,824,030 | 590,840,119 |
| End of period | \$ 458,299,778 | \$ 499,824,030 |
| Overdistributed net investment income | \$ (14,894,504) | \$ (3,872,518) |

The accompanying notes are an integral part of these financial statements.

Table of Contents

| | |
|--|--|
| 34 Wells Fargo Multi-Sector Income Fund | Statement of cash flows six months ended April 30, 2018 (unaudited) |
| Cash flows from operating activities: | |
| Net increase in net assets resulting from operations | \$ 8,142,640 |
| Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities: | |
| Purchase of securities | (114,520,823) |
| Proceeds from the sale of securities | 140,661,421 |
| Paydowns | 2,853,766 |
| Amortization | (246,312) |
| Proceeds from sale of short-term securities, net | 5,942,336 |
| Increase in receivable for investments sold | (312,981) |
| Decrease in principal paydown receivable | 44,342 |
| Increase in receivable for interest | (572,799) |
| Increase in prepaid expenses and other assets | (5,471) |
| Increase in payable for investments purchased | 1,237,514 |
| Increase in payable for shares redeemed | 87,050 |
| Decrease in advisory fee payable | (28,337) |
| Decrease in administration fee payable | (2,576) |
| Increase in trustees' fees and expenses payable | 6 |
| Increase in accrued expenses and other liabilities | 1,261,985 |
| Litigation payments received | 35,699 |
| Net realized losses on investments | 2,520,410 |
| Net change in unrealized gains (losses) on investments | 3,454,421 |
| Net cash provided by operating activities | 50,552,291 |
| Cash flows from financing activities: | |
| Cost of shares repurchased | (27,734,043) |
| Cash distributions paid | (22,135,348) |
| Net cash used in financing activities | (49,869,391) |
| Net increase in cash | 682,900 |
| Cash (including foreign currency): | |
| Beginning of period | \$ 743,694 |
| End of period | \$ 1,426,594 |
| Supplemental cash disclosure | |
| Cash paid for interest | \$ 1,321,554 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

Financial highlights
(For a share outstanding throughout each period)

Wells Fargo Multi-Sector Income Fund 35

| | Six months ended April 30, 2018 | Year ended October 31 | | | | |
|--|---------------------------------------|-----------------------|----------------|-------------------|-------------------|----------------|
| | (unaudited) | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$14.31 | \$14.35 | \$14.06 | \$16.10 | \$16.40 | \$17.01 |
| Net investment income | 0.43 ¹ | 0.97 ¹ | 1.08 | 1.10 ¹ | 1.14 ¹ | 1.18 |
| Net realized and unrealized gains (losses) on investments | (0.20) | 0.18 | 0.33 | (1.98) | (0.24) | (0.59) |
| Total from investment operations | 0.23 | 1.15 | 1.41 | (0.88) | 0.90 | 0.59 |
| Distributions to shareholders from | | | | | | |
| Net investment income | (0.65) | (0.70) | (0.97) | (0.87) | (0.91) | (1.20) |
| Tax basis return of capital | 0.00 | (0.53) | (0.17) | (0.29) | (0.29) | 0.00 |
| Total distributions to shareholders | (0.65) | (1.23) | (1.14) | (1.16) | (1.20) | (1.20) |
| Anti-dilutive effect of shares repurchased | 0.07 | 0.04 | 0.02 | 0.00 | 0.00 | 0.00 |
| Net asset value, end of period | \$13.96 | \$14.31 | \$14.35 | \$14.06 | \$16.10 | \$16.40 |
| Market value, end of period | \$12.96 | \$13.05 | \$12.66 | \$12.02 | \$14.19 | \$14.47 |
| Total return based on market value² | 12.96% | 13.07% | 15.66% | (7.34)% | 6.55% | (5.44)% |

**Ratios to average
net assets
(annualized)**

| | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Expenses ³ | 2.00% | 1.68% | 1.39% | 1.24% | 1.21% | 1.24% |
| Net investment income | 3.00% | 6.73% | 7.94% | 7.33% | 6.95% | 7.04% |

**Supplemental
data**

| | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Portfolio turnover rate | 15% | 38% | 29% | 31% | 41% | 40% |
| Net assets, end of period (000s omitted) | \$458,300 | \$498,824 | \$590,840 | \$591,226 | \$677,004 | \$689,573 |
| Borrowings outstanding, end of period (000s omitted) | \$187,000 | \$187,000 | \$220,000 | \$230,000 | \$230,000 | \$230,000 |
| Asset coverage per \$1,000 of borrowing, end of period | \$3,451 | \$3,673 | \$3,686 | \$3,570 | \$3,944 | \$3,998 |

¹ Calculated based upon average shares outstanding

² Total return is calculated assuming a purchase of common stock on the first day and sale on the last day of the period reported. Dividends and distributions, if any, are assumed for purposes of these calculations to be reinvested at prices obtained under the Fund's Automatic Dividend Reinvestment Plan. Total return does not reflect brokerage commissions that a shareholder would pay on the purchase and sale of shares. Returns for periods of less than one year are not annualized.

³ Ratios include interest expense relating to interest associated with borrowings and/or leverage transactions as follows:

| | |
|---|-------|
| Six months ended April 30, 2018 (unaudited) | 0.89% |
| Year ended October 31, 2017 | 0.61% |
| Year ended October 31, 2016 | 0.44% |
| Year ended October 31, 2015 | 0.24% |
| Year ended October 31, 2014 | 0.07% |
| Year ended October 31, 2013 | 0.07% |

The accompanying notes are an integral part of these financial statements.

Table of Contents

36 Wells Fargo Multi-Sector Income Fund

Notes to financial statements (unaudited)

1. ORGANIZATION

Wells Fargo Multi-Sector Income Fund (the Fund) was organized as a statutory trust under the laws of the state of Delaware on April 10, 2003 and is registered as a diversified closed-end management investment company under the Investment Company Act of 1940, as amended. As an investment company, the Fund follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, *Financial Services - Investment Companies*.

2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund, are in conformity with U.S. generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 time 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, 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 Wells Fargo Asset Management Pricing Committee at Wells Fargo Funds Management, LLC (Funds Management).

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 Wells Fargo Asset Management Pricing Committee. 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 Wells Fargo Asset Management Pricing Committee 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 Wells Fargo Asset Management Pricing Committee. 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

Table of Contents

Notes to financial statements (unaudited) Wells Fargo Multi-Sector Income Fund 37
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 of securities 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.

Security transactions and income recognition

Securities transactions are recorded on a trade date basis. Realized gains or losses are recorded on the basis of identified cost.

Interest income is accrued daily and bond discounts are accreted and premiums are amortized daily. To the extent debt obligations are placed on non-accrual status, any related interest income may be reduced by writing off interest receivables when the collection of all or a portion of interest has been determined to be doubtful based on consistently applied procedures and the fair value has decreased. If the issuer subsequently resumes interest payments or when the collectability of interest is reasonably assured, the debt obligation is removed from non-accrual status.

Dividend income is recognized on the ex-dividend date.

Income from foreign securities is recorded net of foreign taxes withheld where recovery of such taxes is not assured.

Distributions to shareholders

Under a monthly distribution plan, the Fund pays distributions to shareholders at an annual minimum fixed rate of 9% based on the Fund's average monthly net asset value per share over the prior 12 months. Under the managed distribution plan, monthly distributions may be sourced from income, paid-in capital, and/or capital gains, if any. To the extent that sufficient investment income is not available on a monthly basis, the Fund may distribute paid-in capital and/or capital gains, if any, in order to maintain its managed distribution level.

Distributions to shareholders from net investment income and any net realized gains are recorded on the ex-dividend date and paid at least annually. Such distributions are determined in accordance with income tax regulations and may differ from U.S. generally accepted accounting principles. Dividend sources are estimated at the time of declaration. The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made prior to the Fund's fiscal year end may be categorized as a tax return of capital at year end.

Federal and other taxes

The Fund intends to continue to qualify as a regulated investment company by distributing substantially all of its investment company taxable income and any net realized capital gains (after reduction for capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes was required.

The Fund's income and federal excise tax returns and all financial records supporting those returns for the prior three fiscal years are subject to examination by the federal and Delaware revenue authorities. Management has analyzed the Fund's tax positions taken on federal, state, and foreign tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

Table of Contents

38 Wells Fargo Multi-Sector Income Fund Notes to financial statements (unaudited)
 As of April 30, 2018, the aggregate cost of all investments for federal income tax purposes was \$652,027,501 and the unrealized gains (losses) consisted of:

| | |
|-------------------------|-----------------|
| Gross unrealized gains | \$ 4,681,437 |
| Gross unrealized losses | (15,011,725) |
| Net unrealized losses | \$ (10,330,288) |

As of October 31, 2017, the Fund had capital loss carryforwards which consisted of \$10,706,157 in short-term capital losses and \$13,671,135 in long-term capital losses.

3. 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 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 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 April 30, 2018:

| | Quoted prices (Level 1) | Other significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|--------------------------|----------------------------|---|---|--------------|
| Assets | | | | |
| Investments in: | | | | |
| Agency securities | \$ 0 | \$ 7,795,284 | \$ 0 | \$ 7,795,284 |

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| | | | | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| Asset-backed securities | 0 | 3,970,735 | 0 | 3,970,735 |
| Common stocks | | | | |
| <i>Materials</i> | 952 | 0 | 0 | 952 |
| Corporate bonds and notes | 0 | 333,600,811 | 0 | 333,600,811 |
| Foreign corporate bonds and notes | 0 | 20,839,022 | 0 | 20,839,022 |
| Foreign government bonds | 0 | 102,997,759 | 0 | 102,997,759 |
| Loans | 0 | 69,130,680 | 21,190,402 | 90,321,082 |
| Non-agency mortgage-backed securities | 0 | 19,398,420 | 0 | 19,398,420 |
| Rights | | | | |
| <i>Utilities</i> | 0 | 212,794 | 0 | 212,794 |
| Yankee corporate bonds and notes | 0 | 42,851,440 | 0 | 42,851,440 |
| Short-term investments | | | | |
| <i>Investment companies</i> | 19,708,914 | 0 | 0 | 19,708,914 |
| Total assets | \$ 19,709,866 | \$ 600,796,945 | \$ 21,190,402 | \$ 641,697,213 |

Table of Contents

Notes to financial statements (unaudited) Wells Fargo Multi-Sector Income Fund 39

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At April 30, 2018, 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:

| | Asset-backed securities | Loans | Yankee corporate bonds and notes | Total |
|--|-------------------------|---------------|----------------------------------|---------------|
| Balance as of October 31, 2017 | \$ 700,000 | \$ 20,926,735 | \$ 7,293 | \$ 21,634,028 |
| Accrued discounts (premiums) | 0 | 13,769 | 0 | 13,769 |
| Realized gains (losses) | 0 | (20,852) | 0 | (20,852) |
| Change in unrealized gains (losses) | 10 | 33,564 | 602,163 | 635,737 |
| Purchases | 0 | 2,847,399 | 0 | 2,847,399 |
| Sales | 0 | (5,803,743) | (609,456) | (6,413,199) |
| Transfers into Level 3 | 0 | 3,193,530 | 0 | 3,193,530 |
| Transfers out of Level 3 | (700,010) | 0 | 0 | (700,010) |
| Balance as of April 30, 2018 | \$ 0 | \$ 21,190,402 | \$ 0 | \$ 21,190,402 |
| Change in unrealized gains (losses) relating to securities still held at April 30, 2018 | \$ 0 | \$ (160,866) | \$ 0 | \$ (160,866) |

The loan obligations in the Level 3 table 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.

4. TRANSACTIONS WITH AFFILIATES**Advisory fee**

Funds Management, an indirect wholly owned subsidiary of Wells Fargo & Company (Wells Fargo) is the adviser to the Fund and is entitled to receive a fee at an annual rate of 0.55% of the Fund's average daily total assets. Total assets consist of net assets of the Fund plus borrowings or other leverage for investment purposes to the extent excluded in calculating net assets.

Funds Management has retained the services of certain subadvisers to provide daily portfolio management to the Fund. The fees for subadvisory services are borne by Funds Management. Wells Capital Management Incorporated, an affiliate of Funds Management and an indirect, wholly owned subsidiary of Wells Fargo, is a subadviser to the Fund and is entitled to receive a fee from Funds Management at an annual rate of 0.30% of the Fund's average daily total assets. Wells Fargo Asset Management (International), LLC (formerly, First International Advisors LLC), an affiliate of Funds Management and an indirect, wholly owned subsidiary of Wells Fargo, is also a subadviser to the Fund and is entitled to receive a fee from Funds Management at an annual rate of 0.10% of the Fund's average daily total assets.

Administration fee

Funds Management also serves as the administrator to the Fund, providing the Fund with a wide range of administrative services necessary to the operation of the Fund. Funds Management is entitled to receive an annual administration fee from the Fund equal to 0.05% of the Fund's average daily total assets.

Interfund transactions

The Fund may purchase or sell portfolio investment securities to certain other Wells Fargo affiliates pursuant to Rule 17a-7 under the 1940 Act and under procedures adopted by the Board of Trustees. The procedures have been designed to ensure that these interfund transactions, which do not incur broker commissions, are effected at current market prices. Pursuant to these procedures, the Fund had \$12,324,759 and \$24,228,588 in interfund purchases and sales, respectively, during the six months ended April 30, 2018.

5. CAPITAL SHARE TRANSACTIONS

The Fund has authorized capital of 100,000,000 shares with no par value. For the six months ended April 30, 2018 and the year ended October 31, 2017, the Fund did not issue any shares.

On November 10, 2017, the Fund announced the reinstatement of its open-market share repurchase program (the Buyback Program). Under the Buyback Program, the Fund may repurchase up to 10% of its outstanding shares in open market transactions during the period beginning on January 1, 2018 and ending on December 31, 2018. The Fund's

Table of Contents

40 Wells Fargo Multi-Sector Income Fund Notes to financial statements (unaudited)
 Board of Trustees had delegated to Funds Management discretion to administer the Buyback Program including the determination of the amount and timing of repurchases in accordance with the best interests of the Fund and subject to applicable legal limitations. During the six months ended April 30, 2018, the Fund purchased 2,112,692 of its shares on the open market at a total cost of \$27,734,043 (weighted average price per share of \$13.13). The weighted average discount of these repurchased shares was 7.16%.

6. BORROWING

The Fund has borrowed \$187,000,000 through a revolving credit facility administered by a major financial institution (the Facility). The Facility has a commitment amount of \$230,000,000 with no specific contract expiration date but the Facility can be terminated upon 180 days notice. The Fund is charged interest at London Interbank Offered Rate (LIBOR) plus 0.70% and a commitment fee of 0.30% of the average daily unutilized amount of the commitment which may be waived if the amount drawn on the Facility is over 75% of the committed amount. The financial institution holds a security interest in all the assets of the Fund as collateral for the borrowing.

During the six month ended April 30, 2018, the Fund had average borrowings outstanding of \$187,000,000 at an average interest rate of 1.14% (2.30% on an annualized basis) and paid interest in the amount of \$2,135,823, which represents 0.89% of its average daily net assets (on an annualized basis).

7. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments, excluding U.S. government obligations (if any) and short-term securities, for the six months ended April 30, 2018 were \$98,396,739 and \$108,057,877, respectively.

As of April 30, 2018, the Fund had unfunded term loan commitments of \$2,775,754.

8. INDEMNIFICATION

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

9. NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, FASB issued Accounting Standard Update (ASU) No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments (a Consensus of the Emerging Issues Task Force)*, which is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. Management is currently assessing the potential impact on the financial statements that may result from adopting this ASU. This ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those financial years, with early adoption permitted.

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash (a Consensus of the Emerging Issues Task Force)*, which requires that a statement of cash flows explain the change

during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts described as restricted cash and restricted cash equivalents should be included with the cash and cash equivalents in reconciling the beginning and end of period total amounts shown on the statement of cash flows. Management is currently assessing the potential impact on the financial statements that may result from adopting this ASU. This ASU is effective for interim and annual reporting periods beginning after December 15, 2017.

10. SUBSEQUENT DISTRIBUTIONS

The Fund declared the following distributions to common shareholders:

| Declaration date | Record date | Payable date | Per share amount |
|------------------|---------------|--------------|------------------|
| April 27, 2018 | May 15, 2018 | May 1, 2018 | \$0.10781 |
| May 23, 2018 | June 13, 2018 | July 2, 2018 | 0.10761 |

These distributions are not reflected in the accompanying financial statements.

Table of Contents

Other information (unaudited)

Wells Fargo Multi-Sector Income Fund 41

PROXY VOTING INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available, upon request, by calling **1-800-222-8222**, visiting our website at **wellsfargofunds.com**, or visiting the SEC website at sec.gov. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on the Fund's website at **wellsfargofunds.com** or by visiting the SEC website at sec.gov.

ANNUAL MEETING OF SHAREHOLDERS

On February 5, 2018, an Annual Meeting of Shareholders for the Fund was held to consider the following proposal. The results of the proposal are indicated below.

Proposal 1 Election of trustees:

| | | | |
|------------------|----------|---------------------|----------------|
| Net assets voted | For | William R. Ebsworth | \$ 374,121,882 |
| Net assets voted | Withhold | | \$ 11,736,628 |
| Net assets voted | For | Jane A. Freeman | \$ 373,781,792 |
| Net assets voted | Withhold | | \$ 12,076,718 |
| Net assets voted | For | Judith M. Johnson | \$ 374,052,342 |
| Net assets voted | Withhold | | \$ 11,806,168 |

PORTFOLIO HOLDINGS INFORMATION

The complete portfolio holdings for the Fund are publicly available monthly on the Fund's website (**wellsfargofunds.com**), on a one-month delayed basis. The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, which is available by visiting the SEC website at sec.gov. In addition, the Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and at regional offices in New York City, at 233 Broadway, and in Chicago, at 175 West Jackson Boulevard, Suite 900. Information about the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Table of Contents

42 Wells Fargo Multi-Sector Income Fund Other information (unaudited)
BOARD OF TRUSTEES AND OFFICERS

The following table provides basic information about the Board of Trustees (the Trustees) and Officers of the Fund. Each of the Trustees and Officers¹ listed below acts in identical capacities for each fund in the Wells Fargo family of funds, which consists of 153 mutual funds comprising the Wells Fargo Funds Trust, Wells Fargo Variable Trust, Wells Fargo Master Trust, and four closed-end funds, including the Fund (collectively the Fund Complex). The mailing address of each Trustee and Officer is 525 Market Street, 12th Floor, San Francisco, CA 94105. The Board of Trustees is classified into three classes of which one is elected annually. Each Trustee serves a three-year term concurrent with the class from which the Trustee is elected. Each Officer serves an indefinite term.

Independent Trustees

| Name and year of birth | Position held and length of service | Principal occupations during past five years or longer | Current other public company or investment company directorships |
|---|---|--|--|
| Class I - Non-Interested Trustees to serve until 2020 Annual Meeting of Shareholders | | | |
| Isaiah Harris, Jr. (Born 1952) | Trustee, since 2010 | Retired. Chairman of the Board of CIGNA Corporation since 2009, and Director since 2005. From 2003 to 2011, Director of Deluxe Corporation. Prior thereto, President and CEO of BellSouth Advertising and Publishing Corp. from 2005 to 2007, President and CEO of BellSouth Enterprises from 2004 to 2005 and President of BellSouth Consumer Services from 2000 to 2003. Emeritus member of the Iowa State University Foundation Board of Governors. Emeritus Member of the Advisory Board of Iowa State University School of Business. Advisory Board Member, Palm Harbor Academy (charter school). Advisory Board Member, Child Evangelism Fellowship (non-profit). Mr. Harris is a certified public accountant (inactive status). | CIGNA Corporation; Asset Allocation Trust |
| David F. Larcker (Born 1950) | Trustee, since 2010 | James Irvin Miller Professor of Accounting at the Graduate School of Business, Stanford University, Director of the Corporate Governance Research Initiative and Senior Faculty of The Rock Center for Corporate Governance since 2006. From 2005 to 2008, Professor of Accounting at the Graduate School of Business, Stanford University. Prior thereto, Ernst & Young Professor of Accounting at The Wharton School, University of Pennsylvania from 1985 to 2005. | Asset Allocation Trust |
| Olivia S. Mitchell (Born 1953) | Trustee, since 2010, Governance Committee | International Foundation of Employee Benefit Plans Professor, Wharton School of the University of Pennsylvania since 1993. Director of Wharton's Pension | Asset Allocation Trust |

| | | | |
|--|----------------------|--|------------------------|
| | Chairman, since 2018 | Research Council and Boettner Center on Pensions & Retirement Research, and Research Associate at the National Bureau of Economic Research. Previously, Cornell University Professor from 1978 to 1993. | |
| Class II - Non-Interested Trustees to serve until 2021 Annual Meeting of Shareholders | | | |
| William R. Ebsworth (Born 1957) | Trustee, since 2015 | Retired. From 1984 to 2013, equities analyst, portfolio manager, research director and chief investment officer at Fidelity Management and Research Company in Boston, Tokyo, and Hong Kong, and retired in 2013 as Chief Investment Officer of Fidelity Strategic Advisers, Inc. where he led a team of investment professionals managing client assets. Prior thereto, Board member of Hong Kong Securities Clearing Co., Hong Kong Options Clearing Corp., the Thailand International Fund, Ltd., Fidelity Investments Life Insurance Company, and Empire Fidelity Investments Life Insurance Company. Board member of the Forté Foundation (non-profit organization) and the Vincent Memorial Hospital Endowment (non-profit organization), where he serves on the Investment Committee and as Chair of the Audit Committee. Mr. Ebsworth is a CFA® charterholder. | Asset Allocation Trust |

Table of Contents

| Other information (unaudited) | | | Wells Fargo Multi-Sector Income Fund 43 |
|---|---|---|--|
| Name and year of birth | Position held and length of service | Principal occupations during past five years or longer | Current other public company or investment company directorships |
| Jane A. Freeman (Born 1953) | Trustee, since 2015; Chair Liaison, since 2018 | Retired. From 2012 to 2014 and 1999 to 2008, Chief Financial Officer of Scientific Learning Corporation. From 2008 to 2012, Ms. Freeman provided consulting services related to strategic business projects. Prior to 1999, Portfolio Manager at Rockefeller & Co. and Scudder, Stevens & Clark. Board member of the Harding Loevner Funds from 1996 to 2014, serving as both Lead Independent Director and chair of the Audit Committee. Board member of the Russell Exchange Traded Funds Trust from 2011 to 2012 and the chair of the Audit Committee. Ms. Freeman is a Board Member of Ruth Bancroft Garden (non-profit organization) and the Glimmerglass Festival. She is also an inactive Chartered Financial Analyst. | Asset Allocation Trust |
| Judith M. Johnson (Born 1949) | Trustee, since 2010; Audit Committee Chairman, since 2010 | Retired. Prior thereto, Chief Executive Officer and Chief Investment Officer of Minneapolis Employees Retirement Fund from 1996 to 2008. Ms. Johnson is an attorney, certified public accountant and a certified managerial accountant. | Asset Allocation Trust |
| Class III - Non-Interested Trustees to serve until 2019 Annual Meeting of Shareholders | | | |
| Timothy J. Penny (Born 1951) | Trustee, since 2010; Chairman, since 2018; Vice Chairman, from 2017 to 2018 | President and Chief Executive Officer of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, since 2007. | Asset Allocation Trust |
| James G. Polisson (Born 1959) | Trustee, since 2018; Advisory Board Member, from 2017 to 2018 | Retired. Chief Marketing Officer, Source (ETF) UK Services, Ltd, from 2015 to 2017. From 2012 to 2015, Principal of The Polisson Group, LLC, a management consulting, corporate advisory and principal investing company. Chief Executive Officer and Managing Director at Russell Investments, Global Exchange Traded Funds from 2010 to 2012. Managing Director of Barclays Global Investors from 1998 to 2010 and Global Chief Marketing Officer for iShares and Barclays Global Investors from 2000 to 2010. Trustee of the San Francisco Mechanics Institute, a non-profit organization, from 2013 to 2015. Board member of the Russell Exchange Traded Fund Trust from 2011 to 2012. Director of Barclays Global Investors Holdings Deutschland GmbH from 2006 to 2009. Mr. Polisson is an attorney and has a retired status with the | Asset Allocation Trust |

| | | |
|--|----------------------------|---|
| <p>Michael S. Scofield (Born 1943)</p> | <p>Trustee, since 2003</p> | <p>Massachusetts and District of Columbia Bar Associations. Served on the Investment Company Institute's Board of Asset Allocation Governors and Executive Committee from 2008-2011 as Trust well the Governing Council of the Independent Directors Council from 2006-2011 and the Independent Directors Council Executive Committee from 2008-2011. Trustee of the Evergreen Fund complex (and its predecessors) from 1984 to 2010. Chairman of the Evergreen Funds from 2000-2010. Former Trustee of the Mentor Funds. Retired Attorney, Law Offices of Michael S. Scofield.</p> |
|--|----------------------------|---|

Table of Contents

| 44 Wells Fargo Multi-Sector Income Fund | | | Other information (unaudited) |
|---|---|--|--|
| Name and year of birth | Position held and length of service | Principal occupations during past five years or longer | Current other public company or investment company directorships |
| Pamela Wheelock (Born 1959) | Trustee, since 2018; Advisory Board Member, from 2017 to 2018 | Chief Operating Officer, Twin Cities Habitat for Humanity, since January, 2017. Vice President of University Services, University of Minnesota from 2012 to 2017. Prior thereto, on the Board of Directors, Governance Committee and Finance Committee for the Minnesota Philanthropy Partners (Saint Paul Foundation) from 2012 to 2018, Interim President and Chief Executive Officer of Blue Cross Blue Shield of Minnesota from 2010 to 2011, Chairman of the Board from 2009 to 2011 and Board Director from 2003 to 2015. Vice President, Leadership and Community Engagement, Bush Foundation, Saint Paul, Minnesota (a private foundation) from 2009 to 2011. Executive Vice President and Chief Financial Officer, Minnesota Sports and Entertainment from 2004 to 2009 and Senior Vice President from 2002 to 2004. Commissioner of Finance, State of Minnesota, from 1999 to 2002. Currently the Board Chair of the Minnesota Wild Foundation since 2010. | Asset Allocation Trust |

Officers

| Name and year of birth | Position held and length of service | Principal occupations during past five years or longer |
|--|-------------------------------------|---|
| Andrew Owen (Born 1960) | President, since 2017 | Executive Vice President of Wells Fargo & Company and Head of Affiliated Managers, Wells Fargo Asset Management, since 2014. In addition, Mr. Owen is currently President, Chief Executive Officer and Director of Wells Fargo Funds Management, LLC since 2017. Prior thereto, Executive Vice President responsible for marketing, investments and product development for Wells Fargo Funds Management, LLC, from 2009 to 2014. |
| Jeremy DePalma ¹ (Born 1974) | Treasurer, since 2012 | Senior Vice President of Wells Fargo Funds Management, LLC since 2009. Senior Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010 and head of the Fund Reporting and Control Team within Fund Administration from 2005 to 2010. |
| Alexander Kymn* | Secretary, since 2018; Chief Legal | Senior Company Counsel of Wells Fargo Bank, N.A. since 2018 (previously Senior Counsel from 2007 to 2018). Vice |

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| | | |
|------------------------------------|--------------------------------------|---|
| (Born 1973) | Officer, since 2018 | President of Wells Fargo Funds Management, LLC from 2008 to 2014. |
| Michael H. Whitaker (Born 1967) | Chief Compliance Officer, since 2016 | Senior Vice President and Chief Compliance Officer since 2016. Senior Vice President and Chief Compliance Officer for Fidelity Investments from 2007 to 2016. |
| David Berardi (Born 1975) | Assistant Treasurer, since 2009 | Vice President of Wells Fargo Funds Management, LLC since 2009. Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010. Manager of Fund Reporting and Control for Evergreen Investment Management Company, LLC from 2004 to 2010. |

¹Jeremy DePalma acts as Treasurer of 76 funds and Assistant Treasurer of 77 funds in the Fund Complex.

*Alexander Kymn became the Secretary and Chief Legal Officer effective April 17, 2018.

Table of Contents

Automatic dividend reinvestment plan

Wells Fargo Multi-Sector Income Fund 45

AUTOMATIC DIVIDEND REINVESTMENT PLAN

All common shareholders are eligible to participate in the Automatic Dividend Reinvestment Plan (the Plan). Pursuant to the Plan, unless a common shareholder is ineligible or elects otherwise, all cash dividends and capital gains distributions are automatically reinvested by Computershare Trust Company, N.A., as agent for shareholders in administering the Plan (Plan Agent), in additional common shares of the Fund. Whenever the Fund declares an ordinary income dividend or a capital gain dividend (collectively referred to as dividends) payable either in shares or in cash, nonparticipants in the Plan will receive cash, and participants in the Plan will receive the equivalent in common shares. The shares are acquired by the Plan Agent for the participant s account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized common shares from the Fund (newly issued common shares) or (ii) by purchase of outstanding common shares on the open-market (open-market purchases) on the NYSE Amex or elsewhere. If, on the payment date for any dividend or distribution, the net asset value per share of the common shares is equal to or less than the market price per common share plus estimated brokerage commissions (market premium), the Plan Agent will invest the amount of such dividend or distribution in newly issued shares on behalf of the participant. The number of newly issued common shares to be credited to the participant s account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If on the dividend payment date the net asset value per share is greater than the market value (market discount), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases. There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent s open-market purchases in connection with the reinvestment of dividends. The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. All correspondence concerning the Plan should be directed to the Plan Agent at 505000, Louisville, Kentucky 40233 or by calling 1-800-730-6001.

Table of Contents

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Table of Contents

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Table of Contents

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Table of Contents

Transfer Agent, Registrar, Shareholder Servicing

Agent & Dividend Disbursing Agent

Computershare Trust Company, N.A.

P.O. Box 505000

Louisville, Kentucky 40233

1-800-730-6001

Website: wellsfargofunds.com

Wells Fargo Funds Management, LLC, is a subsidiary of Wells Fargo & Company and is an affiliate of Wells Fargo & Company's broker/dealer subsidiaries. Certain material contained in this report may be considered marketing material and has been reviewed by Wells Fargo Funds Distributor, LLC, Member FINRA, an affiliate of Wells Fargo & Company. Neither Wells Fargo Funds Management nor Wells Fargo Funds Distributor has Fund customer accounts/assets, and neither provides investment advice/recommendations or acts as an investment advice fiduciary to any investor.

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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SMSI/SAR159 04-18

Table of Contents

ITEM 2. CODE OF ETHICS

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

Not applicable.

ITEM 6. INVESTMENTS

A Portfolio of Investments for Wells Fargo Multi-Sector Income Fund is included as part of the report to shareholders filed under Item 1 of this Form.

**ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END
MANAGEMENT INVESTMENT COMPANIES**

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not applicable.

**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMEMENT INVESTMENT
COMPANY AND AFFILIATED PURCHASERS**

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board of Trustees that have been implemented since the registrant's last provided disclosure in response to the requirements of this Item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The President and Treasurer have concluded that the Wells Fargo 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

Table of Contents

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 second fiscal quarter of the period covered by this report that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS

(a)(1) Not applicable

(a)(2) Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

(a)(3) Not applicable.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) is filed and attached hereto as Exhibit 99.906CERT.

Table of Contents

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/ Andrew Owen
Andrew Owen
President

Date: June 25, 2018

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 date indicated.

Wells Fargo Multi-Sector Income Fund

By: /s/ Andrew Owen
Andrew Owen
President

Date: June 25, 2018

By: /s/ Jeremy DePalma
Jeremy DePalma
Treasurer

Date: June 25, 2018