

WELLS FARGO INCOME OPPORTUNITIES FUND

Form N-Q

September 25, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS**

**OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-21507**

**Wells Fargo Income Opportunities Fund**

**(Exact name of registrant as specified in charter)**

**525 Market Street, 12<sup>th</sup> Floor, San Francisco, CA 94105**

**(Address of principal executive offices) (Zip code)**

**C. David Messman**

**Wells Fargo Funds Management, LLC**

**525 Market Street, 12<sup>th</sup> Floor, San Francisco, CA 94105**

**(Name and address of agent for service)**

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

**Date of fiscal year end: April 30**

**Registrant is making a filing for Wells Fargo Income Opportunities Fund.**

**Date of reporting period: July 31, 2018**

ITEM 1. INVESTMENTS

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2018  
(unaudited)

Security name	Shares	Value
<b>Common Stocks : 0.00%</b>		
<b>Materials : 0.00%</b>		
<b>Chemicals : 0.00%</b>		
<i>LyondellBasell Industries NV Class A</i>	7	\$ 776
<b>Total Common Stocks (Cost \$606)</b>		776

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 114.20%</b>				
<b>Consumer Discretionary : 26.81%</b>				
<b>Auto Components : 2.57%</b>				
<i>Allison Transmission Incorporated 144A</i>	4.75	10-1-2027	\$ 1,695,000	1,572,113
<i>Allison Transmission Incorporated 144A</i>	5.00	10-1-2024	8,325,000	8,179,313
<i>Cooper Tire &amp; Rubber Company</i>	7.63	3-15-2027	5,190,000	5,760,900
<i>Cooper Tire &amp; Rubber Company</i>	8.00	12-15-2019	400,000	422,800
				15,935,126

<b>Distributors : 0.43%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	2,375,000	2,375,000
<i>Spectrum Brands Incorporated</i>	6.63	11-15-2022	250,000	257,500
				2,632,500

<b>Diversified Consumer Services : 2.13%</b>				
<i>Carriage Services Incorporated 144A</i>	6.63	6-1-2026	1,125,000	1,151,719
<i>Service Corporation International</i>	4.63	12-15-2027	1,250,000	1,187,500
<i>Service Corporation International</i>	7.50	4-1-2027	8,125,000	9,059,375
<i>Service Corporation International</i>	8.00	11-15-2021	1,635,000	1,814,850
				13,213,444

<b>Hotels, Restaurants &amp; Leisure : 2.94%</b>				
<i>Brinker International Incorporated 144A</i>	5.00	10-1-2024	850,000	818,125
<i>CCM Merger Incorporated 144A</i>	6.00	3-15-2022	8,475,000	8,623,313
<i>Hilton Domestic Operating Company Incorporated 144A</i>	5.13	5-1-2026	1,175,000	1,175,000
<i>KFC Holding Company 144A</i>	5.00	6-1-2024	2,075,000	2,054,250
<i>Pinnacle Entertainment Incorporated</i>	5.63	5-1-2024	700,000	733,250
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	825,000	810,563
<i>Wyndham Hotels &amp; Resorts Company 144A</i>	5.38	4-15-2026	4,025,000	4,019,969
				18,234,470

<b>Media : 12.73%</b>				
<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	2,270,000	2,289,863
<i>Altice US Finance I Corporation 144A</i>	5.50	5-15-2026	2,200,000	2,158,750
<i>CCO Holdings LLC 144A</i>	4.00	3-1-2023	175,000	167,125

Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>CCO Holdings LLC 144A</i>	5.00	2-1-2028	350,000	327,688
<i>CCO Holdings LLC</i>	5.13	2-15-2023	2,266,000	2,254,670
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	2,965,000	2,957,588
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2027	750,000	716,250
<i>CCO Holdings LLC</i>	5.25	9-30-2022	2,048,000	2,068,480
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	7,195,000	7,069,088
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	325,000	319,313
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	5,675,000	5,642,653
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	2,350,000	2,391,125
<i>Cequel Communications Holdings I LLC 144A</i>	7.75	7-15-2025	3,625,000	3,819,844
<i>Cinemark USA Incorporated</i>	4.88	6-1-2023	750,000	738,975
<i>CSC Holdings LLC 144A</i>	5.38	2-1-2028	1,125,000	1,059,986
<i>CSC Holdings LLC</i>	8.63	2-15-2019	635,000	651,669
<i>Dish Network Corporation</i>	3.38	8-15-2026	625,000	567,784
<i>EMI Music Publishing Group 144A</i>	7.63	6-15-2024	3,528,000	3,797,010
<i>Gray Television Incorporated 144A</i>	5.13	10-15-2024	2,400,000	2,304,000

Portfolio of investments	Wells Fargo Income Opportunities Fund			
July 31, 2018 (unaudited)				
Security name	Interest rate	Maturity date	Principal	Value
<b>Media (continued)</b>				
<i>Gray Television Incorporated 144A</i>	5.88%	7-15-2026	\$ 6,650,000	\$ 6,500,375
<i>Lamar Media Corporation</i>	5.38	1-15-2024	725,000	743,125
<i>LIN Television Corporation</i>	5.88	11-15-2022	425,000	431,906
<i>Live Nation Entertainment Incorporated 144A</i>	4.88	11-1-2024	2,300,000	2,268,375
<i>Live Nation Entertainment Incorporated 144A</i>	5.38	6-15-2022	790,000	803,825
<i>Live Nation Entertainment Incorporated 144A</i>	5.63	3-15-2026	500,000	498,750
<i>National CineMedia LLC</i>	6.00	4-15-2022	7,000,000	7,105,000
<i>Nexstar Broadcasting Group Incorporated 144A</i>	5.63	8-1-2024	725,000	714,125
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	2,865,000	2,911,556
<i>Nielsen Finance LLC 144A</i>	5.00	4-15-2022	1,945,000	1,890,297
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	320,000	322,400
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	735,000	741,240
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	1,275,000	1,286,156
<i>Salem Media Group Incorporated 144A</i>	6.75	6-1-2024	6,225,000	5,633,625
<i>The E.W. Scripps Company 144A</i>	5.13	5-15-2025	6,019,000	5,663,518
				78,816,134
<b>Specialty Retail : 5.21%</b>				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	7,200,000	7,164,000
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	2,259,000	2,230,763
<i>Group 1 Automotive Incorporated 144A</i>	5.25	12-15-2023	3,275,000	3,193,125
<i>Lithia Motors Incorporated 144A</i>	5.25	8-1-2025	6,825,000	6,517,875
<i>Penske Auto Group Incorporated</i>	3.75	8-15-2020	1,045,000	1,031,938
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	5,398,000	5,276,545
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	2,100,000	2,144,142
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	3,200,000	3,016,000
<i>Sonic Automotive Incorporated</i>	6.13	3-15-2027	1,799,000	1,682,065
				32,256,453
<b>Textiles, Apparel &amp; Luxury Goods : 0.80%</b>				
<i>The William Carter Company</i>	5.25	8-15-2021	1,200,000	1,215,420
<i>Wolverine World Wide Incorporated 144A</i>	5.00	9-1-2026	3,925,000	3,728,750
				4,944,170
<b>Consumer Staples : 1.58%</b>				
<b>Beverages : 0.18%</b>				
<i>Cott Beverages Incorporated 144A</i>	5.50	4-1-2025	1,125,000	1,082,813
<b>Food Products : 1.15%</b>				
<i>B&amp;G Foods Incorporated</i>	4.63	6-1-2021	670,000	664,138
<i>B&amp;G Foods Incorporated</i>	5.25	4-1-2025	1,750,000	1,680,000
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	295,000	299,794
<i>Lamb Weston Holdings Incorporated 144A</i>	4.63	11-1-2024	375,000	367,500
<i>Lamb Weston Holdings Incorporated 144A</i>	4.88	11-1-2026	75,000	73,781
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	2,360,000	2,256,750

Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>Pilgrim s Pride Corporation 144A</i>	5.88	9-30-2027	400,000	373,000
<i>Pinnacle Foods Incorporated</i>	5.88	1-15-2024	100,000	105,125
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	660,000	659,175
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	670,000	666,650
				7,145,913

**Household Products : 0.25%**

<i>Central Garden &amp; Pet Company</i>	5.13	2-1-2028	400,000	374,000
<i>Central Garden &amp; Pet Company</i>	6.13	11-15-2023	405,000	416,138
<i>Spectrum Brands Incorporated</i>	5.75	7-15-2025	775,000	773,063
				1,563,201

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy : 27.28%</b>				
<b>Energy Equipment &amp; Services : 8.38%</b>				
<i>Bristow Group Incorporated</i>	6.25%	10-15-2022	\$ 6,900,000	\$ 5,313,000
<i>Bristow Group Incorporated 144A</i>	8.75	3-1-2023	1,550,000	1,519,000
<i>Diamond Offshore Drilling Incorporated</i>	4.88	11-1-2043	2,875,000	2,070,000
<i>Era Group Incorporated</i>	7.75	12-15-2022	4,745,000	4,661,963
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	3,100,000	2,979,875
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	4,195,000	4,184,513
<i>Hornbeck Offshore Services Incorporated</i>	1.50	9-1-2019	7,847,000	7,003,448
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	1,800,000	1,318,500
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	2,450,000	1,947,750
<i>NGPL PipeCo LLC 144A</i>	4.38	8-15-2022	675,000	676,688
<i>NGPL PipeCo LLC 144A</i>	4.88	8-15-2027	1,050,000	1,048,688
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	12,450,000	15,313,500
<i>Oceaneering International Incorporated</i>	6.00	2-1-2028	1,700,000	1,692,118
<i>USA Compression Partners LP 144A</i>	6.88	4-1-2026	2,100,000	2,160,375
				51,889,418
<b>Oil, Gas &amp; Consumable Fuels : 18.90%</b>				
<i>Andeavor Logistics LP</i>	5.25	1-15-2025	1,150,000	1,188,732
<i>Archrock Partners LP</i>	6.00	10-1-2022	1,650,000	1,633,500
<i>Carrizo Oil &amp; Gas Incorporated</i>	8.25	7-15-2025	1,600,000	1,728,000
<i>Cheniere Energy Partners LP</i>	5.25	10-1-2025	9,200,000	9,154,000
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	2,000,000	1,964,530
<i>Continental Resources Incorporated</i>	4.38	1-15-2028	500,000	498,500
<i>DCP Midstream Operating LP</i>	2.70	4-1-2019	1,425,000	1,414,313
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	6,205,000	5,832,700
<i>Denbury Resources Incorporated 144A</i>	9.25	3-31-2022	1,312,000	1,390,720
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	5,475,000	5,448,445
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	1,100,000	1,141,263
<i>EnLink Midstream LLC</i>	4.15	6-1-2025	200,000	187,250
<i>EnLink Midstream Partners LLC</i>	4.40	4-1-2024	6,450,000	6,192,259
<i>EnLink Midstream Partners LP</i>	4.85	7-15-2026	2,275,000	2,187,305
<i>Exterran Partners LP</i>	6.00	4-1-2021	5,075,000	5,049,625
<i>Gulfport Energy Corporation</i>	6.00	10-15-2024	1,625,000	1,568,125
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	1,155,000	1,225,353
<i>Kinder Morgan Incorporated</i>	7.42	2-15-2037	1,820,000	2,091,092
<i>Matador Resources Company</i>	6.88	4-15-2023	700,000	735,875
<i>Murphy Oil Corporation</i>	4.45	12-1-2022	3,200,000	3,162,848
<i>Murphy Oil Corporation</i>	5.75	8-15-2025	360,000	360,907
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	1,425,000	1,496,250
<i>Nabors Industries Incorporated</i>	0.75	1-15-2024	2,850,000	2,224,468
<i>PDC Energy Incorporated</i>	6.13	9-15-2024	950,000	953,563



Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	7,320,000	7,531,548
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	5,300,000	6,148,000
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	1,150,000	1,380,000
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	2,450,000	2,413,250
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	1,775,000	1,695,125
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	2,275,000	2,378,539
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,075,000	3,318,913
<i>SemGroup Corporation</i>	6.38	3-15-2025	5,725,000	5,496,000
<i>SemGroup Corporation</i>	7.25	3-15-2026	2,869,000	2,861,828
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	3,054,000	3,054,000
<i>Southwestern Energy Company</i>	6.20	1-23-2025	75,000	73,969
<i>Southwestern Energy Company</i>	7.50	4-1-2026	750,000	778,125
<i>Southwestern Energy Company</i>	7.75	10-1-2027	750,000	784,219
<i>Summit Midstream Holdings LLC</i>	5.75	4-15-2025	400,000	386,000
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	12,825,000	13,145,625
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	725,000	771,842
<i>Ultra Resources Incorporated 144A</i>	6.88	4-15-2022	2,480,000	1,649,200
<i>Ultra Resources Incorporated 144A</i>	7.13	4-15-2025	7,225,000	4,316,938
<i>Western Gas Partners LP</i>	5.38	6-1-2021	30,000	31,067
				117,043,811

## Portfolio of investments July 31, 2018 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Financials : 6.88%</b>				
<b>Banks : 0.06%</b>				
<i>Citigroup Incorporated</i>	4.13%	3-9-2021	\$ 115,000	\$ 114,856
<i>Citigroup Incorporated</i>	5.25	3-7-2025	25,000	25,563
<i>Citigroup Incorporated</i>	6.13	3-9-2028	195,000	204,750
				345,169
<b>Capital Markets : 0.11%</b>				
<i>MSCI Incorporated 144A</i>	5.38	5-15-2027	675,000	680,063
<b>Consumer Finance : 2.40%</b>				
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	300,000	322,125
<i>Ally Financial Incorporated</i>	8.00	12-31-2018	1,300,000	1,325,350
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	3,016,000	3,212,040
<i>FirstCash Incorporated 144A</i>	5.38	6-1-2024	2,749,000	2,735,255
<i>Navient Corporation</i>	8.00	3-25-2020	2,725,000	2,874,875
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	1,375,000	1,416,250
<i>Springleaf Finance Corporation</i>	7.13	3-15-2026	1,375,000	1,397,344
<i>Springleaf Finance Corporation</i>	8.25	12-15-2020	75,000	81,188
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	1,342,000	1,479,555
				14,843,982
<b>Diversified Financial Services : 3.30%</b>				
<i>Infinity Acquisition LLC 144A</i>	7.25	8-1-2022	1,590,000	1,618,827
<i>LPL Holdings Incorporated 144A</i>	5.75	9-15-2025	16,525,000	16,029,250
<i>MGM Growth Properties Operating Partnership LP</i>	5.63	5-1-2024	225,000	230,063
<i>Tempo Acquisition LLC 144A</i>	6.75	6-1-2025	1,700,000	1,643,390
<i>Vantiv LLC 144A</i>	4.38	11-15-2025	975,000	922,594
				20,444,124
<b>Insurance : 1.01%</b>				
<i>AmWINS Group Incorporated 144A</i>	7.75	7-1-2026	2,200,000	2,299,000
<i>HUB International Limited 144A</i>	7.00	5-1-2026	1,300,000	1,304,875
<i>USIS Merger Subordinate Incorporated 144A</i>	6.88	5-1-2025	2,700,000	2,666,250
				6,270,125
<b>Health Care : 11.80%</b>				
<b>Health Care Equipment &amp; Supplies : 2.35%</b>				
<i>Hill-Rom Holdings Incorporated 144A</i>	5.00	2-15-2025	975,000	940,875
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	325,000	329,875
<i>Hologic Incorporated 144A</i>	4.38	10-15-2025	4,700,000	4,545,887
<i>Hologic Incorporated 144A</i>	4.63	2-1-2028	475,000	446,500
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	4,000,000	4,092,680
<i>Surgery Center Holdings Incorporated 144A</i>	6.75	7-1-2025	1,000,000	943,750

Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>Surgery Center Holdings Incorporated 144A</i>	8.88	4-15-2021	3,150,000	3,236,625
				14,536,192

**Health Care Providers & Services : 8.05%**

<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	310,000	315,425
<i>Centene Corporation 144A</i>	5.38	6-1-2026	1,425,000	1,458,844
<i>Centene Corporation</i>	6.13	2-15-2024	650,000	684,125
<i>CHS Incorporated</i>	5.13	8-1-2021	4,850,000	4,587,809
<i>DaVita HealthCare Partners Incorporated</i>	5.00	5-1-2025	2,125,000	2,002,813
<i>HCA Incorporated</i>	5.88	3-15-2022	750,000	788,438
<i>HCA Incorporated</i>	6.50	2-15-2020	6,525,000	6,791,220
<i>HealthSouth Corporation</i>	5.75	9-15-2025	1,725,000	1,733,625
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	1,075,000	1,066,938
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	6,825,000	7,063,875
<i>MPT Operating Partnership LP</i>	5.00	10-15-2027	2,275,000	2,201,063
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	3,200,000	3,152,000
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	395,000	414,750
<i>NVA Holdings Company 144A</i>	6.88	4-1-2026	425,000	422,875
<i>Polaris Intermediate Corporation 144A</i>	8.50	12-1-2022	1,200,000	1,240,500
<i>Select Medical Corporation</i>	6.38	6-1-2021	6,730,000	6,797,300

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Health Care Providers &amp; Services (continued)</b>				
<i>Tenet Healthcare Corporation</i>	4.63%	7-15-2024	\$ 614,000	\$ 594,813
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	575,000	597,281
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	7,235,000	7,940,413
				49,854,107
<b>Health Care Technology : 1.27%</b>				
<i>Change Healthcare Holdings Incorporated 144A</i>	5.75	3-1-2025	6,300,000	6,095,250
<i>Quintiles IMS Holdings Incorporated 144A</i>	4.88	5-15-2023	1,375,000	1,395,625
<i>Quintiles IMS Holdings Incorporated 144A</i>	5.00	10-15-2026	375,000	373,763
				7,864,638
<b>Life Sciences Tools &amp; Services : 0.13%</b>				
<i>Charles River Laboratories Incorporated 144A</i>	5.50	4-1-2026	800,000	810,000
<b>Industrials : 6.60%</b>				
<b>Aerospace &amp; Defense : 0.11%</b>				
<i>RBS Global &amp; Rexnord LLC 144A</i>	4.88	12-15-2025	700,000	672,000
<b>Airlines : 1.06%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	2,190,000	2,362,244
<i>BBA US Holdings Incorporated 144A</i>	5.38	5-1-2026	4,150,000	4,181,084
				6,543,328
<b>Commercial Services &amp; Supplies : 5.02%</b>				
<i>Acco Brands Corporation 144A</i>	5.25	12-15-2024	725,000	719,563
<i>Advanced Disposal Services Incorporated 144A</i>	5.63	11-15-2024	5,900,000	5,826,250
<i>Aramark Services Incorporated 144A</i>	5.00	2-1-2028	450,000	434,115
<i>Aramark Services Incorporated</i>	5.13	1-15-2024	1,256,000	1,266,990
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	5,393,000	5,393,000
<i>Covanta Holding Corporation</i>	5.88	7-1-2025	1,500,000	1,466,250
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	3,205,000	3,281,119
<i>KAR Auction Services Incorporated 144A</i>	5.13	6-1-2025	11,725,000	11,431,875
<i>Waste Pro USA Incorporated 144A</i>	5.50	2-15-2026	725,000	692,375
<i>Wrangler Buyer Corporation 144A</i>	6.00	10-1-2025	650,000	611,000
				31,122,537
<b>Professional Services : 0.25%</b>				
<i>IHS Markit Limited 144A</i>	4.75	2-15-2025	1,400,000	1,403,500
<i>IHS Markit Limited 144A</i>	5.00	11-1-2022	125,000	128,339
				1,531,839
<b>Trading Companies &amp; Distributors : 0.16%</b>				
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	1,015,000	1,018,500

**Information Technology : 10.31%****Communications Equipment : 0.26%**

<i>CommScope Technologies Finance LLC 144A</i>	6.00	6-15-2025	1,550,000	1,596,500
--	------	-----------	-----------	-----------

**Internet Software & Services : 1.67%**

<i>Infor (US) Incorporated</i>	6.50	5-15-2022	875,000	885,938
--------------------------------	------	-----------	---------	---------

<i>Infor Software Parent LLC (PIK at 7.88%) 144A</i>	7.13	5-1-2021	1,260,000	1,272,600
--	------	----------	-----------	-----------

<i>Zayo Group LLC 144A</i>	5.75	1-15-2027	1,975,000	1,955,250
----------------------------	------	-----------	-----------	-----------

<i>Zayo Group LLC</i>	6.00	4-1-2023	625,000	639,063
-----------------------	------	----------	---------	---------

<i>Zayo Group LLC</i>	6.38	5-15-2025	5,396,000	5,584,860
-----------------------	------	-----------	-----------	-----------

				10,337,711
--	--	--	--	------------

## Portfolio of investments July 31, 2018 (unaudited)

## Wells Fargo Income Opportunities Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>IT Services : 3.51%</b>				
<i>Cardtronics Incorporated</i>	5.13%	8-1-2022	\$ 3,375,000	\$ 3,197,813
<i>Cardtronics Incorporated 144A</i>	5.50	5-1-2025	3,100,000	2,759,000
<i>First Data Corporation 144A</i>	5.00	1-15-2024	2,325,000	2,345,344
<i>First Data Corporation 144A</i>	5.38	8-15-2023	550,000	557,563
<i>First Data Corporation 144A</i>	5.75	1-15-2024	2,100,000	2,147,250
<i>First Data Corporation 144A</i>	7.00	12-1-2023	5,425,000	5,675,906
<i>Gartner Incorporated 144A</i>	5.13	4-1-2025	4,975,000	5,019,259
				21,702,135
<b>Semiconductors &amp; Semiconductor Equipment : 0.11%</b>				
<i>Micron Technology Incorporated</i>	5.50	2-1-2025	659,000	681,241
<b>Software : 0.56%</b>				
<i>CDK Global Incorporated</i>	4.88	6-1-2027	425,000	415,969
<i>CDK Global Incorporated</i>	5.00	10-15-2024	1,050,000	1,071,000
<i>CDK Global Incorporated</i>	5.88	6-15-2026	650,000	666,250
<i>Fair Isaac Corporation 144A</i>	5.25	5-15-2026	350,000	351,504
<i>Symantec Corporation 144A</i>	5.00	4-15-2025	975,000	961,669
				3,466,392
<b>Technology Hardware, Storage &amp; Peripherals : 4.20%</b>				
<i>Dell International LLC 144A</i>	5.88	6-15-2021	5,125,000	5,246,334
<i>Dell International LLC 144A</i>	7.13	6-15-2024	9,450,000	10,158,750
<i>NCR Corporation</i>	5.88	12-15-2021	380,000	385,700
<i>NCR Corporation</i>	6.38	12-15-2023	10,038,000	10,238,760
				26,029,544
<b>Materials : 4.27%</b>				
<b>Chemicals : 0.18%</b>				
<i>Celanese U.S. Holdings LLC</i>	5.88	6-15-2021	440,000	464,227
<i>Valvoline Incorporated</i>	5.50	7-15-2024	625,000	631,250
				1,095,477
<b>Containers &amp; Packaging : 4.04%</b>				
<i>Ball Corporation</i>	4.88	3-15-2026	1,100,000	1,095,875
<i>Ball Corporation</i>	5.25	7-1-2025	630,000	645,750
<i>Berry Plastics Corporation</i>	5.13	7-15-2023	700,000	694,750
<i>Berry Plastics Corporation</i>	6.00	10-15-2022	575,000	587,938
<i>Crown Americas LLC 144A</i>	4.75	2-1-2026	1,650,000	1,551,000
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	2,910,000	3,142,800
<i>Flex Acquisition Company Incorporated 144A</i>	6.88	1-15-2025	3,425,000	3,330,813
<i>Flex Acquisition Company Incorporated 144A</i>	7.88	7-15-2026	750,000	755,175
<i>Owens-Brockway Glass Container Incorporated 144A</i>	5.38	1-15-2025	925,000	914,594
	5.88	8-15-2023	1,300,000	1,319,500

Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

*Owens-Brockway Glass Container Incorporated  
144A*

<i>Owens-Illinois Incorporated 144A</i>	6.38	8-15-2025	7,800,000	7,995,000
<i>Reynolds Group Issuer Incorporated 144A</i>	5.13	7-15-2023	401,000	398,754
<i>Sealed Air Corporation 144A</i>	5.13	12-1-2024	2,350,000	2,367,625
<i>Silgan Holdings Incorporated</i>	5.50	2-1-2022	225,000	227,250
				25,026,824

**Metals & Mining : 0.05%**

<i>Indalex Holdings Corporation (a)</i>	11.50	2-1-2020	5,985,000	0
<i>Novelis Corporation 144A</i>	6.25	8-15-2024	325,000	325,813
				325,813

**Real Estate : 7.63%**

**Equity REITs : 7.63%**

<i>CoreCivic Incorporated</i>	4.63	5-1-2023	800,000	776,000
<i>CoreCivic Incorporated</i>	5.00	10-15-2022	2,175,000	2,169,563
<i>Crown Castle International Corporation</i>	4.88	4-15-2022	760,000	783,155

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2018  
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Equity REITs (continued)</b>				
<i>Crown Castle International Corporation</i>	5.25%	1-15-2023	\$ 4,385,000	\$ 4,599,690
<i>Equinix Incorporated</i>	5.75	1-1-2025	2,300,000	2,371,875
<i>Equinix Incorporated</i>	5.88	1-15-2026	2,350,000	2,429,313
<i>ESH Hospitality Incorporated 144A</i>	5.25	5-1-2025	7,800,000	7,566,000
<i>Iron Mountain Incorporated 144A</i>	4.38	6-1-2021	2,500,000	2,493,750
<i>Iron Mountain Incorporated 144A</i>	5.25	3-15-2028	1,325,000	1,225,625
<i>Iron Mountain Incorporated 144A</i>	5.38	6-1-2026	2,175,000	2,068,969
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	5,185,000	5,301,663
<i>MGM Growth Properties LLC</i>	4.50	1-15-2028	775,000	707,188
<i>Sabra Health Care REIT Incorporated</i>	5.38	6-1-2023	2,100,000	2,105,250
<i>Sabra Health Care REIT Incorporated</i>	5.50	2-1-2021	2,285,000	2,316,419
<i>SBA Communications Corporation</i>	4.00	10-1-2022	250,000	241,955
<i>SBA Communications Corporation</i>	4.88	7-15-2022	1,485,000	1,479,431
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	1,874,000	1,824,264
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	2,595,000	2,620,950
<i>The Geo Group Incorporated</i>	5.88	10-15-2024	2,925,000	2,851,875
<i>The Geo Group Incorporated</i>	6.00	4-15-2026	1,360,000	1,326,000
				47,258,935

**Telecommunication Services : 4.78%****Diversified Telecommunication Services : 2.17%**

<i>GCI Incorporated</i>	6.75	6-1-2021	2,625,000	2,658,994
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	1,595,000	1,577,056
<i>Level 3 Financing Incorporated</i>	5.25	3-15-2026	1,050,000	1,011,938
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	2,545,000	2,551,363
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	1,125,000	1,113,750
<i>Level 3 Financing Incorporated</i>	5.38	5-1-2025	1,595,000	1,555,125
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	1,275,000	1,284,563
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	1,690,000	1,705,311
				13,458,100

**Wireless Telecommunication Services : 2.61%**

<i>Sprint Capital Corporation</i>	6.88	11-15-2028	2,600,000	2,502,500
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	2,675,000	2,878,969
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	380,000	397,100
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2026	1,900,000	1,992,625
<i>T-Mobile USA Incorporated</i>	4.00	4-15-2022	1,075,000	1,062,906
<i>T-Mobile USA Incorporated</i>	4.50	2-1-2026	225,000	211,500
<i>T-Mobile USA Incorporated</i>	4.75	2-1-2028	225,000	208,620
<i>T-Mobile USA Incorporated</i>	5.13	4-15-2025	725,000	728,190
<i>T-Mobile USA Incorporated</i>	5.38	4-15-2027	2,050,000	2,021,813
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	500,000	515,000
<i>T-Mobile USA Incorporated</i>	6.00	4-15-2024	275,000	284,625
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	3,050,000	3,179,625



Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	140,000	145,950
				16,129,423

**Utilities : 6.26%**

**Electric Utilities : 0.05%**

<i>NextEra Energy Incorporated 144A</i>	4.25	9-15-2024	350,000	337,750
---	------	-----------	---------	---------

**Gas Utilities : 0.35%**

<i>AmeriGas Partners LP</i>	5.75	5-20-2027	2,250,000	2,151,563
-----------------------------	------	-----------	-----------	-----------

**Independent Power & Renewable Electricity Producers : 5.86%**

<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	8,427,007	9,259,174
------------------------------	------	------------	-----------	-----------

<i>Pattern Energy Group Incorporated 144A</i>	5.88	2-1-2024	11,518,000	11,604,385
---	------	----------	------------	------------

<i>TerraForm Global Operating LLC 144A</i>	6.13	3-1-2026	2,800,000	2,723,000
--	------	----------	-----------	-----------

<i>TerraForm Power Operating LLC 144A</i>	4.25	1-31-2023	7,950,000	7,651,875
---	------	-----------	-----------	-----------

<i>TerraForm Power Operating LLC 144A</i>	5.00	1-31-2028	1,275,000	1,200,094
---	------	-----------	-----------	-----------

<i>TerraForm Power Operating LLC 144A</i>	6.63	6-15-2025	3,600,000	3,834,000
---	------	-----------	-----------	-----------

36,272,528

<b>Total Corporate Bonds and Notes (Cost \$709,492,377)</b>				707,163,993
---	--	--	--	-------------

Portfolio of investments	July 31, 2018 (unaudited)	Wells Fargo Income Opportunities Fund		
Security name	Interest rate	Maturity date	Principal	Value
<b>Loans : 4.88%</b>				
<b>Consumer Discretionary : 2.16%</b>				
<b>Auto Components : 0.55%</b>				
<i>Federal-Mogul Corporation (1 Month LIBOR +3.75%) ±</i>	5.82%	4-15-2021	\$ 3,408,159	\$ 3,412,419
<b>Hotels, Restaurants &amp; Leisure : 1.61%</b>				
<i>CCM Merger Incorporated (1 Month LIBOR +2.75%) ±</i>	4.83	8-8-2021	755,214	756,913
<i>Montreign Operating Company LLC (3 Month LIBOR +8.25%) ±</i>	10.59	12-7-2022	10,398,938	9,185,693 9,942,606
<b>Energy : 0.12%</b>				
<b>Oil, Gas &amp; Consumable Fuels : 0.12%</b>				
<i>Chesapeake Energy Corporation (1 Month LIBOR +7.50%) ±</i>	9.58	8-23-2021	725,000	757,263
<b>Financials : 0.34%</b>				
<b>Diversified Financial Services : 0.34%</b>				
<i>Resolute Investment Managers Incorporated (3 Month LIBOR +7.50%) ±</i>	9.84	4-30-2023	2,110,000	2,131,100
<b>Health Care : 0.36%</b>				
<b>Health Care Providers &amp; Services : 0.02%</b>				
<i>Press Ganey Holdings Incorporated (1 Month LIBOR +6.50%) ±</i>	8.58	10-21-2024	112,360	113,484
<b>Health Care Technology : 0.34%</b>				
<i>Emerald Bidco Incorporated (1 Month LIBOR +2.75%) ±</i>	4.83	10-23-2023	2,110,324	2,109,670
<b>Industrials : 0.28%</b>				
<b>Commercial Services &amp; Supplies : 0.28%</b>				
<i>Advantage Sales &amp; Marketing LLC (1 Month LIBOR +6.50%) ±</i>	8.58	7-25-2022	2,025,000	1,764,281
<b>Information Technology : 1.26%</b>				
<b>Internet Software &amp; Services : 1.26%</b>				
<i>Ancestry.com Incorporated (1 Month LIBOR +3.25%) ±</i>	5.33	10-19-2023	7,771,125	7,771,125
<b>Real Estate : 0.21%</b>				
<b>Real Estate Management &amp; Development : 0.21%</b>				
<i>Capital Automotive LP (1 Month LIBOR +6.00%) ±</i>	8.08	3-24-2025	1,262,425	1,281,362

**Utilities : 0.15%**

**Independent Power & Renewable Electricity Producers : 0.15%**

*Vistra Energy Corporation (1 Month LIBOR*

+2.25%) ±

4.33

12-14-2023

911,125

910,633

**Total Loans (Cost \$31,491,488)**

30,193,943

## Wells Fargo Income Opportunities Fund

Portfolio of investments July 31, 2018  
(unaudited)

Security name	Expiration date	Shares	Value
<b>Rights : 0.06%</b>			
<b>Utilities : 0.06%</b>			
<b>Independent Power &amp; Renewable Electricity Producers : 0.06%</b>			
<i>Vistra Energy Corporation</i>	12-31-2046	559,650	\$ 341,387
<b>Total Rights (Cost \$582,794)</b>			341,387

	Interest rate	Maturity date	Principal	
<b>Yankee Corporate Bonds and Notes : 11.29%</b>				
<b>Consumer Discretionary : 0.10%</b>				
<b>Textiles, Apparel &amp; Luxury Goods : 0.10%</b>				
<i>Eagle Intermediate Global Holding BV 144A</i>	7.50%	5-1-2025	\$ 600,000	597,000
<b>Energy : 3.30%</b>				
<b>Energy Equipment &amp; Services : 0.88%</b>				
<i>Enscoc plc</i>	5.75	10-1-2044	7,377,000	5,366,768
<i>Trinidad Drilling Limited 144A</i>	6.63	2-15-2025	100,000	97,000
				5,463,768

<b>Oil, Gas &amp; Consumable Fuels : 2.42%</b>				
<i>Baytex Energy Corporation 144A</i>	5.13	6-1-2021	3,600,000	3,483,000
<i>Baytex Energy Corporation 144A</i>	5.63	6-1-2024	2,434,000	2,281,875
<i>Griffin Coal Mining Company Limited 144A(a)</i>	9.50	12-1-2016	1,410,935	0
<i>Griffin Coal Mining Company Limited (a)</i>	9.50	12-1-2016	193,118	0
<i>Rockpoint Gas Storage 144A</i>	7.00	3-31-2023	2,950,000	2,935,250
<i>Teekay Corporation</i>	8.50	1-15-2020	6,050,000	6,284,438
				14,984,563

<b>Financials : 2.31%</b>				
<b>Banks : 0.71%</b>				
<i>Nielsen Holding and Finance BV 144A</i>	5.00	2-1-2025	4,000,000	3,690,000
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	700,000	698,250
<i>Preferred Term Securities XII Limited (a)</i>	1.00	12-24-2033	1,540,000	0
				4,388,250

<b>Diversified Financial Services : 1.60%</b>				
<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	10,515,000	9,686,944
<i>Intelsat Jackson Holdings SA 144A</i>	8.00	2-15-2024	225,000	236,531
				9,923,475

<b>Health Care : 2.45%</b>				
<b>Pharmaceuticals : 2.45%</b>				
<i>Bausch Health Companies Incorporated 144A</i>	5.50	3-1-2023	3,825,000	3,624,188
<i>Bausch Health Companies Incorporated 144A</i>	5.50	11-1-2025	925,000	925,870

Edgar Filing: WELLS FARGO INCOME OPPORTUNITIES FUND - Form N-Q

<i>Bausch Health Companies Incorporated 144A</i>	5.88	5-15-2023	3,600,000	3,457,800
<i>Bausch Health Companies Incorporated 144A</i>	6.13	4-15-2025	3,750,000	3,515,625
<i>Bausch Health Companies Incorporated 144A</i>	6.50	3-15-2022	525,000	547,418
<i>Bausch Health Companies Incorporated 144A</i>	7.00	3-15-2024	975,000	1,033,744
<i>Bausch Health Companies Incorporated 144A</i>	7.50	7-15-2021	1,266,000	1,291,478
<i>Bausch Health Companies Incorporated 144A</i>	8.50	1-31-2027	750,000	770,250
				15,166,373

**Industrials : 1.66%**

**Commercial Services & Supplies : 1.33%**

<i>Ritchie Brothers Auctioneers Incorporated 144A</i>	5.38	1-15-2025	8,400,000	8,263,500
---	------	-----------	-----------	-----------

**Machinery : 0.33%**

<i>Sensata Technologies BV 144A</i>	5.00	10-1-2025	760,000	760,000
<i>Sensata Technologies BV 144A</i>	6.25	2-15-2026	1,225,000	1,284,719
				2,044,719

Portfolio of investments		July 31, 2018 (unaudited)			Wells Fargo Income Opportunities Fund	
Security name	Interest rate	Maturity date	Principal	Value		
<b>Materials : 1.07%</b>						
<b>Containers &amp; Packaging : 0.99%</b>						
<i>Ardagh Packaging Finance plc 144A</i>	4.25%	9-15-2022	\$ 600,000	\$ 589,500		
<i>Ardagh Packaging Finance plc 144A</i>	4.63	5-15-2023	275,000	271,563		
<i>Ardagh Packaging Finance plc 144A</i>	6.00	2-15-2025	3,000,000	2,928,750		
<i>Ardagh Packaging Finance plc 144A</i>	7.25	5-15-2024	1,300,000	1,355,250		
<i>OI European Group BV 144A</i>	4.00	3-15-2023	1,075,000	1,015,875		
				6,160,938		
<b>Metals &amp; Mining : 0.08%</b>						
<i>ArcelorMittal SA</i>	6.13	6-1-2025	450,000	487,440		
<b>Telecommunication Services : 0.40%</b>						
<b>Diversified Telecommunication Services : 0.40%</b>						
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	1,925,000	1,828,716		
<i>Virgin Media Finance plc 144A</i>	6.38	4-15-2023	605,000	621,638		
				2,450,354		
<b>Total Yankee Corporate Bonds and Notes (Cost \$71,011,734)</b>				69,930,380		
		<b>Yield</b>		<b>Shares</b>		
<b>Short-Term Investments : 5.43%</b>						
<b>Investment Companies : 5.43%</b>						
<i>Wells Fargo Government Money Market Fund</i>						
<i>Select Class (l)(u)</i>	1.83		33,619,480	33,619,480		
<b>Total Short-Term Investments (Cost \$33,619,480)</b>				33,619,480		
<b>Total investments in securities (Cost \$846,198,479)</b>						
			135.86%	841,249,959		
<i>Other assets and liabilities, net</i>			(35.86)	(222,027,527)		
<b>Total net assets</b>				100.00% \$ 619,222,432		

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.

¥ 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.

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

Security is valued using significant unobservable inputs.

Non-income-earning security

(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.*

*Abbreviations:*

*LIBOR* London Interbank Offered Rate

*REIT* Real estate investment trust

**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:

	<b>Shares, beginning of period</b>	<b>Shares purchased</b>	<b>Shares sold</b>	<b>Shares, end of period</b>	<b>Value, end of period</b>	<b>% of net assets</b>
<b>Short-Term Investments</b>						
<b>Investment Companies</b>						
Wells Fargo Government Money Market Fund Select Class	44,347,095	28,665,253	39,392,868	33,619,480	\$ 33,619,480	5.43%



**Wells Fargo Income Opportunities Fund (the Fund )**

**Notes to Portfolio of investments July 31, 2018 (unaudited)**

**Securities valuation**

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

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

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

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 at Wells Fargo Funds Management, LLC. 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 subadvisor. 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.

**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.

### **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 July 31, 2018:

	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets</b>				
<b>Investments in :</b>				
<b>Common stocks</b>				
Materials	\$ 776	\$ 0	\$ 0	\$ 776
<b>Corporate bonds and notes</b>	0	706,402,404	0	706,402,404
<b>Loans</b>	0	26,667,997	3,525,946	30,193,943
<b>Rights</b>				
Utilities	0	341,387	0	341,387
<b>Yankee corporate bonds and notes</b>	0	70,691,969	0	70,691,969
<b>Short-term investments</b>				
Investment companies	33,619,480	0	0	33,619,480
<b>Total assets</b>	<b>\$ 33,620,256</b>	<b>\$ 804,103,757</b>	<b>\$ 3,525,946</b>	<b>\$ 841,249,959</b>

The Fund recognizes transfers between levels within the fair value hierarchy at the end of the reporting period. At July 31, 2018, the Fund did not have any transfers into/out of Level 1. Bank loans with a market value of \$9,185,693 were transferred from Level 3 to Level 2 due to an increase in the number of market contributors.

ITEM 2. CONTROLS AND PROCEDURES

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

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

**SIGNATURES**

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

Wells Fargo Income Opportunities Fund

By: /s/ Andrew Owen  
Andrew Owen  
President

Date: September 24, 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 dates indicated.

Wells Fargo Income Opportunities Fund

By: /s/ Andrew Owen  
Andrew Owen  
President

Date: September 24, 2018

By: /s/ Jeremy DePalma  
Jeremy DePalma  
Treasurer

Date: September 24, 2018