

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

January 27, 2012

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

Washington, D.C. 20549

**FORM N-Q**

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

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

**Wells Fargo Advantage Utilities and High Income Fund**

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

**C. David Messman**

**Wells Fargo Funds Management, LLC**

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

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

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

**Date of fiscal year end: August 31, 2011**

**Date of reporting period: November 30, 2011**

ITEM 1. SCHEDULE OF INVESTMENTS

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

| Security Name  | Shares    | Value        |
|--|-----------|--------------|
| <b>Common Stocks: 74.35%</b>                           |           |              |
| <b>Consumer Discretionary : 9.27%</b>                  |           |              |
| <b>Media : 9.27%</b>                                   |           |              |
| Comcast Corporation Class A                            | 47,900    | \$ 1,085,870 |
| Dish Network Corporation                               | 200,000   | 4,914,000    |
| Mediaset SpA   | 1,310,000 | 3,872,523    |
|  |           | 9,872,393    |
| <b>Energy : 8.56%</b>                                  |           |              |
| <b>Oil, Gas &amp; Consumable Fuels : 8.56%</b>         |           |              |
| Enbridge Incorporated                                  | 30,000    | 1,058,100    |
| EQT Corporation  | 15,000    | 930,150      |
| Southwestern Energy Company                            | 25,000    | 951,250      |
| Spectra Energy Corporation                             | 100,000   | 2,942,000    |
| The Williams Companies Incorporated                    | 100,000   | 3,228,000    |
|  |           | 9,109,500    |
| <b>Financials : 4.83%</b>                              |           |              |
| <b>Consumer Finance : 4.83%</b>                        |           |              |
| MasterCard Incorporated                                | 9,000     | 3,370,950    |
| Visa Incorporated Class A                              | 18,200    | 1,764,854    |
|  |           | 5,135,804    |
| <b>Industrials : 0.10%</b>                             |           |              |
| <b>Construction &amp; Engineering: 0.10%</b>           |           |              |
| Ameresco Incorporated Class A                          | 9,000     | 106,920      |
| <b>Information Technology : 0.91%</b>                  |           |              |
| <b>IT Services: 0.91%</b>                              |           |              |
| Convergys Corporation                                  | 75,000    | 969,000      |
| <b>Telecommunication Services : 13.15%</b>             |           |              |
| <b>Diversified Telecommunication Services : 10.03%</b> |           |              |
| BCE Incorporated                                       | 16,000    | 627,040      |
| France Telecom SA                                      | 150,000   | 2,589,080    |
| Shenandoah Telecommunications Company                  | 40,000    | 441,600      |
| Tele2 AB Series B                                      | 250,000   | 4,986,076    |
| Telecom Italia RSP                                     | 357,100   | 348,926      |
| Telefonica Brasil ADR                                  | 18,600    | 501,642      |
| Windstream Corporation                                 | 100,000   | 1,176,000    |
|  |           | 10,670,364   |
| <b>Wireless Telecommunication Services : 3.12%</b>     |           |              |
| Sprint Nextel Corporation #                            | 366,099   | 988,467      |
| Turkcell Iletisim Hizmetleri AS ADR                    | 80,000    | 1,008,000    |
| Vimpelcom Limited ADR                                  | 100,000   | 1,192,000    |
| Vodafone Group plc ADR                                 | 5,000     | 135,750      |
|  |           | 3,324,217    |

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PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name                                  | Shares  | Value      |
|--|---------|------------|
| <b>Utilities : 37.53%</b>                      |         |            |
| <b>Electric Utilities : 26.48%</b>             |         |            |
| American Electric Power Company Incorporated   | 600     | \$ 23,808  |
| CenterPoint Energy Incorporated                | 50,000  | 995,000    |
| CH Energy Group Incorporated                   | 500     | 28,175     |
| Chesapeake Utilities Corporation               | 200     | 8,598      |
| China Hydroelectric Company ADR                | 10,000  | 7,600      |
| Duke Energy Corporation                        | 500     | 10,425     |
| Edison International                           | 2,000   | 78,620     |
| Enel SpA                                       | 500,000 | 2,130,448  |
| Entergy Corporation                            | 1,000   | 70,360     |
| FirstEnergy Corporation                        | 75,000  | 3,335,250  |
| Great Plains Energy Incorporated               | 150,000 | 3,156,000  |
| Hawaiian Electric Industries Incorporated      | 100,000 | 2,591,000  |
| ITC Holdings Corporation                       | 36,000  | 2,661,120  |
| Nextera Energy Incorporated                    | 70,000  | 3,880,800  |
| Northeast Utilities                            | 100,000 | 3,461,000  |
| NSTAR  | 1,000   | 45,490     |
| NV Energy Incorporated                         | 75,000  | 1,150,500  |
| Pepco Holdings Incorporated                    | 100     | 1,978      |
| Portland General Electric Company              | 75,000  | 1,878,750  |
| Progress Energy Incorporated                   | 400     | 21,752     |
| South Jersey Industries Incorporated           | 200     | 11,236     |
| The Southern Company                           | 60,000  | 2,634,600  |
|  |         | 28,182,510 |
| <b>Gas Utilities : 4.96%</b>                   |         |            |
| El Paso Corporation                            | 25,000  | 625,250    |
| MDU Resources Group Incorporated               | 500     | 10,735     |
| National Fuel Gas Company                      | 80,000  | 4,636,000  |
| New Jersey Resources Corporation               | 200     | 9,462      |
|  |         | 5,281,447  |
| <b>Multi-Utilities : 4.20%</b>                 |         |            |
| Dominion Resources Incorporated                | 300     | 15,486     |
| Public Service Enterprise Group Incorporated   | 100,000 | 3,294,000  |
| Sempra Energy                                  | 19,900  | 1,058,481  |
| Wisconsin Energy Corporation                   | 3,000   | 99,540     |
|  |         | 4,467,507  |
| <b>Water Utilities : 1.89%</b>                 |         |            |
| American Water Works Company Incorporated      | 50,000  | 1,553,500  |
| Middlesex Water Company                        | 25,000  | 462,500    |
|  |         | 2,016,000  |
| <b>Total Common Stocks (Cost \$74,242,886)</b> |         | 79,135,662 |

|  | Interest Rate | Maturity Date | Principal |
|--|---------------|---------------|-----------|
| <b>Corporate Bonds and Notes: 29.47%</b> |               |               |           |
| <b>Consumer Discretionary : 6.08%</b>    |               |               |           |
| <b>Auto Components : 0.63%</b>           |               |               |           |

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|   |       |            |            |         |
|---|-------|------------|------------|---------|
| <i>Allison Transmission Incorporated 144A</i> | 7.13% | 05/15/2019 | \$ 250,000 | 235,625 |
| <i>Cooper Tire &amp; Rubber Company</i>       | 7.63  | 03/15/2027 | 215,000    | 201,025 |

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

| Security Name                      | Interest Rate | Maturity Date | Principal  | Value      |
|------------------------------------|---------------|---------------|------------|------------|
| <b>Auto Components (continued)</b> |               |               |            |            |
| Goodyear Tire & Rubber Company     | 10.50%        | 05/15/2016    | \$ 218,000 | \$ 239,255 |
|                                    |               |               |            | 675,905    |

**Diversified Consumer Services : 0.80%**

|   |      |            |         |         |
|---|------|------------|---------|---------|
| Carriage Services Incorporated              | 7.88 | 01/15/2015 | 185,000 | 185,000 |
| Mac-Gray Corporation                        | 7.63 | 08/15/2015 | 42,000  | 42,840  |
| Service Corporation International           | 6.75 | 04/01/2016 | 100,000 | 106,250 |
| Service Corporation International           | 7.50 | 04/01/2027 | 465,000 | 445,238 |
| Service Corporation International           | 8.00 | 11/15/2021 | 40,000  | 43,800  |
| Service Corporation International Series WI | 7.00 | 06/15/2017 | 25,000  | 26,750  |
|   |      |            |         | 849,878 |

**Hotels, Restaurants & Leisure : 1.49%**

|  |       |            |         |           |
|--|-------|------------|---------|-----------|
| Ameristar Casinos Incorporated 144A            | 7.50  | 04/15/2021 | 150,000 | 150,000   |
| Burger King Corporation                        | 9.88  | 10/15/2018 | 75,000  | 81,844    |
| Chukchansi Economic Development Authority 144A | 4.12  | 11/15/2012 | 100,000 | 55,000    |
| Cinemark USA Incorporated 144A                 | 7.38  | 06/15/2021 | 75,000  | 74,813    |
| Citycenter Holdings LLC 144A                   | 7.63  | 01/15/2016 | 25,000  | 24,750    |
| Citycenter Holdings LLC 144A <sup>¥</sup>      | 11.50 | 01/15/2017 | 131,947 | 130,628   |
| DineEquity Incorporated 144A                   | 9.50  | 10/30/2018 | 300,000 | 310,500   |
| Greektown Superholdings Incorporated           | 13.00 | 07/01/2015 | 300,000 | 307,500   |
| Greektown Superholdings Incorporated           | 13.00 | 07/01/2015 | 150,000 | 153,750   |
| Scientific Games Corporation                   | 9.25  | 06/15/2019 | 60,000  | 63,000    |
| Speedway Motorsports Incorporated              | 6.75  | 02/01/2019 | 25,000  | 24,875    |
| Speedway Motorsports Incorporated              | 8.75  | 06/01/2016 | 120,000 | 130,200   |
| Yonkers Racing Corporation 144A                | 11.38 | 07/15/2016 | 75,000  | 75,938    |
|  |       |            |         | 1,582,798 |

**Household Durables: 0.02%**

|                                |      |            |        |        |
|--------------------------------|------|------------|--------|--------|
| American Greetings Corporation | 7.38 | 12/01/2021 | 25,000 | 25,281 |
|--------------------------------|------|------------|--------|--------|

**Media : 2.62%**

|  |       |            |         |           |
|--|-------|------------|---------|-----------|
| Barrington Broadcasting Group LLC                  | 10.50 | 08/15/2014 | 50,000  | 51,250    |
| Cablevision Systems Corporation                    | 8.63  | 09/15/2017 | 145,000 | 151,525   |
| CCH II Capital Corporation                         | 13.50 | 11/30/2016 | 605,000 | 697,263   |
| Charter Communications Incorporated Step Bond 144A | 10.88 | 09/15/2014 | 595,000 | 639,625   |
| Cinemark USA Incorporated                          | 8.63  | 06/15/2019 | 25,000  | 26,875    |
| CSC Holdings LLC                                   | 7.88  | 02/15/2018 | 50,000  | 54,500    |
| DISH DBS Corporation                               | 7.88  | 09/01/2019 | 115,000 | 121,900   |
| Gray Television Incorporated                       | 10.50 | 06/29/2015 | 50,000  | 46,500    |
| Interactive Data Corporation 144A                  | 10.25 | 08/01/2018 | 100,000 | 107,000   |
| Lamar Media Corporation                            | 7.88  | 04/15/2018 | 75,000  | 77,438    |
| Lamar Media Corporation Series C                   | 9.75  | 04/01/2014 | 25,000  | 27,313    |
| LIN Television Corporation                         | 8.38  | 04/15/2018 | 75,000  | 75,750    |
| Local TV Finance LLC 144A <sup>¥</sup>             | 9.25  | 06/15/2015 | 175,000 | 164,500   |
| NAI Entertainment Holdings LLC 144A                | 8.25  | 12/15/2017 | 75,000  | 78,188    |
| Regal Cinemas Corporation                          | 8.63  | 07/15/2019 | 200,000 | 211,500   |
| Regal Entertainment Group                          | 9.13  | 08/15/2018 | 25,000  | 26,125    |
| Salem Communications Corporation                   | 9.63  | 12/15/2016 | 218,000 | 227,810   |
|  |       |            |         | 2,785,062 |

**Specialty Retail : 0.32%**

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|  |      |            |         |        |
|--|------|------------|---------|--------|
| <i>Gap Incorporated</i>                | 5.95 | 04/12/2021 | 50,000  | 47,254 |
| <i>Limited Brands Incorporated</i>     | 6.63 | 04/01/2021 | 25,000  | 26,063 |
| <i>Radioshack Corporation</i>          | 6.75 | 05/15/2019 | 100,000 | 86,250 |
| <i>Rent A Center Incorporated 144A</i> | 6.63 | 11/15/2020 | 25,000  | 25,000 |



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| Security Name   | Interest Rate | Maturity Date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Specialty Retail (continued)</b>                     |               |               |            |            |
| <i>Toys R Us Property Company LLC</i>                   | 8.50%         | 12/01/2017    | \$ 150,000 | \$ 153,375 |
|   |               |               |            | 337,942    |
| <b>Textiles, Apparel &amp; Luxury Goods: 0.20%</b>      |               |               |            |            |
| <i>Oxford Industries Incorporated</i>                   | 11.38         | 07/15/2015    | 200,000    | 219,000    |
| <b>Consumer Staples : 0.22%</b>                         |               |               |            |            |
| <b>Food Products : 0.22%</b>                            |               |               |            |            |
| <i>Darling International Incorporated 144A</i>          | 8.50          | 12/15/2018    | 25,000     | 27,500     |
| <i>Dole Food Company Incorporated</i>                   | 13.88         | 03/15/2014    | 181,000    | 209,508    |
|   |               |               |            | 237,008    |
| <b>Energy : 4.96%</b>                                   |               |               |            |            |
| <b>Energy Equipment &amp; Services : 1.00%</b>          |               |               |            |            |
| <i>Bristow Group Incorporated</i>                       | 7.50          | 09/15/2017    | 110,000    | 113,300    |
| <i>Dresser Rand Group Incorporated 144A</i>             | 6.50          | 05/01/2021    | 75,000     | 73,688     |
| <i>Gulfmark Offshore Incorporated</i>                   | 7.75          | 07/15/2014    | 225,000    | 225,000    |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 6.13          | 12/01/2014    | 260,000    | 261,300    |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 8.00          | 09/01/2017    | 55,000     | 56,100     |
| <i>Oil States International Incorporated 144A</i>       | 6.50          | 06/01/2019    | 125,000    | 125,625    |
| <i>PHI Incorporated</i>                                 | 8.63          | 10/15/2018    | 200,000    | 195,500    |
| <i>Pride International Incorporated</i>                 | 8.50          | 06/15/2019    | 10,000     | 12,472     |
|   |               |               |            | 1,062,985  |
| <b>Oil, Gas &amp; Consumable Fuels : 3.96%</b>          |               |               |            |            |
| <i>Amerigas Partners Finance Corporation</i>            | 6.25          | 08/20/2019    | 150,000    | 145,500    |
| <i>Chesapeake Energy Corporation</i>                    | 9.50          | 02/15/2015    | 255,000    | 286,875    |
| <i>Coffeyville Resources Energy Incorporated 144A</i>   | 9.00          | 04/01/2015    | 45,000     | 47,925     |
| <i>Coffeyville Resources Energy Incorporated 144A</i>   | 10.88         | 04/01/2017    | 100,000    | 112,500    |
| <i>Consol Energy Incorporated</i>                       | 8.25          | 04/01/2020    | 165,000    | 177,375    |
| <i>Denbury Resources Incorporated</i>                   | 6.38          | 08/15/2021    | 25,000     | 25,500     |
| <i>Denbury Resources Incorporated</i>                   | 8.25          | 02/15/2020    | 25,000     | 27,156     |
| <i>El Paso Corporation</i>                              | 6.50          | 09/15/2020    | 45,000     | 47,998     |
| <i>El Paso Corporation</i>                              | 7.25          | 06/01/2018    | 175,000    | 189,738    |
| <i>El Paso Corporation</i>                              | 7.42          | 02/15/2037    | 90,000     | 99,900     |
| <i>El Paso Corporation</i>                              | 7.80          | 08/01/2031    | 100,000    | 115,000    |
| <i>Encore Acquisition Company</i>                       | 9.50          | 05/01/2016    | 50,000     | 55,125     |
| <i>Energy Transfer Equity</i>                           | 7.50          | 10/15/2020    | 300,000    | 310,500    |
| <i>Ferrellgas LP</i>                                    | 9.13          | 10/01/2017    | 200,000    | 206,000    |
| <i>Forest Oil Corporation</i>                           | 7.25          | 06/15/2019    | 95,000     | 94,050     |
| <i>Forest Oil Corporation</i>                           | 8.50          | 02/15/2014    | 65,000     | 69,875     |
| <i>Holly Corporation</i>                                | 9.88          | 06/15/2017    | 220,000    | 241,450    |
| <i>Inergy Holdings LP 144A</i>                          | 7.00          | 10/01/2018    | 50,000     | 49,000     |
| <i>Inergy Holdings LP 144A</i>                          | 6.88          | 08/01/2021    | 50,000     | 47,500     |
| <i>Newfield Exploration Company</i>                     | 6.88          | 02/01/2020    | 55,000     | 57,750     |
| <i>Overseas Shipholding Group Incorporated</i>          | 7.50          | 02/15/2024    | 75,000     | 43,875     |
| <i>Peabody Energy Corporation</i>                       | 7.88          | 11/01/2026    | 315,000    | 337,050    |
| <i>Penn Virginia Corporation</i>                        | 10.38         | 06/15/2016    | 10,000     | 10,775     |
| <i>Petrohawk Energy Corporation</i>                     | 7.88          | 06/01/2015    | 95,000     | 101,175    |
| <i>Petrohawk Energy Corporation</i>                     | 10.50         | 08/01/2014    | 60,000     | 66,825     |
| <i>Pioneer Natural Resource Company</i>                 | 7.50          | 01/15/2020    | 145,000    | 168,079    |

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|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Plains Exploration &amp; Production Company</i> | 8.63 | 10/15/2019 | 325,000 | 354,250 |
| <i>Regency Energy Partners</i>                     | 6.88 | 12/01/2018 | 25,000  | 26,125  |
| <i>Sabine Pass LNG LP</i>                          | 7.25 | 11/30/2013 | 250,000 | 247,500 |
| <i>Sabine Pass LNG LP</i>                          | 7.50 | 11/30/2016 | 200,000 | 198,250 |
| <i>Suburban Propane Partners LP</i>                | 7.38 | 03/15/2020 | 25,000  | 25,813  |

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| Security Name   | Interest Rate | Maturity Date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>        |               |               |            |            |
| <i>Susser Holdings LLC</i>                                | 8.50%         | 05/15/2016    | \$ 125,000 | \$ 134,063 |
| <i>Tesoro Corporation</i>                                 | 9.75          | 06/01/2019    | 90,000     | 100,463    |
|   |               |               |            | 4,220,960  |
| <b>Financials : 6.42%</b>                                 |               |               |            |            |
| <b>Capital Markets : 0.71%</b>                            |               |               |            |            |
| <i>E*TRADE Financial Corporation ¥</i>                    | 12.50         | 11/30/2017    | 68,000     | 76,840     |
| <i>Nuveen Investments Incorporated</i>                    | 5.50          | 09/15/2015    | 225,000    | 188,438    |
| <i>Nuveen Investments Incorporated</i>                    | 10.50         | 11/15/2015    | 250,000    | 236,250    |
| <i>Nuveen Investments Incorporated 144A</i>               | 10.50         | 11/15/2015    | 150,000    | 143,250    |
| <i>Oppenheimer Holdings Incorporated</i>                  | 8.75          | 04/15/2018    | 125,000    | 115,781    |
|   |               |               |            | 760,559    |
| <b>Commercial Banks : 0.63%</b>                           |               |               |            |            |
| <i>CIT Group Incorporated 144A</i>                        | 5.25          | 04/01/2014    | 100,000    | 98,000     |
| <i>CIT Group Incorporated</i>                             | 7.00          | 05/04/2015    | 425,000    | 422,344    |
| <i>CIT Group Incorporated</i>                             | 7.00          | 05/01/2016    | 100,000    | 98,950     |
| <i>CIT Group Incorporated</i>                             | 7.00          | 05/01/2017    | 50,000     | 49,500     |
|   |               |               |            | 668,794    |
| <b>Consumer Finance : 2.86%</b>                           |               |               |            |            |
| <i>American General Finance Corporation</i>               | 5.40          | 12/01/2015    | 150,000    | 102,375    |
| <i>American General Finance Corporation</i>               | 5.75          | 09/15/2016    | 50,000     | 33,125     |
| <i>American General Finance Corporation</i>               | 6.50          | 09/15/2017    | 50,000     | 32,813     |
| <i>Calpine Construction Finance Corporation 144A</i>      | 7.25          | 10/15/2017    | 400,000    | 408,000    |
| <i>Calpine Construction Finance Corporation 144A</i>      | 8.00          | 06/01/2016    | 125,000    | 132,813    |
| <i>Clearwire Communications Finance Corporation 144A</i>  | 12.00         | 12/01/2015    | 130,000    | 109,850    |
| <i>Ford Motor Credit Company LLC</i>                      | 8.00          | 12/15/2016    | 25,000     | 28,102     |
| <i>GMAC LLC</i>   | 6.75          | 12/01/2014    | 36,000     | 35,280     |
| <i>GMAC LLC</i>   | 6.88          | 08/28/2012    | 146,000    | 147,460    |
| <i>Homer City Funding LLC</i>                             | 8.73          | 10/01/2026    | 139,376    | 119,166    |
| <i>International Lease Finance Corporation</i>            | 6.75          | 09/01/2016    | 50,000     | 50,250     |
| <i>International Lease Finance Corporation</i>            | 8.63          | 09/15/2015    | 75,000     | 74,813     |
| <i>JBS USA Finance Incorporated</i>                       | 11.63         | 05/01/2014    | 420,000    | 467,250    |
| <i>Nielsen Finance LLC</i>                                | 7.75          | 10/15/2018    | 425,000    | 449,438    |
| <i>Nielsen Finance LLC</i>                                | 11.50         | 05/01/2016    | 49,000     | 55,860     |
| <i>Springleaf Finance Corporation</i>                     | 6.90          | 12/15/2017    | 225,000    | 151,313    |
| <i>Sprint Capital Corporation</i>                         | 6.88          | 11/15/2028    | 675,000    | 470,813    |
| <i>Sprint Capital Corporation</i>                         | 8.75          | 03/15/2032    | 220,000    | 171,050    |
|   |               |               |            | 3,039,771  |
| <b>Diversified Financial Services : 0.88%</b>             |               |               |            |            |
| <i>Ally Financial Incorporated 144A</i>                   | 8.30          | 02/12/2015    | 825,000    | 835,313    |
| <i>General Motors Financial Company Incorporated 144A</i> | 6.75          | 06/01/2018    | 100,000    | 99,614     |
|   |               |               |            | 934,927    |
| <b>Insurance : 0.55%</b>                                  |               |               |            |            |
| <i>Emigrant Bancorp Incorporated (i)144A</i>              | 6.25          | 06/15/2014    | 225,000    | 201,596    |
| <i>HUB International Holdings Incorporated 144A</i>       | 10.25         | 06/15/2015    | 275,000    | 266,063    |
| <i>USI Holdings Corporation</i>                           | 9.75          | 05/15/2015    | 125,000    | 118,125    |
|   |               |               |            | 585,784    |

**REIT : 0.79%**

|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Dupont Fabros Technology Incorporated</i> | 8.50 | 12/15/2017 | 565,000 | 596,075 |
|--|------|------------|---------|---------|

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PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal | Value     |
|--|---------------|---------------|-----------|-----------|
| <b>REIT (continued)</b>                                    |               |               |           |           |
| <i>Host Marriott Corporation</i>                           | 9.00%         | 05/15/2017    | \$ 30,000 | \$ 32,925 |
| <i>Omega Healthcare Investors 144A</i>                     | 6.75          | 10/15/2022    | 125,000   | 123,125   |
| <i>Ventas Incorporated</i>                                 | 9.00          | 05/01/2012    | 90,000    | 92,152    |
|  |               |               |           | 844,277   |
| <b>Health Care : 1.09%</b>                                 |               |               |           |           |
| <b>Health Care Equipment &amp; Supplies : 0.16%</b>        |               |               |           |           |
| <i>Biomet Incorporated 144A</i>                            | 10.38         | 10/15/2017    | 60,000    | 64,350    |
| <i>Biomet Incorporated</i>                                 | 11.63         | 10/15/2017    | 100,000   | 107,000   |
|  |               |               |           | 171,350   |
| <b>Health Care Providers &amp; Services : 0.83%</b>        |               |               |           |           |
| <i>Apria Healthcare Group</i>                              | 11.25         | 11/01/2014    | 70,000    | 69,563    |
| <i>Aviv Healthcare Properties LP 144A</i>                  | 7.75          | 02/15/2019    | 100,000   | 94,500    |
| <i>Centene Corporation</i>                                 | 5.75          | 06/01/2017    | 75,000    | 73,125    |
| <i>Emergency Medical Services</i>                          | 8.13          | 06/01/2019    | 25,000    | 24,563    |
| <i>HCA Incorporated</i>                                    | 6.50          | 02/15/2020    | 150,000   | 149,250   |
| <i>HCA Incorporated</i>                                    | 7.50          | 02/15/2022    | 25,000    | 24,625    |
| <i>Health Management Associates Incorporated</i>           | 7.38          | 01/15/2020    | 25,000    | 25,156    |
| <i>Health Management Associates Incorporated</i>           | 6.13          | 04/15/2016    | 50,000    | 50,875    |
| <i>Healthsouth Corporation</i>                             | 7.25          | 10/01/2018    | 25,000    | 24,344    |
| <i>Healthsouth Corporation</i>                             | 7.75          | 09/15/2022    | 25,000    | 24,250    |
| <i>MPT Operating Partnership LP</i>                        | 6.88          | 05/01/2021    | 125,000   | 123,750   |
| <i>Sabra Health Care Corporation</i>                       | 8.13          | 11/01/2018    | 150,000   | 147,188   |
| <i>United Surgical Partners International Incorporated</i> | 8.88          | 05/01/2017    | 50,000    | 49,625    |
|  |               |               |           | 880,814   |
| <b>Life Sciences Tools &amp; Services: 0.03%</b>           |               |               |           |           |
| <i>Community Health Systems Incorporated Series WI</i>     | 8.88          | 07/15/2015    | 30,000    | 30,825    |
| <b>Pharmaceuticals : 0.07%</b>                             |               |               |           |           |
| <i>Mylan Incorporated 144A</i>                             | 6.00          | 11/15/2018    | 25,000    | 24,938    |
| <i>Mylan Incorporated 144A</i>                             | 7.63          | 07/15/2017    | 25,000    | 26,563    |
| <i>Mylan Incorporated 144A</i>                             | 7.88          | 07/15/2020    | 25,000    | 26,625    |
|  |               |               |           | 78,126    |
| <b>Industrials : 1.95%</b>                                 |               |               |           |           |
| <b>Aerospace &amp; Defense : 0.51%</b>                     |               |               |           |           |
| <i>Alliant Techsystems Incorporated</i>                    | 6.75          | 04/01/2016    | 225,000   | 228,938   |
| <i>Geoeeye Incorporated</i>                                | 9.63          | 10/01/2015    | 55,000    | 61,050    |
| <i>Hexcel Corporation</i>                                  | 6.75          | 02/01/2015    | 53,000    | 53,729    |
| <i>L-3 Communications Holdings Incorporated</i>            | 6.38          | 10/15/2015    | 167,000   | 170,549   |
| <i>Transdigm Incorporated</i>                              | 7.75          | 12/15/2018    | 25,000    | 25,750    |
|  |               |               |           | 540,016   |
| <b>Commercial Services &amp; Supplies : 0.84%</b>          |               |               |           |           |
| <i>Casella Waste Systems Incorporated</i>                  | 11.00         | 07/15/2014    | 220,000   | 237,600   |
| <i>Corrections Corporation of America</i>                  | 6.25          | 03/15/2013    | 60,000    | 60,150    |
| <i>Corrections Corporation of America</i>                  | 7.75          | 06/01/2017    | 95,000    | 103,075   |
| <i>Geo Group Incorporated</i>                              | 7.75          | 10/15/2017    | 125,000   | 131,563   |
| <i>Iron Mountain Incorporated</i>                          | 8.38          | 08/15/2021    | 155,000   | 162,750   |

|                                  |      |            |        |        |
|----------------------------------|------|------------|--------|--------|
| <i>KAR Holdings Incorporated</i> | 4.43 | 05/01/2014 | 75,000 | 72,188 |
|----------------------------------|------|------------|--------|--------|

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

| Security Name   | Interest Rate | Maturity Date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Commercial Services &amp; Supplies (continued)</b>             |               |               |            |            |
| <i>NCO Group Incorporated</i>                                     | 11.88%        | 11/15/2014    | \$ 125,000 | \$ 123,906 |
|   |               |               |            | 891,232    |
| <b>Industrial Conglomerates: 0.22%</b>                            |               |               |            |            |
| <i>Otter Tail Corporation</i>                                     | 9.00          | 12/15/2016    | 215,000    | 231,125    |
| <b>Machinery : 0.29%</b>  |               |               |            |            |
| <i>Cleaver-Brooks Incorporated 144A</i>                           | 12.25         | 05/01/2016    | 55,000     | 55,000     |
| <i>Columbus McKinnon Corporation 144A</i>                         | 7.88          | 02/01/2019    | 75,000     | 75,750     |
| <i>CPM Holdings Incorporated</i>                                  | 10.63         | 09/01/2014    | 150,000    | 159,563    |
| <i>Titan International Incorporated 144A</i>                      | 7.88          | 10/01/2017    | 25,000     | 25,969     |
|   |               |               |            | 316,282    |
| <b>Metals &amp; Mining: 0.04%</b>                                 |               |               |            |            |
| <i>Crown Cork &amp; Seal Company Incorporated</i>                 | 7.50          | 12/15/2096    | 50,000     | 39,500     |
| <b>Road &amp; Rail: 0.05%</b>                                     |               |               |            |            |
| <i>RailAmerica Incorporated</i>                                   | 9.25          | 07/01/2017    | 50,000     | 54,500     |
| <b>Information Technology : 2.42%</b>                             |               |               |            |            |
| <b>Communications Equipment : 0.36%</b>                           |               |               |            |            |
| <i>Avaya Incorporated</i>   | 9.75          | 11/01/2015    | 100,000    | 78,250     |
| <i>EchoStar DBS Corporation</i>                                   | 7.13          | 02/01/2016    | 50,000     | 51,375     |
| <i>Lucent Technologies Incorporated</i>                           | 6.45          | 03/15/2029    | 155,000    | 111,600    |
| <i>Lucent Technologies Incorporated Series B</i>                  | 2.88          | 06/15/2025    | 160,000    | 139,200    |
|   |               |               |            | 380,425    |
| <b>Computers &amp; Peripherals : 0.19%</b>                        |               |               |            |            |
| <i>Seagate Technology HDD Holdings</i>                            | 6.80          | 10/01/2016    | 50,000     | 51,500     |
| <i>Seagate Technology HDD Holdings 144A</i>                       | 6.88          | 05/01/2020    | 25,000     | 25,375     |
| <i>Seagate Technology HDD Holdings 144A</i>                       | 7.00          | 11/01/2021    | 25,000     | 25,000     |
| <i>Seagate Technology HDD Holdings 144A</i>                       | 7.75          | 12/15/2018    | 100,000    | 103,000    |
|   |               |               |            | 204,875    |
| <b>Electronic Equipment, Instruments &amp; Components : 0.80%</b> |               |               |            |            |
| <i>CDW LLC</i>  | 12.54         | 10/12/2017    | 25,000     | 24,750     |
| <i>Jabil Circuit Incorporated</i>                                 | 8.25          | 03/15/2018    | 620,000    | 703,700    |
| <i>Viasystem Group Incorporated 144A</i>                          | 12.00         | 01/15/2015    | 115,000    | 123,050    |
|   |               |               |            | 851,500    |
| <b>Internet Software &amp; Services: 0.09%</b>                    |               |               |            |            |
| <i>Equinix Incorporated</i>                                       | 8.13          | 03/01/2018    | 95,000     | 101,175    |
| <b>IT Services : 0.98%</b>  |               |               |            |            |
| <i>Audatex North American Incorporated</i>                        | 6.75          | 06/15/2018    | 25,000     | 25,188     |
| <i>Fidelity National Information Services Incorporated</i>        | 7.88          | 07/15/2020    | 100,000    | 106,000    |
| <i>First Data Corporation</i>                                     | 7.38          | 06/15/2019    | 50,000     | 47,000     |
| <i>First Data Corporation</i>                                     | 11.25         | 03/31/2016    | 375,000    | 305,625    |
| <i>SunGard Data Systems Incorporated</i>                          | 7.38          | 11/15/2018    | 50,000     | 49,250     |
| <i>SunGard Data Systems Incorporated</i>                          | 7.63          | 11/15/2020    | 25,000     | 24,750     |
| <i>SunGard Data Systems Incorporated</i>                          | 10.25         | 08/15/2015    | 300,000    | 309,000    |

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|  |       |            |        |        |
|--|-------|------------|--------|--------|
| <i>TW Telecommunications Holdings Incorporated</i> | 8.00  | 03/01/2018 | 75,000 | 78,750 |
| <i>Unisys Corporation 144A</i>                     | 12.75 | 10/15/2014 | 47,000 | 53,169 |



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PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal | Value     |
|--|---------------|---------------|-----------|-----------|
| <b>IT Services (continued)</b>                         |               |               |           |           |
| <i>Unisys Corporation 144A</i>                         | 14.25%        | 09/15/2015    | \$ 36,000 | \$ 40,725 |
|  |               |               |           | 1,039,457 |
| <b>Materials : 1.12%</b>                               |               |               |           |           |
| <b>Chemicals : 0.30%</b>                               |               |               |           |           |
| <i>Huntsman International LLC</i>                      | 5.50          | 06/30/2016    | 140,000   | 133,700   |
| <i>Lyondell Chemical Company</i>                       | 11.00         | 05/01/2018    | 119,904   | 129,197   |
| <i>Solutia Incorporated</i>                            | 7.88          | 03/15/2020    | 50,000    | 53,250    |
|  |               |               |           | 316,147   |
| <b>Containers &amp; Packaging : 0.15%</b>              |               |               |           |           |
| <i>Crown Americas LLC</i>                              | 7.63          | 05/15/2017    | 25,000    | 27,313    |
| <i>Graham Packaging Company Incorporated</i>           | 9.88          | 10/15/2014    | 100,000   | 101,250   |
| <i>Owens Brockway Glass Container Incorporated</i>     | 7.38          | 05/15/2016    | 25,000    | 27,000    |
|  |               |               |           | 155,563   |
| <b>Metals &amp; Mining : 0.44%</b>                     |               |               |           |           |
| <i>Freeport-McMoRan Copper &amp; Gold Incorporated</i> | 8.38          | 04/01/2017    | 295,000   | 313,806   |
| <i>Novelis Incorporated</i>                            | 8.38          | 12/15/2017    | 100,000   | 104,000   |
| <i>Novelis Incorporated</i>                            | 8.75          | 12/15/2020    | 50,000    | 52,750    |
|  |               |               |           | 470,556   |
| <b>Paper &amp; Forest Products : 0.23%</b>             |               |               |           |           |
| <i>Clearwater Paper Corporation</i>                    | 10.63         | 06/15/2016    | 70,000    | 77,700    |
| <i>Georgia-Pacific Corporation</i>                     | 8.88          | 05/15/2031    | 125,000   | 168,689   |
|  |               |               |           | 246,389   |
| <b>Telecommunication Services : 3.07%</b>              |               |               |           |           |
| <b>Diversified Telecommunication Services : 1.61%</b>  |               |               |           |           |
| <i>Citizens Communications Company</i>                 | 7.88          | 01/15/2027    | 200,000   | 162,000   |
| <i>Frontier Communications Corporation</i>             | 8.13          | 10/01/2018    | 60,000    | 57,300    |
| <i>Frontier Communications Corporation</i>             | 8.25          | 05/01/2014    | 140,000   | 144,550   |
| <i>GCI Incorporated 144A</i>                           | 6.75          | 06/01/2021    | 75,000    | 71,813    |
| <i>GCI Incorporated</i>                                | 8.63          | 11/15/2019    | 150,000   | 156,750   |
| <i>Intelsat Jackson Holdings Limited 144A</i>          | 7.25          | 04/01/2019    | 75,000    | 73,125    |
| <i>Intelsat Jackson Holdings Limited 144A</i>          | 7.50          | 04/01/2021    | 50,000    | 47,500    |
| <i>Intelsat Jackson Holdings Limited</i>               | 9.50          | 06/15/2016    | 300,000   | 312,750   |
| <i>Qwest Corporation</i>                               | 7.50          | 06/15/2023    | 180,000   | 180,000   |
| <i>Qwest Corporation</i>                               | 7.63          | 08/03/2021    | 20,000    | 19,150    |
| <i>SBA Telecommunications Incorporated</i>             | 8.00          | 08/15/2016    | 50,000    | 53,500    |
| <i>SBA Telecommunications Incorporated</i>             | 8.25          | 08/15/2019    | 25,000    | 26,906    |
| <i>U.S. West Communications Incorporated</i>           | 7.25          | 09/15/2025    | 125,000   | 128,125   |
| <i>Windstream Corporation</i>                          | 7.88          | 11/01/2017    | 265,000   | 276,925   |
|  |               |               |           | 1,710,394 |
| <b>Wireless Telecommunication Services : 1.46%</b>     |               |               |           |           |
| <i>Allbritton Communications Company</i>               | 8.00          | 05/15/2018    | 100,000   | 95,000    |
| <i>CC Holdings GS V LLC 144A</i>                       | 7.75          | 05/01/2017    | 50,000    | 53,875    |
| <i>Cricket Communications Incorporated</i>             | 7.75          | 10/15/2020    | 125,000   | 98,125    |
| <i>Cricket Communications Incorporated Series I</i>    | 7.75          | 05/15/2016    | 125,000   | 124,688   |
| <i>Crown Castle International Corporation</i>          | 7.13          | 11/01/2019    | 10,000    | 10,725    |

|                         |      |            |        |        |
|-------------------------|------|------------|--------|--------|
| <i>Intelsat Limited</i> | 7.25 | 10/15/2020 | 75,000 | 71,438 |
|-------------------------|------|------------|--------|--------|

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

| Security Name  | Interest Rate | Maturity Date | Principal  | Value      |
|--|---------------|---------------|------------|------------|
| <b>Wireless Telecommunication Services (continued)</b> |               |               |            |            |
| <i>MetroPCS Communications Incorporated</i>            | 6.63%         | 11/15/2020    | \$ 250,000 | \$ 218,125 |
| <i>MetroPCS Communications Incorporated</i>            | 7.88          | 09/01/2018    | 50,000     | 48,250     |
| <i>Sprint Nextel Corporation</i>                       | 9.00          | 11/15/2018    | 150,000    | 151,125    |
| <i>Sprint Nextel Corporation</i>                       | 11.50         | 11/15/2021    | 25,000     | 23,563     |
| <i>Sprint Nextel Corporation Series D</i>              | 7.38          | 08/01/2015    | 375,000    | 330,000    |
| <i>Syniverse Holdings Incorporation 144A</i>           | 9.13          | 01/15/2019    | 325,000    | 333,125    |
|  |               |               |            | 1,558,039  |

**Utilities : 2.14%**

**Electric Utilities : 1.92%**

|   |       |            |         |           |
|---|-------|------------|---------|-----------|
| <i>Aquila Incorporated Step Bond</i>        | 11.88 | 07/01/2012 | 794,000 | 840,225   |
| <i>Dolphin Subsidiary Incorporated</i>      | 7.25  | 10/15/2021 | 175,000 | 184,188   |
| <i>Energy Future Holdings Corporation ¥</i> | 12.00 | 11/01/2017 | 52,529  | 43,074    |
| <i>IPALCO Enterprises Incorporated 144A</i> | 5.00  | 05/01/2018 | 75,000  | 71,231    |
| <i>Mirant Mid-Atlantic LLC Series C</i>     | 10.06 | 12/30/2028 | 438,432 | 459,258   |
| <i>NRG Energy Incorporated</i>              | 7.38  | 01/15/2017 | 250,000 | 260,000   |
| <i>NRG Energy Incorporated</i>              | 8.50  | 06/15/2019 | 185,000 | 184,075   |
|   |       |            |         | 2,042,051 |

**Gas Utilities: 0.05%**

|                             |      |            |        |        |
|-----------------------------|------|------------|--------|--------|
| <i>AmeriGas Partners LP</i> | 6.50 | 05/20/2021 | 50,000 | 48,500 |
|-----------------------------|------|------------|--------|--------|

**Independent Power Producers & Energy Traders : 0.17%**

|                                    |      |            |        |         |
|------------------------------------|------|------------|--------|---------|
| <i>Reliant Energy Incorporated</i> | 9.24 | 07/02/2017 | 95,082 | 93,181  |
| <i>Reliant Energy Incorporated</i> | 9.68 | 07/02/2026 | 10,000 | 9,800   |
| <i>RRI Energy Incorporated</i>     | 7.63 | 06/15/2014 | 50,000 | 49,750  |
| <i>RRI Energy Incorporated</i>     | 7.88 | 06/15/2017 | 30,000 | 28,950  |
|                                    |      |            |        | 181,681 |

**Total Corporate Bonds and Notes (Cost \$30,999,649)** 31,371,453

**Preferred Stocks: 7.53%**

**Financials : 0.04%**

**Consumer Finance: 0.04%**

|                             | Dividend Yield | Shares |        |
|-----------------------------|----------------|--------|--------|
| <i>GMAC Capital Trust I</i> | 8.13           | 2,200  | 41,800 |

**Utilities : 7.49%**

**Electric Utilities : 3.05%**

|   |       |        |           |
|---|-------|--------|-----------|
| <i>Great Plains Energy Incorporated</i>     | 12.00 | 50,000 | 3,167,000 |
| <i>Interstate Power &amp; Light Company</i> | 8.38  | 2,913  | 83,021    |
|   |       |        | 3,250,021 |

**Multi-Utilities: 4.44%**

|                          |      |         |           |
|--------------------------|------|---------|-----------|
| <i>Scana Corporation</i> | 7.70 | 165,000 | 4,722,300 |
|--------------------------|------|---------|-----------|

**Total Preferred Stocks (Cost \$7,631,715)** 8,014,121

Interest Rate Principal

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**Term Loans: 3.41%**

|  |      |            |           |         |
|--|------|------------|-----------|---------|
| <i>Arrowhead General Insurance Agency Incorporated</i> | 7.50 | 03/03/2017 | \$ 99,500 | 97,510  |
| <i>Capital Automotive LP</i>                           | 5.00 | 03/10/2017 | 284,622   | 276,974 |

PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name  | Interest Rate | Maturity Date | Principal  | Value      |
|--|---------------|---------------|------------|------------|
| <b>Term Loans (continued)</b>                          |               |               |            |            |
| <i>CCM Merger Incorporated</i>                         | 7.00%         | 03/01/2017    | \$ 365,296 | \$ 362,100 |
| <i>Coinmach Corporation</i>                            | 3.27          | 11/20/2014    | 271,919    | 241,736    |
| <i>Fairpoint Communications Incorporated</i>           | 6.50          | 01/22/2016    | 375,000    | 296,933    |
| <i>Federal Mogul Corporation</i>                       | 2.19          | 12/29/2014    | 32,684     | 30,171     |
| <i>Federal Mogul Corporation</i>                       | 2.19          | 12/28/2015    | 16,675     | 15,394     |
| <i>First Data Corporation</i>                          | 3.01          | 09/24/2014    | 475,437    | 420,933    |
| <i>Gray Television Incorporated</i>                    | 3.75          | 12/31/2014    | 71,260     | 69,568     |
| <i>HHI Holdings LLC</i>                                | 7.00          | 03/21/2017    | 99,500     | 97,759     |
| <i>Local TV Finance LLC</i>                            | 2.26          | 05/07/2013    | 106,284    | 102,631    |
| <i>Merisant Company (i)</i>                            | 7.50          | 01/08/2014    | 79,860     | 78,462     |
| <i>NCO Group Incorporated</i>                          | 8.00          | 11/15/2013    | 67,588     | 66,955     |
| <i>Newsday LLC</i>                                     | 10.50         | 08/01/2013    | 365,000    | 375,494    |
| <i>Panoram Industries International (i)</i>            | 8.25          | 12/31/2013    | 21,052     | 19,631     |
| <i>Springleaf Finance Corporation</i>                  | 5.50          | 05/05/2017    | 100,000    | 86,688     |
| <i>Texas Competitive Electric Holdings Company LLC</i> | 3.76          | 10/10/2014    | 1,296,940  | 940,281    |
| <i>WASH Multifamily Laundry Systems LLC</i>            | 7.00          | 08/28/2014    | 49,616     | 48,955     |
| <b>Total Term Loans (Cost \$3,899,103)</b>             |               |               |            | 3,628,175  |

## Shares

|  |  |  |        |     |
|--|--|--|--------|-----|
| <b>Warrants: 0.00%</b>                 |  |  |        |     |
| <b>Utilities : 0.00%</b>               |  |  |        |     |
| <b>Electric Utilities: 0.00%</b>       |  |  |        |     |
| <i>China Hydroelectric Company ADR</i> |  |  | 10,000 | 498 |
| <b>Total Warrants (Cost \$12,000)</b>  |  |  |        | 498 |

## Principal

|  |       |            |           |         |
|--|-------|------------|-----------|---------|
| <b>Yankee Corporate Bonds and Notes: 0.74%</b>     |       |            |           |         |
| <b>Consumer Discretionary : 0.08%</b>              |       |            |           |         |
| <b>Media: 0.08%</b>                                |       |            |           |         |
| <i>Videotron Limited</i>                           | 9.13  | 04/15/2018 | \$ 75,000 | 82,313  |
| <b>Energy : 0.16%</b>                              |       |            |           |         |
| <b>Oil, Gas &amp; Consumable Fuels: 0.16%</b>      |       |            |           |         |
| <i>Griffin Coal Mining Company Limited 144A(s)</i> | 9.50  | 12/31/2049 | 225,339   | 171,539 |
| <b>Financials : 0.17%</b>                          |       |            |           |         |
| <b>Consumer Finance: 0.09%</b>                     |       |            |           |         |
| <i>Wind Acquisition Finance SA</i>                 | 11.75 | 07/15/2017 | 110,000   | 94,875  |
| <b>Diversified Financial Services: 0.08%</b>       |       |            |           |         |
| <i>Ship Finance International Limited</i>          | 8.50  | 12/15/2013 | 105,000   | 89,250  |
| <b>Materials : 0.14%</b>                           |       |            |           |         |
| <b>Metals &amp; Mining: 0.06%</b>                  |       |            |           |         |
| <i>Teck Resources Limited</i>                      | 10.75 | 05/15/2019 | 55,000    | 67,650  |



## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS November 30, 2011 (UNAUDITED)

| Security Name   | Interest Rate | Maturity Date | Principal     | Value          |
|---|---------------|---------------|---------------|----------------|
| <b>Paper &amp; Forest Products: 0.08%</b>   |               |               |               |                |
| <i>Sappi Limited</i>  | 7.50%         | 06/15/2032    | \$ 100,000    | \$ 79,500      |
| <b>Telecommunication Services : 0.19%</b>   |               |               |               |                |
| <b>Wireless Telecommunication Services : 0.19%</b>  |               |               |               |                |
| <i>Digicel Group Limited</i>  | 12.00         | 04/01/2014    | 20,000        | 22,150         |
| <i>Intelsat Limited</i>   | 11.25         | 06/15/2016    | 175,000       | 182,000        |
|   |               |               |               | 204,150        |
| <b>Total Yankee Corporate Bonds and Notes (Cost \$795,613)</b>                            |               |               |               | 789,277        |
|   | <b>Yield</b>  |               | <b>Shares</b> |                |
| <b>Short-Term Investments: 2.62%</b>  |               |               |               |                |
| <b>Investment Companies : 2.62%</b>   |               |               |               |                |
| <i>Wells Fargo Advantage Cash Investment Money Market Fund Institutional Class (l)(u)</i> | 0.05          |               | 2,789,318     | 2,789,318      |
| <b>Total Short-Term Investments (Cost \$2,789,318)</b>                                    |               |               |               | 2,789,318      |
| <b>Total Investments in Securities (Cost \$120,370,284)*</b>                              |               |               |               | 125,728,504    |
| <i>Other Assets and Liabilities, Net</i>  |               |               |               | (19,288,370)   |
| <b>Total Net Assets</b>   |               |               |               | \$ 106,440,134 |

(i) Illiquid security.

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

¥ A 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.  
Non-income earning security.

(s) Security is currently in default with regards to scheduled interest and/or principal payments. The Fund has stopped accruing interest on this security.

(l) Investment in an affiliate.

(u) Rate shown is the 7-day annualized yield at period end.

# All or a portion of this security is segregated as collateral for investments in derivative instruments.

\* Cost for federal income tax purposes is \$120,768,274 and net unrealized appreciation (depreciation) consists of:

|                                    |                     |
|------------------------------------|---------------------|
| Gross unrealized appreciation      | \$ 13,900,487       |
| Gross unrealized depreciation      | (8,940,257)         |
| <b>Net unrealized appreciation</b> | <b>\$ 4,960,230</b> |

**WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND**

NOTES TO PORTFOLIO OF INVESTMENTS November 30, 2011 (unaudited)

The following notes are to be read in conjunction with the Portfolio of Investments for Wells Fargo Advantage Utilities and High Income Fund (the Fund ).

**Securities valuation**

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

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

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

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

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

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

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

**Foreign currency translation**

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

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

**When-issued transactions**



The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued

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

### Term loans

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

### Options

The Fund may be subject to equity price risk in the normal course of pursuing its investment objectives. The Fund may write covered put or call options. When the Fund writes an option, an amount equal to the premium received is recorded as a liability and is subsequently adjusted to the current market value of the written option. Premiums received from written options, which expire unexercised, are recognized as realized gains from investments on the expiration date. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is treated as a realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in calculating the realized gain or loss on the sale. If a put option is exercised, the premium reduces the cost of the security purchased. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

The Fund may also purchase call or put options. The premium is included in the Statement of Assets and Liabilities as an investment which is subsequently adjusted to the current market value of the option. Premiums paid for purchased options which expire are recognized as realized losses from investments on the expiration date. Premiums paid for purchased options which are exercised or closed are added to the amount paid or offset against the proceeds on the underlying security to determine the realized gain or loss. The risk of loss associated with purchased options is limited to the premium paid.

### 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 securities are not necessarily an indication of the risk associated with investing in those securities.

As of November 30, 2011, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

|                                  | Quoted Prices<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total         |
|----------------------------------|----------------------------|--|--|---------------|
| <b>Investments in Securities</b> |                            |  |  |               |
| <b>Equity securities</b>         |                            |  |  |               |
| <i>Common stocks</i>             | \$ 79,135,662              | \$ 0   | \$ 0   | \$ 79,135,662 |
| <i>Preferred stocks</i>          | 8,014,121                  | 0  | 0  | 8,014,121     |
| <i>Warrants</i>                  | 0                          | 498  | 0  | 498           |

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|   |               |               |              |                |
|---|---------------|---------------|--------------|----------------|
| <b>Corporate bonds and notes</b>        | 0             | 30,809,214    | 562,239      | 31,371,453     |
| <b>Term loans</b>                       | 0             | 2,773,191     | 854,984      | 3,628,175      |
| <b>Yankee corporate bonds and notes</b> | 0             | 789,277       | 0            | 789,277        |
| <b>Short-term investments</b>           |               |               |              |                |
| <i>Investment companies</i>             | 2,789,318     | 0             | 0            | 2,789,318      |
|   | \$ 89,939,101 | \$ 34,372,180 | \$ 1,417,223 | \$ 125,728,504 |

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As of November 30, 2011, the inputs used in valuing the Fund's other financial instruments, which are carried at fair value, were as follows:

| Other financial instruments | Quoted Prices<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total    |
|-----------------------------|----------------------------|--|--|----------|
| <b>Written options</b>      | \$ 0                       | \$ (160)   | \$ 0   | \$ (160) |

Transfers in and transfers out are recognized at the end of the reporting period. For the three months ended November 30, 2011, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

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

|   | Corporate<br>bonds and<br>notes | Term<br>loans | Total        |
|---|---------------------------------|---------------|--------------|
| <b>Balance as of August 31, 2011</b>  | \$ 584,450                      | \$ 1,414,710  | \$ 1,999,160 |
| Accrued discounts (premiums)  | 52                              | 3,177         | 3,229        |
| Realized gains (losses)   | 0                               | 107           | 107          |
| Change in unrealized gains (losses)   | (22,263)                        | 17,654        | (4,609)      |
| Purchases   | 0                               | 0             | 0            |
| Sales   | 0                               | (3,144)       | (3,144)      |
| Transfers into Level 3  | 0                               | 0             | 0            |
| Transfers out of Level 3  | 0                               | (577,520)     | (577,520)    |
| <b>Balance as of November 30, 2011</b>  | \$ 562,239                      | \$ 854,984    | \$ 1,417,223 |
| <b>Change in unrealized gains (losses) relating to securities still held at November 30, 2011</b> | \$ (22,263)                     | \$ 12,597     | \$ (9,666)   |

**Derivative transactions**

During the three months ended November 30, 2011, the Fund entered into written options for economic hedging purposes.

During the three months ended November 30, 2011, the Fund had written call option activities as follows:

|   | Number of<br>Contracts | Premiums<br>Received |
|---|------------------------|----------------------|
| Options outstanding at August 31, 2011              | 0                      | \$ 0                 |
| Options written                                     | 320                    | 7,844                |
| Options expired                                     | (280)                  | (7,175)              |
| Options terminated in closing purchase transactions | 0                      | 0                    |
| Options exercised                                   | 0                      | 0                    |
| Options outstanding at November 30, 2011            | 40                     | \$ 669               |

Open call options written at November 30, 2011 were as follow for the Fund:

**Expiration Date** **Issuer Name**

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|               |                           | <b>Number of<br/>Contracts</b> | <b>Strike<br/>Price</b> | <b>Market<br/>Value</b> | <b>Premiums<br/>Received</b> |
|---------------|---------------------------|--------------------------------|-------------------------|-------------------------|------------------------------|
| December 2011 | Sprint Nextel Corporation | 40                             | \$ 3.00                 | \$ 160                  | \$ 669                       |

As of November 30, 2011, the Fund had outstanding written options with total premiums received that averaged \$1,912 during the three months ended November 30, 2011. As of November 30, 2011, the Fund had segregated \$10,800 as collateral for written options.

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

ACB Agricultural Credit Bank

ADR American Depository Receipt

ADS American Depository Shares

AGC-ICC Assured Guaranty Corporation - Insured Custody Certificates

AGM Assured Guaranty Municipal

AMBAC American Municipal Bond Assurance Corporation

AMT Alternative Minimum Tax

AUD Australian Dollar

BAN Bond Anticipation Notes

BHAC Berkshire Hathaway Assurance Corporation

BRL Brazil Real

CAB Capital Appreciation Bond

CAD Canadian Dollar

CCAB Convertible Capital Appreciation Bond

CDA Community Development Authority

CDO Collateralized Debt Obligation

CHF Swiss Franc

COP Certificate of Participation

CR Custody Receipts

DKK Danish Krone

DRIVER Derivative Inverse Tax-Exempt Receipts

DW&P Department of Water & Power

DWR Department of Water Resources

ECFA Educational & Cultural Facilities Authority

EDA Economic Development Authority

EDFA Economic Development Finance Authority

ETF Exchange-Traded Fund

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EUR Euro

FFCB Federal Farm Credit Bank

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Authority

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British Pound

GDR Global Depository Receipt

GNMA Government National Mortgage Association

GO General Obligation

HCFR Healthcare Facilities Revenue

HEFA Health & Educational Facilities Authority

HEFAR Higher Education Facilities Authority Revenue

HFA Housing Finance Authority

HFFA Health Facilities Financing Authority

HKD Hong Kong Dollar

HUF Hungarian Forint

IBC Insured Bond Certificate

IDA Industrial Development Authority

IDAG Industrial Development Agency

IDR Industrial Development Revenue

IEP Irish Pound

JPY Japanese Yen

KRW Republic of Korea Won

LIBOR London Interbank Offered Rate

LLC Limited Liability Company



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LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MTN Medium Term Note

MUD Municipal Utility District

MXN Mexican Peso

MYR Malaysian Ringgit

NATL-RE National Public Finance Guarantee Corporation

NOK Norwegian Krone

NZD New Zealand Dollar

PCFA Pollution Control Finance Authority

PCR Pollution Control Revenue

PFA Public Finance Authority

PFFA Public Facilities Financing Authority

PFOTER Puttable Floating Option Tax-Exempt Receipts

plc Public Limited Company

PLN Polish Zloty

PUTTER Puttable Tax-Exempt Receipts

R&D Research & Development

RDA Redevelopment Authority

RDFA Redevelopment Finance Authority

REIT Real Estate Investment Trust

ROC Reset Option Certificates

SAVRS Select Auction Variable Rate Securities

SBA Small Business Authority

SEK Swedish Krona

SFHR Single Family Housing Revenue

SFMR Single Family Mortgage Revenue

SGD Singapore Dollar

SKK Slovakian Koruna

SPDR Standard & Poor's Depositary Receipts

TAN Tax Anticipation Notes

TBA To Be Announced

TIPS Treasury Inflation-Protected Securities

TRAN Tax Revenue Anticipation Notes

TCR Transferable Custody Receipts

TRY Turkish Lira

TTFA Transportation Trust Fund Authority

TVA Tennessee Valley Authority

XLCA XL Capital Assurance

ZAR South African Rand

ITEM 2. CONTROLS AND PROCEDURES

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

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

**SIGNATURES**

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

Wells Fargo Advantage Utilities and High Income Fund

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

Date: January 27, 2012

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

Wells Fargo Advantage Utilities and High Income Fund

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

Date: January 27, 2012

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

Date: January 27, 2012