

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

July 29, 2014

**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: Registrant is making a filing for Wells Fargo Advantage Utilities and High Income Fund. The Fund has an August 31 fiscal year end.**

**Date of reporting period: May 31, 2014**

ITEM 1. INVESTMENTS

## Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)

Security name	Shares	Value
<b>Common Stocks : 64.82%</b>		
<b>Consumer Discretionary : 1.95%</b>		
<b>Media : 1.95%</b>		
<i>Lagardere SCA</i>	71,500	\$ 2,491,698
<b>Energy : 9.53%</b>		
<b>Oil, Gas &amp; Consumable Fuels : 9.53%</b>		
<i>Energen Corporation</i>	15,000	1,280,700
<i>EQT Corporation</i>	15,000	1,603,200
<i>Kinder Morgan Incorporated</i>	10,577	353,166
<i>Spectra Energy Corporation</i>	75,000	3,043,500
<i>The Williams Companies Incorporated</i>	100,000	4,696,000
<i>Veresen Incorporated</i>	75,000	1,176,566
		12,153,132
<b>Industrials : 4.41%</b>		
<b>Air Freight &amp; Logistics : 4.36%</b>		
<i>Deutsche Post AG</i>	150,000	5,563,697
<b>Construction &amp; Engineering : 0.05%</b>		
<i>Ameresco Incorporated Class A</i>	9,000	58,950
<b>Telecommunication Services : 8.36%</b>		
<b>Diversified Telecommunication Services : 5.15%</b>		
<i>BCE Incorporated</i>	16,000	734,880
<i>CenturyLink Incorporated</i>	100,000	3,767,000
<i>Verizon Communications Incorporated</i>	41,291	2,062,898
		6,564,778
<b>Wireless Telecommunication Services : 3.21%</b>		
<i>Shenandoah Telecommunications Company</i>	40,000	1,104,400
<i>Vodafone Group plc ADR</i>	85,636	2,998,116
		4,102,516
<b>Utilities : 40.57%</b>		
<b>Electric Utilities : 27.21%</b>		
<i>American Electric Power Company Incorporated</i>	100,000	5,335,000
<i>Chesapeake Utilities Corporation</i>	200	13,082
<i>Duke Energy Corporation</i>	30,514	2,168,935
<i>Edison International</i>	75,000	4,135,500
<i>Enel SpA</i>	200,000	1,131,960
<i>Entergy Corporation</i>	1,000	75,420
<i>Great Plains Energy Incorporated</i>	175,000	4,453,750
<i>IDACORP Incorporated</i>	25,000	1,370,750
<i>ITC Holdings Corporation</i>	135,000	4,941,000
<i>NextEra Energy Incorporated</i>	50,000	4,868,000

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<i>Northeast Utilities</i>	90,000	4,086,000
<i>Pepco Holdings Incorporated</i>	100	2,770
<i>PNM Resources Incorporated</i>	75,000	2,134,500
		34,716,667

**Gas Utilities : 0.94%**

<i>New Jersey Resources Corporation</i>	200	11,002
<i>Snam Rete Gas SpA</i>	200,000	1,173,945

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Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

Security name	Shares	Value
<b>Gas Utilities (continued)</b>		
<i>South Jersey Industries Incorporated</i>	200	\$ 11,504
		1,196,451
<b>Multi-Utilities : 10.51%</b>		
<i>CenterPoint Energy Incorporated</i>	50,000	1,206,000
<i>Dominion Resources Incorporated</i>	300	20,688
<i>MDU Resources Group Incorporated</i>	500	16,940
<i>Public Service Enterprise Group Incorporated</i>	50,000	1,948,000
<i>Sempra Energy</i>	19,900	1,996,965
<i>Suez Environnement Company SA</i>	275,000	5,525,528
<i>Veolia Environnement SA</i>	137,000	2,618,257
<i>Wisconsin Energy Corporation</i>	1,600	72,832
		13,405,210
<b>Water Utilities : 1.91%</b>		
<i>American Water Works Company Incorporated</i>	50,000	2,430,500
<b>Total Common Stocks (Cost \$58,617,550)</b>		82,683,599

	Interest rate	Maturity date	Principal	
<b>Corporate Bonds and Notes : 28.08%</b>				
<b>Consumer Discretionary : 5.34%</b>				
<b>Auto Components : 0.47%</b>				
<i>Allison Transmission Incorporated 144A</i>	7.13%	5-15-2019	\$ 340,000	364,650
<i>Cooper Tire &amp; Rubber Company</i>	7.63	3-15-2027	200,000	208,000
<i>Goodyear Tire &amp; Rubber Company</i>	7.00	5-15-2022	25,000	27,875
				600,525
<b>Distributors : 0.06%</b>				
<i>LKQ Corporation</i>	4.75	5-15-2023	75,000	73,313
<b>Diversified Consumer Services : 0.54%</b>				
<i>Ceridian HCM Holding Incorporated 144A</i>	11.00	3-15-2021	10,000	11,525
<i>Service Corporation International</i>	6.75	4-1-2016	100,000	108,375
<i>Service Corporation International</i>	7.00	6-15-2017	25,000	28,095
<i>Service Corporation International</i>	7.50	4-1-2027	351,000	380,835
<i>Service Corporation International</i>	7.63	10-1-2018	25,000	29,095
<i>Service Corporation International</i>	8.00	11-15-2021	40,000	46,452
<i>Sotheby's 144A</i>	5.25	10-1-2022	95,000	91,200
				695,577
<b>Hotels, Restaurants &amp; Leisure : 1.74%</b>				
<i>Burger King Corporation</i>	9.88	10-15-2018	75,000	80,813

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<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	465,000	497,550
<i>CEC Entertainment Incorporated 144A</i>	8.00	2-15-2022	75,000	76,125
<i>DineEquity Incorporated</i>	9.50	10-30-2018	350,000	377,563
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	480,000	492,000
<i>Hilton Worldwide Finance LLC 144A</i>	5.63	10-15-2021	15,000	15,863
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	355,000	383,844
<i>Ruby Tuesday Incorporated</i>	7.63	5-15-2020	110,000	109,725
<i>Scientific Games Corporation</i>	9.25	6-15-2019	60,000	63,075
<i>Speedway Motorsports Incorporated</i>	6.75	2-1-2019	120,000	127,200
				2,223,758

**Household Durables : 0.10%**

<i>American Greetings Corporation</i>	7.38	12-1-2021	90,000	95,400
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## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Household Durables (continued)</b>				
<i>Tempur Sealy International Incorporated</i>	6.88%	12-15-2020	\$ 25,000	\$ 27,375
				122,775
<b>Media : 1.98%</b>				
<i>Allbritton Communications Company</i>	8.00	5-15-2018	150,000	156,563
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	145,000	169,650
<i>CBS Outdoor Americas Capital LLC 144A</i>	5.25	2-15-2022	15,000	15,375
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	75,000	82,969
<i>CSC Holdings LLC</i>	7.63	7-15-2018	45,000	52,088
<i>CSC Holdings LLC</i>	7.88	2-15-2018	75,000	86,625
<i>CSC Holdings LLC</i>	8.63	2-15-2019	125,000	149,063
<i>DISH DBS Corporation</i>	7.88	9-1-2019	115,000	136,850
<i>DreamWorks Animation SKG Incorporated 144A</i>	6.88	8-15-2020	170,000	183,600
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	50,000	54,500
<i>Gray Television Incorporated</i>	7.50	10-1-2020	420,000	450,450
<i>Lamar Media Corporation</i>	5.88	2-1-2022	75,000	80,438
<i>LIN Television Corporation</i>	6.38	1-15-2021	25,000	26,250
<i>LIN Television Corporation</i>	8.38	4-15-2018	150,000	158,438
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	15,000	16,388
<i>Lynx II Corporation 144A</i>	6.38	4-15-2023	25,000	26,375
<i>National CineMedia LLC</i>	6.00	4-15-2022	170,000	177,650
<i>National CineMedia LLC</i>	7.88	7-15-2021	50,000	54,875
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	145,000	154,788
<i>Regal Entertainment Group</i>	5.75	6-15-2023	30,000	30,675
<i>Regal Entertainment Group</i>	5.75	3-15-2022	250,000	258,125
				2,521,735
<b>Specialty Retail : 0.45%</b>				
<i>ABC Supply Company Incorporated 144A</i>	5.63	4-15-2021	40,000	41,400
<i>Ahern Rentals Incorporated 144A</i>	9.50	6-15-2018	85,000	94,138
<i>Century Intermediate Holding Company (PIK at 9.75%) 144A</i>	9.75	2-15-2019	15,000	16,013
<i>Neiman Marcus Group Limited 144A</i>	8.00	10-15-2021	15,000	16,500
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	80,000	83,700
<i>Rent-A-Center Incorporated</i>	6.63	11-15-2020	140,000	145,950
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	70,000	69,125
<i>Toys R Us Property Company II LLC</i>	8.50	12-1-2017	100,000	102,000
				568,826
<b>Consumer Staples : 0.13%</b>				
<b>Food Products : 0.13%</b>				
<i>Darling International Incorporated 144A</i>	5.38	1-15-2022	15,000	15,600
<i>Hearthside Group Holdings LLC 144A</i>	6.50	5-1-2022	10,000	10,075
<i>Simmons Foods Incorporated 144A</i>	10.50	11-1-2017	135,000	145,800
				171,475



**Energy : 5.56%****Energy Equipment & Services : 1.92%**

<i>Bristow Group Incorporated</i>	6.25	10-15-2022	265,000	285,538
<i>Cleaver Brooks Incorporated 144A</i>	8.75	12-15-2019	25,000	27,813
<i>Dresser-Rand Group Incorporated</i>	6.50	5-1-2021	90,000	96,300
<i>Era Group Incorporated</i>	7.75	12-15-2022	204,000	215,730
<i>Forum Energy Technologies Incorporated 144A</i>	6.25	10-1-2021	15,000	15,938
<i>Gulfmark Offshore Incorporated</i>	6.38	3-15-2022	430,000	447,200
<i>Hornbeck Offshore Services Incorporated</i>	5.00	3-1-2021	190,000	186,675
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	40,000	41,600
<i>NGPL PipeCo LLC 144A</i>	7.12	12-15-2017	265,000	265,000
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	515,000	486,675
<i>NGPL PipeCo LLC 144A</i>	9.63	6-1-2019	35,000	37,975

## Portfolio of investments May 31, 2014 (unaudited)

## Wells Fargo Advantage Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Energy Equipment &amp; Services (continued)</b>				
<i>PHI Incorporated 144A</i>	5.25%	3-15-2019	\$ 325,000	\$ 330,688
<i>Pride International Incorporated</i>	8.50	6-15-2019	10,000	12,755
				2,449,887
<b>Oil, Gas &amp; Consumable Fuels : 3.64%</b>				
<i>Crestwood Midstream Partners LP</i>	6.00	12-15-2020	76,000	79,230
<i>Crestwood Midstream Partners LP 144A</i>	6.13	3-1-2022	25,000	26,188
<i>CVR Refining LLC</i>	6.50	11-1-2022	68,000	71,485
<i>Denbury Resources Incorporated</i>	4.63	7-15-2023	45,000	43,313
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	25,000	26,875
<i>El Paso LLC</i>	6.50	9-15-2020	45,000	49,824
<i>El Paso LLC</i>	7.00	6-15-2017	75,000	84,450
<i>El Paso LLC</i>	7.25	6-1-2018	175,000	199,118
<i>El Paso LLC</i>	7.42	2-15-2037	90,000	90,113
<i>El Paso LLC</i>	7.80	8-1-2031	100,000	108,250
<i>Energy Transfer Equity LP</i>	7.50	10-15-2020	300,000	346,500
<i>Exterran Partners LP</i>	6.00	4-1-2021	225,000	228,375
<i>Kinder Morgan Finance Company LLC 144A</i>	6.00	1-15-2018	25,000	27,398
<i>Murphy Oil USA Incorporated 144A</i>	6.00	8-15-2023	30,000	31,200
<i>Northern Tier Energy LLC</i>	7.13	11-15-2020	140,000	150,500
<i>Pioneer Natural Resources Company</i>	7.50	1-15-2020	145,000	180,094
<i>Plains Exploration &amp; Production Company</i>	8.63	10-15-2019	325,000	348,563
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	260,000	259,350
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	435,000	408,900
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	205,000	199,875
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	75,000	78,563
<i>Sabine Pass Liquefaction LLC</i>	5.63	4-15-2023	90,000	92,475
<i>Sabine Pass Liquefaction LLC 144A</i>	5.75	5-15-2024	50,000	51,375
<i>Sabine Pass Liquefaction LLC 144A</i>	6.25	3-15-2022	200,000	214,750
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	395,000	421,663
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	370,000	409,775
<i>SemGroup Corporation</i>	7.50	6-15-2021	220,000	237,050
<i>Suburban Propane Partners LP</i>	7.38	3-15-2020	60,000	64,125
<i>Suburban Propane Partners LP</i>	7.38	8-1-2021	26,000	28,600
<i>Ultra Petroleum Corporation 144A</i>	5.75	12-15-2018	85,000	89,675
				4,647,652
<b>Financials : 4.66%</b>				
<b>Banks : 0.93%</b>				
<i>CIT Group Incorporated 144A</i>	5.50	2-15-2019	100,000	108,000
<i>CIT Group Incorporated 144A</i>	6.63	4-1-2018	50,000	55,875
<i>Emigrant Bancorp Incorporated 144A</i>	6.25	6-15-2014	275,000	275,390
<i>Nielsen Finance LLC</i>	7.75	10-15-2018	381,000	403,384
<i>Nuveen Investments Incorporated</i>	5.50	9-15-2015	275,000	283,938

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<i>Nuveen Investments Incorporated 144A</i>	9.13	10-15-2017	50,000	54,250
				1,180,837

**Consumer Finance : 2.24%**

<i>Ally Financial Incorporated</i>	5.50	2-15-2017	50,000	54,313
<i>Ally Financial Incorporated</i>	6.75	12-1-2014	36,000	36,990
<i>Ally Financial Incorporated</i>	7.50	9-15-2020	90,000	107,325
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	65,000	78,813
<i>Ally Financial Incorporated</i>	8.30	2-12-2015	825,000	864,150
<i>Ford Motor Credit Company LLC</i>	8.00	12-15-2016	25,000	29,140
<i>General Motors Financial Company Incorporated</i>	6.75	6-1-2018	95,000	108,181
<i>Homer City Funding LLC (PIK at 9.23%) ¥</i>	8.73	10-1-2026	149,149	159,403
<i>SLM Corporation</i>	6.13	3-25-2024	90,000	90,450
<i>SLM Corporation</i>	7.25	1-25-2022	70,000	77,350
<i>SLM Corporation</i>	8.00	3-25-2020	330,000	381,150
<i>SLM Corporation</i>	8.45	6-15-2018	125,000	147,188

**Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Consumer Finance (continued)</b>				
<i>Springleaf Finance Corporation</i>	5.40%	12-1-2015	\$ 140,000	\$ 146,825
<i>Springleaf Finance Corporation</i>	5.75	9-15-2016	50,000	53,063
<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	175,000	177,625
<i>Springleaf Finance Corporation</i>	6.50	9-15-2017	50,000	53,875
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	243,000	266,085
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	22,000	24,585
				2,856,511
<b>Diversified Financial Services : 0.27%</b>				
<i>Denali Borrower LLC 144A</i>	5.63	10-15-2020	330,000	344,438
<b>Real Estate Management &amp; Development : 0.42%</b>				
<i>Hockey Merger Sub 2 Incorporated 144A</i>	7.88	10-1-2021	240,000	257,400
<i>Onex Corporation 144A</i>	7.75	1-15-2021	270,000	278,100
				535,500
<b>REITs : 0.80%</b>				
<i>Crown Castle International Corporation</i>	5.25	1-15-2023	75,000	78,000
<i>DuPont Fabros Technology Incorporated LP</i>	5.88	9-15-2021	340,000	351,900
<i>Omega Healthcare Investors Incorporated</i>	6.75	10-15-2022	125,000	135,313
<i>Sabra Health Care Incorporated</i>	5.38	6-1-2023	50,000	51,250
<i>Sabra Health Care Incorporated</i>	5.50	2-1-2021	55,000	57,750
<i>The Geo Group Incorporated</i>	5.13	4-1-2023	125,000	124,063
<i>The Geo Group Incorporated</i>	5.88	1-15-2022	200,000	207,000
<i>The Geo Group Incorporated</i>	6.63	2-15-2021	20,000	21,450
				1,026,726
<b>Health Care : 2.05%</b>				
<b>Health Care Equipment &amp; Supplies : 0.20%</b>				
<i>Crimson Merger Sub Incorporated 144A</i>	6.63	5-15-2022	140,000	138,950
<i>Hologic Incorporated</i>	6.25	8-1-2020	110,000	116,875
				255,825
<b>Health Care Providers &amp; Services : 1.31%</b>				
<i>Aviv Healthcare Properties LP</i>	6.00	10-15-2021	40,000	42,200
<i>Aviv Healthcare Properties LP</i>	7.75	2-15-2019	100,000	106,750
<i>Capella Healthcare Incorporated</i>	9.25	7-1-2017	65,000	68,169
<i>Centene Corporation</i>	5.75	6-1-2017	75,000	81,375
<i>Community Health Systems Incorporated 144A</i>	6.88	2-1-2022	95,000	99,988
<i>DaVita HealthCare Partners Incorporated</i>	5.75	8-15-2022	55,000	58,919
<i>DaVita HealthCare Partners Incorporated</i>	6.38	11-1-2018	5,000	5,250
<i>HCA Incorporated</i>	5.88	3-15-2022	25,000	27,219
<i>HCA Incorporated</i>	6.50	2-15-2020	175,000	198,844
<i>HealthSouth Corporation</i>	5.75	11-1-2024	25,000	26,375
<i>HealthSouth Corporation</i>	7.25	10-1-2018	20,000	21,025

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<i>HealthSouth Corporation</i>	8.13	2-15-2020	60,000	64,650
<i>MPH Acquisition Holdings LLC 144A</i>	6.63	4-1-2022	30,000	31,125
<i>MPT Operating Partnership LP</i>	6.38	2-15-2022	70,000	75,075
<i>MPT Operating Partnership LP</i>	6.88	5-1-2021	125,000	136,250
<i>Select Medical Corporation</i>	6.38	6-1-2021	345,000	359,663
<i>Select Medical Corporation 144A</i>	6.38	6-1-2021	110,000	114,675
<i>Tenet Healthcare Corporation</i>	6.00	10-1-2020	50,000	53,750
<i>Tenet Healthcare Corporation</i>	8.13	4-1-2022	90,000	102,375
				1,673,677

**Health Care Technology : 0.23%**

<i>Emdeon Incorporated</i>	11.00	12-31-2019	255,000	293,888
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Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Pharmaceuticals : 0.31%</b>				
<i>Endo Finance Company 144A</i>	5.75%	1-15-2022	\$ 65,000	\$ 66,625
<i>Par Pharmaceutical Company</i>	7.38	10-15-2020	159,000	172,515
<i>Pinnacle Incorporated 144A</i>	9.50	10-1-2023	35,000	38,850
<i>Salix Pharmaceuticals Incorporated 144A</i>	6.00	1-15-2021	100,000	107,250
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	5.63	12-1-2021	5,000	5,188
				390,428
<b>Industrials : 1.88%</b>				
<b>Aerospace &amp; Defense : 0.13%</b>				
<i>TransDigm Group Incorporated</i>	5.50	10-15-2020	65,000	65,325
<i>TransDigm Group Incorporated 144A%%</i>	6.00	7-15-2022	10,000	10,075
<i>TransDigm Group Incorporated 144A%%</i>	6.50	7-15-2024	10,000	10,150
<i>TransDigm Group Incorporated</i>	7.75	12-15-2018	75,000	80,625
				166,175
<b>Airlines : 0.13%</b>				
<i>Aviation Capital Group Corporation 144A</i>	6.75	4-6-2021	100,000	111,595
<i>Aviation Capital Group Corporation 144A</i>	7.13	10-15-2020	50,000	56,550
				168,145
<b>Commercial Services &amp; Supplies : 0.95%</b>				
<i>ADT Corporation</i>	4.13	6-15-2023	85,000	79,475
<i>ADT Corporation</i>	6.25	10-15-2021	55,000	57,888
<i>Covanta Holding Corporation</i>	5.88	3-1-2024	80,000	82,000
<i>Covanta Holding Corporation</i>	6.38	10-1-2022	195,000	209,869
<i>Covanta Holding Corporation</i>	7.25	12-1-2020	105,000	114,844
<i>Iron Mountain Incorporated</i>	5.75	8-15-2024	315,000	315,000
<i>Iron Mountain Incorporated</i>	6.00	8-15-2023	205,000	217,813
<i>Iron Mountain Incorporated</i>	7.75	10-1-2019	30,000	32,925
<i>Iron Mountain Incorporated</i>	8.38	8-15-2021	99,000	104,198
				1,214,012
<b>Machinery : 0.06%</b>				
<i>Columbus McKinnon Corporation</i>	7.88	2-1-2019	75,000	80,156
<b>Trading Companies &amp; Distributors : 0.55%</b>				
<i>Ashtead Capital Incorporated 144A</i>	6.50	7-15-2022	290,000	316,100
<i>H&amp;E Equipment Services Incorporated</i>	7.00	9-1-2022	235,000	258,500
<i>International Lease Finance Corporation 144A</i>	7.13	9-1-2018	35,000	40,513
<i>International Lease Finance Corporation</i>	8.63	9-15-2015	75,000	81,758
				696,871
<b>Transportation Infrastructure : 0.06%</b>				

<i>Watco Companies LLC 144A</i>	6.38	4-1-2023	70,000	71,400
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**Information Technology : 2.01%**

**Communications Equipment : 0.14%**

<i>CyrusOne LP</i>	6.38	11-15-2022	25,000	26,563
<i>Lucent Technologies Incorporated</i>	6.45	3-15-2029	155,000	151,513
				178,076

**Electronic Equipment, Instruments & Components : 0.58%**

<i>Jabil Circuit Incorporated</i>	8.25	3-15-2018	620,000	737,800
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## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
<b>Internet Software &amp; Services : 0.01%</b>				
<i>Sophia Holding Finance LP (PIK at 9.63%) 144A</i>	9.63%	12-1-2018	\$ 10,000	\$ 10,400
<b>IT Services : 0.84%</b>				
<i>Audatex North America Incorporated 144A</i>	6.00	6-15-2021	125,000	133,125
<i>Audatex North America Incorporated 144A</i>	6.13	11-1-2023	30,000	32,138
<i>Fidelity National Information Services Incorporated</i>	7.88	7-15-2020	100,000	106,600
<i>First Data Corporation 144A</i>	6.75	11-1-2020	80,000	85,900
<i>First Data Corporation 144A</i>	7.38	6-15-2019	50,000	53,625
<i>First Data Corporation 144A</i>	11.75	8-15-2021	170,000	188,700
<i>First Data Holdings Incorporated (PIK at 14.50%) 144A</i>	14.50	9-24-2019	68,115	68,456
<i>SunGard Data Systems Incorporated</i>	6.63	11-1-2019	100,000	105,750
<i>SunGard Data Systems Incorporated</i>	7.38	11-15-2018	253,000	267,864
<i>SunGard Data Systems Incorporated</i>	7.63	11-15-2020	25,000	27,406
				1,069,564
<b>Semiconductors &amp; Semiconductor Equipment : 0.10%</b>				
<i>Micron Technology Incorporated 144A</i>	5.88	2-15-2022	115,000	122,763
<b>Software : 0.12%</b>				
<i>Activision Blizzard Incorporated 144A</i>	5.63	9-15-2021	45,000	48,488
<i>Activision Blizzard Incorporated 144A</i>	6.13	9-15-2023	10,000	11,025
<i>BMC Software Finance Incorporated 144A</i>	8.13	7-15-2021	45,000	47,363
<i>Nuance Communications Incorporated 144A</i>	5.38	8-15-2020	50,000	50,875
				157,751
<b>Technology Hardware, Storage &amp; Peripherals : 0.22%</b>				
<i>NCR Corporation 144A</i>	5.88	12-15-2021	15,000	15,825
<i>NCR Corporation 144A</i>	6.38	12-15-2023	250,000	269,375
				285,200
<b>Materials : 0.51%</b>				
<b>Chemicals : 0.02%</b>				
<i>Celanese US Holdings LLC</i>	5.88	6-15-2021	20,000	22,075
<b>Containers &amp; Packaging : 0.34%</b>				
<i>Crown Americas LLC</i>	6.25	2-1-2021	20,000	21,500
<i>Crown Cork &amp; Seal Company Incorporated</i>	7.38	12-15-2026	5,000	5,594
<i>Crown Cork &amp; Seal Company Incorporated (i)</i>	7.50	12-15-2096	50,000	47,500
<i>Owens-Illinois Incorporated</i>	7.80	5-15-2018	60,000	69,750
<i>Sealed Air Corporation 144A</i>	8.38	9-15-2021	215,000	246,175
<i>Silgan Holdings Incorporated</i>	5.00	4-1-2020	50,000	51,500
				442,019



**Paper & Forest Products : 0.15%**

<i>Georgia-Pacific LLC</i>	8.88	5-15-2031	125,000	187,143
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**Telecommunication Services : 3.64%****Diversified Telecommunication Services : 1.58%**

<i>Citizens Communications Company</i>	7.88	1-15-2027	200,000	204,500
<i>Frontier Communications Corporation</i>	8.13	10-1-2018	60,000	69,975
<i>GCI Incorporated</i>	6.75	6-1-2021	170,000	172,550
<i>GCI Incorporated</i>	8.63	11-15-2019	368,000	391,920
<i>Qwest Corporation</i>	7.25	9-15-2025	125,000	144,640
<i>Qwest Corporation</i>	7.63	8-3-2021	20,000	22,600
<i>Syniverse Holdings Incorporated</i>	9.13	1-15-2019	365,000	394,200
<i>TW Telecommunications Holdings Incorporated</i>	5.38	10-1-2022	260,000	265,525
<i>TW Telecommunications Holdings Incorporated</i>	5.38	10-1-2022	40,000	40,850

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

Security name	Interest rate	Maturity date	Principal	Value
<b>Diversified Telecommunication Services (continued)</b>				
<i>Windstream Corporation</i>	7.88%	11-1-2017	\$ 265,000	\$ 305,413
				2,012,173
<b>Wireless Telecommunication Services : 2.06%</b>				
<i>MetroPCS Wireless Incorporated</i>	6.63	11-15-2020	240,000	255,600
<i>MetroPCS Wireless Incorporated</i>	7.88	9-1-2018	130,000	136,988
<i>SBA Telecommunications Corporation</i>	5.63	10-1-2019	10,000	10,563
<i>SBA Telecommunications Corporation</i>	5.75	7-15-2020	100,000	105,500
<i>SBA Telecommunications Corporation</i>	8.25	8-15-2019	7,000	7,368
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	1,100,000	1,127,500
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	105,000	121,538
<i>Sprint Communications Incorporated</i>	7.00	8-15-2020	120,000	132,300
<i>Sprint Communications Incorporated 144A</i>	9.00	11-15-2018	25,000	30,375
<i>Sprint Communications Incorporated</i>	11.50	11-15-2021	25,000	34,000
<i>Sprint Corporation 144A</i>	7.13	6-15-2024	70,000	75,425
<i>Sprint Corporation 144A</i>	7.25	9-15-2021	10,000	11,075
<i>Sprint Corporation 144A</i>	7.88	9-15-2023	10,000	11,300
<i>T-Mobile USA Incorporated</i>	6.13	1-15-2022	5,000	5,300
<i>T-Mobile USA Incorporated</i>	6.25	4-1-2021	35,000	37,188
<i>T-Mobile USA Incorporated</i>	6.46	4-28-2019	10,000	10,588
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	5,000	5,313
<i>T-Mobile USA Incorporated</i>	6.54	4-28-2020	10,000	10,800
<i>T-Mobile USA Incorporated</i>	6.63	4-1-2023	35,000	37,800
<i>T-Mobile USA Incorporated</i>	6.63	4-28-2021	65,000	70,038
<i>T-Mobile USA Incorporated</i>	6.73	4-28-2022	305,000	329,400
<i>T-Mobile USA Incorporated</i>	6.84	4-28-2023	65,000	70,525
				2,636,484
<b>Utilities : 2.30%</b>				
<b>Electric Utilities : 1.77%</b>				
<i>ComEd Financing III</i>	6.35	3-15-2033	1,340,000	1,333,300
<i>Energy Future Intermediate Holding Company LLC 144A(s)</i>	6.88	8-15-2017	25,000	25,750
<i>IPALCO Enterprises Incorporated 144A</i>	7.25	4-1-2016	145,000	158,050
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12-30-2028	438,432	495,429
<i>Otter Tail Corporation (i)</i>	9.00	12-15-2016	215,000	250,593
				2,263,122
<b>Gas Utilities : 0.22%</b>				
<i>AmeriGas Finance LLC</i>	6.50	5-20-2021	5,000	5,388
<i>AmeriGas Finance LLC</i>	6.75	5-20-2020	175,000	190,750
<i>AmeriGas Finance LLC</i>	7.00	5-20-2022	75,000	82,875
				279,013

**Independent Power & Renewable Electricity**

**Producers : 0.31%**

<i>Calpine Corporation 144A</i>	6.00	1-15-2022	40,000	42,900
<i>NSG Holdings LLC 144A</i>	7.75	12-15-2025	245,000	265,213
<i>Reliant Energy Incorporated</i>	9.24	7-2-2017	67,388	69,747
<i>Reliant Energy Incorporated</i>	9.68	7-2-2026	10,000	10,900
				388,760

**Total Corporate Bonds and Notes (Cost \$33,668,722)** 35,822,455

## Wells Fargo Advantage Utilities and High Income Fund Portfolio of investments May 31, 2014 (unaudited)

Security name	Dividend yield	Shares	Value
<b>Preferred Stocks : 13.36%</b>			
<b>Financials : 0.07%</b>			
<b>Banks : 0.07%</b>			
<i>GMAC Capital Trust I ±</i>	8.13%	3,457	\$ 93,754
<b>Telecommunication Services : 1.85%</b>			
<b>Diversified Telecommunication Services : 1.85%</b>			
<i>Qwest Corporation</i>	7.00	90,000	2,357,100
<b>Utilities : 11.44%</b>			
<b>Electric Utilities : 7.71%</b>			
<i>Duke Energy Corporation</i>	5.13	130,000	3,121,300
<i>Entergy Arkansas Incorporated</i>	4.75	65,000	1,439,100
<i>Entergy Louisiana LLC</i>	4.70	70,483	1,564,723
<i>Indianapolis Power &amp; Light Company</i>	5.65	20,000	2,001,876
<i>Interstate Power &amp; Light Company</i>	5.10	50,000	1,235,000
<i>Wisconsin Public Service</i>	5.08	4,804	476,947
			9,838,946
<b>Multi-Utilities : 3.73%</b>			
<i>DTE Energy Company Series Q</i>	5.25	100,000	2,283,000
<i>Integrus Energy Group ±</i>	6.00	95,000	2,475,700
			4,758,700
<b>Total Preferred Stocks (Cost \$16,819,088)</b>			17,048,500

	Interest rate	Maturity date	Principal	
<b>Loans ±: 3.28%</b>				
<i>Accellent Incorporated</i>	7.50	3-11-2022	\$ 45,000	44,700
<i>Alliance Laundry Systems LLC</i>	9.50	12-10-2019	159,122	161,111
<i>Applied Systems Incorporated</i>	7.50	1-22-2022	25,000	25,413
<i>Asurion LLC</i>	8.50	3-3-2021	95,000	97,494
<i>Capital Automotive LP</i>	4.00	4-10-2019	196,273	196,666
<i>Capital Automotive LP</i>	6.00	4-30-2020	110,000	111,925
<i>CBAC Borrower LLC</i>	8.25	7-2-2020	85,000	87,975
<i>CCM Merger Incorporated</i>	5.00	3-1-2017	157,160	157,487
<i>Centaur Acquisition LLC</i>	8.75	2-20-2020	135,000	136,350
<i>Dell Incorporated</i>	4.50	4-29-2020	601,975	600,530
<i>Focus Brands Incorporated</i>	10.25	8-21-2018	176,935	179,146
<i>Four Seasons Holdings Incorporated</i>	6.25	12-24-2020	25,000	25,313
<i>HGIM Corporation</i>	5.50	6-18-2020	84,787	83,445
<i>Learfield Communications Incorporated</i>	8.75	10-9-2021	15,000	15,244
<i>Level 3 Financing Incorporated</i>	4.00	1-15-2020	250,000	250,375
<i>Neff Rental &lt;</i>	0.00	5-21-2021	60,000	59,663

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<i>Philadelphia Energy Solutions LLC</i>	6.25	4-4-2018	222,750	200,894
<i>Sedgwick Incorporated</i>	6.75	2-28-2022	45,000	44,791
<i>Spin Holdco Incorporated</i>	4.25	11-14-2019	119,501	119,291
<i>Tallgrass Operations LLC</i>	4.25	11-13-2018	103,074	103,546
<i>Texas Competitive Electric Holdings LLC (s)</i>	0.00	10-10-2014	1,471,940	1,173,342
<i>TWCC Holdings Corporation</i>	7.00	6-26-2020	150,000	148,437
<i>Vertafore Incorporated</i>	9.75	10-29-2017	35,000	35,700
<i>W3 Company</i>	9.25	9-13-2020	19,950	19,950
<i>WASH Multifamily Laundry Systems LLC</i>	4.50	2-21-2019	108,900	108,628
<b>Total Loans (Cost \$4,465,342)</b>				4,187,416

Portfolio of investments May 31, 2014 (unaudited)

Wells Fargo Advantage Utilities and High Income Fund

Security name	Expiration date	Shares	Value
<b>Warrants : 0.03%</b>			
<b>Utilities : 0.03%</b>			
<b>Gas Utilities : 0.03%</b>			
<i>Kinder Morgan Incorporated</i>	5-25-2017	16,000	\$ 36,640
<b>Total Warrants (Cost \$30,480)</b>			36,640
	Interest rate	Maturity date	Principal
<b>Yankee Corporate Bonds and Notes : 1.44%</b>			
<b>Consumer Discretionary : 0.00%</b>			
<b>Media : 0.00%</b>			
<i>Videotron Limited</i>	9.13%	4-15-2018	\$ 3,000 3,105
<b>Energy : 0.19%</b>			
<b>Oil, Gas &amp; Consumable Fuels : 0.19%</b>			
<i>Griffin Coal Mining Company Limited 144A(s)</i>	9.50	12-1-2016	93,118 70,770
<i>Teekay Corporation</i>	8.50	1-15-2020	146,000 168,813
			239,583
<b>Financials : 0.02%</b>			
<b>Banks : 0.02%</b>			
<i>Nielsen Holding and Finance BV 144A</i>	5.50	10-1-2021	30,000 31,163
<b>Health Care : 0.12%</b>			
<b>Pharmaceuticals : 0.12%</b>			
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	6.75	8-15-2018	50,000 54,000
<i>Valeant Pharmaceuticals International Incorporated 144A</i>	7.50	7-15-2021	85,000 94,350
			148,350
<b>Information Technology : 0.11%</b>			
<b>Technology Hardware, Storage &amp; Peripherals : 0.11%</b>			
<i>Seagate Technology HDD Holdings</i>	6.80	10-1-2016	50,000 56,000
<i>Seagate Technology HDD Holdings</i>	6.88	5-1-2020	80,000 86,800
			142,800
<b>Materials : 0.21%</b>			
<b>Metals &amp; Mining : 0.15%</b>			
<i>Novelis Incorporated</i>	8.38	12-15-2017	100,000 106,750
<i>Novelis Incorporated</i>	8.75	12-15-2020	75,000 83,344
			190,094

**Paper & Forest Products : 0.06%**

<i>Sappi Limited 144A</i>	7.50	6-15-2032	100,000	84,500
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**Telecommunication Services : 0.79%**

**Diversified Telecommunication Services : 0.75%**

<i>Intelsat Jackson Holdings SA</i>	5.50	8-1-2023	210,000	208,950
<i>Intelsat Jackson Holdings SA</i>	6.63	12-15-2022	55,000	57,338
<i>Intelsat Jackson Holdings SA</i>	7.25	4-1-2019	240,000	256,500
<i>Intelsat Jackson Holdings SA</i>	7.25	10-15-2020	150,000	162,000

**Wells Fargo Advantage Utilities and High Income Fund      Portfolio of investments      May 31, 2014 (unaudited)**

<b>Security name</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Principal</b>	<b>Value</b>
<b>Diversified Telecommunication Services (continued)</b>				
<i>Intelsat Jackson Holdings SA</i>	7.50%	4-1-2021	\$ 50,000	\$ 54,750
<i>Intelsat Jackson Holdings SA</i>	8.50	11-1-2019	40,000	42,650
<i>Intelsat Luxembourg SA</i>	7.75	6-1-2021	95,000	100,700
<i>Intelsat Luxembourg SA</i>	8.13	6-1-2023	40,000	43,000
<i>Virgin Media Secured Finance plc 144A</i>	5.38	4-15-2021	25,000	25,719
				951,607
<b>Wireless Telecommunication Services :</b>				
<b>0.04%</b>				
<i>Telesat Canada 144A</i>	6.00	5-15-2017	50,000	51,688
<b>Total Yankee Corporate Bonds and Notes</b>				
<b>(Cost \$1,755,310)</b>				1,842,890
<b>Short-Term Investments : 5.24%</b>				
	<b>Yield</b>		<b>Shares</b>	
<b>Investment Companies : 5.24%</b>				
<i>Wells Fargo Advantage Cash Investment Money Market Fund, Select Class (l)(u)##</i>	0.07		6,682,299	6,682,299
<b>Total Short-Term Investments</b>				
<b>(Cost \$6,682,299)</b>				6,682,299
<b>Total investments in securities</b>				
<b>(Cost \$122,038,791)*</b>				148,303,799
<i>Other assets and liabilities, net</i>	(16.25)			(20,735,664)
<b>Total net assets</b>				\$ 127,568,135

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

Non-income-earning security

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

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

¥ A 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.

%% Security issued on a when-issued basis.

< All or a portion of the position represents an unfunded loan commitment.



(l) Represents an affiliate of the Fund under Sections 2(a)(2) and 2(a)(3) of the Investment Company Act of 1940, as amended

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

## All or a portion of this security has been segregated for when-issued securities and/or unfunded loans.

\* Cost for federal income tax purposes is \$122,525,871 and unrealized gains (losses) consists of:

Gross unrealized gains	\$ 29,348,977
Gross unrealized losses	(3,571,049)
Net unrealized gains	\$ 25,777,928

**Wells Fargo Advantage Utilities and High Income Fund (the Fund )**

**Notes to Portfolio of investments May 31, 2014 (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).

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 primary exchange or market for the security that day, the prior day's price will be deemed stale and fair values will be determined in accordance with the Fund's Valuation Procedures.

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

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 securities 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 such securities, then fair value pricing procedures approved by the Board of Trustees of the Fund are applied. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. Foreign securities that are fair valued under these procedures are categorized as Level 2 and the application of these procedures may result in transfers between Level 1 and Level 2. 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 last reported sales price or latest quoted bid price. On May 31, 2014, such fair value pricing was not used in pricing foreign securities.

Fixed income securities acquired with maturities exceeding 60 days are valued based on evaluated bid prices provided by an independent pricing service which may utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. If prices are not available from the independent pricing service or prices received are deemed not representative of market value, prices will be obtained from an independent broker-dealer.

Short-term securities, with maturities of 60 days or less at time of purchase, 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 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. The Board of Trustees has established a Valuation Committee comprised of the Trustees and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities, unless the determination has been delegated to the Management Valuation Team. The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Valuation Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees receives reports on any valuation actions taken by the Valuation Committee or the Management Valuation Team which may include items for ratification.

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

### **Foreign currency translation**

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

### **When-issued transactions**

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a

when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

## Loans

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

As of May 31, 2014, the Fund had unfunded loan commitments of \$59,700.

## Fair valuation measurements

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

- Level 1 quoted prices in active markets for identical securities
- Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, use of amortized cost, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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

As of May 31, 2014, the inputs used in valuing investments in securities were as follows:

Assets	Quoted prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Investments in :</b>				
<b>Common stocks</b>				
Consumer Discretionary	\$ 2,491,698	\$ 0	\$ 0	\$ 2,491,698
Energy	12,153,132	0	0	12,153,132

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Industrials	5,622,647	0	0	5,622,647
Telecommunication Services	10,667,294	0	0	10,667,294
Utilities	51,748,828	0	0	51,748,828
<b>Corporate bonds and notes</b>	0	35,822,455	0	35,822,455
<b>Loans</b>	0	3,769,195	418,221	4,187,416
<b>Preferred stocks</b>				
Financials	93,754	0	0	93,754
Telecommunication Services	2,357,100	0	0	2,357,100
Utilities	12,118,823	2,478,823	0	14,597,646
<b>Warrants</b>				
Utilities	0	36,640	0	36,640
<b>Yankee corporate bonds and notes</b>	0	1,842,890	0	1,842,890
<b>Short-term investments</b>				
Investment companies	6,682,299	0	0	6,682,299
<b>Total assets</b>	<b>\$ 103,935,575</b>	<b>\$ 43,950,003</b>	<b>\$ 418,221</b>	<b>\$ 148,303,799</b>

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended May 31, 2014, the Fund did not have any transfers into/out of Level 1, Level 2, or Level 3.

The following is a list of common abbreviations for terms and entities that may have appeared in this report.

ACA	ACA Financial Guaranty Corporation
ADR	American depositary receipt
ADS	American depositary shares
AGC	Assured Guaranty Corporation
AGM	Assured Guaranty Municipal
Ambac	Ambac Financial Group Incorporated
AMT	Alternative minimum tax
AUD	Australian dollar
BAN	Bond anticipation notes
BHAC	Berkshire Hathaway Assurance Corporation
BRL	Brazilian 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	Columbian Peso
CLP	Chilean peso
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

EUR Euro

FDIC Federal Deposit Insurance Corporation

FFCB Federal Farm Credit Banks

FGIC Financial Guaranty Insurance Corporation

FHA Federal Housing Administration

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FICO The Financing Corporation

FNMA Federal National Mortgage Association

FSA Farm Service Agency

GBP Great British pound

GDR Global depositary 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

HUD Department of Housing and Urban Development

HUF Hungarian forint

IDA Industrial Development Authority



IDAG Industrial Development Agency

IDR Indonesian rupiah

IEP Irish pound

JPY Japanese yen

KRW Republic of Korea won

LIBOR London Interbank Offered Rate

LIQ Liquidity agreement

LLC Limited liability company

LLLP Limited liability limited partnership

LLP Limited liability partnership

LOC Letter of credit

LP Limited partnership

MBIA Municipal Bond Insurance Association

MFHR Multifamily housing revenue

MSTR Municipal securities trust receipts

MTN Medium-term note

MUD Municipal Utility District

MXN Mexican peso

MYR Malaysian ringgit

National National Public Finance Guarantee Corporation

NGN Nigerian naira

NOK Norwegian krone

NZD New Zealand dollar

PCFA Pollution Control Financing Authority

PCL Public Company Limited

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
Radian	Radian Asset Assurance
RAN	Revenue anticipation notes
RDA	Redevelopment Authority
R DFA	Redevelopment Finance Authority
REIT	Real estate investment trust
ROC	Reset option certificates
RON	Romanian lei
RUB	Russian ruble
SAVRS	Select auction variable rate securities
SBA	Small Business Authority
SEK	Swedish krona
SFHR	Single-family housing revenue
SFMR	Single-family mortgage revenue
SGD	Singapore dollar
SKK	Slovakian koruna
SPA	Standby purchase agreement
SPDR	Standard & Poor's Depositary Receipts
STRIPS	Separate trading of registered interest and principal securities
TAN	Tax anticipation notes
TBA	To be announced
THB	Thai baht
TIPS	Treasury inflation-protected securities
TRAN	Tax revenue anticipation notes
TRY	Turkish lira
TTFA	Transportation Trust Fund Authority

TVA Tennessee Valley Authority

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 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 Advantage Utilities and High  
Income Fund

By: /s/ Karla M. Rabusch  
Karla M. Rabusch  
President

Date: July 28, 2014

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: July 28, 2014

By: /s/ Nancy Wisner  
Nancy Wisner  
Treasurer

Date: July 28, 2014