

WELLS FARGO ADVANTAGE MULTI-SECTOR INCOME FUND

Form N-CSRS

July 01, 2015

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21331

Wells Fargo Advantage Multi-Sector Income Fund

(Exact name of registrant as specified in charter)

525 Market St., San Francisco, CA 94105

(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market St., San Francisco, CA 94105

(Name and address of agent for service)

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

Date of fiscal year end: October 31

Date of reporting period: April 30, 2015

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ITEM 1. REPORT TO STOCKHOLDERS

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**Wells Fargo Advantage
Multi-Sector Income Fund**

Semi-Annual Report

April 30, 2015

This closed-end fund is no longer offered as an initial public offering and is only offered through broker/dealers on the secondary market. A closed-end fund is not required to buy its shares back from investors upon request.

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*A complete schedule of portfolio holdings as of the report date may be obtained, free of charge, by accessing the following website:

<http://a584.g.akamai.net/f/584/1326/1d/www.wellsfargoadvantagefunds.com/pdf/ann/holdings/multisectorincome.pdf> or by calling Wells Fargo Advantage Funds at **1-800-222-8222**. This complete schedule, filed on Form N-CSRS, is also available on the SEC's website at sec.gov.

The views expressed and any forward-looking statements are as of April 30, 2015, unless otherwise noted, and are those of the Fund managers and/or Wells Fargo Funds Management, LLC. Discussions of individual securities, or the markets generally, or any Wells Fargo Advantage Fund are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements; the views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Funds Management, LLC and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

NOT FDIC INSURED ; NO BANK GUARANTEE ; MAY LOSE VALUE

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Letter to shareholders (unaudited)

Karla M. Rabusch

President

Wells Fargo Advantage Funds

Major central banks continued to inject liquidity into global banks and markets through various accommodative monetary policies, including quantitative easing.

Dear Valued Shareholder:

We are pleased to offer you this semi-annual report for the *Wells Fargo Advantage Multi-Sector Income Fund* for the six-month period that ended April 30, 2015. The period was marked by low interest rates, a decline in oil prices, moderate U.S. economic growth, and tepid growth elsewhere. Both investment-grade bonds and high-yield bonds, as measured by the Barclays U.S. Aggregate Bond Index¹, had positive returns during the reporting period, and the U.S. dollar appreciated against most other currencies.

Major central banks continued to provide stimulus.

Major central banks continued to inject liquidity into global banks and markets through various accommodative monetary policies, including quantitative easing. In the U.S., the Federal Reserve (Fed) kept its key interest rate near zero in order to support the economy and the financial system. It set expectations for it to begin normalizing monetary policy with higher target ranges for the federal funds rate by the end of 2015.

Meanwhile, European markets continued to benefit from the European Central Bank's (ECB's) willingness to maintain low interest rates. The ECB held its key rate at a historic low of 0.05%. In addition to its targeted longer-term refinancing operations that are designed to increase bank lending, the ECB expanded its quantitative easing program to include the buying of eurozone government bonds. In Japan, the Bank of Japan maintained an aggressive monetary program aimed at combating deflation.

Economic growth was moderate, and oil prices plummeted.

Economic growth advanced during the reporting period, the unemployment rate ticked lower to 5.4% as of April 2015, and inflation remained below the Fed's longer-run objective of a 2% pace. The period was also marked by

dramatically lower oil prices, which fell from more than \$80 per barrel at the beginning of the reporting period to \$59 per barrel at the end of April 2015. While lower oil prices benefited consumers of oil products, the lower prices pressured companies within the energy sector.

Longer-dated securities and higher-rated credits were top performers.

Ten-year U.S. Treasury rates declined during the period, from 2.35% at the end of October 2014 to 2.05% by the end of April 2015, benefiting both from a perceived safe-haven status as well as relative attractiveness to global investors. With the U.S. economy the furthest along its business cycle, the level of interest rates in the U.S. and Europe diverged the 10-year U.S. Treasury yield was 2.05% at the end of April 2015 compared with 0.36% for 10-year German government yields. This is largely attributed to the Fed being closer to eventually increasing interest rates while the ECB potentially needs to further increase, rather than scale back, its amount of accommodation. Further, U.S. economic activity is healthier than Europe s.

Treasury bonds with maturities greater than 20 years returned 6.91% during the six-month period that ended April 30, 2015, according to the Barclays U.S. Aggregate Bond Index. This was due, in part, to strong demand from overseas

¹ The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. You cannot invest directly in an index.

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Letter to shareholders (unaudited) Wells Fargo Advantage Multi-Sector Income Fund 3
investors because yields in Europe and Japan were substantially lower than U.S. yields and foreign-domiciled investors benefited from the U.S. dollar's appreciation. Longer-maturity debt across all sectors outperformed shorter-dated securities.

Investment-grade corporate bonds returned 2.35% during the six-month reporting period, according to the Barclays U.S. Aggregate Bond Index, and high-yield bonds returned 1.51% despite negative returns for energy-related sectors. Not only were many energy and mining companies negatively affected by lower oil prices, but investor trepidation about weak global growth caused investment-grade spreads and high-yield spreads to widen.

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

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

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

Sincerely,

Karla M. Rabusch

President

Wells Fargo Advantage Funds

Periods of uncertainty can present challenges, but experience has taught us that maintaining long-term investment goals can be an effective way to plan for the future.

For current information about your fund investments, contact your investment professional, visit our website at wellsfargoadvantagefunds.com, or call us directly at **1-800-222-8222**. We are available 24 hours a day, 7 days a week.

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Performance highlights (unaudited)

Investment objective

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

Adviser

Wells Fargo Funds Management, LLC

Subadvisers

First International Advisors, LLC

Wells Capital Management Incorporated

Portfolio managersAshok Bhatia, CFA²

Christopher Y. Kauffman, CFA

Michael Lee

Niklas Nordenfelt, CFA

Tony Norris

Alex Perrin

Phillip Susser

Christopher Wightman

Peter Wilson

Average annual total returns¹ (%) as of April 30, 2015

	6 Months	1 Year	5 Year	10 Year
Based on market value	(0.06)	0.07	5.52	7.41
Based on net asset value (NAV) per share	0.47	2.48	7.58	7.41

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on fund distributions or the sales of fund shares. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than the performance data quoted, which assumes the reinvestment of dividends and capital gains. Performance figures of the Fund do not reflect brokerage commissions that a shareholder would pay on the purchase and sale of shares. If taxes and such brokerage commissions had been reflected, performance would have been lower. To obtain performance information current to the most recent month-end, please call 1-800-222-8222.

The Fund's expense ratio for the six months ended April 30, 2015, was 1.23% which includes 0.15% of interest expense.

Comparison of NAV vs. market value³

The Fund is leveraged through a revolving credit facility and also may incur leverage by issuing preferred shares in the future. The use of leverage results in certain risks including, among others, the likelihood of greater volatility of net asset value and the market value of common shares. Foreign investments are especially volatile and can rise or fall dramatically due to differences in the political and economic conditions of the host country. These risks are generally intensified in emerging markets. Derivatives involve additional risks including interest rate risk, credit risk, the risk of improper valuation, and the risk of non-correlation to the relevant instruments that they are designed to hedge or to closely track. Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the Fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes and their impact on the Fund and its share price can be sudden and unpredictable. High-yield securities have a greater risk of default and tend to be more volatile than higher-rated debt securities. This Fund is exposed to mortgage- and asset-backed securities risk.

¹Total returns based on market value are calculated assuming a purchase of common stock on the first day and sale on the last day of the period reported. Total returns based on NAV are calculated based on the NAV at the beginning of the period and end of the period. Dividends and distributions, if any, are assumed for the purposes of these calculations to be reinvested at prices obtained under the Fund's Automatic Dividend Reinvestment Plan.

² Effective June 19, 2015, Ashok Bhatia became a portfolio manager of the Fund.

³This chart does not reflect any brokerage commissions charged on the purchase and sale of the Fund's common stock. Dividends and distributions paid by the Fund have the effect of reducing the Fund's NAV.

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Performance highlights (unaudited)
MANAGERS DISCUSSION

Wells Fargo Advantage Multi-Sector Income Fund 5

Overview

The Fund's return based on market value was -0.06% during the six-month period that ended April 30, 2015. During the same period, the Fund's return based on its net asset value was 0.47%.

Investor demand for yield continued, which helped longer-term bonds. High-yield bonds were helped by rising stock prices and increasing prices for long-term U.S. Treasuries, in particular. Energy-related issues, which comprise about 15% of the high-yield market, suffered from lower oil prices. While energy-related issues declined about 4% over the period, the overall high-yield index, as measured by the BofA Merrill Lynch High Yield U.S. Corporates, Cash Pay, BB Rated, 1-5 Year Index, returned 1.5% over the six-month period that ended April 30, 2015. The U.S. dollar appreciated against most other currencies as central bankers eased monetary policy in the eurozone, Sweden, Denmark, and many emerging markets countries while the U.S. Federal Reserve prepared to normalize policy in the U.S.

Ten largest holdings⁵ (%) as of April 30, 2015

Poland, 3.25%, 7-25-2025	2.61
Brazil, 10.00%, 1-1-2017	2.40
Sprint Capital Corporation, 6.88%, 11-15-2028	1.90
Texas Competitive Electric Holdings Company LLC, 4.66%, 10-10-2015	1.88
Mexico, 4.75%, 6-14-2018	1.52
NGPL PipeCo LLC, 7.77%, 12-15-2037	1.49
Republic of South Africa, 8.00%, 12-21-2018	1.33
Thailand, 3.25%, 6-16-2017	1.33
Dell Incorporated, 4.50%, 4-29-2020	1.28
Colombia, 7.00%, 5-4-2022	1.24

Credit quality⁶ as of April 30, 2015**Effective maturity distribution⁷ as of April 30, 2015****Contributors to performance**

The Fund's holdings of U.S. investment-grade corporate bonds modestly helped results, while commercial mortgage-backed securities (CMBS) and nonagency residential mortgage-backed securities (MBS) contributed more significantly to performance due to strong commercial real estate fundamentals and limited supply. Within the high-yield sleeve, the Fund benefited from its allocation to specific segments of the energy sector, such as the exploration and production companies and issuers in the metals and mining sectors. In addition, a limited allocation to the highest-yielding segment of the market helped performance. Within the international sleeve, both country and currency positioning contributed to performance.

Detractors from performance

Issue selection within the mortgage/corporate credit sleeve detracted from results because certain residential MBS and CMBS securities were held back by their specific prepayment and credit-rating changes. Investment-grade corporate issues in the energy and metals and mining industries underperformed as a result of declining commodity prices. Within the high-yield sleeve, issue selection within the electric utility sector detracted from results. An allocation to the oil-field services sector also hurt results, although issue selection within this sector helped.

Management outlook

We anticipate modest spread tightening for credit and securitized bonds alongside attractive yield carry due to a benign macroeconomic environment and accommodative monetary policy. Within the mortgage and investment-grade corporate sleeve, we continue to focus on the medium-quality credit tiers of A-rated and BBB-rated securities as compelling sources of yield. Approximately 56% of this sleeve's exposure is invested in corporate credit and 43% in fixed-rate and floating-rate mortgage securities.

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Performance highlights (unaudited)

Country allocation⁸ as of April 30, 2015

With respect to the high-yield market, our base case is that we expect high-yield bonds will potentially outperform other fixed-income asset classes that are likely to be more affected by a rising rate environment, such as 10-year Treasury securities and investment-grade corporate bonds. We believe lower energy prices are generally a positive for the high-yield market with the exception of energy exploration and development companies and companies associated with them. We maintain our view that a number of imbalances are likely to remain dormant but have the potential to trigger

renewed fears of systemic risks and a related fall in all risk markets, including high yield. However, we do not think there will be a large increase in defaults in 2015 if energy prices stay low because many companies hedged part of their 2015 production and many have access to secured debt markets, which will provide them with liquidity to cover any cash-flow shortfalls. In the near term, our default outlook remains benign and supportive of high yield. Over a full cycle, we believe the best way to protect the high-yield sleeve from periodic bouts of systemic fears and rebalancing will be our continued focus on a bottom-up approach that attempts to minimize downside risk while capturing the return potential of high-yield issuers.

Outside the major developed world, both nominal and real yields offer better value than developed markets, and our long-term bias is to be underweight the bond markets of Japan and core European countries, such as Germany, France, and the Netherlands. However, the U.S. now offers better relative value, and we increased our U.S. exposure. In developed markets, the current low growth and low inflationary environment together with the likelihood that central bank rates will stay firmly anchored close to zero means that the low level of yields could persist over the long term. The aggressive fall in yields over the past several months saw yields fall toward the low end of what we believe will be a trading range that could persist for many years. Also, yields are now more vulnerable to an improved growth and inflation outlook. We reduced duration further and would likely view a rise in yields as an opportunity to lengthen duration. We have overweight currency exposure to the Brazilian real, Mexican peso, Romanian leu, Turkish lira, and South African rand. In developed markets, the Fund also holds Australian and New Zealand dollars as well as some euros. The hedge to the U.S. dollar was removed because we believe the U.S. dollar's appreciation was stretched.

⁴ The BofA Merrill Lynch High Yield U.S. Corporates, Cash Pay, BB Rated, 1-5 Year Index is an unmanaged index that generally tracks the performance of BB-rated U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market with maturities of one to five years. You cannot invest directly in an index.

⁵ The ten largest holdings, excluding cash and cash equivalents, are calculated based on the value of the investments divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.

- ⁶ The credit quality of portfolio holdings reflected in the chart is based on ratings from Standard & Poor's, Moody's Investors Service, and/or Fitch Ratings Ltd. Credit quality ratings apply to the underlying holdings of the Fund and not to the Fund itself. The percentages of the Fund's portfolio with the ratings depicted in the chart are calculated based on the total market value of fixed income securities held by the Fund. If a security was rated by all three rating agencies, the middle rating was utilized. If rated by two of three rating agencies, the lower rating was utilized, and if rated by one of the rating agencies, that rating was utilized. Standard & Poor's rates the creditworthiness of bonds on a scale of AAA (highest) to D (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. Standard & Poor's rates the creditworthiness of short-term notes on a scale SP-1 (highest) to SP-3 (lowest). Moody's rates the creditworthiness of bond on a scale of Aaa (highest) to C (lowest). Ratings Aa to B may be modified by the addition of a number 1 (highest) to 3 (lowest) to show relative standing within the ratings categories. Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG 1/VMIG 1 (highest) to SG (lowest). Fitch rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Credit quality, and credit quality ratings, are subject to change.
- ⁷ Amounts are calculated based on the total fixed income investments of the Fund. These percentages are subject to change and may have changed since the date specified.
- ⁸ Amounts are calculated based on the total long-term investments of the Fund. These percentages are subject to change and may have changed since the date specified.

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Summary portfolio of investments April 30, 2015
(unaudited)

Wells Fargo Advantage Multi-Sector Income Fund 7

The Summary portfolio of investments shows the 50 largest portfolio holdings in unaffiliated issuers and any holdings exceeding 1% of the total net assets as of the report date. The remaining securities held are grouped as Other securities in each category.

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Agency Securities: 2.38%					
<i>FHLMC</i>	0.58-8.50%	4-25-2020 to 7-25-2048	\$ 20,576,989	\$ 13,739,060	2.14%
<i>Other securities</i>				1,741,175	0.24
Total Agency Securities (Cost \$14,332,104)				15,480,235	2.38
Asset-Backed Securities: 0.10%					
<i>Other securities</i>				671,273	0.10
Total Asset-Backed Securities (Cost \$639,755)				671,273	0.10
Common Stocks: 0.19%					
Materials: 0.00%					
Chemicals: 0.00%					
<i>Other securities</i>				932	0.00
Telecommunication Services: 0.19%					

Diversified Telecommunication Services: 0.19%					
<i>Other securities</i>					
				1,211,636	0.19
Total Common Stocks (Cost \$1,375,027)					
				1,212,568	0.19
Corporate Bonds and Notes: 67.60%					
Consumer Discretionary: 10.02%					
Auto Components: 0.63%					
<i>Other securities</i>					
				4,135,645	0.63
Distributors: 0.12%					
<i>Other securities</i>					
				788,000	0.12
Diversified Consumer Services: 1.06%					
<i>Service Corporation International</i>					
6.75-8.00		4-1-2016 to 4-1-2027	6,033,000	6,890,410	1.06
Hotels, Restaurants & Leisure: 2.77%					
<i>CCM Merger Incorporated 144A</i>					
9.13		5-1-2019	6,270,000	6,810,788	1.04
<i>Greektown Holdings LLC 144A</i>					
8.88		3-15-2019	7,425,000	7,851,938	1.20
<i>Other securities</i>					
				3,405,073	0.53
				18,067,799	2.77
Household Durables: 0.36%					
<i>Other securities</i>					
				2,350,500	0.36
Internet & Catalog Retail: 0.13%					
<i>Other securities</i>					
				842,567	0.13
Media: 3.86%					
<i>Gray Television Incorporated</i>					
7.50		10-1-2020	6,380,000	6,778,750	1.04

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

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8 Wells Fargo Advantage Multi-Sector Income Fund

Summary portfolio of investments April 30, 2015
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Media (continued)					
<i>Other securities</i>				\$ 18,360,386	2.82%
				25,139,136	3.86
Multiline Retail: 0.10%					
<i>Other securities</i>				636,588	0.10
Specialty Retail: 0.99%					
<i>Other securities</i>				6,467,241	0.99
Consumer Staples: 0.88%					
Beverages: 0.13%					
<i>Other securities</i>				827,525	0.13
Food & Staples Retailing: 0.10%					
<i>Other securities</i>				632,661	0.10
Food Products: 0.53%					
<i>Other securities</i>				3,478,894	0.53
Tobacco: 0.12%					
<i>Other securities</i>				768,673	0.12
Energy: 15.14%					
Energy Equipment & Services: 5.46%					
<i>Era Group Incorporated</i>	7.75%	12-15-2022	\$ 4,425,000	4,336,500	0.67
<i>NGPL PipeCo LLC</i>	7.12-9.63	12-15-2017 to 6-1-2019	3,910,000	3,992,550	0.61

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<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	8,800,000	9,724,000	1.49
<i>PHI Incorporated</i>	5.25	3-15-2019	5,175,000	4,993,875	0.77
<i>Other securities</i>				12,547,613	1.92
				35,594,538	5.46

Oil, Gas & Consumable

Fuels: 9.68%

<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	3,625,000	3,833,438	0.59
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	4,613,000	5,028,170	0.77
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	2,350,000	2,702,500	0.42
<i>Sabine Pass Liquefaction LLC</i>	5.63-5.75	2-1-2021 to 5-15-2024	3,495,000	3,540,754	0.54
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	3,550,000	3,727,500	0.57
<i>Sabine Pass LNG LP</i>	6.50	11-1-2020	4,245,000	4,436,025	0.68
<i>Sabine Pass LNG LP</i>	7.50	11-30-2016	4,635,000	4,936,739	0.76
<i>Other securities</i>				34,913,273	5.35
				63,118,399	9.68

Financials: 13.96%

Banks: 0.78%

<i>Other securities</i>				5,118,639	0.78
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The accompanying notes are an integral part of these financial statements.

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(unaudited)

Wells Fargo Advantage Multi-Sector Income Fund 9

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Capital Markets: 1.16%					
<i>Other securities</i>				\$ 7,548,013	1.16%
Consumer Finance: 4.00%					
<i>Navient Corporation</i>	8.00%	3-25-2020	\$ 4,240,000	4,722,258	0.73
<i>Springleaf Finance Corporation</i>	5.40-8.25	12-1-2015 to 10-1-2023	6,230,000	6,556,088	1.00
<i>Springleaf Finance Corporation</i>	6.90	12-15-2017	4,550,000	4,834,375	0.74
<i>Other securities</i>				9,957,444	1.53
				26,070,165	4.00
Diversified Financial Services: 1.70%					
<i>Denali Borrower LLC 144A</i>	5.63	10-15-2020	3,510,000	3,751,313	0.58
<i>Other securities</i>				7,359,714	1.12
				11,111,027	1.70
Insurance: 1.21%					
<i>Other securities</i>				7,865,335	1.21
Real Estate Management & Development: 0.95%					
<i>Onex Corporation 144A</i>	7.75	1-15-2021	3,730,000	3,823,250	0.59
<i>Other securities</i>				2,363,850	0.36
				6,187,100	0.95

REITs: 4.16%*DuPont Fabros**Technology Incorporated*

<i>LP</i>	5.88	9-15-2021	4,655,000	4,823,744	0.74
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Iron Mountain

<i>Incorporated</i>	5.75	8-15-2024	5,650,000	5,840,688	0.90
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Iron Mountain

<i>Incorporated</i>	6.00-8.38	10-1-2019 to 8-15-2023	2,978,000	3,159,553	0.48
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Other securities

13,269,336 2.04

27,093,321 4.16

Health Care: 6.32%**Biotechnology: 0.12%***Other securities*

786,765 0.12

Health Care**Equipment & Supplies:****0.69%***Other securities*

4,519,738 0.69

Health Care Providers &**Services: 3.60%***Select Medical*

<i>Corporation</i>	6.38	6-1-2021	6,215,000	6,168,388	0.95
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Other securities

17,278,990 2.65

23,447,378 3.60

Health Care Technology:**0.73%***Emdeon Incorporated*

11.00	12-31-2019	4,325,000	4,735,875	0.73
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Life Sciences Tools &**Services: 0.13%***Other securities*

863,147 0.13

Pharmaceuticals: 1.05%*Other securities*

6,875,606 1.05

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

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10 Wells Fargo Advantage Multi-Sector Income Fund Summary portfolio of investments April 30, 2015
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Industrials: 4.55%					
Aerospace & Defense: 0.16%					
<i>Other securities</i>				\$ 1,045,095	0.16%
Airlines: 0.47%					
<i>Other securities</i>				3,070,343	0.47
Commercial Services & Supplies: 1.55%					
<i>Other securities</i>				10,128,382	1.55
Construction & Engineering: 0.72%					
<i>Other securities</i>				4,698,376	0.72
Professional Services: 0.09%					
<i>Other securities</i>				606,544	0.09
Trading Companies & Distributors: 1.56%					
<i>Ashtead Capital Incorporated 144A</i>	6.50%	7-15-2022	\$ 4,100,000	4,389,583	0.68
<i>H&E Equipment Services Incorporated</i>	7.00	9-1-2022	4,065,000	4,258,088	0.65
<i>Other securities</i>				1,494,538	0.23
				10,142,209	1.56

Information Technology:

5.15%

Communications**Equipment: 0.12%***Other securities*

754,581 0.12

Electronic Equipment, Instruments &**Components: 1.16%***Jabil Circuit Incorporated*

8.25

3-15-2018

5,275,000

6,105,813

0.94

Other securities

1,465,755

0.22

7,571,568

1.16

Internet Software &**Services: 0.36%***Other securities*

2,359,675

0.36

IT Services: 2.15%*First Data Corporation*

6.75-8.88

6-15-2019 to 11-1-2020

2,365,000

2,476,997

0.38

First Data Corporation

11.75

8-15-2021

4,125,000

4,733,438

0.73

Other securities

6,821,920

1.04

14,032,355

2.15

Semiconductors & Semiconductor**Equipment: 0.23%***Other securities*

1,471,750

0.23

Software: 0.41%*Other securities*

2,680,068

0.41

Technology Hardware, Storage &**Peripherals: 0.72%***Other securities*

4,731,507

0.72

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

Table of ContentsSummary portfolio of investments April 30, 2015
(unaudited)

Wells Fargo Advantage Multi-Sector Income Fund 11

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Materials: 1.30%					
Chemicals: 0.13%					
<i>Other securities</i>				\$ 811,081	0.13%
Containers & Packaging: 0.71%					
<i>Other securities</i>				4,627,275	0.71
Metals & Mining: 0.21%					
<i>Other securities</i>				1,386,738	0.21
Paper & Forest Products: 0.25%					
<i>Other securities</i>				1,623,010	0.25
Telecommunication Services: 8.11%					
Diversified Telecommunication Services: 3.46%					
<i>Syniverse Holdings Incorporated</i>	9.13%	1-15-2019	\$ 5,330,000	5,010,200	0.77
<i>Other securities</i>				17,564,272	2.69
				22,574,472	3.46
Wireless Telecommunication Services: 4.65%					
<i>Sprint Capital Corporation</i>	6.88	11-15-2028	13,665,000	12,366,787	1.90
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	515,000	527,875	0.08

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<i>T-Mobile USA</i>					
<i>Incorporated</i>	6.13-6.84	4-28-2019 to 3-1-2025	7,315,000	7,679,765	1.17
<i>Other securities</i>				9,711,159	1.50
				30,285,585	4.65
Utilities: 2.17%					
Electric Utilities: 0.72%					
<i>Other securities</i>				4,686,855	0.72
Gas Utilities: 0.42%					
<i>Other securities</i>				2,734,369	0.42
Independent Power & Renewable Electricity Producers: 0.80%					
<i>Other securities</i>				5,227,010	0.80
Multi-Utilities: 0.23%					
<i>Other securities</i>				1,479,485	0.23
Total Corporate Bonds and Notes (Cost \$422,114,924)				440,689,019	67.60
Foreign Corporate Bonds and Notes @: 4.78%					
Consumer Discretionary: 0.18%					
Auto Components: 0.04%					
<i>Other securities</i>				236,091	0.04
Distributors: 0.02%					
<i>Other securities</i>				138,150	0.02

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

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12 Wells Fargo Advantage Multi-Sector Income Fund Summary portfolio of investments April 30, 2015
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Diversified Consumer Services: 0.02% <i>Other securities</i>				\$ 156,582	0.02%
Hotels, Restaurants & Leisure: 0.03% <i>Other securities</i>				161,549	0.03
Internet & Catalog Retail: 0.05% <i>Other securities</i>				345,583	0.05
Specialty Retail: 0.02% <i>Other securities</i>				145,249	0.02
Consumer Staples: 0.23%					
Beverages: 0.08% <i>Other securities</i>				496,059	0.08
Food & Staples Retailing: 0.02% <i>Other securities</i>				157,913	0.02
Food Products: 0.13% <i>Other securities</i>				848,836	0.13
Energy: 0.29%					
Energy Equipment & Services: 0.02% <i>Other securities</i>				110,938	0.02

Oil, Gas & Consumable Fuels:**0.27%**

<i>Other securities</i>				1,782,949	0.27
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Financials: 3.21%**Banks: 3.05%***International Bank for**Reconstruction & Development**(AUD)*

4.25%	6-24-2025	5,600,000	4,848,615	0.74
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KfW (NZD)

3.75	6-14-2018	3,300,000	2,526,852	0.39
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KfW (TRY)

5.00	1-16-2017	11,400,000	3,956,260	0.61
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KfW (AUD)

5.00	3-19-2024	1,300,000	1,179,292	0.18
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Other securities

			7,358,030	1.13
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			19,869,049	3.05
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Diversified Financial Services:**0.16%***Other securities*

			1,087,812	0.16
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Industrials: 0.27%**Commercial Services & Supplies:****0.04%***Other securities*

			281,049	0.04
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Construction & Engineering:**0.03%***Other securities*

			192,288	0.03
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Transportation Infrastructure:**0.20%***Other securities*

			1,266,312	0.20
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The accompanying notes are an integral part of these financial statements.

Table of ContentsSummary portfolio of investments April 30, 2015
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Wells Fargo Advantage Multi-Sector Income Fund 13

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Materials: 0.11%					
Chemicals: 0.11%					
<i>Other securities</i>				\$ 685,497	0.11%
Telecommunication Services: 0.40%					
Communications Equipment: 0.05%					
<i>Other securities</i>				350,092	0.05
Diversified Telecommunication Services: 0.06%					
<i>Other securities</i>				396,412	0.06
Wireless Telecommunication Services: 0.29%					
<i>Other securities</i>				1,862,783	0.29
Utilities: 0.09%					
Water Utilities: 0.09%					
<i>Other securities</i>				586,689	0.09
Total Foreign Corporate Bonds and Notes (Cost \$35,032,018)				31,157,882	4.78
Foreign Government Bonds @: 22.84%					
<i>Brazil (BRL)</i>	10.00%	1-1-2017	47,925,000	15,655,049	2.40
<i>Colombia (COP)</i>	7.00	5-4-2022	18,650,000,000	8,097,028	1.24

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<i>Colombia (COP)</i>	7.75	4-14-2021	5,250,000,000	2,477,330	0.38
<i>Hungary (HUF)</i>	6.75	11-24-2017	1,305,000,000	5,407,289	0.83
<i>Indonesia (IDR)</i>	7.88	4-15-2019	74,000,000,000	5,760,154	0.88
<i>Indonesia (IDR)</i>	8.38	3-15-2024	67,650,000,000	5,440,704	0.83
<i>Indonesia (IDR)</i>	10.00	7-15-2017	50,000,000,000	4,048,332	0.62
<i>Malaysia (MYR)</i>	3.26	3-1-2018	22,500,000	6,290,031	0.97
<i>Malaysia (MYR)</i>	4.18	7-15-2024	19,850,000	5,702,911	0.88
<i>Mexico (MXN)</i>	4.75	6-14-2018	151,800,000	9,893,933	1.52
<i>Mexico (MXN)</i>	10.00	12-5-2024	62,120,000	5,243,973	0.80
<i>Mexico (MXN)</i>	10.00	12-5-2024	14,100,000	1,190,277	0.18
<i>New Zealand (NZD)</i>	5.50	4-15-2023	5,625,000	4,943,111	0.76
<i>Poland (PLN)</i>	3.25	7-25-2025	58,200,000	17,019,359	2.61
<i>Queensland Treasury (AUD)</i>	5.75	7-22-2024	4,100,000	3,923,098	0.60
<i>Republic of South Africa (ZAR)</i>	7.75	2-28-2023	73,000,000	6,127,797	0.94
<i>Republic of South Africa (ZAR)</i>	8.00	12-21-2018	101,000,000	8,693,832	1.33
<i>Romania (RON)</i>	5.85	4-26-2023	23,100,000	6,958,890	1.07
<i>Thailand (THB)</i>	3.25	6-16-2017	276,500,000	8,677,730	1.33
<i>Turkey (TRY)</i>	6.30	2-14-2018	7,325,000	2,528,367	0.39
<i>Turkey (TRY)</i>	9.00	3-8-2017	13,600,000	5,050,513	0.78
<i>Other securities</i>				9,776,797	1.50
Total Foreign Government Bonds (Cost \$164,101,578)				148,906,505	22.84

Loans: 17.32%

**Consumer Discretionary:
4.67%**

Auto Components: 1.23%

<i>Goodyear Tire & Rubber Company ±</i>	4.75	4-30-2019	\$ 4,583,333	4,622,246	0.71
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The accompanying notes are an integral part of these financial statements.

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14 Wells Fargo Advantage Multi-Sector Income Fund Summary portfolio of investments April 30, 2015
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Auto Components (continued)					
<i>Other securities</i>				\$ 3,410,772	0.52%
				8,033,018	1.23
Distributors: 0.47%					
<i>Other securities</i>				3,035,469	0.47
Diversified Consumer Services: 0.11%					
<i>Other securities</i>				700,010	0.11
Hotels, Restaurants & Leisure: 0.37%					
<i>Other securities</i>				2,467,242	0.37
Household Durables: 0.11%					
<i>Other securities</i>				741,082	0.11
Leisure Products: 0.27%					
<i>Other securities</i>				1,742,375	0.27
Media: 1.57%					
<i>TWCC Holdings Corporation ±</i>	7.00%	6-26-2020	\$ 4,685,000	4,380,475	0.67
<i>Other securities</i>				5,843,828	0.90
				10,224,303	1.57
Multiline Retail: 0.11%					
<i>Other securities</i>				732,171	0.11

Specialty Retail: 0.43%

<i>Other securities</i>				2,754,058	0.43
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Consumer Staples: 1.58%

Food & Staples Retailing:

0.25%

<i>Other securities</i>				1,641,735	0.25
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Household Products: 1.33%

<i>Dell Incorporated ±</i>	4.50	4-29-2020	8,344,375	8,373,747	1.28
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<i>Other securities</i>				317,377	0.05
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				8,691,124	1.33
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Energy: 0.01%

Energy Equipment & Services:

0.01%

<i>Other securities</i>				70,332	0.01
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Financials: 2.09%

Capital Markets: 0.21%

<i>Other securities</i>				1,386,501	0.21
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Diversified Financial Services:

0.49%

<i>Other securities</i>				3,166,882	0.49
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The accompanying notes are an integral part of these financial statements.

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(unaudited)

Wells Fargo Advantage Multi-Sector Income Fund 15

Security name	Value	Percent of net assets
Insurance: 0.10%		
<i>Other securities</i>	\$ 638,831	0.10%
Real Estate Management & Development: 0.76%		
<i>Other securities</i>	4,980,846	0.76
REITs: 0.53%		
<i>Other securities</i>	3,424,971	0.53
Health Care: 1.13%		
Health Care Equipment & Supplies: 0.05%		
<i>Other securities</i>	316,890	0.05
Health Care Providers & Services: 0.70%		
<i>Other securities</i>	4,591,542	0.70
Health Care Technology: 0.04%		
<i>Other securities</i>	227,737	0.04
Pharmaceuticals: 0.34%		
<i>Other securities</i>	2,216,404	0.34
Industrials: 3.14%		
Aerospace & Defense: 0.53%		
<i>Other securities</i>	3,420,523	0.53
Airlines: 0.02%		
<i>Other securities</i>	105,000	0.02

Commercial Services & Supplies: 1.33%		
<i>Other securities</i>	8,671,019	1.33
Electrical Equipment: 0.15%		
<i>Other securities</i>	980,848	0.15
Machinery: 0.68%		
<i>Other securities</i>	4,443,146	0.68
Transportation Infrastructure: 0.43%		
<i>Other securities</i>	2,822,939	0.43
Information Technology: 1.20%		
Internet Software & Services: 0.23%		
<i>Other securities</i>	1,499,897	0.23
Semiconductors & Semiconductor Equipment: 0.61%		
<i>Other securities</i>	3,958,229	0.61
Technology Hardware, Storage & Peripherals: 0.36%		
<i>Other securities</i>	2,386,401	0.36

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

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16 Wells Fargo Advantage Multi-Sector Income Fund Summary portfolio of investments April 30, 2015
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value	Percent of net assets
Telecommunication Services: 1.34%					
Diversified Telecommunication Services: 0.97%					
<i>Other securities</i>				\$ 6,323,426	0.97%
Wireless Telecommunication Services: 0.37%					
<i>Other securities</i>				2,396,554	0.37
Utilities: 2.16%					
Electric Utilities: 2.09%					
<i>Texas Competitive Electric Holdings Company LLC ±(s)</i>	4.66%	10-10-2015	\$ 20,096,983	12,270,414	1.88
<i>Other securities</i>				1,341,079	0.21
				13,611,493	2.09
Independent Power & Renewable Electricity Producers: 0.07%					
<i>Other securities</i>				502,085	0.07
Total Loans (Cost \$120,690,148)				112,905,083	17.32
Municipal Obligations: 0.05%					
New York: 0.05%					
<i>Other securities</i>				342,771	0.05
Total Municipal Obligations (Cost \$345,000)				342,771	0.05

Non-Agency Mortgage-Backed

Securities: 7.42%

Other securities

48,385,276 7.42

Total Non-Agency Mortgage-Backed Securities (Cost \$46,754,773)

48,385,276 7.42