

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-Q

July 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: May 31, 2012**

ITEM 1.    SCHEDULE OF INVESTMENTS

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

| Security Name   | Shares    | Value        |
|---|-----------|--------------|
| <b>Common Stocks : 67.18%</b>                         |           |              |
| <b>Consumer Discretionary : 7.64%</b>                 |           |              |
| <b>Media : 7.64%</b>                                  |           |              |
| <i>Comcast Corporation Class A</i>                    | 40,300    | \$ 1,165,073 |
| <i>Dish Network Corporation</i>                       | 50,000    | 1,402,000    |
| <i>Mediaset SpA</i>                                   | 1,310,000 | 2,034,488    |
| <i>Vivendi SA</i>                                     | 196,333   | 3,170,522    |
|   |           | 7,772,083    |
| <b>Energy : 7.55%</b>                                 |           |              |
| <b>Oil, Gas &amp; Consumable Fuels : 7.55%</b>        |           |              |
| <i>EQT Corporation</i>                                | 15,000    | 695,700      |
| <i>Kinder Morgan Incorporated</i>                     | 10,578    | 361,645      |
| <i>Southwestern Energy Company</i>                    | 25,000    | 700,750      |
| <i>Spectra Energy Corporation</i>                     | 100,000   | 2,871,000    |
| <i>The Williams Companies Incorporated</i>            | 100,000   | 3,053,000    |
|   |           | 7,682,095    |
| <b>Industrials : 5.54%</b>                            |           |              |
| <b>Air Freight &amp; Logistics : 3.24%</b>            |           |              |
| <i>Deutsche Post AG</i>                               | 200,000   | 3,294,037    |
| <b>Building Products : 0.09%</b>                      |           |              |
| <i>Ameresco Incorporated Class A</i>                  | 9,000     | 96,750       |
| <b>Machinery : 2.21%</b>                              |           |              |
| <i>Kaydon Corporation</i>                             | 100,600   | 2,244,386    |
| <b>Information Technology : 0.03%</b>                 |           |              |
| <b>Internet Software &amp; Services : 0.03%</b>       |           |              |
| <i>Facebook Incorporated Class A</i>                  | 1,000     | 29,630       |
| <b>Telecommunication Services : 9.10%</b>             |           |              |
| <b>Diversified Telecommunication Services : 7.39%</b> |           |              |
| <i>BCE Incorporated</i>                               | 16,000    | 638,240      |
| <i>France Telecom SA</i>                              | 150,000   | 1,884,427    |
| <i>Shenandoah Telecommunications Company</i>          | 40,000    | 426,400      |
| <i>Tele2 AB Series B</i>                              | 50,000    | 742,653      |
| <i>Telecom Italia SpA</i>                             | 3,574,400 | 2,444,120    |
| <i>Telefonica Brasil ADR</i>                          | 18,600    | 439,332      |
| <i>Windstream Corporation</i>                         | 100,000   | 936,000      |
|   |           | 7,511,172    |
| <b>Wireless Telecommunication Services : 1.71%</b>    |           |              |
| <i>Turkcell Iletisim Hizmetleri AS ADR</i>            | 80,000    | 866,400      |

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|                               |         |           |
|-------------------------------|---------|-----------|
| <i>Vimpelcom Limited ADR</i>  | 100,000 | 737,000   |
| <i>Vodafone Group plc ADR</i> | 5,000   | 133,950   |
|                               |         | 1,737,350 |

**Utilities : 37.32%**

|   |        |           |
|---|--------|-----------|
| <b>Electric Utilities : 30.11%</b>                  |        |           |
| <i>American Electric Power Company Incorporated</i> | 75,000 | 2,888,250 |

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PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name                                       | Shares    | Value        |
|---|-----------|--------------|
| <b>Electric Utilities (continued)</b>               |           |              |
| <i>CenterPoint Energy Incorporated</i>              | 50,000    | \$ 1,011,500 |
| <i>CH Energy Group Incorporated</i>                 | 500       | 32,815       |
| <i>Chesapeake Utilities Corporation</i>             | 200       | 8,452        |
| <i>China Hydroelectric Company ADR</i>              | 10,000    | 10,200       |
| <i>Duke Energy Corporation</i>                      | 500       | 10,990       |
| <i>Edison International</i>                         | 2,000     | 89,920       |
| <i>Enel SpA</i>                                     | 350,000   | 996,248      |
| <i>Entergy Corporation</i>                          | 1,000     | 64,530       |
| <i>Fortum Corporation</i>                           | 75,000    | 1,361,387    |
| <i>Great Plains Energy Incorporated</i>             | 150,000   | 2,988,000    |
| <i>Hawaiian Electric Industries Incorporated</i>    | 100,000   | 2,761,000    |
| <i>Hera Group SpA</i>                               | 1,391,000 | 1,953,888    |
| <i>ITC Holdings Corporation</i>                     | 60,000    | 4,137,000    |
| <i>Nextera Energy Incorporated</i>                  | 70,000    | 4,573,800    |
| <i>Northeast Utilities</i>                          | 101,312   | 3,648,245    |
| <i>NV Energy Incorporated</i>                       | 75,000    | 1,297,500    |
| <i>Pepco Holdings Incorporated</i>                  | 100       | 1,906        |
| <i>Progress Energy Incorporated</i>                 | 400       | 21,928       |
| <i>South Jersey Industries Incorporated</i>         | 200       | 9,682        |
| <i>The Southern Company</i>                         | 60,000    | 2,754,600    |
|   |           | 30,621,841   |
| <b>Gas Utilities : 2.15%</b>                        |           |              |
| <i>MDU Resources Group Incorporated</i>             | 500       | 11,235       |
| <i>National Fuel Gas Company</i>                    | 50,000    | 2,161,500    |
| <i>New Jersey Resources Corporation</i>             | 200       | 8,396        |
|   |           | 2,181,131    |
| <b>Multi-Utilities : 2.93%</b>                      |           |              |
| <i>Dominion Resources Incorporated</i>              | 300       | 15,618       |
| <i>Public Service Enterprise Group Incorporated</i> | 50,000    | 1,559,500    |
| <i>Sempra Energy</i>                                | 19,900    | 1,293,699    |
| <i>Wisconsin Energy Corporation</i>                 | 3,000     | 113,520      |
|   |           | 2,982,337    |
| <b>Water Utilities : 2.13%</b>                      |           |              |
| <i>American Water Works Company Incorporated</i>    | 50,000    | 1,710,500    |
| <i>Middlesex Water Company</i>                      | 25,000    | 455,500      |
|   |           | 2,166,000    |
| <b>Total Common Stocks (Cost \$71,418,839)</b>      |           | 68,318,812   |

|   | Interest Rate | Maturity Date | Principal |
|---|---------------|---------------|-----------|
| <b>Corporate Bonds and Notes : 31.05%</b> |               |               |           |
| <b>Consumer Discretionary : 7.14%</b>     |               |               |           |

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**Auto Components : 0.61%**

|   |      |            |            |         |
|---|------|------------|------------|---------|
| <i>Allison Transmission Incorporated 144A</i> | 7.13 | 05/15/2019 | \$ 250,000 | 261,250 |
| <i>Cooper Tire &amp; Rubber Company</i>       | 7.63 | 03/15/2027 | 215,000    | 212,850 |
| <i>Goodyear Tire &amp; Rubber Company</i>     | 7.00 | 05/15/2022 | 25,000     | 24,500  |
| <i>UR Financing Escrow Company 144A</i>       | 5.75 | 07/15/2018 | 125,000    | 127,188 |
|   |      |            |            | 625,788 |

**Diversified Consumer Services : 0.85%**

|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Carriage Services Incorporated</i>    | 7.88 | 01/15/2015 | 185,000 | 186,388 |
| <i>Service Corporation International</i> | 6.75 | 04/01/2016 | 100,000 | 108,250 |
| <i>Service Corporation International</i> | 7.50 | 04/01/2027 | 465,000 | 467,325 |

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

| Security Name                                      | Interest Rate | Maturity Date | Principal | Value     |
|--|---------------|---------------|-----------|-----------|
| <b>Diversified Consumer Services (continued)</b>   |               |               |           |           |
| <i>Service Corporation International</i>           | 7.63%         | 10/01/2018    | \$ 25,000 | \$ 28,000 |
| <i>Service Corporation International</i>           | 8.00          | 11/15/2021    | 40,000    | 44,800    |
| <i>Service Corporation International Series WI</i> | 7.00          | 06/15/2017    | 25,000    | 27,813    |
|  |               |               |           | 862,576   |

**Hotels, Restaurants & Leisure : 2.23%**

|   |       |            |         |           |
|---|-------|------------|---------|-----------|
| <i>Ameristar Casinos Incorporated</i>       | 7.50  | 04/15/2021 | 225,000 | 233,438   |
| <i>Burger King Corporation</i>              | 9.88  | 10/15/2018 | 75,000  | 84,656    |
| <i>CCM Merger Incorporated 144A</i>         | 9.13  | 05/01/2019 | 125,000 | 125,000   |
| <i>Chukchansi EDA 144A±(i)</i>              | 4.23  | 11/15/2012 | 100,000 | 74,000    |
| <i>Cinemark USA Incorporated</i>            | 7.38  | 06/15/2021 | 75,000  | 80,250    |
| <i>Cinemark USA Incorporated</i>            | 8.63  | 06/15/2019 | 50,000  | 54,375    |
| <i>CityCenter Finance Corporation</i>       | 7.63  | 01/15/2016 | 25,000  | 25,875    |
| <i>CityCenter Finance Corporation 144A</i>  | 7.63  | 01/15/2016 | 125,000 | 129,063   |
| <i>CityCenter Finance Corporation ¥</i>     | 11.50 | 01/15/2017 | 139,533 | 149,300   |
| <i>DineEquity Incorporated</i>              | 9.50  | 10/30/2018 | 350,000 | 380,188   |
| <i>Greektown Superholdings Incorporated</i> | 13.00 | 07/01/2015 | 450,000 | 490,500   |
| <i>Penn National Gaming Incorporated</i>    | 8.75  | 08/15/2019 | 75,000  | 82,688    |
| <i>Ruby Tuesday Incorporated 144A</i>       | 7.63  | 05/15/2020 | 150,000 | 138,750   |
| <i>Scientific Games Corporation</i>         | 9.25  | 06/15/2019 | 60,000  | 66,000    |
| <i>Speedway Motorsports Incorporated</i>    | 6.75  | 02/01/2019 | 25,000  | 25,688    |
| <i>Speedway Motorsports Incorporated</i>    | 8.75  | 06/01/2016 | 120,000 | 129,000   |
|   |       |            |         | 2,268,771 |

**Household Durables : 0.03%**

|                                       |      |            |        |        |
|---------------------------------------|------|------------|--------|--------|
| <i>American Greetings Corporation</i> | 7.38 | 12/01/2021 | 25,000 | 26,000 |
|---------------------------------------|------|------------|--------|--------|

**Media : 2.85%**

|  |       |            |         |         |
|--|-------|------------|---------|---------|
| <i>Cablevision Systems Corporation</i>     | 8.63  | 09/15/2017 | 145,000 | 158,413 |
| <i>CCH II Capital Corporation</i>          | 13.50 | 11/30/2016 | 605,000 | 677,600 |
| <i>CSC Holdings LLC</i>                    | 7.63  | 07/15/2018 | 25,000  | 27,000  |
| <i>CSC Holdings LLC</i>                    | 7.88  | 02/15/2018 | 75,000  | 81,375  |
| <i>DISH DBS Corporation</i>                | 7.88  | 09/01/2019 | 115,000 | 127,938 |
| <i>Gray Television Incorporated</i>        | 10.50 | 06/29/2015 | 350,000 | 360,500 |
| <i>Interactive Data Corporation</i>        | 10.25 | 08/01/2018 | 150,000 | 166,125 |
| <i>Lamar Media Corporation 144A</i>        | 5.88  | 02/01/2022 | 25,000  | 25,156  |
| <i>Lamar Media Corporation</i>             | 7.88  | 04/15/2018 | 75,000  | 80,625  |
| <i>Lamar Media Corporation Series C</i>    | 9.75  | 04/01/2014 | 25,000  | 28,063  |
| <i>LIN Television Corporation</i>          | 8.38  | 04/15/2018 | 100,000 | 102,500 |
| <i>Local TV Finance LLC 144A¥</i>          | 9.25  | 06/15/2015 | 275,000 | 280,156 |
| <i>NAI Entertainment Holdings LLC 144A</i> | 8.25  | 12/15/2017 | 150,000 | 163,500 |
| <i>National CineMedia LLC 144A</i>         | 6.00  | 04/15/2022 | 75,000  | 74,813  |
| <i>National CineMedia LLC</i>              | 7.88  | 07/15/2021 | 50,000  | 52,250  |
| <i>Regal Cinemas Corporation</i>           | 8.63  | 07/15/2019 | 250,000 | 271,875 |
| <i>Salem Communications Corporation</i>    | 9.63  | 12/15/2016 | 202,000 | 221,190 |

2,899,079

**Specialty Retail : 0.36%**



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|  |      |            |         |         |
|--|------|------------|---------|---------|
| <i>Gap Incorporated</i>                  | 5.95 | 04/12/2021 | 50,000  | 51,662  |
| <i>Limited Brands Incorporated</i>       | 6.63 | 04/01/2021 | 25,000  | 26,813  |
| <i>Radioshack Corporation</i>            | 6.75 | 05/15/2019 | 150,000 | 110,813 |
| <i>Rent A Center Incorporated</i>        | 6.63 | 11/15/2020 | 25,000  | 26,250  |
| <i>Toys R Us Property Company II LLC</i> | 8.50 | 12/01/2017 | 150,000 | 154,285 |
|  |      |            |         | 369,823 |

**Textiles, Apparel & Luxury Goods : 0.21%**

|                                       |       |            |         |         |
|---------------------------------------|-------|------------|---------|---------|
| <i>Oxford Industries Incorporated</i> | 11.38 | 07/15/2015 | 200,000 | 213,252 |
|---------------------------------------|-------|------------|---------|---------|

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PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name   | Interest Rate | Maturity Date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Consumer Staples : 0.20%</b>                         |               |               |            |            |
| <b>Food Products : 0.20%</b>                            |               |               |            |            |
| <i>Dole Food Company Incorporated</i>                   | 13.88%        | 03/15/2014    | \$ 181,000 | \$ 206,340 |
| <b>Energy : 4.70%</b>                                   |               |               |            |            |
| <b>Energy Equipment &amp; Services : 1.10%</b>          |               |               |            |            |
| <i>Bristow Group Incorporated</i>                       | 7.50          | 09/15/2017    | 135,000    | 139,725    |
| <i>Dresser Rand Group Incorporated</i>                  | 6.50          | 05/01/2021    | 75,000     | 76,500     |
| <i>Gulfmark Offshore Incorporated 144A</i>              | 6.38          | 03/15/2022    | 175,000    | 175,875    |
| <i>Hornbeck Offshore Services Incorporated 144A</i>     | 5.88          | 04/01/2020    | 25,000     | 24,500     |
| <i>Hornbeck Offshore Services Incorporated Series B</i> | 8.00          | 09/01/2017    | 55,000     | 57,613     |
| <i>NGPL PipeCo LLC 144A</i>                             | 7.12          | 12/15/2017    | 25,000     | 23,875     |
| <i>NGPL PipeCo LLC 144A</i>                             | 7.77          | 12/15/2037    | 175,000    | 151,375    |
| <i>NGPL PipeCo LLC 144A</i>                             | 9.63          | 06/01/2019    | 125,000    | 129,063    |
| <i>Oil States International Incorporated</i>            | 6.50          | 06/01/2019    | 125,000    | 129,063    |
| <i>PHI Incorporated</i>                                 | 8.63          | 10/15/2018    | 200,000    | 205,000    |
| <i>Pride International Incorporated</i>                 | 8.50          | 06/15/2019    | 10,000     | 13,077     |
|   |               |               |            | 1,125,666  |
| <b>Oil, Gas &amp; Consumable Fuels : 3.60%</b>          |               |               |            |            |
| <i>Coffeyville Resources Energy Incorporated 144A</i>   | 9.00          | 04/01/2015    | 95,000     | 101,175    |
| <i>Coffeyville Resources Energy Incorporated 144A</i>   | 10.88         | 04/01/2017    | 100,000    | 112,500    |
| <i>Crestwood Midstream Partnership Company</i>          | 7.75          | 04/01/2019    | 50,000     | 50,375     |
| <i>Denbury Resources Incorporated</i>                   | 6.38          | 08/15/2021    | 25,000     | 25,938     |
| <i>Denbury Resources Incorporated</i>                   | 8.25          | 02/15/2020    | 100,000    | 108,000    |
| <i>El Paso Corporation</i>                              | 6.50          | 09/15/2020    | 45,000     | 49,622     |
| <i>El Paso Corporation</i>                              | 7.00          | 06/15/2017    | 50,000     | 56,136     |
| <i>El Paso Corporation</i>                              | 7.25          | 06/01/2018    | 175,000    | 198,429    |
| <i>El Paso Corporation</i>                              | 7.42          | 02/15/2037    | 90,000     | 98,954     |
| <i>El Paso Corporation</i>                              | 7.80          | 08/01/2031    | 100,000    | 114,149    |
| <i>Encore Acquisition Company</i>                       | 9.50          | 05/01/2016    | 50,000     | 54,500     |
| <i>Energy Transfer Equity LP</i>                        | 7.50          | 10/15/2020    | 300,000    | 324,000    |
| <i>Ferrellgas LP</i>                                    | 9.13          | 10/01/2017    | 200,000    | 207,000    |
| <i>Forest Oil Corporation</i>                           | 8.50          | 02/15/2014    | 65,000     | 68,250     |
| <i>Holly Corporation</i>                                | 9.88          | 06/15/2017    | 220,000    | 243,100    |
| <i>Inergy LP / Inergy Finance Corporation</i>           | 6.88          | 08/01/2021    | 37,000     | 37,000     |
| <i>Inergy LP / Inergy Finance Corporation</i>           | 7.00          | 10/01/2018    | 50,000     | 51,000     |
| <i>Overseas Shipholding Group Incorporated</i>          | 7.50          | 02/15/2024    | 75,000     | 45,000     |
| <i>Petrohawk Energy Corporation</i>                     | 7.88          | 06/01/2015    | 95,000     | 99,264     |
| <i>Petrohawk Energy Corporation</i>                     | 10.50         | 08/01/2014    | 60,000     | 66,665     |
| <i>Pioneer Natural Resource Company</i>                 | 7.50          | 01/15/2020    | 145,000    | 179,406    |
| <i>Plains Exploration &amp; Production Company</i>      | 8.63          | 10/15/2019    | 325,000    | 352,625    |
| <i>Regency Energy Partners LP</i>                       | 6.88          | 12/01/2018    | 25,000     | 26,125     |
| <i>Rockies Express Pipeline LLC 144A</i>                | 5.63          | 04/15/2020    | 25,000     | 22,125     |
| <i>Rockies Express Pipeline LLC 144A</i>                | 6.88          | 04/15/2040    | 75,000     | 61,875     |
| <i>Rockies Express Pipeline LLC 144A</i>                | 7.50          | 07/15/2038    | 75,000     | 65,625     |
| <i>Sabine Pass LNG LP</i>                               | 7.25          | 11/30/2013    | 250,000    | 260,625    |
| <i>Sabine Pass LNG LP</i>                               | 7.50          | 11/30/2016    | 300,000    | 317,250    |
| <i>Suburban Propane Partners LP</i>                     | 7.38          | 03/15/2020    | 25,000     | 26,250     |
| <i>Susser Holdings LLC</i>                              | 8.50          | 05/15/2016    | 125,000    | 134,219    |
| <i>Tesoro Corporation</i>                               | 9.75          | 06/01/2019    | 90,000     | 101,250    |

**Financials : 7.21%****Capital Markets : 0.70%**

|  |       |            |         |         |
|--|-------|------------|---------|---------|
| <i>E*TRADE Financial Corporation</i>   | 12.50 | 11/30/2017 | 68,000  | 78,030  |
| <i>Nuveen Investments Incorporated</i> | 5.50  | 09/15/2015 | 225,000 | 202,500 |
| <i>Nuveen Investments Incorporated</i> | 10.50 | 11/15/2015 | 300,000 | 303,000 |

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

| Security Name  | Interest Rate | Maturity Date | Principal  | Value      |
|--|---------------|---------------|------------|------------|
| <b>Capital Markets (continued)</b>                       |               |               |            |            |
| <i>Oppenheimer Holdings Incorporated</i>                 | 8.75%         | 04/15/2018    | \$ 125,000 | \$ 126,250 |
|  |               |               |            | 709,780    |
| <b>Commercial Banks : 0.64%</b>                          |               |               |            |            |
| <i>CIT Group Incorporated 144A</i>                       | 4.75          | 02/15/2015    | 200,000    | 199,000    |
| <i>CIT Group Incorporated</i>                            | 5.00          | 05/15/2017    | 25,000     | 24,563     |
| <i>CIT Group Incorporated 144A</i>                       | 5.25          | 04/01/2014    | 100,000    | 101,750    |
| <i>CIT Group Incorporated</i>                            | 5.25          | 03/15/2018    | 25,000     | 24,625     |
| <i>CIT Group Incorporated 144A</i>                       | 5.50          | 02/15/2019    | 100,000    | 97,250     |
| <i>Emigrant Bancorp Incorporated 144A(i)</i>             | 6.25          | 06/15/2014    | 225,000    | 205,204    |
|  |               |               |            | 652,392    |
| <b>Consumer Finance : 4.66%</b>                          |               |               |            |            |
| <i>Ally Financial Incorporated Company</i>               | 5.50          | 02/15/2017    | 50,000     | 50,061     |
| <i>Ally Financial Incorporated Company</i>               | 8.30          | 02/12/2015    | 825,000    | 882,750    |
| <i>American General Finance Corporation</i>              | 5.40          | 12/01/2015    | 150,000    | 122,250    |
| <i>American General Finance Corporation</i>              | 5.75          | 09/15/2016    | 50,000     | 39,750     |
| <i>American General Finance Corporation</i>              | 6.50          | 09/15/2017    | 50,000     | 39,125     |
| <i>Calpine Construction Finance Corporation 144A</i>     | 7.25          | 10/15/2017    | 400,000    | 422,000    |
| <i>Calpine Construction Finance Corporation 144A</i>     | 8.00          | 06/01/2016    | 125,000    | 134,063    |
| <i>Clearwire Communications Finance Corporation 144A</i> | 12.00         | 12/01/2015    | 130,000    | 113,425    |
| <i>Ford Motor Credit Company LLC</i>                     | 8.00          | 12/15/2016    | 25,000     | 30,223     |
| <i>General Motors Financial Company</i>                  | 6.75          | 06/01/2018    | 100,000    | 107,400    |
| <i>GMAC LLC</i>  | 6.75          | 12/01/2014    | 36,000     | 37,440     |
| <i>GMAC LLC</i>  | 6.88          | 08/28/2012    | 146,000    | 147,278    |
| <i>Homer City Funding LLC</i>                            | 8.73          | 10/01/2026    | 136,276    | 132,188    |
| <i>International Lease Finance Corporation 144A</i>      | 6.75          | 09/01/2016    | 50,000     | 53,625     |
| <i>International Lease Finance Corporation 144A</i>      | 7.13          | 09/01/2018    | 25,000     | 27,500     |
| <i>International Lease Finance Corporation</i>           | 8.63          | 09/15/2015    | 75,000     | 81,750     |
| <i>JBS USA Finance Incorporated</i>                      | 11.63         | 05/01/2014    | 420,000    | 476,700    |
| <i>Nielsen Finance LLC</i>                               | 7.75          | 10/15/2018    | 500,000    | 537,500    |
| <i>Nielsen Finance LLC</i>                               | 11.50         | 05/01/2016    | 49,000     | 55,370     |
| <i>Springleaf Finance Corporation</i>                    | 6.90          | 12/15/2017    | 250,000    | 196,250    |
| <i>Sprint Capital Corporation</i>                        | 6.88          | 11/15/2028    | 1,175,000  | 872,438    |
| <i>Sprint Capital Corporation</i>                        | 8.75          | 03/15/2032    | 220,000    | 185,350    |
|  |               |               |            | 4,744,436  |
| <b>Insurance : 0.44%</b>                                 |               |               |            |            |
| <i>HUB International Holdings Incorporated 144A</i>      | 10.25         | 06/15/2015    | 275,000    | 278,094    |
| <i>USI Holdings Corporation 144A±</i>                    | 4.34          | 11/15/2014    | 50,000     | 45,625     |
| <i>USI Holdings Corporation 144A</i>                     | 9.75          | 05/15/2015    | 125,000    | 124,063    |
|  |               |               |            | 447,782    |
| <b>REITs : 0.77%</b>                                     |               |               |            |            |
| <i>Dupont Fabros Technology Incorporated</i>             | 8.50          | 12/15/2017    | 565,000    | 615,850    |
| <i>Host Marriott Corporation</i>                         | 9.00          | 05/15/2017    | 30,000     | 33,225     |
| <i>Omega Healthcare Investors</i>                        | 6.75          | 10/15/2022    | 125,000    | 131,875    |
|  |               |               |            | 780,950    |

**Health Care : 1.23%**

**Health Care Equipment & Supplies : 0.06%**

|                              |       |            |        |        |
|------------------------------|-------|------------|--------|--------|
| <i>Biomet Incorporated</i> ¥ | 10.38 | 10/15/2017 | 60,000 | 63,863 |
|------------------------------|-------|------------|--------|--------|

**Health Care Providers & Services : 0.95%**

|                                      |       |            |         |         |
|--------------------------------------|-------|------------|---------|---------|
| <i>Apria Healthcare Group</i>        | 11.25 | 11/01/2014 | 70,000  | 71,838  |
| <i>Aviv Healthcare Properties LP</i> | 7.75  | 02/15/2019 | 100,000 | 104,000 |

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME  
FUND

| Security Name   | Interest Rate | Maturity Date | Principal | Value     |
|---|---------------|---------------|-----------|-----------|
| <b>Health Care Providers &amp; Services (continued)</b> |               |               |           |           |
| <i>Centene Corporation</i>                              | 5.75%         | 06/01/2017    | \$ 75,000 | \$ 75,563 |
| <i>Emergency Medical Services</i>                       | 8.13          | 06/01/2019    | 25,000    | 25,500    |
| <i>HCA Incorporated</i>                                 | 5.88          | 03/15/2022    | 25,000    | 24,813    |
| <i>HCA Incorporated</i>                                 | 6.50          | 02/15/2020    | 175,000   | 184,844   |
| <i>HCA Incorporated</i>                                 | 7.50          | 11/15/2095    | 50,000    | 38,500    |
| <i>Health Management Associates Incorporated</i>        | 6.13          | 04/15/2016    | 50,000    | 52,375    |
| <i>HealthSouth Corporation</i>                          | 7.25          | 10/01/2018    | 25,000    | 26,063    |
| <i>HealthSouth Corporation</i>                          | 7.75          | 09/15/2022    | 25,000    | 26,250    |
| <i>MPT Operating Partnership LP</i>                     | 6.38          | 02/15/2022    | 25,000    | 24,875    |
| <i>MPT Operating Partnership LP</i>                     | 6.88          | 05/01/2021    | 125,000   | 128,750   |
| <i>PSS World Medical Incorporated 144A</i>              | 6.38          | 03/01/2022    | 25,000    | 25,250    |
| <i>Sabra Health Care Corporation</i>                    | 8.13          | 11/01/2018    | 150,000   | 158,250   |
|   |               |               |           | 966,871   |
| <b>Life Sciences Tools &amp; Services : 0.03%</b>       |               |               |           |           |
| <i>Community Health Systems Incorporated Series WI</i>  | 8.88          | 07/15/2015    | 30,000    | 30,769    |
| <b>Pharmaceuticals : 0.19%</b>                          |               |               |           |           |
| <i>Mylan Incorporated 144A</i>                          | 6.00          | 11/15/2018    | 75,000    | 77,438    |
| <i>Mylan Incorporated 144A</i>                          | 7.63          | 07/15/2017    | 25,000    | 27,281    |
| <i>Mylan Incorporated 144A</i>                          | 7.88          | 07/15/2020    | 75,000    | 82,500    |
|   |               |               |           | 187,219   |
| <b>Industrials : 1.87%</b>                              |               |               |           |           |
| <b>Aerospace &amp; Defense : 0.53%</b>                  |               |               |           |           |
| <i>Alliant Techsystems Incorporated</i>                 | 6.75          | 04/01/2016    | 225,000   | 229,500   |
| <i>Geoeeye Incorporated</i>                             | 9.63          | 10/01/2015    | 55,000    | 60,775    |
| <i>Hexcel Corporation</i>                               | 6.75          | 02/01/2015    | 48,000    | 48,480    |
| <i>L-3 Communications Holdings Incorporated</i>         | 6.38          | 10/15/2015    | 167,000   | 170,758   |
| <i>Transdigm Incorporated</i>                           | 7.75          | 12/15/2018    | 25,000    | 26,563    |
|   |               |               |           | 536,076   |
| <b>Commercial Services &amp; Supplies : 0.79%</b>       |               |               |           |           |
| <i>Casella Waste Systems Incorporated</i>               | 11.00         | 07/15/2014    | 220,000   | 231,550   |
| <i>Corrections Corporation of America</i>               | 7.75          | 06/01/2017    | 95,000    | 102,363   |
| <i>Covanta Holding Corporation</i>                      | 6.38          | 10/01/2022    | 50,000    | 51,876    |
| <i>Geo Group Incorporated</i>                           | 7.75          | 10/15/2017    | 125,000   | 133,438   |
| <i>Iron Mountain Incorporated</i>                       | 8.38          | 08/15/2021    | 155,000   | 165,463   |
| <i>KAR Holdings Incorporated ±</i>                      | 4.47          | 05/01/2014    | 125,000   | 124,375   |
|   |               |               |           | 809,065   |
| <b>Industrial Conglomerates : 0.23%</b>                 |               |               |           |           |
| <i>Otter Tail Corporation</i>                           | 9.00          | 12/15/2016    | 215,000   | 232,200   |
| <b>Machinery : 0.31%</b>                                |               |               |           |           |

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|   |       |            |         |         |
|---|-------|------------|---------|---------|
| <i>Cleaver-Brooks Incorporated 144A</i> | 12.25 | 05/01/2016 | 55,000  | 58,163  |
| <i>Columbus McKinnon Corporation</i>    | 7.88  | 02/01/2019 | 75,000  | 79,125  |
| <i>CPM Holdings Incorporated</i>        | 10.63 | 09/01/2014 | 150,000 | 159,000 |
| <i>Titan International Incorporated</i> | 7.88  | 10/01/2017 | 25,000  | 25,875  |
|   |       |            |         | 322,163 |

**Road & Rail : 0.01%**

|                                 |      |            |       |       |
|---------------------------------|------|------------|-------|-------|
| <i>RailAmerica Incorporated</i> | 9.25 | 07/01/2017 | 6,000 | 6,201 |
|---------------------------------|------|------------|-------|-------|

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

| Security Name   | Interest Rate | Maturity Date | Principal | Value     |
|---|---------------|---------------|-----------|-----------|
| <b>Information Technology : 2.62%</b>                             |               |               |           |           |
| <b>Communications Equipment : 0.35%</b>                           |               |               |           |           |
| <i>Avaya Incorporated</i>   | 9.75%         | 11/01/2015    | \$ 50,000 | \$ 41,250 |
| <i>EchoStar DBS Corporation</i>                                   | 7.13          | 02/01/2016    | 50,000    | 53,500    |
| <i>Lucent Technologies Incorporated</i>                           | 6.45          | 03/15/2029    | 155,000   | 106,563   |
| <i>Lucent Technologies Incorporated Series B</i>                  | 2.88          | 06/15/2025    | 160,000   | 157,400   |
|   |               |               |           | 358,713   |
| <b>Computers &amp; Peripherals : 0.19%</b>                        |               |               |           |           |
| <i>Seagate Technology HDD Holdings</i>                            | 6.80          | 10/01/2016    | 50,000    | 55,125    |
| <i>Seagate Technology HDD Holdings</i>                            | 6.88          | 05/01/2020    | 25,000    | 26,063    |
| <i>Seagate Technology HDD Holdings</i>                            | 7.75          | 12/15/2018    | 100,000   | 107,750   |
|   |               |               |           | 188,938   |
| <b>Electronic Equipment, Instruments &amp; Components : 0.84%</b> |               |               |           |           |
| <i>CDW LLC / CDW Financial Corporation</i>                        | 12.54         | 10/12/2017    | 125,000   | 133,750   |
| <i>Jabil Circuit Incorporated</i>                                 | 8.25          | 03/15/2018    | 620,000   | 719,200   |
|   |               |               |           | 852,950   |
| <b>Internet Software &amp; Services : 0.10%</b>                   |               |               |           |           |
| <i>Equinix Incorporated</i>                                       | 8.13          | 03/01/2018    | 95,000    | 103,788   |
| <b>IT Services : 1.14%</b>  |               |               |           |           |
| <i>Audatex North America Incorporated 144A</i>                    | 6.75          | 06/15/2018    | 50,000    | 51,500    |
| <i>Fidelity National Information Services Incorporated 144A</i>   | 5.00          | 03/15/2022    | 25,000    | 24,281    |
| <i>Fidelity National Information Services Incorporated</i>        | 7.63          | 07/15/2017    | 25,000    | 27,219    |
| <i>Fidelity National Information Services Incorporated 144A</i>   | 7.63          | 07/15/2017    | 25,000    | 27,094    |
| <i>Fidelity National Information Services Incorporated</i>        | 7.88          | 07/15/2020    | 100,000   | 110,750   |
| <i>First Data Corporation 144A</i>                                | 7.38          | 06/15/2019    | 50,000    | 50,000    |
| <i>First Data Corporation</i>                                     | 11.25         | 03/31/2016    | 375,000   | 326,250   |
| <i>SunGard Data Systems Incorporated</i>                          | 7.38          | 11/15/2018    | 50,000    | 50,875    |
| <i>SunGard Data Systems Incorporated</i>                          | 7.63          | 11/15/2020    | 25,000    | 25,625    |
| <i>SunGard Data Systems Incorporated</i>                          | 10.25         | 08/15/2015    | 325,000   | 333,938   |
| <i>TW Telecommunications Holdings Incorporated</i>                | 8.00          | 03/01/2018    | 75,000    | 81,375    |
| <i>Unisys Corporation 144A</i>                                    | 12.75         | 10/15/2014    | 47,000    | 51,700    |
|   |               |               |           | 1,160,607 |
| <b>Materials : 0.80%</b>  |               |               |           |           |
| <b>Chemicals : 0.20%</b>  |               |               |           |           |
| <i>Huntsman International LLC</i>                                 | 5.50          | 06/30/2016    | 140,000   | 140,000   |
| <i>Solutia Incorporated</i>                                       | 7.88          | 03/15/2020    | 50,000    | 58,500    |
|   |               |               |           | 198,500   |
| <b>Commercial Services &amp; Supplies : 0.04%</b>                 |               |               |           |           |
| <i>Crown Cork &amp; Seal Company Incorporated (i)</i>             | 7.50          | 12/15/2096    | 50,000    | 42,750    |



**Containers & Packaging : 0.15%**

|  |      |            |        |         |
|--|------|------------|--------|---------|
| <i>Ball Corporation</i>                            | 5.00 | 03/15/2022 | 25,000 | 25,250  |
| <i>Crown Americas LLC</i>                          | 7.63 | 05/15/2017 | 25,000 | 27,000  |
| <i>Owens Brockway Glass Container Incorporated</i> | 7.38 | 05/15/2016 | 50,000 | 55,250  |
| <i>Silgan Holdings Incorporated 144A</i>           | 5.00 | 04/01/2020 | 50,000 | 49,875  |
|  |      |            |        | 157,375 |

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PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name   | Interest Rate | Maturity Date | Principal  | Value      |
|---|---------------|---------------|------------|------------|
| <b>Metals &amp; Mining : 0.16%</b>                    |               |               |            |            |
| <i>Novelis Incorporated</i>                           | 8.38%         | 12/15/2017    | \$ 100,000 | \$ 105,500 |
| <i>Novelis Incorporated</i>                           | 8.75          | 12/15/2020    | 50,000     | 52,875     |
|   |               |               |            | 158,375    |
| <b>Paper &amp; Forest Products : 0.25%</b>            |               |               |            |            |
| <i>Clearwater Paper Corporation</i>                   | 10.63         | 06/15/2016    | 70,000     | 78,050     |
| <i>Georgia-Pacific Corporation</i>                    | 8.88          | 05/15/2031    | 125,000    | 176,175    |
|   |               |               |            | 254,225    |
| <b>Telecommunication Services : 2.96%</b>             |               |               |            |            |
| <b>Diversified Telecommunication Services : 1.84%</b> |               |               |            |            |
| <i>Citizens Communications Company</i>                | 7.88          | 01/15/2027    | 200,000    | 172,750    |
| <i>Frontier Communications Corporation</i>            | 8.13          | 10/01/2018    | 60,000     | 61,050     |
| <i>Frontier Communications Corporation</i>            | 8.25          | 05/01/2014    | 140,000    | 153,300    |
| <i>GCI Incorporated</i>                               | 6.75          | 06/01/2021    | 75,000     | 73,875     |
| <i>GCI Incorporated</i>                               | 8.63          | 11/15/2019    | 200,000    | 212,500    |
| <i>Intelsat Jackson Holdings Company 144A</i>         | 7.25          | 10/15/2020    | 75,000     | 74,438     |
| <i>Intelsat Jackson Holdings Company</i>              | 7.25          | 10/15/2020    | 75,000     | 74,625     |
| <i>Intelsat Jackson Holdings Company</i>              | 9.50          | 06/15/2016    | 300,000    | 310,200    |
| <i>Qwest Corporation</i>                              | 7.50          | 06/15/2023    | 180,000    | 179,550    |
| <i>Qwest Corporation</i>                              | 7.63          | 08/03/2021    | 20,000     | 21,854     |
| <i>SBA Telecommunications Incorporated</i>            | 8.00          | 08/15/2016    | 32,000     | 34,160     |
| <i>SBA Telecommunications Incorporated</i>            | 8.25          | 08/15/2019    | 32,000     | 34,720     |
| <i>Telesat Canada Incorporated 144A</i>               | 6.00          | 05/15/2017    | 50,000     | 49,125     |
| <i>U.S. West Communications Incorporated</i>          | 7.25          | 09/15/2025    | 125,000    | 135,325    |
| <i>Windstream Corporation</i>                         | 7.88          | 11/01/2017    | 265,000    | 282,225    |
|   |               |               |            | 1,869,697  |
| <b>Wireless Telecommunication Services : 1.12%</b>    |               |               |            |            |
| <i>Allbritton Communications Company</i>              | 8.00          | 05/15/2018    | 150,000    | 155,250    |
| <i>CC Holdings GS V LLC 144A</i>                      | 7.75          | 05/01/2017    | 50,000     | 53,750     |
| <i>Cricket Communications Incorporated</i>            | 7.75          | 10/15/2020    | 150,000    | 137,250    |
| <i>Cricket Communications Incorporated Series I</i>   | 7.75          | 05/15/2016    | 125,000    | 131,875    |
| <i>Crown Castle International Corporation</i>         | 7.13          | 11/01/2019    | 10,000     | 10,775     |
| <i>MetroPCS Communications Incorporated</i>           | 6.63          | 11/15/2020    | 200,000    | 193,500    |
| <i>MetroPCS Communications Incorporated</i>           | 7.88          | 09/01/2018    | 50,000     | 50,500     |
| <i>Sprint Nextel Corporation 144A</i>                 | 9.00          | 11/15/2018    | 25,000     | 27,063     |
| <i>Sprint Nextel Corporation 144A</i>                 | 11.50         | 11/15/2021    | 25,000     | 26,375     |
| <i>Syniverse Holdings Incorporation</i>               | 9.13          | 01/15/2019    | 325,000    | 348,563    |
|   |               |               |            | 1,134,901  |
| <b>Utilities : 2.32%</b>                              |               |               |            |            |
| <b>Electric Utilities : 1.95%</b>                     |               |               |            |            |
| <i>Aquila Incorporated Step Bond</i>                  | 11.88         | 07/01/2012    | 794,000    | 799,727    |
| <i>Dolphin Subsidiary Incorporated 144A</i>           | 7.25          | 10/15/2021    | 200,000    | 217,500    |

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|   |       |            |         |           |
|---|-------|------------|---------|-----------|
| <i>Ipalco Enterprises Incorporated</i>  | 5.00  | 05/01/2018 | 75,000  | 73,875    |
| <i>Mirant Mid-Atlantic LLC Series C</i> | 10.06 | 12/30/2028 | 438,432 | 447,201   |
| <i>NRG Energy Incorporated</i>          | 7.38  | 01/15/2017 | 250,000 | 258,125   |
| <i>NRG Energy Incorporated</i>          | 8.50  | 06/15/2019 | 185,000 | 185,000   |
|   |       |            |         | 1,981,428 |

**Gas Utilities : 0.22%**

|                             |      |            |         |         |
|-----------------------------|------|------------|---------|---------|
| <i>AmeriGas Finance LLC</i> | 6.75 | 05/20/2020 | 175,000 | 172,375 |
| <i>AmeriGas Finance LLC</i> | 7.00 | 05/20/2022 | 50,000  | 49,000  |
|                             |      |            |         | 221,375 |

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WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

| Security Name   | Interest Rate | Maturity Date | Principal | Value     |
|---|---------------|---------------|-----------|-----------|
| <b>Independent Power Producers &amp; Energy Traders : 0.15%</b> |               |               |           |           |
| <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    | 9,500     |
| <i>RRI Energy Incorporated</i>                                  | 7.63          | 06/15/2014    | 50,000    | 50,250    |
|   |               |               |           | 152,931   |

**Total Corporate Bonds and Notes (Cost \$30,623,724)** 31,582,047

|                                  | Dividend Yield | Shares |
|----------------------------------|----------------|--------|
| <b>Preferred Stocks : 10.52%</b> |                |        |

**Financials : 0.05%**

**Consumer Finance : 0.05%**

|                               |      |       |        |
|-------------------------------|------|-------|--------|
| <i>GMAC Capital Trust I ±</i> | 8.13 | 2,200 | 50,424 |
|-------------------------------|------|-------|--------|

**Utilities : 10.47%**

**Electric Utilities : 5.90%**

|   |       |        |           |
|---|-------|--------|-----------|
| <i>Great Plains Energy Incorporated</i>       | 12.00 | 50,000 | 2,979,500 |
| <i>Indianapolis Power &amp; Light Company</i> | 4.20  | 20,000 | 2,003,750 |
| <i>Southern California Edison</i>             | 6.50  | 5,000  | 527,813   |
| <i>Wisconsin Public Service</i>               | 5.08  | 4,804  | 485,805   |
|   |       |        | 5,996,868 |

**Multi-Utilities : 4.57%**

|                          |      |         |           |
|--------------------------|------|---------|-----------|
| <i>Scana Corporation</i> | 7.70 | 165,000 | 4,648,050 |
|--------------------------|------|---------|-----------|

**Total Preferred Stocks (Cost \$10,534,755)** 10,695,342

|  | Interest Rate | Maturity Date | Principal  |         |
|--|---------------|---------------|------------|---------|
| <b>Term Loans : 3.58%</b>                                  |               |               |            |         |
| <i>Capital Automotive LP</i>                               | 5.25          | 03/10/2017    | \$ 278,701 | 273,476 |
| <i>CCM Merger Incorporated</i>                             | 6.00          | 03/01/2017    | 309,078    | 306,606 |
| <i>Coinmach Corporation</i>                                | 3.24          | 11/20/2014    | 270,507    | 251,571 |
| <i>Energy Transfer Equity LP</i>                           | 3.75          | 03/21/2017    | 100,000    | 97,083  |
| <i>Fairpoint Communications Incorporated</i>               | 6.50          | 01/22/2016    | 374,063    | 312,148 |
| <i>Federal Mogul Corporation</i>                           | 2.18          | 12/29/2014    | 82,047     | 77,124  |
| <i>Federal Mogul Corporation</i>                           | 2.18          | 12/28/2015    | 41,861     | 39,349  |
| <i>First Data Corporation B1</i>                           | 2.99          | 09/24/2014    | 164,254    | 155,309 |
| <i>First Data Corporation B2</i>                           | 2.99          | 09/24/2014    | 240,789    | 227,676 |
| <i>First Data Corporation B3</i>                           | 2.99          | 09/24/2014    | 70,394     | 66,561  |
| <i>Focus Brands Incorporated</i>                           | 10.25         | 08/22/2018    | 125,000    | 125,625 |
| <i>Gray Television Incorporated</i>                        | 3.74          | 12/31/2014    | 70,890     | 70,181  |
| <i>HHI Holdings LLC</i>                                    | 7.00          | 03/21/2017    | 99,000     | 98,629  |
| <i>Merisant Company (i)</i>                                | 7.50          | 01/08/2014    | 70,698     | 69,755  |
| <i>Newsday LLC</i>   | 10.50         | 08/01/2013    | 365,000    | 372,074 |
| <i>Panolam Industries International (i)</i>                | 8.25          | 12/31/2013    | 20,545     | 20,135  |
| <i>Springleaf Finance Corporation</i>                      | 5.50          | 05/10/2017    | 100,000    | 92,208  |
| <i>Texas Competitive Electric Holdings Company LLC</i>     | 3.74          | 10/10/2014    | 1,371,940  | 836,033 |
| <i>United Surgical Partners International Incorporated</i> | 6.00          | 03/19/2019    | 100,000    | 99,000  |

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|   |      |            |        |           |
|---|------|------------|--------|-----------|
| <i>WASH Multifamily Laundry Systems LLC</i> | 7.00 | 08/28/2014 | 49,361 | 48,908    |
| <b>Total Term Loans (Cost \$4,047,037)</b>  |      |            |        | 3,639,451 |

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PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

| Security Name   | Shares        | Value         |           |         |
|---|---------------|---------------|-----------|---------|
| <b>Warrants : 0.04%</b>                               |               |               |           |         |
| <b>Utilities : 0.04%</b>                              |               |               |           |         |
| <b>Electric Utilities : 0.00%</b>                     |               |               |           |         |
| <i>China Hydroelectric Company ADR</i>                | 10,000        | \$ 200        |           |         |
| <b>Gas Utilities : 0.04%</b>                          |               |               |           |         |
| <i>Kinder Morgan Incorporated</i>                     | 16,000        | 36,480        |           |         |
| <b>Total Warrants (Cost \$42,480)</b>                 |               | <b>36,680</b> |           |         |
|   | Interest Rate | Maturity Date | Principal |         |
| <b>Yankee Corporate Bonds and Notes : 0.94%</b>       |               |               |           |         |
| <b>Consumer Discretionary : 0.10%</b>                 |               |               |           |         |
| <b>Media : 0.10%</b>                                  |               |               |           |         |
| <i>Vidéotron GP 144A</i>                              | 5.00%         | 07/15/2022    | \$ 25,000 | 24,375  |
| <i>Vidéotron GP</i>                                   | 9.13          | 04/15/2018    | 75,000    | 81,938  |
|   |               |               |           | 106,313 |
| <b>Energy : 0.17%</b>                                 |               |               |           |         |
| <b>Oil, Gas &amp; Consumable Fuels : 0.17%</b>        |               |               |           |         |
| <i>Griffin Coal Mining Company Limited 144A(s)</i>    | 9.50          | 12/01/2016    | 209,550   | 173,665 |
| <b>Financials : 0.19%</b>                             |               |               |           |         |
| <b>Consumer Finance : 0.09%</b>                       |               |               |           |         |
| <i>Wind Acquisition Finance SA 144A</i>               | 11.75         | 07/15/2017    | 110,000   | 93,500  |
| <b>Diversified Financial Services : 0.10%</b>         |               |               |           |         |
| <i>Ship Finance International Limited</i>             | 8.50          | 12/15/2013    | 105,000   | 103,950 |
| <b>Information Technology : 0.03%</b>                 |               |               |           |         |
| <b>Computers &amp; Peripherals : 0.03%</b>            |               |               |           |         |
| <i>Seagate HDD Cayman Company</i>                     | 7.00          | 11/01/2021    | 25,000    | 26,250  |
| <b>Materials : 0.11%</b>                              |               |               |           |         |
| <b>Metals &amp; Mining : 0.03%</b>                    |               |               |           |         |
| <i>Teck Resources Limited</i>                         | 10.75         | 05/15/2019    | 27,000    | 32,826  |
| <b>Paper &amp; Forest Products : 0.08%</b>            |               |               |           |         |
| <i>Sappi Limited 144A</i>                             | 7.50          | 06/15/2032    | 100,000   | 81,000  |
| <b>Telecommunication Services : 0.34%</b>             |               |               |           |         |
| <b>Diversified Telecommunication Services : 0.17%</b> |               |               |           |         |

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|   |      |            |         |         |
|---|------|------------|---------|---------|
| <i>Intelsat Jackson Holding Company</i> | 7.25 | 04/01/2019 | 125,000 | 124,844 |
| <i>Intelsat Jackson Holding Company</i> | 7.50 | 04/01/2021 | 50,000  | 50,000  |
|   |      |            |         | 174,844 |

**Wireless Telecommunication Services : 0.17%**

|                                   |       |            |         |         |
|-----------------------------------|-------|------------|---------|---------|
| <i>Digicel Group Limited 144A</i> | 12.00 | 04/01/2014 | 20,000  | 22,000  |
| <i>Intelsat Limited</i>           | 11.25 | 06/15/2016 | 116,000 | 121,075 |
| <i>Intelsat Limited ¥</i>         | 11.50 | 02/04/2017 | 25,000  | 24,563  |
|                                   |       |            |         | 167,638 |

## WELLS FARGO ADVANTAGE UTILITIES AND HIGH INCOME FUND

PORTFOLIO OF INVESTMENTS May 31, 2012 (UNAUDITED)

|   | Yield   | Shares    | Value          |
|---|---------|-----------|----------------|
| <b>Total Yankee Corporate Bonds and Notes (Cost \$947,268)</b>                      |         |           | \$ 959,986     |
| <b>Short-Term Investments : 5.51%</b>   |         |           |                |
| <b>Investment Companies : 5.51%</b>   |         |           |                |
| <i>Wells Fargo Advantage Cash Investment Money Market Fund, Select Class (l)(u)</i> | 0.10%   | 5,607,230 | 5,607,230      |
|   |         |           | 5,607,230      |
| <b>Total Short-Term Investments (Cost \$5,607,230)</b>                              |         |           |                |
| <b>Total Investments in Securities</b>  |         |           |                |
| <b>(Cost \$123,221,333)*</b>  | 118.82% |           | 120,839,548    |
| <i>Other Assets and Liabilities, Net</i>  | (18.82) |           | (19,143,383)   |
| <b>Total Net Assets</b>   | 100.00% |           | \$ 101,696,165 |

- 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.*
- ± *Variable rate investment*
- (i) *Illiquid 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.*
- (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.*
- \* *Cost for federal income tax purposes is \$123,905,949 and net unrealized appreciation (depreciation) consists of:*

|                                      |                |
|--------------------------------------|----------------|
| <i>Gross unrealized appreciation</i> | \$ 11,578,456  |
| <i>Gross unrealized depreciation</i> | (14,644,857)   |
| <i>Net unrealized depreciation</i>   | \$ (3,066,401) |



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

NOTES TO PORTFOLIO OF INVESTMENTS May 31, 2012 (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 equity 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 Valuation 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 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 securities, then fair value pricing procedures approved by the Board of Trustees are applied. These procedures take into account multiple factors including movements in U.S. securities markets after foreign exchanges close. As a result of the fair value pricing procedures, these securities which are normally categorized as Level 1 in the fair value hierarchy will represent a transfer from a Level 1 to a Level 2 security and will be categorized as 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 closing price or latest quoted bid price. On May 31, 2012, fair value pricing was not used in pricing foreign securities.

Fixed income securities with original maturities exceeding 60 days are valued based on evaluated prices 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 Valuation 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 fair 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 by procedures established in good faith and approved 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 in determining the fair value of portfolio securities, unless the responsibility has been delegated to the Management Valuation Team of Wells Fargo Funds Management, LLC ( Funds Management ). The Board of Trustees retains the authority to make or ratify any valuation decisions or approve any changes to the Fair Value Procedures as it deems appropriate. On a quarterly basis, the Board of Trustees considers for ratification any valuation actions taken by the Valuation Committee or the Management Valuation Team.

Valuations of fair valued securities are compared to the next actual sales price when available, or other appropriate market information to assess the continued appropriateness of the fair valuation methodology 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 input factors considered in the valuation process until there is a readily available price provided on the exchange or by an independent pricing service. Valuations received from an independent pricing service or broker quotes are periodically validated by comparisons to most recent trades and valuations provided by other independent

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pricing services in addition to the review of prices by the adviser and/or sub-adviser. 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. 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 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.

#### 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.

#### 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, 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 May 31, 2012, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

|   | Quoted<br>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>                    | \$ 68,318,812                 | \$ 0   | \$ 0   | \$ 68,318,812  |
| <i>Preferred stocks</i>                 | 7,677,974                     | 3,017,368  | 0  | 10,695,342     |
| <b>Corporate bonds and notes</b>        | 0                             | 31,582,047   | 0  | 31,582,047     |
| <b>Term loans</b>                       | 0                             | 3,395,062  | 244,389  | 3,639,451      |
| <b>Warrants</b>                         | 36,480                        | 200  | 0  | 36,680         |
| <b>Yankee corporate bonds and notes</b> | 0                             | 959,986  | 0  | 959,986        |
| <b>Short-term investments</b>           |                               |  |  |                |
| <i>Investment companies</i>             | 5,607,230                     | 0  | 0  | 5,607,230      |
|   | \$ 81,640,496                 | \$ 38,954,663  | \$ 244,389   | \$ 120,839,548 |

Transfers in and transfers out are recognized at the end of the reporting period. For the nine months ended May 31, 2012, the Fund did not have any significant transfers into/out of Level 1 and Level 2.

**Derivative transactions**

During the nine months ended May 31, 2012, the Fund entered into written options for economic hedging purposes.

During the nine months ended May 31, 2012, the Fund had written call option activities as follows:

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|   | Number of<br>Contracts | Premiums<br>Received |
|---|------------------------|----------------------|
| Options outstanding at August 31, 2011  | 0                      | \$ 0                 |
| Options written                         | 396                    | 10,939               |
| Options expired                         | (320)                  | (7,844)              |
| Options closed                          | 0                      | 0                    |
| Options exercised                       | (76)                   | (3,095)              |
| <br>Options outstanding at May 31, 2012 | <br>0                  | <br>\$ 0             |

As of May 31, 2012, the Fund did not have any open written options but had total premiums received that averaged \$1,148 during the nine months ended May 31, 2012.

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

FGLMC Federal Government Loan Mortgage Company

FHA Federal Housing Authority

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 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

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LIBOR London Interbank Offered Rate

LIQ Liquidity Agreement

LLC Limited Liability Company

LLP Limited Liability Partnership

LOC Letter of Credit

LP Limited Partnership

MBIA Municipal Bond Insurance Association

MFHR Multi-Family Housing Revenue

MSTR Municipal Securities Trust Receipts

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

SPA Standby Purchase Agreement

SPDR Standard & Poor's Depositary Receipts

STRIPS Separate Trading of Registered Interest and Principal Securities

TAN Tax Anticipation Notes

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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: July 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: July 27, 2012

By: /s/ Kasey L. Phillips

Kasey L. Phillips

Treasurer

Date: July 27, 2012