

WELLS FARGO ADVANTAGE UTILITIES & HIGH INCOME FUND

Form N-CSRS

April 30, 2012

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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: 811-21507

Wells Fargo Advantage Utilities & High
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: August 31, 2011

Date of reporting period: February 29, 2012

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ITEM 1. REPORT TO SHAREHOLDERS

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Wells Fargo Advantage Utilities and High Income Fund

Semi-Annual Report

February 29, 2012

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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The views expressed and any forward-looking statements are as of February 29, 2012, 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, disclaims 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

Karla M. Rabusch,

President

Wells Fargo Advantage Funds

The U.S. economic recovery that began in mid-2009 gained some traction during the six-month period, after slowing during the summer months yet the rate of growth remained subpar compared with most previous recovery cycles.

Dear Valued Shareholder:

We're pleased to offer you this semi-annual report for the *Wells Fargo Advantage Utilities and High Income Fund* for the six-month period that ended February 29, 2012.

For the entire six-month period, most of the major equity and fixed-income indexes posted solid returns; however, the market's six-month return figures masked the uneven path that the financial markets traced since the summer, as investors had to contend with a variety of global and domestic headwinds.

The S&P 500 Index¹ and the Russell 3000[®] Index² posted returns of 13.31% and 13.24%, respectively, for the period, while the Barclays U.S. Aggregate Bond Index³, representing the universe of investment-grade bonds, posted a total return of 2.73%. By comparison, the Barclays U.S. Corporate High Yield Bond Index⁴ added 8.63%, and the Barclays U.S. Treasury Index⁵ returned 2.35%.

The economic recovery gained traction as the year progressed.

The U.S. economic recovery that began in mid-2009 gained some traction during the six-month period, after slowing during the summer months yet the rate of growth remained subpar compared with most previous recovery cycles.

The U.S. Bureau of Economic Analysis reported that U.S. gross domestic product (GDP) grew 1.8% in the third quarter, reigniting hopes that the U.S. economy may have reached a sustainable economic recovery. Those hopes were buoyed further by the preliminary estimate of fourth-quarter GDP, which showed that growth accelerated to a 2.8% annual rate. While few economists now believe that the U.S. economy is in danger of sliding back into recession, many continue to expect a tepid economic growth environment in 2012.

The struggling housing and labor markets slowed growth.

As has been the case throughout the recovery, the housing and labor markets continued to restrain economic momentum during the six-month period.

The beleaguered housing market has exerted the biggest drag on growth. Despite intermittent signs of improvement, ongoing weakness in sales of both new and existing homes has put downward pressure on prices. On the other hand, the labor market took a decided turn for the better

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during the six-month period as evidenced by the fact that initial unemployment claims have eased in recent months, and the private sector has been steadily adding jobs. The pace of hiring, while not brisk, was sufficient to push the U.S. unemployment rate down to 8.3% as of February 2012 its lowest level since February 2009. Many observers expect the unemployment rate to decline further in 2012, which could act as a tailwind for consumer spending widely viewed as one of the keys to long-term economic growth.

1. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.
2. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. You cannot invest directly in an index.
3. The Barclays U.S. Aggregate Bond Index is composed of the Barclays Government/Credit Index and the Mortgage-Backed Securities Index and includes U.S. Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities. You cannot invest directly in an index.
4. The Barclays U.S. Corporate High Yield Bond Index is an unmanaged, U.S. dollar denominated, nonconvertible, non-investment grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million. You cannot invest directly in an index.
5. The Barclays U.S. Treasury Index is an index of U.S. Treasury securities. You cannot invest directly in an index.

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Letter to Shareholders

Wells Fargo Advantage Utilities and High Income Fund 3

The Federal Reserve announced Operation Twist.

Oil prices retreated early in the period, only to spike again during the fourth quarter of 2011. Yet, core inflation, which excludes volatile energy and food prices, remained fairly benign throughout the year.

With inflation in check, the Federal Reserve (Fed) held its target range for the federal funds rate a proxy for short-term interest rates steady at 0% to 0.25%. Despite improvements across an array of economic data, the pace of economic growth remained a focus for the Fed. In September 2011, the Fed launched yet another stimulus program dubbed Operation Twist designed to keep intermediate- and longer-term yields relatively low. By keeping longer-term yields low, lending activity may potentially spark business investments and home purchases, which, in turn, may provide support for a more sustainable economic recovery.

Economic outlook shifts and European uncertainty swayed investors.

Throughout the second half of 2011, the equity and bond markets were roiled by changes to the global economic outlook and the ongoing fiscal challenges facing many countries in the eurozone. After U.S. economic activity slowed during the summer, many market participants began to fear that the U.S. economy could slip into a double-dip recession. However, in the fall, many of the most closely watched indicators such as GDP growth and the unemployment rate improved, and the talk of recession ceased. Equities and high-yield bonds rallied strongly during the fourth quarter of 2011 and into 2012 as both the U.S. economy and Europe seemed to regain their footing. Low risk assets such as Treasuries rallied when the eurozone credit crisis appeared to be expanding early in the reporting period, and the European markets continued to struggle with managing the risk of contagion from countries such as Greece that were teetering on the brink of financial collapse.

Recent events have not altered our message to shareholders.

The market turmoil of 2011 and an uncertain outlook going forward have left many investors questioning their resolve and their investments. Yet, it is precisely at such times that the market may present opportunities as well as challenges for prudent investors. Bear in mind that many investors who indiscriminately sold their equity investments during the severe market downturn of 2008 to 2009 missed out on the impressive two-year rally that followed. The lesson to be learned from these dramatic market events is that, for many investors, simply building and maintaining a well-diversified⁶ investment plan is the best long-term strategy.

Throughout the second half of 2011, the equity and bond markets were roiled by changes to the global economic outlook and the ongoing fiscal challenges facing many countries in the eurozone.

6. Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

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Letter to Shareholders

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

Sincerely,

Karla M. Rabusch

President

Wells Fargo Advantage Funds

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 5

Security Name	Shares	Value
Common Stocks: 73.32%		
Consumer Discretionary: 10.23%		
Media: 10.23%		
Comcast Corporation Class A	47,900	\$ 1,407,302
Dish Network Corporation	200,000	5,834,000
Mediaset SpA	1,310,000	3,881,575
		11,122,877
Energy: 8.21%		
Oil, Gas & Consumable Fuels: 8.21%		
Enbridge Incorporated	30,000	1,158,300
EQT Corporation	15,000	795,300
Southwestern Energy Company	25,000	826,500
Spectra Energy Corporation	100,000	3,138,000
The Williams Companies Incorporated	100,000	2,988,000
WPX Energy Incorporated	1,433	26,023
		8,932,123
Financials: 2.70%		
Consumer Finance: 2.70%		
MasterCard Incorporated	7,000	2,940,000
Industrials: 1.03%		
Construction & Engineering: 0.12%		
Ameresco Incorporated Class A	9,000	126,810
Machinery: 0.91%		
Kaydon Corporation	26,264	988,052
Information Technology: 0.89%		
IT Services: 0.89%		
Convergys Corporation	75,000	966,000
Telecommunication Services: 11.92%		
Diversified Telecommunication Services: 9.68%		
BCE Incorporated	16,000	654,720
France Telecom SA	150,000	2,289,224
Shenandoah Telecommunications Company	40,000	399,600
Tele2 AB Series B	250,000	5,089,295

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<i>Telecom Italia SpA</i>	357,100	338,030
<i>Telefonica Brasil ADR</i>	18,600	547,398
<i>Windstream Corporation</i>	100,000	1,208,000
		10,526,267
 Wireless Telecommunication Services: 2.24%		
<i>Turkcell Iletisim Hizmetleri AS ADR</i>	80,000	1,088,000
<i>Vimpelcom Limited ADR</i>	100,000	1,217,000
<i>Vodafone Group plc ADR</i>	5,000	135,450
		2,440,450

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

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6 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Shares	Value
Utilities: 38.34%		
Electric Utilities: 27.96%		
American Electric Power Company Incorporated	75,000	\$ 2,820,750
CenterPoint Energy Incorporated	50,000	974,500
CH Energy Group Incorporated	500	33,335
Chesapeake Utilities Corporation	200	8,214
China Hydroelectric Company ADR	10,000	17,100
Duke Energy Corporation	500	10,460
Edison International	2,000	83,740
Enel SpA	350,000	1,404,510
Entergy Corporation	1,000	66,630
FirstEnergy Corporation	75,000	3,321,750
Great Plains Energy Incorporated	150,000	2,967,000
Hawaiian Electric Industries Incorporated	100,000	2,505,000
ITC Holdings Corporation	60,000	4,528,800
Nextera Energy Incorporated	70,000	4,165,700
Northeast Utilities	100,000	3,590,000
NSTAR	1,000	46,900
NV Energy Incorporated	75,000	1,176,000
Pepco Holdings Incorporated	100	1,944
Progress Energy Incorporated	400	21,232
South Jersey Industries Incorporated	200	10,400
The Southern Company	60,000	2,651,400
		30,405,365
Gas Utilities: 4.36%		
El Paso Corporation	25,000	695,250
MDU Resources Group Incorporated	500	10,850
National Fuel Gas Company	80,000	4,026,400
New Jersey Resources Corporation	200	9,338
		4,741,838
Multi-Utilities: 4.02%		
Dominion Resources Incorporated	300	15,141
Public Service Enterprise Group Incorporated	100,000	3,078,000
Sempra Energy	19,900	1,178,876
Wisconsin Energy Corporation	3,000	102,240
		4,374,257
Water Utilities: 2.00%		
American Water Works Company Incorporated	50,000	1,714,000
Middlesex Water Company	25,000	460,500
		2,174,500

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Total Common Stocks (Cost \$74,024,818)

79,738,539

	Interest Rate	Maturity Date	Principal	
Corporate Bonds and Notes: 30.75%				
Consumer Discretionary: 6.33%				
Auto Components: 0.73%				
Allison Transmission Incorporated 144A	7.13%	05/15/2019	\$ 250,000	257,500

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

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 7

Security Name	Interest Rate	Maturity Date	Principal	Value
Auto Components (continued)				
Cooper Tire & Rubber Company	7.63%	03/15/2027	\$ 215,000	\$ 208,550
Exide Technologies	8.63	02/01/2018	50,000	38,875
Goodyear Tire & Rubber Company	7.00	05/15/2022	25,000	25,313
Goodyear Tire & Rubber Company	10.50	05/15/2016	218,000	238,712
UR Financing Escrow Company 144A	5.75	07/15/2018	25,000	25,688
				794,638
Diversified Consumer Services: 0.84%				
Carriage Services Incorporated	7.88	01/15/2015	185,000	186,850
Mac-Gray Corporation	7.63	08/15/2015	42,000	43,155
Service Corporation International	6.75	04/01/2016	100,000	111,000
Service Corporation International	7.50	04/01/2027	465,000	465,000
Service Corporation International	7.63	10/01/2018	25,000	29,094
Service Corporation International	8.00	11/15/2021	40,000	46,525
Service Corporation International Series WI	7.00	06/15/2017	25,000	28,000
				909,624
Hotels, Restaurants & Leisure: 1.79%				
Ameristar Casinos Incorporated	7.50	04/15/2021	225,000	243,000
Burger King Corporation	9.88	10/15/2018	75,000	84,750
Chukchansi EDA 144A(i)±	4.16	11/15/2012	100,000	69,000
Cinemark USA Incorporated	7.38	06/15/2021	75,000	80,063
Cinemark USA Incorporated	8.63	06/15/2019	50,000	55,625
CityCenter Finance Corporation	7.63	01/15/2016	25,000	26,375
CityCenter Finance Corporation 144A	7.63	01/15/2016	125,000	131,563
CityCenter Finance Corporation ¥	11.50	01/15/2017	139,533	150,870
DineEquity Incorporated	9.50	10/30/2018	325,000	358,313
Greektown Superholdings Incorporated	13.00	07/01/2015	450,000	493,875
Scientific Games Corporation	9.25	06/15/2019	60,000	66,300
Speedway Motorsports Incorporated	6.75	02/01/2019	25,000	26,063
Speedway Motorsports Incorporated	8.75	06/01/2016	120,000	131,550
Yonkers Racing Corporation 144A	11.38	07/15/2016	25,000	27,094
				1,944,441
Household Durables: 0.02%				
American Greetings Corporation	7.38	12/01/2021	25,000	25,813
Media: 2.39%				
Cablevision Systems Corporation	8.63	09/15/2017	145,000	163,488
CCH II Capital Corporation	13.50	11/30/2016	605,000	695,750
CSC Holdings LLC	7.88	02/15/2018	50,000	56,500
DISH DBS Corporation	7.88	09/01/2019	115,000	135,125
Gray Television Incorporated	10.50	06/29/2015	250,000	264,063
Interactive Data Corporation	10.25	08/01/2018	100,000	112,750

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<i>Lamar Media Corporation 144A</i>	5.88	02/01/2022	25,000	26,094
<i>Lamar Media Corporation</i>	7.88	04/15/2018	75,000	82,500
<i>Lamar Media Corporation Series C</i>	9.75	04/01/2014	25,000	28,438
<i>LIN Television Corporation</i>	8.38	04/15/2018	100,000	105,750
<i>Local TV Finance LLC 144A</i>	9.25	06/15/2015	250,000	254,375

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

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8 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Interest Rate	Maturity Date	Principal	Value
Media (continued)				
NAI Entertainment Holdings LLC 144A	8.25%	12/15/2017	\$ 100,000	\$ 110,000
National Cinemedia LLC	7.88	07/15/2021	50,000	53,000
Regal Cinemas Corporation	8.63	07/15/2019	250,000	273,125
Salem Communications Corporation	9.63	12/15/2016	218,000	240,345
				2,601,303
Specialty Retail: 0.36%				
Gap Incorporated	5.95	04/12/2021	50,000	50,132
Limited Brands Incorporated	6.63	04/01/2021	25,000	27,500
Radioshack Corporation	6.75	05/15/2019	150,000	125,625
Rent A Center Incorporated	6.63	11/15/2020	25,000	26,031
Toys R Us Property Company LLC	8.50	12/01/2017	150,000	158,625
				387,913
Textiles, Apparel & Luxury Goods: 0.20%				
Oxford Industries Incorporated	11.38	07/15/2015	200,000	218,250
Consumer Staples: 0.22%				
Food Products: 0.22%				
Darling International Incorporated	8.50	12/15/2018	25,000	28,125
Dole Food Company Incorporated	13.88	03/15/2014	181,000	207,245
				235,370
Energy: 4.99%				
Energy Equipment & Services: 1.03%				
Bristow Group Incorporated	7.50	09/15/2017	135,000	141,075
Dresser Rand Group Incorporated 144A	6.50	05/01/2021	75,000	78,563
Gulfmark Offshore Incorporated	7.75	07/15/2014	225,000	226,688
Hornbeck Offshore Services Incorporated Series B	6.13	12/01/2014	260,000	260,650
Hornbeck Offshore Services Incorporated Series B	8.00	09/01/2017	55,000	58,025
Oil States International Incorporated	6.50	06/01/2019	125,000	134,375
PHI Incorporated	8.63	10/15/2018	200,000	205,000
Pride International Incorporated	8.50	06/15/2019	10,000	12,793
				1,117,169
Oil, Gas & Consumable Fuels: 3.96%				
Amerigas Partners Finance Corporation	6.25	08/20/2019	150,000	151,500
Chesapeake Energy Corporation	9.50	02/15/2015	255,000	293,250
Coffeyville Resources Energy Incorporated 144A	9.00	04/01/2015	95,000	101,650
Coffeyville Resources Energy Incorporated 144A	10.88	04/01/2017	100,000	113,000
Consol Energy Incorporated	8.25	04/01/2020	165,000	179,850

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<i>Crestwood Midstream Partnership Company 144A</i>	7.75	04/01/2019	50,000	50,500
<i>Denbury Resources Incorporated</i>	6.38	08/15/2021	25,000	27,563
<i>Denbury Resources Incorporated</i>	8.25	02/15/2020	25,000	28,500
<i>El Paso Corporation</i>	6.50	09/15/2020	45,000	49,702
<i>El Paso Corporation</i>	7.00	06/15/2017	50,000	55,879
<i>El Paso Corporation</i>	7.25	06/01/2018	175,000	198,144
<i>El Paso Corporation</i>	7.42	02/15/2037	90,000	99,613

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

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 9

Security Name	Interest Rate	Maturity Date	Principal	Value
Oil, Gas & Consumable Fuels (continued)				
<i>El Paso Corporation</i>	7.80%	08/01/2031	\$ 100,000	\$ 119,240
<i>Encore Acquisition Company</i>	9.50	05/01/2016	50,000	55,875
<i>Energy Transfer Equity LP</i>	7.50	10/15/2020	300,000	343,500
<i>Ferrellgas LP</i>	9.13	10/01/2017	200,000	212,000
<i>Forest Oil Corporation</i>	7.25	06/15/2019	95,000	95,713
<i>Forest Oil Corporation</i>	8.50	02/15/2014	65,000	70,525
<i>Holly Corporation</i>	9.88	06/15/2017	220,000	245,850
<i>Inergy Holdings LP</i>	7.00	10/01/2018	50,000	49,250
<i>Inergy LP & Inergy Finance Corporation</i>	6.88	08/01/2021	37,000	35,705
<i>Newfield Exploration Company</i>	6.88	02/01/2020	55,000	59,400
<i>Overseas Shipholding Group Incorporated</i>	7.50	02/15/2024	75,000	44,438
<i>Penn Virginia Corporation</i>	10.38	06/15/2016	10,000	9,925
<i>Petrohawk Energy Corporation</i>	7.88	06/01/2015	95,000	100,344
<i>Petrohawk Energy Corporation</i>	10.50	08/01/2014	60,000	66,675
<i>Pioneer Natural Resource Company</i>	7.50	01/15/2020	145,000	179,142
<i>Plains Exploration & Production Company</i>	8.63	10/15/2019	325,000	367,250
<i>Regency Energy Partners LP</i>	6.88	12/01/2018	25,000	27,125
<i>Sabine Pass LNG LP</i>	7.25	11/30/2013	250,000	263,750
<i>Sabine Pass LNG LP</i>	7.50	11/30/2016	275,000	295,625
<i>Samson Investment Company 144A</i>	9.75	02/15/2020	50,000	52,625
<i>Suburban Propane Partners LP</i>	7.38	03/15/2020	25,000	26,625
<i>Susser Holdings LLC</i>	8.50	05/15/2016	125,000	137,188
<i>Tesoro Corporation</i>	9.75	06/01/2019	90,000	102,375
				4,309,296
Financials: 7.21%				
Capital Markets: 0.77%				
<i>E*TRADE Financial Corporation ¥</i>	12.50	11/30/2017	68,000	79,220
<i>Nuveen Investments Incorporated</i>	5.50	09/15/2015	225,000	210,375
<i>Nuveen Investments Incorporated 144A</i>	10.50	11/15/2015	250,000	260,000
<i>Nuveen Investments Incorporated</i>	10.50	11/15/2015	150,000	156,750
<i>Oppenheimer Holdings Incorporated</i>	8.75	04/15/2018	125,000	127,500
				833,845
Commercial Banks: 1.07%				
<i>CIT Group Incorporated 144A</i>	4.75	02/15/2015	200,000	203,000
<i>CIT Group Incorporated 144A</i>	5.25	04/01/2014	100,000	102,250
<i>CIT Group Incorporated 144A</i>	5.50	02/15/2019	100,000	102,125
<i>CIT Group Incorporated 144A</i>	7.00	05/04/2015	450,000	451,125
<i>CIT Group Incorporated</i>	7.00	05/01/2016	53,189	53,256
<i>CIT Group Incorporated</i>	7.00	05/01/2017	50,000	50,000
<i>Emigrant Bancorp Incorporated 144A(i)</i>	6.25	06/15/2014	225,000	203,434
				1,165,190

Consumer Finance: 4.14%

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<i>Ally Financial Incorporated Company</i>	5.50	02/15/2017	50,000	50,648
<i>Ally Financial Incorporated Company</i>	8.30	02/12/2015	825,000	911,625
<i>American General Finance Corporation</i>	5.40	12/01/2015	150,000	118,875
<i>American General Finance Corporation</i>	5.75	09/15/2016	50,000	37,750

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

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10 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Interest Rate	Maturity Date	Principal	Value
Consumer Finance (continued)				
American General Finance Corporation	6.50%	09/15/2017	\$ 50,000	\$ 37,375
Calpine Construction Finance Corporation 144A	7.25	10/15/2017	400,000	424,000
Calpine Construction Finance Corporation 144A	8.00	06/01/2016	125,000	135,938
Clearwire Communications Finance Corporation 144A	12.00	12/01/2015	130,000	126,425
Ford Motor Credit Company LLC	8.00	12/15/2016	25,000	29,713
General Motors Financial Company	6.75	06/01/2018	100,000	107,932
GMAC LLC	6.75	12/01/2014	36,000	38,025
GMAC LLC	6.88	08/28/2012	146,000	148,555
Homer City Funding LLC	8.73	10/01/2026	139,376	125,438
International Lease Finance Corporation 144A	6.75	09/01/2016	50,000	54,625
International Lease Finance Corporation	8.63	09/15/2015	75,000	83,250
JBS USA Finance Incorporated	11.63	05/01/2014	420,000	486,675
Nielsen Finance LLC	7.75	10/15/2018	450,000	500,625
Nielsen Finance LLC	11.50	05/01/2016	49,000	56,718
Springleaf Finance Corporation	6.90	12/15/2017	225,000	174,375
Sprint Capital Corporation	6.88	11/15/2028	850,000	663,000
Sprint Capital Corporation	8.75	03/15/2032	220,000	195,800
				4,507,367
Insurance: 0.42%				
HUB International Holdings Incorporated 144A	10.25	06/15/2015	275,000	281,875
USI Holdings Corporation 144A±	4.38	11/15/2014	50,000	46,375
USI Holdings Corporation 144A	9.75	05/15/2015	125,000	125,313
				453,563
REITs: 0.81%				
Dupont Fabros Technology Incorporated	8.50	12/15/2017	565,000	624,325
Host Marriott Corporation	9.00	05/15/2017	30,000	33,300
Omega Healthcare Investors	6.75	10/15/2022	125,000	135,156
Ventas Incorporated	9.00	05/01/2012	90,000	90,816
				883,597
Health Care: 1.20%				
Health Care Equipment & Supplies: 0.06%				
Biomet Incorporated ¥	10.38	10/15/2017	60,000	65,325
Health Care Providers & Services: 0.96%				
Apria Healthcare Group	11.25	11/01/2014	70,000	73,850
Aviv Healthcare Properties LP	7.75	02/15/2019	100,000	102,250
Centene Corporation	5.75	06/01/2017	75,000	78,188
Emergency Medical Services	8.13	06/01/2019	25,000	26,250
HCA Incorporated	5.88	03/15/2022	25,000	25,625
HCA Incorporated	6.50	02/15/2020	175,000	187,688

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<i>HCA Incorporated</i>	7.50	02/15/2022	25,000	27,063
<i>Health Management Associates Incorporated</i>	6.13	04/15/2016	50,000	52,188
<i>Health Management Associates Incorporated 144A</i>	7.38	01/15/2020	25,000	26,063
<i>Healthisouth Corporation</i>	7.25	10/01/2018	25,000	27,000
<i>Healthisouth Corporation</i>	7.75	09/15/2022	25,000	27,188
<i>MPT Operating Partnership LP</i>	6.38	02/15/2022	25,000	25,813

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

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 11

Security Name	Interest Rate	Maturity Date	Principal	Value
Health Care Providers & Services (continued)				
<i>MPT Operating Partnership LP</i>	6.88%	05/01/2021	\$ 125,000	\$ 132,891
<i>PSS World Medical Incorporated 144A</i>	6.38	03/01/2022	25,000	26,000
<i>Sabra Health Care Corporation</i>	8.13	11/01/2018	150,000	160,875
<i>United Surgical Partners International Incorporated</i>	8.88	05/01/2017	50,000	52,188
				1,051,120
Life Sciences Tools & Services: 0.03%				
<i>Community Health Systems Incorporated Series WI</i>	8.88	07/15/2015	30,000	31,425
Pharmaceuticals: 0.15%				
<i>Mylan Incorporated 144A</i>	6.00	11/15/2018	50,000	52,313
<i>Mylan Incorporated 144A</i>	7.63	07/15/2017	25,000	27,672
<i>Mylan Incorporated 144A</i>	7.88	07/15/2020	75,000	83,813
				163,798
Industrials: 1.89%				
Aerospace & Defense: 0.49%				
<i>Alliant Techsystems Incorporated</i>	6.75	04/01/2016	225,000	230,625
<i>Geoeeye Incorporated</i>	9.63	10/01/2015	55,000	60,775
<i>Hexcel Corporation</i>	6.75	02/01/2015	48,000	48,420
<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	27,500
				538,078
Commercial Services & Supplies: 0.80%				
<i>Casella Waste Systems Incorporated</i>	11.00	07/15/2014	220,000	238,425
<i>Corrections Corporation of America</i>	7.75	06/01/2017	95,000	103,550
<i>Geo Group Incorporated</i>	7.75	10/15/2017	125,000	134,688
<i>Iron Mountain Incorporated</i>	8.38	08/15/2021	155,000	172,244
<i>KAR Holdings Incorporated ±</i>	4.55	05/01/2014	100,000	99,500
<i>NCO Group Incorporated</i>	11.88	11/15/2014	125,000	124,375
				872,782
Industrial Conglomerates: 0.21%				
<i>Otter Tail Corporation</i>	9.00	12/15/2016	215,000	230,050
Machinery: 0.30%				
<i>Cleaver-Brooks Incorporated 144A</i>	12.25	05/01/2016	55,000	57,200
<i>Columbus McKinnon Corporation</i>	7.88	02/01/2019	75,000	78,563
<i>CPM Holdings Incorporated</i>	10.63	09/01/2014	150,000	161,625

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<i>Titan International Incorporated</i>	7.88	10/01/2017	25,000	26,563
				323,951
Metals & Mining: 0.04%				
<i>Crown Cork & Seal Company Incorporated (i)</i>	7.50	12/15/2096	50,000	43,125
Road & Rail: 0.05%				
<i>RailAmerica Incorporated</i>	9.25	07/01/2017	44,000	49,060

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12 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Interest Rate	Maturity Date	Principal	Value
Information Technology: 2.59%				
Communications Equipment: 0.35%				
<i>Avaya Incorporated</i>	9.75%	11/01/2015	\$ 50,000	\$ 50,000
<i>EchoStar DBS Corporation</i>	7.13	02/01/2016	50,000	55,250
<i>Lucent Technologies Incorporated</i>	6.45	03/15/2029	155,000	119,350
<i>Lucent Technologies Incorporated Series B</i>	2.88	06/15/2025	160,000	153,400
				378,000
Computers & Peripherals: 0.20%				
<i>Seagate Technology HDD Holdings</i>	6.80	10/01/2016	50,000	55,625
<i>Seagate Technology HDD Holdings</i>	6.88	05/01/2020	25,000	27,375
<i>Seagate Technology HDD Holdings 144A</i>	7.00	11/01/2021	25,000	27,688
<i>Seagate Technology HDD Holdings</i>	7.75	12/15/2018	100,000	112,500
				223,188
Electronic Equipment, Instruments & Components: 0.87%				
<i>CDW LLC / CDW Financial Corporation</i>	12.54	10/12/2017	75,000	81,750
<i>Jabil Circuit Incorporated</i>	8.25	03/15/2018	620,000	737,800
<i>Viasystem Group Incorporated 144A</i>	12.00	01/15/2015	115,000	123,913
				943,463
Internet Software & Services: 0.10%				
<i>Equinix Incorporated</i>	8.13	03/01/2018	95,000	106,044
IT Services: 1.07%				
<i>Audatex North American 144A</i>	6.75	06/15/2018	25,000	26,031
<i>Fidelity National Information Services Incorporated 144A</i>	7.63	07/15/2017	25,000	27,156
<i>Fidelity National Information Services Incorporated</i>	7.63	07/15/2017	25,000	27,281
<i>Fidelity National Information Services Incorporated</i>	7.88	07/15/2020	100,000	112,500
<i>First Data Corporation 144A</i>	7.38	06/15/2019	50,000	50,563
<i>First Data Corporation</i>	11.25	03/31/2016	375,000	355,313
<i>SunGard Data Systems Incorporated</i>	7.38	11/15/2018	50,000	53,750
<i>SunGard Data Systems Incorporated</i>	7.63	11/15/2020	25,000	27,000
<i>SunGard Data Systems Incorporated</i>	10.25	08/15/2015	300,000	312,750
<i>TW Telecommunications Holdings Incorporated</i>	8.00	03/01/2018	75,000	82,219
<i>Unisys Corporation 144A</i>	12.75	10/15/2014	47,000	52,758
<i>Unisys Corporation 144A</i>	14.25	09/15/2015	36,000	41,400
				1,168,721
Materials: 1.19%				
Chemicals: 0.30%				
<i>Huntsman International LLC</i>	5.50	06/30/2016	140,000	139,825

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<i>Lyondell Chemical Company</i>	11.00	05/01/2018	119,904	131,445
<i>Solutia Incorporated</i>	7.88	03/15/2020	50,000	58,625
				329,895

Containers & Packaging: 0.22%

<i>Ball Corporation</i>	5.00	03/15/2022	25,000	25,563
<i>Crown Americas LLC</i>	7.63	05/15/2017	25,000	27,313

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

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 13

Security Name	Interest Rate	Maturity Date	Principal	Value
Containers & Packaging (continued)				
<i>Graham Packaging Company Incorporated</i>	9.88%	10/15/2014	\$ 150,000	\$ 153,000
<i>Owens Brockway Glass Container Incorporated</i>	7.38	05/15/2016	25,000	28,313
				234,189
Metals & Mining: 0.44%				
<i>Freeport-McMoRan Copper & Gold Incorporated</i>	8.38	04/01/2017	295,000	308,800
<i>Novelis Incorporated</i>	8.38	12/15/2017	100,000	109,500
<i>Novelis Incorporated</i>	8.75	12/15/2020	50,000	55,750
				474,050
Paper & Forest Products: 0.23%				
<i>Clearwater Paper Corporation</i>	10.63	06/15/2016	70,000	79,538
<i>Georgia-Pacific Corporation</i>	8.88	05/15/2031	125,000	172,853
				252,391
Telecommunication Services: 3.06%				
Diversified Telecommunication Services: 1.64%				
<i>Citizens Communications Company</i>	7.88	01/15/2027	200,000	182,000
<i>Frontier Communications Corporation</i>	8.13	10/01/2018	60,000	64,650
<i>Frontier Communications Corporation</i>	8.25	05/01/2014	140,000	152,250
<i>GCI Incorporated</i>	6.75	06/01/2021	75,000	75,938
<i>GCI Incorporated</i>	8.63	11/15/2019	150,000	163,500
<i>Intelsat Jackson Holdings Company</i>	7.25	10/15/2020	75,000	78,938
<i>Intelsat Jackson Holdings Company</i>	9.50	06/15/2016	300,000	315,750
<i>Qwest Corporation</i>	7.50	06/15/2023	180,000	180,900
<i>Qwest Corporation</i>	7.63	08/03/2021	20,000	20,876
<i>SBA Telecommunications Incorporated</i>	8.00	08/15/2016	50,000	53,875
<i>SBA Telecommunications Incorporated</i>	8.25	08/15/2019	50,000	55,000
<i>U.S. West Communications Incorporated</i>	7.25	09/15/2025	125,000	138,952
<i>Windstream Corporation</i>	7.88	11/01/2017	265,000	298,788
				1,781,417
Wireless Telecommunication Services: 1.42%				
<i>Allbritton Communications Company</i>	8.00	05/15/2018	100,000	105,750
<i>CC Holdings GS V LLC 144A</i>	7.75	05/01/2017	50,000	54,500
<i>Cricket Communications Incorporated</i>	7.75	10/15/2020	150,000	149,250
<i>Cricket Communications Incorporated Series I</i>	7.75	05/15/2016	125,000	133,125
<i>Crown Castle International Corporation</i>	7.13	11/01/2019	10,000	10,950
<i>MetroPCS Communications Incorporated</i>	6.63	11/15/2020	250,000	257,500
<i>MetroPCS Communications Incorporated</i>	7.88	09/01/2018	50,000	53,625
<i>Sprint Nextel Corporation 144A</i>	9.00	11/15/2018	25,000	27,875
<i>Sprint Nextel Corporation 144A</i>	11.50	11/15/2021	25,000	27,250
<i>Sprint Nextel Corporation Series D</i>	7.38	08/01/2015	375,000	370,313

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<i>Syniverse Holdings Incorporation</i>	9.13	01/15/2019	325,000	354,250
				1,544,388

Utilities: 2.07%

Electric Utilities: 1.86%

<i>Aquila Incorporated Step Bond</i>	11.88	07/01/2012	794,000	821,844
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The accompanying notes are an integral part of these financial statements.

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14 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Interest Rate	Maturity Date	Principal	Value
Electric Utilities (continued)				
<i>Dolphin Subsidiary Incorporated 144A</i>	7.25%	10/15/2021	\$ 200,000	\$ 228,000
<i>Ipalco Enterprises Incorporated</i>	5.00	05/01/2018	75,000	75,844
<i>Mirant Mid-Atlantic LLC Series C</i>	10.06	12/30/2028	438,432	451,585
<i>NRG Energy Incorporated</i>	7.38	01/15/2017	250,000	259,375
<i>NRG Energy Incorporated</i>	8.50	06/15/2019	185,000	189,163
				2,025,811
Gas Utilities: 0.07%				
<i>AmeriGas Finance LLC</i>	7.00	05/20/2022	25,000	25,656
<i>AmeriGas Partners LP</i>	6.50	05/20/2021	50,000	50,500
				76,156
Independent Power Producers & Energy Traders: 0.14%				
<i>Reliant Energy Incorporated</i>	9.24	07/02/2017	95,082	91,754
<i>Reliant Energy Incorporated</i>	9.68	07/02/2026	10,000	9,325
<i>RRI Energy Incorporated</i>	7.63	06/15/2014	50,000	51,000
				152,079
Total Corporate Bonds and Notes (Cost \$31,460,505)				33,445,885
	Dividend Yield		Shares	
Preferred Stocks: 7.28%				
Financials: 0.05%				
Consumer Finance: 0.05%				
<i>GMAC Capital Trust I</i>	8.13		2,200	51,656
Utilities: 7.23%				
Electric Utilities: 2.76%				
<i>Great Plains Energy Incorporated</i>	12.00		50,000	3,001,000
Multi-Utilities: 4.47%				
<i>Scana Corporation</i>	7.70		165,000	4,867,500
Total Preferred Stocks (Cost \$7,553,500)				7,920,156
	Interest Rate		Principal	

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Term Loans: 3.32%

<i>Capital Automotive LP</i>	5.00	03/10/2017	\$ 281,520	278,423
<i>CCM Merger Incorporated</i>	7.00	03/01/2017	364,347	363,892
<i>Coinmach Corporation</i>	3.41	11/20/2014	271,213	249,787
<i>Fairpoint Communications Incorporated</i>	6.50	01/22/2016	375,000	316,436
<i>Federal Mogul Corporation</i>	2.19	12/28/2015	41,970	40,144
<i>Federal Mogul Corporation</i>	2.20	12/29/2014	82,261	78,683
<i>First Data Corporation B1</i>	2.99	09/24/2014	164,254	157,027
<i>First Data Corporation B2</i>	2.99	09/24/2014	240,789	230,194
<i>First Data Corporation B3</i>	2.99	09/24/2014	70,394	67,297
<i>Focus Brands Incorporated <</i>	N/A	08/22/2018	50,000	49,500
<i>Gray Television Incorporated</i>	3.77	12/31/2014	71,075	70,220

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

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Portfolio of Investments February 29, 2012 (Unaudited)

Wells Fargo Advantage Utilities and High Income Fund 15

Security Name	Interest Rate	Maturity Date	Principal	Value
Term Loans (continued)				
<i>HHI Holdings LLC</i>	7.00%	03/21/2017	\$ 99,250	\$ 99,002
<i>Local TV Finance LLC</i>	4.25	05/07/2015	106,284	105,752
<i>Merisant Company (i)</i>	7.50	01/08/2014	70,879	69,815
<i>NCO Group Incorporated</i>	8.00	05/15/2013	67,367	66,904
<i>Newsday LLC</i>	10.50	08/01/2013	365,000	375,494
<i>Panoram Industries International (i)</i>	8.25	12/31/2013	20,950	19,798
<i>Springleaf Finance Corporation</i>	5.50	05/10/2017	100,000	91,161
<i>Texas Competitive Electric Holdings Company LLC</i>	3.76	10/10/2014	1,371,940	835,031
<i>WASH Multifamily Laundry Systems LLC</i>	7.00	08/28/2014	49,488	49,025
Total Term Loans (Cost \$3,982,026)				3,613,585
Shares				
Warrants: 0.00%				
Utilities: 0.00%				
Electric Utilities: 0.00%				
<i>China Hydroelectric Company ADR</i>			10,000	250
Total Warrants (Cost \$12,000)				250
Principal				
Yankee Corporate Bonds and Notes: 0.93%				
Consumer Discretionary: 0.10%				
Media: 0.10%				
<i>Vidéotron GP 144A</i>	5.00	07/15/2022	\$ 25,000	25,000
<i>Vidéotron GP</i>	9.13	04/15/2018	75,000	83,063
				108,063
Energy: 0.15%				
Oil, Gas & Consumable Fuels: 0.10%				
<i>Griffin Coal Mining Company Limited 144A(s)</i>	9.50	12/01/2016	209,550	166,330
Financials: 0.20%				
Consumer Finance: 0.10%				
<i>Wind Acquisition Finance SA 144A</i>	11.75	07/15/2017	110,000	112,750
Diversified Financial Services: 0.10%				
<i>Ship Finance International Limited</i>	8.50	12/15/2013	105,000	104,738

Materials: 0.14%

Metals & Mining: 0.06%

<i>Teck Resources Limited</i>	10.75	05/15/2019	55,000	68,200
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Paper & Forest Products: 0.08%

<i>Sappi Limited 144A</i>	7.50	06/15/2032	100,000	82,000
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16 Wells Fargo Advantage Utilities and High Income Fund

Portfolio of Investments February 29, 2012 (Unaudited)

Security Name	Interest Rate	Maturity Date	Principal	Value
Telecommunication Services: 0.34%				
Diversified Telecommunication Services: 0.12%				
<i>Intelsat Jackson Holding Company</i>	7.25%	04/01/2019	\$ 75,000	\$ 78,750
<i>Intelsat Jackson Holding Company</i>	7.50	04/01/2021	50,000	52,875
				131,625
Wireless Telecommunication Services: 0.22%				
<i>Digicel Group Limited 144A</i>	12.00	04/01/2014	20,000	22,450
<i>Intelsat Limited</i>	11.25	06/15/2016	200,000	211,500
				233,950
Total Yankee Corporate Bonds and Notes (Cost \$958,542)				1,007,656
	Yield		Shares	
Short-Term Investments: 2.70%				
Investment Companies: 2.70%				
<i>Wells Fargo Advantage Cash Investment Money Market Fund, Institutional Class (I)(u)</i>	0.02		2,938,691	2,938,691
Total Short-Term Investments (Cost \$2,938,691)				2,938,691
Total Investments in Securities				
(Cost \$120,930,082) *	118.30%		128,664,762	
<i>Other Assets and Liabilities, Net</i>	(18.30)		(19,901,589)	
Total Net Assets	100.00%		\$ 108,763,173	

Non-income earning security.

144A

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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.

(i) Illiquid security.

± Variable rate investment.

¥ 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.

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

(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 \$121,614,698 and net unrealized appreciation (depreciation) consists of:

Gross unrealized appreciation	\$ 15,887,227
Gross unrealized depreciation	(8,837,163)
Net unrealized appreciation	\$ 7,050,064

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Portfolio of Investments February 29, 2012 (Unaudited)

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The following table shows the percent of total long-term investments by geographic location as of February 29, 2012:

United States	85.0%
Italy	4.4%
Sweden	3.9%
France	1.8%
Canada	1.5%
Netherlands	0.9%
Turkey	0.8%
Luxembourg	0.7%
Brazil	0.4%
Cayman Islands	0.2%
Australia	0.1%
Great Britain	0.1%
Bermuda	0.1%
Austria	0.1%
	100.0%

The following table shows the percent of total bonds by credit quality based on Moody's and Standard & Poor's ratings as of February 29, 2012:

BBB/Baa	5.6%
BB/Ba	32.1%
B/B	49.2%
CCC/Caa and Below	12.6%
Not Rated	0.5%
	100.0%

The following table shows the percent of total bonds based on effective maturity as of February 29, 2012:

Less than 1 year	18.4%
1 to 3 Year(s)	34.4%
3 to 5 Years	19.7%
5 to 10 Years	19.3%
10 to 20 Years	7.0%
20+ Years	1.2%
	100.0%

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