

WELLS FARGO UTILITIES & HIGH INCOME FUND

Form N-CSRS

May 01, 2019

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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 Utilities and 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)

Alexander Kymn

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

Date of reporting period: February 28, 2019

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ITEM 1. REPORT TO STOCKHOLDERS

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Semi-Annual Report

February 28, 2019

Wells Fargo Utilities and High Income Fund (ERH)

Beginning on January 1, 2021, as permitted by new regulations adopted by the Securities and Exchange Commission, paper copies of the Wells Fargo Funds' annual and semi-annual shareholder reports issued after this date will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 1-800-730-6001.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you can call 1-800-730-6001. Your election to receive reports in paper will apply to all Wells Fargo Funds held in your account with your financial intermediary or, if you are a direct investor, to all Wells Fargo Funds that you hold.

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The views expressed and any forward-looking statements are as of February 28, 2019, 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 Fund are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Wells Fargo Funds Management, LLC and the Fund disclaim any obligation to publicly update or revise any views expressed or forward-looking statements.

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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2 Wells Fargo Utilities and High Income Fund

Letter to shareholders (unaudited)

Andrew Owen

President

Wells Fargo Funds

Favorable third-quarter economic indicators and corporate earnings reports encouraged domestic stock investors.

Dear Shareholder:

We are pleased to offer you this semi-annual report for the Wells Fargo Utilities and High Income Fund for the six-month period that ended February 28, 2019. Higher short-term interest rates, inflation concerns, trade tensions, slowing economic growth outside the U.S., and geopolitical events contributed to investment market volatility throughout the period.

For the period, U.S. stocks, as measured by the S&P 500 Index,¹ fell 3.04% and international stocks, as measured by the MSCI ACWI ex USA Index (Net),² declined 2.47%. Based on the MSCI EM Index (Net),³ emerging market stocks gained 0.33%. For bond investors, the Bloomberg Barclays U.S. Aggregate Bond Index⁴ added 1.99% while the Bloomberg Barclays Global Aggregate ex-USD Index⁵ gained 0.63%. The Bloomberg Barclays Municipal Bond Index⁶ added 2.34%, and the ICE BofAML U.S. High Yield Index⁷ advanced 1.98%.

Investors appeared to shake off lingering concerns during the third quarter.

Favorable third-quarter economic indicators and corporate earnings reports encouraged domestic stock investors. U.S. trade negotiations with Mexico and Canada progressed. The Conference Board Consumer Confidence Index^{®8} reached its highest level in 18 years during September 2018. The U.S. Federal Reserve (Fed) raised the federal funds rate by 25 basis points (bps; 100 bps equal 1.00%) to a target range of between 2.00% and 2.25% in September. For the quarter that ended September 30, 2018, the S&P 500 Index added 7.71%.

Investors in international markets were not as confident. Tensions between the U.S. and China increased. The U.S. imposed \$200 billion in tariffs on Chinese goods. China reacted with \$60 billion in tariffs on U.S. goods. Economic growth in China caused concern. The Bank of England (BOE) raised its monetary policy rate to 0.75% in August.

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During the quarter, the MSCI ACWI ex USA Index (Net) gained 0.71%. The MSCI EM Index (Net) declined 1.09%. In fixed-income markets, U.S. bonds were flat, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index. The Bloomberg Barclays Global Aggregate ex-USD Index fell 1.74%.

¹The 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.

²The Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. You cannot invest directly in an index.

³The MSCI Emerging Markets (EM) Index (Net) is a free-float-adjusted market-capitalization-weighted index that is designed to measure large- and mid-cap equity market performance of emerging markets. The MSCI EM Index (Net) consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, the Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and the United Arab Emirates. You cannot invest directly in an index.

⁴The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. You cannot invest directly in an index.

⁵The Bloomberg Barclays Global Aggregate ex-USD Index is an unmanaged index that provides a broad-based measure of the global investment-grade fixed-income markets excluding the U.S. dollar-denominated debt market. You cannot invest directly in an index.

⁶The Bloomberg Barclays Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. You cannot invest directly in an index.

⁷The ICE BofAML U.S. High Yield Index is a market-capitalization-weighted index of domestic and Yankee high-yield bonds. The index tracks the performance of high-yield securities traded in the U.S. bond market. You cannot invest directly in an index. Copyright 2019. ICE Data Indices, LLC. All rights reserved.

⁸The Conference Board Consumer Confidence Index[®] measures the degree of optimism on the state of the U.S. economy that consumers are expressing through their activities of savings and spending. You cannot invest directly in an index.

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Letter to shareholders (unaudited) Wells Fargo Utilities and High Income Fund 3
Conflicting data unsettled markets during the fourth quarter.

November's U.S. midterm elections shifted control of the House of Representatives from Republicans to Democrats, presaging potential partisan clashes. Third-quarter U.S. gross domestic product (GDP) was announced at an annualized 3.4% rate, lower than the second-quarter rate. Brexit efforts stalled ahead of the March 2019 deadline. The People's Bank of China cut reserve requirement ratios, accelerated infrastructure spending, and cut taxes even as the value of the yuan declined to low levels last seen in 2008.

December's S&P 500 Index performance was the worst since 1931. Globally, fixed-income investments fared better than stocks during the last two months of the year. The Fed increased the federal funds rate by 25 bps in December to a target range of between 2.25% and 2.50% and softened its outlook for 2019 rate increases.

The market climbs a wall of worry.

Investors entered 2019 with reasons to be concerned. A partial U.S. government shutdown driven by partisan spending and immigration policy disputes extended into January. Investors expected high levels of stock market volatility to continue based on the VIX⁹.

January's returns tended to support the investing adage that markets climb a wall of worry. The S&P 500 Index gained 8.01% for the month that ended January 31, 2019, its best monthly performance in 30 years. Returns for the MSCI ACWI ex USA Index (Net), the Bloomberg Barclays U.S. Aggregate Bond Index, and the Bloomberg Barclays Global Aggregate ex-USD Index also were positive.

In February, concerns over slowing global growth reemerged. The Bureau of Economic Analysis announced fourth-quarter 2018 GDP grew at an annualized 2.2% rate, down from the 4.2% annualized rate for the second quarter and the 3.4% annualized rate for the third quarter. Analysts attributed the lower growth rate to a slowing housing market and larger trade deficit. The U.S. Labor Department said that the economy created just 20,000 jobs in February. In a February report, the BOE forecast the slowest growth since the financial crisis for 2019. China and the U.S., while putting future tariffs on hold for the time being, continued to wrangle over trade issues.

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

Periods of investment uncertainty can present challenges, but experience has taught us that maintaining long-term investment goals can be an effective way to plan for the future. To help you create a sound strategy based on your personal goals and risk tolerance, Wells Fargo Funds offers more than 100 mutual funds spanning a wide range of asset classes and investment styles. Although diversification cannot guarantee an investment profit or prevent losses, we believe it can be an effective way to manage investment risk and potentially smooth out overall portfolio performance. We encourage investors to know their investments and to understand that appropriate levels of risk-taking may unlock opportunities.

January's returns tended to support the investing adage that markets climb a wall of worry.

⁹ The Chicago Board Options Exchange Market Volatility Index (VIX) is a popular measure of the implied volatility of S&P 500 Index options. It represents one measure of the market's expectation of stock market volatility over the next 30-day period. You cannot invest directly in an index.

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4 Wells Fargo Utilities and High Income Fund

Letter to shareholders (unaudited)

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

Sincerely,

Andrew Owen

President

Wells Fargo Funds

Notice to shareholders

On November 9, 2018, the Fund announced an extension of its open-market share repurchase program (the Buyback Program). Under the extended Buyback Program, the Fund may repurchase up to 10% of its outstanding shares during the period in open market transactions beginning on January 1, 2019 and ending on December 31, 2019. The Fund's Board of Trustees has delegated to Wells Fargo Funds Management, LLC, the Fund's adviser, discretion to administer the Buyback Program including the determination of the amount and timing of repurchases in accordance with the best interests of the Fund and subject to applicable legal limitations.

For further information about your Fund, contact your investment professional, visit our website at **wfam.com**, or call us directly at **1-800-222-8222**.

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Table of Contents**6 Wells Fargo Utilities and High Income Fund**

Performance highlights (unaudited)

Investment objective

The Fund seeks a high level of current income and moderate capital growth, with an emphasis on providing tax-advantaged dividend income.

Strategy summary

The Fund allocates its assets between two separate investment strategies, or sleeves. Under normal market conditions, the Fund will allocate approximately 70% of its total assets to a sleeve that places a focus on common, preferred and convertible preferred stocks and convertible debentures of utility companies (water, gas, electric and telecommunications companies), and approximately 30% of its total assets to a sleeve of U.S. dollar denominated non-investment-grade (high yield) debt.

Adviser

Wells Fargo Funds Management, LLC

Subadvisers

Crow Point Partners, LLC

Wells Capital Management Incorporated

Portfolio managers

Niklas Nordenfelt, CFA®

Timothy P. O'Brien, CFA®

Phillip Susser

Average annual total returns (%) as of February 28, 2019¹

	6 months	1 year	5 year	10 year
Based on market value	6.07	14.16	8.41	11.92
Based on net asset value (NAV) per share	6.28	10.31	6.55	11.30
ERH Blended Index ²	6.58	15.37	9.21	12.25
ICE BofAML U.S. High Yield Index ³	1.98	4.26	4.54	11.49
S&P 500 Utilities Sector Index ⁴	8.54	20.35	11.00	12.84

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

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

The Fund's annualized expense ratio for the six months ended February 28, 2019, was 1.63% which includes 0.59% of interest expense.

Comparison of NAV vs. market value⁵

High-yield, lower-rated bonds may contain more risk due to the increased possibility of default. Foreign investments may contain more risk due to the inherent risks associated with changing political climates, foreign market instability, and foreign currency fluctuations. Risks of international investing are magnified in emerging or developing markets. Funds that concentrate their investments in a single industry or sector may face increased risk of price fluctuation due to adverse developments within that industry or sector. Small- and mid-cap securities may be subject to special risks associated with narrower product lines and limited financial resources compared with their large-cap counterparts. The use of leverage results in certain risks, including, among others, the likelihood of greater volatility of net asset value and the market price of common shares. Derivatives involve additional risks, including interest-rate risk, credit risk, the risk of improper valuation, and the risk of noncorrelation to the relevant instruments they are designed to hedge or closely track. There are numerous risks associated with transactions in options on securities. Illiquid securities may be subject to wide fluctuations in market value and may be difficult to sell. This closed-end fund is no longer available as an initial public offering and is only offered through broker-dealers on the secondary market.

Please see footnotes on page 9.

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Performance highlights (unaudited)
MANAGERS DISCUSSION

Wells Fargo Utilities and High Income Fund 7

Overview

The Fund's return based on market value was 6.07% for the six-month period that ended February 28, 2019. During the same period, the Fund's return based on net asset value (NAV) was 6.28%. Based on its NAV return, the Fund underperformed the ERH Blended Index, which returned 6.58%.

In the six-month period that ended February 28, 2019, the U.S. economy remained quite strong by historical standards. The U.S. Federal Reserve (Fed) continued to tighten credit conditions by raising interest rates on the short end of the yield curve, but longer-term bond rates actually fell and the yield curve flattened. Europe is gripped by economic malaise with little end in sight, and Asia and emerging markets suffered, in part from U.S. tariff imposition and the strong U.S. dollar. The U.S. equity market was strong until December, then sold off sharply before recovering pretty much all of the losses by the end of February. In contrast, the European equity market sell-off remained pressured, although the Fund's holdings of European utilities performed relatively well.

While high-yield market returns were modestly positive (approximately 2%, as measured by the ICE BofAML U.S. High Yield Index), the period was marked by a positive September followed by three weak months that ended December 2018 and a very strong rebound in January and February 2019. Yields over the period rose modestly as spreads widened, somewhat offset by falling U.S. Treasury yields.

We believe the high-yield bond market fell in the latter months of 2018 due to rising Treasury yields, threats of trade wars (especially one between the U.S. and China), and, to a lesser extent, risks associated with a hard Brexit. In our view, all of these risks were based on possible future government policy decisions rather than changes in the fundamental performance of the economy. The market decline and related outflows peaked during December when the market was most susceptible to volatility given the lower liquidity during the holiday period. In the first few months of 2019, as more liquidity returned to the market, the concerns affecting the market and outflows dissipated as the Fed guided toward slowing rate increases, U.S. and China trade negotiators signaled they had made progress in their trade negotiations, and the U.K. government suggested that it may agree to delay Brexit from its March deadline. While none of these risks have gone away, we tend to be optimistic that governments do not intentionally make decisions that harm their economies and each of the risks will ultimately be solved in a reasonable manner. We worry more about changes in the fundamentals of the economy that are not due to short-term policy decisions but due to broader changes in consumer and business sentiment, such as increasing inflation expectations or rising consumer defaults.

From a fundamental perspective, corporate earnings were strong in 2018 and credit metrics among high-yield issuers are generally solid based on history. Defaults remain low, and recoveries are slightly above average. We project a low default rate over the next 12 months barring an unforeseen shock or extreme (prolonged) escalation in trade wars. Lack of near-term maturities support a low default environment.

Ten largest holdings (%) as of February 28, 2019⁶

Enel SpA	4.62
PNM Resources Incorporated	4.45

Southern Company	4.42
DTE Energy Company	4.35
FirstEnergy Corporation	4.32
Public Service Enterprise Group Incorporated	3.99
Terna SpA	3.98
American Electric Power Company Incorporated	3.79
Verizon Communications Incorporated	3.62
Spark Energy Incorporated Class A	3.59
Contributors to performance	

Within the Fund's equity investments sleeve, contributors to performance included Enel S.p.A.; Hera S.p.A.*; PNM Resources, Incorporated; Spark Energy, Incorporated; and Terna S.p.A.

Within the Fund's high-yield bond portfolio sleeve, overall industry allocation benefited performance over the six-month period. Selection within media entertainment, wirelines, and retailers along with being overweight independent energy were the largest contributors to performance. Credit-rating allocation was positive, led by being overweight bonds rated CCC+ and being overweight cash. Selection in five- to seven-year maturities also contributed to performance.

Please see footnotes on page 9.

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8 Wells Fargo Utilities and High Income Fund Performance highlights (unaudited)
Credit quality as of February 28, 2019⁷

Sector distribution as of February 28, 2019⁸

Country allocation as of February 28, 2019⁸

Detractors from performance

Significant performance detractors among the Fund's equity investments relative to the S&P 500 Utilities Sector Index included Atresmedia Corporación de Medios de Comunicación, S.A.*; Chunghwa Telecom Company, Limited; Eversource Energy, Incorporated; IDACORP, Incorporated; CMS Energy Corporation; Southern Company; and AT&T Intellectual Property, Incorporated.

During the six-month period, the Fund sold positions in preferred shares of Energy Transfer Operating, L.P., and Energen Mississippi, LLC, and common shares of Hera and Red Electrica de España. We initiated positions in AT&T Intellectual Property, Incorporated and Verizon Communications Incorporated.

Within the high-yield sleeve of the Fund, industry selection detracted modestly from performance, hurt by selection in oil-field services, midstream, health care, and utilities. Selection in maturities over the 10-year bucket also detracted from performance.

Outlook from the Fund's equities manager: Be alert to signs of an economic slowdown.

With global growth clearly slowing and domestic growth probably having passed its tax-cut-stimulus-induced peak, we are less concerned about prospects for rising interest rates and more concerned about a potential economic downturn. We will continue to monitor domestic and international developments and will continue to evaluate potential effects on the portfolio. On balance, we expect to be somewhat more defensively positioned over the next six months.

Outlook from the Fund's high-yield manager: Be cautiously optimistic as risks remain.

While we remain cautiously optimistic that this environment will continue in the near term, we are cognizant that ideal environments never last forever and that the longer spreads stay low, the risk of an ultimate sell-off increases. Most asset-class prices are rich in comparison with historical measures, and we expect that

at some point in the future, there may be a better entry

point to buy most asset classes, including high yield. High yield, however, is rather unique in that historically it has benefited from relatively high coupons, which cushions downside risks of price declines. We lean toward spreads remaining flat from these levels in the short run before ultimately widening potentially significantly in the mid-to-longer term.

Over a full cycle, we believe the best way to insulate the Fund from periodic bouts of systemic fears is by following a bottom-up investment process that attempts to minimize downside risk while capturing the return potential of high-yield issuers.

Please see footnotes on page 9.

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Performance highlights (unaudited)

Wells Fargo Utilities and High Income Fund 9

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

²Source: Wells Fargo Funds Management, LLC. The ERH Blended Index is weighted 70% in the S&P 500 Utilities Sector Index and 30% in the ICE BofA Merrill Lynch U.S. High Yield Index. You cannot invest directly in an index.

³ The ICE BofAML U.S. High Yield Index is a market-capitalization-weighted index of domestic and Yankee high-yield bonds. The index tracks the performance of high-yield securities traded in the U.S. bond market. You cannot invest directly in an index. Copyright 2019. ICE Data Indices, LLC. All rights reserved.

⁴The S&P 500 Utilities Sector Index is a market-value-weighted index that measures the performance of all stocks within the utilities sector of the S&P 500 Index. You cannot invest directly in an index.

⁵ This chart does not reflect any brokerage commissions charged on the purchase and sale of the Fund's common stock. Dividends and distributions paid by the Fund are included in the Fund's average annual total returns but have the effect of reducing the Fund's NAV.

⁶The ten largest holdings, excluding cash, cash equivalents and any money market funds, are calculated based on the value of the investments divided by total net assets of the Fund. Holdings are subject to change and may have changed since the date specified.

⁷ The credit quality distribution of portfolio holdings reflected in the chart is based on ratings from Standard & Poor's, Moody's Investors Service, and/or Fitch Ratings Ltd. Credit quality ratings apply to the underlying holdings of the Fund and not to the Fund itself. The percentages of the Fund's portfolio with the ratings depicted in the chart are calculated based on the total market value of fixed income securities held by the Fund. If a security was rated by all three rating agencies, the middle rating was utilized. If rated by two of three rating agencies, the lower rating was utilized, and if rated by one of the rating agencies, that rating was utilized. Standard & Poor's rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. Standard & Poor's rates the creditworthiness of short-term notes from SP-1 (highest) to SP-3 (lowest). Moody's rates the

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creditworthiness of bonds, ranging from Aaa (highest) to C (lowest). Ratings Aa to B may be modified by the addition of a number 1 (highest) to 3 (lowest) to show relative standing within the ratings categories. Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG 1/VMIG 1 (highest) to SG (lowest). Fitch rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Credit quality distribution is subject to change and may have changed since the date specified.

⁸ Amounts are calculated based on the total long-term investments of the Fund. These percentages are subject to change and may have changed since the date specified.

*This security was not held in the Fund at the end of the reporting period.

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10 Wells Fargo Utilities and High Income Fund

Portfolio of investments February 28, 2019 (unaudited)

Security name	Shares	Value
Common Stocks: 57.06%		
Communication Services: 12.76%		
Diversified Telecommunication Services: 9.80%		
<i>AT&T Incorporated</i>	125,000	\$ 3,890,000
<i>Chunghwa Telecom Company Limited ADR</i>	97,325	3,388,818
<i>Verizon Communications Incorporated</i>	75,000	4,269,000
		11,547,818
Wireless Telecommunication Services: 2.96%		
<i>SK Telecom Company Limited ADR</i>	136,400	3,491,840
Utilities: 44.30%		
Electric Utilities: 35.65%		
<i>American Electric Power Company Incorporated</i>	55,000	4,463,250
<i>Enel SpA</i>	900,000	5,446,108
<i>Entergy Corporation</i>	15,000	1,399,950
<i>Evergy Incorporated</i>	59,810	3,343,977
<i>Exelon Corporation</i>	41,001	1,992,239
<i>FirstEnergy Corporation</i>	125,000	5,093,750
<i>Fortum Oyj</i>	165,669	3,678,351
<i>IDACORP Incorporated</i>	25,000	2,460,250
<i>PNM Resources Incorporated</i>	120,000	5,241,600
<i>Spark Energy Incorporated Class A</i>	424,138	4,237,139
<i>Terna SpA</i>	750,000	4,664,680
		42,021,294
Gas Utilities: 0.03%		
<i>Chesapeake Utilities Corporation</i>	300	27,003
Multi-Utilities: 8.62%		

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<i>CenterPoint Energy Incorporated</i>	61,000	1,838,540
<i>MDU Resources Group Incorporated</i>	200	5,284
<i>Public Service Enterprise Group Incorporated</i>	80,000	4,704,800
<i>Sempra Energy</i>	30,000	3,613,200
		10,161,824
Total Common Stocks (Cost \$53,780,061)		67,249,779

	Interest rate	Maturity date	Principal	
Corporate Bonds and Notes: 30.35%				
Communication Services: 4.89%				
Diversified Telecommunication Services: 0.46%				
<i>GCI Incorporated</i>	6.75%	6-1-2021	\$ 125,000	125,938
<i>Level 3 Financing Incorporated</i>	5.13	5-1-2023	75,000	75,476
<i>Level 3 Financing Incorporated</i>	5.38	8-15-2022	125,000	125,781
<i>Level 3 Financing Incorporated</i>	5.38	1-15-2024	50,000	50,313
<i>Level 3 Financing Incorporated</i>	5.63	2-1-2023	90,000	90,675
<i>Level 3 Financing Incorporated</i>	6.13	1-15-2021	80,000	80,324
				548,507

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

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Portfolio of investments February 28, 2019 (unaudited)

Wells Fargo Utilities and High Income Fund 11

Security name	Interest rate	Maturity date	Principal	Value
Entertainment: 0.15%				
<i>Live Nation Entertainment Incorporated 144A</i>	4.88%	11-1-2024	\$ 100,000	\$ 99,250
<i>Live Nation Entertainment Incorporated 144A</i>	5.38	6-15-2022	50,000	50,563
<i>Live Nation Entertainment Incorporated 144A</i>	5.63	3-15-2026	25,000	25,563
				175,376
Media: 3.51%				
<i>CCO Holdings LLC 144A</i>	5.00	2-1-2028	25,000	24,063
<i>CCO Holdings LLC</i>	5.13	2-15-2023	125,000	127,031
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	135,000	137,376
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2027	50,000	49,063
<i>CCO Holdings LLC</i>	5.25	9-30-2022	90,000	91,744
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	300,000	307,125
<i>CCO Holdings LLC 144A</i>	5.50	5-1-2026	5,000	5,099
<i>CCO Holdings LLC</i>	5.75	9-1-2023	50,000	50,938
<i>CCO Holdings LLC 144A</i>	5.75	2-15-2026	300,000	310,887
<i>CCO Holdings LLC 144A</i>	5.88	4-1-2024	125,000	130,156
<i>CSC Holdings LLC 144A</i>	5.38	7-15-2023	200,000	205,540
<i>CSC Holdings LLC 144A</i>	5.50	5-15-2026	200,000	203,000
<i>CSC Holdings LLC 144A</i>	7.50	4-1-2028	200,000	211,000
<i>CSC Holdings LLC 144A</i>	7.75	7-15-2025	100,000	106,750
<i>Dish Network Corporation</i>	3.38	8-15-2026	125,000	107,363
<i>EMI Music Publishing Group 144A</i>	7.63	6-15-2024	150,000	159,000
<i>Gray Television Incorporated 144A</i>	5.13	10-15-2024	100,000	99,625
<i>Gray Television Incorporated 144A</i>	5.88	7-15-2026	350,000	353,500
<i>Gray Television Incorporated 144A</i>	7.00	5-15-2027	25,000	26,438
<i>Lamar Media Corporation</i>	5.38	1-15-2024	50,000	51,375
<i>National CineMedia LLC</i>	6.00	4-15-2022	300,000	303,345
<i>Nexstar Broadcasting Group Incorporated</i>	5.88	11-15-2022	25,000	25,563
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	150,000	152,250
<i>Nielsen Finance LLC 144A</i>	5.00	4-15-2022	200,000	199,500
<i>Outfront Media Capital Corporation</i>	5.25	2-15-2022	15,000	15,230

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<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	54,000	55,283
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	65,000	66,645
<i>Salem Media Group Incorporated 144A</i>	6.75	6-1-2024	300,000	276,000
<i>The E.W. Scripps Company 144A</i>	5.13	5-15-2025	300,000	288,750
				4,139,639

Wireless Telecommunication Services: 0.77%

<i>Sprint Capital Corporation</i>	6.88	11-15-2028	225,000	222,047
<i>Sprint Capital Corporation</i>	8.75	3-15-2032	150,000	162,578
<i>T-Mobile USA Incorporated</i>	4.00	4-15-2022	50,000	50,125
<i>T-Mobile USA Incorporated</i>	5.13	4-15-2025	25,000	25,633
<i>T-Mobile USA Incorporated</i>	5.38	4-15-2027	150,000	153,938
<i>T-Mobile USA Incorporated</i>	6.00	3-1-2023	25,000	25,688
<i>T-Mobile USA Incorporated</i>	6.38	3-1-2025	145,000	150,891
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2024	5,000	5,188
<i>T-Mobile USA Incorporated</i>	6.50	1-15-2026	100,000	106,750
				902,838

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

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12 Wells Fargo Utilities and High Income Fund

Portfolio of investments February 28, 2019 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Consumer Discretionary: 3.96%				
Auto Components: 0.67%				
<i>Allison Transmission Incorporated 144A</i>	4.75%	10-1-2027	\$ 75,000	\$ 71,813
<i>Allison Transmission Incorporated 144A</i>	5.00	10-1-2024	425,000	427,656
<i>Cooper Tire & Rubber Company</i>	7.63	3-15-2027	257,000	271,135
<i>Cooper Tire & Rubber Company</i>	8.00	12-15-2019	15,000	15,431
				786,035
Distributors: 0.28%				
<i>LKQ Corporation</i>	4.75	5-15-2023	325,000	326,625
Diversified Consumer Services: 0.56%				
<i>Carriage Services Incorporated 144A</i>	6.63	6-1-2026	50,000	51,000
<i>Service Corporation International</i>	4.63	12-15-2027	50,000	49,375
<i>Service Corporation International</i>	7.50	4-1-2027	425,000	469,625
<i>Service Corporation International</i>	8.00	11-15-2021	85,000	92,013
				662,013
Hotels, Restaurants & Leisure: 0.69%				
<i>CCM Merger Incorporated 144A</i>	6.00	3-15-2022	425,000	434,031
<i>Hilton Domestic Operating Company Incorporated 144A</i>	5.13	5-1-2026	50,000	50,236
<i>KFC Holding Company 144A</i>	5.00	6-1-2024	100,000	101,278
<i>Wyndham Hotels & Resorts Company 144A</i>	5.38	4-15-2026	225,000	227,621
				813,166
Specialty Retail: 1.50%				
<i>Asbury Automotive Group Incorporated</i>	6.00	12-15-2024	350,000	355,250
<i>Group 1 Automotive Incorporated</i>	5.00	6-1-2022	125,000	125,625
<i>Group 1 Automotive Incorporated 144A</i>	5.25	12-15-2023	120,000	119,700
<i>Levi Strauss & Company</i>	5.00	5-1-2025	100,000	102,000

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<i>Lithia Motors Incorporated 144A</i>	5.25	8-1-2025	350,000	346,500
<i>Penske Auto Group Incorporated</i>	3.75	8-15-2020	50,000	49,681
<i>Penske Auto Group Incorporated</i>	5.38	12-1-2024	300,000	298,500
<i>Penske Auto Group Incorporated</i>	5.75	10-1-2022	125,000	126,875
<i>Sonic Automotive Incorporated</i>	5.00	5-15-2023	145,000	137,025
<i>Sonic Automotive Incorporated</i>	6.13	3-15-2027	125,000	110,625
				1,771,781
Textiles, Apparel & Luxury Goods: 0.26%				
<i>The William Carter Company 144A%%</i>	5.63	3-15-2027	125,000	127,188
<i>Wolverine World Wide Incorporated 144A</i>	5.00	9-1-2026	185,000	177,600
				304,788
Consumer Staples: 0.38%				
Beverages: 0.04%				
<i>Cott Beverages Incorporated 144A</i>	5.50	4-1-2025	50,000	49,438
Food Products: 0.27%				
<i>B&G Foods Incorporated</i>	4.63	6-1-2021	30,000	29,963
<i>B&G Foods Incorporated</i>	5.25	4-1-2025	75,000	71,759
<i>Darling Ingredients Incorporated</i>	5.38	1-15-2022	15,000	15,150
<i>Pilgrim s Pride Corporation 144A</i>	5.75	3-15-2025	110,000	110,000

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

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Portfolio of investments February 28, 2019 (unaudited)

Wells Fargo Utilities and High Income Fund 13

Security name	Interest rate	Maturity date	Principal	Value
Food Products (continued)				
<i>Pilgrim s Pride Corporation 144A</i>	5.88%	9-30-2027	\$ 25,000	\$ 24,563
<i>Prestige Brands Incorporated 144A</i>	6.38	3-1-2024	35,000	35,175
<i>US Foods Incorporated 144A</i>	5.88	6-15-2024	30,000	30,608
				317,218
Household Products: 0.07%				
<i>Central Garden & Pet Company</i>	5.13	2-1-2028	25,000	23,125
<i>Central Garden & Pet Company</i>	6.13	11-15-2023	20,000	20,750
<i>Spectrum Brands Incorporated</i>	5.75	7-15-2025	25,000	24,469
<i>Spectrum Brands Incorporated</i>	6.63	11-15-2022	12,000	12,270
				80,614
Energy: 6.67%				
Energy Equipment & Services: 1.79%				
<i>Bristow Group Incorporated</i>	6.25	10-15-2022	450,000	135,000
<i>Bristow Group Incorporated 144A</i>	8.75	3-1-2023	75,000	59,063
<i>Diamond Offshore Drilling Incorporated</i>	4.88	11-1-2043	150,000	93,750
<i>Era Group Incorporated</i>	7.75	12-15-2022	215,000	210,700
<i>Hilcorp Energy Company 144A</i>	5.00	12-1-2024	150,000	144,000
<i>Hilcorp Energy Company 144A</i>	5.75	10-1-2025	225,000	223,594
<i>Hilcorp Energy Company 144A</i>	6.25	11-1-2028	75,000	73,500
<i>Hornbeck Offshore Services Incorporated</i>	5.88	4-1-2020	120,000	69,000
<i>NGPL PipeCo LLC 144A</i>	4.38	8-15-2022	50,000	50,500
<i>NGPL PipeCo LLC 144A</i>	4.88	8-15-2027	50,000	50,297
<i>NGPL PipeCo LLC 144A</i>	7.77	12-15-2037	550,000	656,563
<i>Oceaneering International Incorporated</i>	6.00	2-1-2028	225,000	212,625
<i>USA Compression Partners LP</i>	6.88	4-1-2026	125,000	127,188
				2,105,780
Oil, Gas & Consumable Fuels: 4.88%				

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<i>Andeavor Logistics LP</i>	5.25	1-15-2025	50,000	50,850
<i>Archrock Partners LP</i>	6.00	10-1-2022	75,000	74,250
<i>Carrizo Oil & Gas Incorporated</i>	8.25	7-15-2025	75,000	78,188
<i>Cheniere Corpus Christi Holdings LLC</i>	5.13	6-30-2027	125,000	127,500
<i>Cheniere Energy Partners LP</i>	5.25	10-1-2025	525,000	531,563
<i>Cheniere Energy Partners LP 144A</i>	5.63	10-1-2026	50,000	50,938
<i>Continental Resources Incorporated</i>	3.80	6-1-2024	100,000	98,500
<i>DCP Midstream Operating LP</i>	2.70	4-1-2019	75,000	74,910
<i>Denbury Resources Incorporated</i>	6.38	8-15-2021	285,000	238,688
<i>Denbury Resources Incorporated 144A</i>	9.25	3-31-2022	86,000	86,215
<i>Enable Midstream Partner LP</i>	2.40	5-15-2019	275,000	274,620
<i>Enable Oklahoma Intrastate Transmission LLC 144A</i>	6.25	3-15-2020	50,000	51,346
<i>EnLink Midstream Partners LP</i>	4.40	4-1-2024	300,000	291,375
<i>EnLink Midstream Partners LP</i>	4.85	7-15-2026	325,000	318,094
<i>Exterran Partners LP</i>	6.00	4-1-2021	250,000	248,750
<i>Gulfport Energy Corporation</i>	6.00	10-15-2024	75,000	67,875
<i>Kinder Morgan Incorporated</i>	6.50	9-15-2020	45,000	47,195
<i>Kinder Morgan Incorporated</i>	7.42	2-15-2037	90,000	101,855
<i>Murphy Oil Corporation</i>	4.45	12-1-2022	175,000	174,143

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

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14 Wells Fargo Utilities and High Income Fund

Portfolio of investments February 28, 2019 (unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Oil, Gas & Consumable Fuels (continued)				
<i>Murphy Oil Corporation</i>	5.75%	8-15-2025	\$ 15,000	\$ 15,236
<i>Murphy Oil Corporation</i>	6.88	8-15-2024	50,000	52,888
<i>Nabors Industries Incorporated</i>	0.75	1-15-2024	125,000	87,460
<i>Rockies Express Pipeline LLC 144A</i>	5.63	4-15-2020	300,000	306,000
<i>Rockies Express Pipeline LLC 144A</i>	6.88	4-15-2040	250,000	268,125
<i>Rockies Express Pipeline LLC 144A</i>	7.50	7-15-2038	55,000	62,150
<i>Rose Rock Midstream LP</i>	5.63	7-15-2022	100,000	97,375
<i>Rose Rock Midstream LP</i>	5.63	11-15-2023	125,000	116,875
<i>Sabine Pass Liquefaction LLC</i>	5.63	2-1-2021	125,000	129,270
<i>Sabine Pass Liquefaction LLC</i>	6.25	3-15-2022	100,000	106,939
<i>SemGroup Corporation</i>	6.38	3-15-2025	275,000	259,188
<i>SemGroup Corporation</i>	7.25	3-15-2026	150,000	145,125
<i>Southern Star Central Corporation 144A</i>	5.13	7-15-2022	150,000	148,500
<i>Southwestern Energy Company</i>	7.50	4-1-2026	50,000	52,000
<i>Southwestern Energy Company</i>	7.75	10-1-2027	50,000	51,938
<i>Summit Midstream Holdings LLC</i>	5.75	4-15-2025	25,000	23,875
<i>Tallgrass Energy Partners LP 144A</i>	5.50	9-15-2024	700,000	715,085
<i>Tesoro Logistics LP</i>	6.38	5-1-2024	25,000	26,188
<i>Ultra Resources Incorporated 144A</i>	7.13	4-15-2025	425,000	104,125
				5,755,197
Financials: 1.82%				
Banks: 0.02%				
<i>Citigroup Incorporated</i>	4.13	3-9-2021	5,000	5,055
<i>Citigroup Incorporated</i>	6.13	3-9-2028	10,000	10,825
				15,880
Consumer Finance: 0.74%				
<i>Ally Financial Incorporated</i>	8.00	3-15-2020	203,000	212,389
<i>FirstCash Incorporated 144A</i>	5.38	6-1-2024	150,000	151,920
<i>Navient Corporation</i>	8.00	3-25-2020	175,000	182,758

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<i>Springleaf Finance Corporation</i>	6.00	6-1-2020	100,000	102,375
<i>Springleaf Finance Corporation</i>	7.13	3-15-2026	125,000	126,563
<i>Springleaf Finance Corporation</i>	7.75	10-1-2021	25,000	26,835
<i>Springleaf Finance Corporation</i>	8.25	10-1-2023	65,000	71,744
				874,584

Diversified Financial Services: 0.79%

<i>LPL Holdings Incorporated 144A</i>	5.75	9-15-2025	875,000	884,844
<i>Vantiv LLC 144A</i>	4.38	11-15-2025	50,000	48,250
				933,094

Insurance: 0.27%

<i>AmWINS Group Incorporated 144A</i>	7.75	7-1-2026	100,000	102,500
<i>HUB International Limited 144A</i>	7.00	5-1-2026	75,000	73,500
<i>USIS Merger Subordinate Incorporated 144A</i>	6.88	5-1-2025	150,000	145,875
				321,875

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

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Portfolio of investments February 28, 2019 (unaudited)

Wells Fargo Utilities and High Income Fund 15

Security name	Interest rate	Maturity date	Principal	Value
Health Care: 3.12%				
Health Care Equipment & Supplies: 0.57%				
<i>Hill-Rom Holdings Incorporated 144A</i>	5.00%	2-15-2025	\$ 50,000	\$ 49,750
<i>Hill-Rom Holdings Incorporated 144A</i>	5.75	9-1-2023	25,000	25,719
<i>Hologic Incorporated 144A</i>	4.38	10-15-2025	225,000	221,063
<i>Hologic Incorporated 144A</i>	4.63	2-1-2028	25,000	24,188
<i>Kinetics Concepts Incorporated 144A</i>	7.88	2-15-2021	200,000	204,250
<i>Surgery Center Holdings Incorporated 144A</i>	6.75	7-1-2025	50,000	45,500
<i>Surgery Center Holdings Incorporated 144A</i>	8.88	4-15-2021	100,000	101,750
				672,220
Health Care Providers & Services: 2.24%				
<i>Acadia Healthcare Company Incorporated</i>	6.50	3-1-2024	20,000	19,900
<i>Centene Corporation 144A</i>	5.38	6-1-2026	75,000	77,813
<i>Centene Corporation</i>	6.13	2-15-2024	25,000	26,156
<i>CHS Incorporated</i>	5.13	8-1-2021	300,000	294,375
<i>Davita Incorporated</i>	5.00	5-1-2025	125,000	120,588
<i>Encompass Health Corporation</i>	5.75	11-1-2024	25,000	25,258
<i>HCA Incorporated</i>	5.88	3-15-2022	25,000	26,600
<i>HCA Incorporated</i>	6.50	2-15-2020	325,000	334,719
<i>HealthSouth Corporation</i>	5.75	9-15-2025	75,000	75,750
<i>Mednax Incorporated 144A</i>	5.25	12-1-2023	50,000	50,563
<i>Mednax Incorporated 144A</i>	6.25	1-15-2027	75,000	75,416
<i>MPH Acquisition Holdings LLC 144A</i>	7.13	6-1-2024	325,000	323,781
<i>MPT Operating Partnership LP</i>	5.00	10-15-2027	100,000	99,250
<i>MPT Operating Partnership LP</i>	5.25	8-1-2026	150,000	151,875
<i>MPT Operating Partnership LP</i>	6.38	3-1-2024	25,000	26,188
<i>NVA Holdings Company 144A</i>	6.88	4-1-2026	25,000	24,125
<i>Polaris Intermediate Corporation 144A</i>	8.50	12-1-2022	50,000	49,361
<i>Select Medical Corporation</i>	6.38	6-1-2021	315,000	316,181
<i>Tenet Healthcare Corporation</i>	4.63	7-15-2024	118,000	117,263
<i>Vizient Incorporated 144A</i>	10.38	3-1-2024	350,000	378,875
<i>WellCare Health Plans Incorporated 144A</i>	5.38	8-15-2026	25,000	25,719

Health Care Technology: 0.29%

Change Healthcare Holdings Incorporated

144A

5.75