

WELLS FARGO MULTI-SECTOR INCOME FUND
Form N-Q
March 24, 2016

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 Multi-Sector Income Fund
(Exact name of registrant as specified in charter)

525 Market Street, 12th Floor,
San Francisco, CA 94105
(Address of principal executive offices) (Zip code)

C. David Messman

Wells Fargo Funds Management, LLC

525 Market Street, 12th 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: October 31

Registrant is making a filing for Wells Fargo Multi-Sector Income Fund.

Date of reporting period: January 31, 2016

ITEM 1. INVESTMENTS

Wells Fargo Multi-Sector Income Fund

Portfolio of investments
January 31, 2016
(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Agency Securities : 2.70%				
<i>FHLMC ±</i>	4.47%	9-1-2032	\$ 1,221,749	\$ 1,298,813
<i>FHLMC</i>	8.50	7-1-2028	55,291	68,409
<i>FHLMC</i>	8.50	3-1-2030	33,813	34,436
<i>FHLMC Series 1383 ±</i>	2.51	2-1-2037	405,456	429,941
<i>FHLMC Series 196 Class A ±</i>	1.23	12-15-2021	29,357	29,699
<i>FHLMC Series 2011-K16 Class B ±144A</i>	4.75	11-25-2046	1,000,000	1,081,628
<i>FHLMC Series 2011-K701 Class B ±144A</i>	4.29	7-25-2048	165,000	169,869
<i>FHLMC Series 2011-K702 Class B ±144A</i>	4.77	4-25-2044	740,000	774,534
<i>FHLMC Series 2012-K17 Class B ±144A</i>	4.35	12-25-2044	675,000	715,751
<i>FHLMC Series 2012-K18 Class B ±144A</i>	4.25	1-25-2045	810,000	852,225
<i>FHLMC Series 2012-K501 Class C ±144A</i>	3.52	11-25-2046	800,000	803,102
<i>FHLMC Series 2012-K705 Class B ±144A</i>	4.16	9-25-2044	1,000,000	1,035,354
<i>FHLMC Series 2012-K706 Class B ±144A</i>	4.03	11-25-2044	500,000	517,763
<i>FHLMC Series 2012-K706 Class C ±144A</i>	4.03	11-25-2044	805,000	834,085
<i>FHLMC Series 2012-K707 Class B ±144A</i>	3.88	1-25-2047	930,000	958,621
<i>FHLMC Series 2012-K709 Class B ±144A</i>	3.87	4-25-2045	1,000,000	1,026,059
<i>FHLMC Series 2012-K711 Class B ±144A</i>	3.56	8-25-2045	264,000	270,769
<i>FHLMC Series 2013-K30 Class B ±144A</i>	3.67	6-25-2045	700,000	714,591
<i>FHLMC Series 2013-K713 Class B ±144A</i>	3.16	4-25-2046	1,000,000	1,012,384
<i>FHLMC Series 2390 Class FD ±</i>	0.88	12-15-2031	26,815	26,862
<i>FHLMC Series 2567 Class FH ±</i>	0.83	2-15-2033	82,374	83,212
<i>FHLMC Series K007 Class XI ±(c)</i>	1.33	4-25-2020	948,400	33,803
<i>FHLMC Series K016 Class XI ±(c)</i>	1.71	10-25-2021	377,348	26,988
<i>FHLMC Series K020 Class XI ±(c)</i>	1.59	5-25-2022	6,710,511	501,948
<i>FNMA ±</i>	2.09	9-1-2037	506,386	534,377
<i>FNMA</i>	6.00	4-1-2033	65,871	68,810
<i>FNMA</i>	6.50	11-1-2032	58,632	61,606
<i>FNMA</i>	7.50	7-1-2017	5,360	5,392
<i>FNMA</i>	7.50	10-1-2028	2,943	2,961
<i>FNMA</i>	7.50	2-1-2030	31,687	32,165
<i>FNMA</i>	7.50	9-1-2030	78,156	83,591
<i>FNMA</i>	8.00	6-1-2030	10,861	11,017
<i>FNMA Series 1996-46 Class FA ±</i>	0.93	8-25-2021	16,832	16,941
<i>FNMA Series 1997-20 Class IO ±(c)</i>	1.84	3-25-2027	1,254,420	37,567
<i>FNMA Series 2001-25 Class Z</i>	6.00	6-25-2031	168,140	190,517
<i>FNMA Series 2001-35 Class F ±</i>	1.03	7-25-2031	7,289	7,406
<i>FNMA Series 2001-57 Class F ±</i>	0.93	6-25-2031	7,338	7,430
<i>FNMA Series 2002-77 Class FH ±</i>	0.83	12-18-2032	55,622	56,119
<i>FNMA Series 2002-97 Class FR ±</i>	0.98	1-25-2033	13,121	13,282
<i>FNMA Series G91-16 Class F ±</i>	0.88	6-25-2021	16,079	16,175
<i>FNMA Series G92-17 Class F ±</i>	1.48	3-25-2022	55,007	55,935
<i>GNMA</i>	6.50	6-15-2028	37,687	43,172
<i>GNMA</i>	7.25	7-15-2017	2,115	2,121
<i>GNMA</i>	7.25	8-15-2017	11,088	11,183

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<i>GNMA</i>	7.25	8-15-2017	4,824	4,840
<i>GNMA</i>	7.25	9-15-2017	9,476	9,572
<i>GNMA</i>	7.25	10-15-2017	17,299	17,612
<i>GNMA</i>	7.25	10-15-2017	6,998	7,063
<i>GNMA</i>	7.25	11-15-2017	8,980	9,070
<i>GNMA</i>	7.25	1-15-2018	2,717	2,725
<i>GNMA</i>	7.25	1-15-2018	5,686	5,705
<i>GNMA</i>	7.25	2-15-2018	11,043	11,162
<i>GNMA</i>	7.25	5-15-2018	6,315	6,337
Total Agency Securities (Cost \$13,751,895)				14,632,699

Asset-Backed Securities : 0.11%

<i>CVS Pass-Through Trust Series T</i>	6.04	12-10-2028	550,536	612,955
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Total Asset-Backed Securities (Cost \$616,303) 612,955

Portfolio of investments January 31, 2016 (unaudited)

Wells Fargo Multi-Sector Income Fund

Security name	Shares	Value		
Common Stocks : 0.08%				
Materials : 0.00%				
Chemicals : 0.00%				
<i>LyondellBasell Industries NV Class A</i>	9	\$ 702		
Telecommunication Services : 0.08%				
Diversified Telecommunication Services : 0.08%				
<i>Fairpoint Communications Incorporated</i>	28,903	433,545		
Total Common Stocks (Cost \$649,736)		434,247		
	Interest rate	Maturity date	Principal	
Corporate Bonds and Notes : 72.21%				
Consumer Discretionary : 13.48%				
Auto Components : 0.61%				
<i>Cooper Tire & Rubber Company (i)</i>	7.63%	3-15-2027	\$ 1,680,000	1,747,200
<i>Cooper Tire & Rubber Company</i>	8.00	12-15-2019	550,000	610,500
<i>Goodyear Tire & Rubber Company</i>	7.00	5-15-2022	400,000	427,800
<i>Goodyear Tire & Rubber Company</i>	8.75	8-15-2020	468,000	539,370
				3,324,870
Distributors : 0.14%				
<i>LKQ Corporation</i>	4.75	5-15-2023	800,000	754,000
Diversified Consumer Services : 1.21%				
<i>Monitronics International</i>	9.13	4-1-2020	375,000	300,938
<i>Service Corporation International</i>	7.00	6-15-2017	1,410,000	1,491,075
<i>Service Corporation International</i>	7.50	4-1-2027	2,993,000	3,434,468
<i>Service Corporation International</i>	7.63	10-1-2018	680,000	761,178
<i>Service Corporation International</i>	8.00	11-15-2021	475,000	558,125
				6,545,784
Hotels, Restaurants & Leisure : 3.20%				
<i>CCM Merger Incorporated 144A</i>	9.13	5-1-2019	6,270,000	6,458,100
<i>Greektown Holdings LLC 144A</i>	8.88	3-15-2019	7,625,000	7,510,625
<i>Hilton Worldwide Finance LLC</i>	5.63	10-15-2021	195,000	200,850
<i>Pinnacle Entertainment Incorporated</i>	7.50	4-15-2021	2,620,000	2,724,800
<i>Speedway Motorsports Incorporated</i>	5.13	2-1-2023	425,000	423,938
				17,318,313
Household Durables : 0.43%				
<i>American Greetings Corporation</i>	7.38	12-1-2021	2,000,000	2,035,000
<i>Tempur Sealy International Incorporated 144A</i>	5.63	10-15-2023	105,000	107,100
<i>Tempur Sealy International Incorporated</i>	6.88	12-15-2020	200,000	211,500

2,353,600

Internet & Catalog Retail : 0.15%

<i>Expedia Incorporated</i>	5.95	8-15-2020	750,000	819,600
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Leisure Products : 0.11%

<i>Vista Outdoor Incorporated 144A</i>	5.88	10-1-2023	600,000	610,500
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Media : 6.30%

<i>Altice US Finance I Corporation 144A</i>	5.38	7-15-2023	1,395,000	1,401,975
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<i>Altice US Finance II Corporation 144A</i>	7.75	7-15-2025	2,030,000	1,857,450
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(unaudited)

Security name	Interest rate	Maturity date	Principal	Value
Media (continued)				
<i>Cable One Incorporated 144A</i>	5.75%	6-15-2022	\$ 375,000	\$ 378,750
<i>Cablevision Systems Corporation</i>	8.63	9-15-2017	1,310,000	1,362,400
<i>CCO Holdings LLC</i>	5.13	2-15-2023	300,000	299,250
<i>CCO Holdings LLC 144A</i>	5.13	5-1-2023	475,000	473,753
<i>CCO Holdings LLC</i>	5.25	9-30-2022	1,250,000	1,265,625
<i>CCO Holdings LLC 144A</i>	5.38	5-1-2025	4,150,000	4,108,500
<i>CCO Holdings LLC 144A</i>	5.88	5-1-2027	705,000	694,425
<i>CCO Holdings LLC</i>	6.63	1-31-2022	775,000	820,531
<i>CCO Holdings LLC</i>	7.38	6-1-2020	1,100,000	1,144,000
<i>CCOH Safari LLC 144A</i>	5.75	2-15-2026	3,125,000	3,108,984
<i>Cequel Communications Holdings I LLC 144A</i>	5.13	12-15-2021	1,170,000	1,058,148
<i>Cinemark USA Incorporated</i>	7.38	6-15-2021	775,000	807,938
<i>CSC Holdings LLC</i>	7.88	2-15-2018	1,000,000	1,052,500
<i>CSC Holdings LLC</i>	8.63	2-15-2019	383,000	407,895
<i>DIRECTV Holdings LLC</i>	3.80	3-15-2022	750,000	757,812
<i>EchoStar DBS Corporation</i>	7.13	2-1-2016	125,000	125,000
<i>Gray Television Incorporated</i>	7.50	10-1-2020	4,600,000	4,743,750
<i>Interpublic Group of Companies</i>	4.00	3-15-2022	750,000	768,422
<i>Lamar Media Corporation</i>	5.88	2-1-2022	690,000	716,738
<i>LIN Television Corporation</i>	6.38	1-15-2021	275,000	287,375
<i>Live Nation Entertainment Incorporated 144A</i>	7.00	9-1-2020	200,000	210,000
<i>National CineMedia LLC</i>	6.00	4-15-2022	1,710,000	1,750,613
<i>National CineMedia LLC</i>	7.88	7-15-2021	1,000,000	1,032,500
<i>Nexstar Broadcasting Group Incorporated 144A</i>	6.13	2-15-2022	175,000	166,250
<i>Nexstar Broadcasting Group Incorporated</i>	6.88	11-15-2020	1,750,000	1,754,375
<i>Outfront Media Capital Corporation</i>	5.63	2-15-2024	20,000	20,450
<i>Outfront Media Capital Corporation</i>	5.88	3-15-2025	775,000	787,594
<i>Time Warner Cable Incorporated</i>				