

EVERGREEN INCOME ADVANTAGE FUND
Form N-Q
April 01, 2009

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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 811-21269

Evergreen Income Advantage Fund

(Exact name of registrant as specified in charter)

200 Berkeley Street

Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Michael H. Koonce, Esq.

200 Berkeley Street

Boston, Massachusetts 02116

(Name and address of agent for service)

Registrant's telephone number, including area code: (617) 210-3200

Date of fiscal year end: Registrant is making a quarterly filing for one of its series, Evergreen Income Advantage Fund, for the quarter ended January 31, 2009. This series has April 30 fiscal year end.

Date of reporting period: January 31, 2009

Item 1 Schedule of Investments

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS

January 31, 2009 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS 126.3% | | |
| CONSUMER DISCRETIONARY 20.4% | | |
| Auto Components 1.3% | | |
| Cooper Standard Automotive, Inc.: | | |
| 7.00%, 12/15/2012 | \$680,000 | \$214,200 |
| 8.375%, 12/15/2014 | 1,520,000 | 281,200 |
| Cooper Tire & Rubber Co., 7.625%, 03/15/2027 | 6,380,000 | 2,520,100 |
| Goodyear Tire & Rubber Co.: | | |
| 7.86%, 08/15/2011 | 2,405,000 | 2,272,725 |
| 9.00%, 07/01/2015 | 1,210,000 | 1,122,275 |
| | | <u>6,410,500</u> |
| Automobiles 1.9% | | |
| Ford Motor Co.: | | |
| 5.54%, 04/15/2009 | 7,404,000 | 7,080,075 |
| 7.70%, 05/15/2097 | 12,420,000 | 2,049,300 |
| | | <u>9,129,375</u> |
| Diversified Consumer Services 0.4% | | |
| Carriage Services, Inc., 7.875%, 01/15/2015 | 2,290,000 | 1,923,600 |
| Service Corporation International, 6.75%, 04/01/2015 | 110,000 | 101,200 |
| | | <u>2,024,800</u> |
| Hotels, Restaurants & Leisure 3.7% | | |
| Boyd Gaming Corp., 7.75%, 12/15/2012 | 235,000 | 209,150 |
| Caesars Entertainment, Inc.: | | |
| 7.875%, 03/15/2010 | 4,169,000 | 2,355,485 |
| 8.125%, 05/15/2011 | 1,350,000 | 533,250 |
| Fontainebleau Las Vegas Holdings, LLC, 10.25%, 06/15/2015 144A | 2,738,000 | 314,870 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010 | 2,350,000 | 481,750 |
| Isle of Capri Casinos, Inc., 7.00%, 03/01/2014 | 1,243,000 | 621,500 |
| MGM MIRAGE, 8.50%, 09/15/2010 | 1,165,000 | 943,650 |
| Pinnacle Entertainment, Inc., 8.75%, 10/01/2013 | 145,000 | 134,125 |
| Pokagon Gaming Authority, 10.375%, 06/15/2014 144A | 1,844,000 | 1,622,720 |
| Seneca Gaming Corp., 7.25%, 05/01/2012 | 2,920,000 | 2,350,600 |
| Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 144A | 5,300,000 | 3,286,000 |
| Six Flags, Inc.: | | |
| 8.875%, 02/01/2010 | 815,000 | 232,275 |
| 9.625%, 06/01/2014 | 775,000 | 158,875 |
| 12.25%, 07/15/2016 144A | 329,000 | 195,755 |
| Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015 | 4,516,000 | 688,690 |
| Universal City Development Partners, Ltd., 11.75%, 04/01/2010 | 5,275,000 | 4,074,937 |
| | | <u>18,203,632</u> |
| Household Durables 5.5% | | |
| Centex Corp., 5.80%, 09/15/2009 | 3,810,000 | 3,714,750 |
| D.R. Horton, Inc.: | | |
| 4.875%, 01/15/2010 | 1,685,000 | 1,592,325 |

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| | | |
|--------------------------------------|-----------|-----------|
| 6.00%, 04/15/2011 | 285,000 | 249,375 |
| 9.75%, 09/15/2010 | 4,385,000 | 4,209,600 |
| Hovnanian Enterprises, Inc.: | | |
| 6.00%, 01/15/2010 | 2,185,000 | 1,802,625 |
| 8.00%, 04/01/2012 | 1,375,000 | 522,500 |
| 11.50%, 05/01/2013 | 475,000 | 393,063 |
| Lennar Corp.: | | |
| 5.125%, 10/01/2010 | 5,415,000 | 4,480,912 |
| 7.625%, 03/01/2009 | 1,630,000 | 1,597,400 |
| Libbey, Inc., FRN, 9.57%, 06/01/2011 | 4,960,000 | 2,207,200 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2009 (unaudited)

| | Principal Amount | Value |
|---|-----------------------------|--------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Household Durables continued | | |
| Meritage Homes Corp.: | | |
| 6.25%, 03/15/2015 | \$2,136,000 | \$1,324,320 |
| 7.00%, 05/01/2014 | 3,050,000 | 1,997,750 |
| Pulte Homes, Inc.: | | |
| 7.875%, 08/01/2011 | 1,555,000 | |