

EVERGREEN INCOME ADVANTAGE FUND  
Form N-Q  
September 28, 2007

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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 July 31, 2007. This one series has an April 30 fiscal year end.

Date of reporting period: **July 31, 2007**



Item 1 Schedule of Investments

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**EVERGREEN INCOME ADVANTAGE FUND**  
**SCHEDULE OF INVESTMENTS**

July 31, 2007 (unaudited)

	<b>Principal Amount</b>	<b>Value</b>
<b>CORPORATE BONDS 137.1%</b>		
<b>CONSUMER DISCRETIONARY 35.5%</b>		
<b>Auto Components 2.6%</b>		
ArvinMeritor, Inc., 6.80%, 02/15/2009	\$583,000	\$566,968
Goodyear Tire & Rubber Co.:		
9.00%, 07/01/2015	6,935,000	7,143,050
11.25%, 03/01/2011	2,075,000	2,235,812
Metaldyne Corp., 11.00%, 06/15/2012	8,007,000	7,506,562
Tenneco Automotive, Inc.:		
8.625%, 11/15/2014	4,955,000	4,979,775
10.25%, 07/15/2013	1,335,000	1,428,450
		<u>23,860,617</u>
<b>Automobiles 1.1%</b>		
Ford Motor Co., 7.45%, 07/16/2031	6,465,000	5,010,375
General Motors Corp., 8.375%, 07/15/2033	5,775,000	4,778,813
		<u>9,789,188</u>
<b>Diversified Consumer Services 1.3%</b>		
Carriage Services, Inc., 7.875%, 01/15/2015	2,290,000	2,255,650
Education Management, LLC:		
8.75%, 06/01/2014	4,015,000	4,015,000
10.25%, 06/01/2016	4,250,000	4,250,000
Service Corporation International, 6.75%, 04/01/2015 144A	1,685,000	1,558,625
		<u>12,079,275</u>
<b>Hotels, Restaurants &amp; Leisure 9.5%</b>		
Fontainebleau Las Vegas Holdings, LLC, 10.25%, 06/15/2015 144A	5,583,000	4,843,253
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010	10,450,000	11,129,250
Isle of Capri Casinos, Inc., 7.00%, 03/01/2014	14,401,000	13,050,906
Mandalay Resort Group, Ser. B, 10.25%, 08/01/2007	8,690,000	8,690,000
MGM MIRAGE:		
5.875%, 02/27/2014	2,790,000	2,455,200
7.50%, 06/01/2016	3,780,000	3,534,300
Outback Steakhouse, Inc., 10.00%, 06/15/2015 144A	1,315,000	1,150,625
Pokagon Gaming Authority, 10.375%, 06/15/2014 144A	4,475,000	4,810,625
Seneca Gaming Corp., 7.25%, 05/01/2012	2,320,000	2,296,800
Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 144A	5,345,000	5,024,300
Six Flags, Inc.:		
8.875%, 02/01/2010	1,110,000	985,125
9.625%, 06/01/2014	7,605,000	6,179,062
Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015	9,960,000	8,441,100
Universal City Development Partners, Ltd., 11.75%, 04/01/2010	12,750,000	13,419,375
		<u>86,009,921</u>
<b>Household Durables 1.9%</b>		
Hovnanian Enterprises, Inc.:		

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6.00%, 01/15/2010	1,145,000	1,019,050
6.50%, 01/15/2014	4,250,000	3,336,250
Libbey, Inc., FRN, 12.38%, 06/01/2011	7,000,000	7,595,000
Standard Pacific Corp., 9.25%, 04/15/2012	5,950,000	5,027,750
		<u>16,978,050</u>
<b>Media 13.7%</b>		
AMC Entertainment, Inc., Ser. B, 8.625%, 08/15/2012	5,460,000	5,610,150
Cablevision Systems Corp., Ser. B, 8.00%, 04/15/2012	7,010,000	6,571,875
CCH I, LLC, 11.00%, 10/01/2015	2,750,000	2,756,875
CSC Holdings, Inc., 7.625%, 04/01/2011	70,000	67,375
Dex Media East, LLC:		
9.875%, 11/15/2009	11,500,000	11,744,375
12.125%, 11/15/2012	7,000,000	7,481,250

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**EVERGREEN INCOME ADVANTAGE FUND**  
**SCHEDULE OF INVESTMENTS** continued

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July 31, 2007 (unaudited)

	<b>Principal Amount</b>	<b>Value</b>
<b>CORPORATE BONDS</b> continued		
<b>CONSUMER DISCRETIONARY</b> continued		
<b>Media</b> continued		