

EVERGREEN INCOME ADVANTAGE FUND

Form N-Q

September 28, 2004

OMB APPROVAL

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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 1 of its series, Evergreen Income Advantage Fund, for the quarter ended July 31, 2004. This 1 series have an April 30, fiscal year end.

Date of reporting July 31, 2004

FORM N-Q QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

period:

Item 1 Schedule of Investments**EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS**

July 31, 2004 (unaudited)

	Principal Amount	Value
CORPORATE BONDS 134.1%		
CONSUMER DISCRETIONARY 38.8%		
Auto Components 6.8%		
Advanced Accesory Systems LLC, 10.75%, 06/15/2011	\$ 4,000,000	\$ 4,030,000
Collins & Aikman Products Co.:		
10.75%, 12/31/2011 þ	5,485,000	5,622,125
11.50%, 04/15/2006 þ	4,668,000	4,632,990
Dana Corp., 9.00%, 08/15/2011	15,000,000	17,775,000
Dura Operating Corp., Ser. B, 8.625%, 04/15/2012 þ	5,378,000	5,351,110
RJ Tower Corp., 12.00%, 06/01/2013 þ	10,800,000	9,990,000
Tenneco Automotive, Inc., Ser. B, 10.25%, 07/15/2013 þ	8,165,000	9,348,925
TRW Automotive, Inc., 9.375%, 02/15/2013	10,784,000	12,347,680
		<u>69,097,830</u>
Automobiles 1.1%		
Meritor Automotive, Inc., 6.80%, 02/15/2009 þ	10,999,000	11,108,990
Distributors 0.8%		
Roundy's, Inc., Ser. B, 8.875%, 06/15/2012	8,175,000	8,604,188
Hotels, Restaurants & Leisure 10.4%		
Ameristar Casinos, Inc., 10.75%, 02/15/2009	10,000,000	11,300,000
Equinox Holdings, Inc., 9.00%, 12/15/2009 144A þ	10,930,000	11,039,300
Friendly Ice Cream Corp., 8.375%, 06/15/2012 þ	3,380,000	3,278,600
Inn of The Mountain Gods, 12.00%, 11/15/2010 144A	7,000,000	7,875,000
John Q. Hammons Hotels LP, Ser. B, 8.875%, 05/15/2012	12,995,000	14,375,719
La Quinta Corp., 8.875%, 03/15/2011	10,500,000	11,628,750
Mandalay Resort Group, Ser. B, 10.25%, 08/01/2007 þ	10,000,000	11,225,000
Premier Entertainment Biloxi LLC, 10.75%, 02/01/2012 144A	7,000,000	7,420,000
Town Sports International, Inc., 9.625%, 04/15/2011	6,325,000	6,151,062
Venetian Casino Resort LLC, 11.00%, 06/15/2010	19,000,000	21,755,000
		<u>106,048,431</u>
Household Durables 2.5%		
Ames True Temper, Inc., 10.00%, 07/15/2012 144A	4,480,000	4,491,200
Amscan Holdings, Inc., 8.75%, 05/01/2014 144A	2,410,000	2,416,025
K. Hovnanian Enterprises Inc., 7.75%, 05/15/2013 þ	5,000,000	5,150,000
Meritage Corp., 9.75%, 06/01/2011	1,500,000	1,665,000
Technical Olympic USA, Inc.:		

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7.50%, 03/15/2011 144A þ	1,500,000	1,402,500
10.375%, 07/01/2012	1,800,000	1,912,500
WCI Communities, Inc., 9.125%, 05/01/2012	8,000,000	8,680,000
		<hr/>
		25,717,225
		<hr/>
Leisure Equipment & Products 0.9%		
ICON Health & Fitness, Inc., 11.25%, 04/01/2012	8,000,000	8,760,000
		<hr/>
Media 7.4%		
Cablevision Systems Corp., 8.00%, 04/15/2012 144A þ	10,635,000	10,502,062
CCO Holdings LLC, 8.75%, 11/15/2013	3,250,000	3,136,250
Charter Communications Holdings LLC, 8.625%, 04/01/2009	5,000,000	3,800,000
Cinemark USA, Inc., 9.00%, 02/01/2013	12,000,000	13,230,000
Cinemark, Inc., Sr. Disc. Note, Step Bond, 0.00%, 03/01/2009 144A + þ	7,225,000	4,804,625
Dex Media East LLC: 9.875%, 11/15/2009	3,725,000	4,227,875
12.125%, 11/15/2012	7,300,000	8,687,000
Emmis Operations Co., 6.875%, 05/15/2012 144A	7,350,000	7,221,375
Loews Cineplex Entertainment Corp., 9.00%, 08/01/2014 144A	2,030,000	2,009,700
Sinclair Broadcast Group, Inc., 8.00%, 03/15/2012	17,500,000	18,156,250
		<hr/>
		75,775,137
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EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2004 (unaudited)

	Principal Amount	Value
CORPORATE BONDS (continued)		
CONSUMER DISCRETIONARY (continued)		
Specialty Retail 7.7%		
Aearo Co., 8.25%, 04/15/2012 144A	\$ 1,755,000	\$ 1,798,875
Alderwoods Group, Inc., 12.25%, 01/02/2009	10,000,000	11,087,500
American Achievement Corp., 8.25%, 04/01/2012 144A	6,155,000	6,339,650
Central Garden & Pet Co., 9.125%, 02/01/2013	7,000,000	7,560,000
Cole National Group, Inc., 8.875%, 05/15/2012	7,665,000	8,393,175
FTD, Inc., 7.75%, 02/15/2014 144A	7,000,000	6,720,000
General Nutrition Centers, Inc., 8.50%, 12/01/2010 144A	8,500,000	8,648,750
Group 1 Automotive, Inc., 8.25%, 08/15/2013	3,000,000	3,135,000
PETCO Animal Supplies, Inc., 10.75%, 11/01/2011	10,000,000	11,250,000
Tempur-Pedic, Inc., 10.25%, 08/15/2010 þ	1,300,000	1,470,625
United Auto Group, Inc., 9.625%, 03/15/2012	8,000,000	8,800,000
Warnaco Group, Inc., 8.875%, 06/15/2013	3,200,000	3,496,000
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		78,699,575
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Textiles, Apparel & Luxury Goods 1.2%

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	Principal Amount	Value
Oxford Industries, Inc., 8.875%, 06/01/2011 144A	12,000,000	12,840,000
CONSUMER STAPLES 7.9%		
Food & Staples Retailing 0.8%		
Duane Reade, Inc., 9.75%, 08/01/2011 144A	4,775,000	4,786,938
Michael Foods, Inc., 8.00%, 11/15/2013	3,400,000	3,561,500
		8,348,438
Food Products 4.0%		
Chiquita Brands International, Inc., 10.56%, 03/15/2009	15,000,000	16,331,250
Del Monte Foods Co., 8.625%, 12/15/2012	9,217,000	10,092,615
Seminis Vegetable Seeds, Inc., 10.25%, 10/01/2013 144A	12,890,000	14,179,000
		40,602,865
Personal Products 1.6%		
Playtex Products, Inc.:		
8.00%, 03/01/2011 144A	9,000,000	9,382,500
9.375%, 06/01/2011 p	7,000,000	7,087,500
		16,470,000
Tobacco 1.5%		
Commonwealth Brands, Inc., 10.625%, 09/01/2008 144A	7,000,000	7,385,000
North Atlantic Trading, Inc., 9.25%, 03/01/2012 p	7,580,000	7,466,300
		14,851,300
ENERGY 14.8%		
Energy Equipment & Services 4.7%		
General Maritime Corp., 10.00%, 03/15/2013 p	7,850,000	8,674,250
Grant Prideco, Inc., 9.00%, 12/15/2009	6,000,000	6,630,000
Gulfmark Offshore, Inc., 7.75%, 07/15/2014 144A	4,100,000	3,987,250
Lone Star Technologies, Inc., 9.00%, 06/01/2011	6,200,000	6,541,000
NRG Energy, Inc., 8.00%, 12/15/2013 144A	5,000,000	5,137,500
Parker Drilling Co., Ser. B, 10.125%, 11/15/2009	14,000,000	14,805,000
SESI LLC, 8.875%, 05/15/2011	2,000,000	2,170,000
		47,945,000
Oil & Gas 10.1%		
Chesapeake Energy Corp.:		
6.875%, 01/15/2016	3,360,000	3,326,400
7.50%, 09/15/2013 p	7,000,000	7,472,500
El Paso Energy Corp., 6.75%, 05/15/2009 p	10,600,000	9,831,500
El Paso Energy Partners LP, 8.50%, 06/01/2011 p	6,700,000	7,370,000
El Paso Production Holding Co., 7.75%, 06/01/2013	16,000,000	15,320,000
Evergreen Resources, Inc., 5.875%, 03/15/2012 144A	1,410,000	1,441,725

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SCHEDULE OF INVESTMENTS continued

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July 31, 2004 (unaudited)

	Principal Amount	Value
CORPORATE BONDS (continued)		
ENERGY (continued)		
Oil & Gas (continued)		
Exco Resources, Inc., 7.25%, 01/15/2011	\$ 2,245,000	\$ 2,334,800
Gulfterra Energy Partners LP, Ser. B, 6.25%, 06/01/2010	10,000,000	10,250,000
Overseas Shipholding Group, Inc., 8.25%, 03/15/2013	12,050,000	12,773,000
Plains Exploration & Production Co., 8.75%, 07/01/2012	2,500,000	2,762,500
Premcor Refining Group, Inc.:		
6.75%, 05/01/2014	9,500,000	9,618,750
9.50%, 02/01/2013	6,500,000	7,572,500
Tesoro Petroleum Corp., 9.625%, 04/01/2012 p	10,150,000	11,647,125
Westport Resources Corp., 8.25%, 11/01/2011	1,500,000	1,718,790
		<hr/>
		103,439,590
		<hr/>
FINANCIALS 12.0%		
Capital Markets 0.5%		
Affinity Group, Inc., 9.00%, 02/15/2012 144A	5,475,000	5,700,844
		<hr/>
Consumer Finance 1.2%		
Metris Companies, Inc., 10.125%, 07/15/2006 p	12,500,000	12,312,500
		<hr/>
Diversified Financial Services 4.0%		
Nalco Finance Holdings LLC, Sr. Disc. Note, Step Bond, 0.00%, 02/01/2009 144A +	12,660,000	8,672,100
Northern Telecom Capital Corp., 7.875%, 06/15/2026	9,000,000	8,370,000
Qwest Capital Funding, Inc., 7.00%, 08/03/2009	8,500,000	7,522,500
Sprint Capital Corp., 7.125%, 01/30/2006	15,215,000	16,097,713
		<hr/>
		40,662,313
		<hr/>
Insurance 0.4%		
Crum & Forster Holdings Corp., 10.375%, 06/15/2013	3,750,000	4,087,500
		<hr/>
Real Estate 5.9%		
Choctaw Resort Development Enterprise, 9.25%, 04/01/2009	10,000,000	10,800,000
Crescent Real Estate Equities, 9.25%, 04/15/2009 REIT	1,865,000	1,967,575
HMH Properties, Inc., Ser. B, 7.875%, 08/01/2008 REIT	8,015,000	8,275,487
LNR Property Corp., 7.625%, 07/15/2013	10,650,000	10,703,250
Omega Healthcare Investors, Inc.:		
6.95%, 08/01/2007 REIT	8,255,000	8,389,144
7.00%, 04/01/2014 REIT 144A	1,400,000	1,340,500
Thornburg Mortgage, Inc., 8.00%, 05/15/2013 REIT	7,825,000	8,020,625
Universal City Development Partners, 11.75%, 04/01/2010	9,080,000	10,578,200
		<hr/>
		60,074,781
HEALTH CARE 8.0%		
Health Care Equipment & Supplies 2.1%		
Norcross Safety Products LLC, Ser. B, 9.875%, 08/15/2011	2,750,000	2,983,750
Triad Hospital, Inc., 7.00%, 05/15/2012	11,000,000	11,302,500

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	Principal Amount	Value
Universal Hospital Services, Inc., 10.125%, 11/01/2011	7,215,000	7,305,188
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		21,591,438
		<hr/>
Health Care Providers & Services 5.9%		
Extendicare Health Services, Inc., 9.50%, 07/01/2010	13,000,000	14,543,750
Iasis Healthcare Corp., 8.75%, 06/15/2014 144A	5,100,000	5,329,500
Pacificare Health Systems, Inc., 10.75%, 06/01/2009	7,800,000	8,892,000
Select Medical Corp., 9.50%, 06/15/2009	9,499,000	10,211,425
Stewart Enterprises, Inc., 10.75%, 07/01/2008	6,000,000	6,697,500
Team Health, Inc., 9.00%, 04/01/2012 144A p		