

EVERGREEN INCOME ADVANTAGE FUND
Form N-Q
April 01, 2010

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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, 2010. This series has April 30 fiscal year end.

Date of reporting period: **January 31, 2010**

Item 1 Schedule of Investments

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS 107.7% | | |
| CONSUMER DISCRETIONARY 18.9% | | |
| Auto Components 2.0% | | |
| Affinia Group Intermediate Holdings, Inc., 10.75%, 08/15/2016 144A | \$230,000 | \$251,850 |
| Cooper Tire & Rubber Co., 7.625%, 03/15/2027 | 4,775,000 | 4,297,500 |
| Goodyear Tire & Rubber Co.: | | |
| 7.86%, 08/15/2011 | 2,545,000 | 2,634,075 |
| 8.625%, 12/01/2011 | 1,420,000 | 1,469,700 |
| 9.00%, 07/01/2015 | 497,000 | 511,910 |
| 10.50%, 05/15/2016 | 2,475,000 | 2,685,375 |
| Metaldyne Corp., FRN, 5.28%, 04/09/2014 | 902,645 | 727,739 |
| TRW Automotive, Inc., 8.875%, 12/01/2017 144A | 250,000 | 259,375 |
| | | <u>12,837,524</u> |
| Diversified Consumer Services 1.8% | | |
| Carriage Services, Inc., 7.875%, 01/15/2015 | 3,105,000 | 2,957,513 |
| Service Corporation International: | | |
| 6.75%, 04/01/2015 | 205,000 | 201,925 |
| 7.50%, 04/01/2027 | 3,931,000 | 3,636,175 |
| 8.00%, 11/15/2021 | 880,000 | 881,100 |
| StoneMor Partners, LP, 10.25%, 12/01/2017 144A | 4,005,000 | 4,165,200 |
| | | <u>11,841,913</u> |
| Hotels, Restaurants & Leisure 3.5% | | |
| AMC Entertainment, Inc., 8.75%, 06/01/2019 | 235,000 | 243,225 |
| Boyd Gaming Corp.: | | |
| 7.125%, 02/01/2016 | 1,880,000 | 1,677,900 |
| 7.75%, 12/15/2012 | 950,000 | 954,750 |
| Caesars Entertainment, Inc., 7.875%, 03/15/2010 | 1,465,000 | 1,468,662 |
| Harrahs Entertainment Corp.: | | |
| 10.00%, 12/15/2018 | 460,000 | 365,700 |
| 11.25%, 06/01/2017 | 4,285,000 | 4,552,812 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010 + | 1,685,000 | 829,863 |
| Landry's Restaurants, Inc., 11.625%, 12/01/2015 144A | 265,000 | 284,875 |
| MGM MIRAGE: | | |
| 6.625%, 07/15/2015 | 920,000 | 761,300 |
| 8.50%, 09/15/2010 | 1,645,000 | 1,653,225 |
| 11.125%, 11/15/2017 144A | 620,000 | 697,500 |
| 11.375%, 03/01/2018 144A | 630,000 | 595,350 |
| Pinnacle Entertainment, Inc., 7.50%, 06/15/2015 | 2,545,000 | 2,354,125 |
| Pokagon Gaming Authority, 10.375%, 06/15/2014 144A | 120,000 | 125,250 |
| Scientific Games Corp., 9.25%, 06/15/2019 144A | 1,285,000 | 1,352,463 |
| Seneca Gaming Corp., 7.25%, 05/01/2012 | 385,000 | 375,375 |
| Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 144A | 2,790,000 | 2,204,100 |
| Speedway Motorsports, Inc., 8.75%, 06/01/2016 | 2,075,000 | 2,204,687 |
| Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015 | 5,011,000 | 150,330 |
| Universal City Development Partners, Ltd.: | | |

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| | | |
|---|-----------|-------------------|
| 8.875%, 11/15/2015 144A | 125,000 | 125,938 |
| 10.875%, 11/15/2016 144A | 125,000 | 129,375 |
| Wynn Resorts, Ltd., 7.875%, 11/01/2017 144A | 105,000 | 105,000 |
| | | <u>23,211,805</u> |
| Household Durables 1.9% | | |
| D.R. Horton, Inc., 9.75%, 09/15/2010 | 4,820,000 | 4,976,650 |
| Lennar Corp.: | | |
| 5.125%, 10/01/2010 | 1,230,000 | 1,239,225 |
| 12.25%, 06/01/2017 | 125,000 | 152,500 |
| Libbey, Inc.: | | |
| 10.00%, 02/15/2015 144A | 860,000 | 864,300 |
| FRN, 7.48%, 06/01/2011 | 1,320,000 | 1,353,000 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Household Durables continued | | |
| Meritage Homes Corp., 7.00%, 05/01/2014 | \$935,000 | \$898,769 |
| Newell Rubbermaid, Inc., 10.60%, 04/15/2019 | 2,290,000 | 2,967,668 |
| Sealy Corp., 10.875%, 04/15/2016 144A | 165,000 | 184,800 |
| | | <u>12,636,912</u> |
| Internet & Catalog Retail 0.4% | | |
| Netflix, Inc., 8.50%, 11/15/2017 144A | 170,000 | 179,350 |
| QVC, Inc., 7.50%, 10/01/2019 144A | 990,000 | 1,014,750 |
| Ticketmaster Entertainment, Inc., 10.75%, 08/01/2016 | 1,115,000 | 1,218,138 |
| | | <u>2,412,238</u> |
| Media 6.9% | | |
| Cablevision Systems Corp., 8.625%, 09/15/2017 144A | 210,000 | 217,350 |
| CCH II, LLC, 13.50%, 11/30/2016 | 12,586,015 | 15,134,683 |
| CCO Holdings, LLC, 8.75%, 11/15/2013 | 8,075,000 | 8,186,031 |
| Charter Communications, Inc., Step Bond: 8.00%, 04/30/2012 144A | 3,500,000 | 3,657,500 |
| 10.875%, 09/15/2014 144A | 10,840,000 | 12,140,800 |
| Clear Channel Communications, Inc., 9.25%, 12/15/2017 144A | 815,000 | 838,213 |
| CSC Holdings, Inc., 8.50%, 04/15/2014 144A | 50,000 | 53,000 |
| DirectTV Holdings, LLC, 7.625%, 05/15/2016 | 200,000 | 219,000 |
| DISH DBS, Corp., 7.875%, 09/01/2019 | 630,000 | 650,475 |
| Lamar Media Corp.: | | |
| 7.25%, 01/01/2013 | 440,000 | 440,000 |
| 9.75%, 04/01/2014 | 120,000 | 131,400 |
| Regal Cinemas, Inc., 8.625%, 07/15/2019 | 205,000 | 211,662 |
| Salem Communications Corp., 9.625%, 12/15/2016 144A | 485,000 | 511,675 |
| Sirius XM Radio, Inc.: | | |
| 9.625%, 08/01/2013 | 315,000 | 321,300 |
| 9.75%, 09/01/2015 144A | 250,000 | 266,250 |
| WMG Acquisition Corp., 9.50%, 06/15/2016 144A | 115,000 | 123,338 |
| XM Satellite Radio Holdings, Inc.: | | |
| 11.25%, 06/15/2013 144A | 1,070,000 | 1,144,900 |
| 13.00%, 08/01/2013 144A | 815,000 | 894,462 |
| Young Broadcasting, Inc.: | | |
| 8.75%, 01/15/2014 | 4,739,000 | 33,173 |
| 10.00%, 03/01/2011 | 3,455,000 | 24,185 |
| | | <u>45,199,397</u> |
| Multiline Retail 0.3% | | |
| Macy's, Inc.: | | |
| 5.90%, 12/01/2016 | 130,000 | 124,150 |
| 8.875%, 07/15/2015 | 340,000 | 370,600 |
| Neiman Marcus Group, Inc., 9.75%, 10/15/2015 @ | 114,000 | 110,865 |

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|--|-----------|------------------|
| Saks, Inc., 9.875%, 10/01/2011 | 1,270,000 | <u>1,330,325</u> |
| | | <u>1,935,940</u> |
| Specialty Retail 1.0% | | |
| American Achievement Corp.: | | |
| 8.25%, 04/01/2012 144A | 5,850,000 | 5,835,375 |
| Sr. Disc. Note, Step Bond, 10.25%, 10/01/2012 | 385,000 | 385,481 |
| Limited Brands, Inc., 8.50%, 06/15/2019 144A | 90,000 | 98,100 |
| | | <u>6,318,956</u> |
| Textiles, Apparel & Luxury Goods 1.1% | | |
| Oxford Industries, Inc., 11.375%, 07/15/2015 | 3,350,000 | 3,752,000 |
| Visant Corp., 7.625%, 10/01/2012 | 3,235,000 | 3,251,175 |
| | | <u>7,003,175</u> |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER STAPLES 3.6% | | |
| Beverages 0.0% | | |
| Cott Beverages, Inc., 8.375%, 11/15/2017 144A | \$250,000 | <u>\$256,875</u> |
| Food & Staples Retailing 0.1% | | |
| Rite Aid Corp., 10.25%, 10/15/2019 144A | 250,000 | <u>260,000</u> |
| Food Products 3.1% | | |
| Del Monte Foods Co.: | | |
| 6.75%, 02/15/2015 | 150,000 | 153,375 |
| 7.50%, 10/15/2019 144A | 3,855,000 | 3,961,013 |
| Dole Food Company, Inc.: | | |
| 8.00%, 10/01/2016 144A | 1,225,000 | 1,267,875 |
| 13.875%, 03/15/2014 144A | 2,702,000 | 3,228,890 |
| Fage USA Dairy Industry, Inc., 9.875%, 02/01/2020 144A | 750,000 | 701,634 |
| Smithfield Foods, Inc.: | | |
| 7.00%, 08/01/2011 | 3,035,000 | 3,035,000 |
| 10.00%, 07/15/2014 144A | 4,150,000 | 4,518,312 |
| Tyson Foods, Inc.: | | |
| 7.85%, 04/01/2016 | 1,790,000 | 1,879,500 |
| 10.50%, 03/01/2014 | 115,000 | 132,825 |
| Viskase, Inc., 9.875%, 01/15/2018 144A | 1,425,000 | <u>1,425,000</u> |
| | | <u>20,303,424</u> |
| Tobacco 0.4% | | |
| Altria Group, Inc., 9.70%, 11/10/2018 | 1,975,000 | <u>2,473,504</u> |
| ENERGY 15.9% | | |
| Energy Equipment & Services 4.2% | | |
| Basic Energy Services, Inc., 11.625%, 08/01/2014 | 780,000 | 846,300 |
| Bristow Group, Inc.: | | |
| 6.125%, 06/15/2013 | 205,000 | 203,975 |
| 7.50%, 09/15/2017 | 3,315,000 | 3,339,862 |
| Forbes Energy Services, Ltd., 11.00%, 02/15/2015 | 4,850,000 | 4,668,125 |
| GulfMark Offshore, Inc., 7.75%, 07/15/2014 | 3,155,000 | 3,131,338 |
| Hercules Offshore, Inc., 10.50%, 10/15/2017 144A | 1,220,000 | 1,268,800 |
| Hornbeck Offshore Services, Inc.: | | |
| 8.00%, 09/01/2017 144A | 2,315,000 | 2,338,150 |
| Ser. B, 6.125%, 12/01/2014 | 4,415,000 | 4,205,287 |
| Parker Drilling Co., 9.625%, 10/01/2013 | 1,850,000 | 1,900,875 |
| PHI, Inc., 7.125%, 04/15/2013 | 4,315,000 | 4,271,850 |
| Pride International, Inc., 8.50%, 06/15/2019 | 210,000 | 240,450 |
| SEACOR Holdings, Inc., 7.375%, 10/01/2019 | 990,000 | <u>1,029,603</u> |
| | | <u>27,444,615</u> |
| Oil, Gas & Consumable Fuels 11.7% | | |
| Alon Refining Krotz Springs, Inc., 13.50%, 10/15/2014 144A | 2,600,000 | 2,392,000 |
| Aquilex Holdings, LLC, 11.125%, 12/15/2016 144A | 450,000 | 468,000 |

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|--|-----------|-----------|
| Arch Coal, Inc., 8.75%, 08/01/2016 144A | 105,000 | 111,825 |
| Atlas Energy Resources, LLC, 12.125%, 08/01/2017 | 890,000 | 1,005,700 |
| Bill Barrett Corp., 9.875%, 07/15/2016 | 480,000 | 516,000 |
| Chesapeake Energy Corp.: | | |
| 6.875%, 01/15/2016 | 435,000 | 428,475 |
| 7.50%, 09/15/2013 | 8,500,000 | 8,627,500 |
| 9.50%, 02/15/2015 | 2,790,000 | 3,041,100 |
| El Paso Corp.: | | |
| 7.00%, 06/15/2017 | 95,000 | 97,129 |
| 7.42%, 02/15/2037 | 2,960,000 | 2,621,133 |
| 8.25%, 02/15/2016 | 1,165,000 | 1,255,287 |
| 12.00%, 12/12/2013 | 815,000 | 969,850 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| ENERGY continued | | |
| Oil, Gas & Consumable Fuels continued | | |
| Exco Resources, Inc., 7.25%, 01/15/2011 | \$6,281,000 | \$6,281,000 |
| Ferrellgas Partners, LP: | | |
| 8.75%, 06/15/2012 | 975,000 | 977,438 |
| 9.125%, 10/01/2017 144A | 620,000 | 658,750 |
| Forest Oil Corp.: | | |
| 7.25%, 06/15/2019 | 1,870,000 | 1,879,350 |
| 8.50%, 02/15/2014 | 1,115,000 | 1,170,750 |
| Frontier Oil Corp., 6.625%, 10/01/2011 | 155,000 | 155,000 |
| Holly Corp., 9.875%, 06/15/2017 144A | 3,640,000 | 3,858,400 |
| Murray Energy Corp., 10.25%, 10/15/2015 144A | 1,535,000 | 1,561,862 |
| Newfield Exploration Co.: | | |
| 6.625%, 04/15/2016 | 50,000 | 50,000 |
| 6.875%, 02/01/2020 | 1,795,000 | 1,790,512 |
| 7.125%, 05/15/2018 | 165,000 | 167,063 |
| Nustar Logistics, LP, 7.65%, 04/15/2018 | 75,000 | 84,937 |
| Peabody Energy Corp.: | | |
| 5.875%, 04/15/2016 | 5,000 | 4,900 |
| 7.875%, 11/01/2026 | 7,165,000 | 7,397,862 |
| Penn Virginia Corp., 10.375%, 06/15/2016 | 215,000 | 236,769 |
| Petrohawk Energy Corp.: | | |
| 7.875%, 06/01/2015 | 2,100,000 | 2,152,500 |
| 10.50%, 08/01/2014 | 1,065,000 | 1,176,825 |
| Pioneer Natural Resources Co., 7.50%, 01/15/2020 | 2,200,000 | 2,222,000 |
| Plains Exploration & Production Co., 8.625%, 10/15/2019 | 5,675,000 | 5,987,125 |
| Range Resources Corp., 8.00%, 05/15/2019 | 130,000 | 138,450 |
| Sabine Pass LNG, LP: | | |
| 7.25%, 11/30/2013 | 2,340,000 | 2,187,900 |
| 7.50%, 11/30/2016 | 4,745,000 | 4,193,394 |
| SandRidge Energy, Inc.: | | |
| 8.00%, 06/01/2018 144A | 125,000 | 124,375 |
| 8.75%, 01/15/2020 144A | 3,550,000 | 3,656,500 |
| Southwestern Energy Co., 7.50%, 02/01/2018 | 1,280,000 | 1,363,200 |
| Stone Energy Corp., 8.625%, 02/01/2017 | 1,060,000 | 1,054,700 |
| Tesoro Corp.: | | |
| 6.50%, 06/01/2017 | 285,000 | 271,463 |
| 7.50%, 07/17/2012 | 2,235,000 | 2,196,759 |
| 9.75%, 06/01/2019 | 1,505,000 | 1,623,519 |
| Williams Cos.: | | |
| 7.50%, 01/15/2031 | 345,000 | 390,251 |
| 8.75%, 01/15/2020 | 165,000 | 212,025 |
| | | <u>76,759,578</u> |
| FINANCIALS 17.4% | | |

Capital Markets 1.1%

E*TRADE Financial Corp.:

7.375%, 09/15/2013

12.50%, 11/30/2017

805,000

5,407,000

774,813

6,245,085

7,019,898

Commercial Banks 0.9%

CapitalSource, Inc., 12.75%, 07/15/2014 144A

Discover Bank, 8.70%, 11/18/2019

Zions Bancorp, 7.75%, 09/23/2014

3,650,000

1,245,000

405,000

3,996,750

1,359,718

388,800

5,745,268

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| FINANCIALS continued | | |
| Consumer Finance 10.5% | | |
| Calpine Construction Finance Corp., 8.00%, 06/01/2016 144A | \$ 115,000 | \$ 117,300 |
| Cemex Finance, LLC, 9.50%, 12/14/2016 144A | 895,000 | 910,663 |
| CIT Group, Inc.: | | |
| 7.00%, 05/01/2016 | 265,000 | 227,900 |
| 7.00%, 05/01/2017 | 1,050,000 | 895,125 |
| Clearwire Communications Finance Corp., 12.00%, 12/01/2015 144A | 5,430,000 | 5,511,450 |
| Discover Financial Services, 10.25%, 07/15/2019 | 1,970,000 | 2,352,255 |
| Ford Motor Credit Co., LLC: | | |
| 8.70%, 10/01/2014 | 385,000 | 398,260 |
| 9.75%, 09/15/2010 | 5,377,000 | 5,547,881 |
| 9.875%, 08/10/2011 | 3,680,000 | 3,850,075 |
| GMAC, LLC: | | |
| 6.75%, 12/01/2014 | 2,344,000 | 2,279,540 |
| 6.875%, 09/15/2011 | 3,690,000 | 3,690,000 |
| 6.875%, 08/28/2012 | 4,327,000 | 4,294,547 |
| 7.00%, 02/01/2012 | 167,000 | 165,748 |
| 7.50%, 12/31/2013 | 6,855,000 | 6,820,725 |
| 8.00%, 12/31/2018 | 5,122,000 | 4,840,290 |
| 8.00%, 11/01/2031 | 2,285,000 | 2,178,980 |
| Homer City Funding, LLC, 8.73%, 10/01/2026 | 2,175,576 | 2,153,820 |
| International Lease Finance Corp.: | | |
| 4.75%, 01/13/2012 | 1,560,000 | 1,376,480 |
| 4.875%, 09/01/2010 | 1,190,000 | 1,160,013 |
| 5.125%, 11/01/2010 | 155,000 | 150,522 |
| JBS USA Finance, Inc., 11.625%, 05/01/2014 144A | 6,690,000 | 7,526,250 |
| Level 3 Financing, Inc., 10.00%, 02/01/2018 144A | 780,000 | 729,300 |
| Nielsen Financial LLC: | | |
| 11.50%, 05/01/2016 | 235,000 | 263,200 |
| Sr. Disc. Note, Step Bond, 0.00%, 08/01/2016 | 105,000 | 96,075 |
| NII Capital Corp., 10.00%, 08/15/2016 144A | 155,000 | 161,975 |
| NiSource Finance Corp., 10.75%, 03/15/2016 | 30,000 | 38,367 |
| Pinnacle Foods Finance, LLC: | | |
| 9.25%, 04/01/2015 144A | 1,395,000 | 1,415,925 |
| 10.625%, 04/01/2017 | 820,000 | 846,650 |
| Sprint Capital Corp.: | | |
| 6.875%, 11/15/2028 | 6,450,000 | 5,063,250 |
| 8.375%, 03/15/2012 | 3,998,000 | 4,067,965 |
| | | <u>69,130,531</u> |
| Diversified Financial Services 1.3% | | |
| Leucadia National Corp.: | | |
| 7.00%, 08/15/2013 | 185,000 | 188,237 |
| 8.125%, 09/15/2015 | 8,040,000 | 8,220,900 |

| | | |
|--|-----------|-------------------|
| | | <u>8,409,137</u> |
| Real Estate Investment Trusts (REITs) 3.1% | | |
| Dupont Fabros Technology, Inc., 8.50%, 12/15/2017 144A | 7,810,000 | 8,005,250 |
| Host Marriott Corp.: | | |
| 7.125%, 11/01/2013 | 1,670,000 | 1,682,525 |
| 9.00%, 05/15/2017 144A | 490,000 | 524,300 |
| Omega Healthcare Investors, Inc., 7.00%, 04/01/2014 | 3,675,000 | 3,684,187 |
| Ventas, Inc.: | | |
| 6.75%, 04/01/2017 | 2,485,000 | 2,435,300 |
| 7.125%, 06/01/2015 | 2,516,000 | 2,541,160 |
| 9.00%, 05/01/2012 | 1,435,000 | 1,503,163 |
| | | <u>20,375,885</u> |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| FINANCIALS continued | | |
| Real Estate Management & Development 0.0% | | |
| Icahn Enterprises, LP: | | |
| 7.75%, 01/15/2016 144A | \$40,000 | \$38,100 |
| 8.00%, 01/15/2018 144A | 125,000 | 119,063 |
| | | <u>157,163</u> |
| Thriffs & Mortgage Finance 0.5% | | |
| Residential Capital, LLC, 8.50%, 05/15/2010 | 3,210,000 | 3,185,925 |
| HEALTH CARE 4.6% | | |
| Biotechnology 0.2% | | |
| Talecris Biotherapeutics Holdings Corp., 7.75%, 11/15/2016 144A | 1,125,000 | 1,153,125 |
| Health Care Equipment & Supplies 0.2% | | |
| Biomet, Inc.: | | |
| 10.375%, 10/15/2017 @ | 675,000 | 735,750 |
| 11.625%, 10/15/2017 | 340,000 | 374,000 |
| Boston Scientific Corp., 6.00%, 01/15/2020 | 250,000 | 252,724 |
| Universal Hospital Services, Inc., 8.50%, 06/01/2015 @ | 189,000 | 184,747 |
| | | <u>1,547,221</u> |
| Health Care Providers & Services 3.8% | | |
| Apria Healthcare Group, 11.25%, 11/01/2014 144A | 1,810,000 | 1,936,700 |
| HCA, Inc.: | | |
| 6.30%, 10/01/2012 | 920,000 | 903,900 |
| 7.875%, 02/01/2011 | 1,830,000 | 1,880,325 |
| 7.875%, 02/15/2020 144A | 205,000 | 210,638 |
| 8.50%, 04/15/2019 144A | 4,525,000 | 4,785,187 |
| 8.75%, 09/01/2010 | 2,165,000 | 2,208,300 |
| 9.25%, 11/15/2016 | 5,070,000 | 5,348,850 |
| 9.625%, 11/15/2016 @ | 3,732,000 | 3,955,920 |
| Omnicare, Inc., 6.125%, 06/01/2013 | 1,475,000 | 1,452,875 |
| Prospect Medical Holdings, Inc., 12.75%, 07/15/2014 | 1,295,000 | 1,395,363 |
| Symbion, Inc., 11.75%, 08/23/2015 @ | 833,908 | 667,126 |
| | | <u>24,745,184</u> |
| Life Sciences Tools & Services 0.4% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 09/15/2016 144A | 2,820,000 | 2,925,750 |
| INDUSTRIALS 13.4% | | |
| Aerospace & Defense 6.0% | | |
| Alliant Techsystems, Inc., 6.75%, 04/01/2016 | 3,880,000 | 3,870,300 |
| DAE Aviation Holdings, Inc., 11.25%, 08/01/2015 144A | 910,000 | 834,925 |
| GenCorp, Inc., 9.50%, 08/15/2013 | 1,020,000 | 1,045,500 |
| GeoEye, Inc., 9.625%, 10/01/2015 144A | 400,000 | 408,000 |
| Hexcel Corp., 6.75%, 02/01/2015 | 3,485,000 | 3,354,313 |
| L-3 Communications Holdings, Inc.: | | |
| 5.20%, 10/15/2019 144A | 115,000 | 115,863 |

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|---|------------|-------------------|
| 5.875%, 01/15/2015 | 16,585,000 | 16,792,312 |
| 6.375%, 10/15/2015 | 4,621,000 | 4,678,762 |
| Spirit AeroSystems Holdings, Inc., 7.50%, 10/01/2017 144A | 815,000 | 821,113 |
| TransDigm Group, Inc., 7.75%, 07/15/2014 144A | 810,000 | 818,100 |
| Vought Aircraft Industries, Inc., 8.00%, 07/15/2011 | 6,675,000 | 6,624,937 |
| | | <u>39,364,125</u> |
| Airlines 0.3% | | |
| Delta Air Lines, Inc.: | | |
| 9.50%, 09/15/2014 144A | 255,000 | 265,837 |
| 12.25%, 03/15/2015 144A | 125,000 | 129,688 |
| United Airlines, Inc., 10.40%, 05/01/2018 | 1,390,000 | 1,487,300 |
| | | <u>1,882,825</u> |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| INDUSTRIALS continued | | |
| Building Products 0.0% | | |
| Associated Materials, LLC, 9.875%, 11/15/2016 144A | \$125,000 | \$132,500 |
| Commercial Services & Supplies 3.3% | | |
| Allied Waste North America, Inc., 6.875%, 06/01/2017 | 200,000 | 216,000 |
| Browning-Ferris Industries, Inc., 9.25%, 05/01/2021 | 2,760,000 | 3,331,491 |
| Casella Waste Systems, Inc., 11.00%, 07/15/2014 144A | 1,670,000 | 1,811,950 |
| Cornell Companies, Inc., 10.75%, 07/01/2012 | 295,000 | 300,900 |
| Corrections Corporation of America: | | |
| 6.25%, 03/15/2013 | 2,905,000 | 2,912,262 |
| 6.75%, 01/31/2014 | 1,120,000 | 1,122,800 |
| 7.75%, 06/01/2017 | 3,205,000 | 3,293,137 |
| DigitalGlobe, Inc., 10.50%, 05/01/2014 144A | 455,000 | 489,125 |
| Geo Group, Inc., 7.75%, 10/15/2017 144A | 2,025,000 | 2,065,500 |
| Interface, Inc., Class A, 11.375%, 11/01/2013 | 550,000 | 621,500 |
| Iron Mountain, Inc.: | | |
| 6.625%, 01/01/2016 | 100,000 | 97,000 |
| 7.75%, 01/15/2015 | 315,000 | 317,363 |
| 8.375%, 08/15/2021 | 2,725,000 | 2,827,188 |
| SGS International, Inc., 12.00%, 12/15/2013 | 2,000,000 | 2,095,000 |
| Toll Corp., 8.91%, 10/15/2017 | 250,000 | 287,562 |
| | | <u>21,788,778</u> |
| Industrial Conglomerates 0.6% | | |
| Otter Tail Corp., 9.00%, 12/15/2016 | 3,985,000 | 4,154,362 |
| Machinery 1.3% | | |
| Commercial Vehicle Group, Inc., 13.00%, 02/15/2013 144A @ | 7,335,000 | 6,601,500 |
| CPM Holdings, Inc., 10.625%, 09/01/2014 144A | 1,320,000 | 1,405,800 |
| Navistar International Corp., 8.25%, 11/01/2021 | 235,000 | 237,350 |
| | | <u>8,244,650</u> |
| Road & Rail 1.7% | | |
| Kansas City Southern: | | |
| 8.00%, 06/01/2015 | 8,285,000 | 8,523,194 |
| 13.00%, 12/15/2013 | 1,655,000 | 1,936,350 |
| Swift Transportation Co., Inc.: | | |
| 8.02%, 05/15/2015 144A | 205,000 | 175,275 |
| 12.50%, 05/15/2017 144A | 205,000 | 184,500 |
| | | <u>10,819,319</u> |
| Trading Companies & Distributors 0.0% | | |
| RSC Equipment Rental, Inc., 10.00%, 07/15/2017 144A | 155,000 | 168,563 |
| Transportation 0.2% | | |
| United Maritime Group, 11.75%, 06/15/2015 144A | 1,250,000 | 1,259,375 |
| INFORMATION TECHNOLOGY 7.5% | | |
| Communications Equipment 0.8% | | |

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| | | |
|---|-------------|------------------|
| Brocade Communications Systems, Inc., 6.625%, 01/15/2018 144A | 1,415,000 | 1,432,687 |
| EchoStar Corp.: | | |
| 7.125%, 02/01/2016 | 585,000 | 586,463 |
| 7.75%, 05/31/2015 | 100,000 | 103,000 |
| Lucent Technologies, Inc., 6.45%, 03/15/2029 | 4,010,000 | 2,817,025 |
| | | <u>4,939,175</u> |
| Electronic Equipment, Instruments & Components | 4.1% | |
| Anixter International, Inc., 10.00%, 03/15/2014 | 3,225,000 | 3,559,594 |
| Da-Lite Screen Co., Inc., 9.50%, 05/15/2011 | 3,925,000 | 3,905,375 |
| Intcomex, Inc., 13.25%, 12/15/2014 144A | 2,440,000 | 2,409,500 |
| Jabil Circuit, Inc., 8.25%, 03/15/2018 | 12,082,000 | 13,139,175 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| INFORMATION TECHNOLOGY continued | | |
| Electronic Equipment, Instruments & Components continued | | |
| Sanmina-SCI Corp., 8.125%, 03/01/2016 | \$1,090,000 | \$1,092,725 |
| Viasystem Group, Inc., 12.00%, 01/15/2015 144A | 2,495,000 | 2,694,600 |
| | | <u>26,800,969</u> |
| Internet Software & Services 0.4% | | |
| Terremark Worldwide, Inc., 12.00%, 06/15/2017 144A | 2,605,000 | 2,885,037 |
| IT Services 1.9% | | |
| First Data Corp.: | | |
| 9.875%, 09/24/2015 | 1,380,000 | 1,231,650 |
| 10.55%, 09/24/2015 | 11,335,398 | 9,635,088 |
| iPayment, Inc., 9.75%, 05/15/2014 | 1,945,000 | 1,648,388 |
| | | <u>12,515,126</u> |
| Semiconductors & Semiconductor Equipment 0.2% | | |
| Advanced Micro Devices, Inc., 5.75%, 08/15/2012 | 1,025,000 | 1,007,062 |
| Spansion, Inc., 11.25%, 01/15/2016 144A | 205,000 | 246,000 |
| | | <u>1,253,062</u> |
| Software 0.1% | | |
| Activant Solutions, Inc., 9.50%, 05/01/2016 | 60,000 | 57,450 |
| JDA Software Group, Inc., 8.00%, 12/15/2014 144A | 420,000 | 434,175 |
| | | <u>491,625</u> |
| MATERIALS 4.9% | | |
| Chemicals 0.4% | | |
| Ashland, Inc., 9.125%, 06/01/2017 144A | 230,000 | 250,700 |
| Huntsman International, LLC, 5.50%, 06/30/2016 144A | 1,320,000 | 1,151,700 |
| Koppers Holdings, Inc., 7.875%, 12/01/2019 144A | 220,000 | 224,400 |
| MacDermid, Inc., 9.50%, 04/15/2017 144A | 409,000 | 413,090 |
| Nalco Holding Co., 8.25%, 05/15/2017 144A | 120,000 | 127,200 |
| SOLUTIA, Inc., 8.75%, 11/01/2017 | 110,000 | 116,325 |
| | | <u>2,283,415</u> |
| Construction Materials 1.1% | | |
| CPG International, Inc.: | | |
| 10.50%, 07/01/2013 | 3,085,000 | 3,015,588 |
| FRN, 7.18%, 07/01/2012 | 1,355,000 | 1,287,250 |
| Headwaters, Inc., 11.375%, 11/01/2014 144A | 1,735,000 | 1,821,750 |
| Texas Industries, Inc., 7.25%, 07/15/2013 | 1,085,000 | 1,079,575 |
| | | <u>7,204,163</u> |
| Containers & Packaging 1.3% | | |
| Exopack Holding Corp., 11.25%, 02/01/2014 | 4,700,000 | 4,852,750 |
| Graham Packaging Co., 8.25%, 01/01/2017 144A | 2,045,000 | 2,014,325 |
| Sealed Air Corp., 7.875%, 06/15/2017 144A | 230,000 | 242,781 |
| Silgan Holdings, Inc., 7.25%, 08/15/2016 | 990,000 | 1,027,125 |

| | | |
|---|-----------|------------------|
| | | <u>8,136,981</u> |
| Metals & Mining 1.4% | | |
| AK Steel Corp., 7.75%, 06/15/2012 | 1,030,000 | 1,035,150 |
| Edgen Murray Corp., 12.25%, 01/15/2015 144A | 2,045,000 | 1,952,975 |
| Freeport-McMoRan Copper & Gold, Inc.: | | |
| 8.25%, 04/01/2015 | 110,000 | 119,075 |
| 8.375%, 04/01/2017 | 5,725,000 | 6,225,937 |
| Indalex Holdings Corp., 11.50%, 02/01/2014 | 5,985,000 | 59,850 |
| | | <u>9,392,987</u> |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| MATERIALS continued | | |
| Paper & Forest Products 0.7% | | |
| Clearwater Paper Corp., 10.625%, 06/15/2016 144A | \$1,175,000 | \$1,304,250 |
| Georgia Pacific Corp.: | | |
| 8.125%, 05/15/2011 | 1,110,000 | 1,168,275 |
| 8.25%, 05/01/2016 144A | 125,000 | 133,750 |
| 8.875%, 05/15/2031 | 495,000 | 530,888 |
| Glatfelter, 7.125%, 05/01/2016 | 470,000 | 446,500 |
| NewPage Corp., 11.375%, 12/31/2014 | 1,260,000 | 1,219,050 |
| | | <u>4,802,713</u> |
| TELECOMMUNICATION SERVICES 9.8% | | |
| Diversified Telecommunication Services 5.8% | | |
| Cincinnati Bell, Inc., 8.25%, 10/15/2017 | 2,070,000 | 2,075,175 |
| Citizens Communications Co., 7.875%, 01/15/2027 | 3,625,000 | 3,289,687 |
| FairPoint Communications, Inc., 13.125%, 04/01/2018 | 430,000 | 60,200 |
| Frontier Communications Corp., 8.125%, 10/01/2018 | 3,255,000 | 3,279,412 |
| Global Crossing, Ltd., 12.00%, 09/15/2015 144A | 155,000 | 168,950 |
| Qwest Corp.: | | |
| 6.875%, 07/15/2028 | 576,000 | 495,360 |
| 7.125%, 04/01/2018 144A | 1,220,000 | 1,189,500 |
| 7.125%, 11/15/2043 | 2,015,000 | 1,722,825 |
| 7.25%, 09/15/2025 | 2,755,000 | 2,644,800 |
| 7.50%, 06/15/2023 | 3,260,000 | 3,211,100 |
| 7.625%, 08/03/2021 | 440,000 | 404,800 |
| 8.00%, 10/01/2015 144A | 15,000 | 15,525 |
| 8.875%, 03/15/2012 | 11,625,000 | 12,482,344 |
| SBA Telecommunications, Inc.: | | |
| 8.00%, 08/15/2016 144A | 905,000 | 938,938 |
| 8.25%, 08/15/2019 144A | 485,000 | 509,250 |
| Sorenson Communications, Inc., 10.50%, 02/01/2015 144A | 1,265,000 | 1,192,263 |
| West Corp., 9.50%, 10/15/2014 | 115,000 | 115,575 |
| Windstream Corp., 7.875%, 11/01/2017 144A | 4,265,000 | 4,211,687 |
| | | <u>38,007,391</u> |
| Wireless Telecommunication Services 4.0% | | |
| CC Holdings GS V, LLC, 7.75%, 05/01/2017 144A | 125,000 | 134,688 |
| Cricket Communications, Inc.: | | |
| 7.75%, 05/15/2016 | 2,285,000 | 2,299,281 |
| 9.375%, 11/01/2014 | 1,785,000 | 1,776,075 |
| Crown Castle International Corp., 7.125%, 11/01/2019 | 165,000 | 163,763 |
| iPCS, Inc., FRN, 4.28%, 05/01/2014 @ | 2,579,646 | 2,231,394 |
| MetroPCS Communications, Inc., 9.25%, 11/01/2014 | 3,790,000 | 3,813,687 |
| Sprint Nextel Corp.: | | |
| 6.90%, 05/01/2019 | 4,925,000 | 4,383,250 |
| Ser. D, 7.375%, 08/01/2015 | 5,000,000 | 4,512,500 |

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|--|------------|-------------------|
| Ser. F, 5.95%, 03/15/2014 | 7,940,000 | <u>7,026,900</u> |
| | | <u>26,341,538</u> |
| UTILITIES 11.7% | | |
| Electric Utilities 8.0% | | |
| Aquila, Inc., Step Bond, 11.875%, 07/01/2012 | 17,244,000 | 20,273,443 |
| CMS Energy Corp.: | | |
| 8.50%, 04/15/2011 | 860,000 | 912,438 |
| 8.75%, 06/15/2019 | 135,000 | 153,915 |
| Edison Mission Energy: | | |
| 7.00%, 05/15/2017 | 140,000 | 110,600 |
| 7.20%, 05/15/2019 | 1,645,000 | 1,274,875 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|---------------------|--------------------|
| CORPORATE BONDS continued | | |
| UTILITIES continued | | |
| Electric Utilities continued | | |
| Energy Future Holdings Corp.: | | |
| 10.00%, 01/15/2020 144A | \$1,645,000 | \$1,682,013 |
| FRN, 12.00%, 11/01/2017 @ | 4,269,044 | 3,137,747 |
| Mirant Americas Generation, LLC, 8.50%, 10/01/2021 | 510,000 | 489,600 |
| Mirant Mid-Atlantic, LLC, Ser. C, 10.06%, 12/30/2028 | 7,560,525 | 8,127,564 |
| Mirant North America, LLC, 7.375%, 12/31/2013 | 3,255,000 | 3,238,725 |
| NRG Energy, Inc.: | | |
| 7.25%, 02/01/2014 | 1,240,000 | 1,244,650 |
| 8.50%, 06/15/2019 | 2,725,000 | 2,738,625 |
| Orion Power Holdings, Inc., 12.00%, 05/01/2010 | 8,385,000 | 8,489,812 |
| Public Service Company of New Mexico, 7.95%, 04/01/2015 | 285,000 | 301,224 |
| | | <u>52,175,231</u> |
| Independent Power Producers & Energy Traders 3.5% | | |
| AES Corp.: | | |
| 8.00%, 06/01/2020 | 105,000 | 105,262 |
| 8.875%, 02/15/2011 | 2,045,000 | 2,126,800 |
| Dynegy Holdings, Inc.: | | |
| 6.875%, 04/01/2011 | 2,135,000 | 2,209,725 |
| 7.625%, 10/15/2026 | 5,110,000 | 3,883,600 |
| Reliant Energy, Inc.: | | |
| 6.75%, 12/15/2014 | 8,596,000 | 8,767,920 |
| 7.625%, 06/15/2014 | 2,945,000 | 2,827,200 |
| 7.875%, 06/15/2017 | 75,000 | 71,438 |
| 9.24%, 07/02/2017 | 2,540,115 | 2,711,573 |
| 9.68%, 07/02/2026 | 300,000 | 319,500 |
| | | <u>23,023,018</u> |
| Multi-Utilities 0.2% | | |
| Ameren Corp., 8.875%, 05/15/2014 | 230,000 | 267,243 |
| PNM Resources, Inc., 9.25%, 05/15/2015 | 1,145,000 | 1,229,444 |
| | | <u>1,496,687</u> |
| <i>Total Corporate Bonds (cost \$685,317,647)</i> | | <u>704,854,558</u> |
| U.S. TREASURY OBLIGATIONS 0.2% | | |
| U.S. Treasury Note, 4.375%, 11/15/2039 (cost \$1,187,464) | 1,240,000 | 1,212,875 |
| YANKEE OBLIGATIONS CORPORATE 6.2% | | |
| CONSUMER DISCRETIONARY 0.1% | | |
| Hotels, Restaurants & Leisure 0.0% | | |
| Norwegian Cruise Line, Ltd., 11.75%, 11/15/2016 144A | 125,000 | 132,500 |
| Royal Caribbean Cruises, Ltd., 11.875%, 07/15/2015 | 90,000 | 105,075 |
| | | <u>237,575</u> |
| Media 0.1% | | |
| UPC Germany GmbH, 8.125%, 12/01/2017 144A | 500,000 | 515,435 |

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|--|-----------|----------------|
| UPC Holdings BV, 9.875%, 04/15/2018 144A | 35,000 | 37,012 |
| Videotron, Ltd., 9.125%, 04/15/2018 144A | 145,000 | 155,875 |
| | | <u>708,322</u> |
| CONSUMER STAPLES 0.0% | | |
| Food & Staples Retailing 0.0% | | |
| Minerva Overseas, Ltd., 10.875%, 11/15/2019 144A | 150,000 | 152,825 |
| ENERGY 1.1% | | |
| Oil, Gas & Consumable Fuels 1.1% | | |
| Connacher Oil & Gas, Ltd.: | | |
| 10.25%, 12/15/2015 144A | 1,295,000 | 1,243,200 |
| 11.75%, 07/15/2014 144A | 360,000 | 396,000 |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|------------------|
| YANKEE OBLIGATIONS CORPORATE continued | | |
| ENERGY continued | | |
| Oil, Gas & Consumable Fuels continued | | |
| Griffin Coal Mining Co., Ltd., 9.50%, 12/01/2016 144A | \$5,906,000 | \$3,071,120 |
| OPTI Canada, Inc.: | | |
| 7.875%, 12/15/2014 | 1,115,000 | 967,263 |
| 8.25%, 12/15/2014 | 1,065,000 | 937,200 |
| P2021 Rig Co., 13.50%, 12/15/2013 144A | 575,000 | 586,500 |
| | | <u>7,201,283</u> |
| FINANCIALS 1.4% | | |
| Consumer Finance 0.4% | | |
| Petroplus Finance, Ltd., 6.75%, 05/01/2014 144A | 15,000 | 13,875 |
| Wind Acquisition Finance SA, 11.75%, 07/15/2017 144A | 2,360,000 | 2,566,500 |
| | | <u>2,580,375</u> |
| Diversified Financial Services 1.0% | | |
| FMG Finance Property, Ltd.: | | |
| 10.625%, 09/01/2016 144A | 3,891,500 | 4,407,124 |
| FRN, 4.26%, 09/01/2011 144A | 350,000 | 343,000 |
| Manchester United Finance plc, 8.375%, 02/01/2017 144A | 165,000 | 159,271 |
| Preferred Term Securities XII, Ltd., FRN, 0.95%, 12/24/2033 + | 1,540,000 | 9,702 |
| Ship Finance International, Ltd., 8.50%, 12/15/2013 | 1,595,000 | 1,557,119 |
| | | <u>6,476,216</u> |
| HEALTH CARE 0.0% | | |
| Pharmaceuticals 0.0% | | |
| Elan Corporation plc, 8.75%, 10/15/2016 144A | 55,000 | 54,244 |
| INDUSTRIALS 1.0% | | |
| Road & Rail 1.0% | | |
| Kansas City Southern de Mexico: | | |
| 7.375%, 06/01/2014 | 5,484,000 | 5,401,740 |
| 8.00%, 02/01/2018 144A | 500,000 | 493,745 |
| 12.50%, 04/01/2016 | 535,000 | 625,281 |
| | | <u>6,520,766</u> |
| Transportation Infrastructure 0.0% | | |
| Navios Maritime Holdings, Inc., 8.875%, 11/01/2017 144A | 100,000 | 103,500 |
| MATERIALS 1.4% | | |
| Chemicals 0.1% | | |
| NOVA Chemicals Corp.: | | |
| 8.375%, 11/01/2016 144A | 300,000 | 301,875 |
| 8.625%, 11/01/2019 144A | 375,000 | 378,281 |
| | | <u>680,156</u> |
| Metals & Mining 0.8% | | |
| Evraz Group SA, 8.875%, 04/24/2013 | 1,350,000 | 1,383,750 |
| Novelis, Inc., 7.25%, 02/15/2015 | 1,010,000 | 956,975 |
| Vedanta Resources plc, 9.50%, 07/18/2018 | 2,500,000 | 2,656,250 |

| | | |
|---|-----------|------------------|
| | | <u>4,996,975</u> |
| Paper & Forest Products 0.5% | | |
| PE Paper Escrow GmbH, 12.00%, 08/01/2014 144A | 500,000 | 552,500 |
| Sappi, Ltd.: | | |
| 6.75%, 06/15/2012 144A | 1,195,000 | 1,159,150 |
| 7.50%, 06/15/2032 144A | 2,188,000 | <u>1,476,900</u> |
| | | <u>3,188,550</u> |

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|--|-----------------------------|-------------------|
| YANKEE OBLIGATIONS CORPORATE continued | | |
| TELECOMMUNICATION SERVICES 1.2% | | |
| Wireless Telecommunication Services 1.2% | | |
| Digicel Group, Ltd.: | | |
| 8.25%, 09/01/2017 144A | \$755,000 | \$732,350 |
| 12.00%, 04/01/2014 144A | 455,000 | 505,050 |
| Intelsat, Ltd.: | | |
| 8.50%, 01/15/2013 | 4,155,000 | 4,196,550 |
| 8.875%, 01/15/2015 144A | 205,000 | 209,100 |
| 11.25%, 06/15/2016 | 250,000 | 265,625 |
| Millicom International Cellular SA, 10.00%, 12/01/2013 | 190,000 | 196,175 |
| Telesat Canada, Inc., 11.00%, 11/01/2015 | 615,000 | 687,262 |
| Vimpel Communications, 9.125%, 04/30/2018 144A | 800,000 | 864,000 |
| | | <u>7,656,112</u> |
| <i>Total Yankee Obligations Corporate (cost \$37,134,215)</i> | | <u>40,556,899</u> |
| CONVERTIBLE DEBENTURES 0.2% | | |
| INFORMATION TECHNOLOGY 0.2% | | |
| Communications Equipment 0.2% | | |
| Lucent Technologies, Inc., 2.875%, 06/15/2025 (cost \$585,815) | 1,225,000 | <u>1,053,500</u> |
| | | |
| | Shares | Value |
| CLOSED END MUTUAL FUND SHARES 0.8% | | |
| Dreyfus High Yield Strategies Fund, Inc. | 411,242 | 1,550,382 |
| Eaton Vance Limited Duration Income Trust | 99,227 | 1,531,073 |
| ING Prime Rate Trust | 22,959 | 131,785 |
| LMP Corporate Loan Fund, Inc. | 30,704 | 320,857 |
| New America High Income Fund, Inc. | 170,560 | 1,543,568 |
| <i>Total Closed End Mutual Fund Shares (cost \$2,973,492)</i> | | <u>5,077,665</u> |
| | | |
| | Principal Amount | Value |
| LOANS 9.4% | | |
| CONSUMER DISCRETIONARY 3.2% | | |
| Abitibi Consolidated, Inc., FRN, 11.00%, 03/30/2010 | \$500,000 | 465,000 |
| Ford Motor Co., FRN, 3.24%-3.26%, 12/15/2013 | 1,167,664 | 1,097,791 |
| Metaldyne Corp., FRN, 13.00%, 04/09/2014 | 5,020,000 | 5,195,198 |
| MGM Mirage, FRN, 6.00%, 10/03/2011 | 1,593,253 | 1,534,063 |
| Newsday, LLC, 10.50%, 07/15/2013 | 5,920,000 | 6,311,430 |
| Sugarhouse HSP Gaming Properties, LP, FRN, 11.25%, 09/11/2014 | 2,375,000 | 2,362,175 |
| Tower Automotive Holdings, FRN, 4.50%-4.56%, 07/31/2013 | 960,357 | 384,143 |
| Tropicana Entertainment, LLC, 2.73%, 01/03/2012 | 3,645,000 | 1,111,761 |
| Universal City Development, Ltd, 7.75%, 10/29/2014 | 2,635,000 | 2,638,584 |
| | | <u>21,100,145</u> |

CONSUMER STAPLES 0.9%

| | | |
|--------------------------------------|-----------|------------------|
| Merisant Co., FRN, 7.50%, 01/08/2014 | 6,242,379 | <u>6,053,422</u> |
|--------------------------------------|-----------|------------------|

ENERGY 1.3%

| | | |
|---|-----------|-----------|
| Saint Acquisition Corp., FRN, 8.25%, 06/05/2014 | 3,334,396 | 3,199,586 |
|---|-----------|-----------|

| | | |
|--|-----------|------------------|
| Semgroup Energy Partners, FRN, 9.50%, 07/20/2012 | 5,385,000 | <u>5,381,123</u> |
|--|-----------|------------------|

| | | |
|--|--|------------------|
| | | <u>8,580,709</u> |
|--|--|------------------|

FINANCIALS 0.7%

| | | |
|--|-----------|-----------|
| CIT Group, Inc., FRN, 12.25%, 01/18/2012 | 1,635,000 | 1,690,443 |
|--|-----------|-----------|

| | | |
|--|---------|---------|
| Realogy Corp., FRN: 3.23%, 09/01/2014 | 653,250 | 580,374 |
|--|---------|---------|

| | | |
|-------------------|-----------|------------------|
| 3.25%, 09/01/2014 | 2,426,359 | <u>2,155,674</u> |
|-------------------|-----------|------------------|

| | | |
|--|--|------------------|
| | | <u>4,426,491</u> |
|--|--|------------------|

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-----------------------|
| LOANS continued | | |
| HEALTH CARE 0.3% | | |
| HCA, Inc., FRN, 1.75%, 11/18/2012 | \$1,911,317 | <u>\$1,803,232</u> |
| INDUSTRIALS 1.1% | | |
| Commercial Vehicle Group, Inc., 15.00%, 02/15/2013 | 4,051,992 | 3,889,386 |
| Neff Corp., FRN: | | |
| 3.75%, 11/30/2014 | 12,345,000 | 2,407,275 |
| 3.75%, 05/31/2013 | 1,152,250 | <u>956,874</u> |
| | | <u>7,253,535</u> |
| MATERIALS 1.3% | | |
| LyondellBasell, FRN: | | |
| 3.73%, 12/20/2013 | 463,760 | 340,090 |
| 3.98%, 12/22/2014 | 282,111 | 206,872 |
| 5.79%-6.56%, 04/06/2010 | 3,877,126 | 4,071,021 |
| 7.00%, 12/20/2013 | 1,224,162 | 897,678 |
| 13.00%, 04/06/2010 | 2,808,904 | <u>2,942,355</u> |
| | | <u>8,458,016</u> |
| TELECOMMUNICATION SERVICES 0.4% | | |
| FairPoint Communications, Inc., FRN, 2.75%, 03/08/2015 | 3,602,499 | <u>2,793,306</u> |
| UTILITIES 0.2% | | |
| Scorpion Holding Co., Ltd., FRN, 7.73%, 05/08/2014 | 1,235,000 | <u>1,164,321</u> |
| <i>Total Loans (cost \$66,415,707)</i> | | <u>61,633,177</u> |
| | Shares | Value |
| SHORT-TERM INVESTMENTS 6.2% | | |
| MUTUAL FUND SHARES 6.2% | | |
| Evergreen Institutional Money Market Fund, Class I, 0.01% q ø ## (cost \$40,786,931) | 40,786,931 | <u>40,786,931</u> |
| Total Investments (cost \$834,401,271) 130.7% | | 855,175,605 |
| Other Assets and Liabilities and Preferred Shares (30.7%) | | <u>(201,083,149)</u> |
| Net Assets Applicable to Common Shareholders 100.0% | | <u>\$ 654,092,456</u> |

144A Security that may be sold to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended. This security has been determined to be liquid under guidelines established by the Board of Trustees, unless otherwise noted.

Security which has defaulted on payment of interest and/or principal.

+ Security is deemed illiquid.

The rate shown is the stated rate at the current period end.

@ Security is currently paying interest in-kind.

Security initially issued in zero coupon form which converts to coupon form at a specified rate and date. An effective interest rate is applied to recognize interest income daily for the bond. This rate is based on total expected interest to be earned over the life of the bond which consists of the aggregate

coupon-interest payments and discount at acquisition. The rate shown is the stated rate at the current period end.

q Rate shown is the 7-day annualized yield at period end.

ø Evergreen Investment Management Company, LLC is the investment advisor to both the Fund and the money market fund.

All or a portion of this security has been segregated for when-issued, delayed delivery securities and/or unfunded loans.

Summary of Abbreviations

FRN Floating Rate Note

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

The Fund enters into credit default swap contracts as a substitute for taking a position in the underlying security or basket of securities or to potentially enhance the Fund's total return. At January 31, 2010, the Fund had the following credit default swap contracts outstanding:

Credit default swaps on debt obligations Sell protection

| Expiration | Counterparty | Reference Debt | Rating of Reference Debt | Notional Amount | Fixed Payments Received by the Fund | Frequency of Payments | Market Value | Upfront Premiums Paid/ (Received) | Unrealized Gain/ (Loss) |
|------------|---------------|------------------------------|--------------------------|-----------------|-------------------------------------|-----------------------|--------------|-----------------------------------|-------------------------|
| 06/20/2014 | Goldman Sachs | Expedia, 7.46%, 08/15/2018 # | BBB- | \$970,000 | 5.00% | Quarterly | \$(161,798) | \$(78,056) | \$(83,000) |
| 06/20/2014 | UBS | Expedia, 7.46%, 08/15/2018 # | BBB- | 1,670,000 | 5.00% | Quarterly | (278,559) | (44,766) | (23,793) |

* Reflects the ratings of a nationally recognized ratings agency at period end. A rating of D would most likely indicate a trigger event of default has occurred although circumstances including bankruptcy, failure to pay, obligation default, obligation acceleration, repudiation/moratorium and restructuring may also cause a credit event to take place.

The Fund entered into the swap contract for speculative purposes.

The Fund had an average notional balance on credit default swaps of \$9,540,598, during the period from May 01, 2009 to January 31, 2010.

On January 31, 2010, the aggregate cost of securities for federal income tax purposes was \$842,336,166. The gross unrealized appreciation and depreciation on securities based on tax cost was \$48,710,524 and \$35,871,085, respectively, with a net unrealized appreciation of \$12,839,439.

Valuation of investments

Portfolio debt securities acquired with more than 60 days to maturity are fair valued using matrix pricing methods determined by an independent pricing service which takes into consideration such factors as similar security prices, yields, maturities, liquidity and ratings. Securities for which valuations are not readily available from an independent pricing service may be valued by brokers which use prices provided by market makers or estimates of fair market value obtained from yield data relating to investments or securities with similar characteristics.

Listed equity securities are usually valued at the last sales price or official closing price on the national securities exchange where the securities are principally traded. If there has been no sale, the securities are valued at the mean between bid and asked prices.

Investments in open-end mutual funds are valued at net asset value. Securities for which market quotations are not readily available or not reflective of current fair value are valued at fair value as determined by the investment advisor in good faith, according to procedures approved by the Board of Trustees.

The valuation techniques used by the Fund to measure fair value are consistent with the market approach, income approach and/or cost approach, where applicable, for each security type.

When-issued and delayed delivery transactions

The Fund records when-issued or delayed delivery securities as of trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked-to-market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Credit default swaps

The Fund is subject to credit risk in the normal course of pursuing its investment objectives. The Fund may enter into credit default swap contracts for hedging or speculative purposes to provide or receive a measure of protection against default on a referenced entity, obligation or index or for investment gains. Credit default swaps involve an exchange of a stream of payments for protection against the loss in value of an underlying security or index. Under the terms of the swap, one party acts as a guarantor (referred to as the seller of protection) and receives a periodic stream of payments, provided that there is no credit event, from another party (referred to as the buyer of protection) that is a fixed percentage applied to a notional principal amount over the term of the swap. An index credit default swap references all the names in the index, and if a credit event is triggered, the credit event is settled based on that name's weight in the index. A credit event includes bankruptcy, failure to pay, obligation default, obligation acceleration, repudiation/moratorium, and restructuring. The Fund may enter into credit default swaps as either the seller of protection or the buyer of protection. As the seller of protection, the Fund is subject to investment exposure on the notional amount of the swap and has assumed the risk of default of the underlying security or index. As the buyer of protection, the Fund could be exposed to risks if the seller of the protection defaults on its obligation to perform, or if there are unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index. The maximum potential amount of future payments (undiscounted) that the Fund as the seller of protection could be required to make under the credit default swap contract would be an amount equal to the notional amount of the swap contract. The Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by having the counterparty post collateral to cover the Fund's exposure to the counterparty.

If the Fund is the seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will pay to the buyer of protection the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index. If the Fund is the buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will receive from the seller of protection the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index.

Any premiums paid or received on the transactions are recorded as an asset or liability on the Statement of Assets and Liabilities and amortized. The value of the swap contract is marked-to-market daily based on quotations from an independent pricing service or market makers and any change in value is recorded as an unrealized gain or loss. Periodic payments made or received are recorded as realized gains or losses.

In addition, payments received or made as a result of a credit event or termination of the contract are recognized as realized gains or losses.

EVERGREEN INCOME ADVANTAGE FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2010 (unaudited)

Certain credit default swap contracts entered into by the Fund provide for conditions that result in events of default or termination that enable the counterparty to the agreement to cause an early termination of the transactions under those agreements. Any election by the counterparty to terminate early may impact the amounts reported on the financial statements.

Valuation hierarchy

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the Fund's investments. These inputs are summarized into three broad levels as follows:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of January 31, 2010, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

| <u>Investments in Securities</u> | <u>Quoted Prices (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Total</u> |
|---|--------------------------------|--|--|----------------------|
| Equity securities | | | | |
| <i>Closed end-mutual fund shares</i> | \$5,077,665 | \$0 | \$0 | \$5,077,665 |
| Corporate debt securities | 0 | 745,737,218 | 727,739 | 746,464,957 |
| Debt securities issued by U.S. Treasury and U.S. government agencies | 1,212,875 | 0 | 0 | 1,212,875 |
| Loans | 0 | 38,031,521 | 23,601,656 | 61,633,177 |
| Short-term investments | 40,786,931 | 0 | 0 | 40,786,931 |
| | <u>\$47,077,471</u> | <u>\$783,768,739</u> | <u>\$24,329,395</u> | <u>\$855,175,605</u> |

As of January 31, 2010, the inputs used in valuing the Fund's other financial instruments, which are carried at fair value, were as follows:

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|-------------------------------------|-------------------------------|--|--|--------------------|
| Other financial instruments* | <u>\$0</u> | <u>\$(440,357)</u> | <u>\$0</u> | <u>\$(440,357)</u> |

* Other financial instruments include swap contracts.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

| | Corporate debt securities | Loans | Total |
|---|---------------------------------|---------------------|---------------------|
| Balance as of May 1, 2009 | <u>\$ 0</u> | <u>\$0</u> | <u>\$0</u> |
| Realized gains or losses | 0 | 0 | 0 |
| Change in unrealized gains or losses | 0 | 0 | 0 |
| Net purchases (sales) | 0 | 0 | 0 |
| Transfers in and/or out of Level 3 | <u>727,739</u> | <u>23,601,656</u> | <u>24,329,395</u> |
| Balance as of January 31, 2010 | <u>\$ 727,739</u> | <u>\$23,601,656</u> | <u>\$24,329,395</u> |
| Change in unrealized gains or losses included in earnings relating to securities still held at January 31, 2010 | <u>\$ 0</u> | <u>\$0</u> | <u>\$0</u> |

Item 2 - Controls and Procedures

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized, and reported timely.
- (b) There has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

- (a) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached as EX-99.CERT.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Evergreen Income Advantage Fund

By: /s/ W. Douglas Munn
W. Douglas Munn
Principal Executive Officer

Date: March 31, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ W. Douglas Munn
W. Douglas Munn
Principal Executive Officer

Date: March 31, 2010

By: /s/ Kasey Phillips
Kasey Phillips
Principal Financial Officer

Date: March 31, 2010