

EVERGREEN INCOME ADVANTAGE FUND  
Form N-Q  
March 31, 2005

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OMB APPROVAL

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OMB Number: 3235-0578

Expires: Feb. 28, 2006

Estimated average  
burden hours per  
response: 20.0

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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

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Evergreen Income Advantage Fund

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(Exact name of registrant as specified in charter)

200 Berkeley Street  
Boston, Massachusetts 02116

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(Address of principal executive offices) (Zip code)

Michael H. Koonce, Esq.  
200 Berkeley Street  
Boston, Massachusetts 02116

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(Name and address of agent for service)

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

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Date of fiscal year end: Registrant is making a quarterly filing for 1 of its series, Evergreen Income Advantage Fund, for the quarter ended January 31, 2005. These 1 series have an April 30 fiscal year end.

Date of reporting period: January 31, 2005

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**Item 1 Schedule of Investments**

**EVERGREEN INCOME ADVANTAGE FUND  
SCHEDULE OF INVESTMENTS**

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMP

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January 31, 2005 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS 131.5%</b>		
<b>CONSUMER DISCRETIONARY 45.4%</b>		
<b>Auto Components 4.9%</b>		
ArvinMeritor, Inc., 6.80%, 02/15/2009 p	\$ 7,249,000	\$ 7,502,715
Collins & Aikman Products Co.:		
10.75%, 12/31/2011 p	3,700,000	3,681,500
12.875%, 08/24/2012 144A p	4,425,000	3,683,812
Dura Operating Corp., Ser. B, 8.625%, 04/15/2012 p	8,000,000	8,260,000
RJ Tower Corp., 12.00%, 06/01/2013 p	10,800,000	5,913,000
Tenneco Automotive, Inc., 8.625%, 11/15/2014 144A p	13,140,000	13,731,300
TRW Automotive, Inc., 9.375%, 02/15/2013	6,584,000	7,439,920
		<u>50,212,247</u>
<b>Hotels, Restaurants &amp; Leisure 11.4%</b>		
Ameristar Casinos, Inc., 10.75%, 02/15/2009	10,000,000	11,250,000
Equinox Holdings, Inc., 9.00%, 12/15/2009 p	10,930,000	11,640,450
Gaylord Entertainment Co., 6.75%, 11/15/2014 144A	2,500,000	2,468,750
Inn of The Mountain Gods Resort & Casino, 12.00%, 11/15/2010	7,000,000	8,190,000
John Q. Hammons Hotels LP, Ser. B, 8.875%, 05/15/2012 p	12,995,000	14,684,350
La Quinta Corp., 8.875%, 03/15/2011	10,500,000	11,641,875
Mandalay Resort Group, Ser. B, 10.25%, 08/01/2007 p	10,000,000	11,350,000
Premier Entertainment Biloxi LLC, 10.75%, 02/01/2012	7,000,000	7,630,000
Town Sports International, Inc., 9.625%, 04/15/2011 p	6,325,000	6,688,688
Venetian Casino Resort LLC, 11.00%, 06/15/2010	19,000,000	21,565,000
Wynn Resorts, Ltd., 6.625%, 12/01/2014 144A	11,280,000	11,139,000
		<u>118,248,113</u>
<b>Household Durables 1.9%</b>		
K. Hovnanian Enterprises Inc., 7.75%, 05/15/2013 p	5,000,000	5,437,500
Meritage Corp., 9.75%, 06/01/2011	1,500,000	1,665,000
Technical Olympic USA, Inc.:		
7.50%, 03/15/2011	1,500,000	1,507,500
10.375%, 07/01/2012	1,800,000	2,016,000
WCI Communities, Inc., 9.125%, 05/01/2012 p	8,000,000	8,940,000
		<u>19,566,000</u>
<b>Leisure Equipment &amp; Products 1.2%</b>		
Affinity Group, Inc., 9.00%, 02/15/2012	5,475,000	5,885,625
Riddell Bell Holdings, Inc., 8.375%, 10/01/2012 144A	6,105,000	6,318,675
		<u>12,204,300</u>
<b>Media 18.8%</b>		
AMC Entertainment, Inc., 8.625%, 08/15/2012 144A	11,430,000	12,458,700
Cablevision Systems Corp., 8.00%, 04/15/2012 144A p	15,635,000	16,963,975
CCO Holdings LLC, 8.75%, 11/15/2013 p	7,500,000	7,650,000
Charter Communications Holdings LLC, 8.625%, 04/01/2009 p	19,000,000	15,295,000
Cinemark USA, Inc.:		

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	Principal Amount	Value
9.00%, 02/01/2013	12,000,000	13,500,000
Sr. Disc. Note, Step Bond, 0.00%, 03/15/2014	7,225,000	5,491,000
Dex Media East LLC, 9.875%, 11/15/2009 p	13,500,000	15,187,500
Emmis Communications Corp., 6.875%, 05/15/2012	7,350,000	7,570,500
Houghton Mifflin Co., 9.875%, 02/01/2013 p	15,000,000	15,712,500
Jostens IH Corp., 7.625%, 10/01/2012 144A	7,465,000	7,632,962
Loews Cineplex Entertainment Corp., 9.00%, 08/01/2014 144A	2,030,000	2,136,575
Marquee Holdings, Inc., Sr. Disc. Note, Step Bond, 0.00% 08/15/2014 144A	12,850,000	8,802,250
Mediacom LLC, 9.50%, 01/15/2013 p	15,250,000	15,288,125
PRIMEDIA, Inc., 8.875%, 05/15/2011 p	5,030,000	5,331,800
RCN Corp., 12.50%, 06/30/2008 +	17,561,412	18,000,448
Sinclair Broadcast Group, Inc., 8.00%, 03/15/2012	17,500,000	18,287,500
WMG Holdings Corp., 6.91%, 12/15/2011 144A	9,000,000	9,135,000
		194,443,835

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

January 31, 2005 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS</b> continued		
<b>CONSUMER DISCRETIONARY</b> continued		
<b>Specialty Retail 6.0%</b>		
Aearo Co., 8.25%, 04/15/2012	\$ 1,755,000	\$ 1,816,425
American Achievement Corp., 8.25%, 04/01/2012	6,155,000	6,431,975
Central Garden & Pet Co., 9.125%, 02/01/2013	7,000,000	7,717,500
Da-Lite Screen Co., Inc., 9.50%, 05/15/2011	8,850,000	9,823,500
FTD, Inc., 7.75%, 02/15/2014	7,570,000	7,891,725
Group 1 Automotive, Inc., 8.25%, 08/15/2013	3,000,000	3,165,000
PETCO Animal Supplies, Inc., 10.75%, 11/01/2011	10,000,000	11,700,000
Tempur-Pedic, Inc., 10.25%, 08/15/2010	1,300,000	1,482,000
United Auto Group, Inc., 9.625%, 03/15/2012	8,000,000	8,760,000
Warnaco Group, Inc., 8.875%, 06/15/2013	3,200,000	3,536,000
		62,324,125
<b>Textiles, Apparel &amp; Luxury Goods 1.2%</b>		
Oxford Industries, Inc., 8.875%, 06/01/2011	12,000,000	12,840,000
<b>CONSUMER STAPLES 7.0%</b>		
<b>Food &amp; Staples Retailing 1.6%</b>		
Ingles Markets, Inc., 8.875%, 12/01/2011	7,000,000	7,315,000
Roundy's, Inc., Ser. B, 8.875%, 06/15/2012 p	8,175,000	8,869,875
		16,184,875

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	Principal Amount	Value
<b>Food Products 3.3%</b>		
B&G Foods Holdings Corp., 8.00%, 10/01/2011 p	585,000	625,219
Chiquita Brands International, Inc., 7.50%, 11/01/2014 144A	2,460,000	2,509,200
Del Monte Corp.:		
6.75%, 02/15/2015 144A	1,600,000	1,624,000
8.625%, 12/15/2012	9,217,000	10,288,476
Michael Foods, Inc., 8.00%, 11/15/2013	3,400,000	3,595,500
Seminis Vegetable Seeds, Inc., 10.25%, 10/01/2013	12,890,000	15,468,000
		<hr/>
		34,110,395
		<hr/>
<b>Personal Products 1.0%</b>		
Playtex Products, Inc., 8.00%, 03/01/2011 p	9,000,000	9,855,000
		<hr/>
<b>Tobacco 1.1%</b>		
Commonwealth Brands, Inc., 10.625%, 09/01/2008 144A	7,000,000	7,315,000
North Atlantic Trading, Inc., 9.25%, 03/01/2012 p	5,630,000	4,447,700
		<hr/>
		11,762,700
		<hr/>
<b>ENERGY 11.4%</b>		
<b>Energy Equipment &amp; Services 2.9%</b>		
Grant Prideco, Inc., 9.00%, 12/15/2009	6,000,000	6,675,000
Gulfmark Offshore, Inc., 7.75%, 07/15/2014 144A	4,100,000	4,325,500
Hornbeck Offshore Services, Inc., 6.125%, 12/01/2014 144A	2,100,000	2,105,250
Parker Drilling Co., Ser. B, 10.125%, 11/15/2009 p	14,000,000	14,738,500
SESI LLC, 8.875%, 05/15/2011	2,000,000	2,185,000
		<hr/>
		30,029,250
		<hr/>
<b>Oil &amp; Gas 8.5%</b>		
Chesapeake Energy Corp.:		
6.375%, 06/15/2015 144A	5,375,000	5,509,375
6.875%, 01/15/2016	3,360,000	3,511,200
7.50%, 09/15/2013	7,000,000	7,665,000
El Paso Production Holding Co., 7.75%, 06/01/2013	16,000,000	16,720,000
Evergreen Resources, Inc., 5.875%, 03/15/2012 p	1,410,000	1,462,178
Exco Resources, Inc., 7.25%, 01/15/2011	2,245,000	2,379,700
General Maritime Corp., 10.00%, 03/15/2013 p	4,920,000	5,645,700
Overseas Shipholding Group, Inc., 8.25%, 03/15/2013	12,050,000	13,315,250
Plains Exploration & Production Co., 8.75%, 07/01/2012	2,500,000	2,781,250

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

January 31, 2005 (unaudited)

	Principal Amount	Value
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**CORPORATE BONDS** continued

**ENERGY** continued

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

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	Principal Amount	Value
<b>Oil &amp; Gas continued</b>		
Premcor Refining Group, Inc.: 6.5%, 05/01/2014	\$ 9,500,000	\$ 9,998,750
9.50%, 02/01/2013	6,500,000	7,507,500
Tesoro Petroleum Corp.: 8.00%, 04/15/2008	3,225,000	3,483,000
9.625%, 04/01/2012	6,925,000	7,911,813
		<hr/>
		87,890,716
		<hr/>

**FINANCIALS 6.9%**

**Diversified Financial Services 2.3%**

Borden US Finance Corp., 9.00%, 07/15/2014 144A	2,200,000	2,431,000
Metris Companies, Inc., 10.125%, 07/15/2006	12,500,000	12,859,375
Qwest Capital Funding, Inc., 7.00%, 08/03/2009	8,500,000	8,223,750
		<hr/>
		23,514,125
		<hr/>

**Insurance 0.7%**

Crum & Forster Holdings Corp., 10.375%, 06/15/2013	6,750,000	7,576,875
		<hr/>

**Real Estate 3.9%**

Crescent Real Estate Equities, REIT, 9.25%, 04/15/2009	7,425,000	8,093,250
HMH Properties, Inc., Ser. B, REIT, 7.875%, 08/01/2008	3,814,000	3,933,187
Host Marriott LP, Ser. J, REIT, 7.125%, 11/01/2013	10,000,000	10,575,000
Omega Healthcare Investors, Inc., REIT: 6.95%, 08/01/2007	8,255,000	8,605,838
7.00%, 04/01/2014	1,400,000	1,421,000
Thornburg Mortgage, Inc., REIT, 8.00%, 05/15/2013	7,825,000	8,333,625
		<hr/>
		40,961,900
		<hr/>

**HEALTH CARE 10.5%**

**Health Care Equipment & Supplies 2.0%**

Norcross Safety Products LLC, Ser. B, 9.875%, 08/15/2011	2,750,000	3,066,250
NSP Holdings LLC, 11.75%, 01/01/2012 144A	1,915,000	2,001,175
Universal Hospital Services, Inc., 10.125%, 11/01/2011	14,715,000	15,303,600
		<hr/>
		20,371,025
		<hr/>

**Health Care Providers & Services 8.3%**

Carriage Services, Inc., 7.875%, 01/15/2015 144A	1,610,000	1,668,363
Coventry Health Care, Inc., 6.125%, 01/15/2015 144A	2,000,000	2,040,000
Extencicare Health Services, Inc., 9.50%, 07/01/2010	13,000,000	14,495,000
HCA, Inc., 6.375%, 01/15/2015	3,050,000	3,083,181
IASIS Healthcare Corp., 8.75%, 06/15/2014	5,100,000	5,520,750
Select Medical Corp., 9.50%, 06/15/2009	9,499,000	10,152,056
Service Corporation International, 6.75%, 04/01/2016	7,475,000	7,512,375
Stewart Enterprises, Inc., 10.75%, 07/01/2008	6,000,000	6,510,000
Team Health, Inc., 9.00%, 04/01/2012	8,675,000	8,588,250
Tenet Healthcare Corp., 9.875%, 07/01/2014 144A	14,230,000	14,834,775
Triad Hospital, Inc., 7.00%, 05/15/2012	11,000,000	11,563,750

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	Principal Amount	Value
		85,968,500
<b>Pharmaceuticals 0.2%</b>		
Alpharma, Inc., 8.625%, 05/01/2011 144A	2,425,000	2,528,062
<b>INDUSTRIALS 11.4%</b>		
<b>Aerospace &amp; Defense 0.6%</b>		
Argo Tech Corp., 9.25%, 06/01/2011	1,640,000	1,804,000
Moog, Inc., 6.25%, 01/15/2015	4,614,000	4,694,745
		6,498,745

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

January 31, 2005 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS</b> continued		
<b>INDUSTRIALS</b> continued		
<b>Commercial Services &amp; Supplies 7.4%</b>		
American Color Graphics, Inc., 10.00%, 06/15/2010	\$ 7,250,000	\$ 6,216,875
Cenveo Corp., 7.875%, 12/01/2013 p	8,075,000	7,106,000
Clean Harbors, Inc., 11.25%, 07/15/2012 144A	7,950,000	9,023,250
Crown Cork & Seal, Inc., 8.00%, 04/15/2023	17,000,000	16,702,500
Geo Group, Inc., 8.25%, 07/15/2013	4,875,000	5,210,156
Hines Nurseries, Inc., 10.25%, 10/01/2011	2,618,000	2,873,255
JohnsonDiversey Holdings, Inc., Sr. Disc. Note, Step Bond, 0.00% 05/15/2013 p	3,000,000	2,617,500
TriMas Corp., 9.875%, 06/15/2012	11,025,000	11,521,125
United Rentals North America, Inc., 7.75%, 11/15/2013 p	15,000,000	14,662,500
		75,933,161
<b>Machinery 3.4%</b>		
Case New Holland, Inc., 9.25%, 08/01/2011 144A	13,000,000	14,267,499
Douglas Dynamics LLC, 7.75%, 01/15/2012 144A	5,385,000	5,452,313
Dresser Rand Group, Inc., 7.375%, 11/01/2014 144A	6,375,000	6,550,313
Terex Corp., 7.375%, 01/15/2014	8,750,000	9,231,250
		35,501,375
<b>INFORMATION TECHNOLOGY 3.6%</b>		
<b>Communications Equipment 1.5%</b>		
Lucent Technologies, Inc., 6.45%, 03/15/2029 p	16,750,000	15,033,125

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	Principal Amount	Value
<b>Internet Software &amp; Services 1.5%</b>		
UGS Corp., 10.00%, 06/01/2012 144A þ	14,060,000	15,747,200
<b>IT Services 0.6%</b>		
Stratus Technologies, Inc., 10.375%, 12/01/2008	5,000,000	4,775,000
Unisys Corp., 6.875%, 03/15/2010 þ	1,500,000	1,552,500
		6,327,500
<b>MATERIALS 25.3%</b>		
<b>Chemicals 10.0%</b>		
Arco Chemical Co., 9.80%, 02/01/2020 þ	4,050,000	4,596,750
Equistar Chemicals LP, 10.625%, 05/01/2011	14,000,000	16,170,000
Ethyl Corp., 8.875%, 05/01/2010	12,000,000	13,260,000
Huntsman Advanced Materials LLC, 11.00%, 07/15/2010 144A	6,500,000	7,670,000
Huntsman International LLC:		
9.875%, 03/01/2009	7,000,000	7,665,000
11.50%, 07/15/2012 144A	12,250,000	14,577,500
Lyondell Chemical Co.:		
9.50%, 12/15/2008	7,500,000	8,137,500
10.50%, 06/01/2013 þ	6,500,000	7,702,500
Millenium America, Inc.:		
7.625%, 11/15/2026 þ	5,000,000	4,937,500
9.25%, 06/15/2008 þ	4,000,000	4,460,000
OM Group, Inc., 9.25%, 12/15/2011	3,500,000	3,745,000
Terra Capital, Inc., 11.50%, 06/01/2010	4,550,000	5,164,250
United Industries Corp., 9.875%, 04/01/2009	5,000,000	5,256,250
		103,342,250
<b>Containers &amp; Packaging 6.6%</b>		
Graham Packaging Co., 9.875%, 10/15/2014 144A	3,715,000	3,910,037
Graphic Packaging International, Inc., 9.50%, 08/15/2013 þ	15,000,000	16,800,000
Jefferson Smurfit Corp., 7.50%, 06/01/2013 þ	15,000,000	15,562,500
Owens-Brockway Glass Containers, Inc.:		
8.25%, 05/15/2013	10,525,000	11,498,563
8.75%, 11/15/2012	12,150,000	13,577,625
Stone Container Corp., 9.75%, 02/01/2011 þ	6,500,000	7,133,750
		68,482,475

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

January 31, 2005 (unaudited)

	Principal Amount	Value
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**CORPORATE BONDS** continued

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	Principal Amount	Value
<b>MATERIALS continued</b>		
<b>Metals &amp; Mining 6.0%</b>		
Alaska Steel Corp., 7.75%, 06/15/2012 þ	\$ 7,400,000	\$ 7,640,500
Foundation Pennsylvania Coal Co., 7.25%, 08/01/2014 144A	8,800,000	9,262,000
Freeport-McMoRan Copper & Gold, Inc.:		
6.875%, 02/01/2014	4,750,000	4,773,750
10.125%, 02/01/2010 þ	6,450,000	7,320,750
Oregon Steel Mills, Inc., 10.00%, 07/15/2009 þ	10,500,000	11,707,500
Peabody Energy Corp.:		
5.875%, 04/15/2016 þ	5,175,000	5,175,000
6.875%, 03/15/2013 þ	2,720,000	2,924,000
U.S. Steel LLC, 10.75%, 08/01/2008	10,827,000	12,857,063
		<hr/>
		61,660,563
		<hr/>
<b>Paper &amp; Forest Products 2.7%</b>		
Amscan Holdings, Inc., 8.75%, 05/01/2014	7,450,000	7,450,000
Boise Cascade LLC, 7.125%, 10/15/2014 144A	1,800,000	1,894,500
Georgia Pacific Corp.:		
8.00%, 01/15/2024 þ	4,170,000	4,910,175
8.125%, 05/15/2011	12,000,000	13,860,000
		<hr/>
		28,114,675
		<hr/>
<b>TELECOMMUNICATION SERVICES 7.5%</b>		
<b>Diversified Telecommunication Services 4.6%</b>		
Consolidated Communications, Inc., 9.75%, 04/01/2012 144A	12,000,000	13,020,000
FairPoint Communications, Inc.:		
11.875%, 03/01/2010	3,000,000	3,525,000
12.50%, 05/01/2010 þ	11,000,000	11,935,000
Insight Midwest LP, 9.75%, 10/01/2009	8,000,000	8,440,000
Level 3 Communications, Inc., 9.125%, 05/01/2008 þ	3,640,000	2,912,000
Qwest Corp., 7.875%, 09/01/2011 144A	7,300,000	7,847,500
		<hr/>
		47,679,500
		<hr/>
<b>Wireless Telecommunication Services 2.9%</b>		
Centennial Communications Corp., 10.125%, 06/15/2013	10,000,000	11,375,000
Nextel Communications, Inc., 7.375%, 08/01/2015 þ	15,000,000	16,612,500
Rural Cellular Co., 8.25%, 03/15/2012	1,420,000	1,526,500
		<hr/>
		29,514,000
		<hr/>
<b>UTILITIES 2.5%</b>		
<b>Multi-Utilities &amp; Unregulated Power 2.5%</b>		
AES Corp., 9.50%, 06/01/2009	6,840,000	7,695,000
NRG Energy, Inc., 8.00%, 12/15/2013 144A	5,000,000	5,412,500
Reliant Resources, Inc.:		
6.75%, 12/15/2014	8,150,000	7,987,000
9.25%, 07/15/2010 þ	4,000,000	4,470,000
		<hr/>



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	Principal Amount	Value
		25,564,500
<i>Total Corporate Bonds (cost \$1,305,367,031)</i>		<u>1,359,991,112</u>
<b>YANKEE OBLIGATIONS-CORPORATE 9.1%</b>		
<b>CONSUMER DISCRETIONARY 1.1%</b>		
<b>Media 1.1%</b>		
IMAX Corp., 9.625%, 12/01/2010 p	9,950,000	10,820,625
		<u>                    </u>
<b>FINANCIALS 1.7%</b>		
<b>Diversified Financial Services 1.7%</b>		
Northern Telecom Capital Corp., 7.875%, 06/15/2026	9,000,000	8,932,500
Ship Finance International, Ltd., 8.50%, 12/15/2013	8,640,000	8,856,000
		<u>                    </u>
		17,788,500
		<u>                    </u>

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

January 31, 2005 (unaudited)

	Principal Amount	Value
<b>YANKEE OBLIGATIONS-CORPORATE continued</b>		
<b>HEALTH CARE 1.8%</b>		
<b>Pharmaceuticals 1.8%</b>		
Elan Corp. plc, 7.75%, 11/15/2011 144A	\$ 3,525,000	\$ 3,701,250
Jean Coudu Group, Inc., 8.50%, 08/01/2014 144A p	14,750,000	14,786,875
		<u>                    </u>
		18,488,125
		<u>                    </u>
<b>INDUSTRIALS 0.7%</b>		
<b>Marine 0.3%</b>		
CP Ships, Ltd., 10.375%, 07/15/2012	2,400,000	2,796,000
		<u>                    </u>
<b>Transportation Infrastructure 0.4%</b>		
Sea Containers, Ltd., 10.50%, 05/15/2012	3,715,000	3,910,037
		<u>                    </u>
<b>INFORMATION TECHNOLOGY 1.1%</b>		
<b>Electronic Equipment &amp; Instruments 0.8%</b>		
Celestica, Inc., 7.875%, 07/01/2011 p	7,805,000	8,175,737

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	Principal Amount	Value
<b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>		
Magnachip Semiconductor SA:		
5.78%, 12/15/2011 144A	1,750,000	1,813,438
6.875%, 12/15/2011 144A	1,750,000	1,811,250
		<u>3,624,688</u>
<b>MATERIALS 1.9%</b>		
<b>Containers &amp; Packaging 0.1%</b>		
Stone Container Finance Co., 7.375%, 07/15/2014	1,625,000	1,681,875
		<u>1,681,875</u>
<b>Metals &amp; Mining 1.6%</b>		
Gerdau Ameristeel Corp., 10.375%, 07/15/2011	1,231,000	1,427,960
Novelis, Inc., 7.25%, 02/15/2015 144A	14,750,000	15,192,500
		<u>16,620,460</u>
<b>Paper &amp; Forest Products 0.2%</b>		
Millar Western Forest Products, Ltd., 7.75%, 11/15/2013	1,645,000	1,727,250
		<u>1,727,250</u>
<b>TELECOMMUNICATION SERVICES 0.8%</b>		
<b>Wireless Telecommunication Services 0.8%</b>		
Rogers Wireless, Inc.:		
6.375%, 03/01/2014 p	3,485,000	3,528,563
7.50%, 03/15/2015 144A	4,350,000	4,687,125
		<u>8,215,688</u>
		<u>93,848,985</u>
<i>Total Yankee Obligations-Corporate (cost \$89,557,525)</i>		

	Shares	Value
<b>WARRANTS 0.4%</b>		
<b>CONSUMER DISCRETIONARY 0.0%</b>		
<b>Media 0.0%</b>		
RCN Corp., Expiring 06/30/2013 * +	2,110,000	\$ 0
		<u>\$ 0</u>
<b>TELECOMMUNICATION SERVICES 0.4%</b>		
<b>Wireless Telecommunication Services 0.4%</b>		
American Tower Escrow Corp., Expiring 08/01/2008 *	17,500	4,033,750
		<u>4,033,750</u>
<i>Total Warrants (cost \$1,421,436)</i>		
		<u>4,033,750</u>

**SHORT-TERM INVESTMENTS 25.8%**

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**MUTUAL FUND SHARES 25.8%**

Evergreen Institutional Money Market Fund ø	13,833,082	13,833,082
Navigator Prime Portfolio ðð	252,237,828	252,237,828
		266,070,910
<i>Total Short-Term Investments (cost \$266,070,910)</i>		266,070,910
<b>Total Investments (cost \$1,662,416,902) 166.8%</b>		1,723,944,757
<b>Other Assets and Liabilities and Preferred Shares (66.8%)</b>		(690,437,273)
		\$ 1,033,507,484
<b>Net Assets Applicable to Common Shareholders 100.0%</b>		\$ 1,033,507,484

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

January 31, 2005 (unaudited)

- ð All or a portion of these securities are on loan.
- 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.  
 Security which has defaulted on payment of interest and/or principal. The Fund has stopped accruing interest on this security.  
 Security is valued at fair value as determined in good faith under procedures established by the Board of Trustees.  
 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.
- + Security is deemed illiquid and is valued using market quotations when readily available.
- \* Non-income producing security
- ø Evergreen Investment Management Company, LLC is the investment advisor to both the Fund and the money market fund.
- ðð Represents investment of cash collateral received from securities on loan.

**Summary of Abbreviations**

REIT Real Estate Investment Trust

On January 31, 2005, the aggregate cost of securities for federal income tax purposes was \$1,662,497,265. The gross unrealized appreciation and depreciation on securities based on tax cost was \$133,623,166 and \$72,175,674, respectively, with a net unrealized appreciation of \$61,447,492.

At January 31, 2005, the Fund had the following open interest rate swap agreements:

<u>Expiration</u>	<u>Notional Amount</u>	<u>Counterparty</u>	<u>Cash Flow Paid by the Fund</u>	<u>Cash Flows Received by the fund</u>	<u>Unrealized Gain</u>
7/02/2006	\$150,000,000	Merrill Lynch & Co., Inc.	Fixed-1.95%	Floating-2.39%	\$2,978,011
11/27/2006	105,000,000	Merrill Lynch & Co., Inc.	Fixed-2.79%	Floating-2.54%	1,352,392
7/02/2008	100,000,000	JPMorgan Chase & Co.	Fixed-2.737%	Floating-2.39%	3,523,340
11/26/2008	65,000,000	Merrill Lynch & Co., Inc.	Fixed-3.585%	Floating-2.54%	543,698

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**Item 2 Controls and Procedures**

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- (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-39(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-3(d) under the Investment Company Act of 1940, are attached as EX-99.CERT.

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/ Dennis H. Ferro

Dennis H. Ferro,  
Principal Executive Officer

Date: March 28, 2005

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/ Dennis H. Ferro

Dennis H. Ferro,  
Principal Executive Officer

Date: March 28, 2005

By: /s/ Carol A. Kosel

Carol A. Kosel,  
Principal Financial Officer

Date: March 28, 2005