

Avenue Income Credit Strategies Fund
Form N-Q
September 28, 2011

**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 811-22485

Avenue Income Credit Strategies Fund
(Exact name of registrant as specified in charter)

399 Park Avenue, 6th Floor
New York, NY
(Address of principal executive offices)

10022
(Zip code)

Randolph Takian
Avenue Capital Group
399 Park Avenue, 6th Floor
New York, NY 10022
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 878-3500

Date of fiscal year end: October 31

Date of reporting period: July 31, 2011

Item 1. Schedule of Investments. The schedule of investments for the period ended July 31, 2011, is filed herewith.

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SCHEDULE OF INVESTMENTS

July 31, 2011 (Unaudited)

Security Description	Coupon	Maturity	Principal Amount (000)	Value
CORPORATE BONDS & NOTES 103.7%				
AIRLINES 3.8%				
US Airways 2000-3C Pass Through Trust	8.39%	3/1/2022	\$ 5,784	\$ 5,263,476
AUTO COMPONENTS 1.6%				
The Goodyear Tire & Rubber Co.	8.75%	8/15/2020	2,000	2,240,000
COMMERCIAL BANKS 9.8%				
CIT Group, Inc.	7.00%	5/1/2017	6,000	6,015,000
Lloyds Banking Group Capital No.1 PLC (a)	7.88%	11/1/2020	4,200	3,937,500
Royal Bank of Scotland Group PLC	7.65%	8/29/2049	4,000	3,450,000
				13,402,500
COMPUTERS & PERIPHERALS 3.8%				
Seagate HDD Cayman (a)	7.75%	12/15/2018	5,000	5,250,000
CONTAINERS & PACKAGING 2.1%				
Ardagh Packaging Finance PLC (a)	9.25%	10/15/2020	EUR 2,000	2,859,430
DIVERSIFIED TELECOMMUNICATION SERVICES 2.3%				
Intelsat Luxembourg SA	11.25%	2/4/2017	\$ 3,000	3,210,000
FOOD & STAPLES RETAILING 5.2%				
Rite Aid Corp.	7.50%	3/1/2017	7,000	7,140,000
HEALTH CARE PROVIDERS & SERVICES 8.4%				
HCA, Inc.:				
	7.05%	12/1/2027	745	659,325
	7.50%	11/6/2033	120	108,300
	7.50%	11/15/2095	3,000	2,460,000
	7.58%	9/15/2025	555	523,087
	7.69%	6/15/2025	900	855,000
	7.75%	7/15/2036	525	481,688
Tenet Healthcare Corp.:				
	6.88%	11/15/2031	4,000	3,320,000
	8.00%	8/1/2020	3,000	3,060,000
				11,467,400
HOTELS, RESTAURANTS & LEISURE 13.9%				
Boyd Gaming Corp., Series 1 (a)	9.13%	12/1/2018	6,000	6,187,500
Punch Taverns Finance Ltd.:				
	5.94%	12/30/2024	GBP 4,000	5,252,644
	7.37%	6/30/2022(a)	1,079	1,619,897
Unique Pub Finance Co. PLC:				
	5.66%	6/30/2027	1,000	1,242,483
	6.54%	3/30/2021	3,300	4,678,681
				18,981,205
HOUSEHOLD DURABLES 3.4%				
K Hovnanian Enterprises, Inc.	10.63%	10/15/2016	\$ 5,000	4,637,500
INDEPENDENT POWER PRODUCERS & ENERGY TRADERS 4.6%				
GenOn Energy, Inc.	9.50%			