

Avenue Income Credit Strategies Fund
Form N-Q
March 30, 2012

**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: January 31, 2012

Item 1. Schedule of Investments. The schedule of investments for the period ended January 31, 2012, is filed herewith.

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SCHEDULE OF INVESTMENTS

January 31, 2012 (Unaudited)

Security Description	Coupon	Maturity	Principal Amount (000)	Value
CORPORATE BONDS & NOTES 103.4%				
AIRLINES 3.6%				
US Airways 2000-3C Pass Through Trust	8.39%	3/1/2022	\$ 5,784	\$ 4,742,913
COMMERCIAL BANKS 5.1%				
Lloyds Banking Group Capital No.1 PLC (a)	7.88%	11/1/2020	4,200	3,486,000
Royal Bank of Scotland Group PLC	7.65%	8/29/2049	4,000	3,100,000
				6,586,000
COMMUNICATIONS EQUIPMENT 3.8%				
Avaya, Inc. (a)	7.00%	4/1/2019	5,000	4,875,000
CONTAINERS & PACKAGING 2.0%				
Ardagh Packaging Finance PLC (a)	9.25%	10/15/2020	EUR 2,000	2,550,697
DIVERSIFIED TELECOMMUNICATION SERVICES 8.0%				
Intelsat Jackson Holdings SA	11.25%	6/15/2016	\$ 2,000	2,120,000
Intelsat Luxembourg SA	11.25%	2/4/2017	3,000	3,030,000
Level 3 Financing, Inc.:				
	8.75%	2/15/2017	3,000	3,120,000
	10.00%	2/1/2018	2,000	2,135,000
				10,405,000
HEALTH CARE PROVIDERS & SERVICES 8.7%				
HCA, Inc.:				
	7.05%	12/1/2027	745	635,112
	7.50%	11/6/2033	120	108,000
	7.50%	11/15/2095	3,000	2,302,500
	7.58%	9/15/2025	555	510,600
	7.69%	6/15/2025	900	841,500
	7.75%	7/15/2036	525	469,875
Tenet Healthcare Corp.:				
	6.88%	11/15/2031	4,000	3,350,000
	8.00%	8/1/2020	3,000	3,097,500
				11,315,087
HOTELS, RESTAURANTS & LEISURE 15.1%				
Boyd Gaming Corp.	9.13%	12/1/2018	6,000	6,015,000
Chester Downs and Marina LLC (a)	9.25%	2/1/2020	3,000	3,067,500
Punch Taverns Finance Ltd.:				
	5.94%	12/30/2024	GBP 4,000	4,317,694
	7.37%	6/30/2022(a)	1,038	1,308,134
Unique Pub Finance Co. PLC:				
	5.66%	6/30/2027	1,000	