

Avenue Income Credit Strategies Fund
Form N-Q
September 27, 2013

**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, 2013

Item 1. Schedule of Investments. The schedule of investments for the period ended July 31, 2013, is filed herewith.

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Avenue Income Credit Strategies Fund

SCHEDULE OF INVESTMENTS

July 31, 2013 (Unaudited)

Security Description	Coupon	Maturity	Principal Amount (000)	Value
CORPORATE BONDS & NOTES 110.5%				
Aerospace & Defense 1.7%				
Silver II Borrower / Silver II US Holdings LLC (a)	7.75%	12/15/2020	\$ 3,800	\$ 3,980,500
Airlines 3.0%				
US Airways 2000-3C Pass Through Trust	8.39%	3/1/2022	5,370	5,638,323
US Airways 2011-1C Pass Through Trust	10.88%	10/22/2014	1,337	1,410,863
				7,049,186
Auto Components 2.5%				
Chassis, Inc. (a)	9.25%	8/1/2018	5,600	5,838,000
Building Products 1.3%				
HD Supply, Inc.	10.50%	1/15/2021	3,075	3,167,250
Chemicals 4.5%				
Kerling PLC (a)	10.63%	2/1/2017	EUR 4,000	5,653,987
Perstorp Holding AB (a)	8.75%	5/15/2017	\$ 4,825	4,969,750
				10,623,737
Commercial Banks 3.7%				
Lloyds Banking Group Capital No.1 PLC (a)	7.88%	11/1/2020	4,750	5,025,500
Royal Bank of Scotland Group PLC	7.65%	8/29/2049	4,000	3,800,000
				8,825,500
Communications Equipment 5.3%				
Aspect Software, Inc.	10.63%	5/15/2017	2,925	2,968,875
Avaya, Inc.:				
	9.00%	4/1/2019(a)	3,700	3,542,750
	10.50%	3/1/2021(a)	8,000	6,140,000
				12,651,625
Construction Materials 1.6%				
Faenza GmbH (a)	8.25%	8/15/2021	EUR 2,750	3,713,339
Consumer Finance 1.7%				
Springleaf Finance Corp.	6.90%	12/15/2017	\$ 4,000	4,020,000
Containers & Packaging 1.8%				
Ardagh Packaging Finance PLC (a)	9.25%	10/15/2020	EUR 3,000	4,270,423
Diversified Consumer Services 1.1%				
Monitronics Escrow Corp. (a)	9.13%	4/1/2020	\$ 2,600	2,697,500
Diversified Telecommunication Services 2.9%				
Level 3 Financing, Inc.	10.00%	2/1/2018	2,000	2,160,000
Numericable Finance & Co. SCA (a)	12.38%	2/15/2019	EUR 3,000	4,729,394
				6,889,394
Electric Utilities 3.8%				
Energy Future Holdings Corp.:				
	11.00%	10/1/2021	\$ 4,500	4,882,500

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	12.25%	3/1/2022(a)	3,655	4,066,188
				8,948,688
Energy Equipment & Services 10.4%				
Globe Luxembourg SCA (a)	9.63%	5/1/2018	4,350	4,289,361
Hercules Offshore, Inc.:				
	8.75%	7/15/2021(a)	5,015	5,265,750
	10.25%	4/1/2019(a)	4,990	5,513,950
Ocean Rig UDW, Inc. (a)	9.50%	4/27/2016	4,800	5,088,000
Tervita Corp.:				
	8.00%	11/15/2018(a)	2,725	2,823,781
	9.00%	11/15/2018(a) CAD	1,500	1,511,538
				24,492,380
Health Care Providers & Services 6.4%				
HCA, Inc.:				
	7.05%	12/1/2027	\$ 745	731,962
	7.50%	11/6/2033	120	121,200
	7.58%	9/15/2025	555	573,037
	7.69%	6/15/2025	900	954,000

See Accompanying Notes to Schedule of Investments.

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Security Description	Coupon	Maturity	Principal Amount (000)	Value
	7.75%	7/15/2036	\$ 525	\$ 536,813
Priory Group Ltd. (a)	7.00%	2/15/2018	GBP 3,500	5,446,837
Tenet Healthcare Corp.:				
	6.88%	11/15/2031	\$ 4,000	3,480,000
	8.00%	8/1/2020	3,000	3,187,500
				15,031,349
Hotels, Restaurants & Leisure 9.0%				
Boyd Gaming Corp.	9.00%	7/1/2020	6,358	6,803,060
Caesars Operating Escrow LLC / Caesars Escrow Corp. (a)	9.00%	2/15/2020	8,615	8,055,025
Gala Electric Casinos PLC (a)	11.50%	6/1/2019	GBP 1,800	2,950,574
Unique Pub Finance Co. PLC	5.66%	6/30/2027	2,500	3,555,923
				21,364,582
Household Durables 3.2%				
K Hovnanian Enterprises, Inc. (a)	9.13%	11/15/2020	\$ 7,000	7,682,500
Independent Power Producers & Energy Traders 0.7%				
Ameren Energy Generating Co.:				
	6.30%	4/1/2020	175	135,625
	7.00%	4/15/2018	1,350	1,120,500
	7.95%	6/1/2032	650	500,500
				1,756,625
Industrial Conglomerates 0.7%				
Edgen Murray Corp. (a)	8.75%	11/1/2020	1,660	1,660,000
Insurance 3.5%				
American International Group, Inc.:				
	8.00%	5/22/2038(a)	EUR 3,000	4,605,671
	8.18%	5/15/2058	\$ 3,000	3,667,500
				8,273,171
Internet Software & Services 0.3%				
EarthLink, Inc. (a)	7.38%	6/1/2020	800	790,000
Machinery 0.2%				
Milacron LLC / Mcron Finance Corp. (a)	7.75%	2/15/2021	460	469,200
Marine 2.1%				
Navios Maritime Holdings, Inc. / Navios Maritime Finance II US, Inc.	8.13%	2/15/2019	5,300	5,041,625
Media 7.4%				
Clear Channel Communications, Inc.	11.25%	3/1/2021	6,050	6,458,375
Clear Channel Worldwide Holdings, Inc.	7.63%	3/15/2020	3,500	3,692,500
Gibson Brands, Inc. (a)	8.88%	8/1/2018	1,275	1,310,062
Univision Communications, Inc.:				
	7.88%	11/1/2020(a)	3,000	3,292,500
	8.50%	5/15/2021(a)	2,500	2,750,000
				17,503,437
Metals & Mining 2.5%				
AK Steel Corp. (a)	8.75%	12/1/2018	970	1,028,200
Schmolz + Bickenbach Luxembourg SA (a)	9.88%	5/15/2019	EUR 3,475	4,819,442
				5,847,642
Multiline Retail 2.5%				
JC Penney Corp, Inc.	5.65%	6/1/2020	\$ 7,350	5,925,937

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Oil, Gas & Consumable Fuels 10.4%

CHC Helicopter SA	9.38%	6/1/2021	9,050	8,982,125
Connacher Oil and Gas Ltd. (a)	8.50%	8/1/2019	4,000	2,710,000
Halcon Resources Corp.	8.88%	5/15/2021	6,300	6,363,000
Midstates Petroleum Co, Inc. / Midstates Petroleum Co. LLC (a)	10.75%	10/1/2020	3,380	3,515,200
Murray Energy Corp. (a)	8.63%	6/15/2021	800	812,000
Penn Virginia Resource Partners LP / Penn Virginia Resource Finance Corp. II	8.38%	6/1/2020	2,000	2,125,000
				24,507,325

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Security Description	Coupon	Maturity	Principal Amount (000)	Value
Personal Products 2.7%				
Ontex IV (a)	7.50%	4/15/2018	EUR 4,560	\$ 6,339,383
Road & Rail 2.0%				
Jack Cooper Holdings Corp. (a)	9.25%	6/1/2020	\$ 4,675	4,826,937
Software 1.5%				
Infor US, Inc.	9.38%	4/1/2019	3,250	3,631,875
Specialty Retail 1.2%				
CDW LLC / CDW Finance Corp.	8.50%	4/1/2019	2,500	2,743,750
Textiles, Apparel & Luxury Goods 1.8%				
Quiksilver, Inc. / QS Wholesale, Inc.:				
	7.88%	8/1/2018(a)	520	543,400
	10.00%	8/1/2020(a)	1,040	1,073,800
Takko Luxembourg 2 SCA (a)	9.88%	4/15/2019	EUR 2,160	2,693,958
				4,311,158
Thriffs & Mortgage Finance 2.4%				
Radian Group, Inc.	9.00%	6/15/2017	\$ 5,000	5,675,000
Wireless Telecommunication Services 4.7%				
Arqiva Broadcast Finance PLC (a)	9.50%	3/31/2020	GBP 3,375	5,506,451
NII International Telecom Sarl:				
	7.88%	8/15/2019(a)	\$ 2,050	1,968,000
	11.38%	8/15/2019(a)	3,350	3,676,625
				11,151,076
TOTAL CORPORATE BONDS & NOTES				
(Cost \$256,521,077)				261,700,094
CONVERTIBLE BONDS 2.3%				
Machinery 0.6%				
Meritor, Inc. (a)	7.88%	3/1/2026	1,045	1,323,885
Thriffs & Mortgage Finance 1.7%				
MGIC Investment Corp. (a)	9.00%	4/1/2063	3,625	4,125,703
TOTAL CONVERTIBLE BONDS				
(Cost \$5,089,831)				5,449,588
SENIOR LOANS 17.6% (b)				
Chemicals 1.9%				
MacDermid, Inc. Second Lien Term Loan (c)	7.75%	12/7/2020	1,930	1,949,300
Oxea SARL 2nd Lien Term Loan (c)	8.25%	6/6/2020	2,500	2,493,750
				4,443,050
Communications Equipment 0.7%				
Alcatel Lucent Term Loan C (c)	7.25%	1/30/2019	1,542	1,573,866
Containers & Packaging 3.0%				
Caraustar Industries, Inc. Term Loan (c)	7.50%	5/1/2019	660	671,550
Clondalkin Acquisitions B.V. 2nd Lien Term Loan (c)	10.00%	11/28/2020	6,600	6,484,500
				7,156,050
Diversified Telecommunication Services 2.4%				
Tyrol Acquisitions 2 SAS Term Loan 2nd Lien PIK (c)	4.38%	7/19/2016	EUR 4,803	5,721,075
Electric Utilities 0.9%				

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Astoria Generating Company Acquisitions Term Loan (c)	8.50%	10/26/2017	\$	2,000	2,060,000
Energy Equipment & Services 2.2%					
Stallion Oilfield Services, Ltd. Term Loan B (c)	8.00%	6/19/2018		5,232	5,218,920
Food Products 1.4%					
Cucina Acquisition Limited 2nd Lien Term Loan D PIK (c)	6.76%	3/12/2017	GBP	2,475	3,319,571
Household Products 2.3%					
KIK Custom Products, Inc. Second Lien Term Loan (c)	9.50%	11/17/2019	\$	5,600	5,518,352
Media 2.1%					
Technicolor SA Term Loan B (c)	7.25%	7/10/2020		5,000	4,903,150