

Eaton Vance Tax-Advantaged Bond & Option Strategies Fund
Form N-CSR
February 27, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act File Number: 811-22380

Eaton Vance Tax-Advantaged Bond and Option Strategies Fund

(Exact Name of Registrant as Specified in Charter)

Two International Place, Boston, Massachusetts 02110

(Address of Principal Executive Offices)

Maureen A. Gemma

Two International Place, Boston, Massachusetts 02110

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number)

December 31

Date of Fiscal Year End

December 31, 2011

Date of Reporting Period

Item 1. Reports to Stockholders

Eaton Vance
Tax-Advantaged Bond
and Option Strategies Fund (EXD)

Annual Report
December 31, 2011

Managed Distribution Plan. On March 10, 2009, the Fund received authorization from the Securities and Exchange Commission to distribute long-term capital gains to shareholders more frequently than once per year. In this connection, the Board of Trustees formally approved the implementation of a Managed Distribution Plan (MDP) to make quarterly cash distributions to common shareholders, stated in terms of a fixed amount per common share.

The Fund intends to pay quarterly cash distributions equal to \$0.425 per share. You should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the MDP. The MDP will be subject to regular periodic review by the Fund's Board of Trustees.

With each distribution, the Fund will issue a notice to shareholders and an accompanying press release which will provide detailed information required by the Fund's exemptive order. The Fund's Board of Trustees may amend or terminate the MDP at any time without prior notice to Fund shareholders. However, at this time there are no reasonably foreseeable circumstances that might cause the termination of the MDP.

Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.

Annual Report December 31, 2011

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

Table of Contents

Management's Discussion of Fund Performance	2
Performance	3
Fund Profile	3
Endnotes and Additional Disclosures	4
Financial Statements	5
Report of Independent Registered Public Accounting Firm	18
Federal Tax Information	19
Dividend Reinvestment Plan	20
Management and Organization	22
Important Notices	24

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

December 31, 2011

Management's Discussion of Fund Performance

Economic and Market Conditions

In the early months of 2011, a sustainable U.S. economic recovery appeared to be underway. By the second quarter, however, Europe's growing debt crisis led investors to worry about the potential impact on the U.S. economy and financial system. Investor anxiety was further fueled by persistent weakness in the labor and housing markets, Congressional wrangling over the federal debt ceiling, and the Standard & Poor's downgrade of the long-term U.S. credit rating. Reacting to the domestic and overseas turmoil, the S&P 500 Index² fell sharply during the third quarter and spent much of the fourth quarter clawing its way back, finishing 2011 virtually unchanged from where it began the year.

Against this macro backdrop, Treasury and municipal interest rates rose slightly in the first quarter of 2011, only to decline amid a widespread flight to safety beginning in the second quarter. Treasury prices rose as yields fell significantly and equity markets lost ground in the third quarter. Municipals rallied as well, but not to the same degree because investors remained concerned about the ability of state and local governments to address historically large fiscal deficits and balance their budgets.

As the year progressed, however, several factors enabled municipal performance to rebound. The massive municipal defaults predicted by some observers did not materialize, while many issuers' budget situations began to recover. In addition, the supply-demand equation for municipals improved as it became clearer that the number of new issues in 2011 would decline dramatically from 2010 levels.

With low Treasury yields driven by problems in Europe and the Federal Reserve's Operation Twist program (central bank's swapping its short-term holdings for long-term Treasury bonds), municipals offered significantly higher taxable-equivalent yields than Treasuries during 2011. The ratio of 30-year AAA⁴ municipal yields to 30-year Treasury yields which historically has averaged less than 100% due to municipals' federally tax-exempt status rose from 107.3% at the start of 2011 to 122.8% by year-end. Municipal prices rallied in late 2011 as investors sought to lock in historically attractive municipal yields.

Against this backdrop, the Barclays Capital Municipal Bond Index—a broad-based, unmanaged index of municipal bonds—gained 10.70%, while longer-term municipals, as measured by the Barclays Capital Long (22+) Municipal Bond Index, returned 14.88%.

Fund Performance

At net asset value (NAV) for the 12 months ending December 31, 2011, Eaton Vance Tax-Advantaged Bond and Option Strategies Fund returned 13.69%, outperforming its primary benchmark, the BofA Merrill Lynch 3-Month U.S. Treasury Bill Index (the Index), an unmanaged index of U.S. Treasury securities maturing in 90 days, which returned 0.10% during the period.

During 2011, we fully invested in the Bond Strategy, which is designed to provide capital preservation and a stable source of tax-exempt income. We also systematically applied the Option Overlay Strategy to 100% of net assets. Both strategies contributed to 2011 performance.

The Bond Strategy's strong 2011 returns were a function of both the market environment and portfolio positioning. The municipal bond market performed well, benefiting from a rally in U.S. Treasuries and the lowest municipal bond supply in more than 10 years. The Fund was well-positioned with a sizable concentration in 10- to 12-year issues, which fared better than other maturities within the municipal bond market. We favored this maturity range because at certain points during 2011, the extra yield on a 10-year municipal bond versus a five-year municipal bond was the highest in history. In addition, prices on 10-year municipal bonds versus comparable maturity Treasuries were relatively low. As yields on 10-year municipal bonds came down, we reallocated some of these assets to shorter-term bonds. The Bond Strategy had a duration of five years early in 2011, which we reduced to four years as interest rates declined.

The Option Overlay Strategy, which generated income by writing a series of S&P 500 Index call and put spread option transactions, is intended to provide returns that are substantially uncorrelated to the returns of the S&P 500. The Option Overlay Strategy limited potential losses to a predetermined amount, which proved to be beneficial in a year of heightened volatility.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

December 31, 2011

Performance²

Portfolio Managers Ken Everding, Ph.D; Jonathan Orseck, each of Parametric Risk Advisors, LLC; James H. Evans, CFA

% Average Annual Total Returns	Inception Date	One Year	Since Inception
Fund at NAV	6/29/2010	13.69%	7.53%
Fund at Market Price		9.23	0.17
 BofA Merrill Lynch 3-Month U.S. Treasury Bill Index	 6/29/2010	 0.10%	 0.11%

% Premium/Discount to NAV

-10.15%

Distributions³

Total Distributions per share for the period	\$ 1.700
Distribution Rate at NAV	9.23%
Distribution Rate at Market Price	10.27%

Fund Profile

Credit Quality (% of bond holdings)⁴

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

December 31, 2011

Endnotes and Additional Disclosures

- ¹ The views expressed in this report are those of the portfolio manager(s) and are current only through the date stated at the top of this page. These views are subject to change at any time based upon market or other conditions, and Eaton Vance and the Fund(s) disclaim any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. This commentary may contain statements that are not historical facts, referred to as forward looking statements. The Fund's actual future results may differ significantly from those stated in any forward looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of Fund shares, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in the Fund's filings with the Securities and Exchange Commission.
- ² S&P 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance. Barclays Capital Municipal Bond Index is an unmanaged index of municipal bonds traded in the U.S. Barclays Capital Long (22+) Municipal Bond Index is an unmanaged index of municipal bonds traded in the U.S. with maturities of 22 years or more. BofA Merrill Lynch 3-Month U.S. Treasury Bill Index is an unmanaged index of U.S. Treasury securities maturing in 90 days. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index.
- ³ The Distribution Rate is based on the Fund's last regular distribution per share in the period (annualized) divided by the Fund's NAV or market price at the end of the period. The Fund's distributions may be composed of ordinary income, tax-exempt income, net realized capital gains and return of capital. A significant portion of the Fund's distributions has been characterized as a return of capital.
- ⁴ Ratings are based on Moody's, S&P or Fitch, as applicable. Credit ratings are based largely on the rating agency's investment analysis at the time of rating and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a rating agency does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. If securities are rated differently by the rating agencies, the higher rating is applied.

Fund profile subject to change due to active management.

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

December 31, 2011

Portfolio of Investments

Tax-Exempt Municipal Securities 71.3%

Security	Principal Amount (000 s omitted)	Value
Bond Bank 2.0%		
Vermont Municipal Bond Bank, 4.00%, 12/1/17	\$ 2,515	\$ 2,919,161
Vermont Municipal Bond Bank, 5.00%, 12/1/19	705	885,663
		\$ 3,804,824
Education 1.3%		
Massachusetts Development Finance Agency, (Harvard University), 5.00%, 10/15/20	\$ 2,000	\$ 2,561,420
		\$ 2,561,420
Escrowed / Prerefunded 1.5%		
Harris County, TX, Flood Control District, Prerefunded to 10/1/14, 5.25%, 10/1/20	\$ 2,545	\$ 2,863,481
		\$ 2,863,481

Edgar Filing: Eaton Vance Tax-Advantaged Bond & Option Strategies Fund - Form N-CSR

General Obligations 35.5%

Alexandria, VA, 4.00%, 7/1/16	\$ 2,980	\$ 3,404,471
Beaufort County, SC, School District, 5.00%, 3/1/19	5,370	6,681,354
Bedford, MA, 4.00%, 8/15/16	1,380	1,582,680
Carrollton, TX, 3.00%, 8/15/15	100	108,050
Charleston County, SC, School District, 5.00%, 2/1/19	7,020	8,739,479
Dakota County, MN, Community Development Agency, 3.00%, 1/1/13	150	154,014
Dakota County, MN, Community Development Agency, 3.00%, 1/1/14	500	525,650
Florida Board of Education, 5.00%, 6/1/17	2,010	2,420,603
Frederick County, MD, 4.00%, 2/1/15	555	612,071
Georgia, 4.00%, 9/1/16	3,500	4,014,185
Georgia, 5.00%, 7/1/17	600	731,424
Georgia, 5.00%, 7/1/19	3,070	3,887,265
Hoover, AL, Board of Education Capital Outlay Warrants, 5.00%, 2/15/14	2,815	3,063,902
Hopkinton, MA, 4.00%, 7/15/16	240	272,381
Howard County, MD, 4.00%, 2/15/21	1,000	1,174,750
Liberty Hill, TX, Independent School District, (PSF Guaranteed), 0.00%, 8/1/21	515	402,606
Loudoun County, VA, 5.00%, 12/1/17	2,015	2,483,125
Maricopa County, AZ, Community College District, 3.00%, 7/1/18	1,605	1,772,610
Massachusetts, 5.50%, 10/1/15	400	469,200
Montgomery County, MD, 5.00%, 9/1/15	3,330	3,710,352
Morris County, NJ, 5.00%, 2/15/14	1,650	1,808,037
New York, 5.00%, 4/15/15	500	570,520
Richardson, TX, 5.00%, 2/15/18	2,790	3,412,756
United Independent School District, TX, 5.00%, 8/15/20	2,000	2,527,000
Utah, 5.00%, 7/1/19 ⁽¹⁾	8,300	10,509,543
Wake, NC, 5.00%, 3/1/21	1,000	1,279,750
Wisconsin, 5.00%, 5/1/20	2,255	2,827,477
		\$ 69,145,255

Insured Escrowed / Prerefunded 5.2%

Anchorage, AK, (FGIC), Prerefunded to 9/1/13, 5.00%, 9/1/20	\$ 1,750	\$ 1,886,185
Benton County, WA, School District No. 400, (AGM), Prerefunded to 6/1/13, 5.00%, 12/1/20	6,055	6,459,111
Houston, TX, Water & Sewer System Revenue, (AGM), Escrowed to Maturity, 0.00%, 12/1/20	2,050	1,689,077

Edgar Filing: Eaton Vance Tax-Advantaged Bond & Option Strategies Fund - Form N-CSR

\$ 10,034,373

Insured General Obligations 0.4%

Houston, TX, (NPF), 5.25%, 3/1/14 \$ 785 \$ 866,177

\$ 866,177

Insured Transportation 0.6%

New York State Thruway Authority, (AGM), 5.00%, 3/15/14 \$ 1,000 \$ 1,097,880

\$ 1,097,880

Special Tax Revenue 7.5%

New York State Urban Development Corp., 5.00%, 1/1/15 \$ 2,125 \$ 2,393,005

New York State Urban Development Corp., 5.00%, 12/15/17 7,415 8,997,732

New York, NY, Transitional Finance Authority, Prerefunded to 8/1/13, 5.00%, 8/1/21 3,000 3,223,530

\$ 14,614,267

Transportation 12.5%

New York State Thruway Authority, 5.00%, 4/1/18⁽¹⁾ \$ 20,000 \$ 24,353,200

\$ 24,353,200

Water and Sewer 4.8%

Edgar Filing: Eaton Vance Tax-Advantaged Bond & Option Strategies Fund - Form N-CSR

Massachusetts Water Pollution Abatement Trust, 4.00%, 8/1/17	\$ 1,860	\$ 2,162,306
Massachusetts Water Pollution Abatement Trust, 5.25%, 8/1/21	2,025	2,631,548
New Jersey Environmental Infrastructure Trust, 5.00%, 9/1/18	2,200	2,747,844

See Notes to Financial Statements.

Eaton Vance
Tax-Advantaged Bond and Option Strategies Fund

December 31, 2011

Portfolio of Investments continued

Security	Principal Amount (000 s omitted)	Value
Water and Sewer (continued)		
Seattle, WA, Solid Waste Revenue, 5.00%, 8/1/21	\$ 1,415	\$ 1,757,798
		\$ 9,299,496
Total Tax-Exempt Municipal Securities (identified cost \$130,620,731)		\$ 138,640,373

Call Options Purchased 0.1%

Description	Number of Contracts	Strike Price	Expiration Date	Value
S&P 500 Index	266	\$ 1,365	1/21/12	\$ 5,985
S&P 500 Index FLEX	264	1,375	1/3/12	
S&P 500 Index FLEX	264	1,380	1/5/12	
S&P 500 Index FLEX	266	1,375	1/6/12	2
S&P 500 Index FLEX	269	1,345	1/10/12	2,742
S&P 500 Index FLEX	270	1,335	1/11/12	8,833
S&P 500 Index FLEX	272	1,335	1/13/12	14,436
S&P 500 Index FLEX	272	1,320	1/17/12	62,902
S&P 500 Index FLEX	273	1,340	1/18/12	25,391
S&P 500 Index FLEX	266	1,360	1/25/12	20,387
S&P 500 Index FLEX	267	1,370	1/26/12	13,978
S&P 500 Index FLEX	267	1,370	1/27/12	15,511

Total Call Options Purchased
(identified cost \$289,394) **\$ 170,167**

Put Options Purchased 0.1%

Description	Number of Contracts	Strike Price	Expiration Date	Value
S&P 500 Index	266	\$ 1,115	1/21/12	\$ 43,890
S&P 500 Index FLEX	264	1,095	1/3/12	2
S&P 500 Index FLEX	264	1,090	1/5/12	52
S&P 500 Index FLEX	266	1,090		