

EVERGREEN MULTI-SECTOR INCOME FUND
Form N-Q
March 31, 2008

OMB APPROVAL

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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- 21331](#)

Evergreen [Multi-Sector Income Fund](#)

(Exact name of registrant as specified in charter)

200 Berkeley Street
Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: Registrant is making a quarterly filing for [one](#) of its series, [Evergreen Multi-Sector Income Fund](#), for the quarter ended [January 31, 2008](#). This [one](#) series has an [October 31](#) fiscal year end .

Date of reporting period: [January 31, 2008](#)

Item 1 – Schedule of Investments

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|------------------|
| AGENCY MORTGAGE-BACKED COLLATERALIZED | | |
| MORTGAGE OBLIGATIONS 10.9% | | |
| FIXED-RATE 0.3% | | |
| FNMA: | | |
| Ser. 2001-25, Class Z, 6.00%, 06/25/2031 | \$ 1,511,294 | \$ 1,593,085 |
| Ser. 2001-51, Class P, 6.00%, 08/25/2030 | 922,299 | 935,875 |
| | | <u>2,528,960</u> |
| FLOATING-RATE 10.6% | | |
| FHLMC: | | |
| Ser. 0196, Class A, 5.05%, 12/15/2021 | 186,585 | 190,560 |
| Ser. 1500, Class FD, 3.55%, 05/15/2023 | 4,958,516 | 4,830,090 |
| Ser. 2182, Class FE, 5.18%, 05/15/2028 | 760,121 | 763,020 |
| Ser. 2247, Class FC, 4.84%, 08/15/2030 | 844,744 | 845,535 |
| Ser. 2390, Class FD, 4.69%, 12/15/2031 | 175,672 | 176,400 |
| Ser. 2411, Class F, 4.79%, 02/15/2032 | 208,558 | 208,370 |
| Ser. 2431, Class F, 4.74%, 03/15/2032 | 7,929,766 | 7,924,439 |
| Ser. 2567, Class FH, 4.64%, 02/15/2033 | 409,670 | 410,333 |
| Ser. T-66, Class 2A1, 7.60%, 01/25/2036 | 8,497,599 | 9,037,313 |
| Ser. T-67, Class 1A1C, 7.72%, 03/25/2036 | 25,939,331 | 27,975,569 |
| Ser. T-67, Class 2A1C, 7.66%, 03/25/2036 | 1,742,136 | 1,928,587 |
| FNMA: | | |
| Ser. 1996-46, Class FA, 5.375%, 08/25/2021 | 113,910 | 114,767 |
| Ser. 2000-45, Class F, 5.32%, 12/25/2030 | 852,895 | 857,301 |
| Ser. 2001-24, Class FC, 5.47%, 04/25/2031 | 318,834 | 319,083 |
| Ser. 2001-35, Class F, 5.47%, 07/25/2031 | 72,788 | 73,049 |
| Ser. 2001-37, Class F, 5.37%, 08/25/2031 | 319,016 | 320,379 |
| Ser. 2001-57, Class F, 5.37%, 06/25/2031 | 73,281 | 73,294 |
| Ser. 2001-62, Class FC, 5.52%, 11/25/2031 | 963,274 | 968,802 |
| Ser. 2002-77, Class F, 5.47%, 12/25/2032 | 5,192,179 | 5,308,328 |
| Ser. 2002-77, Class FH, 4.39%, 12/18/2032 | 412,349 | 413,615 |
| Ser. 2002-77, Class FV, 4.49%, 12/18/2032 | 1,348,264 | 1,348,271 |
| Ser. 2002-95, Class FK, 5.37%, 01/25/2033 | 4,488,914 | 4,513,265 |
| Ser. 2002-97, Class FR, 5.42%, 01/25/2033 | 162,573 | 162,376 |
| Ser. 2003-W8, Class 3F2, 5.22%, 05/25/2042 | 1,967,381 | 1,985,166 |

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| | | |
|---|------------|-------------------|
| Ser. 2005-W4, Class 3A, 6.50%, 06/25/2035 | 6,245,760 | 6,359,183 |
| Ser. G91-16, Class F, 5.33%, 06/25/2021 | 121,243 | 121,599 |
| Ser. G92-17, Class F, 5.93%, 03/25/2022 | 200,035 | 204,498 |
| Ser. G92-53, Class FA, 5.625%, 09/25/2022 | 1,913,077 | 1,937,755 |
| Ser. G93-11, Class FB, 5.73%, 12/25/2008 | 1,964 | 1,966 |
| GNMA: | | |
| Ser. 1997-13, Class F, 4.625%, 09/16/2027 | 1,777,354 | 1,800,317 |
| Ser. 2001-61, Class FA, 4.46%, 09/20/2030 | 148,669 | 149,075 |
| | | <u>81,322,305</u> |
| <i>Total Agency Mortgage-Backed Collateralized Mortgage Obligations (cost \$82,771,316)</i> | | <u>83,851,265</u> |
| AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES 26.2% | | |
| FIXED-RATE 2.9% | | |
| FHLMC: | | |
| 6.50%, 06/01/2017 | 3,058,046 | 3,172,601 |
| 8.50%, 04/01/2015 – 07/01/2028 | 554,155 | 609,929 |
| FHLMC 30 year, 6.50%, TBA # | 10,305,000 | 10,680,569 |
| FNMA: | | |
| 6.00%, 04/01/2033 | 646,544 | 671,805 |
| 6.50%, 11/01/2032 | 263,538 | 276,095 |
| 7.00%, 09/01/2031 – 08/01/2032 | 1,758,330 | 1,880,809 |
| 7.50%, 07/01/2017 – 07/01/2032 | 1,024,794 | 1,095,439 |
| 8.00%, 12/01/2024 – 06/01/2030 | 307,001 | 333,802 |
| 12.00%, 01/01/2016 | 58,487 | 67,798 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| AGENCY MORTGAGE-BACKED PASS THROUGH | | |
| SECURITIES continued | | |
| FIXED-RATE continued | | |
| GNMA: | | |
| 6.50%, 06/15/2028 | \$ 119,683 | \$ 125,083 |
| 7.25%, 07/15/2017 – 05/15/2018 | 1,013,281 | 1,070,526 |
| 9.50%, 12/15/2009 – 04/15/2011 | 2,095,756 | 2,203,309 |
| | | <u>22,187,765</u> |
| FLOATING-RATE 23.3% | | |
| FHLB: | | |
| 5.89%, 05/01/2037 ## | 13,304,874 | 13,707,346 |
| 7.03%, 07/01/2034 | 863,642 | 905,563 |
| 7.13%, 07/01/2033 | 572,492 | 577,096 |
| 7.22%, 11/01/2030 | 768,815 | 803,442 |
| FHLMC: | | |
| 5.06%, 07/01/2035 | 713,797 | 752,642 |
| 5.40%, 12/01/2026 | 141,374 | 142,798 |
| 5.48%, 06/01/2030 | 422,544 | 419,637 |
| 5.67%, 10/01/2030 | 30,611 | 30,811 |
| 5.75%, 02/01/2016 | 34,666 | 35,306 |
| 5.89%, 02/01/2037 | 5,904,462 | 6,206,029 |
| 5.92%, 10/01/2017 | 6,858 | 6,894 |
| 5.98%, 06/01/2028 | 155,108 | 160,141 |
| 6.12%, 07/01/2019 | 15,576 | 15,755 |
| 6.20%, 05/01/2019 | 7,643 | 7,747 |
| 6.25%, 02/01/2016 | 30,937 | 31,569 |
| 6.32%, 03/01/2018 | 262,673 | 266,164 |
| 6.40%, 12/01/2022 | 70,447 | 73,155 |
| 6.42%, 11/01/2023 | 171,526 | 177,807 |
| 6.43%, 10/01/2022 | 149,994 | 152,740 |
| 6.45%, 08/01/2017 | 30,413 | 30,903 |
| 6.56%, 10/01/2037 | 5,244,875 | 5,426,347 |
| 6.61%, 06/01/2018 – 06/01/2023 | 434,831 | 450,585 |
| 6.62%, 06/01/2031 – 06/01/2035 | 955,486 | 990,514 |
| 6.63%, 06/01/2031 | 559,146 | 582,602 |
| 6.68%, 05/01/2025 – 09/01/2032 | 5,338,007 | 5,558,096 |
| 6.69%, 01/01/2018 | 109,023 | 112,121 |
| 6.81%, 10/01/2024 | 410,132 | 415,828 |
| 6.92%, 12/01/2033 | 3,988,854 | 4,160,853 |
| 6.93%, 01/01/2030 | 279,361 | 292,150 |
| 6.94%, 07/01/2030 | 168,291 | 176,471 |
| 7.01%, 10/01/2030 | 2,010,890 | 2,041,634 |
| 7.07%, 07/01/2032 | 1,000,762 | 1,038,330 |
| 7.08%, 06/01/2035 | 2,424,277 | 2,495,786 |
| 7.11%, 10/01/2033 | 60,880 | 63,311 |

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| | | |
|--------------------------------|-----------|-----------|
| 7.14%, 10/01/2033 | 343,283 | 358,086 |
| 7.16%, 03/01/2024 – 08/01/2032 | 1,447,418 | 1,480,215 |
| 7.18%, 09/01/2032 | 855,282 | 891,494 |
| 7.21%, 10/01/2030 | 600,667 | 626,459 |
| 7.24%, 01/01/2027 | 292,804 | 317,305 |
| 7.25%, 10/01/2024 | 51,793 | 54,050 |
| 7.28%, 03/01/2032 | 1,516,677 | 1,527,950 |
| 7.31%, 06/01/2033 | 587,683 | 611,690 |
| 7.34%, 08/01/2030 | 686,022 | 717,895 |
| 8.50%, 03/01/2030 | 140,111 | 154,182 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|--------------|
| AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES continued | | |
| FLOATING-RATE continued | | |
| FNMA: | | |
| 4.47%, 08/01/2020 | \$ 1,571,568 | \$ 1,592,172 |
| 4.79%, 06/01/2033 | 1,287,114 | 1,322,971 |
| 4.98%, 03/01/2033 | 171,800 | 174,860 |
| 5.11%, 03/01/2034 | 1,358,512 | 1,405,866 |
| 5.24%, 10/01/2029 | 168,326 | 171,233 |
| 5.25%, 01/01/2017 | 97,969 | 99,757 |
| 5.32%, 02/01/2037 | 931,072 | 948,208 |
| 5.40%, 06/01/2031 | 156,772 | 163,343 |
| 5.42%, 02/01/2017 – 12/01/2017 | 7,116,377 | 7,126,798 |
| 5.45%, 01/01/2038 | 6,296,452 | 6,716,426 |
| 5.48%, 03/01/2018 | 759,547 | 775,717 |
| 5.50%, 03/01/2035 | 5,600,601 | 5,666,072 |
| 5.57%, 02/01/2035 | 9,443,876 | 9,564,286 |
| 5.61%, 12/01/2022 – 02/01/2035 | 1,533,913 | 1,534,533 |
| 5.62%, 08/01/2028 | 83,263 | 85,908 |
| 5.625%, 04/01/2034 | 1,454,084 | 1,454,084 |
| 5.65%, 12/01/2031 | 364,051 | 377,725 |
| 5.75%, 12/01/2016 | 12,790 | 13,096 |
| 5.80%, 01/01/2030 | 84,948 | 86,807 |
| 5.87%, 01/01/2037 | 11,768,337 | 12,177,169 |
| 5.91%, 12/01/2009 – 09/01/2041 | 4,541,521 | 4,617,653 |
| 5.93%, 09/01/2024 | 12,561 | 13,217 |
| 6.00%, 05/01/2021 – 08/01/2021 | 19,869 | 21,032 |
| 6.06%, 04/01/2031 | 998,469 | 1,046,845 |
| 6.08%, 01/01/2034 – 02/01/2038 | 1,077,277 | 1,117,493 |
| 6.11%, 12/01/2013 | 589,448 | 596,380 |
| 6.15%, 12/01/2034 | 1,915,651 | 1,964,423 |
| 6.16%, 03/01/2034 | 1,136,408 | 1,170,864 |
| 6.17%, 12/01/2036 | 73,708 | 74,744 |
| 6.20%, 08/01/2027 | 355,707 | 374,449 |
| 6.27%, 04/01/2034 | 2,637,751 | 2,740,597 |
| 6.33%, 01/01/2033 | 1,335,986 | 1,369,947 |
| 6.40%, 12/01/2020 | 161,109 | 170,955 |
| 6.42%, 04/01/2025 | 216,685 | 228,230 |
| 6.45%, 04/01/2028 | 195,118 | 197,551 |
| 6.50%, 12/01/2023 | 79,035 | 82,394 |
| 6.54%, 06/01/2029 | 412,839 | 430,632 |
| 6.57%, 09/01/2037 | 4,735,045 | 5,067,977 |

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| | | |
|--------------------------------|-----------|-----------|
| 6.64%, 10/01/2035 | 4,456,445 | 4,829,315 |
| 6.66%, 12/01/2035 | 5,834,254 | 6,325,615 |
| 6.67%, 12/01/2031 | 160,601 | 163,326 |
| 6.70%, 10/01/2034 | 310,004 | 321,148 |
| 6.71%, 05/01/2027 – 05/01/2030 | 1,632,496 | 1,671,730 |
| 6.72%, 01/01/2026 | 494,210 | 513,765 |
| 6.73%, 11/01/2035 | 1,482,341 | 1,541,886 |
| 6.79%, 12/01/2026 – 04/01/2033 | 2,513,359 | 2,575,364 |
| 6.86%, 04/01/2024 – 11/01/2024 | 796,705 | 843,140 |
| 6.875%, 04/01/2019 | 77,439 | 79,022 |
| 6.93%, 02/01/2035 | 632,529 | 656,502 |
| 6.94%, 09/01/2024 – 10/01/2032 | 575,628 | 598,955 |
| 6.96%, 06/01/2024 – 08/01/2036 | 7,467,822 | 7,580,727 |
| 6.97%, 01/01/2028 – 12/01/2029 | 1,055,090 | 1,101,644 |
| 6.98%, 04/01/2034 | 1,431,974 | 1,491,787 |
| 7.00%, 07/01/2026 | 58,716 | 61,212 |
| 7.04%, 08/01/2030 | 423,369 | 443,669 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|--------------------|
| AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES continued | | |
| FLOATING-RATE continued | | |
| FNMA: continued | | |
| 7.11%, 03/01/2032 | \$ 444,733 | \$ 461,611 |
| 7.13%, 09/01/2027 | 351,992 | 369,194 |
| 7.15%, 07/01/2032 – 04/01/2036 | 6,313,664 | 6,736,205 |
| 7.19%, 10/01/2032 | 3,043,213 | 3,188,800 |
| 7.24%, 06/01/2037 | 523,295 | 532,541 |
| 7.25%, 01/01/2028 | 871,128 | 914,981 |
| 7.27%, 12/01/2028 | 61,668 | 63,746 |
| 7.31%, 12/01/2032 | 1,485,341 | 1,517,665 |
| 7.33%, 02/01/2038 | 141,844 | 147,290 |
| 7.49%, 07/01/2030 | 176,561 | 187,079 |
| 7.56%, 04/01/2033 | 229,739 | 246,207 |
| 7.70%, 09/01/2032 | 217,514 | 228,520 |
| GNMA: | | |
| 5.00%, 11/20/2030 – 10/20/2031 | 864,685 | 880,892 |
| 5.125%, 10/20/2029 – 11/20/2030 | 2,217,728 | 2,255,474 |
| 5.625%, 09/20/2030 | 402,748 | 410,195 |
| 6.00%, 02/20/2031 | 292,866 | 300,718 |
| 6.25%, 02/20/2029 | 685,528 | 698,704 |
| 6.375%, 01/20/2027 – 03/20/2028 | 421,738 | 434,952 |
| 6.50%, 02/20/2031 | 492,448 | 504,005 |
| | | <u>178,667,499</u> |
| <i>Total Agency Mortgage-Backed Pass Through Securities (cost \$197,823,429)</i> | | <u>200,855,264</u> |
| AGENCY REPERFORMING MORTGAGE-BACKED PASS THROUGH SECURITIES 0.5% | | |
| FNMA: | | |
| Ser. 2001-T10, Class A2, 7.50%, 12/25/2041 | 399,740 | 438,393 |
| Ser. 2002-T6, Class A4, FRN, 6.43%, 03/25/2041 | 1,508,079 | 1,528,854 |
| Ser. 2003-W02, Class 2A8, 5.67%, 07/25/2042 | 478,709 | 501,788 |
| Ser. 2004-T03, Class 2A, FRN, 6.23%, 08/25/2043 | 1,460,491 | 1,533,559 |
| <i>Total Agency Reperforming Mortgage-Backed Pass Through Securities (cost \$3,961,405)</i> | | <u>4,002,594</u> |
| CORPORATE BONDS 64.0% | | |
| CONSUMER DISCRETIONARY 16.4% | | |
| Auto Components 1.6% | | |
| Cooper Tire & Rubber Co.: | | |
| 7.00%, 12/15/2012 | 225,000 | 195,750 |
| 7.625%, 03/15/2027 | 2,630,000 | 2,261,800 |
| Goodyear Tire & Rubber Co.: | | |
| 9.00%, 07/01/2015 ; | 3,175,000 | 3,333,750 |
| 11.25%, 03/01/2011 ; | 1,840,000 | 1,950,400 |

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| | | |
|-------------------------|-----------|-------------------|
| Metaldyne Corp.: | | |
| 10.00%, 11/01/2013 | 4,955,000 | 3,592,375 |
| 11.00%, 06/15/2012 | 2,681,000 | <u>1,313,690</u> |
| | | <u>12,647,765</u> |
| Automobiles 1.1% | | |
| Ford Motor Co.: | | |
| 5.80%, 01/12/2009 | 435,000 | 423,203 |
| 7.45%, 07/16/2031 ; | 1,800,000 | 1,336,500 |
| 7.70%, 05/15/2097 | 2,555,000 | 1,750,175 |
| General Motors Corp.: | | |
| 7.20%, 01/15/2011 ; | 3,905,000 | 3,582,837 |
| 8.25%, 07/15/2023 ; | 1,565,000 | <u>1,259,825</u> |
| | | <u>8,352,540</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Diversified Consumer Services 0.3% | | |
| Carriage Services, Inc., 7.875%, 01/15/2015 | \$ 850,000 | \$ 833,000 |
| Education Management, LLC: | | |
| 8.75%, 06/01/2014 | 720,000 | 696,600 |
| 10.25%, 06/01/2016 | 850,000 | 813,875 |
| Service Corporation International, 6.75%, 04/01/2015 | 340,000 | 338,300 |
| | | <u>2,681,775</u> |
| Hotels, Restaurants & Leisure 4.3% | | |
| Caesars Entertainment, Inc.: | | |
| 7.875%, 03/15/2010 ; | 1,570,000 | 1,485,612 |
| 8.125%, 05/15/2011 | 565,000 | 495,081 |
| Fontainebleau Las Vegas Holdings, LLC, 10.25%, 06/15/2015 | | |
| 144A | 5,726,000 | 4,323,130 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010 ; | 4,335,000 | 4,335,000 |
| Isle of Capri Casinos, Inc., 7.00%, 03/01/2014 ; | 7,835,000 | 6,072,125 |
| Outback Steakhouse, Inc., 10.00%, 06/15/2015 ; 144A | 670,000 | 425,450 |
| Pokagon Gaming Authority, 10.375%, 06/15/2014 144A | 2,520,000 | 2,617,650 |
| Seneca Gaming Corp., 7.25%, 05/01/2012 | 855,000 | 833,625 |
| Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 | | |
| 144A | 2,550,000 | 2,307,750 |
| Six Flags, Inc.: | | |
| 8.875%, 02/01/2010 ; | 625,000 | 460,938 |
| 9.625%, 06/01/2014 ; | 1,425,000 | 958,313 |
| Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015 ; | 5,326,000 | 3,861,350 |
| Universal City Development Partners, Ltd., 11.75%, 04/01/2010 | 4,580,000 | 4,728,850 |
| | | <u>32,904,874</u> |
| Household Durables 1.7% | | |
| Centex Corp., 4.875%, 08/15/2008 | 1,250,000 | 1,222,029 |
| D.R. Horton, Inc., 5.00%, 01/15/2009 | 1,860,000 | 1,799,550 |
| Hovnanian Enterprises, Inc.: | | |
| 6.00%, 01/15/2010 ; | 680,000 | 384,200 |
| 6.50%, 01/15/2014 | 388,000 | 267,720 |
| KB Home: | | |
| 7.75%, 02/01/2010 | 985,000 | 955,450 |
| 8.625%, 12/15/2008 ; | 570,000 | 570,000 |
| Libbey, Inc., FRN, 11.91%, 06/01/2011 | 1,880,000 | 1,908,200 |
| Meritage Homes Corp.: | | |
| 6.25%, 03/15/2015 | 725,000 | 511,125 |
| 7.00%, 05/01/2014 | 1,475,000 | 1,084,125 |
| Pulte Homes, Inc.: | | |

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| 4.875%, 07/15/2009 | 2,745,000 | 2,614,612 |
| 7.875%, 08/01/2011 | 195,000 | 189,638 |
| Standard Pacific Corp., 5.125%, 04/01/2009 ; | 300,000 | 240,000 |
| Toll Brothers, Inc., 8.25%, 02/01/2011 | 1,075,000 | 1,038,719 |
| | | <hr/> |
| | | 12,785,368 |
| Media 4.5% | | |
| Cablevision Systems Corp., Ser. B, 8.00%, 04/15/2012 | 2,705,000 | 2,603,562 |
| CCH I, LLC, 11.00%, 10/01/2015 ; | 3,130,000 | 2,250,638 |
| CSC Holdings, Inc., 7.625%, 04/01/2011 | 1,675,000 | 1,666,625 |
| Dex Media West, LLC, 8.50%, 08/15/2010 ; | 1,805,000 | 1,834,331 |
| Idearc, Inc., 8.00%, 11/15/2016 ; | 1,785,000 | 1,606,500 |
| Lamar Media Corp.: | | |
| 6.625%, 08/15/2015 ; | 1,145,000 | 1,090,613 |
| Ser. B, 6.625%, 08/15/2015 | 2,790,000 | 2,657,475 |
| Mediacom Broadband, LLC, 8.50%, 10/15/2015 ; | 340,000 | 280,500 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Media continued | | |
| Mediacom Communications Corp.: | | |
| 7.875%, 02/15/2011 | \$ 275,000 | \$ 246,813 |
| 9.50%, 01/15/2013 | 2,155,000 | 1,934,113 |
| Paxson Communications Corp., FRN, 10.51%, 01/15/2013 144A | 3,655,000 | 3,170,712 |
| R.H. Donnelley Corp., Ser. A-4, 8.875%, 10/15/2017 144A | 4,665,000 | 3,976,912 |
| Sinclair Broadcast Group, Inc., 8.00%, 03/15/2012 ; | 1,327,000 | 1,346,905 |
| Sirius Satellite Radio, Inc., 9.625%, 08/01/2013 | 2,185,000 | 1,879,100 |
| Visant Corp., 7.625%, 10/01/2012 | 3,035,000 | 3,012,237 |
| XM Satellite Radio Holdings, Inc., 9.75%, 05/01/2014 ; | 2,115,000 | 1,929,938 |
| Young Broadcasting, Inc., 8.75%, 01/15/2014 | 4,731,000 | 3,240,735 |
| | | <u>34,727,709</u> |
| Multi-line Retail 0.3% | | |
| Neiman Marcus Group, Inc., 9.00%, 10/15/2015 | 2,240,000 | <u>2,251,200</u> |
| Specialty Retail 0.9% | | |
| American Achievement Corp., 8.25%, 04/01/2012 | 2,360,000 | 2,171,200 |
| Home Depot, Inc., 5.875%, 12/16/2036 | 665,000 | 556,693 |
| Michaels Stores, Inc., 10.00%, 11/01/2014 ; | 1,215,000 | 1,087,425 |
| Payless ShoeSource, Inc., 8.25%, 08/01/2013 | 3,180,000 | <u>2,941,500</u> |
| | | <u>6,756,818</u> |
| Textiles, Apparel & Luxury Goods 1.7% | | |
| AAC Group Holdings Corp., Sr. Disc. Note, Step Bond, 0.00%, 10/01/2012 † | 445,000 | 371,575 |
| Norcross Safety Products, LLC, Ser. B, 9.875%, 08/15/2011 | 3,330,000 | 3,438,225 |
| Oxford Industries, Inc., 8.875%, 06/01/2011 | 4,480,000 | 4,401,600 |
| Unifi, Inc., 11.50%, 05/15/2014 | 823,000 | 602,848 |
| Warnaco Group, Inc., 8.875%, 06/15/2013 | 3,835,000 | <u>3,921,287</u> |
| | | <u>12,735,535</u> |
| CONSUMER STAPLES 1.8% | | |
| Beverages 0.1% | | |
| Constellation Brands, Inc., 8.375%, 12/15/2014 ; | 975,000 | <u>1,009,125</u> |
| Food & Staples Retailing 0.2% | | |
| Ingles Markets, Inc., 8.875%, 12/01/2011 | 1,295,000 | 1,317,662 |
| Rite Aid Corp., 8.125%, 05/01/2010 | 225,000 | <u>217,969</u> |
| | | <u>1,535,631</u> |
| Food Products 0.9% | | |
| Dean Foods Co., 6.625%, 05/15/2009 | 195,000 | 193,538 |
| Del Monte Foods Co.: | | |
| 6.75%, 02/15/2015 | 195,000 | 182,325 |
| 8.625%, 12/15/2012 | 4,648,000 | 4,717,720 |
| Pilgrim's Pride Corp., 8.375%, 05/01/2017 ; | 1,805,000 | 1,583,887 |
| Smithfield Foods, Inc., 7.75%, 07/01/2017 | 65,000 | <u>61,750</u> |

| | | |
|--|-----------|------------------|
| | | <u>6,739,220</u> |
| Household Products 0.2% | | |
| Church & Dwight Co., 6.00%, 12/15/2012 ; | 1,725,000 | <u>1,690,500</u> |
| Personal Products 0.4% | | |
| Central Garden & Pet Co., 9.125%, 02/01/2013 | 3,600,000 | <u>2,880,000</u> |
| ENERGY 9.3% | | |
| Electric Utilities 1.1% | | |
| Energy Future Holdings Corp., 10.875%, 11/01/2017 ; 144A | 5,700,000 | 5,671,500 |
| Texas Competitive Electric Holdings Co., LLC: | | |
| 10.25%, 11/01/2015 144A | 2,590,000 | 2,557,625 |
| 10.50%, 11/01/2016 ; 144A | 110,000 | <u>107,250</u> |
| | | <u>8,336,375</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| ENERGY continued | | |
| Energy Equipment & Services 1.8% | | |
| Bristow Group, Inc.: | | |
| 6.125%, 06/15/2013 | \$ 160,000 | \$ 154,800 |
| 7.50%, 09/15/2017 144A | 1,030,000 | 1,045,450 |
| Dresser-Rand Group, Inc., 7.375%, 11/01/2014 | 1,870,000 | 1,841,950 |
| GulfMark Offshore, Inc., 7.75%, 07/15/2014 | 1,675,000 | 1,708,500 |
| Helix Energy Solutions, Inc., 9.50%, 01/15/2016 144A | 425,000 | 433,500 |
| Hornbeck Offshore Services, Inc., Ser. B, 6.125%, 12/01/2014 | 4,245,000 | 3,969,075 |
| Parker Drilling Co., 9.625%, 10/01/2013 | 2,111,000 | 2,237,660 |
| PHI, Inc., 7.125%, 04/15/2013 | 2,285,000 | 2,185,031 |
| | | <u>13,575,966</u> |
| Oil, Gas & Consumable Fuels 6.4% | | |
| Chesapeake Energy Corp.: | | |
| 6.875%, 01/15/2016 | 1,300,000 | 1,293,500 |
| 7.75%, 01/15/2015 | 3,425,000 | 3,527,750 |
| Clayton Williams Energy, Inc., 7.75%, 08/01/2013 | 920,000 | 795,800 |
| Delta Petroleum Corp., 7.00%, 04/01/2015 | 1,800,000 | 1,548,000 |
| El Paso Corp., 7.00%, 06/15/2017 | 915,000 | 932,874 |
| Encore Acquisition Co.: | | |
| 6.00%, 07/15/2015 | 1,955,000 | 1,774,163 |
| 6.25%, 04/15/2014 | 660,000 | 617,100 |
| Energy Partners, Ltd., 9.75%, 04/15/2014 | 993,000 | 858,945 |
| Exco Resources, Inc., 7.25%, 01/15/2011 | 2,505,000 | 2,404,800 |
| Forest Oil Corp.: | | |
| 7.25%, 06/15/2019 144A | 1,120,000 | 1,125,600 |
| 7.75%, 05/01/2014 | 80,000 | 81,600 |
| Frontier Oil Corp., 6.625%, 10/01/2011 | 625,000 | 618,750 |
| Griffin Coal Mining Co., Ltd., 9.50%, 12/01/2016 144A | 7,735,000 | 6,326,462 |
| Mariner Energy, Inc., 8.00%, 05/15/2017 | 552,000 | 529,920 |
| Overseas Shipholding Group, Inc., 8.25%, 03/15/2013 | 4,425,000 | 4,535,625 |
| Peabody Energy Corp.: | | |
| 5.875%, 04/15/2016 | 3,955,000 | 3,717,700 |
| 6.875%, 03/15/2013 | 635,000 | 633,413 |
| Plains Exploration & Production Co., 7.75%, 06/15/2015 | 895,000 | 900,594 |
| Regency Energy Partners, LP, 8.375%, 12/15/2013 | 670,000 | 683,400 |
| Sabine Pass LNG, LP: | | |
| 7.25%, 11/30/2013 | 665,000 | 631,750 |
| 7.50%, 11/30/2016 | 3,805,000 | 3,586,212 |
| Southwestern Energy Co., 7.50%, 02/01/2018 144A | 1,220,000 | 1,259,650 |
| Targa Resources, Inc., 8.50%, 11/01/2013 | 2,235,000 | 2,117,662 |
| Tesoro Corp.: | | |
| 6.50%, 06/01/2017 | 2,150,000 | 2,107,000 |
| 6.625%, 11/01/2015 | 765,000 | 747,788 |

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| | | |
|---|-----------|-------------------|
| Williams Cos.: | | |
| 7.50%, 01/15/2031 | 2,080,000 | 2,225,600 |
| 8.125%, 03/15/2012 | 3,195,000 | 3,506,512 |
| | | <u>49,088,170</u> |
| FINANCIALS 9.3% | | |
| Consumer Finance 6.1% | | |
| CCH II Capital Corp., 10.25%, 09/15/2010 | 9,230,000 | 8,783,101 |
| Daimler Financial Services AG, 4.875%, 06/15/2010 | 1,000,000 | 1,017,561 |
| Ford Motor Credit Co., LLC: | | |
| 5.70%, 01/15/2010 | 25,000 | 22,882 |
| 7.375%, 10/28/2009 | 5,760,000 | 5,549,149 |
| 9.75%, 09/15/2010 | 8,618,000 | 8,328,642 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|-----------------------------|-------------------|
| CORPORATE BONDS continued | | |
| FINANCIALS continued | | |
| Consumer Finance continued | | |
| General Motors Acceptance Corp., LLC: | | |
| 5.625%, 05/15/2009 | \$ 1,405,000 | \$ 1,360,447 |
| 6.875%, 09/15/2011 | 10,340,000 | 9,046,931 |
| 6.875%, 08/28/2012 | 410,000 | 348,434 |
| 7.25%, 03/02/2011 | 135,000 | 122,049 |
| 7.75%, 01/19/2010 | 1,505,000 | 1,440,351 |
| 8.00%, 11/01/2031 | 3,960,000 | 3,289,624 |
| FRN: | | |
| 6.03%, 09/23/2008 | 1,185,000 | 1,152,679 |
| 6.12%, 05/15/2009 | 2,305,000 | 2,152,702 |
| HSBC Finance Corp., 5.00%, 06/30/2015 | 2,400,000 | 2,338,625 |
| Qwest Capital Funding, Inc., 6.50%, 11/15/2018 | 760,000 | 642,200 |
| Sprint Capital Corp., 6.875%, 11/15/2028 | 1,540,000 | 1,295,308 |
| | | <u>46,890,685</u> |
| Diversified Financial Services 0.6% | | |
| Leucadia National Corp.: | | |
| 7.125%, 03/15/2017 | 555,000 | 525,863 |
| 8.125%, 09/15/2015 | 4,010,000 | 4,010,000 |
| | | <u>4,535,863</u> |
| Real Estate Investment Trusts 1.3% | | |
| Host Marriott Corp.: | | |
| 7.125%, 11/01/2013 | 2,310,000 | 2,298,450 |
| Ser. O, 6.375%, 03/15/2015 | 140,000 | 134,400 |
| Ser. Q, 6.75%, 06/01/2016 | 2,995,000 | 2,897,662 |
| Omega Healthcare Investors, Inc.: | | |
| 7.00%, 04/01/2014 | 1,205,000 | 1,198,975 |
| 7.00%, 01/15/2016 | 1,840,000 | 1,821,600 |
| Thornburg Mortgage, Inc., 8.00%, 05/15/2013 | 554,000 | 469,515 |
| Ventas, Inc., 7.125%, 06/01/2015 | 840,000 | 873,600 |
| | | <u>9,694,202</u> |
| Real Estate Management & Development 0.0% | | |
| Realogy Corp., 10.50%, 04/15/2014 144A | 75,000 | 54,000 |
| Thriffs & Mortgage Finance 1.3% | | |
| Residential Capital, LLC: | | |
| 7.625%, 11/21/2008 | 2,490,000 | 1,929,750 |
| 7.875%, 06/30/2010 | 11,730,000 | 7,683,150 |
| FRN, 5.65%, 06/09/2008 | 390,000 | 335,400 |
| | | <u>9,948,300</u> |
| HEALTH CARE 2.7% | | |
| Health Care Providers & Services 2.7% | | |
| HCA, Inc.: | | |
| 6.375%, 01/15/2015 | 2,448,000 | 2,099,160 |

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| | | |
|--------------------|-----------|-------------------|
| 6.50%, 02/15/2016 | 845,000 | 721,419 |
| 8.75%, 09/01/2010 | 2,780,000 | 2,800,850 |
| 9.25%, 11/15/2016 | 7,780,000 | 8,178,725 |
| Omnicare, Inc.: | | |
| 6.125%, 06/01/2013 | 3,590,000 | 3,248,950 |
| 6.875%, 12/15/2015 | 3,775,000 | <u>3,416,375</u> |
| | | <u>20,465,479</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|-----------------------------|-------------------|
| CORPORATE BONDS continued | | |
| INDUSTRIALS 5.4% | | |
| Aerospace & Defense 3.0% | | |
| Alliant Techsystems, Inc., 6.75%, 04/01/2016 | \$ 555,000 | \$ 538,350 |
| DRS Technologies, Inc.: | | |
| 6.625%, 02/01/2016 | 1,020,000 | 1,002,150 |
| 7.625%, 02/01/2018 | 425,000 | 421,813 |
| Hexcel Corp., 6.75%, 02/01/2015 | 1,700,000 | 1,649,000 |
| L-3 Communications Holdings, Inc.: | | |
| 5.875%, 01/15/2015 | 11,720,000 | 11,456,300 |
| 6.125%, 01/15/2014 | 1,450,000 | 1,435,500 |
| 6.375%, 10/15/2015 | 4,839,000 | 4,826,902 |
| Vought Aircraft Industries, Inc., 8.00%, 07/15/2011 | 1,775,000 | 1,646,312 |
| | | <u>22,976,327</u> |
| Commercial Services & Supplies 0.9% | | |
| Browning-Ferris Industries, Inc.: | | |
| 7.40%, 09/15/2035 | 4,315,000 | 3,991,375 |
| 9.25%, 05/01/2021 | 1,530,000 | 1,614,150 |
| Corrections Corporation of America, 6.25%, 03/15/2013 | 195,000 | 195,000 |
| Geo Group, Inc., 8.25%, 07/15/2013 | 515,000 | 521,438 |
| Mobile Mini, Inc., 6.875%, 05/01/2015 | 860,000 | 752,500 |
| | | <u>7,074,463</u> |
| Machinery 0.5% | | |
| Commercial Vehicle Group, Inc., 8.00%, 07/01/2013 | 4,995,000 | 4,251,994 |
| Road & Rail 0.8% | | |
| Avis Budget Car Rental, LLC: | | |
| 7.625%, 05/15/2014 | 210,000 | 194,250 |
| 7.75%, 05/15/2016 | 2,250,000 | 2,013,750 |
| Hertz Global Holdings, Inc.: | | |
| 8.875%, 01/01/2014 | 1,305,000 | 1,265,850 |
| 10.50%, 01/01/2016 | 95,000 | 91,794 |
| Kansas City Southern: | | |
| 7.50%, 06/15/2009 | 1,140,000 | 1,152,825 |
| 9.50%, 10/01/2008 | 1,450,000 | 1,484,437 |
| | | <u>6,202,906</u> |
| Trading Companies & Distributors 0.2% | | |
| Neff Corp., 10.00%, 06/01/2015 | 220,000 | 105,600 |
| United Rentals, Inc., 6.50%, 02/15/2012 | 1,320,000 | 1,221,000 |
| | | <u>1,326,600</u> |
| INFORMATION TECHNOLOGY 2.6% | | |
| Electronic Equipment & Instruments 1.0% | | |
| Da-Lite Screen Co., Inc., 9.50%, 05/15/2011 | 2,825,000 | 2,634,313 |

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| | | |
|---|-----------|------------------|
| Jabil Circuit, Inc., 8.25%, 03/15/2018 144A | 3,910,000 | 3,800,911 |
| Sanmina-SCI Corp.: | | |
| 6.75%, 03/01/2013 | 445,000 | 387,150 |
| 8.125%, 03/01/2016 | 710,000 | 623,025 |
| FRN, 7.74%, 06/15/2010 144A | 569,000 | 569,000 |
| | | <u>8,014,399</u> |
| IT Services 1.1% | | |
| First Data Corp., 9.875%, 09/24/2015 144A | 3,580,000 | 3,172,775 |
| ipayment, Inc., 9.75%, 05/15/2014 | 2,000,000 | 1,860,000 |
| SunGard Data Systems, Inc.: | | |
| 4.875%, 01/15/2014 | 2,595,000 | 2,251,162 |
| 10.25%, 08/15/2015 | 110,000 | 110,550 |
| Unisys Corp., 6.875%, 03/15/2010 | 765,000 | 722,925 |
| | | <u>8,117,412</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| INFORMATION TECHNOLOGY continued | | |
| Semiconductors & Semiconductor Equipment 0.4% | | |
| Freescale Semiconductor, Inc.: | | |
| 8.875%, 12/15/2014 | \$ 1,930,000 | \$ 1,577,775 |
| 9.125%, 12/15/2014 | 775,000 | 578,344 |
| Spansion, Inc.: | | |
| 11.25%, 01/15/2016 144A | 880,000 | 620,400 |
| FRN, 8.25%, 06/01/2013 144A | 385,000 | 295,487 |
| | | <u>3,072,006</u> |
| Software 0.1% | | |
| Activant Solutions, Inc., 9.50%, 05/01/2016 | 915,000 | <u>776,606</u> |
| MATERIALS 7.8% | | |
| Chemicals 2.9% | | |
| ARCO Chemical Co.: | | |
| 9.80%, 02/01/2020 | 1,050,000 | 960,750 |
| 10.25%, 11/01/2010 | 180,000 | 186,300 |
| Huntsman, LLC, 11.625%, 10/15/2010 | 3,000,000 | 3,157,500 |
| Koppers Holdings, Inc.: | | |
| 9.875%, 10/15/2013 | 215,000 | 230,050 |
| Sr. Disc. Note, Step Bond, 0.00%, 11/15/2014 † | 2,235,000 | 1,899,750 |
| MacDermid, Inc., 9.50%, 04/15/2017 144A | 3,833,000 | 3,315,545 |
| Millenium America, Inc., 7.625%, 11/15/2026 | 2,135,000 | 1,526,525 |
| Momentive Performance Materials, Inc., 9.75%, 12/01/2014 | 3,685,000 | 3,353,350 |
| Mosaic Co.: | | |
| 7.30%, 01/15/2028 | 1,285,000 | 1,291,425 |
| 7.875%, 12/01/2016 144A | 1,800,000 | 1,953,000 |
| Tronox Worldwide, LLC, 9.50%, 12/01/2012 | 4,605,000 | 4,351,725 |
| | | <u>22,225,920</u> |
| Construction Materials 0.4% | | |
| CPG International, Inc., 10.50%, 07/01/2013 | 3,605,000 | 3,226,475 |
| Dayton Superior Corp., 13.00%, 06/15/2009 | 225,000 | 189,563 |
| | | <u>3,416,038</u> |
| Containers & Packaging 2.0% | | |
| BPC Holding Corp., 8.875%, 09/15/2014 | 1,251,000 | 1,116,517 |
| Exopack Holding Corp., 11.25%, 02/01/2014 | 3,350,000 | 3,157,375 |
| Graham Packaging Co.: | | |
| 8.50%, 10/15/2012 | 1,840,000 | 1,628,400 |
| 9.875%, 10/15/2014 | 2,055,000 | 1,746,750 |
| Graphic Packaging International, Inc.: | | |
| 8.50%, 08/15/2011 | 1,890,000 | 1,842,750 |
| 9.50%, 08/15/2013 | 2,340,000 | 2,217,150 |
| Smurfit-Stone Container Corp., 8.375%, 07/01/2012 | 3,520,000 | 3,423,200 |
| | | <u>15,132,142</u> |
| Metals & Mining 0.7% | | |

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Freeport-McMoRan Copper & Gold, Inc.:

6.875%, 02/01/2014

1,930,000

1,968,600

8.375%, 04/01/2017

1,480,000

1,576,200

Indalex Holdings Corp., 11.50%, 02/01/2014

1,780,000

1,579,750

5,124,550

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|-----------------------------|-------------------|
| CORPORATE BONDS continued | | |
| MATERIALS continued | | |
| Paper & Forest Products 1.8% | | |
| Bowater, Inc., 9.375%, 12/15/2021 | \$ 800,000 | \$ 580,000 |
| Georgia Pacific Corp.: | | |
| 8.125%, 05/15/2011 | 5,400,000 | 5,427,000 |
| 8.875%, 05/15/2031 | 2,380,000 | 2,249,100 |
| Glatfelter, 7.125%, 05/01/2016 | 1,660,000 | 1,647,550 |
| Newpage Corp., 10.00%, 05/01/2012 144A | 1,700,000 | 1,700,000 |
| Verso Paper Holdings, LLC, 11.375%, 08/01/2016 | 2,673,000 | 2,566,080 |
| | | <u>14,169,730</u> |
| TELECOMMUNICATION SERVICES 4.2% | | |
| Diversified Telecommunication Services 1.7% | | |
| Citizens Communications Co.: | | |
| 7.875%, 01/15/2027 | 430,000 | 395,600 |
| 9.25%, 05/15/2011 | 2,570,000 | 2,749,900 |
| Consolidated Communications, Inc., 9.75%, 04/01/2012 | 3,500,000 | 3,570,000 |
| Qwest Corp., 8.875%, 03/15/2012 | 4,395,000 | 4,664,194 |
| West Corp., 11.00%, 10/15/2016 | 1,905,000 | 1,743,075 |
| | | <u>13,122,769</u> |
| Wireless Telecommunication Services 2.5% | | |
| Centennial Communications Corp.: | | |
| 8.125%, 02/01/2014 | 2,735,000 | 2,584,575 |
| 10.125%, 06/15/2013 | 2,165,000 | 2,224,537 |
| Cricket Communications, Inc.: | | |
| 9.375%, 11/01/2014 | 1,370,000 | 1,253,550 |
| 9.375%, 11/01/2014 144A | 1,420,000 | 1,299,300 |
| MetroPCS Wireless, Inc., 9.25%, 11/01/2014 | 3,805,000 | 3,519,625 |
| Rural Cellular Corp., 8.25%, 03/15/2012 | 5,410,000 | 5,599,350 |
| Sprint Nextel Corp.: | | |
| Ser. D, 7.375%, 08/01/2015 | 2,145,000 | 1,963,672 |
| Ser. F, 5.95%, 03/15/2014 | 1,010,000 | 892,109 |
| | | <u>19,336,718</u> |
| UTILITIES 4.5% | | |
| Electric Utilities 4.3% | | |
| Allegheny Energy Supply Co., 8.25%, 04/15/2012 144A | 4,095,000 | 4,402,125 |
| Aquila, Inc., 14.625%, 07/01/2012 | 5,274,000 | 6,605,685 |
| CMS Energy Corp.: | | |
| 6.55%, 07/17/2017 | 270,000 | 266,026 |
| 8.50%, 04/15/2011 | 515,000 | 556,637 |
| Edison Mission Energy: | | |
| 7.00%, 05/15/2017 | 560,000 | 547,400 |

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| | | |
|--|-----------|--------------------|
| 7.20%, 05/15/2019 | 1,170,000 | 1,146,600 |
| Mirant Americas Generation, LLC, 8.50%, 10/01/2021 | 490,000 | 434,875 |
| Mirant Mid-Atlantic, LLC, Ser. C, 10.06%, 12/30/2028 | 480,000 | 556,800 |
| Mirant North America, LLC, 7.375%, 12/31/2013 | 5,140,000 | 5,165,700 |
| NRG Energy, Inc., 7.375%, 02/01/2016 | 4,215,000 | 4,083,281 |
| Orion Power Holdings, Inc., 12.00%, 05/01/2010 | 3,195,000 | 3,490,537 |
| Reliant Energy, Inc.: | | |
| 6.75%, 12/15/2014 | 5,135,000 | 5,205,606 |
| 7.875%, 06/15/2017 | 85,000 | 83,300 |
| | | <u>32,544,572</u> |
| Independent Power Producers & Energy Traders 0.2% | | |
| AES Corp., 8.00%, 10/15/2017 | 110,000 | 112,750 |
| Dynegy Holdings, Inc., 7.50%, 06/01/2015 | 1,745,000 | 1,635,938 |
| | | <u>1,748,688</u> |
| <i>Total Corporate Bonds (cost \$520,080,096)</i> | | <u>490,920,940</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| FOREIGN BONDS – CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) 18.5% | | |
| CONSUMER DISCRETIONARY 0.4% | | |
| Media 0.1% | | |
| Central European Media Enterprise, Ltd.: | | |
| 8.25%, 05/15/2012 EUR | 500,000 | \$ 722,961 |
| FRN, 6.20%, 05/15/2014 EUR | 250,000 | 312,534 |
| | | <u>1,035,495</u> |
| Multi-line Retail 0.3% | | |
| Marks & Spencer Group plc, 6.375%, 11/07/2011 GBP | 1,000,000 | 1,985,664 |
| CONSUMER STAPLES 1.3% | | |
| Beverages 0.2% | | |
| Canandaigua Brands, Inc., 8.50%, 11/15/2009 GBP | 750,000 | 1,472,620 |
| Food & Staples Retailing 0.3% | | |
| Koninklijke Ahold NV, 5.875%, 03/14/2012 EUR | 1,000,000 | 1,499,749 |
| Tesco plc, 3.875%, 03/24/2011 EUR | 620,000 | 909,084 |
| | | <u>2,408,833</u> |
| Tobacco 0.8% | | |
| British American Tobacco plc, 5.75%, 12/09/2013 GBP | 3,140,000 | 6,170,903 |
| ENERGY 0.3% | | |
| Oil, Gas & Consumable Fuels 0.3% | | |
| GAZPROM OAO, 5.36%, 10/31/2014 EUR | 1,100,000 | 1,492,347 |
| Transco plc, 7.00%, 12/15/2008 AUD | 1,000,000 | 892,382 |
| | | <u>2,384,729</u> |
| FINANCIALS 14.2% | | |
| Capital Markets 0.4% | | |
| Morgan Stanley, 5.375%, 11/14/2013 GBP | 1,510,000 | 2,852,436 |
| Commercial Banks 8.3% | | |
| Bank Nederlandse Gemeenten NV, 4.875%, 04/21/2010 GBP | 7,595,000 | 15,134,729 |
| Eurofima: | | |
| 6.25%, 12/28/2018 AUD | 2,450,000 | 2,111,771 |
| 6.50%, 08/22/2011 AUD | 5,000,000 | 4,391,961 |
| European Investment Bank: | | |
| 5.75%, 09/15/2009 AUD | 5,470,000 | 4,811,715 |
| 6.125%, 01/23/2017 AUD | 12,430,000 | 10,629,701 |
| Kommunalbanken AS, 4.125%, 06/03/2013 CAD | 1,980,000 | 1,953,272 |
| Kreditanstalt für Wiederaufbau: | | |
| 4.95%, 10/14/2014 CAD | 6,310,000 | 6,555,656 |
| 6.00%, 07/15/2009 NZD | 8,250,000 | 6,299,968 |
| Landwirtschaftliche Rentenbank: | | |
| 4.25%, 11/16/2012 CAD | 7,110,000 | 7,154,373 |
| 5.75%, 01/21/2015 AUD | 5,330,000 | 4,438,829 |
| Rabobank Australia, Ltd., 6.25%, 11/22/2011 NZD | 725,000 | 539,839 |
| | | <u>64,021,814</u> |
| Consumer Finance 1.6% | | |

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| | | |
|--|-----------|-------------------|
| ABB International Finance, Ltd., 6.50%, 11/30/2011 EUR | 5,360,000 | 8,435,016 |
| HSBC Finance Corp., 7.00%, 03/27/2012 GBP | 370,000 | 750,329 |
| Total Capital SA, 5.50%, 01/29/2013 GBP | 1,000,000 | 2,027,022 |
| Virgin Media Finance plc, 8.75%, 04/15/2014 EUR | 940,000 | 1,213,932 |
| | | <u>12,426,299</u> |
| Diversified Financial Services 1.3% | | |
| GE Capital European Funding, 4.125%, 10/27/2016 EUR | 4,750,000 | 6,652,649 |
| General Electric Capital Corp., 5.25%, 12/10/2013 GBP | 780,000 | 1,531,060 |
| Lighthouse Group plc, 8.00%, 04/30/2014 EUR | 1,000,000 | 1,417,486 |
| | | <u>9,601,195</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|--------------------|
| FOREIGN BONDS – CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued | | |
| FINANCIALS continued | | |
| Insurance 0.6% | | |
| AIG SunAmerica, Inc., 5.625%, 02/01/2012 GBP | 2,000,000 | \$ 3,908,496 |
| Travelers Insurance Co., 6.00%, 04/07/2009 AUD | 1,000,000 | 879,113 |
| | | <u>4,787,609</u> |
| Thriffs & Mortgage Finance 2.0% | | |
| Nykredit, 5.00%, 10/01/2035 DKK | 26,791,813 | 5,246,860 |
| Realkredit Danmark, 4.00%, 10/01/2035 DKK | 17,818,559 | 3,215,325 |
| Totalkredit, FRN, 5.36%, 01/01/2015 DKK | 33,980,622 | 6,920,756 |
| | | <u>15,382,941</u> |
| INDUSTRIALS 0.5% | | |
| Aerospace & Defense 0.2% | | |
| Bombardier, Inc., 7.25%, 11/15/2016 EUR | 930,000 | 1,322,267 |
| Machinery 0.3% | | |
| Harsco Corp., 7.25%, 10/27/2010 GBP | 1,000,000 | 2,076,929 |
| Savcio Holdings, Ltd., 8.00%, 02/15/2013 EUR | 250,000 | 313,221 |
| | | <u>2,390,150</u> |
| INFORMATION TECHNOLOGY 0.4% | | |
| Office Electronics 0.4% | | |
| Xerox Corp., 9.75%, 01/15/2009 EUR | 1,800,000 | 2,785,105 |
| MATERIALS 0.1% | | |
| Containers & Packaging 0.1% | | |
| Owens-Illinois European Group BV, 6.875%, 03/31/2017 EUR | 500,000 | 639,992 |
| TELECOMMUNICATION SERVICES 1.3% | | |
| Diversified Telecommunication Services 1.3% | | |
| Deutsche Telekom AG, 6.25%, 12/09/2010 GBP | 2,700,000 | 5,451,484 |
| France Telecom, 7.25%, 01/28/2013 EUR | 1,850,000 | 3,032,897 |
| Nordic Telephone Co., 8.25%, 05/01/2016 EUR | 900,000 | 1,266,917 |
| <i>Total Foreign Bonds – Corporate (Principal Amount Denominated in Currency Indicated) (cost \$132,526,605)</i> | | <u>141,419,350</u> |
| FOREIGN BONDS – GOVERNMENT (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) 19.6% | | |
| Australia, Ser. 17RG, 5.50%, 03/01/2017 AUD | 3,100,000 | 2,568,286 |
| Caisse d'Amortissement de la Dette Sociale, 4.125%, 04/25/2017 EUR | 6,580,000 | 9,738,399 |
| Canada: | | |
| 4.40%, 03/08/2016 CAD | 5,290,000 | 5,313,838 |
| 5.00%, 06/01/2014 CAD | 2,900,000 | 3,102,845 |
| 5.75%, 03/03/2008 NZD | 5,000,000 | 3,931,817 |
| Denmark, 4.00%, 11/15/2017 DKK | 75,795,000 | 14,961,338 |
| France, 4.25%, 04/25/2019 EUR | 7,700,000 | 11,562,931 |
| Germany: | | |

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| | | |
|------------------------------------|---------------|------------|
| 3.50%, 10/14/2011 EUR | 4,400,000 | 6,526,373 |
| 3.75%, 01/04/2017 EUR | 2,000,000 | 2,930,599 |
| Hong Kong, 4.23%, 03/21/2011 HKD | 66,700,000 | 9,194,848 |
| Korea: | | |
| 5.25%, 09/10/2015 KRW | 2,850,000,000 | 3,034,657 |
| 5.25%, 03/10/2027 KRW | 5,510,000,000 | 5,833,321 |
| Mexico, 10.00%, 12/05/2024 MXN | 80,640,000 | 9,049,541 |
| Netherlands: | | |
| 4.00%, 07/15/2016 EUR | 3,795,000 | 5,652,665 |
| 4.00%, 01/15/2037 EUR | 6,350,000 | 8,674,786 |
| New Zealand, 6.00%, 07/15/2008 NZD | 5,130,000 | 4,012,662 |
| Norway, 4.25%, 05/19/2017 NOK | 80,900,000 | 14,814,936 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|--------------------|
| FOREIGN BONDS – GOVERNMENT (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued | | |
| Sweden: | | |
| 5.25%, 03/15/2011 SEK | 89,940,000 | \$ 14,757,100 |
| 5.50%, 10/08/2012 SEK | 87,700,000 | 14,800,356 |
| <i>Total Foreign Bonds – Government (Principal Amount Denominated in Currency Indicated)</i> <i>(cost \$137,957,320)</i> | | <u>150,461,298</u> |
| YANKEE OBLIGATIONS – CORPORATE 5.7% | | |
| ENERGY 0.8% | | |
| Oil, Gas & Consumable Fuels 0.8% | | |
| Connacher Oil & Gas, Ltd., 10.25%, 12/15/2015 144A | \$ 1,310,000 | 1,303,450 |
| OPTI Canada, Inc.: | | |
| 7.875%, 12/15/2014 144A | 3,685,000 | 3,592,875 |
| 8.25%, 12/15/2014 144A | 1,315,000 | 1,295,275 |
| | | <u>6,191,600</u> |
| FINANCIALS 1.1% | | |
| Commercial Banks 0.2% | | |
| Bank of Moscow, 7.34%, 05/13/2013 | 1,500,000 | 1,486,950 |
| JSC Halyk Bank, 8.125%, 10/07/2009 | 500,000 | 509,700 |
| | | <u>1,996,650</u> |
| Consumer Finance 0.5% | | |
| Avago Technologies Finance, Ltd., 10.125%, 12/01/2013 | 570,000 | 595,650 |
| NXP Funding, LLC, 7.875%, 10/15/2014 | 95,000 | 87,519 |
| Petroplus Finance, Ltd., 6.75%, 05/01/2014 144A | 680,000 | 625,600 |
| Virgin Media Finance plc, 9.125%, 08/15/2016 | 2,875,000 | 2,616,250 |
| | | <u>3,925,019</u> |
| Diversified Financial Services 0.4% | | |
| Preferred Term Securities XII, Ltd., FRN, 10.00%, 12/24/2033 | 635,000 | 437,896 |
| Ship Finance International, Ltd., 8.50%, 12/15/2013 | 2,380,000 | 2,397,850 |
| | | <u>2,835,746</u> |
| INDUSTRIALS 0.8% | | |
| Road & Rail 0.8% | | |
| Kansas City Southern de Mexico: | | |
| 7.375%, 06/01/2014 144A | 2,910,000 | 2,771,775 |
| 9.375%, 05/01/2012 | 3,235,000 | 3,348,225 |
| | | <u>6,120,000</u> |
| INFORMATION TECHNOLOGY 0.8% | | |
| Communications Equipment 0.6% | | |
| Nortel Networks Corp., 10.125%, 07/15/2013 144A | 4,750,000 | 4,761,875 |
| Semiconductors & Semiconductor Equipment 0.2% | | |
| Sensata Technologies, Inc., 8.00%, 05/01/2014 | 1,165,000 | 1,054,325 |
| MATERIALS 1.5% | | |
| Metals & Mining 1.3% | | |

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| | | |
|---|------------|-------------------|
| Novelis, Inc., 7.25%, 02/15/2015 | 10,790,000 | <u>10,007,725</u> |
| Paper & Forest Products 0.2% | | |
| Corporacion Durango SAB de CV, 10.50%, 10/05/2017 144A | 1,875,000 | <u>1,542,187</u> |
| TELECOMMUNICATION SERVICES 0.7% | | |
| Wireless Telecommunication Services 0.7% | | |
| Inmarsat Finance II plc, Sr. Disc. Note, Step Bond, 0.00%, 11/15/2012 † | 1,120,000 | 1,097,600 |
| Intelsat, Ltd.: | | |
| 9.25%, 06/15/2016 | 1,265,000 | 1,268,162 |
| 11.25%, 06/15/2016 | 1,555,000 | 1,562,775 |
| Vimpel Communications, 8.25%, 05/23/2016 | 1,400,000 | <u>1,398,180</u> |
| | | <u>5,326,717</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| YANKEE OBLIGATIONS – CORPORATE continued | | |
| TELECOMMUNICATION SERVICES continued | | |
| UTILITIES 0.0% | | |
| Electric Utilities 0.0% | | |
| InterGen NV, 9.00%, 06/30/2017 144A | \$ 185,000 | \$ 193,788 |
| <i>Total Yankee Obligations-Corporate (cost \$46,448,267)</i> | | <u>43,955,632</u> |

| | Shares | Value |
|--|---------|------------------|
| COMMON STOCKS 0.1% | | |
| INDUSTRIALS 0.1% | | |
| Delta Air Lines, Inc. * | 15,758 | <u>265,207</u> |
| MATERIALS 0.0% | | |
| Chemicals 0.0% | | |
| Tronox, Inc., Class A | 31,800 | <u>232,140</u> |
| TELECOMMUNICATION SERVICES 0.0% | | |
| Wireless Telecommunication Services 0.0% | | |
| Sprint Nextel Corp. | 23,227 | <u>244,581</u> |
| <i>Total Common Stocks (cost \$836,941)</i> | | <u>741,928</u> |
| PREFERRED STOCKS 0.7% | | |
| FINANCIALS 0.7% | | |
| Thrifts & Mortgage Finance 0.7% | | |
| Fannie Mae, Ser. S, 8.25% | 168,190 | 4,443,580 |
| Freddie Mac, Ser. Z, 8.375% | 30,345 | <u>814,763</u> |
| <i>Total Preferred Stocks (cost \$4,971,107)</i> | | <u>5,258,343</u> |

| | Principal Amount | Value |
|---|---------------------|------------------|
| LOANS 2.2% | | |
| CONSUMER DISCRETIONARY 0.1% | | |
| Claire's Stores, Inc., FRN, 5.51%, 05/29/2014 | \$ 199,499 | 159,549 |
| Metaldyne Corp., FRN: | | |
| 7.06%, 01/11/2012 < | 125,000 | 106,673 |
| 7.06%, 01/11/2014 < | 750,000 | <u>638,722</u> |
| | | <u>904,944</u> |
| ENERGY 0.7% | | |
| Blue Grass Energy Corp., FRN, 9.75%, 12/30/2013 | 5,350,000 | 5,183,027 |
| Saint Acquisition Corp., FRN, 8.61%, 06/05/2014 | 675,000 | <u>521,809</u> |
| | | <u>5,704,836</u> |
| INDUSTRIALS 0.6% | | |
| Clarke American Corp., FRN, 7.58%, 02/28/2014 < | 3,470,000 | 2,760,281 |
| Neff Corp., FRN: | | |
| 7.43%, 11/30/2014 < | 1,555,000 | 1,149,487 |
| 9.20%, 11/30/2014 < | 210,000 | 155,236 |

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| | | |
|--|-----------|-------------------|
| 10.25%, 06/01/2008 < | 695,000 | <u>513,758</u> |
| | | <u>4,578,762</u> |
| INFORMATION TECHNOLOGY 0.3% | | |
| Flextonics International, Ltd., FRN, 5.01%, 10/01/2014 < | 2,066,374 | <u>1,972,002</u> |
| MATERIALS 0.5% | | |
| Wimar Co., 6.88%, 01/03/2012 | 3,570,000 | <u>3,522,055</u> |
| <i>Total Loans (cost \$17,324,319)</i> | | <u>16,682,599</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Shares | Value |
|---|------------|-----------------------|
| SHORT-TERM INVESTMENTS 12.4% | | |
| MUTUAL FUND SHARES 12.4% | | |
| Evergreen Institutional Money Market Fund, Class I, 4.31% q ø ; ; (cost \$94,929,891) | 94,929,891 | \$ 94,929,891 |
| Total Investments (cost \$1,239,630,696) 160.8% | | 1,233,079,104 |
| Other Assets and Liabilities and Preferred Shares (60.8%) | | (466,345,339) |
| Net Assets Applicable to Common Shareholders 100.0% | | <u>\$ 766,733,765</u> |

When-issued or delayed delivery security

All or a portion of this security has been segregated for when-issued or delayed delivery securities.
All or a portion of this security is 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, unless otherwise noted.

† 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.

* Non-income producing security

< All or a portion of the position represents an unfunded loan commitment.

q Rate shown is the 7-day annualized yield at period end.

ø Evergreen Investment Management Company, LLC is the investment advisor to both the Fund and the money market fund.

All or a portion of this security represents investment of cash collateral received from securities on loan.

Summary of Abbreviations

| | |
|-------|---------------------------------------|
| AUD | Australian Dollar |
| CAD | Canadian Dollar |
| DKK | Danish Krone |
| EUR | Euro |
| FHLB | Federal Home Loan Bank |
| FHLMC | Federal Home Loan Mortgage Corp. |
| FNMA | Federal National Mortgage Association |
| FRN | Floating Rate Note |
| GBP | Great British Pound |
| | Government National Mortgage |
| GNMA | Association |
| HKD | Hong Kong Dollar |
| KRW | Republic of Korea Won |
| MXN | Mexican Peso |
| NOK | Norwegian Krone |
| NZD | New Zealand Dollar |
| SEK | Swedish Krona |
| TBA | To Be Announced |

At January 31, 2008, the Fund had the following open interest rate swap agreements:

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| <u>Expiration</u> | <u>Notional Amount</u> | <u>Counterparty</u> | <u>Cash Flows Paid by the Fund</u> | <u>Cash Flows Received by the Fund</u> | <u>Unrealized Loss</u> |
|-------------------|------------------------|----------------------|------------------------------------|--|------------------------|
| 11/26/2008 | \$112,000,000 | JPMorgan Chase & Co. | Fixed – 3.582% | Floating – 3.29% | \$686,017 |

1 This rate represents the 1 month USD London InterBank Offered Rate (LIBOR) effective for the period from January 28, 2008 through February 26, 2008.

At January 31, 2008, the Fund had the following open credit default swap contracts outstanding:

| <u>Expiration</u> | <u>Counterparty</u> | <u>Reference Index</u> | <u>Notional Amount</u> | <u>Fixed Payments Made</u> | <u>Frequency of Payments Made</u> | <u>Unrealized Loss</u> |
|-------------------|---------------------|--|------------------------|----------------------------|-----------------------------------|------------------------|
| 12/12/2012 | Lehman Brothers | Dow Jones CDX North America High Yield Index | \$5,445,000 | 3.75% | Quarterly | \$306,796 |
| 12/13/2049 | Goldman Sachs | CMBX North America Index | 1,000,000 | 0.27% | Quarterly | 139,047 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

At January 31, 2008, the Fund had forward foreign currency exchange contracts outstanding as follows:

Forward Foreign Currency Exchange Contracts to Buy:

| <u>Exchange Date</u> | <u>Contracts to Receive</u> | <u>U.S. Value at January 31, 2008</u> | <u>In Exchange for U.S. \$</u> | <u>Unrealized Gain</u> |
|----------------------|-----------------------------|---------------------------------------|--------------------------------|------------------------|
| 04/07/2008 | 257,700,000 JPY | \$2,430,721 | \$2,397,209 | \$33,512 |
| 04/15/2008 | 2,478,000 EUR | 3,670,891 | 3,651,383 | 19,508 |

Forward Foreign Currency Exchange Contracts to Buy:

| <u>Exchange Date</u> | <u>Contracts to Receive</u> | <u>U.S. Value at January 31, 2008</u> | <u>In Exchange for</u> | <u>U.S. Value at January 31, 2008</u> | <u>Unrealized Gain (Loss)</u> |
|----------------------|-----------------------------|---------------------------------------|------------------------|---------------------------------------|-------------------------------|
| 02/13/2008 | 847,127,000 JPY | \$7,962,405 | 8,500,000 AUD | \$7,615,323 | \$347,082 |
| 02/13/2008 | 1,569,995,050 JPY | 14,756,863 | 15,980,000 AUD | 14,316,808 | 440,055 |
| 02/13/2008 | 369,912,000 JPY | 3,476,916 | 4,000,000 AUD | 3,583,682 | (106,766) |
| 02/19/2008 | 1,686,744,800 JPY | 15,861,051 | 20,540,000 NZD | 16,138,718 | (277,667) |
| 02/19/2008 | 1,283,000 NZD | 1,008,081 | 111,030,820 JPY | 1,044,062 | (35,981) |
| 03/14/2008 | 1,015,846,000 JPY | 9,567,560 | 4,474,304 GBP | 8,873,259 | 694,301 |
| 03/14/2008 | 1,020,289,000 JPY | 9,609,405 | 71,304,004 HKD | 9,156,011 | 453,394 |
| 03/14/2008 | 5,865,000 HKD | 753,113 | 84,690,013 JPY | 797,637 | (44,524) |
| 04/15/2008 | 10,914,108 EUR | 16,168,078 | 8,267,000 GBP | 16,359,951 | (191,873) |
| 04/15/2008 | 1,790,000,000 JPY | 16,892,243 | 8,496,499 GBP | 16,814,118 | 78,125 |
| 04/15/2008 | 2,723,000,000 JPY | 25,696,970 | 17,058,945 EUR | 25,270,994 | 425,976 |
| 04/22/2008 | 1,761,596,000 JPY | 16,631,350 | 16,997,260 CAD | 16,915,477 | (284,127) |

Forward Foreign Currency Exchange Contracts to Sell:

| <u>Exchange Date</u> | <u>Contracts to Deliver</u> | <u>U.S. Value at January 31, 2008</u> | <u>In Exchange for U.S.\$</u> | <u>Unrealized Loss</u> |
|----------------------|-----------------------------|---------------------------------------|-------------------------------|------------------------|
| 03/18/2008 | 10,484,942 EUR | \$15,547,954 | \$15,165,000 | \$382,954 |

On January 31, 2008, the aggregate cost of securities for federal income tax purposes was \$1,240,197,342. The gross unrealized appreciation and depreciation on securities based on tax cost was \$28,241,811 and \$35,360,049, respectively, with a net unrealized depreciation of \$7,118,238.

Valuation of investments

Portfolio debt securities acquired with more than 60 days to maturity are fair valued using matrix pricing methods determined by an independent pricing service which takes into consideration such factors as similar security prices, yields, maturities, liquidity and ratings. Securities for which valuations are not readily available from an independent pricing service may be valued by brokers which use prices provided by market makers or estimates of market value obtained from yield data relating to investments or securities with similar characteristics.

Listed equity securities are usually valued at the last sales price or official closing price on the national securities exchange where the securities are principally traded.

Investments in open-end mutual funds are valued at net asset value. Securities for which market quotations are not readily available or not reflective of current market value are valued at fair value as determined by the investment advisor in good faith, according to procedures

approved by the Board of Trustees.

Foreign currency translation

All assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of portfolio securities and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for that portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses on investments.

Forward foreign currency contracts

A forward foreign currency contract is an agreement between two parties to purchase or sell a specific currency for an agreed-upon price at a future date. The Fund enters into forward foreign currency contracts to facilitate transactions in foreign-denominated securities and to attempt to minimize the risk to the Fund from adverse changes in the relationship between currencies. Forward foreign currency contracts are recorded at the forward rate and marked-to-market daily. When the contracts are closed, realized gains and losses arising from such transactions are recorded as realized gains or losses on foreign currency related transactions. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts or if the value of the foreign currency changes unfavorably.

When-issued and delayed delivery transactions

The Fund records when-issued or delayed delivery securities as of trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked-to-market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Loans

The Fund may purchase loans through an agent, by assignment from another holder of the loan or as a participation interest in another holder's portion of the loan. Loans are purchased on a when-issued or delayed delivery basis. Interest income is accrued based on the terms of the securities. Fees earned on loan purchasing activities are recorded as income when earned. Loans involve interest rate risk, liquidity risk and credit risk, including the potential default or insolvency of the borrower.

As of January 31, 2008, the Fund had unfunded loan commitments of \$4,191,830.

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

Securities lending

The Fund may lend its securities to certain qualified brokers in order to earn additional income. The Fund receives compensation in the form of fees or interest earned on the investment of any cash collateral received. The Fund also continues to receive interest and dividends on the securities loaned. The Fund receives collateral in the form of cash or securities with a market value at least equal to the market value of the securities on loan, including accrued interest. In the event of default or bankruptcy by the borrower, the Fund could experience delays and costs in recovering the loaned securities or in gaining access to the collateral. The Fund has the right under the lending agreement to recover the securities from the borrower on demand.

Dollar roll transactions

The Fund may enter into dollar roll transactions with respect to mortgage-backed securities. In a dollar roll transaction, the Fund sells mortgage-backed securities to financial institutions and simultaneously agrees to accept substantially similar (same type, coupon and maturity) securities at a later date at an agreed upon price. The Fund will use the proceeds generated from the transactions to invest in short-term investments, which may enhance the Fund's current yield and total return. The Fund accounts for dollar roll transactions as purchases and sales. The Fund could be exposed to risks if the counterparty defaults on its obligation to perform under the terms of the agreement, if the Fund receives inferior securities in comparison to what was sold to the counterparty at redelivery or if there are variances in paydown speed between the mortgage-related pools.

Interest rate swaps

The Fund may enter into interest rate swap agreements to manage the Fund's exposure to interest rates. A swap agreement is an exchange of cash payments between the Fund and another party based on a notional principal amount. Cash payments or receipts are recorded as realized gains or losses. The value of the swap agreements is marked-to-market daily based upon quotations from market makers and any change in value is recorded as an unrealized gain or loss. The Fund could be exposed to risks if the counterparty defaults on its obligation to perform or if there are unfavorable changes in the fluctuation of interest rates.

Credit default swaps

The Fund may enter into credit default swaps. Credit default swaps involve an exchange of a fixed rate premium for protection against the loss in value of an underlying debt instrument in the event of default or bankruptcy. Under the terms of the swap, one party acts as a "guarantor" and receives a periodic stream of payments that is a fixed percentage applied to a notional principal amount over the term of the swap. In return, the counterparty agrees to purchase the notional amount of the underlying instrument, at par, if a credit event occurs during the term of the swap. Periodic payments are recorded as realized gains or losses. Any premiums paid or received on the transactions are recorded as an asset or liability on the Statement of Assets and Liabilities and amortized. The Fund may enter into credit default swaps as either the guarantor or the counterparty.

Swaps are marked-to-market daily based on quotations from market makers and any change in value is recorded as an unrealized gain or loss. Payments received or made as a result of a credit event or termination of the contract are recognized as realized gains or losses. The Fund could be exposed to risks if the counterparty defaults on its obligation to perform, or if there are unfavorable changes in the fluctuation of interest rates or in the price of the underlying security.

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-3(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-2(a) under the Investment Company Act of 1940, are attached as EX-99.CERT.

SIGNATURES

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 [Multi-Sector Income Fund](#)

By: _____

Dennis H. Ferro,
Principal Executive Officer

Date: [March 30, 2008](#)

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: _____

Dennis H. Ferro,
Principal Executive Officer

Date: [March 30, 2008](#)

By: _____

[Kasey Phillips](#)
Principal Financial Officer

Date: [March 30, 2008](#)