

EVERGREEN MULTI-SECTOR INCOME FUND
Form N-Q
September 29, 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)

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 July 31, 2008. This one series has an October 31 fiscal year end.

Date of reporting period: **July 31, 2008**

Item 1 – Schedule of Investments

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|------------------|
| AGENCY MORTGAGE-BACKED COLLATERALIZED MORTGAGE OBLIGATIONS 11.7% | | |
| FIXED-RATE 0.3% | | |
| FNMA: | | |
| Ser. 2001-25, Class Z, 6.00%, 06/25/2031 | \$1,363,100 | \$1,388,862 |
| Ser. 2001-51, Class P, 6.00%, 08/25/2030 | 694,228 | 704,028 |
| | | <u>2,092,890</u> |
| FLOATING-RATE 11.4% | | |
| FHLMC: | | |
| Ser. 0196, Class A, 3.30%, 12/15/2021 | 178,207 | 179,272 |
| Ser. 1500, Class FD, 3.67%, 05/15/2023 | 4,529,664 | 4,496,416 |
| Ser. 1650, Class J, 6.50%, 06/15/2023 | 354,915 | 356,899 |
| Ser. 2182, Class FE, 3.02%, 05/15/2028 | 676,834 | 674,481 |
| Ser. 2247, Class FC, 3.06%, 08/15/2030 | 770,652 | 767,315 |
| Ser. 2390, Class FD, 2.91%, 12/15/2031 | 149,075 | 147,776 |
| Ser. 2411, Class F, 3.01%, 02/15/2032 | 192,273 | 190,426 |
| Ser. 2412, Class GF, 3.41%, 02/15/2032 | 4,505,685 | 4,568,404 |
| Ser. 2431, Class F, 2.96%, 03/15/2032 | 7,204,956 | 7,169,652 |
| Ser. 2567, Class FH, 2.86%, 02/15/2033 | 367,591 | 365,208 |
| Ser. T-66, Class 2A1, 6.35%, 01/25/2036 | 8,211,743 | 8,420,263 |
| Ser. T-67, Class 1A1C, 6.45%, 03/25/2036 | 24,657,454 | 25,481,341 |
| Ser. T-67, Class 2A1C, 6.40%, 03/25/2036 | 1,692,963 | 1,759,869 |
| FNMA: | | |
| Ser. 1996-46, Class FA, 2.97%, 08/25/2021 | 104,099 | 103,445 |
| Ser. 2000-45, Class F, 2.91%, 12/25/2030 | 789,611 | 783,637 |
| Ser. 2001-24, Class FC, 3.06%, 04/25/2031 | 286,313 | 285,363 |
| Ser. 2001-35, Class F, 3.06%, 07/25/2031 | 65,852 | 65,601 |
| Ser. 2001-37, Class F, 2.96%, 08/25/2031 | 275,025 | 273,063 |
| Ser. 2001-57, Class F, 2.96%, 06/25/2031 | 66,298 | 65,811 |
| Ser. 2001-62, Class FC, 3.11%, 11/25/2031 | 871,489 | 872,003 |
| Ser. 2001-69, Class PF, 3.46%, 12/25/2031 | 2,638,733 | 2,671,571 |
| Ser. 2002-77, Class FH, 2.86%, 12/18/2032 | 372,618 | 369,360 |
| Ser. 2002-77, Class FV, 2.96%, 12/18/2032 | 1,210,741 | 1,202,617 |
| Ser. 2002-86, Class UF, 3.46%, 12/25/2032 | 6,163,761 | 6,241,129 |
| Ser. 2002-95, Class FK, 2.96%, 01/25/2033 | 9,848,637 | 9,780,879 |
| Ser. 2002-97, Class FR, 3.01%, 01/25/2033 | 151,128 | 149,372 |

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| | | |
|---|------------|-------------------|
| Ser. 2003-W8, Class 3F2, 2.81%, 05/25/2042 | 1,837,763 | 1,827,526 |
| Ser. G91-16, Class F, 2.92%, 06/25/2021 | 108,477 | 107,253 |
| Ser. G92-17, Class F, 3.52%, 03/25/2022 | 189,765 | 190,470 |
| Ser. G92-53, Class FA, 3.22%, 09/25/2022 | 1,821,284 | 1,830,299 |
| Ser. G93-11, Class FB, 3.35%, 12/25/2008 | 103 | 103 |
| GNMA: | | |
| Ser. 1997-13, Class F, 3.00%, 09/16/2027 | 1,647,635 | 1,636,794 |
| Ser. 2001-61, Class FA, 2.96%, 09/20/2030 | 121,260 | 120,691 |
| | | <u>83,154,309</u> |
| <i>Total Agency Mortgage-Backed Collateralized Mortgage Obligations (cost \$86,119,796)</i> | | <u>85,247,199</u> |
| AGENCY MORTGAGE-BACKED PASS THROUGH | | |
| SECURITIES 26.9% | | |
| FIXED-RATE 5.6% | | |
| FHLMC: | | |
| 6.50%, 06/01/2017 | 2,633,715 | 2,732,127 |
| 8.50%, 04/01/2015-07/01/2028 | 474,392 | 515,809 |
| FHLMC 30 year: | | |
| 5.50%, TBA # | 10,305,000 | 10,074,745 |
| 6.00%, TBA # | 12,000,000 | 12,028,128 |
| FNMA: | | |
| 5.80%, 07/01/2048 | 1,768,269 | 1,807,779 |
| 5.82%, 07/01/2038 | 4,025,952 | 4,118,423 |
| 5.84%, 02/01/2038 | 520,516 | 532,472 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| AGENCY MORTGAGE-BACKED PASS THROUGH | | |
| SECURITIES continued | | |
| FIXED-RATE continued | | |
| FNMA: | | |
| 5.97%, 07/01/2038 | \$3,843,122 | \$3,928,989 |
| 5.98%, 07/01/2038 | 290,338 | 297,451 |
| 6.00%, 04/01/2033 | 640,878 | 659,457 |
| 6.17%, 07/01/2038 | 391,096 | 399,835 |
| 6.50%, 11/01/2032 | 261,116 | 270,913 |
| 7.00%, 05/01/2032-08/01/2032 | 1,005,043 | 1,063,842 |
| 7.50%, 07/01/2017-07/01/2032 | 939,556 | 1,000,987 |
| 8.00%, 12/01/2024-06/01/2030 | 296,504 | 320,838 |
| 12.00%, 01/01/2016 | 50,789 | 57,167 |
| GNMA: | | |
| 6.50%, 06/15/2028 | 108,610 | 112,452 |
| 7.25%, 07/15/2017-05/15/2018 | 960,311 | 1,027,962 |
| | | <u>40,949,376</u> |
| FLOATING-RATE 21.3% | | |
| FHLB: | | |
| 5.56%, 07/01/2034 | 581,824 | 605,737 |
| 5.68%, 07/01/2033 | 312,019 | 313,120 |
| 5.89%, 05/01/2037 | 12,746,002 | 12,865,123 |
| 6.55%, 11/01/2030 | 696,209 | 723,096 |
| FHLMC: | | |
| 4.89%, 10/01/2030 | 25,761 | 25,946 |
| 5.07%, 07/01/2035 | 642,183 | 666,990 |
| 5.24%, 07/01/2032 | 849,958 | 858,585 |
| 5.29%, 06/01/2033 | 394,309 | 400,330 |
| 5.30%, 06/01/2030 | 400,032 | 402,415 |
| 5.41%, 03/01/2032 | 1,195,217 | 1,195,676 |
| 5.44%, 10/01/2037 | 4,652,488 | 4,830,632 |
| 5.48%, 12/01/2026 | 124,138 | 124,863 |
| 5.62%, 06/01/2023 | 345,815 | 347,852 |
| 5.68%, 10/01/2033 | 60,454 | 61,020 |
| 5.75%, 02/01/2016 | 32,996 | 33,382 |
| 5.77%, 07/01/2019 | 11,022 | 11,194 |
| 5.88%, 02/01/2037 | 5,386,332 | 5,466,238 |
| 5.90%, 10/01/2024 | 385,262 | 391,562 |
| 5.91%, 06/01/2028 | 150,977 | 153,886 |
| 5.92%, 10/01/2017 | 6,526 | 6,567 |
| 5.94%, 06/01/2035 | 2,219,424 | 2,249,752 |
| 5.96%, 06/01/2031 | 723,906 | 739,094 |
| 5.97%, 03/01/2018 | 252,794 | 257,810 |
| 6.02%, 05/01/2034 | 1,076,014 | 1,086,583 |
| 6.07%, 05/01/2019 | 6,959 | 7,088 |

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| | | |
|------------------------------|-----------|-----------|
| 6.12%, 09/01/2032 | 779,099 | 806,523 |
| 6.18%, 01/01/2018 | 103,986 | 106,314 |
| 6.19%, 10/01/2030 | 1,902,194 | 1,928,314 |
| 6.25%, 02/01/2016 | 27,372 | 27,738 |
| 6.33%, 01/01/2030 | 274,588 | 285,966 |
| 6.34%, 08/01/2017 | 29,315 | 29,983 |
| 6.40%, 12/01/2022 | 69,122 | 71,251 |
| 6.41%, 07/01/2030-10/01/2030 | 694,004 | 720,378 |
| 6.42%, 11/01/2023 | 168,114 | 172,931 |
| 6.43%, 10/01/2022 | 140,508 | 143,906 |
| 6.46%, 10/01/2033 | 295,737 | 306,540 |
| 6.49%, 06/01/2031 | 425,204 | 443,096 |
| 6.50%, 10/01/2024 | 51,085 | 52,983 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-----------|
| AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES continued | | |
| FLOATING-RATE continued | | |
| FHLMC: | | |
| 6.51%, 08/01/2030 | \$629,991 | \$654,737 |
| 6.52%, 06/01/2018 | 74,495 | 77,170 |
| 6.56%, 06/01/2035 | 145,004 | 150,121 |
| 6.63%, 12/01/2033 | 2,963,055 | 3,066,080 |
| 6.65%, 03/01/2024 | 277,478 | 286,685 |
| 6.68%, 05/01/2025-09/01/2032 | 5,119,840 | 5,256,636 |
| 6.97%, 01/01/2027 | 285,810 | 300,312 |
| 7.16%, 08/01/2032 | 1,145,120 | 1,160,568 |
| 8.50%, 03/01/2030 | 131,982 | 144,694 |
| FNMA: | | |
| 3.60%, 04/01/2028 | 117,921 | 114,074 |
| 3.94%, 10/01/2034 | 308,239 | 316,321 |
| 4.17%, 04/01/2017-12/01/2017 | 4,127,726 | 4,139,960 |
| 4.28%, 01/01/2038 | 5,743,970 | 5,741,040 |
| 4.40%, 02/01/2017 | 2,525,608 | 2,528,779 |
| 4.45%, 02/01/2035 | 1,406,196 | 1,409,727 |
| 4.47%, 08/01/2020 | 1,487,202 | 1,490,563 |
| 4.51%, 03/01/2034 | 37,499 | 37,403 |
| 4.52%, 03/01/2035 | 4,999,878 | 5,042,527 |
| 4.81%, 02/01/2035 | 8,782,027 | 8,865,720 |
| 4.875%, 04/01/2019 | 73,198 | 74,301 |
| 4.89%, 01/01/2030 | 82,523 | 83,823 |
| 4.96%, 01/01/2034 | 532,464 | 552,580 |
| 4.98%, 03/01/2033 | 171,800 | 173,090 |
| 5.00%, 04/01/2034 | 5,007,240 | 5,009,992 |
| 5.02%, 03/01/2034 | 1,134,692 | 1,179,811 |
| 5.11%, 12/01/2022 | 15,714 | 16,405 |
| 5.23%, 12/01/2036 | 68,341 | 70,009 |
| 5.25%, 01/01/2017 | 93,847 | 95,307 |
| 5.26%, 10/01/2029 | 151,328 | 151,798 |
| 5.27%, 10/01/2035 | 4,372,668 | 4,474,085 |
| 5.28%, 12/01/2035 | 5,664,632 | 5,798,819 |
| 5.37%, 06/01/2024-12/01/2034 | 2,090,708 | 2,141,866 |
| 5.52%, 12/01/2028 | 57,072 | 58,917 |
| 5.59%, 08/01/2036 | 6,889,097 | 7,128,012 |
| 5.62%, 08/01/2028 | 81,981 | 84,317 |
| 5.65%, 07/01/2038 | 2,714,735 | 2,775,391 |
| 5.73%, 09/01/2032 | 215,728 | 225,442 |
| 5.74%, 01/01/2015 | 54,895 | 55,501 |
| 5.75%, 12/01/2016 | 12,238 | 12,480 |
| 5.77%, 06/01/2033-04/01/2036 | 5,865,902 | 6,144,169 |

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| | | |
|------------------------------|------------|------------|
| 5.79%, 06/01/2031 | 154,455 | 160,101 |
| 5.81%, 12/01/2009 | 1,931,272 | 1,931,272 |
| 5.86%, 01/01/2036 | 4,525,104 | 4,645,908 |
| 5.88%, 01/01/2037 | 10,759,196 | 10,910,881 |
| 5.92%, 01/01/2033 | 905,073 | 925,244 |
| 5.93%, 09/01/2024-02/01/2035 | 583,822 | 602,041 |
| 5.94%, 08/01/2027 | 345,132 | 355,276 |
| 5.99%, 05/01/2021 | 8,075 | 8,316 |
| 6.00%, 08/01/2021 | 11,267 | 12,003 |
| 6.08%, 04/01/2031 | 779,640 | 796,208 |
| 6.11%, 12/01/2013 | 541,962 | 560,497 |
| 6.14%, 05/01/2027 | 1,177,722 | 1,198,549 |
| 6.15%, 12/01/2020-07/01/2033 | 498,871 | 518,059 |
| 6.20%, 12/01/2032 | 1,283,867 | 1,306,837 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|--------------------|
| AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES continued | | |
| FLOATING-RATE continued | | |
| FNMA: | | |
| 6.22%, 07/01/2026 | \$57,088 | \$59,056 |
| 6.43%, 04/01/2025 | 202,840 | 208,820 |
| 6.45%, 05/01/2030 | 260,243 | 270,236 |
| 6.48%, 01/01/2028 | 960,339 | 994,671 |
| 6.50%, 12/01/2031 | 126,195 | 128,821 |
| 6.51%, 04/01/2033 | 203,874 | 210,131 |
| 6.54%, 06/01/2029 | 403,791 | 417,690 |
| 6.58%, 09/01/2037 | 4,722,370 | 4,837,394 |
| 6.60%, 01/01/2026 | 450,580 | 465,184 |
| 6.625%, 09/01/2027 | 342,388 | 356,357 |
| 6.63%, 11/01/2024 | 478,503 | 494,227 |
| 6.72%, 12/01/2026 | 134,572 | 138,728 |
| 6.77%, 08/01/2030 | 361,111 | 375,404 |
| 6.81%, 01/01/2028 | 825,352 | 859,422 |
| 6.93%, 07/01/2030 | 173,972 | 183,184 |
| GNMA: | | |
| 5.00%, 11/20/2030-10/20/2031 | 995,584 | 1,003,419 |
| 5.125%, 10/20/2029-11/20/2030 | 2,005,533 | 2,026,040 |
| 5.25%, 02/20/2029 | 573,330 | 576,665 |
| 5.375%, 01/20/2027-03/20/2028 | 377,618 | 383,932 |
| 5.50%, 02/20/2031 | 440,192 | 444,320 |
| 5.625%, 09/20/2030 | 363,928 | 368,309 |
| | | <u>154,742,898</u> |
| <i>Total Agency Mortgage-Backed Pass Through Securities (cost \$195,333,996)</i> | | <u>195,692,274</u> |
| AGENCY REPERFORMING MORTGAGE-BACKED PASS THROUGH SECURITIES 1.4% | | |
| FIXED-RATE 0.1% | | |
| FNMA: | | |
| Ser. 2001-T10, Class A2, 7.50%, 12/25/2041 | 375,180 | 405,511 |
| Ser. 2003-W02, Class 2A8, 5.67%, 07/25/2042 | 444,362 | 454,062 |
| | | <u>859,573</u> |
| FLOATING-RATE 1.3% | | |
| FNMA: | | |
| Ser. 2002-T6, Class A4, 6.04%, 03/25/2041 | 2,924,677 | 2,914,270 |
| Ser. 2004-T03, Class 2A, 6.09%, 08/25/2043 | 1,356,121 | 1,372,493 |
| Ser. 2005-W4, Class 3A, 6.11%, 06/25/2035 | 5,385,844 | 5,323,638 |
| | | <u>9,610,401</u> |
| <i>Total Agency Reperforming Mortgage-Backed Pass Through Securities (cost \$10,687,771)</i> | | <u>10,469,974</u> |
| ASSET-BACKED SECURITIES 0.2% | | |

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| GSA Home Equity Trust, Ser. 2007-5, Class 1AV1, FRN, 2.56%, 03/25/2047 (cost \$1,381,801) | 1,514,302 | <u>1,303,647</u> |
| CORPORATE BONDS 59.5% | | |
| CONSUMER DISCRETIONARY 12.7% | | |
| Auto Components 0.9% | | |
| Cooper Standard Automotive, Inc., 8.375%, 12/15/2014 | 670,000 | 479,050 |
| Cooper Tire & Rubber Co., 7.625%, 03/15/2027 | 2,630,000 | 1,998,800 |
| Goodyear Tire & Rubber Co., 9.00%, 07/01/2015 | 1,375,000 | 1,392,187 |
| Metaldyne Corp.: | | |
| 10.00%, 11/01/2013 | 5,600,000 | 2,324,000 |
| 11.00%, 06/15/2012 | 1,506,000 | 353,910 |
| | | <u>6,547,947</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Automobiles 1.0% | | |
| Ford Motor Co., 7.70%, 05/15/2097 | \$7,045,000 | \$3,205,475 |
| General Motors Corp.: | | |
| 6.75%, 12/01/2014 | 370,000 | 212,173 |
| 7.20%, 01/15/2011 | 4,445,000 | 2,933,700 |
| 8.25%, 07/15/2023 | 1,900,000 | 950,000 |
| 8.375%, 07/15/2033 | 640,000 | 318,400 |
| | | <u>7,619,748</u> |
| Diversified Consumer Services 0.3% | | |
| Carriage Services, Inc., 7.875%, 01/15/2015 | 850,000 | 813,875 |
| Service Corporation International, 6.75%, 04/01/2015 | 45,000 | 42,638 |
| Sotheby's, 7.75%, 06/15/2015 144A | 1,000,000 | 991,450 |
| | | <u>1,847,963</u> |
| Hotels, Restaurants & Leisure 3.6% | | |
| Boyd Gaming Corp., 7.75%, 12/15/2012 | 1,485,000 | 1,239,975 |
| Caesars Entertainment, Inc.: | | |
| 7.875%, 03/15/2010 | 1,570,000 | 1,393,375 |
| 8.125%, 05/15/2011 | 565,000 | 426,575 |
| Fontainebleau Las Vegas Holdings, LLC, 10.25%, 06/15/2015 144A | 5,156,000 | 2,758,460 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010 | 2,075,000 | 1,525,125 |
| Isle of Capri Casinos, Inc., 7.00%, 03/01/2014 | 5,600,000 | 3,920,000 |
| MGM MIRAGE, 8.50%, 09/15/2010 | 375,000 | 362,813 |
| Pinnacle Entertainment, Inc., 8.75%, 10/01/2013 | 195,000 | 187,200 |
| Pokagon Gaming Authority, 10.375%, 06/15/2014 144A | 1,679,000 | 1,737,765 |
| Seneca Gaming Corp., 7.25%, 05/01/2012 | 940,000 | 862,450 |
| Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 144A | 2,835,000 | 2,310,525 |
| Six Flags, Inc.: | | |
| 8.875%, 02/01/2010 | 355,000 | 282,225 |
| 9.625%, 06/01/2014 | 791,000 | 401,432 |
| 12.25%, 07/15/2016 144A | 204,000 | 185,130 |
| Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015 | 7,416,000 | 3,689,460 |
| Universal City Development Partners, Ltd., 11.75%, 04/01/2010 | 4,580,000 | 4,683,050 |
| | | <u>25,965,560</u> |
| Household Durables 2.0% | | |
| Centex Corp.: | | |
| 4.875%, 08/15/2008 | 1,250,000 | 1,248,438 |
| 5.80%, 09/15/2009 | 1,515,000 | 1,477,125 |
| D.R. Horton, Inc.: | | |
| 4.875%, 01/15/2010 | 625,000 | 578,125 |
| 5.00%, 01/15/2009 | 1,435,000 | 1,413,475 |
| 8.00%, 02/01/2009 | 875,000 | 875,000 |
| 9.75%, 09/15/2010 | 1,085,000 | 1,080,931 |

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|---|-----------|-------------------|
| Hovnanian Enterprises, Inc.: | | |
| 6.00%, 01/15/2010 | 810,000 | 708,750 |
| 6.50%, 01/15/2014 | 378,000 | 240,030 |
| 11.50%, 05/01/2013 144A | 190,000 | 193,325 |
| KB Home, 8.625%, 12/15/2008 | 570,000 | 574,275 |
| Lennar Corp.: | | |
| 5.125%, 10/01/2010 | 2,125,000 | 1,859,375 |
| 7.625%, 03/01/2009 | 650,000 | 641,875 |
| Libbey, Inc., FRN, 9.93%, 06/01/2011 | 2,190,000 | 2,211,900 |
| Meritage Homes Corp., 7.00%, 05/01/2014 | 1,205,000 | 970,025 |
| Pulte Homes, Inc.: | | |
| 7.875%, 08/01/2011 | 195,000 | 189,150 |
| 8.125%, 03/01/2011 | 405,000 | 398,925 |
| | | <u>14,660,724</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER DISCRETIONARY continued | | |
| Internet & Catalog Retail 0.1% | | |
| Ticketmaster, 10.75%, 08/01/2016 144A | \$815,000 | <u>\$847,600</u> |
| Media 3.1% | | |
| Cablevision Systems Corp., Ser. B, 8.00%, 04/15/2012 | 520,000 | 500,500 |
| Charter Communications, Inc.: | | |
| 8.00%, 04/30/2012 144A | 280,000 | 268,100 |
| 10.875%, 09/15/2014 144A | 3,725,000 | 3,892,625 |
| CSC Holdings, Inc., 7.625%, 04/01/2011 | 1,715,000 | 1,704,281 |
| DIRECTV Holdings, LLC, 7.625%, 05/15/2016 144A | 45,000 | 44,888 |
| Idearc, Inc., 8.00%, 11/15/2016 | 4,825,000 | 2,219,500 |
| Ion Media Networks, Inc., FRN, 9.04%, 01/15/2013 144A | 3,008,916 | 1,925,706 |
| Lamar Media Corp.: | | |
| 7.25%, 01/01/2013 | 180,000 | 172,800 |
| Ser. B, 6.625%, 08/15/2015 | 80,000 | 72,400 |
| Mediacom, LLC, 7.875%, 02/15/2011 | 470,000 | 439,450 |
| R.H. Donnelley Corp., 11.75%, 05/15/2015 144A | 2,583,000 | 1,924,335 |
| Sinclair Broadcast Group, Inc., 8.00%, 03/15/2012 | 1,327,000 | 1,330,317 |
| Sirius Satellite Radio, Inc., 9.625%, 08/01/2013 | 2,295,000 | 1,893,375 |
| Visant Corp., 7.625%, 10/01/2012 | 3,035,000 | 2,959,125 |
| XM Satellite Radio Holdings, Inc., 13.00%, 08/01/2013 144A | 1,340,000 | 1,229,450 |
| Young Broadcasting, Inc.: | | |
| 8.75%, 01/15/2014 | 2,706,000 | 1,170,345 |
| 10.00%, 03/01/2011 | 1,280,000 | <u>617,600</u> |
| | | <u>22,364,797</u> |
| Multi-line Retail 0.2% | | |
| Macy's, Inc., 7.875%, 07/15/2015 | 595,000 | 592,285 |
| Neiman Marcus Group, Inc., 9.00%, 10/15/2015 | 815,000 | <u>802,775</u> |
| | | <u>1,395,060</u> |
| Specialty Retail 0.7% | | |
| AutoZone, Inc.: | | |
| 6.50%, 01/15/2014 # | 400,000 | 403,610 |
| 7.125%, 08/01/2018 # | 400,000 | 407,722 |
| Best Buy Co., Inc., 6.75%, 07/15/2013 144A | 395,000 | 401,666 |
| Home Depot, Inc., 5.875%, 12/16/2036 | 665,000 | 527,385 |
| Michaels Stores, Inc., 10.00%, 11/01/2014 | 560,000 | 452,200 |
| Payless ShoeSource, Inc., 8.25%, 08/01/2013 | 3,295,000 | <u>2,981,975</u> |
| | | <u>5,174,558</u> |
| Textiles, Apparel & Luxury Goods 0.8% | | |
| AAC Group Holdings Corp., Sr. Disc. Note, Step Bond, 0.00%, 10/01/2012 † | 445,000 | 429,425 |
| Oxford Industries, Inc., 8.875%, 06/01/2011 | 5,256,000 | 5,072,040 |
| Unifi, Inc., 11.50%, 05/15/2014 | 503,000 | <u>420,005</u> |

| | | |
|--|-------------|------------------|
| | | <u>5,921,470</u> |
| CONSUMER STAPLES | 1.8% | |
| Beverages | 0.0% | |
| Constellation Brands, Inc., 8.375%, 12/15/2014 | 45,000 | <u>46,238</u> |
| Food & Staples Retailing | 0.2% | |
| Ingles Markets, Inc., 8.875%, 12/01/2011 | 970,000 | 986,975 |
| Rite Aid Corp., 10.375%, 07/15/2016 | 690,000 | <u>643,425</u> |
| | | <u>1,630,400</u> |
| Food Products | 0.8% | |
| Dean Foods Co., 6.625%, 05/15/2009 | 195,000 | 195,000 |
| Del Monte Foods Co.: | | |
| 6.75%, 02/15/2015 | 855,000 | 803,700 |
| 8.625%, 12/15/2012 | 2,949,000 | 3,030,097 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| CONSUMER STAPLES continued | | |
| Food Products continued | | |
| Pilgrim's Pride Corp.: | | |
| 7.625%, 05/01/2015 | \$1,430,000 | \$1,215,500 |
| 8.375%, 05/01/2017 | 275,000 | 211,750 |
| Smithfield Foods, Inc., 7.75%, 07/01/2017 | 225,000 | 193,500 |
| | | <u>5,649,547</u> |
| Household Products 0.4% | | |
| American Achievement Corp., 8.25%, 04/01/2012 144A | 2,915,000 | 2,856,700 |
| Church & Dwight Co., 6.00%, 12/15/2012 | 275,000 | 268,125 |
| | | <u>3,124,825</u> |
| Personal Products 0.4% | | |
| Central Garden & Pet Co., 9.125%, 02/01/2013 | 3,115,000 | <u>2,569,875</u> |
| ENERGY 7.8% | | |
| Energy Equipment & Services 1.6% | | |
| Bristow Group, Inc., 7.50%, 09/15/2017 | 1,230,000 | 1,217,700 |
| GulfMark Offshore, Inc., 7.75%, 07/15/2014 | 1,260,000 | 1,247,400 |
| Hornbeck Offshore Services, Inc., Ser. B, 6.125%, 12/01/2014 | 3,220,000 | 3,099,250 |
| Parker Drilling Co., 9.625%, 10/01/2013 | 2,131,000 | 2,237,550 |
| PHI, Inc., 7.125%, 04/15/2013 | 3,105,000 | 2,949,750 |
| Stallion Oilfield Services, Ltd., 9.75%, 02/01/2015 144A | 695,000 | 552,525 |
| | | <u>11,304,175</u> |
| Oil, Gas & Consumable Fuels 6.2% | | |
| Chesapeake Energy Corp.: | | |
| 6.875%, 01/15/2016 | 1,260,000 | 1,217,475 |
| 7.25%, 12/15/2018 | 3,955,000 | 3,895,675 |
| Delta Petroleum Corp., 7.00%, 04/01/2015 | 1,800,000 | 1,503,000 |
| El Paso Corp.: | | |
| 7.00%, 06/15/2017 | 425,000 | 427,601 |
| 7.25%, 06/01/2018 | 145,000 | 144,275 |
| 7.75%, 01/15/2032 | 95,000 | 94,900 |
| Encore Acquisition Co.: | | |
| 6.00%, 07/15/2015 | 1,385,000 | 1,260,350 |
| 6.25%, 04/15/2014 | 615,000 | 579,638 |
| Energy Partners, Ltd., 9.75%, 04/15/2014 | 663,000 | 613,275 |
| Exco Resources, Inc., 7.25%, 01/15/2011 | 2,495,000 | 2,482,525 |
| Ferrellgas Partners, LP, 6.75%, 05/01/2014 | 2,100,000 | 1,785,000 |
| Forbes Energy Services, LLC, 11.00%, 02/15/2015 144A | 3,800,000 | 3,819,000 |
| Forest Oil Corp.: | | |
| 7.25%, 06/15/2019 | 515,000 | 486,675 |
| 7.25%, 06/15/2019 144A | 1,045,000 | 987,525 |
| Frontier Oil Corp., 6.625%, 10/01/2011 | 760,000 | 741,000 |
| Newfield Exploration Co.: | | |

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| | | |
|---|-----------|-----------|
| 6.625%, 04/15/2016 | 1,360,000 | 1,275,000 |
| 7.125%, 05/15/2018 | 660,000 | 627,000 |
| Peabody Energy Corp.: | | |
| 5.875%, 04/15/2016 | 3,940,000 | 3,772,550 |
| 7.875%, 11/01/2026 | 590,000 | 592,950 |
| Petrohawk Energy Corp., 7.875%, 06/01/2015 144A | 2,990,000 | 2,907,775 |
| Plains Exploration & Production Co.: | | |
| 7.625%, 06/01/2018 | 900,000 | 877,500 |
| 7.75%, 06/15/2015 | 930,000 | 918,375 |
| Quicksilver Resources, Inc., 7.75%, 08/01/2015 | 905,000 | 884,637 |
| Sabine Pass LNG, LP: | | |
| 7.25%, 11/30/2013 | 845,000 | 735,150 |
| 7.50%, 11/30/2016 | 3,865,000 | 3,343,225 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| ENERGY continued | | |
| Oil, Gas & Consumable Fuels continued | | |
| SandRidge Energy, Inc., 8.00%, 06/01/2018 144A | \$350,000 | \$348,250 |
| Southwestern Energy Co., 7.50%, 02/01/2018 144A | 690,000 | 710,700 |
| Tesoro Corp.: | | |
| 6.50%, 06/01/2017 | 2,870,000 | 2,453,850 |
| 6.625%, 11/01/2015 | 155,000 | 137,175 |
| Williams Cos.: | | |
| 7.50%, 01/15/2031 | 2,080,000 | 2,126,800 |
| 8.125%, 03/15/2012 | 3,195,000 | 3,434,625 |
| | | <u>45,183,476</u> |
| FINANCIALS 9.5% | | |
| Capital Markets 0.3% | | |
| E*TRADE Financial Corp.: | | |
| 7.375%, 09/15/2013 | 45,000 | 38,250 |
| 8.00%, 06/15/2011 | 45,000 | 39,825 |
| 12.50%, 11/30/2017 144A | 1,120,000 | 1,209,600 |
| 12.50%, 11/30/2017 | 205,000 | 217,300 |
| Lehman Brothers Holdings, Inc., 6.875%, 05/02/2018 | 635,000 | 597,157 |
| | | <u>2,102,132</u> |
| Consumer Finance 5.8% | | |
| CCH II Capital Corp., 10.25%, 09/15/2010 | 5,265,000 | 5,041,237 |
| Daimler Financial Services AG, 4.875%, 06/15/2010 | 1,000,000 | 1,001,941 |
| Ford Motor Credit Co., LLC: | | |
| 5.70%, 01/15/2010 | 4,805,000 | 4,140,814 |
| 5.80%, 01/12/2009 | 1,990,000 | 1,930,579 |
| 7.375%, 10/28/2009 | 1,605,000 | 1,462,346 |
| 9.75%, 09/15/2010 | 6,043,000 | 5,219,762 |
| General Motors Acceptance Corp., LLC: | | |
| 6.875%, 09/15/2011 | 5,170,000 | 3,415,896 |
| 6.875%, 08/28/2012 | 7,030,000 | 4,415,487 |
| 7.75%, 01/19/2010 | 2,100,000 | 1,697,029 |
| 8.00%, 11/01/2031 | 4,840,000 | 2,716,813 |
| FRN, 3.93%, 05/15/2009 | 4,300,000 | 3,806,528 |
| HSBC Finance Corp., 5.00%, 06/30/2015 | 2,400,000 | 2,281,186 |
| Sprint Capital Corp., 6.875%, 11/15/2028 | 2,715,000 | 2,156,856 |
| Toll Corp.: | | |
| 8.25%, 02/01/2011 | 2,955,000 | 2,836,800 |
| 8.25%, 12/01/2011 | 280,000 | 266,700 |
| | | <u>42,389,974</u> |
| Diversified Financial Services 1.0% | | |
| Citigroup, Inc., FRN, 8.40%, 04/29/2049 | 210,000 | 180,073 |
| JPMorgan Chase & Co., FRN, 7.90%, 12/31/2049 | 2,085,000 | 1,934,329 |

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| | | |
|---|-----------|------------------|
| Leucadia National Corp.: | | |
| 7.125%, 03/15/2017 | 555,000 | 522,394 |
| 8.125%, 09/15/2015 | 4,160,000 | <u>4,165,200</u> |
| | | <u>6,801,996</u> |
| Real Estate Investment Trusts 1.3% | | |
| Host Marriott Corp.: | | |
| 7.125%, 11/01/2013 | 2,630,000 | 2,432,750 |
| Ser. O, 6.375%, 03/15/2015 | 245,000 | 214,375 |
| Ser. Q, 6.75%, 06/01/2016 | 2,990,000 | 2,571,400 |
| Omega Healthcare Investors, Inc.: | | |
| 7.00%, 04/01/2014 | 1,255,000 | 1,207,937 |
| 7.00%, 01/15/2016 | 2,185,000 | 2,053,900 |
| Ventas, Inc., 7.125%, 06/01/2015 | 1,010,000 | <u>999,900</u> |
| | | <u>9,480,262</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| FINANCIALS continued | | |
| Real Estate Management & Development 0.0% | | |
| Realogy Corp., 10.50%, 04/15/2014 | \$75,000 | \$49,125 |
| Thriffs & Mortgage Finance 1.1% | | |
| Residential Capital, LLC: | | |
| 8.50%, 05/15/2010 144A | 3,390,000 | 2,440,800 |
| 9.625%, 05/15/2015 144A | 4,797,000 | 1,894,815 |
| Step Bond: | | |
| 8.125%, 11/21/2008 †† | 2,120,000 | 1,950,400 |
| 8.375%, 06/30/2010 †† | 6,155,000 | 1,938,825 |
| | | <u>8,224,840</u> |
| HEALTH CARE 2.6% | | |
| Health Care Equipment & Supplies 0.1% | | |
| Biomet, Inc., 11.625%, 10/15/2017 | 665,000 | 705,731 |
| Health Care Providers & Services 2.5% | | |
| HCA, Inc.: | | |
| 8.75%, 09/01/2010 | 2,780,000 | 2,821,700 |
| 9.25%, 11/15/2016 | 8,195,000 | 8,461,337 |
| Humana, Inc., 7.20%, 06/15/2018 | 1,440,000 | 1,399,776 |
| Omnicare, Inc.: | | |
| 6.125%, 06/01/2013 | 3,745,000 | 3,454,763 |
| 6.875%, 12/15/2015 | 2,320,000 | 2,134,400 |
| Symbion, Inc., 11.00%, 08/23/2015 144A | 315,000 | 239,400 |
| | | <u>18,511,376</u> |
| INDUSTRIALS 5.4% | | |
| Aerospace & Defense 3.2% | | |
| Alliant Techsystems, Inc., 6.75%, 04/01/2016 | 1,035,000 | 1,001,363 |
| DAE Aviation Holdings, 11.25%, 08/01/2015 144A | 385,000 | 377,300 |
| DRS Technologies, Inc.: | | |
| 6.625%, 02/01/2016 | 1,515,000 | 1,537,725 |
| 7.625%, 02/01/2018 | 400,000 | 418,000 |
| L-3 Communications Holdings, Inc.: | | |
| 5.875%, 01/15/2015 | 13,220,000 | 12,327,650 |
| 6.375%, 10/15/2015 | 5,084,000 | 4,804,380 |
| Sequa Corp.: | | |
| 11.75%, 12/01/2015 144A | 60,000 | 52,500 |
| 13.50%, 12/01/2015 144A | 815,000 | 713,125 |
| Vought Aircraft Industries, Inc., 8.00%, 07/15/2011 | 2,425,000 | 2,249,187 |
| | | <u>23,481,230</u> |
| Building Products 0.1% | | |
| Ply Gem Industries, Inc., 11.75%, 06/15/2013 144A | 555,000 | 499,500 |
| Commercial Services & Supplies 0.8% | | |
| Allied Waste North America, Inc., 6.875%, 06/01/2017 | 320,000 | 308,800 |

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| | | |
|---|-----------|------------------|
| Browning-Ferris Industries, Inc.: | | |
| 7.40%, 09/15/2035 | 2,495,000 | 2,257,975 |
| 9.25%, 05/01/2021 | 1,530,000 | 1,614,150 |
| Corrections Corporation of America, 6.25%, 03/15/2013 | 75,000 | 73,687 |
| Geo Group, Inc., 8.25%, 07/15/2013 | 150,000 | 153,000 |
| Iron Mountain, Inc., 8.00%, 06/15/2020 | 45,000 | 43,988 |
| Mobile Mini, Inc., 6.875%, 05/01/2015 | 1,420,000 | 1,221,200 |
| | | <u>5,672,800</u> |
| Machinery 0.8% | | |
| Commercial Vehicle Group, Inc., 8.00%, 07/01/2013 | 6,370,000 | <u>5,446,350</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|------------------|
| CORPORATE BONDS continued | | |
| INDUSTRIALS continued | | |
| Road & Rail 0.4% | | |
| Avis Budget Car Rental, LLC, 7.75%, 05/15/2016 | \$935,000 | \$649,825 |
| Hertz Global Holdings, Inc.: | | |
| 8.875%, 01/01/2014 | 690,000 | 636,525 |
| 10.50%, 01/01/2016 | 95,000 | 83,125 |
| Kansas City Southern: | | |
| 7.50%, 06/15/2009 | 1,140,000 | 1,158,525 |
| 8.00%, 06/01/2015 | 330,000 | 334,950 |
| Swift Transportation Co., Inc., 12.50%, 05/15/2017 144A | 450,000 | 177,750 |
| | | <u>3,040,700</u> |
| Trading Companies & Distributors 0.1% | | |
| Neff Corp., 10.00%, 06/01/2015 | 220,000 | 82,500 |
| United Rentals, Inc., 6.50%, 02/15/2012 | 970,000 | 880,275 |
| | | <u>962,775</u> |
| INFORMATION TECHNOLOGY 2.5% | | |
| Communications Equipment 0.0% | | |
| EchoStar Corp., 7.75%, 05/31/2015 | 255,000 | 246,075 |
| Electronic Equipment & Instruments 1.3% | | |
| Da-Lite Screen Co., Inc., 9.50%, 05/15/2011 | 3,030,000 | 2,923,950 |
| Jabil Circuit, Inc.: | | |
| 5.875%, 07/15/2010 | 595,000 | 583,100 |
| 8.25%, 03/15/2018 | 5,465,000 | 5,465,000 |
| Sanmina-SCI Corp., 8.125%, 03/01/2016 | 645,000 | 577,275 |
| | | <u>9,549,325</u> |
| IT Services 0.9% | | |
| First Data Corp., 9.875%, 09/24/2015 144A | 1,055,000 | 934,994 |
| ipayment, Inc., 9.75%, 05/15/2014 | 1,835,000 | 1,545,988 |
| Lender Processing Services, Inc., 8.125%, 07/01/2016 144A | 960,000 | 963,600 |
| SunGard Data Systems, Inc.: | | |
| 4.875%, 01/15/2014 | 1,955,000 | 1,744,837 |
| 10.25%, 08/15/2015 | 55,000 | 56,100 |
| Unisys Corp., 6.875%, 03/15/2010 | 1,235,000 | 1,191,775 |
| | | <u>6,437,294</u> |
| Semiconductors & Semiconductor Equipment 0.3% | | |
| Freescale Semiconductor, Inc., 9.125%, 12/15/2014 | 460,000 | 374,900 |
| Spansion, Inc., FRN, 5.81%, 06/01/2013 144A | 2,000,000 | 1,410,000 |
| | | <u>1,784,900</u> |
| MATERIALS 7.5% | | |
| Chemicals 2.9% | | |
| Airgas, Inc., 7.125%, 10/01/2018 144A | 90,000 | 90,675 |
| ARCO Chemical Co.: | | |
| 9.80%, 02/01/2020 | 2,150,000 | 1,601,750 |

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|--|-----------|-----------|
| 10.25%, 11/01/2010 | 180,000 | 180,900 |
| Huntsman, LLC: | | |
| 7.375%, 01/01/2015 | 395,000 | 367,350 |
| 11.625%, 10/15/2010 | 3,000,000 | 3,127,500 |
| Koppers Holdings, Inc.: | | |
| 9.875%, 10/15/2013 | 215,000 | 226,556 |
| Sr. Disc. Note, Step Bond, 0.00%, 11/15/2014 † | 2,270,000 | 2,054,350 |
| MacDermid, Inc., 9.50%, 04/15/2017 144A | 3,383,000 | 3,112,360 |
| Millenium America, Inc., 7.625%, 11/15/2026 | 2,520,000 | 1,474,200 |
| Momentive Performance Materials, Inc.: | | |
| 9.75%, 12/01/2014 | 920,000 | 818,800 |
| 10.125%, 12/01/2014 | 3,065,000 | 2,697,200 |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| MATERIALS continued | | |
| Chemicals continued | | |
| Mosaic Co.: | | |
| 7.30%, 01/15/2028 | \$1,285,000 | \$1,240,025 |
| 7.625%, 12/01/2016 144A | 1,800,000 | 1,899,000 |
| Tronox Worldwide, LLC, 9.50%, 12/01/2012 | 3,830,000 | 2,393,750 |
| | | <u>21,284,416</u> |
| Construction Materials 0.6% | | |
| CPG International, Inc.: | | |
| 10.50%, 07/01/2013 | 3,605,000 | 2,865,975 |
| FRN, 9.90%, 07/01/2012 | 690,000 | 534,750 |
| CRH America, Inc., 8.125%, 07/15/2018 | 545,000 | 551,276 |
| | | <u>3,952,001</u> |
| Containers & Packaging 1.8% | | |
| Berry Plastics Holdings Corp., 8.875%, 09/15/2014 | | |
| | 636,000 | 511,980 |
| Exopack Holding Corp., 11.25%, 02/01/2014 | | |
| | 3,375,000 | 3,020,625 |
| Graham Packaging Co.: | | |
| 8.50%, 10/15/2012 | 2,320,000 | 2,169,200 |
| 9.875%, 10/15/2014 | 1,670,000 | 1,436,200 |
| Graphic Packaging International, Inc.: | | |
| 8.50%, 08/15/2011 | 1,890,000 | 1,814,400 |
| 9.50%, 08/15/2013 | 1,475,000 | 1,379,125 |
| Smurfit-Stone Container Corp., 8.375%, 07/01/2012 | 3,110,000 | 2,760,125 |
| | | <u>13,091,655</u> |
| Metals & Mining 0.9% | | |
| Freeport-McMoRan Copper & Gold, Inc.: | | |
| 8.25%, 04/01/2015 | 400,000 | 417,532 |
| 8.375%, 04/01/2017 | 3,345,000 | 3,509,290 |
| Indalex Holdings Corp., 11.50%, 02/01/2014 | 2,615,000 | 1,503,625 |
| PNA Group, Inc., 10.75%, 09/01/2016 | 1,095,000 | 1,305,787 |
| | | <u>6,736,234</u> |
| Paper & Forest Products 1.3% | | |
| Georgia Pacific Corp.: | | |
| 8.125%, 05/15/2011 | 2,880,000 | 2,851,200 |
| 8.875%, 05/15/2031 | 1,395,000 | 1,283,400 |
| International Paper Co., 7.95%, 06/15/2018 | 2,815,000 | 2,803,949 |
| Verso Paper Holdings, LLC: | | |
| 9.125%, 08/01/2014 | 90,000 | 81,000 |
| 11.375%, 08/01/2016 | 2,928,000 | 2,474,160 |
| | | <u>9,493,709</u> |
| TELECOMMUNICATION SERVICES 4.0% | | |
| Diversified Telecommunication Services 1.4% | | |
| Citizens Communications Co.: | | |

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| | | |
|--|-----------|-------------------|
| 7.875%, 01/15/2027 | 700,000 | 619,500 |
| 9.25%, 05/15/2011 | 1,570,000 | 1,640,650 |
| FairPoint Communications, Inc., 13.125%, 04/01/2018 144A | 665,000 | 665,000 |
| Qwest Corp.: | | |
| 6.50%, 06/01/2017 | 1,035,000 | 856,463 |
| 7.50%, 06/15/2023 | 705,000 | 581,625 |
| 7.875%, 09/01/2011 | 105,000 | 103,950 |
| 8.875%, 03/15/2012 | 4,395,000 | 4,405,987 |
| West Corp., 11.00%, 10/15/2016 | 1,665,000 | 1,332,000 |
| | | <u>10,205,175</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| CORPORATE BONDS continued | | |
| TELECOMMUNICATION SERVICES continued | | |
| Wireless Telecommunication Services 2.6% | | |
| Centennial Communications Corp.: | | |
| 8.125%, 02/01/2014 | \$2,850,000 | \$2,892,750 |
| 10.125%, 06/15/2013 | 915,000 | 956,175 |
| Cricket Communications, Inc., 9.375%, 11/01/2014 | 1,880,000 | 1,851,800 |
| MetroPCS Communications, Inc., 9.25%, 11/01/2014 | 3,090,000 | 3,012,750 |
| Rural Cellular Corp., 8.25%, 03/15/2012 | 5,410,000 | 5,558,775 |
| Sprint Nextel Corp.: | | |
| 6.90%, 05/01/2019 | 1,740,000 | 1,486,009 |
| Ser. D, 7.375%, 08/01/2015 | 2,290,000 | 1,764,392 |
| Ser. F, 5.95%, 03/15/2014 | 2,015,000 | 1,533,107 |
| | | <u>19,055,758</u> |
| UTILITIES 5.7% | | |
| Electric Utilities 5.6% | | |
| Allegheny Energy Supply Co., 8.25%, 04/15/2012 144A | 3,880,000 | 4,093,400 |
| Aquila, Inc., Step Bond, 11.875%, 07/01/2012 †† | 6,927,000 | 8,069,955 |
| CMS Energy Corp.: | | |
| 6.55%, 07/17/2017 | 200,000 | 193,398 |
| 8.50%, 04/15/2011 | 355,000 | 376,491 |
| Edison Mission Energy, 7.00%, 05/15/2017 | 380,000 | 361,000 |
| Energy Future Holdings Corp.: | | |
| 10.875%, 11/01/2017 144A | 3,015,000 | 3,120,525 |
| 11.25%, 11/01/2017 144A | 1,810,000 | 1,800,950 |
| Mirant Mid-Atlantic, LLC, Ser. C, 10.06%, 12/30/2028 | 1,008,395 | 1,136,965 |
| Mirant North America, LLC, 7.375%, 12/31/2013 | 5,035,000 | 5,060,175 |
| NRG Energy, Inc., 7.375%, 02/01/2016 | 4,265,000 | 4,147,712 |
| Orion Power Holdings, Inc., 12.00%, 05/01/2010 | 5,080,000 | 5,499,100 |
| PNM Resources, Inc., 9.25%, 05/15/2015 | 400,000 | 409,500 |
| Public Service Company of New Mexico, 7.95%, 04/01/2015 | 420,000 | 426,872 |
| Reliant Energy, Inc.: | | |
| 6.75%, 12/15/2014 | 5,425,000 | 5,560,625 |
| 7.875%, 06/15/2017 | 85,000 | 82,450 |
| Texas Competitive Electric Holdings Co., LLC: | | |
| 10.25%, 11/01/2015 144A | 330,000 | 331,650 |
| 10.50%, 11/01/2016 144A | 55,000 | 53,213 |
| | | <u>40,723,981</u> |
| Independent Power Producers & Energy Traders 0.1% | | |
| AES Corp.: | | |
| 8.00%, 10/15/2017 | 110,000 | 108,900 |
| 8.00%, 06/01/2020 144A | 665,000 | 643,387 |
| Dynegy Holdings, Inc., 7.50%, 06/01/2015 | 45,000 | 42,863 |
| | | <u>795,150</u> |

| | | |
|---|-----------|--------------------|
| <i>Total Corporate Bonds (cost \$479,858,848)</i> | | <u>432,578,427</u> |
| FOREIGN BONDS – CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) 22.0% | | |
| CONSUMER DISCRETIONARY 0.4% | | |
| Media 0.1% | | |
| Central European Media Enterprise, Ltd.: | | |
| 8.25%, 05/15/2012 EUR | 500,000 | 779,400 |
| FRN, 6.20%, 05/15/2014 EUR | 250,000 | <u>357,408</u> |
| | | <u>1,136,808</u> |
| Multi-line Retail 0.3% | | |
| Marks & Spencer Group plc, 6.375%, 11/07/2011 GBP | 1,000,000 | <u>1,884,269</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| FOREIGN BONDS – CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued | | |
| CONSUMER STAPLES 1.4% | | |
| Beverages 0.2% | | |
| Canandaigua Brands, Inc., 8.50%, 11/15/2009 GBP | 750,000 | \$1,482,710 |
| Food & Staples Retailing 0.4% | | |
| Koninklijke Ahold NV, 5.875%, 03/14/2012 EUR | 1,000,000 | 1,543,383 |
| Tesco plc, 3.875%, 03/24/2011 EUR | 620,000 | 935,581 |
| | | <u>2,478,964</u> |
| Tobacco 0.8% | | |
| British American Tobacco plc, 5.75%, 12/09/2013 GBP | 3,140,000 | 6,030,862 |
| ENERGY 0.7% | | |
| Oil, Gas & Consumable Fuels 0.7% | | |
| GAZ Capital SA, 6.61%, 02/13/2018 EUR | 1,600,000 | 2,244,944 |
| GAZPROM OAO, 5.36%, 10/31/2014 EUR | 1,100,000 | 1,501,120 |
| Transco plc, 7.00%, 12/15/2008 AUD | 1,000,000 | 936,208 |
| | | <u>4,682,272</u> |
| FINANCIALS 16.2% | | |
| Capital Markets 0.4% | | |
| Morgan Stanley, 5.375%, 11/14/2013 GBP | 1,510,000 | 2,691,091 |
| Commercial Banks 9.4% | | |
| Bank Nederlandse Gemeenten NV, 4.875%, 04/21/2010 GBP | 6,695,000 | 13,100,302 |
| Eurofima: | | |
| 6.25%, 12/28/2018 AUD | 2,450,000 | 2,202,488 |
| 6.50%, 08/22/2011 AUD | 5,000,000 | 4,643,532 |
| European Investment Bank: | | |
| 5.75%, 09/15/2009 AUD | 5,470,000 | 5,057,261 |
| 6.125%, 01/23/2017 AUD | 8,530,000 | 7,643,689 |
| Institut Credito Oficial, 4.375%, 05/23/2012 EUR | 3,800,000 | 5,849,031 |
| Kommunalbanken AS, 4.125%, 06/03/2013 CAD | 1,980,000 | 1,946,845 |
| Kreditanstalt für Wiederaufbau: | | |
| 4.95%, 10/14/2014 CAD | 6,310,000 | 6,452,440 |
| 6.00%, 07/15/2009 NZD | 12,850,000 | 9,303,619 |
| Landwirtschaftliche Rentenbank: | | |
| 4.25%, 11/16/2012 CAD | 7,110,000 | 7,093,131 |
| 5.75%, 01/21/2015 AUD | 5,330,000 | 4,675,344 |
| Rabobank Australia, Ltd., 6.25%, 11/22/2011 NZD | 725,000 | 518,337 |
| | | <u>68,486,019</u> |
| Consumer Finance 2.3% | | |
| ABB International Finance, Ltd., 6.50%, 11/30/2011 EUR | 5,360,000 | 8,636,488 |
| HSBC Finance Corp., 7.00%, 03/27/2012 GBP | 370,000 | 736,347 |
| Total Capital SA, 5.50%, 01/29/2013 GBP | 1,000,000 | 1,962,796 |
| Toyota Motor Credit Corp., 8.50%, 12/21/2010 NZD | 5,460,000 | 4,091,278 |
| Virgin Media Finance plc, 8.75%, 04/15/2014 EUR | 940,000 | 1,329,734 |

| | | |
|--|-------------|-------------------|
| | | <u>16,756,643</u> |
| Diversified Financial Services | 1.4% | |
| Dubai Holding Commercial Operations Group, LLC, 6.00%, 02/01/2017 GBP | 1,000,000 | 1,761,355 |
| General Electric Capital Corp., 5.25%, 12/10/2013 GBP | 780,000 | 1,493,977 |
| General Electric Capital European Funding, 4.125%, 10/27/2016 EUR | 4,750,000 | <u>6,688,232</u> |
| | | <u>9,943,564</u> |
| Insurance | 0.6% | |
| AIG SunAmerica, Inc., 5.625%, 02/01/2012 GBP | 2,000,000 | 3,648,133 |
| Travelers Insurance Co., 6.00%, 04/07/2009 AUD | 1,000,000 | <u>924,142</u> |
| | | <u>4,572,275</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|--|---------------------|--------------------|
| FOREIGN BONDS – CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued | | |
| FINANCIALS continued | | |
| Thriffs & Mortgage Finance 2.1% | | |
| Nykredit, 5.00%, 10/01/2035 DKK | 26,499,536 | \$5,184,793 |
| Realkredit Danmark, 4.00%, 10/01/2035 DKK | 17,628,602 | 3,168,202 |
| Totalkredit, FRN, 5.36%, 01/01/2015 DKK | 33,727,675 | 7,011,404 |
| | | <u>15,364,399</u> |
| INDUSTRIALS 0.5% | | |
| Aerospace & Defense 0.2% | | |
| Bombardier, Inc., 7.25%, 11/15/2016 EUR | 930,000 | 1,373,576 |
| Machinery 0.3% | | |
| Harsco Corp., 7.25%, 10/27/2010 GBP | 1,000,000 | 2,012,385 |
| Savcio Holdings, Ltd., 8.00%, 02/15/2013 EUR | 250,000 | 344,397 |
| | | <u>2,356,782</u> |
| INFORMATION TECHNOLOGY 0.4% | | |
| Office Electronics 0.4% | | |
| Xerox Corp., 9.75%, 01/15/2009 EUR | 1,800,000 | 2,875,987 |
| MATERIALS 0.3% | | |
| Containers & Packaging 0.1% | | |
| Owens-Illinois European Group BV, 6.875%, 03/31/2017 EUR | 500,000 | 705,357 |
| Metals & Mining 0.2% | | |
| New World Resources NV, 7.375%, 05/15/2015 EUR | 1,000,000 | 1,395,126 |
| TELECOMMUNICATION SERVICES 1.7% | | |
| Diversified Telecommunication Services 1.7% | | |
| Deutsche Telekom AG, 6.25%, 12/09/2010 GBP | 2,700,000 | 5,296,643 |
| France Telecom: | | |
| 4.75%, 02/21/2017 EUR | 2,000,000 | 2,899,194 |
| 7.25%, 01/28/2013 EUR | 1,850,000 | 3,067,152 |
| Nordic Telephone Co., 8.25%, 05/01/2016 EUR | 900,000 | 1,262,628 |
| | | <u>12,525,617</u> |
| UTILITIES 0.4% | | |
| Multi-Utilities 0.4% | | |
| Veolia Environnement SA, 4.00%, 02/12/2016 EUR | 2,000,000 | 2,813,420 |
| <i>Total Foreign Bonds – Corporate (Principal Amount Denominated in Currency Indicated)</i> <i>(cost \$151,361,127)</i> | | <u>159,555,741</u> |
| FOREIGN BONDS – GOVERNMENT (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) 16.9% | | |
| Australia, Ser. 17RG, 5.50%, 03/01/2017 AUD | 3,100,000 | 2,661,962 |
| Caisse d'Amortissement de la Dette Sociale, 4.125%, 04/25/2017 EUR | 6,580,000 | 9,863,933 |
| Canada: | | |
| 3.95%, 06/15/2013 CAD | 3,128,000 | 3,086,159 |

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| | | |
|---|---------------|--------------------|
| 4.40%, 03/08/2016 CAD | 5,290,000 | 5,237,523 |
| Denmark, 4.00%, 11/15/2017 DKK | 69,420,000 | 13,822,229 |
| France, 4.25%, 04/25/2019 EUR | 7,700,000 | 11,696,140 |
| Korea: | | |
| 5.25%, 09/10/2015 KRW | 2,850,000,000 | 2,714,885 |
| 5.25%, 03/10/2027 KRW | 6,285,000,000 | 5,768,109 |
| Malaysia, 3.83%, 09/28/2011 MYR | 27,000,000 | 8,260,864 |
| Mexico, 10.00%, 12/05/2024 MXN | 84,440,000 | 9,103,886 |
| Netherlands: | | |
| 4.00%, 07/15/2016 EUR | 3,995,000 | 6,032,689 |
| 4.00%, 07/15/2018 EUR | 8,225,000 | 12,278,798 |
| Norway, 4.25%, 05/19/2017 NOK | 80,900,000 | 15,157,992 |
| Singapore, 4.375%, 01/15/2009 SGD | 11,430,000 | 8,501,781 |
| Sweden, 5.25%, 03/15/2011 SEK | 49,250,000 | 8,283,511 |
| <i>Total Foreign Bonds – Government (Principal Amount Denominated in Currency Indicated) (cost \$117,457,811)</i> | | <u>122,470,461</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| WHOLE LOAN MORTGAGE-BACKED PASS THROUGH SECURITIES 0.5% | | |
| FLOATING-RATE 0.5% | | |
| Lehman XS Trust, Ser. 2006-18N, Class A5A, 2.63%, 12/25/2036 | \$3,920,000 | \$2,158,450 |
| MASTR Adjustable Rate Mtge. Trust, Ser. 2006-OA2, Class 4A1B, 4.73%, 12/25/2046 | 1,590,144 | 950,327 |
| Washington Mutual, Inc. Mtge. Pass-Through Cert., Ser. 2006-AR09, Class 2A, 4.13%, 11/25/2046 | 1,430,191 | 820,399 |
| <i>Total Whole Loan Mortgage-Backed Pass Through Securities (cost \$5,036,958)</i> | | <u>3,929,176</u> |
| YANKEE OBLIGATIONS – CORPORATE 8.8% | | |
| CONSUMER DISCRETIONARY 0.0% | | |
| Media 0.0% | | |
| Videotron, Ltd., 9.125%, 04/15/2018 144A | 85,000 | <u>89,038</u> |
| ENERGY 2.0% | | |
| Oil, Gas & Consumable Fuels 2.0% | | |
| Connacher Oil & Gas, Ltd., 10.25%, 12/15/2015 144A | 1,505,000 | 1,584,012 |
| Griffin Coal Mining Co., Ltd.: 9.50%, 12/01/2016 144A | 8,450,000 | 6,717,750 |
| 9.50%, 12/01/2016 | 850,000 | 675,382 |
| OPTI Canada, Inc.: 7.875%, 12/15/2014 | 4,450,000 | 4,438,875 |
| 8.25%, 12/15/2014 | 1,200,000 | 1,215,000 |
| | | <u>14,631,019</u> |
| FINANCIALS 1.7% | | |
| Consumer Finance 0.6% | | |
| Avago Technologies Finance, Ltd., FRN, 8.18%, 06/01/2013 | 944,000 | 945,180 |
| KazMunaiGaz Finance Sub BV, 8.375%, 07/02/2013 144A | 700,000 | 716,625 |
| NXP Funding, LLC: 5.54%, 10/15/2013 | 1,525,000 | 1,202,844 |
| 9.50%, 10/15/2015 | 1,450,000 | 1,007,750 |
| Petroplus Finance, Ltd., 6.75%, 05/01/2014 144A | 265,000 | 233,200 |
| Virgin Media Finance plc: 8.75%, 04/15/2014 | 350,000 | 328,125 |
| 9.125%, 08/15/2016 | 100,000 | 93,000 |
| | | <u>4,526,724</u> |
| Diversified Financial Services 1.1% | | |
| FMG Finance Property, Ltd., 10.625%, 09/01/2016 144A | 4,170,000 | 4,858,050 |
| Preferred Term Securities XII, Ltd., FRN, 10.00%, 12/24/2033 + | 635,000 | 370,694 |
| Ship Finance International, Ltd., 8.50%, 12/15/2013 | 2,585,000 | 2,630,237 |
| | | <u>7,858,981</u> |
| INDUSTRIALS 1.0% | | |
| Road & Rail 1.0% | | |
| Kansas City Southern de Mexico: 7.375%, 06/01/2014 | 3,650,000 | 3,531,375 |

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| | | |
|--|-----------|------------------|
| 9.375%, 05/01/2012 | 3,530,000 | <u>3,662,375</u> |
| | | <u>7,193,750</u> |
| INFORMATION TECHNOLOGY 0.8% | | |
| Communications Equipment 0.6% | | |
| Nortel Networks Corp.: | | |
| 10.125%, 07/15/2013 | 4,310,000 | 4,229,188 |
| 10.75%, 07/15/2016 144A | 180,000 | <u>177,300</u> |
| | | <u>4,406,488</u> |
| Semiconductors & Semiconductor Equipment 0.2% | | |
| Sensata Technologies, Inc., 8.00%, 05/01/2014 | 1,150,000 | <u>983,250</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| YANKEE OBLIGATIONS – CORPORATE continued | | |
| MATERIALS 1.6% | | |
| Metals & Mining 1.4% | | |
| Evrast Group SA: | | |
| 8.875%, 04/24/2013 144A | \$215,000 | \$210,163 |
| 9.50%, 04/24/2018 144A | 2,200,000 | 2,147,750 |
| Novelis, Inc., 7.25%, 02/15/2015 | 6,085,000 | 5,659,050 |
| Vedanta Resource plc, 9.50%, 07/18/2018 144A | 2,415,000 | 2,402,925 |
| | | <u>10,419,888</u> |
| Paper & Forest Products 0.2% | | |
| Cascades, Inc., 7.25%, 02/15/2013 | 520,000 | 444,600 |
| Corporacion Durango SAB de CV, 10.50%, 10/05/2017 144A | 1,620,000 | 712,800 |
| | | <u>1,157,400</u> |
| TELECOMMUNICATION SERVICES 1.7% | | |
| Wireless Telecommunication Services 1.7% | | |
| Inmarsat, plc, Sr. Disc. Note, Step Bond, 0.00%, 11/15/2012 † | 1,120,000 | 1,131,200 |
| Intelsat, Ltd.: | | |
| 8.50%, 04/15/2013 144A | 2,380,000 | 2,368,100 |
| 8.875%, 01/15/2015 144A | 1,679,000 | 1,662,210 |
| 11.25%, 06/15/2016 | 2,020,000 | 2,105,850 |
| Telesat Canada, Inc., FRN, 11.00%, 11/01/2015 144A | 1,710,000 | 1,615,950 |
| Vimpel Communications: | | |
| 8.25%, 05/23/2016 | 1,400,000 | 1,340,500 |
| 8.375%, 04/30/2013 144A | 45,000 | 44,096 |
| 9.125%, 04/30/2018 144A | 2,260,000 | 2,213,873 |
| | | <u>12,481,779</u> |
| UTILITIES 0.0% | | |
| Electric Utilities 0.0% | | |
| InterGen NV, 9.00%, 06/30/2017 144A | 185,000 | 189,625 |
| <i>Total Yankee Obligations – Corporate (cost \$66,997,811)</i> | | <u>63,937,942</u> |

| | Shares | Value |
|---|--------|---------|
| COMMON STOCKS 0.2% | | |
| CONSUMER DISCRETIONARY 0.0% | | |
| Auto Components 0.0% | | |
| Cooper Tire & Rubber Co. | 18,266 | 168,230 |
| ENERGY 0.0% | | |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Frontier Oil Corp. * | 9,117 | 166,385 |
| INDUSTRIALS 0.0% | | |
| Aerospace & Defense 0.0% | | |
| L-3 Communications Holdings, Inc. | 11 | 1,086 |

Airlines 0.0%

| | | |
|-------------------------|--------|----------------|
| Delta Air Lines, Inc. * | 15,639 | <u>117,918</u> |
|-------------------------|--------|----------------|

Machinery 0.0%

| | | |
|----------------------------------|-------|---------------|
| Commercial Vehicle Group, Inc. * | 5,451 | <u>52,711</u> |
|----------------------------------|-------|---------------|

INFORMATION TECHNOLOGY 0.1%

Communications Equipment 0.1%

| | | |
|-----------------------|-------|---------|
| Cisco Systems, Inc. * | 7,268 | 159,823 |
|-----------------------|-------|---------|

| | | |
|-----------------------|-------|---------------|
| Nortel Networks Corp. | 7,674 | <u>58,936</u> |
|-----------------------|-------|---------------|

| | | |
|--|--|----------------|
| | | <u>218,759</u> |
|--|--|----------------|

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Shares | Value |
|--|--------|------------------|
| COMMON STOCKS continued | | |
| INFORMATION TECHNOLOGY continued | | |
| Software 0.0% | | |
| Microsoft Corp. | 5,735 | \$147,504 |
| TELECOMMUNICATION SERVICES 0.1% | | |
| Diversified Telecommunication Services 0.0% | | |
| Qwest Communications International, Inc. | 30,022 | 114,984 |
| Wireless Telecommunication Services 0.1% | | |
| Sprint Nextel Corp. | 17,169 | 139,756 |
| <i>Total Common Stocks (cost \$1,275,006)</i> | | <u>1,127,333</u> |

| | Principal Amount | Value |
|---|---------------------|-------------------|
| CONVERTIBLE DEBENTURES 0.1% | | |
| INFORMATION TECHNOLOGY 0.1% | | |
| Communications Equipment 0.1% | | |
| Nortel Networks Corp., 2.125%, 04/15/2014 <i>(cost \$562,875)</i> | \$790,000 | <u>562,875</u> |
| LOANS 5.1% | | |
| CONSUMER DISCRETIONARY 2.4% | | |
| Ford Motor Co., 5.46%, 12/15/2013 | 2,308,456 | 1,822,849 |
| General Motors Corp., N/A, 11/29/2013 < | 1,220,000 | 950,966 |
| Greektown Casino, LLC, N/A, 12/03/2012 < | 1,472,000 | 1,393,984 |
| Idearc, Inc., FRN, 4.47%-4.80%, 11/17/2014 < | 1,832,237 | 1,359,281 |
| Ion Media Networks, Inc., FRN, 6.04%, 01/15/2012 | 3,505,000 | 2,972,065 |
| Metaldyne Corp., FRN: | | |
| N/A, 01/11/2012 < | 549,112 | 351,432 |
| 6.50%, 01/11/2014 < | 3,733,965 | 2,405,196 |
| Newsday, N/A, 07/15/2013 < | 805,000 | 799,381 |
| Tropicana Entertainment, LLC., FRN, 10.75%, 01/03/2012 < | 6,490,000 | <u>5,498,263</u> |
| | | <u>17,553,417</u> |
| CONSUMER STAPLES 0.2% | | |
| Merisant Co., N/A, 01/11/2010 < | 1,435,000 | <u>1,345,886</u> |
| ENERGY 0.3% | | |
| Alon Krotz Springs, Inc., 10.75%, 07/03/2014 | 645,000 | 611,537 |
| Saint Acquisition Corp., FRN, 6.125%, 06/05/2014 | 675,000 | 517,374 |
| Semgroup Energy Partners, N/A, 07/20/2012 < | 1,080,000 | <u>941,685</u> |
| | | <u>2,070,596</u> |
| INDUSTRIALS 0.7% | | |
| Clarke American Corp., FRN, 5.29%-5.30%, 02/28/2014 | 3,231,608 | 2,678,099 |
| Neff Corp., FRN, 6.40%, 11/30/2014 | 4,045,000 | <u>2,839,428</u> |
| | | <u>5,517,527</u> |
| INFORMATION TECHNOLOGY 0.1% | | |

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| | | |
|---|-----------|-------------------|
| Activant Solutions, Inc., N/A, 05/02/2013 < | 854,893 | <u>747,104</u> |
| MATERIALS 1.4% | | |
| Abitibi Consolidated Co. of Canada, FRN, 11.50%, 03/31/2009 < | 2,738,378 | 2,730,383 |
| Boise Paper Holdings, LLC, FRN, 11.00%, 02/15/2015 | 405,000 | 396,758 |
| Lyondell Chemical Co., 7.00%, 12/20/2014 < | 8,240,000 | <u>6,880,400</u> |
| | | <u>10,007,541</u> |
| UTILITIES 0.0% | | |
| Energy Future Holdings Corp., FRN, 5.96%-6.30%, 10/10/2014 | 261 | <u>241</u> |
| <i>Total Loans (cost \$38,508,813)</i> | | <u>37,242,312</u> |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

| | Shares | Value |
|--|------------------|----------------------|
| SHORT-TERM INVESTMENTS 10.0% | | |
| MUTUAL FUND SHARES 10.0% | | |
| Evergreen Institutional Money Market Fund, Class I, 2.54% q ø (cost \$72,615,457) | ## 72,615,457 | \$72,615,457 |
| Total Investments (cost \$1,227,198,070) 163.3% | | 1,186,732,818 |
| Other Assets and Liabilities and Preferred Shares (63.3%) | | (459,852,667) |
| Net Assets Applicable to Common Shareholders 100.0% | | <u>\$726,880,151</u> |

When-issued or delayed delivery security
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.

†† The rate shown is the stated rate at the current period end.

+ Security is deemed illiquid and is valued using market quotations when readily available, unless otherwise noted.

* 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.

All or a portion of this security has been segregated for when-issued or delayed delivery securities.

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

GNMA Government National Mortgage Association

KRW Republic of Korea Won

MASTR Mortgage Asset Securitization Transactions, Inc.

| | |
|-----|--------------------|
| MXN | Mexican Peso |
| MYR | Malaysian Ringgit |
| NOK | Norwegian Krone |
| NZD | New Zealand Dollar |
| SEK | Swedish Krona |
| SGD | Singapore Dollar |
| TBA | To Be Announced |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

At July 31, 2008, the Fund had the following interest rate swap contracts outstanding:

| <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 Gain (Loss)</u> |
|-------------------|------------------------|---------------------|------------------------------------|--|-------------------------------|
| 11/26/2008 | \$112,000,000 | JPMorgan | Fixed-3.582% | Floating-2.46% ¹ | \$(359,292) |

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

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

| <u>Expiration</u> | <u>Counterparty</u> | <u>Reference Debt Obligation/Index</u> | <u>Notional Amount</u> | <u>Fixed Payments Made by the Fund</u> | <u>Frequency of Payments Made</u> | <u>Unrealized Gain (Loss)</u> |
|-------------------|---------------------|--|------------------------|--|-----------------------------------|-------------------------------|
| 09/20/2013 | Deutsche Bank | Pulte Homes, Inc., 5.25%, 1/15/2014 | \$435,000 | 3.25% | Quarterly | \$ (910) |
| 09/20/2013 | Lehman Brothers | Pulte Homes, Inc., 5.25%, 1/15/2014 | 820,000 | 2.86% | Quarterly | 11,114 |
| 09/20/2013 | Lehman Brothers | Pulte Homes, Inc., 5.25%, 1/15/2014 | 430,000 | 3.20% | Quarterly | (37) |
| 09/20/2013 | UBS | Motorola, Inc., 6.50%, 9/1/2025 | 265,000 | 3.02% | Quarterly | 877 |
| 09/20/2013 | UBS | Motorola, Inc., 6.50%, 9/1/2025 | 515,000 | 2.97% | Quarterly | 2,796 |

| <u>Expiration</u> | <u>Counterparty</u> | <u>Reference Debt Obligation/Index</u> | <u>Notional Amount</u> | <u>Fixed Payments Received by the Fund</u> | <u>Frequency of Payments Received</u> | <u>Unrealized Gain (Loss)</u> |
|-------------------|---------------------|---|------------------------|--|---------------------------------------|-------------------------------|
| 12/12/2012 | Lehman Brothers | Dow Jones CDX North America High Yield Index 9 | \$54,450 | 3.75% | Quarterly | \$ (1,186) |
| 06/20/2013 | UBS | Dow Jones CDX North America High Yield Index 10 | 520,000 | 5.00% | Quarterly | 2,597 |
| 09/20/2013 | Deutsche Bank | Centex Corp., 5.25%, 6/15/2015 | 435,000 | 4.75% | Quarterly | 868 |
| 09/20/2013 | Lehman Brothers | Centex Corp., 5.25%, 6/15/2015 | 820,000 | 3.85% | Quarterly | (25,944) |
| 09/20/2013 | Lehman Brothers | Centex Corp., 5.25%, 6/15/2015 | 430,000 | 4.50% | Quarterly | (3,158) |
| 09/20/2013 | | | 610,000 | 2.39% | Quarterly | (16,771) |

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| | | | | | | |
|------------|--------------------|---|---------|-------|-----------|----------|
| | Lehman Brothers | Motorola, Inc., 6.50%, 9/1/2025 | | | | |
| 12/13/2049 | Deutsche Bank | Markit CMBX North America AJ.3 Index | 315,000 | 1.47% | Quarterly | (166) |
| 12/13/2049 | Goldman Sachs | Markit CMBX North America AJ.3 Index | 525,000 | 1.47% | Quarterly | 1,893 |
| 12/13/2049 | Lehman Brothers | Markit CMBX North America AAA.3 Index | 205,000 | 0.08% | Quarterly | (4,983) |
| 12/13/2049 | Lehman Brothers | Markit CMBX North America AJ.3 Index | 410,000 | 1.47% | Quarterly | (25,914) |
| 12/13/2049 | UBS | Markit CMBX North America AAA.3 Index | 410,000 | 0.08% | Quarterly | 30,609 |

At July 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 July 31, 2008</u> | <u>In Exchange for U.S. \$</u> | <u>Unrealized Gain (Loss)</u> |
|--------------------------|---------------------------------|--|------------------------------------|---------------------------------------|
| 08/05/2008 | 9,965,667 EUR | \$15,530,428 | \$15,500,000 | \$ 30,428 |
| 10/07/2008 | 2,420,000 EUR | 3,758,496 | 3,808,281 | (49,785) |
| 10/07/2008 | 210,000,000 JPY | 1,953,925 | 1,986,755 | (32,830) |
| 10/15/2008 | 898,519 EUR | 1,394,931 | 1,402,642 | (7,711) |

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

Forward Foreign Currency Exchange Contracts to Buy:

| Exchange Date | Contracts to Receive | U.S. Value at July 31, 2008 | In Exchange For | U.S. Value at July 31, 2008 | Unrealized Gain (Loss) |
|---------------|----------------------|-----------------------------|-----------------|-----------------------------|------------------------|
| 08/13/2008 | 1,585,648,000 JPY | \$14,705,668 | 8,000,000 GBP | \$15,839,959 | \$(1,134,291) |
| 08/19/2008 | 1,607,600,000 JPY | 14,914,322 | 20,689,833 NZD | 15,141,252 | (226,930) |
| 10/14/2008 | 2,220,000,000 JPY | 20,663,772 | 21,929,391 AUD | 20,416,393 | 247,379 |
| 10/15/2008 | 1,574,300,000 JPY | 14,654,402 | 9,397,572 EUR | 14,589,524 | 64,878 |
| 10/15/2008 | 1,401,345,200 JPY | 13,044,449 | 6,700,000 GBP | 13,203,268 | (158,819) |
| 10/22/2008 | 1,597,450,000 JPY | 14,875,648 | 15,184,886 CAD | 14,812,062 | 63,586 |

Forward Foreign Currency Exchange Contracts to Sell:

| Exchange Date | Contracts to Receive | U.S. Value at July 31, 2008 | In Exchange for U.S. \$ | Unrealized Gain (Loss) |
|---------------|----------------------|-----------------------------|-------------------------|------------------------|
| 08/05/2008 | 10,077,499 EUR | \$15,704,707 | \$15,500,000 | \$(204,707) |
| 10/15/2008 | 898,519 EUR | 1,394,931 | 1,399,461 | 4,530 |

On July 31, 2008, the aggregate cost of securities for federal income tax purposes was \$1,228,443,701.

The gross unrealized appreciation and depreciation on securities based on tax cost was \$18,490,899 and \$60,201,782, respectively, with a net unrealized depreciation of \$41,710,883.

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 July 31, 2008, the Fund had unfunded loan commitments of \$18,128,576.

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.

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

July 31, 2008 (unaudited)

Interest rate swaps

The Fund may enter into interest rate swap contracts to manage the Fund's exposure to interest rates. Interest rate swaps involve the exchange between the Fund and another party of their commitments to pay or receive interest based on a notional principal amount.

The value of the swap contract is marked-to-market daily based upon quotations from market makers and any change in value is recorded as an unrealized gain or loss. Payments made or received are recorded 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.

Credit default swaps

The Fund may enter into credit default swap contracts. Credit default swaps involve an exchange of a stream of payments for protection against the loss in value of an underlying security or index 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. The guarantor agrees to purchase the notional amount of the underlying instrument or index, at par, if a credit event occurs during the term of the swap. The Fund may enter into credit default swaps as either the guarantor or the counterparty.

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 value of the swap contract is marked-to-market daily based on quotations from an independent pricing service or market makers and any change in value is recorded as an unrealized gain or loss. Periodic payments made or received are recorded as realized gains or losses. In addition, 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 guarantor 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 or index.

Item 2 - Controls and Procedures

- (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.
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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: September 24, 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: September 24, 2008

By:

Kasey Phillips
Principal Financial Officer

Date: September 24, 2008
