

EVERGREEN MULTI-SECTOR INCOME FUND  
Form N-Q  
September 29, 2009

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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 Registrant is making a quarterly filing for one of its series, Multi-Sector Income Fund, for the end: quarter ended July 31, 2009. This series has October 31 fiscal year end.

Date of reporting period: **July 31, 2009**



**Item 1 - Schedule of Investments**

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS**

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>AGENCY MORTGAGE-BACKED COLLATERALIZED<br/>MORTGAGE OBLIGATIONS 3.2%</b>                      |                     |                   |
| <b>FIXED-RATE 0.2%</b>  |                     |                   |
| FNMA:   |                     |                   |
| Ser. 2001-25, Class Z, 6.00%, 06/25/2031  | \$1,049,389         | \$1,101,051       |
| Ser. 2001-51, Class P, 6.00%, 08/25/2030  | 353,897             | 357,933           |
|   |                     | <u>1,458,984</u>  |
| <b>FLOATING-RATE 3.0%</b>   |                     |                   |
| FHLMC:  |                     |                   |
| Ser. 0196, Class A, 1.11%, 12/15/2021   | 136,723             | 137,652           |
| Ser. 2390, Class FD, 0.74%, 12/15/2031  | 129,643             | 127,972           |
| Ser. 2411, Class F, 0.84%, 02/15/2032   | 172,407             | 170,259           |
| Ser. 2431, Class F, 0.79%, 03/15/2032 $\mu$   | 6,061,202           | 6,039,078         |
| Ser. 2567, Class FH, 0.69%, 02/15/2033  | 330,815             | 327,810           |
| Ser. T-67, Class 2A1C, 4.10%, 03/25/2036  | 1,585,841           | 1,567,804         |
| FNMA:   |                     |                   |
| Ser. 1996-46, Class FA, 0.81%, 08/25/2021   | 76,143              | 74,495            |
| Ser. 2001-35, Class F, 0.89%, 07/25/2031  | 51,346              | 50,932            |
| Ser. 2001-57, Class F, 0.79%, 06/25/2031  | 51,693              | 51,102            |
| Ser. 2002-77, Class FH, 0.69%, 12/18/2032   | 309,140             | 304,642           |
| Ser. 2002-95, Class FK, 0.79%, 01/25/2033 $\mu$   | 7,776,187           | 7,733,496         |
| Ser. 2002-97, Class FR, 0.84%, 01/25/2033   | 118,105             | 116,905           |
| Ser. 2003-W8, Class 3F2, 0.64%, 05/25/2042  | 1,634,909           | 1,466,874         |
| Ser. G91-16, Class F, 0.76%, 06/25/2021   | 94,935              | 94,530            |
| Ser. G92-17, Class F, 1.36%, 03/25/2022   | 169,144             | 172,099           |
| GNMA, Ser. 2001-61, Class FA, 0.79%, 09/20/2030   | 77,726              | 77,520            |
|   |                     | <u>18,513,170</u> |
| <i>Total Agency Mortgage-Backed Collateralized Mortgage<br/>Obligations (cost \$20,405,487)</i> |                     | <u>19,972,154</u> |
| <b>AGENCY MORTGAGE-BACKED PASS THROUGH<br/>SECURITIES 25.4%</b>                                 |                     |                   |
| <b>FIXED-RATE 0.5%</b>  |                     |                   |
| FHLMC, 8.50%, 04/01/2015-07/01/2028   | 337,211             | 373,344           |
| FNMA:   |                     |                   |
| 6.00%, 04/01/2033   | 434,702             | 456,355           |
| 6.50%, 11/01/2032   | 69,610              | 74,770            |
| 7.50%, 07/01/2017-07/01/2032  | 800,576             | 869,829           |
| 8.00%, 12/01/2024-06/01/2030  | 238,731             | 262,003           |
| 12.00%, 01/01/2016  | 39,000              | 42,581            |
| GNMA:   |                     |                   |
| 6.50%, 06/15/2028   | 95,818              | 102,892           |
| 7.25%, 07/15/2017-05/15/2018  | 824,421             | 889,003           |
|   |                     | <u>3,070,777</u>  |
| <b>FLOATING-RATE 24.9%</b>  |                     |                   |

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FHLB:

|                     |           |           |
|---------------------|-----------|-----------|
| 4.15%, 07/01/2033   | 305,121   | 315,339   |
| 4.19%, 12/01/2034 μ | 9,586,850 | 9,850,781 |
| 4.25%, 06/01/2035 μ | 4,231,860 | 4,373,964 |
| 4.56%, 11/01/2030   | 600,404   | 616,009   |

FHLMC:

|                     |            |            |
|---------------------|------------|------------|
| 3.33%, 10/01/2030   | 24,291     | 24,572     |
| 3.85%, 06/01/2033   | 381,444    | 393,013    |
| 3.89%, 07/01/2032   | 613,118    | 628,428    |
| 4.10%, 10/01/2037   | 3,977,040  | 4,111,267  |
| 4.17%, 09/01/2032   | 661,565    | 677,899    |
| 4.25%, 04/01/2034 μ | 18,854,172 | 19,370,710 |
| 4.38%, 10/01/2030   | 430,208    | 440,955    |
| 4.40%, 10/01/2033   | 240,268    | 246,400    |
| 4.45%, 12/01/2026   | 109,427    | 111,242    |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value     |
|--|---------------------|-----------|
| <b>AGENCY MORTGAGE-BACKED PASS THROUGH</b> |                     |           |
| <b>SECURITIES</b> continued                |                     |           |
| <b>FLOATING-RATE</b> continued             |                     |           |
| FHLMC:                                     |                     |           |
| 4.50%, 10/01/2024                          | \$50,625            | \$51,952  |
| 4.51%, 08/01/2030                          | 532,054             | 552,006   |
| 4.81%, 10/01/2022                          | 117,282             | 118,286   |
| 5.07%, 05/01/2019-07/01/2035               | 636,640             | 663,433   |
| 5.53%, 06/01/2018                          | 66,944              | 69,833    |
| 5.87%, 02/01/2037 $\mu$                    | 4,620,542           | 4,843,414 |
| 6.49%, 01/01/2027                          | 270,948             | 280,237   |
| 8.50%, 03/01/2030                          | 118,295             | 126,258   |
| FNMA:                                      |                     |           |
| 1.48%, 04/01/2028                          | 115,346             | 116,096   |
| 1.82%, 10/01/2034                          | 304,139             | 298,809   |
| 2.875%, 04/01/2019                         | 63,517              | 64,084    |
| 2.95%, 04/01/2034 $\mu$                    | 5,969,562           | 6,030,110 |
| 2.97%, 01/01/2038                          | 4,851,471           | 4,830,215 |
| 3.08%, 12/01/2017                          | 933,417             | 938,970   |
| 3.09%, 04/01/2017                          | 2,628,933           | 2,654,960 |
| 3.17%, 10/01/2035-12/01/2035               | 9,012,356           | 9,199,124 |
| 3.19%, 02/01/2035 $\mu$                    | 1,241,584           | 1,245,838 |
| 3.29%, 06/01/2024                          | 196,672             | 201,025   |
| 3.43%, 02/01/2017                          | 2,132,586           | 2,153,191 |
| 3.49%, 08/01/2036                          | 6,541,376           | 6,751,053 |
| 3.51%, 12/01/2028                          | 51,823              | 53,131    |
| 3.67%, 04/01/2036                          | 4,789,672           | 4,988,683 |
| 3.73%, 09/01/2032                          | 211,134             | 217,917   |
| 3.80%, 01/01/2036                          | 3,732,056           | 3,834,023 |
| 3.81%, 01/01/2030                          | 77,058              | 80,287    |
| 3.84%, 07/01/2036 $\mu$                    | 5,738,556           | 5,877,971 |
| 3.85%, 02/01/2038                          | 422,246             | 438,455   |
| 3.93%, 02/01/2035                          | 479,923             | 494,549   |
| 3.98%, 06/01/2031                          | 148,609             | 152,479   |
| 4.00%, 07/01/2038                          | 3,329,145           | 3,410,909 |
| 4.13%, 07/01/2038                          | 303,187             | 309,626   |
| 4.15%, 12/01/2009                          | 190,621             | 190,621   |
| 4.18%, 12/01/2029                          | 71,484              | 73,117    |
| 4.25%, 01/01/2017                          | 84,732              | 86,166    |
| 4.33%, 02/01/2035                          | 7,673,127           | 7,907,157 |
| 4.36%, 12/01/2031                          | 89,827              | 91,853    |
| 4.45%, 05/01/2030                          | 253,009             | 259,626   |
| 4.46%, 07/01/2033                          | 200,267             | 204,785   |
| 4.47%, 01/01/2015                          | 41,224              | 42,052    |
| 4.48%, 07/01/2026                          | 41,634              | 42,557    |

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|                     |            |            |
|---------------------|------------|------------|
| 4.53%, 03/01/2034   | 29,573     | 30,364     |
| 4.54%, 06/01/2029   | 388,364    | 396,818    |
| 4.57%, 10/01/2029   | 135,312    | 137,600    |
| 4.58%, 03/01/2034   | 827,010    | 842,586    |
| 4.59%, 01/01/2026   | 420,327    | 429,234    |
| 4.62%, 08/01/2028   | 79,433     | 81,599     |
| 4.69%, 12/01/2036   | 58,880     | 60,079     |
| 4.71%, 12/01/2026   | 126,950    | 129,198    |
| 4.72%, 10/01/2034 μ | 15,122,526 | 15,421,506 |
| 4.75%, 12/01/2016   | 11,076     | 11,318     |
| 4.78%, 08/01/2030   | 269,681    | 276,846    |
| 4.83%, 07/01/2038 μ | 3,326,418  | 3,400,374  |
| 4.84%, 04/01/2033   | 180,519    | 188,819    |
| 4.87%, 04/01/2034   | 4,243,945  | 4,272,443  |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value              |
|--|---------------------|--------------------|
| <b>AGENCY MORTGAGE-BACKED PASS THROUGH<br/>SECURITIES</b> continued                        |                     |                    |
| <b>FLOATING-RATE</b> continued   |                     |                    |
| FNMA:  |                     |                    |
| 4.89%, 12/01/2034  | \$1,655,498         | \$1,666,425        |
| 4.95%, 01/01/2034  | 509,059             | 519,531            |
| 4.98%, 03/01/2033  | 171,800             | 177,615            |
| 5.07%, 09/01/2027  | 199,160             | 205,006            |
| 5.11%, 12/01/2022  | 15,004              | 15,466             |
| 5.23%, 04/01/2031  | 739,045             | 757,587            |
| 5.29%, 04/01/2025  | 140,694             | 145,143            |
| 5.30%, 07/01/2030  | 113,048             | 114,652            |
| 5.36%, 02/01/2036  | 2,976,929           | 3,125,627          |
| 5.55%, 09/01/2024  | 11,849              | 12,225             |
| 5.57%, 08/01/2027  | 325,152             | 330,974            |
| 6.00%, 05/01/2021-08/01/2021   | 18,313              | 19,090             |
| 6.09%, 11/01/2024  | 257,697             | 261,176            |
| 6.11%, 12/01/2013  | 414,359             | 423,947            |
| 6.14%, 12/01/2020  | 117,303             | 122,172            |
| 6.55%, 09/01/2037  | 4,302,010           | 4,562,819          |
| 6.62%, 09/01/2032  | 4,158,356           | 4,307,687          |
|  |                     | <u>153,551,363</u> |
| <i>Total Agency Mortgage-Backed Pass Through Securities (cost<br/>\$155,469,899)</i>       |                     | <u>156,622,140</u> |
| <b>AGENCY REPERFORMING MORTGAGE-BACKED PASS<br/>THROUGH SECURITIES</b> 0.1%                |                     |                    |
| <b>FIXED-RATE</b> 0.1%   |                     |                    |
| FNMA, Ser. 2001-T10, Class A2, 7.50%, 12/25/2041 (cost<br>\$361,480)                       | 332,204             | <u>364,308</u>     |
| <b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b> 1.8%  |                     |                    |
| <b>FIXED-RATE</b> 0.5%   |                     |                    |
| Bear Stearns Comml. Mtge. Securities Trust, Ser. 2007-PW15,<br>Class A4, 5.33%, 02/11/2044 | 1,415,000           | 1,214,075          |
| Greenwich Capital Comml. Funding Corp., Ser. 2007-GG9, Class<br>AM, 5.48%, 03/10/2039      | 200,000             | 122,714            |
| Morgan Stanley Capital I Trust, Ser. 2006-HQ10, Class AM, 5.36%,<br>11/21/2041             | 2,445,000           | <u>1,677,438</u>   |
|  |                     | <u>3,014,227</u>   |
| <b>FLOATING-RATE</b> 1.3%  |                     |                    |
| Citigroup Comml. Mtge. Trust, Ser. 2007-C6, Class A4, 5.70%,<br>12/10/2049                 | 1,875,000           | 1,604,443          |
| GE Comml. Mtge. Trust:   |                     |                    |
| Ser. 2006-C7, Class AM, 5.79%, 06/10/2046  | 2,875,000           | 1,896,778          |
| Ser. 2007-C9, Class A4, 6.01%, 12/10/2049  | 1,400,000           | 1,193,769          |



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|  |           |                   |
|--|-----------|-------------------|
| Goldman Sachs Mtge. Securities Corp., Ser. 2007-GG10, Class A4,<br>5.81%, 08/10/2045 | 1,620,000 | 1,279,277         |
| Morgan Stanley Capital I Trust:<br>Ser. 2006-IQ11, Class AM, 5.77%, 10/15/2042       | 240,000   | 159,504           |
| Ser. 2007-2A, Class 2A, 5.81%, 08/12/2045 144A                                       | 3,755,000 | 2,236,535         |
|  |           | <u>8,370,306</u>  |
| <i>Total Commercial Mortgage-Backed Securities (cost \$9,353,034)</i>                |           | <u>11,384,533</u> |
| <b>CORPORATE BONDS 55.2%</b>   |           |                   |
| <b>CONSUMER DISCRETIONARY 8.2%</b>   |           |                   |
| <b>Auto Components 1.3%</b>  |           |                   |
| Cooper Standard Automotive, Inc.:  |           |                   |
| 7.00%, 12/15/2012  | 300,000   | 69,000            |
| 8.375%, 12/15/2014   | 670,000   | 43,550            |
| Cooper Tire & Rubber Co., 7.625%, 03/15/2027   | 5,220,000 | 3,732,300         |
| Goodyear Tire & Rubber Co.:  |           |                   |
| 7.86%, 08/15/2011  | 1,180,000 | 1,180,000         |
| 8.625%, 12/01/2011   | 690,000   | 702,075           |
| 9.00%, 07/01/2015  | 237,000   | 241,740           |
| 10.50%, 05/15/2016   | 730,000   | 786,575           |
| FRN, 5.01%, 12/01/2009   | 1,005,000 | 1,006,256         |
|  |           | <u>7,761,496</u>  |

**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value            |
|--|---------------------|------------------|
| <b>CORPORATE BONDS continued</b>                                 |                     |                  |
| <b>CONSUMER DISCRETIONARY continued</b>                          |                     |                  |
| <b>Diversified Consumer Services 0.3%</b>                        |                     |                  |
| Carriage Services, Inc., 7.875%, 01/15/2015                      | \$1,715,000         | \$1,440,600      |
| Service Corporation International:<br>6.75%, 04/01/2015          | 365,000             | 344,925          |
| 7.50%, 04/01/2027  | 200,000             | 162,500          |
|  |                     | <u>1,948,025</u> |
| <b>Hotels, Restaurants &amp; Leisure 1.5%</b>                    |                     |                  |
| Boyd Gaming Corp.:<br>7.125%, 02/01/2016                         | 375,000             | 301,875          |
| 7.75%, 12/15/2012  | 95,000              | 92,863           |
| Caesars Entertainment, Inc., 7.875%, 03/15/2010                  | 880,000             | 844,800          |
| Harrah s Entertainment Corp., 11.25%, 06/01/2017 144A            | 1,540,000           | 1,566,950        |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010     | 1,050,000           | 430,500          |
| MGM MIRAGE:<br>6.625%, 07/15/2015                                | 230,000             | 167,900          |
| 8.50%, 09/15/2010  | 780,000             | 739,050          |
| 11.125%, 11/15/2017 144A   | 480,000             | 530,400          |
| Pinnacle Entertainment, Inc.:<br>8.625%, 08/01/2017 144A #       | 465,000             | 467,325          |
| 8.75%, 10/01/2013  | 60,000              | 62,100           |
| Pokagon Gaming Authority, 10.375%, 06/15/2014 144A               | 60,000              | 60,000           |
| Seneca Gaming Corp., 7.25%, 05/01/2012                           | 585,000             | 544,050          |
| Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015 144A | 1,205,000           | 777,225          |
| Speedway Motorsports, Inc., 8.75%, 06/01/2016 144A               | 695,000             | 714,112          |
| Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015             | 3,354,000           | 452,790          |
| Universal City Development Partners, Ltd., 11.75%, 04/01/2010    | 1,610,000           | 1,605,975        |
|  |                     | <u>9,357,915</u> |
| <b>Household Durables 1.9%</b>                                   |                     |                  |
| D.R. Horton, Inc.:<br>6.00%, 04/15/2011                          | 150,000             | 149,250          |
| 9.75%, 09/15/2010  | 1,950,000           | 2,001,187        |
| Hovnanian Enterprises, Inc., 11.50%, 05/01/2013                  | 190,000             | 176,225          |
| Lennar Corp.:<br>5.125%, 10/01/2010                              | 2,385,000           | 2,337,300        |
| 5.60%, 05/31/2015  | 60,000              | 50,700           |
| 12.25%, 06/01/2017 144A  | 60,000              | 67,500           |
| Libbey, Inc., FRN, 8.26%, 06/01/2011                             | 1,955,000           | 1,436,925        |
| Meritage Homes Corp.:<br>6.25%, 03/15/2015                       | 910,000             | 748,475          |
| 7.00%, 05/01/2014  | 1,155,000           | 981,750          |
| Newell Rubbermaid, Inc., 10.60%, 04/15/2019                      | 395,000             | 466,972          |
| Pulte Homes, Inc.:<br>7.875%, 08/01/2011                         | 1,295,000           | 1,337,088        |

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|  |           |                   |
|--|-----------|-------------------|
| 8.125%, 03/01/2011                                   | 770,000   | 793,100           |
| Sealy Corp., 10.875%, 04/15/2016 144A                | 180,000   | 197,100           |
| Whirlpool Corp., 8.60%, 05/01/2014                   | 1,010,000 | 1,085,213         |
|  |           | <u>11,828,785</u> |
| <b>Internet &amp; Catalog Retail 0.1%</b>            |           |                   |
| Ticketmaster Entertainment, Inc., 10.75%, 08/01/2016 | 855,000   | <u>799,425</u>    |
| <b>Media 1.7%</b>                                    |           |                   |
| CBS Corp., 8.875%, 05/15/2019                        | 1,230,000 | 1,282,720         |
| Charter Communications, Inc.:                        |           |                   |
| 12.875%, 09/15/2014 144A                             | 3,570,000 | 3,873,450         |
| Step Bond, 8.00%, 04/30/2012 144A                    | 1,750,000 | 1,754,375         |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>CORPORATE BONDS continued</b>                              |                     |                   |
| <b>CONSUMER DISCRETIONARY continued</b>                       |                     |                   |
| <b>Media continued</b>  |                     |                   |
| CSC Holdings, Inc., 7.625%, 04/01/2011                        | \$830,000           | \$844,525         |
| DirectTV Holdings, LLC, 7.625%, 05/15/2016                    | 390,000             | 396,825           |
| Interpublic Group of Companies, Inc., 10.00%, 07/15/2017 144A | 170,000             | 178,500           |
| Lamar Media Corp.:  |                     |                   |
| 6.625%, 08/15/2015  | 115,000             | 101,775           |
| 7.25%, 01/01/2013   | 180,000             | 174,600           |
| Mediacom, LLC, 7.875%, 02/15/2011                             | 590,000             | 588,525           |
| R.H. Donnelley Corp., 11.75%, 05/15/2015 144A                 | 221,000             | 116,025           |
| Regal Cinemas, Inc., 8.625%, 07/15/2019 144A                  | 25,000              | 25,875            |
| Sinclair Broadcast Group, Inc., 8.00%, 03/15/2012             | 242,000             | 186,945           |
| Sirius Satellite Radio, Inc., 9.625%, 08/01/2013              | 165,000             | 139,013           |
| WMG Acquisition Corp., 9.50%, 06/15/2016 144A                 | 740,000             | 789,950           |
| XM Satellite Radio Holdings, Inc., 13.00%, 08/01/2013 144A    | 335,000             | 302,337           |
| Young Broadcasting, Inc.:                                     |                     |                   |
| 8.75%, 01/15/2014   | 2,121,000           | 2,121             |
| 10.00%, 03/01/2011  | 1,540,000           | 1,540             |
|   |                     | <u>10,759,101</u> |
| <b>Multiline Retail 0.1%</b>                                  |                     |                   |
| Neiman Marcus Group, Inc., 9.00%, 10/15/2015 @                | 235,828             | 175,692           |
| Saks, Inc., 9.875%, 10/01/2011                                | 125,000             | 121,875           |
|   |                     | <u>297,567</u>    |
| <b>Specialty Retail 0.6%</b>                                  |                     |                   |
| American Achievement Corp.:                                   |                     |                   |
| 8.25%, 04/01/2012 144A  | 2,740,000           | 2,698,900         |
| Step Bond, 10.25%, 10/01/2012                                 | 445,000             | 382,700           |
| Freedom Group, Inc., 10.25%, 08/01/2015 144A                  | 470,000             | 484,100           |
|   |                     | <u>3,565,700</u>  |
| <b>Textiles, Apparel &amp; Luxury Goods 0.7%</b>              |                     |                   |
| Oxford Industries, Inc., 11.375%, 07/15/2015 144A             | 2,505,000           | 2,623,988         |
| Visant Corp., 7.625%, 10/01/2012                              | 1,495,000           | 1,509,950         |
|   |                     | <u>4,133,938</u>  |
| <b>CONSUMER STAPLES 1.7%</b>                                  |                     |                   |
| <b>Beverages 0.6%</b>   |                     |                   |
| Anheuser-Busch InBev, 6.875%, 11/15/2019 144A                 | 2,000,000           | 2,225,958         |
| Cott Beverages, Inc., 8.00%, 12/15/2011                       | 1,220,000           | 1,207,800         |
|   |                     | <u>3,433,758</u>  |
| <b>Food Products 0.7%</b>                                     |                     |                   |
| Del Monte Foods Co.:  |                     |                   |
| 6.75%, 02/15/2015   | 25,000              | 24,437            |
| 8.625%, 12/15/2012  | 1,119,000           | 1,146,975         |
| Smithfield Foods, Inc.:                                       |                     |                   |

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|  |           |                  |
|--|-----------|------------------|
| 7.00%, 08/01/2011                      | 1,490,000 | 1,422,950        |
| 10.00%, 07/15/2014 144A                | 1,200,000 | 1,257,000        |
| Tyson Foods, Inc.:                     |           |                  |
| 7.85%, 04/01/2016                      | 395,000   | 400,925          |
| 10.50%, 03/01/2014 144A                | 165,000   | 183,975          |
|  |           | <u>4,436,262</u> |
| <b>Tobacco 0.4%</b>                    |           |                  |
| Altria Group, Inc., 10.20%, 02/06/2039 | 1,820,000 | <u>2,375,009</u> |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>CORPORATE BONDS continued</b>                             |                     |                   |
| <b>ENERGY 9.4%</b>   |                     |                   |
| <b>Energy Equipment &amp; Services 2.2%</b>                  |                     |                   |
| Basic Energy Services, Inc., 11.625%, 08/01/2014 144A        | \$705,000           | \$705,000         |
| Bristow Group, Inc., 7.50%, 09/15/2017                       | 1,245,000           | 1,170,300         |
| Forbes Energy Services, Ltd., 11.00%, 02/15/2015             | 4,095,000           | 2,948,400         |
| GulfMark Offshore, Inc., 7.75%, 07/15/2014                   | 1,500,000           | 1,410,000         |
| Hornbeck Offshore Services, Inc., Ser. B, 6.125%, 12/01/2014 | 2,235,000           | 2,089,725         |
| Parker Drilling Co., 9.625%, 10/01/2013                      | 884,000             | 861,900           |
| PHI, Inc., 7.125%, 04/15/2013                                | 2,040,000           | 1,861,500         |
| Pride International, Inc., 8.50%, 06/15/2019                 | 1,205,000           | 1,295,375         |
| Smith International, Inc., 9.75%, 03/15/2019                 | 945,000             | 1,144,850         |
|  |                     | <u>13,487,050</u> |
| <b>Oil, Gas &amp; Consumable Fuels 7.2%</b>                  |                     |                   |
| Arch Coal, Inc., 8.75%, 08/01/2016 144A                      | 1,235,000           | 1,253,525         |
| Atlas Energy Resources, LLC, 12.125%, 08/01/2017             | 670,000             | 708,525           |
| Chesapeake Energy Corp.:                                     |                     |                   |
| 6.875%, 01/15/2016   | 4,930,000           | 4,658,850         |
| 9.50%, 02/15/2015  | 1,470,000           | 1,567,387         |
| Delta Petroleum Corp., 7.00%, 04/01/2015                     | 505,000             | 277,750           |
| El Paso Corp.:   |                     |                   |
| 7.42%, 02/15/2037  | 1,670,000           | 1,423,164         |
| 12.00%, 12/12/2013   | 445,000             | 507,300           |
| Encore Acquisition Co., 6.00%, 07/15/2015                    | 1,590,000           | 1,391,250         |
| Exco Resources, Inc., 7.25%, 01/15/2011                      | 2,970,000           | 2,925,450         |
| Ferrellgas Partners, LP, 8.75%, 06/15/2012                   | 450,000             | 441,563           |
| Forest Oil Corp.:  |                     |                   |
| 7.25%, 06/15/2019  | 1,130,000           | 1,080,562         |
| 8.50%, 02/15/2014 144A                                       | 660,000             | 673,200           |
| Frontier Oil Corp., 6.625%, 10/01/2011                       | 885,000             | 893,850           |
| Holly Corp., 9.875%, 06/15/2017 144A                         | 605,000             | 601,975           |
| Newfield Exploration Co.:                                    |                     |                   |
| 6.625%, 04/15/2016   | 240,000             | 232,800           |
| 7.125%, 05/15/2018   | 75,000              | 73,313            |
| Nustar Logistics, LP, 7.65%, 04/15/2018                      | 2,375,000           | 2,408,392         |
| Peabody Energy Corp.:  |                     |                   |
| 5.875%, 04/15/2016   | 2,800,000           | 2,618,000         |
| 7.875%, 11/01/2026   | 1,660,000           | 1,535,500         |
| Penn Virginia Corp., 10.375%, 06/15/2016                     | 355,000             | 380,294           |
| Petrohawk Energy Corp.:                                      |                     |                   |
| 7.875%, 06/01/2015   | 1,810,000           | 1,764,750         |
| 10.50%, 08/01/2014 144A                                      | 495,000             | 532,125           |
| Plains Exploration & Production Co., 7.625%, 06/01/2018      | 2,615,000           | 2,543,087         |
| Range Resources Corp., 8.00%, 05/15/2019                     | 170,000             | 173,825           |
| Sabine Pass LNG, LP:   |                     |                   |

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|  |           |           |
|--|-----------|-----------|
| 7.25%, 11/30/2013  | 1,990,000 | 1,713,887 |
| 7.50%, 11/30/2016  | 2,385,000 | 1,934,831 |
| SandRidge Energy, Inc., 8.00%, 06/01/2018 144A           | 245,000   | 224,175   |
| Southwestern Energy Co., 7.50%, 02/01/2018 144A          | 225,000   | 226,688   |
| Stallion Oilfield Services, Ltd., 9.75%, 02/01/2015 144A | 865,000   | 315,725   |
| Tesoro Corp.:  |           |           |
| 6.25%, 11/01/2012  | 505,000   | 489,850   |
| 6.50%, 06/01/2017  | 565,000   | 497,200   |
| 9.75%, 06/01/2019  | 670,000   | 678,375   |
| Valero Energy Corp., 6.875%, 07/15/2012                  | 1,070,000 | 1,103,440 |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>CORPORATE BONDS</b> continued                           |                     |                   |
| <b>ENERGY</b> continued                                    |                     |                   |
| <b>Oil, Gas &amp; Consumable Fuels</b> continued           |                     |                   |
| Williams Cos.:   |                     |                   |
| 7.50%, 01/15/2031  | \$2,080,000         | \$2,085,516       |
| 8.125%, 03/15/2012   | 3,560,000           | 3,822,301         |
| 8.75%, 01/15/2020 144A                                     | 685,000             | 775,412           |
|  |                     | <u>44,533,837</u> |
| <b>FINANCIALS 10.5%</b>                                    |                     |                   |
| <b>Capital Markets 0.5%</b>                                |                     |                   |
| E*TRADE Financial Corp.:                                   |                     |                   |
| 7.375%, 09/15/2013   | 450,000             | 381,938           |
| 12.50%, 11/30/2017 144A                                    | 1,264,000           | 1,572,875         |
| 12.50%, 11/30/2017   | 1,213,000           | 1,423,287         |
|  |                     | <u>3,378,100</u>  |
| <b>Consumer Finance 7.3%</b>                               |                     |                   |
| Bunge Limited Finance Co., 8.50%, 06/15/2019               | 365,000             | 404,529           |
| Calpine Construction Finance Corp., 8.00%, 06/01/2016 144A | 115,000             | 116,150           |
| CCH II Capital Corp., 10.25%, 09/15/2010                   | 3,175,000           | 3,413,125         |
| Daimler Financial Services AG, 4.875%, 06/15/2010          | 1,000,000           | 1,010,433         |
| Discover Financial Services, 10.25%, 07/15/2019            | 785,000             | 827,796           |
| Ford Motor Credit Co., LLC:                                |                     |                   |
| 5.70%, 01/15/2010  | 5,205,000           | 5,125,848         |
| 7.375%, 10/28/2009   | 1,000,000           | 998,226           |
| 7.50%, 08/01/2012  | 505,000             | 466,395           |
| 9.75%, 09/15/2010  | 2,213,000           | 2,203,227         |
| GMAC, LLC:   |                     |                   |
| 6.75%, 12/01/2014 144A                                     | 1,298,000           | 1,129,260         |
| 6.875%, 09/15/2011 144A                                    | 1,839,000           | 1,714,867         |
| 6.875%, 08/28/2012 144A                                    | 1,844,000           | 1,687,260         |
| 7.00%, 02/01/2012 144A                                     | 262,000             | 239,730           |
| 7.50%, 12/31/2013 144A                                     | 2,715,000           | 2,334,900         |
| 7.75%, 01/19/2010 144A                                     | 2,560,000           | 2,547,200         |
| 8.00%, 12/31/2018 144A                                     | 2,822,000           | 2,172,940         |
| 8.00%, 11/01/2031  | 450,000             | 343,105           |
| 8.00%, 11/01/2031 144A                                     | 2,259,000           | 1,750,725         |
| HSBC Finance Corp., 5.00%, 06/30/2015                      | 2,400,000           | 2,293,286         |
| International Lease Finance Corp.:                         |                     |                   |
| 4.375%, 11/01/2009   | 615,000             | 598,953           |
| 4.55%, 10/15/2009  | 510,000             | 500,296           |
| 4.75%, 01/13/2012  | 620,000             | 442,623           |
| 4.875%, 09/01/2010   | 1,205,000           | 1,031,384         |
| 5.125%, 11/01/2010   | 35,000              | 29,253            |
| JBS USA Finance, Inc., 11.625%, 05/01/2014 144A            | 2,800,000           | 2,849,000         |
| Nielsen Financial LLC, Co., 11.50%, 05/01/2016             | 10,000              | 10,525            |



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|  |           |                   |
|--|-----------|-------------------|
| NiSource Finance Corp., 10.75%, 03/15/2016       | 2,885,000 | 3,364,406         |
| Pinnacle Foods Finance, LLC, 10.625%, 04/01/2017 | 450,000   | 409,500           |
| Sprint Capital Corp.:                            |           |                   |
| 6.875%, 11/15/2028                               | 4,875,000 | 3,705,000         |
| 7.625%, 01/30/2011                               | 1,115,000 | 1,128,938         |
|  |           | <u>44,848,880</u> |
| <b>Diversified Financial Services 1.4%</b>       |           |                   |
| CapitalSource, Inc., 12.75%, 07/15/2014 144A     | 1,350,000 | 1,338,188         |
| Citigroup, Inc., 8.50%, 05/22/2019               | 435,000   | 463,925           |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value            |
|--|---------------------|------------------|
| <b>CORPORATE BONDS continued</b>                         |                     |                  |
| <b>FINANCIALS continued</b>                              |                     |                  |
| <b>Diversified Financial Services continued</b>          |                     |                  |
| Leucadia National Corp.:                                 |                     |                  |
| 7.00%, 08/15/2013  | \$1,250,000         | \$1,203,125      |
| 7.125%, 03/15/2017                                       | 1,785,000           | 1,588,650        |
| 8.125%, 09/15/2015                                       | 3,350,000           | 3,241,125        |
| WEA Finance, LLC, 7.50%, 06/02/2014 144A                 | 685,000             | 696,154          |
|  |                     | <u>8,531,167</u> |
| <b>Real Estate Investment Trusts (REITs) 1.0%</b>        |                     |                  |
| Host Marriott Corp.:                                     |                     |                  |
| 7.125%, 11/01/2013                                       | 810,000             | 789,750          |
| 9.00%, 05/15/2017 144A                                   | 400,000             | 405,000          |
| Omega Healthcare Investors, Inc.:                        |                     |                  |
| 7.00%, 04/01/2014  | 965,000             | 914,338          |
| 7.00%, 01/15/2016  | 500,000             | 463,750          |
| Simon Property Group, Inc., 10.35%, 04/01/2019           | 375,000             | 449,285          |
| Ventas, Inc.:  |                     |                  |
| 6.75%, 04/01/2017  | 1,688,000           | 1,595,160        |
| 7.125%, 06/01/2015                                       | 1,139,000           | 1,124,762        |
| 9.00%, 05/01/2012  | 555,000             | 585,525          |
|  |                     | <u>6,327,570</u> |
| <b>Thriffs &amp; Mortgage Finance 0.3%</b>               |                     |                  |
| Residential Capital, LLC, 8.50%, 05/15/2010              | 1,820,000           | 1,610,700        |
| <b>HEALTH CARE 2.9%</b>                                  |                     |                  |
| <b>Health Care Equipment &amp; Supplies 0.2%</b>         |                     |                  |
| Biomet, Inc.:  |                     |                  |
| 10.375%, 10/15/2017                                      | 440,000             | 473,000          |
| 11.625%, 10/15/2017                                      | 655,000             | 713,950          |
|  |                     | <u>1,186,950</u> |
| <b>Health Care Providers &amp; Services 2.4%</b>         |                     |                  |
| Apria Healthcare Group, 11.25%, 11/01/2014 144A          | 1,040,000           | 1,063,400        |
| Cigna Corp., 8.50%, 05/01/2019                           | 660,000             | 704,107          |
| HCA, Inc.:   |                     |                  |
| 6.30%, 10/01/2012  | 440,000             | 415,800          |
| 7.875%, 02/01/2011                                       | 820,000             | 824,100          |
| 7.875%, 02/15/2020 144A #                                | 1,525,000           | 1,500,219        |
| 8.50%, 04/15/2019 144A                                   | 2,455,000           | 2,528,650        |
| 8.75%, 09/01/2010  | 1,101,000           | 1,117,515        |
| 9.25%, 11/15/2016  | 2,750,000           | 2,873,750        |
| 9.625%, 11/15/2016                                       | 1,331,000           | 1,390,895        |
| Omnicare, Inc., 6.125%, 06/01/2013                       | 1,425,000           | 1,339,500        |
| Prospect Medical Holdings, Inc., 12.75%, 07/15/2014 144A | 685,000             | 650,750          |
| Symbion, Inc., 11.00%, 08/23/2015                        | 342,212             | 239,548          |

|   |             |                   |
|---|-------------|-------------------|
|   |             | <u>14,648,234</u> |
| <b>Life Sciences Tools &amp; Services</b> | <b>0.2%</b> |                   |
| Bio-Rad Laboratories, Inc.:               |             |                   |
| 7.50%, 08/15/2013                         | 525,000     | 535,500           |
| 8.00%, 09/15/2016 144A                    | 490,000     | <u>502,250</u>    |
|   |             | <u>1,037,750</u>  |
| <b>Pharmaceuticals</b>                    | <b>0.1%</b> |                   |
| Pfizer, Inc., 5.35%, 03/15/2015           | 900,000     | <u>997,300</u>    |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>CORPORATE BONDS continued</b>                               |                     |                   |
| <b>INDUSTRIALS 4.8%</b>  |                     |                   |
| <b>Aerospace &amp; Defense 2.3%</b>                            |                     |                   |
| Alliant Techsystems, Inc., 6.75%, 04/01/2016                   | \$1,545,000         | \$1,475,475       |
| Hexcel Corp., 6.75%, 02/01/2015                                | 805,000             | 762,738           |
| L-3 Communications Holdings, Inc.:                             |                     |                   |
| 5.875%, 01/15/2015   | 8,945,000           | 8,520,112         |
| 6.375%, 10/15/2015   | 1,474,000           | 1,422,410         |
| Vought Aircraft Industries, Inc., 8.00%, 07/15/2011            | 2,165,000           | 2,056,750         |
|  |                     | <u>14,237,485</u> |
| <b>Commercial Services &amp; Supplies 1.5%</b>                 |                     |                   |
| Allied Waste North America, Inc., 6.875%, 06/01/2017           | 320,000             | 328,493           |
| Browning-Ferris Industries, Inc., 9.25%, 05/01/2021            | 2,725,000           | 2,993,085         |
| Corrections Corporation of America:                            |                     |                   |
| 6.25%, 03/15/2013  | 1,125,000           | 1,108,125         |
| 6.75%, 01/31/2014  | 325,000             | 320,938           |
| 7.75%, 06/01/2017  | 1,220,000           | 1,229,150         |
| DigitalGlobe, Inc., 10.50%, 05/01/2014 144A                    | 245,000             | 259,088           |
| Geo Group, Inc., 8.25%, 07/15/2013                             | 560,000             | 554,400           |
| Interface, Inc., 11.375%, 11/01/2013 144A                      | 250,000             | 264,375           |
| Iron Mountain, Inc.:   |                     |                   |
| 6.625%, 01/01/2016   | 535,000             | 496,212           |
| 7.75%, 01/15/2015  | 445,000             | 440,550           |
| Mobile Mini, Inc., 6.875%, 05/01/2015                          | 1,645,000           | 1,414,700         |
|  |                     | <u>9,409,116</u>  |
| <b>Machinery 0.6%</b>  |                     |                   |
| Commercial Vehicle Group, Inc., 8.00%, 07/01/2013              | 6,605,000           | 3,797,875         |
| <b>Road &amp; Rail 0.2%</b>                                    |                     |                   |
| Kansas City Southern:  |                     |                   |
| 8.00%, 06/01/2015  | 555,000             | 541,125           |
| 13.00%, 12/15/2013   | 445,000             | 500,625           |
|  |                     | <u>1,041,750</u>  |
| <b>Trading Companies &amp; Distributors 0.2%</b>               |                     |                   |
| United Rentals North America, Inc.:                            |                     |                   |
| 6.50%, 02/15/2012  | 1,105,000           | 1,071,850         |
| 10.875%, 06/15/2016 144A                                       | 245,000             | 246,225           |
|  |                     | <u>1,318,075</u>  |
| <b>INFORMATION TECHNOLOGY 2.6%</b>                             |                     |                   |
| <b>Communications Equipment 0.2%</b>                           |                     |                   |
| EchoStar Corp.:  |                     |                   |
| 6.625%, 10/01/2014   | 635,000             | 611,187           |
| 7.75%, 05/31/2015  | 395,000             | 397,963           |
|  |                     | <u>1,009,150</u>  |
| <b>Electronic Equipment, Instruments &amp; Components 1.6%</b> |                     |                   |

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|  |           |                   |
|--|-----------|-------------------|
| Anixter International, Inc., 10.00%, 03/15/2014    | 1,530,000 | 1,591,200         |
| Da-Lite Screen Co., Inc., 9.50%, 05/15/2011        | 2,120,000 | 1,876,200         |
| Jabil Circuit, Inc.:                               |           |                   |
| 5.875%, 07/15/2010                                 | 345,000   | 356,213           |
| 8.25%, 03/15/2018                                  | 5,495,000 | 5,412,575         |
| Sanmina-SCI Corp., 8.125%, 03/01/2016              | 1,000,000 | 890,000           |
|  |           | <u>10,126,188</u> |
| <b>Internet Software &amp; Services 0.2%</b>       |           |                   |
| Terremark Worldwide, Inc., 12.00%, 06/15/2017 144A | 1,560,000 | <u>1,583,400</u>  |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value            |
|---|---------------------|------------------|
| <b>CORPORATE BONDS continued</b>  |                     |                  |
| <b>INFORMATION TECHNOLOGY continued</b>                                 |                     |                  |
| <b>IT Services 0.1%</b>   |                     |                  |
| iPayment, Inc., 9.75%, 05/15/2014                                       | \$555,000           | <u>\$327,450</u> |
| <b>Semiconductors &amp; Semiconductor Equipment 0.5%</b>                |                     |                  |
| National Semiconductor Corp., 6.60%, 06/15/2017                         | 425,000             | 387,690          |
| Spanion, Inc.:  |                     |                  |
| 11.25%, 01/15/2016 144A   | 440,000             | 294,800          |
| FRN, 3.79%, 06/01/2013 144A   | 2,605,000           | <u>2,201,225</u> |
|   |                     | <u>2,883,715</u> |
| <b>MATERIALS 4.9%</b>   |                     |                  |
| <b>Chemicals 1.3%</b>   |                     |                  |
| Dow Chemical Co., 8.55%, 05/15/2019                                     | 1,095,000           | 1,203,341        |
| Koppers Holdings, Inc., Sr. Disc. Note, Step Bond, 0.00%,<br>11/15/2014 | 2,805,000           | 2,608,650        |
| MacDermid, Inc., 9.50%, 04/15/2017 144A                                 | 338,000             | 261,950          |
| Momentive Performance Materials, Inc.:                                  |                     |                  |
| 9.75%, 12/01/2014   | 55,000              | 36,025           |
| 10.125%, 12/01/2014 @   | 29,504              | 17,702           |
| 11.50%, 12/01/2016  | 325,000             | 164,125          |
| Mosaic Co.:   |                     |                  |
| 7.30%, 01/15/2028   | 2,245,000           | 2,026,113        |
| 7.625%, 12/01/2016 144A   | 1,685,000           | 1,752,400        |
| Nalco Holding Co., 8.25%, 05/15/2017 144A                               | 55,000              | 57,475           |
| Tronox Worldwide, LLC, 9.50%, 12/01/2012                                | 1,270,000           | <u>215,900</u>   |
|   |                     | <u>8,343,681</u> |
| <b>Construction Materials 0.9%</b>                                      |                     |                  |
| CPG International, Inc.:  |                     |                  |
| 10.50%, 07/01/2013  | 1,730,000           | 1,236,950        |
| FRN, 7.87%, 07/01/2012  | 745,000             | 525,225          |
| CRH America, Inc.:  |                     |                  |
| 5.625%, 09/30/2011  | 455,000             | 451,251          |
| 8.125%, 07/15/2018  | 1,965,000           | 1,979,704        |
| Texas Industries, Inc., 7.25%, 07/15/2013 144A                          | 1,297,000           | <u>1,199,725</u> |
|   |                     | <u>5,392,855</u> |
| <b>Containers &amp; Packaging 0.9%</b>                                  |                     |                  |
| Exopack Holding Corp., 11.25%, 02/01/2014                               | 2,865,000           | 2,564,175        |
| Graham Packaging Co., 8.50%, 10/15/2012                                 | 1,540,000           | 1,536,150        |
| Graphic Packaging International, Inc.:                                  |                     |                  |
| 8.50%, 08/15/2011   | 407,000             | 410,053          |
| 9.50%, 06/15/2017 144A  | 235,000             | 235,000          |
| Greif, Inc., 7.75%, 08/01/2019 144A                                     | 495,000             | 493,762          |
| Silgan Holdings, Inc., 7.25%, 08/15/2016 144A                           | 440,000             | <u>442,200</u>   |
|   |                     | <u>5,681,340</u> |

**Metals & Mining 0.7%**

|  |           |                  |
|--|-----------|------------------|
| AK Steel Corp., 7.75%, 06/15/2012          | 440,000   | 442,200          |
| Freeport-McMoRan Copper & Gold, Inc.:      |           |                  |
| 8.25%, 04/01/2015                          | 2,100,000 | 2,223,261        |
| 8.375%, 04/01/2017                         | 1,200,000 | 1,273,804        |
| Indalex Holdings Corp., 11.50%, 02/01/2014 | 3,170,000 | 174,350          |
|  |           | <u>4,113,615</u> |

**Paper & Forest Products 1.1%**

|  |           |           |
|--|-----------|-----------|
| Clearwater Paper Corp., 10.625%, 06/15/2016 144A | 1,165,000 | 1,234,900 |
| Domtar Corp., 10.75%, 06/01/2017                 | 15,000    | 15,300    |
| Georgia Pacific Corp.:                           |           |           |
| 8.125%, 05/15/2011                               | 800,000   | 824,000   |
| 8.25%, 05/01/2016 144A                           | 60,000    | 62,400    |
| 8.875%, 05/15/2031                               | 230,000   | 219,650   |

**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>CORPORATE BONDS</b> continued                     |                     |                   |
| <b>MATERIALS</b> continued                           |                     |                   |
| <b>Paper &amp; Forest Products</b> continued         |                     |                   |
| International Paper Co., 9.375%, 05/15/2019          | \$3,315,000         | \$3,884,345       |
| Verso Paper Holdings, LLC, 11.375%, 08/01/2016       | 1,063,000           | 366,735           |
|  |                     | <u>6,607,330</u>  |
| <b>TELECOMMUNICATION SERVICES</b> 3.5%               |                     |                   |
| <b>Diversified Telecommunication Services</b> 1.6%   |                     |                   |
| Citizens Communications Co.:                         |                     |                   |
| 7.875%, 01/15/2027                                   | 1,720,000           | 1,509,300         |
| 9.25%, 05/15/2011                                    | 1,570,000           | 1,626,912         |
| FairPoint Communications, Inc., 13.125%, 04/01/2018  | 1,190,000           | 315,350           |
| Frontier Communications Corp., 8.25%, 05/01/2014     | 200,000             | 203,500           |
| Qwest Corp.:   |                     |                   |
| 7.50%, 06/15/2023                                    | 705,000             | 599,250           |
| 7.875%, 09/01/2011                                   | 505,000             | 517,625           |
| 8.875%, 03/15/2012                                   | 3,810,000           | 3,971,925         |
| SBA Telecommunications, Inc.:                        |                     |                   |
| 8.00%, 08/15/2016 144A                               | 655,000             | 664,825           |
| 8.25%, 08/15/2019 144A                               | 185,000             | 188,700           |
| West Corp., 9.50%, 10/15/2014                        | 65,000              | 62,075            |
|  |                     | <u>9,659,462</u>  |
| <b>Wireless Telecommunication Services</b> 1.9%      |                     |                   |
| Centennial Communications Corp., 8.125%, 02/01/2014  | 3,505,000           | 3,531,287         |
| Cricket Communications, Inc.:                        |                     |                   |
| 7.75%, 05/15/2016 144A                               | 1,120,000           | 1,120,000         |
| 9.375%, 11/01/2014                                   | 115,000             | 117,300           |
| MetroPCS Communications, Inc., 9.25%, 11/01/2014     | 2,110,000           | 2,194,400         |
| Sprint Nextel Corp.:                                 |                     |                   |
| 6.90%, 05/01/2019                                    | 270,000             | 241,313           |
| Ser. D, 7.375%, 08/01/2015                           | 2,120,000           | 1,913,300         |
| Ser. E, 6.875%, 10/31/2013                           | 2,870,000           | 2,633,225         |
| Ser. F, 5.95%, 03/15/2014                            | 240,000             | 208,800           |
|  |                     | <u>11,959,625</u> |
| <b>UTILITIES</b> 6.7%                                |                     |                   |
| <b>Electric Utilities</b> 4.2%                       |                     |                   |
| Allegheny Energy Supply Co., 8.25%, 04/15/2012 144A  | 3,105,000           | 3,321,915         |
| Aquila, Inc., Step Bond, 11.875%, 07/01/2012         | 7,595,000           | 8,549,691         |
| CMS Energy Corp., 8.50%, 04/15/2011                  | 355,000             | 367,485           |
| Edison Mission Energy, 7.00%, 05/15/2017             | 60,000              | 48,075            |
| Energy Future Holdings Corp., 11.25%, 11/01/2017     | 1,725,300           | 1,285,349         |
| Mirant Mid-Atlantic, LLC, Ser. C, 10.06%, 12/30/2028 | 3,185,189           | 3,153,337         |
| Mirant North America, LLC, 7.375%, 12/31/2013        | 1,010,000           | 1,002,425         |
| NRG Energy, Inc.:                                    |                     |                   |



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|   |           |                   |
|---|-----------|-------------------|
| 7.25%, 02/01/2014                                       | 510,000   | 502,350           |
| 7.375%, 02/01/2016                                      | 2,280,000 | 2,211,600         |
| 8.50%, 06/15/2019                                       | 1,405,000 | 1,389,194         |
| Orion Power Holdings, Inc., 12.00%, 05/01/2010          | 3,735,000 | 3,884,400         |
| Public Service Company of New Mexico, 7.95%, 04/01/2015 | 130,000   | 128,558           |
|   |           | <u>25,844,379</u> |
| <b>Gas Utilities 0.5%</b>                               |           |                   |
| EQT Corp., 8.125%, 06/01/2019                           | 1,065,000 | 1,203,434         |
| National Fuel Gas Co., 8.75%, 05/01/2019                | 2,000,000 | 2,301,310         |
|   |           | <u>3,504,744</u>  |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value              |
|---|---------------------|--------------------|
| <b>CORPORATE BONDS</b> continued  |                     |                    |
| <b>UTILITIES</b> continued  |                     |                    |
| <b>Independent Power Producers &amp; Energy Traders</b> 1.4%                              |                     |                    |
| AES Corp.:  |                     |                    |
| 8.00%, 06/01/2020   | \$50,000            | \$48,000           |
| 8.875%, 02/15/2011  | 1,145,000           | 1,176,488          |
| Dynergy Holdings, Inc.:   |                     |                    |
| 6.875%, 04/01/2011  | 1,035,000           | 1,024,650          |
| 7.125%, 05/15/2018  | 680,000             | 470,900            |
| Reliant Energy, Inc.:   |                     |                    |
| 6.75%, 12/15/2014   | 3,872,000           | 3,842,960          |
| 7.625%, 06/15/2014  | 1,880,000           | 1,757,800          |
| 7.875%, 06/15/2017  | 290,000             | 268,975            |
|   |                     | <u>8,589,773</u>   |
| <b>Multi-Utilities</b> 0.6%   |                     |                    |
| Ameren Corp., 8.875%, 05/15/2014  | 490,000             | 524,959            |
| CMS Energy Corp., 8.75%, 06/15/2019   | 245,000             | 258,537            |
| PNM Resources, Inc., 9.25%, 05/15/2015  | 555,000             | 541,125            |
| Texas-New Mexico Power Co., 9.50%, 04/01/2019 144A  | 2,110,000           | 2,439,042          |
|   |                     | <u>3,763,663</u>   |
|   |                     | <u>340,479,190</u> |
| <i>Total Corporate Bonds (cost \$340,591,402)</i>   |                     |                    |
| <b>FOREIGN BONDS CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED)</b> 14.4% |                     |                    |
| <b>CONSUMER DISCRETIONARY</b> 0.6%  |                     |                    |
| <b>Media</b> 0.1%   |                     |                    |
| Central European Media Enterprises, Ltd.:   |                     |                    |
| 8.25%, 05/15/2012 EUR   | 500,000             | 680,581            |
| Class A, FRN, 5.93%, 05/15/2014 EUR   | 250,000             | 265,462            |
|   |                     | <u>946,043</u>     |
| <b>Multiline Retail</b> 0.3%  |                     |                    |
| Marks & Spencer Group plc, 6.375%, 11/07/2011 GBP   | 1,000,000           | 1,737,846          |
| <b>Textiles, Apparel &amp; Luxury Goods</b> 0.2%  |                     |                    |
| Levi Strauss & Co., 8.625%, 04/01/2013 EUR  | 750,000             | 1,031,560          |
| <b>CONSUMER STAPLES</b> 2.1%  |                     |                    |
| <b>Beverages</b> 0.2%   |                     |                    |
| Canandaigua Brands, Inc., 8.50%, 11/15/2009 GBP   | 750,000             | 1,277,895          |
| <b>Food &amp; Staples Retailing</b> 0.5%  |                     |                    |
| Koninklijke Ahold NV, 5.875%, 03/14/2012 EUR  | 1,000,000           | 1,453,806          |
| McDonald's Corp., 4.25%, 06/10/2016 EUR   | 700,000             | 1,011,316          |
| Tesco plc, 3.875%, 03/24/2011 EUR   | 620,000             | 909,572            |
|   |                     | <u>3,374,694</u>   |
| <b>Tobacco</b> 1.4%   |                     |                    |
| British American Tobacco plc, 5.50%, 09/15/2016 GBP                                       | 2,000,000           | 3,374,897          |
| Imperial Tobacco Group plc, 8.375%, 02/17/2016 EUR  | 3,000,000           | 5,028,559          |

|  |           |                  |
|--|-----------|------------------|
|  |           | <u>8,403,456</u> |
| <b>FINANCIALS 7.3%</b>                 |           |                  |
| <b>Capital Markets 0.1%</b>            |           |                  |
| Morgan Stanley, 5.375%, 11/14/2013 GBP | 560,000   | <u>896,220</u>   |
| <b>Commercial Banks 3.8%</b>           |           |                  |
| Eurofima, 6.25%, 12/28/2018 AUD        | 2,450,000 | 1,978,375        |
| European Investment Bank:              |           |                  |
| 3.125%, 04/15/2014 EUR                 | 1,900,000 | 2,755,536        |
| 4.25%, 10/15/2014 EUR                  | 3,000,000 | 4,560,827        |
| 5.75%, 09/15/2009 AUD                  | 1,320,000 | 1,106,802        |
| 6.125%, 01/23/2017 AUD                 | 8,530,000 | 6,996,469        |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>FOREIGN BONDS CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued</b> |                     |                   |
| <b>FINANCIALS continued</b>   |                     |                   |
| <b>Commercial Banks continued</b>   |                     |                   |
| Instituto de Credito Oficial, 4.375%, 05/23/2012 EUR  | 3,800,000           | \$5,713,976       |
| Rabobank Australia, Ltd., 6.25%, 11/22/2011 NZD   | 725,000             | 494,687           |
|   |                     | <u>23,606,672</u> |
| <b>Consumer Finance 2.1%</b>  |                     |                   |
| ABB International Finance, Ltd., 6.50%, 11/30/2011 EUR  | 2,660,000           | 4,023,752         |
| HSBC Finance Corp., 7.00%, 03/27/2012 GBP   | 370,000             | 657,892           |
| ISS Financing plc, 11.00%, 06/15/2014 EUR   | 450,000             | 649,658           |
| Total Capital SA, 5.50%, 01/29/2013 GBP   | 1,000,000           | 1,777,067         |
| Toyota Motor Credit Corp., 8.50%, 12/21/2010 NZD  | 5,460,000           | 3,788,654         |
| Virgin Media Finance plc, 8.75%, 04/15/2014 EUR   | 940,000             | 1,346,480         |
| Wind Acquisition Finance SpA, 9.75%, 12/01/2015 EUR   | 300,000             | 431,866           |
|   |                     | <u>12,675,369</u> |
| <b>Diversified Financial Services 0.8%</b>  |                     |                   |
| Dubai Holding Commercial Operations Group, LLC, 6.00%, 02/01/2017 GBP                         | 1,000,000           | 1,017,052         |
| FMG Finance Property, Ltd., 9.75%, 09/01/2013 EUR   | 2,115,000           | 2,878,855         |
| General Electric Capital Corp., 7.625%, 12/10/2014 NZD  | 2,000,000           | 1,333,520         |
|   |                     | <u>5,229,427</u>  |
| <b>Insurance 0.5%</b>   |                     |                   |
| AIG SunAmerica, Inc., 5.625%, 02/01/2012 GBP  | 2,000,000           | 2,770,275         |
| <b>INDUSTRIALS 0.8%</b>   |                     |                   |
| <b>Aerospace &amp; Defense 0.3%</b>   |                     |                   |
| Bombardier, Inc., 7.25%, 11/15/2016 EUR   | 1,430,000           | 1,854,742         |
| <b>Commercial Services &amp; Supplies 0.2%</b>  |                     |                   |
| Iron Mountain, Inc., 6.75%, 10/15/2018 EUR  | 600,000             | 799,593           |
| <b>Machinery 0.3%</b>   |                     |                   |
| Harsco Corp., 7.25%, 10/27/2010 GBP   | 1,000,000           | 1,726,651         |
| Savcio Holdings, Ltd., 8.00%, 02/15/2013 EUR  | 250,000             | 283,278           |
|   |                     | <u>2,009,929</u>  |
| <b>MATERIALS 0.8%</b>   |                     |                   |
| <b>Chemicals 0.4%</b>   |                     |                   |
| Huntsman, LLC, 6.875%, 11/15/2013 EUR   | 710,000             | 814,630           |
| Nalco Holdings Co., 7.75%, 11/15/2011 EUR   | 500,000             | 719,776           |
| Rockwood Specialties Group, Inc., 7.625%, 11/15/2014 EUR                                      | 800,000             | 1,123,136         |
|   |                     | <u>2,657,542</u>  |
| <b>Containers &amp; Packaging 0.2%</b>  |                     |                   |
| Owens-Illinois European Group BV, 6.875%, 03/31/2017 EUR                                      | 900,000             | 1,192,975         |
| <b>Metals &amp; Mining 0.2%</b>   |                     |                   |
| New World Resources NV, 7.375%, 05/15/2015 EUR  | 1,000,000           | 1,072,538         |

**TELECOMMUNICATION SERVICES 1.7%**

**Diversified Telecommunication Services 1.7%**

|   |           |                   |
|---|-----------|-------------------|
| Deutsche Telekom AG, 6.25%, 12/09/2010 GBP  | 1,700,000 | 2,981,828         |
| France Telecom:<br>4.75%, 02/21/2017 EUR    | 2,000,000 | 3,036,509         |
| 7.25%, 01/28/2013 EUR                       | 1,850,000 | 2,996,074         |
| Nordic Telephone Co., 8.25%, 05/01/2016 EUR | 900,000   | 1,321,252         |
|   |           | <u>10,335,663</u> |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>FOREIGN BONDS CORPORATE (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) continued</b>                  |                     |                   |
| <b>UTILITIES 1.1%</b>  |                     |                   |
| <b>Multi-Utilities 1.1%</b>  |                     |                   |
| National Grid plc, 4.375%, 03/10/2020 EUR  | 3,000,000           | \$3,961,380       |
| Veolia Environnement SA, 4.00%, 02/12/2016 EUR   | 2,000,000           | 2,807,218         |
|  |                     | <u>6,768,598</u>  |
| <i>Total Foreign Bonds Corporate (Principal Amount Denominated in Currency Indicated) (cost \$88,188,437)</i>  |                     | <u>88,641,037</u> |
| <b>FOREIGN BONDS GOVERNMENT (PRINCIPAL AMOUNT DENOMINATED IN CURRENCY INDICATED) 14.7%</b>                     |                     |                   |
| Caisse d Amortissement de la Dette Sociale, 4.125%, 04/25/2017 EUR   | 4,880,000           | 7,357,535         |
| Canada, 4.25%, 06/01/2018 CAD  | 9,800,000           | 9,721,491         |
| Denmark:   |                     |                   |
| 4.00%, 11/15/2015 DKK  | 24,500,000          | 4,921,425         |
| 4.00%, 11/15/2017 DKK  | 24,750,000          | 4,936,087         |
| France:  |                     |                   |
| 2.25%, 07/25/2020 EUR  | 7,368,881           | 11,109,213        |
| 4.25%, 04/25/2019 EUR  | 8,510,000           | 12,875,237        |
| Korea:   |                     |                   |
| 5.25%, 09/10/2015 KRW  | 2,850,000,000       | 2,364,356         |
| 5.25%, 03/10/2027 KRW  | 3,865,000,000       | 3,062,262         |
| Malaysia, 3.83%, 09/28/2011 MYR  | 18,000,000          | 5,246,628         |
| Mexico, 9.50%, 12/18/2014 MXN  | 67,325,000          | 5,625,555         |
| Netherlands, 4.00%, 07/15/2018 EUR   | 6,230,000           | 9,201,501         |
| New Zealand, 6.00%, 12/15/2017 NZD   | 6,610,000           | 4,449,842         |
| Norway, 4.25%, 05/19/2017 NOK  | 59,780,000          | 10,096,909        |
| <i>Total Foreign Bonds Government (Principal Amount Denominated in Currency Indicated) (cost \$87,399,967)</i> |                     | <u>90,968,041</u> |
| <b>U.S. TREASURY OBLIGATIONS 2.4%</b>  |                     |                   |
| U.S. Treasury Bond, 3.50%, 02/15/2039  | \$10,250,000        | 8,861,463         |
| U.S. Treasury Note, 2.75%, 02/15/2019  | 6,020,000           | 5,657,374         |
| <i>Total U.S. Treasury Obligations (cost \$16,317,394)</i>   |                     | <u>14,518,837</u> |
| <b>WHOLE LOAN MORTGAGE-BACKED PASS THROUGH SECURITIES 2.1%</b>   |                     |                   |
| <b>FIXED-RATE 0.9%</b>   |                     |                   |
| Bear Stearns Securities Trust, Ser. 2007, Class AM, 5.92%, 06/11/2050  | 3,990,000           | 2,435,190         |
| Countrywide Alternative Loan Trust, Inc., Ser. 2005-50CB, Class 1A1, 5.50%, 11/25/2035                         | 882,467             | 598,075           |
| Greenwich Capital Comml. Funding Corp., Ser. 2007-GG11, Class AM, 5.87%, 08/10/2017                            | 3,575,000           | 2,192,340         |
|  |                     | <u>5,225,605</u>  |

**FLOATING-RATE 1.2%**

American Home Mtge. Assets:

|  |           |                   |
|--|-----------|-------------------|
| Ser. 2006-2, Class 1A1, 2.17%, 09/25/2046  | 3,830,566 | 1,817,706         |
| Ser. 2007-1, Class A1, 1.91%, 02/25/2047   | 783,685   | 315,837           |
| Banc of America Comml. Mtge., Inc., Ser. 2007-04, Class A4,<br>5.74%, 02/10/2051                 | 3,654,000 | 3,126,591         |
| GSR Mtge. Loan Trust, Ser. 2007-AR1, Class 2A1, 5.98%,<br>03/25/2037                             | 1,707,541 | 1,042,206         |
| Lehman XS Trust, Ser. 2006-18N, Class A5A, 0.46%,<br>12/25/2036                                  | 4,135,000 | 814,057           |
| Washington Mutual, Inc. Mtge. Pass-Through Cert., Ser.<br>2006-AR09, Class 2A, 2.05%, 11/25/2046 | 1,308,471 | 515,824           |
|  |           | <u>7,632,221</u>  |
| <i>Total Whole Loan Mortgage-Backed Pass Through<br/>Securities (cost \$15,410,786)</i>          |           | <u>12,857,826</u> |

**YANKEE OBLIGATIONS CORPORATE 9.4%****CONSUMER DISCRETIONARY 0.4%****Media 0.4%**

|   |           |                  |
|---|-----------|------------------|
| UPC Holdings BV, 9.875%, 04/15/2018 144A    | 20,000    | 20,000           |
| Videotron, Ltd.:<br>9.125%, 04/15/2018 144A | 50,000    | 52,375           |
| 9.125%, 04/15/2018                          | 85,000    | 88,613           |
| Virgin Media, Inc., 9.50%, 08/15/2016       | 1,935,000 | 1,993,050        |
|   |           | <u>2,154,038</u> |

**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value            |
|---|---------------------|------------------|
| <b>YANKEE OBLIGATIONS CORPORATE continued</b>                 |                     |                  |
| <b>CONSUMER STAPLES 0.1%</b>                                  |                     |                  |
| <b>Food &amp; Staples Retailing 0.1%</b>                      |                     |                  |
| Tesco plc, 5.50%, 11/15/2017                                  | \$500,000           | <u>\$514,607</u> |
| <b>ENERGY 1.5%</b>  |                     |                  |
| <b>Oil, Gas &amp; Consumable Fuels 1.5%</b>                   |                     |                  |
| Connacher Oil & Gas, Ltd.:                                    |                     |                  |
| 10.25%, 12/15/2015 144A                                       | 2,390,000           | 1,529,600        |
| 11.75%, 07/15/2014 144A                                       | 625,000             | 629,687          |
| Griffin Coal Mining Co., Ltd., 9.50%, 12/01/2016 144A         | 8,640,000           | 4,449,600        |
| OPTI Canada, Inc.:  |                     |                  |
| 7.875%, 12/15/2014  | 3,435,000           | 2,267,100        |
| 8.25%, 12/15/2014   | 415,000             | <u>275,975</u>   |
|   |                     | <u>9,151,962</u> |
| <b>FINANCIALS 1.5%</b>  |                     |                  |
| <b>Commercial Banks 0.3%</b>                                  |                     |                  |
| KfW Bankengruppe, 4.875%, 06/17/2019                          | 2,000,000           | <u>2,133,688</u> |
| <b>Consumer Finance 0.1%</b>                                  |                     |                  |
| Petroplus Finance, Ltd., 6.75%, 05/01/2014 144A               | 690,000             | 617,550          |
| Virgin Media Finance plc, 9.125%, 08/15/2016                  | 100,000             | <u>101,500</u>   |
|   |                     | <u>719,050</u>   |
| <b>Diversified Financial Services 1.1%</b>                    |                     |                  |
| FMG Finance Property, Ltd.:                                   |                     |                  |
| 10.625%, 09/01/2016 144A                                      | 3,525,000           | 3,657,188        |
| FRN, 4.67%, 09/01/2011 144A                                   | 545,000             | 562,031          |
| Preferred Term Securities XII, Ltd., FRN, 2.23%, 12/24/2033 + | 635,000             | 6                |
| Ship Finance International, Ltd., 8.50%, 12/15/2013           | 2,525,000           | <u>2,373,500</u> |
|   |                     | <u>6,592,725</u> |
| <b>INDUSTRIALS 1.2%</b>                                       |                     |                  |
| <b>Machinery 0.1%</b>   |                     |                  |
| Ingersoll-Rand Co., Ltd., 9.50%, 04/15/2014                   | 390,000             | <u>453,093</u>   |
| <b>Road &amp; Rail 1.1%</b>                                   |                     |                  |
| Kansas City Southern de Mexico:                               |                     |                  |
| 7.375%, 06/01/2014  | 4,875,000           | 4,314,375        |
| 9.375%, 05/01/2012  | 2,215,000           | 2,192,850        |
| 12.50%, 04/01/2016 144A                                       | 580,000             | <u>620,985</u>   |
|   |                     | <u>7,128,210</u> |
| <b>MATERIALS 3.1%</b>   |                     |                  |
| <b>Metals &amp; Mining 2.4%</b>                               |                     |                  |
| ArcelorMittal SA, 9.85%, 06/01/2019                           | 1,560,000           | 1,808,240        |
| Evrax Group SA:   |                     |                  |
| 8.875%, 04/24/2013  | 480,000             | 421,200          |
| 8.875%, 04/24/2013 144A                                       | 1,200,000           | 1,050,000        |
| 9.50%, 04/24/2018 144A  | 1,300,000           | 1,105,000        |



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|   |           |                   |
|---|-----------|-------------------|
| Novelis, Inc., 7.25%, 02/15/2015              | 3,340,000 | 2,738,800         |
| Rio Tinto, Ltd., 9.00%, 05/01/2019            | 1,095,000 | 1,290,417         |
| Teck Resources, Ltd.:                         |           |                   |
| 9.75%, 05/15/2014 144A                        | 1,455,000 | 1,625,962         |
| 10.75%, 05/15/2019 144A                       | 2,040,000 | 2,384,250         |
| Vedanta Resources plc, 9.50%, 07/18/2018 144A | 2,790,000 | 2,559,825         |
|   |           | <u>14,983,694</u> |
| <b>Paper &amp; Forest Products 0.7%</b>       |           |                   |
| Cascades, Inc., 7.25%, 02/15/2013             | 940,000   | 862,450           |
| PE Paper Escrow GmbH, 12.00%, 08/01/2014 144A | 785,000   | 749,191           |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>YANKEE OBLIGATIONS CORPORATE continued</b>                 |                     |                   |
| <b>MATERIALS continued</b>                                    |                     |                   |
| <b>Paper &amp; Forest Products continued</b>                  |                     |                   |
| Sappi, Ltd.:  |                     |                   |
| 6.75%, 06/15/2012 144A  | \$1,190,000         | \$962,097         |
| 7.50%, 06/15/2032 144A  | 3,340,000           | 1,742,879         |
|   |                     | <u>4,316,617</u>  |
| <b>TELECOMMUNICATION SERVICES 1.4%</b>                        |                     |                   |
| <b>Wireless Telecommunication Services 1.4%</b>               |                     |                   |
| Inmarsat, plc, Sr. Disc. Note, Step Bond, 10.375%, 11/15/2012 | 1,185,000           | 1,244,250         |
| Intelsat, Ltd.:   |                     |                   |
| 8.50%, 01/15/2013   | 2,495,000           | 2,532,425         |
| 8.875%, 01/15/2015 144A                                       | 105,000             | 106,575           |
| 8.875%, 01/15/2015  | 234,000             | 237,510           |
| 11.25%, 06/15/2016  | 240,000             | 256,800           |
| Millicom International Cellular SA, 10.00%, 12/01/2013        | 260,000             | 271,700           |
| Telesat Canada, Inc., 11.00%, 11/01/2015 144A                 | 1,500,000           | 1,560,000         |
| Vimpel Communications:  |                     |                   |
| 8.375%, 04/30/2013 144A                                       | 45,000              | 43,762            |
| 9.125%, 04/30/2018 144A                                       | 2,920,000           | 2,657,200         |
|   |                     | <u>8,910,222</u>  |
| <b>UTILITIES 0.2%</b>   |                     |                   |
| <b>Electric Utilities 0.2%</b>                                |                     |                   |
| E.ON AG, 5.80%, 04/30/2018                                    | 1,000,000           | 1,081,530         |
| InterGen NV, 9.00%, 06/30/2017 144A                           | 185,000             | 183,150           |
|   |                     | <u>1,264,680</u>  |
| <i>Total Yankee Obligations Corporate (cost \$58,531,181)</i> |                     | <u>58,322,586</u> |

|   | Shares | Value  |
|---|--------|--------|
| <b>COMMON STOCKS 0.0%</b>                   |        |        |
| <b>ENERGY 0.0%</b>                          |        |        |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b> |        |        |
| Newfield Exploration Co. * (cost \$34,839)  | 1,828  | 71,895 |

|   | Principal<br>Amount | Value   |
|---|---------------------|---------|
| <b>CONVERTIBLE DEBENTURES 0.2%</b>                |                     |         |
| <b>CONSUMER DISCRETIONARY 0.1%</b>                |                     |         |
| <b>Media 0.1%</b>                                 |                     |         |
| Sinclair Broadcast Group, Inc., 3.00%, 05/15/2027 | \$245,000           | 202,738 |
| <b>INFORMATION TECHNOLOGY 0.1%</b>                |                     |         |
| <b>Communications Equipment 0.1%</b>              |                     |         |
| Lucent Technologies, Inc., 2.875%, 06/15/2025     | 990,000             | 773,437 |

|  |           |                |
|--|-----------|----------------|
| <i>Total Convertible Debentures (cost \$619,793)</i> |           | <u>976,175</u> |
| <b>LOANS 4.8%</b>                                    |           |                |
| <b>CONSUMER DISCRETIONARY 1.1%</b>                   |           |                |
| Abitibi Consolidated, Inc., FRN, 11.50%, 03/30/2010  | 776,355   | 636,611        |
| Fontainebleau Resorts, LLC, FRN:                     |           |                |
| 6.00%, 06/06/2014                                    | 287,311   | 92,138         |
| 6.25%, 06/06/2014                                    | 574,613   | 184,273        |
| Ford Motor Co., FRN, 3.28%-3.51%, 12/15/2013         | 1,284,054 | 1,095,837      |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>LOANS continued</b>                                  |                     |                   |
| <b>CONSUMER DISCRETIONARY continued</b>                 |                     |                   |
| Idearc, Inc., FRN:<br>5.75%, 11/13/2013                 | \$232,986           | \$106,524         |
| 6.25%, 11/17/2014                                       | 795,563             | 363,723           |
| Metaldyne Corp., FRN:<br>4.19%-8.75%, 01/11/2012 <      | 1,217,313           | 164,337           |
| 6.19%-8.00%, 01/11/2014 <                               | 8,328,314           | 1,124,406         |
| MGM Mirage, N/A, 10/03/2011 <                           | 465,000             | 373,288           |
| Newsday, LLC, 9.75%, 07/15/2013                         | 1,760,000           | 1,781,683         |
| Tower Automotive Holdings, FRN, 4.56%-4.94%, 07/31/2013 | 394,990             | 156,025           |
| Tropicana Entertainment, LLC, FRN, 6.50%, 01/03/2012    | 1,970,000           | 581,170           |
|   |                     | <u>6,660,015</u>  |
| <b>CONSUMER STAPLES 0.5%</b>                            |                     |                   |
| Merisant Co., FRN, 3.79%, 01/11/2010 <                  | 3,678,264           | <u>2,997,822</u>  |
| <b>ENERGY 0.6%</b>                                      |                     |                   |
| Alon Krotz Springs, Inc., FRN:<br>12.75%, 07/03/2014 <  | 590,484             | 479,709           |
| 13.75%, 07/03/2014 <                                    | 259,395             | 210,893           |
| Saint Acquisition Corp., FRN, 3.56%, 06/05/2014         | 537,258             | 409,848           |
| Semgroup Energy Partners, FRN, 8.25%, 07/20/2012 <      | 2,925,000           | 2,702,291         |
|   |                     | <u>3,802,741</u>  |
| <b>FINANCIALS 0.2%</b>                                  |                     |                   |
| Realogy Corp., FRN, 3.31%, 09/01/2014                   | 1,328,807           | <u>1,022,384</u>  |
| <b>HEALTH CARE 0.1%</b>                                 |                     |                   |
| HCA, Inc., FRN, 2.35%, 11/18/2012                       | 890,352             | <u>847,722</u>    |
| <b>INDUSTRIALS 0.4%</b>                                 |                     |                   |
| Clarke American Corp., FRN, 2.76-3.10%, 02/28/2014      | 1,400,061           | 1,122,079         |
| Neff Corp., FRN:<br>3.80%, 11/30/2014                   | 4,910,000           | 932,900           |
| 4.13%, 05/31/2013 <                                     | 613,750             | 405,529           |
|   |                     | <u>2,460,508</u>  |
| <b>MATERIALS 1.6%</b>                                   |                     |                   |
| LyondellBasell, FRN:<br>3.77%, 12/20/2013 <             | 331,441             | 143,199           |
| 3.79%, 12/20/2013 <                                     | 118,737             | 51,300            |
| 4.04%, 12/22/2014 <                                     | 272,706             | 117,956           |
| 5.81%-6.56%, 12/15/2009 <                               | 5,874,774           | 4,978,930         |
| 7.00%, 12/20/2013 <                                     | 1,183,347           | 511,845           |
| 13.00%, 12/15/2009 <                                    | 4,183,581           | 4,336,031         |
|   |                     | <u>10,139,261</u> |
| <b>TELECOMMUNICATION SERVICES 0.3%</b>                  |                     |                   |
| FairPoint Communications, Inc., FRN, 5.00%, 03/08/2015  | 2,075,398           | <u>1,602,975</u>  |
| <i>Total Loans (cost \$37,151,462)</i>                  |                     | <u>29,533,428</u> |

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|   | <b>Shares</b> | <b>Value</b>     |
|---|---------------|------------------|
| <b>CLOSED END MUTUAL FUND SHARES 0.4%</b>                     |               |                  |
| Dreyfus High Yield Strategies Fund, Inc.                      | 216,382       | 720,552          |
| Eaton Vance Limited Duration Income Trust                     | 53,764        | 738,717          |
| ING Prime Rate Trust  | 12,336        | 55,759           |
| LMP Corporate Loan Fund, Inc.                                 | 16,391        | 146,863          |
| New America High Income Fund, Inc.                            | 99,690        | 792,536          |
| <i>Total Closed End Mutual Fund Shares (cost \$1,623,072)</i> |               | <u>2,454,427</u> |

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

|  | Shares           | Value                       |
|--|------------------|-----------------------------|
| <b>SHORT-TERM INVESTMENTS 2.5%</b>                                 |                  |                             |
| <b>MUTUAL FUND SHARES 2.5%</b>                                     |                  |                             |
| Evergreen Institutional Money Market Fund, Class I, 0.22% q ø μ ## | 15,359,894       | <u>\$15,359,894</u>         |
| <hr/>  |                  |                             |
|  | Principal Amount | Value                       |
| <b>U.S. TREASURY OBLIGATION 0.0%</b>                               |                  |                             |
| U.S. Treasury Bill, 0.16%, 09/24/2009 β                            | \$150,000        | <u>149,965</u>              |
| <i>Total Short-Term Investments (cost \$15,509,833)</i>            |                  | <u>15,509,859</u>           |
| <b>Total Investments (cost \$846,968,066) 136.6%</b>               |                  | <u>842,676,436</u>          |
| <b>Other Assets and Liabilities and Preferred Shares (36.6%)</b>   |                  | <u>(225,650,367 )</u>       |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>         |                  | <u><u>\$617,026,069</u></u> |

μ All or a portion of this security has been segregated as collateral for reverse repurchase agreements.

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 which has defaulted on payment of interest and/or principal. The Fund has stopped accruing interest on this security.

# When-issued or delayed delivery security

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

@ Security is currently paying interest in-kind.

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.

+ Security is deemed illiquid.

\* 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 has been segregated for when-issued, delayed delivery securities and/or unfunded loans.

All or a portion of this security was pledged to cover initial margin requirements for open futures contracts.

β Rate shown represents the yield to maturity at date of purchase.

**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  
 MXN Mexican Peso  
 MYR Malaysian Ringgit  
 NOK Norwegian Krone  
 NZD New Zealand Dollar

At July 31, 2009, the Fund had short futures contracts outstanding as follows:

| <u>Expiration</u> | <u>Contracts</u>                                  | <u>Initial<br/>Contract<br/>Amount</u> | <u>Value at<br/>July 31,<br/>2009</u> | <u>Unrealized<br/>Gain<br/>(Loss)</u> |
|-------------------|---|--|---------------------------------------|---------------------------------------|
| September<br>2009 | 100 U.S.<br>Treasury<br>Note 2<br>Year<br>Futures | \$21,660,538                           | \$21,657,813                          | \$2,725                               |

**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

At July 31, 2009, the Fund had forward foreign currency exchange contracts outstanding as follows:

## Forward Foreign Currency Exchange Contracts to Buy:

| Exchange Date | Contracts to Receive |     | U.S. Value at July 31, 2009 | In Exchange for U.S. \$ | U.S. Value at July 31, 2009 | Unrealized Gain (Loss) |
|---------------|----------------------|-----|-----------------------------|-------------------------|-----------------------------|------------------------|
| 08/07/2009    | 3,525,000,000        | JPY | \$37,253,331                | \$35,709,584            | \$5,426,833                 | \$94,662               |
| 08/26/2009    | 792,500,000          | JPY | 8,376,845                   | 8,377,378               | 5,549,966                   | (123,133)              |
| 08/13/2009    | 195,000,000          | JPY | 2,060,935                   | 1,329,243               | 2,220,388                   | (159,453)              |
| 08/26/2009    | 17,844,070           | EUR | 25,434,408                  | 2,340,000,000           | 24,734,156                  | 700,252                |
| 09/25/2009    | 911,725,625          | JPY | 9,639,910                   | 12,275,000              | 10,228,073                  | (588,163)              |
| 10/02/2009    | 3,936,036            | EUR | 5,610,387                   | 6,375,000               | 5,919,289                   | (308,902)              |
| 10/06/2009    | 747,647,030          | JPY | 7,905,930                   | 4,735,000               | 7,908,570                   | (2,640 )               |
| 10/13/2009    | 755,000,000          | JPY | 7,984,167                   | 12,872,975              | 8,486,588                   | (502,421)              |

## Forward Foreign Currency Exchange Contracts to Sell:

| Exchange Date | Contracts to Deliver |     | U.S. Value at July 31, 2009 | In Exchange for U.S. \$ | U.S. Value at July 31, 2009 | Unrealized Gain (Loss) |
|---------------|----------------------|-----|-----------------------------|-------------------------|-----------------------------|------------------------|
| 08/06/2009    | 194,146              | EUR | \$276,717                   | \$243,653               | \$5,426,833                 | \$94,662               |
| 08/06/2009    | 896,685              | EUR | 1,278,051                   | 1,154,931               | 5,549,966                   | (123,120)              |
| 08/06/2009    | 475,000              | EUR | 677,020                     | 618,454                 | (58,566)                    | (58,566)               |
| 08/20/2009    | 310,000              | EUR | 441,859                     | 439,747                 | (2,112)                     | (2,112)                |
| 08/20/2009    | 1,310,000            | EUR | 1,867,210                   | 1,765,029               | (102,181)                   | (102,181)              |
| 09/02/2009    | 4,915,000            | EUR | 7,005,806                   | 6,909,507               | (96,299)                    | (96,299)               |
| 09/16/2009    | 5,150,000            | GBP | 8,602,021                   | 8,469,793               | (132,228)                   | (132,228)              |
| 10/01/2009    | 264,799              | EUR | 377,442                     | 351,137                 | (26,305)                    | (26,305)               |
| 10/13/2009    | 2,690,000            | NZD | 1,773,399                   | 1,694,700               | (78,699)                    | (78,699)               |
| 10/15/2009    | 211,620              | EUR | 301,638                     | 280,644                 | (20,994)                    | (20,994)               |
| 10/15/2009    | 414,775              | EUR | 591,211                     | 549,796                 | (41,415)                    | (41,415)               |
| 10/15/2009    | 151,083              | EUR | 215,350                     | 198,568                 | (16,782)                    | (16,782)               |
| 10/15/2009    | 764,659              | EUR | 1,089,930                   | 1,014,933               | (74,997)                    | (74,997)               |
| 10/15/2009    | 588,767              | EUR | 839,217                     | 774,465                 | (64,752)                    | (64,752)               |



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|            |         |     |         |         |           |
|------------|---------|-----|---------|---------|-----------|
| 10/15/2009 | 245,530 | EUR | 349,973 | 322,000 | (27,973 ) |
| 11/16/2009 | 540,094 | EUR | 769,840 | 755,348 | (14,492 ) |
| 11/16/2009 | 611,914 | EUR | 872,212 | 855,144 | (17,068 ) |

At July 31, 2009, the Fund had the following credit default swap contracts outstanding:

Credit default swaps on debt obligations Buy protection

| Expiration | Counterparty  | Reference Debt Obligation          | Rating of Reference Debt Obligation* | Notional Amount | Fixed Payments Made by the Fund | Frequency Of Payments Made | Market Value | Upfront Premiums Paid/ (Received)(L) | Gain |
|------------|---------------|------------------------------------|--------------------------------------|-----------------|---------------------------------|----------------------------|--------------|--------------------------------------|------|
| 06/20/2014 | Goldman Sachs | Motorola, Inc., 6.50%, 09/01/2025# | BB+                                  | \$1,070,000     | 1.00%                           | Quarterly                  | \$30,585     | \$102,389                            | \$(  |
| 06/20/2014 | Goldman Sachs | Expedia, Inc., 7.46%, 08/15/2018#  | BB                                   | 975,000         | 5.00%                           | Quarterly                  | (146,170)    | (87,383 )                            | (    |
| 06/20/2014 | JP Morgan     | Motorola, Inc., 6.50%, 09/01/2025# | BB+                                  | 1,275,000       | 1.00%                           | Quarterly                  | 36,444       | 83,238                               | (    |
| 06/20/2014 | UBS           | Expedia, Inc., 7.46%, 08/15/2018#  | BB                                   | 940,000         | 5.00%                           | Quarterly                  | (140,923)    | (28,064 )                            | (    |

**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

Credit default swaps on an index Buy protection

| Expiration | Counterparty  | Reference Index                               | Rating of Reference Index* <sup>@</sup> | Notional Amount | Fixed Payments Made by the Fund | Frequency Of Payments Made | Market Value | Upfront Premiums Paid/(Received) | Unrealized Gain (Loss) |
|------------|---------------|---|---|-----------------|---------------------------------|----------------------------|--------------|----------------------------------|------------------------|
| 06/20/2014 | Credit Suisse | Dow Jones North America High Yield Index 12## | B                                       | \$2,124,400     | 5.00%                           | Quarterly                  | \$197,569    | \$335,872                        | \$(138,300)            |
| 06/20/2014 | JP Morgan     | Dow Jones North America High Yield Index 12## | B                                       | 1,259,600       | 5.00%                           | Quarterly                  | 117,143      | 209,721                          | (92,578)               |

Credit default swaps on an index Sell protection

| Expiration | Counterparty  | Reference Index                  | Rating of Reference Index* <sup>@</sup> | Notional Amount | Fixed Payments Received by the Fund | Frequency Of Payments Received | Market Value | Upfront Premiums Paid/(Received) | Unrealized Gain (Loss) |
|------------|---------------|----------------------------------|---|-----------------|-------------------------------------|--------------------------------|--------------|----------------------------------|------------------------|
| 12/13/2049 | Credit Suisse | Markit CMBX North America AAA.3# | AAA                                     | \$2,445,000     | 0.08%                               | Monthly                        | \$(454,770)  | \$(657,858)                      | \$203,082              |
| 12/13/2049 | Goldman Sachs | Markit CMBX North America AAA.3# | AAA                                     | 1,760,000       | 0.08%                               | Monthly                        | (327,360)    | (639,218)                        | 311,852                |

\* Reflects the ratings of a nationally recognized ratings agency at period end. A rating of D would most likely indicate a trigger event of default has occurred although circumstances including bankruptcy, failure to pay, obligation default, obligation acceleration, repudiation/moratorium and restructuring may also cause a credit event to take place.

<sup>@</sup> Rating represents an average rating for the underlying securities within the index.

# The Fund entered into the swap contract for speculative purposes.

## The Fund entered into the swap contract for hedging purposes.

As of July 31, 2009, reverse repurchase agreements outstanding were as follows:

| <u>Repurchase<br/>Amount</u> | <u>Counterparty</u> | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> |
|------------------------------|---------------------|--------------------------|--------------------------|
|                              | Credit              |                          |                          |
| \$47,757,669                 | Suisse              | 0.52%                    | 08/20/2009               |
|                              | Goldman             |                          |                          |
| 44,184,381                   | Sachs               | 0.375%                   | 08/20/2009               |

On July 31, 2009, the aggregate cost of securities for federal income tax purposes was \$851,683,224. The gross unrealized appreciation and depreciation on securities based on tax cost was \$39,517,490 and \$48,524,278, respectively, with a net unrealized depreciation of \$9,006,788.

### 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 fair 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. If there has been no sale, the securities are valued at the mean between bid and asked prices.

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 fair value are valued at fair value as determined by the investment advisor in good faith, according to procedures approved by the Board of Trustees.

The valuation techniques used by the Fund to measure fair value are consistent with the market approach, income approach and/or cost approach, where applicable, for each security type.

### Reverse repurchase agreements

To obtain short-term financing, the Fund may enter into reverse repurchase agreements with banks and other financial institutions, which are deemed by the investment advisor to be creditworthy. At the time the Fund enters into a reverse repurchase agreement, it will establish a segregated account with the custodian containing qualified assets having a value not less than the repurchase price, including accrued interest. If the counterparty to the transaction is rendered insolvent, the Fund may be delayed or limited in the repurchase of the collateral securities.

### 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.

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

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July 31, 2009 (unaudited)

**Futures contracts**

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The Fund may buy and sell futures contracts in order to gain exposure to, or protect against changes in, security values and interest rates. The primary risks associated with the use of futures contracts are the imperfect correlation between changes in market values of securities held by the Fund and the prices of futures contracts, and the possibility of an illiquid market.

Futures contracts are valued based upon their quoted daily settlement prices. The aggregate principal amounts of the contracts are not recorded in the financial statements. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset or liability and in the Statement of Operations as unrealized gains or losses until the contracts are closed, at which point they are recorded as net realized gains or losses on futures contracts. With futures contracts, there is minimal counterparty risk to the Fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default.

**Forward foreign currency contracts**

The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. 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. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by having the counterparty post collateral to cover the Fund's exposure to the counterparty.

**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, 2009, the Fund had unfunded loan commitments of \$6,307,393.

## Credit default swaps

The Fund is subject to credit risk in the normal course of pursuing its investment objectives. The Fund may enter into credit default swap contracts for hedging or speculative purposes to provide or receive a measure of protection against default on a referenced entity, obligation or index or for investment gains. Credit default swaps involve an exchange of a stream of payments for protection against the loss in value of an underlying security or index. Under the terms of the swap, one party acts as a guarantor (referred to as the seller of protection) and receives a periodic stream of payments, provided that there is no credit event, from another party (referred to as the buyer of protection) that is a fixed percentage applied to a notional principal amount over the term of the swap. An index credit default swap references all the names in the index, and if a credit event is triggered, the credit event is settled based on that name's weight in the index. A credit event includes bankruptcy, failure to pay, obligation default, obligation acceleration, repudiation/moratorium, and restructuring. The Fund may enter into credit default swaps as either the seller of protection or the buyer of protection. As the seller of protection, the Fund is subject to investment exposure on the notional amount of the swap and has assumed the risk of default of the underlying security or index. As the buyer of protection, the Fund could be exposed to risks if the seller of the protection 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. The maximum potential amount of future payments (undiscounted) that the Fund as the seller of protection could be required to make under the credit default swap contract would be an amount equal to the notional amount of the swap contract. The Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by having the counterparty post collateral to cover the Fund's exposure to the counterparty.

If the Fund is the seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will pay to the buyer of protection the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index. If the Fund is the buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will receive from the seller of protection the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index.

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.

Certain credit default swap contracts entered into by the Fund provide for conditions that result in events of default or termination that enable the counterparty to the agreement to cause an early termination of the transactions under those agreements. Any election by the counterparty to terminate early may impact the amounts reported on the financial statements.

## Valuation hierarchy

On November 1, 2008, the Fund implemented Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ( FAS 157 ). FAS 157 establishes a single authoritative definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 establishes a fair value hierarchy based upon the various inputs used in determining the value of the Fund's investments. These inputs are summarized into three broad levels as follows:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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**EVERGREEN MULTI-SECTOR INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

July 31, 2009 (unaudited)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of July 31, 2009, the inputs used in valuing the Fund's assets, which are carried at fair value, were as follows:

| Investments in Securities   | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total                |
|---|-------------------------|---|---|----------------------|
| <b>Equity securities</b>  |                         |   |   |                      |
| <i>Common stocks</i>  | \$71,895                | \$0   | \$0                                       | \$71,895             |
| <i>Mutual fund shares</i>   | 2,454,427               | 0   | 0   | 2,454,427            |
| <b>Mortgage-backed securities</b>   | 0                       | 201,200,961                                   | 0   | 201,200,961          |
| <b>Corporate debt securities</b>  | 0                       | 517,952,416                                   | 0   | 517,952,416          |
| <b>Debt securities issued by foreign governments</b>                        | 0                       | 90,968,041                                    | 0   | 90,968,041           |
| <b>Debt securities issued by U.S. Treasury and U.S. government agencies</b> | 14,668,802              | 0   | 0   | 14,668,802           |
| <b>Short-term investments</b>   | 15,359,894              | 0   | 0   | 15,359,894           |
|   | <u>\$32,555,018</u>     | <u>\$810,121,418</u>                          | <u>\$0</u>                                | <u>\$842,676,436</u> |

As of July 31, 2009, the inputs used in valuing the Fund's other financial instruments, which are carried at fair value, were as follows:

| Other financial instruments* | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total              |
|------------------------------|-------------------------|---|---|--------------------|
|                              | <u>\$2,725</u>          | <u>\$ (283,810 )</u>                          | <u>\$0</u>                                | <u>\$(281,085)</u> |

\* Other financial instruments include futures, forwards and swap contracts.





**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: /s/ W. Douglas Munn  
W. Douglas Munn  
Principal Executive Officer

Date: September 28, 2009

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: /s/ W. Douglas Munn  
W. Douglas Munn  
Principal Executive Officer

Date: September 28, 2009

By: /s/ Jeremy DePalma  
Jeremy DePalma  
Principal Financial Officer

Date: September 28, 2009