

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

OMB APPROVAL

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number [811- 21331](#)

Evergreen [Multi-Sector Income Fund](#)

(Exact name of registrant as specified in charter)

200 Berkeley Street
Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

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

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

Item 1 – Schedule of Investments

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS

January 31, 2008 (unaudited)

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

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

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

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

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

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

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

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

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

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

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

EVERGREEN MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS continued

January 31, 2008 (unaudited)

| | Principal Amount | Value |
|----------|-----------------------------|--------------|
| C | | |