

EVERGREEN MULTI-SECTOR INCOME FUND  
Form N-Q  
April 01, 2010

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANY**

Investment Company Act file number **811-21331**

**Evergreen Multi-Sector Income Fund**

(Exact name of registrant as specified in charter)

200 Berkeley Street

Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Michael H. Koonce, Esq.

200 Berkeley Street

Boston, Massachusetts 02116

(Name and address of agent for service)

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

Date of fiscal year end: Registrant is making a quarterly filing for one of its series, Evergreen Multi-Sector Income Fund, for the quarter ended January 31, 2010. This series has October 31 fiscal year end.

Date of reporting period: **January 31, 2010**



**Item 1 Schedule of Investments**

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

January 31, 2010 (unaudited)

	Principal Amount	Value
<b>AGENCY MORTGAGE-BACKED COLLATERALIZED MORTGAGE OBLIGATIONS 2.5%</b>		
<b>FIXED-RATE 0.2%</b>		
FNMA:		
Ser. 2001-25, Class Z, 6.00%, 06/25/2031	\$919,563	\$975,114
Ser. 2001-51, Class P, 6.00%, 08/25/2030	154,319	155,010
		<u>1,130,124</u>
<b>FLOATING-RATE 2.3%</b>		
FHLMC:		
Ser. 0196, Class A, 1.05%, 12/15/2021	116,988	118,258
Ser. 2390, Class FD, 0.68%, 12/15/2031	120,497	119,842
Ser. 2411, Class F, 0.78%, 02/15/2032	157,208	156,435
Ser. 2431, Class F, 0.73%, 03/15/2032	5,409,019	5,387,311
Ser. 2567, Class FH, 0.63%, 02/15/2033	310,592	309,093
FNMA:		
Ser. 1996-46, Class FA, 0.75%, 08/25/2021	69,475	68,951
Ser. 2001-35, Class F, 0.83%, 07/25/2031	44,878	44,788
Ser. 2001-57, Class F, 0.73%, 06/25/2031	45,182	44,993
Ser. 2002-77, Class FH, 0.63%, 12/18/2032	280,119	278,230
Ser. 2002-95, Class FK, 0.73%, 01/25/2033	6,817,716	6,810,711
Ser. 2002-97, Class FR, 0.78%, 01/25/2033	103,778	103,577
Ser. 2003-W8, Class 3F2, 0.58%, 05/25/2042	1,541,230	1,396,779
Ser. G91-16, Class F, 0.70%, 06/25/2021	82,600	82,527
Ser. G92-17, Class F, 1.30%, 03/25/2022	156,360	159,738
GNMA, Ser. 2001-61, Class FA, 0.73%, 09/20/2030	53,583	53,551
		<u>15,134,784</u>
<i>Total Agency Mortgage-Backed Collateralized Mortgage Obligations (cost \$16,522,362)</i>		<u>16,264,908</u>
<b>AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES 26.0%</b>		
<b>FIXED-RATE 0.4%</b>		
FHLMC, 8.50%, 04/01/2015-07/01/2028	288,559	323,150
FNMA:		
6.00%, 04/01/2033	430,294	465,244
6.50%, 11/01/2032	68,908	75,067
7.50%, 07/01/2017-07/01/2032	779,720	857,750
8.00%, 12/01/2024-06/01/2030	227,104	254,356
12.00%, 01/01/2016	32,409	35,870
GNMA:		
6.50%, 06/15/2028	86,580	94,892
7.25%, 07/15/2017-05/15/2018	718,247	783,037
		<u>2,889,366</u>
<b>FLOATING-RATE 25.6%</b>		
FHLB:		

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3.19%, 12/01/2034	8,914,427	9,170,654
3.22%, 06/01/2035	3,955,338	4,079,575
3.47%, 11/01/2030	585,744	606,737
3.77%, 07/01/2033	302,152	313,623
FHLMC:		
2.74%, 10/01/2030	23,472	23,792
2.99%, 04/01/2034	17,484,921	18,001,502
3.27%, 09/01/2032	636,411	661,900
3.33%, 10/01/2033	222,674	231,793
3.37%, 10/01/2030	397,642	409,382
3.45%, 08/01/2030	494,935	512,749
3.50%, 10/01/2024	50,625	51,671
3.59%, 10/01/2022	82,518	81,837
3.70%, 07/01/2032	604,390	625,449
3.85%, 06/01/2033	275,497	284,694

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

January 31, 2010 (unaudited)

	Principal Amount	Value
<b>AGENCY MORTGAGE-BACKED PASS THROUGH</b>		
<b>SECURITIES</b> continued		
<b>FLOATING-RATE</b> continued		
FHLMC:		
3.89%, 12/01/2026	\$101,477	\$100,683
4.07%, 05/01/2019	4,760	4,773
4.10%, 10/01/2037	3,662,383	3,787,728
5.03%, 06/01/2018	63,961	65,765
5.06%, 12/01/2035	4,730,633	4,905,791
5.07%, 07/01/2035	625,563	657,365
5.91%, 01/01/2027	263,328	270,386
8.50%, 03/01/2030	110,705	122,097
FNMA:		
1.35%, 04/01/2028	113,767	114,138
1.69%, 10/01/2034	301,725	298,532
2.42%, 12/01/2035	4,666,775	4,782,324
2.43%, 10/01/2035	3,361,458	3,444,621
2.59%, 12/01/2031	88,147	90,258
2.65%, 06/01/2029	380,285	388,072
2.73%, 03/01/2033	171,800	174,844
2.74%, 08/01/2036	5,888,900	6,015,983
2.77%, 07/01/2038	283,202	289,840
2.83%, 12/01/2026	124,372	128,903
2.85%, 05/01/2030-04/01/2034	5,848,119	6,033,864
2.875%, 04/01/2019	10,217	10,305
2.88%, 01/01/2026	403,266	416,545
2.91%, 03/01/2035-04/01/2036	12,749,004	13,216,459
2.94%, 10/01/2034	13,905,919	14,172,978
2.95%, 01/01/2036	3,567,588	3,694,119
2.97%, 07/01/2036	5,187,912	5,424,503
3.02%, 07/01/2038	3,124,459	3,217,225
3.05%, 06/01/2031	145,241	152,112
3.06%, 07/01/2026-01/01/2038	4,975,303	4,973,201
3.07%, 02/01/2038	394,562	410,725
3.09%, 05/01/2035	4,764,559	4,972,437
3.12%, 08/01/2030	261,829	273,724
3.13%, 06/01/2024	188,905	194,874
3.16%, 09/01/2027	194,934	199,997
3.18%, 02/01/2035	1,172,502	1,180,862
3.25%, 01/01/2017	55,444	56,025
3.29%, 05/01/2036	13,429,899	14,042,667
3.34%, 12/01/2017	812,510	841,986
3.35%, 04/01/2017	2,332,165	2,416,691
3.42%, 07/01/2030	109,994	112,111
3.49%, 12/01/2028	47,038	47,947

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3.57%, 02/01/2017	1,958,368	2,016,015
3.62%, 08/01/2028	78,014	80,029
3.64%, 01/01/2015	35,617	36,623
3.73%, 09/01/2032	208,264	214,911
3.75%, 12/01/2016	10,464	10,629
3.80%, 03/01/2034	707,223	731,060
3.81%, 01/01/2030	74,114	78,663
3.92%, 04/01/2033	151,154	156,635
3.93%, 07/01/2033	140,573	141,310
4.04%, 10/01/2029	124,671	129,758
4.22%, 07/01/2038	3,088,691	3,212,501
4.27%, 02/01/2035	7,103,233	7,305,533
4.50%, 03/01/2034	24,867	25,810
4.61%, 04/01/2031	722,897	744,495

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

January 31, 2010 (unaudited)

	Principal Amount	Value
<b>AGENCY MORTGAGE-BACKED PASS THROUGH SECURITIES</b> continued		
<b>FLOATING-RATE</b> continued		
FNMA:		
4.77%, 12/01/2036	\$54,125	\$54,971
4.85%, 04/01/2034	3,890,349	4,016,572
4.95%, 01/01/2034	497,761	505,396
5.00%, 12/01/2034	1,602,400	1,655,112
5.11%, 12/01/2022	14,634	15,005
5.27%, 04/01/2025	128,066	132,690
5.37%, 02/01/2036	2,663,169	2,793,900
5.55%, 09/01/2024	11,591	11,913
5.64%, 08/01/2027	299,369	309,423
5.82%, 11/01/2024	251,007	260,783
6.00%, 05/01/2021-08/01/2021	17,789	18,581
6.11%, 12/01/2013	333,174	338,901
6.14%, 12/01/2020	113,274	118,184
6.25%, 09/01/2037	3,763,023	4,026,434
6.61%, 09/01/2032	3,735,503	3,866,960
		<u>169,767,615</u>
<i>Total Agency Mortgage-Backed Pass Through Securities (cost \$170,983,807)</i>		<u>172,656,981</u>
<b>AGENCY REPERFORMING MORTGAGE-BACKED PASS THROUGH SECURITIES 0.7%</b>		
<b>FIXED-RATE 0.7%</b>		
FHLMC, 5.87%, 02/01/2037	4,027,270	4,273,507
FNMA, Ser. 2001-T10, Class A2, 7.50%, 12/25/2041	314,428	355,893
<i>Total Agency Reperforming Mortgage-Backed Pass Through Securities (cost \$4,406,847)</i>		<u>4,629,400</u>
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES 1.5%</b>		
<b>FIXED-RATE 0.3%</b>		
Bear Stearns Comml. Mtge. Securities Trust, Ser. 2007-PW15, Class A4, 5.33%, 02/11/2044	1,155,000	1,030,961
Greenwich Capital Comml. Funding Corp., Ser. 2007-GG9, Class AM, 5.48%, 03/10/2039	200,000	164,288
Morgan Stanley Capital I Trust, Ser. 2006-HQ10, Class AM, 5.36%, 11/21/2041	775,000	674,015
		<u>1,869,264</u>
<b>FLOATING-RATE 1.2%</b>		
Citigroup Comml. Mtge. Trust, Ser. 2007-C6, Class A4, 5.70%, 12/10/2049	1,875,000	1,770,149
GE Comml. Mtge. Trust:		
Ser. 2006-C7, Class AM, 5.79%, 06/10/2046	2,875,000	2,534,986
Ser. 2007-C9, Class A4, 5.82%, 12/10/2049	690,000	654,828



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Morgan Stanley Capital I Trust:

Ser. 2006-IQ11, Class AM, 5.78%, 10/15/2042	240,000	206,136
Ser. 2007-2A, Class 2A, 5.81%, 08/12/2045 144A	4,505,000	3,128,399
		<u>8,294,498</u>
<i>Total Commercial Mortgage-Backed Securities (cost \$7,272,926)</i>		<u>10,163,762</u>

**CORPORATE BONDS 48.8%**

**CONSUMER DISCRETIONARY 8.4%**

**Auto Components 0.9%**

Cooper Tire & Rubber Co., 7.625%, 03/15/2027	2,085,000	1,876,500
Goodyear Tire & Rubber Co.:		
7.86%, 08/15/2011	1,180,000	1,221,300
8.625%, 12/01/2011	690,000	714,150
9.00%, 07/01/2015	237,000	244,110
10.50%, 05/15/2016	1,180,000	1,280,300
Metaldyne Corp., FRN, 5.28%, 04/09/2014	506,870	408,654
		<u>5,745,014</u>

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

January 31, 2010 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS continued</b>		
<b>CONSUMER DISCRETIONARY continued</b>		
<b>Diversified Consumer Services 0.8%</b>		
Carriage Services, Inc., 7.875%, 01/15/2015	\$1,450,000	\$1,381,125
Service Corporation International:		
6.75%, 04/01/2015	95,000	93,575
7.50%, 04/01/2027	1,815,000	1,678,875
8.00%, 11/15/2021	475,000	475,594
StoneMor Partners, LP, 10.25%, 12/01/2017 144A	1,910,000	1,986,400
		<u>5,615,569</u>
<b>Hotels, Restaurants &amp; Leisure 1.6%</b>		
Boyd Gaming Corp.:		
7.125%, 02/01/2016	830,000	740,775
7.75%, 12/15/2012	95,000	95,475
Caesars Entertainment, Inc., 7.875%, 03/15/2010	785,000	786,963
Harrahs Entertainment Corp.:		
10.00%, 12/15/2018	250,000	198,750
11.25%, 06/01/2017	2,025,000	2,151,562
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/2010 +	910,000	448,175
Landry s Restaurants, Inc., 11.625%, 12/01/2015 144A	115,000	123,625
MGM MIRAGE:		
6.625%, 07/15/2015	500,000	413,750
8.50%, 09/15/2010	780,000	783,900
11.125%, 11/15/2017 144A	285,000	320,625
11.375%, 03/01/2018 144A	320,000	302,400
Pinnacle Entertainment, Inc., 7.50%, 06/15/2015	1,170,000	1,082,250
Pokagon Gaming Authority, 10.375%, 06/15/2014 144A	60,000	62,625
Scientific Games Corp., 9.25%, 06/15/2019 144A	610,000	642,025
Seneca Gaming Corp., 7.25%, 05/01/2012	205,000	199,875
Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/2015		
144A	1,245,000	983,550
Speedway Motorsports, Inc., 8.75%, 06/01/2016	950,000	1,009,375
Trump Entertainment Resorts, Inc., 8.50%, 06/01/2015	2,709,000	81,270
Universal City Development Partners, Ltd.:		
8.875%, 11/15/2015 144A	60,000	60,450
10.875%, 11/15/2016 144A	60,000	62,100
Wynn Resorts, Ltd., 7.875%, 11/01/2017 144A	50,000	50,000
		<u>10,599,520</u>
<b>Household Durables 0.9%</b>		
D.R. Horton, Inc., 9.75%, 09/15/2010	2,190,000	2,261,175
Lennar Corp.:		
5.125%, 10/01/2010	530,000	533,975
12.25%, 06/01/2017	60,000	73,200
Libbey, Inc.:		

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10.00%, 02/15/2015 144A	455,000	457,275
FRN, 7.48%, 06/01/2011	715,000	732,875
Meritage Homes Corp., 7.00%, 05/01/2014	435,000	418,144
Newell Rubbermaid, Inc., 10.60%, 04/15/2019	960,000	1,244,088
Sealy Corp., 10.875%, 04/15/2016 144A	75,000	84,000

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5,804,732

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**Internet & Catalog Retail 0.1%**

QVC, Inc., 7.50%, 10/01/2019 144A	390,000	399,750
Ticketmaster Entertainment, Inc., 10.75%, 08/01/2016	495,000	540,787

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940,537

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**Media 3.0%**

Cablevision Systems Corp., 8.625%, 09/15/2017 144A	95,000	98,325
CCH II, LLC, 13.50%, 11/30/2016	5,585,929	6,717,080

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

January 31, 2010 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS continued</b>		
<b>CONSUMER DISCRETIONARY continued</b>		
<b>Media continued</b>		
CCO Holdings, LLC, 8.75%, 11/15/2013	\$3,865,000	\$3,918,144
Charter Communications, Inc., Step Bond: 8.00%, 04/30/2012 144A	1,914,000	2,000,130
10.875%, 09/15/2014 144A	4,715,000	5,280,800
Clear Channel Communications, Inc., 9.25%, 12/15/2017 144A	425,000	437,112
DISH DBS, Corp., 7.875%, 09/01/2019	280,000	289,100
Lamar Media Corp.: 6.625%, 08/15/2015	90,000	86,625
7.25%, 01/01/2013	180,000	180,000
9.75%, 04/01/2014	60,000	65,700
Regal Cinemas, Inc., 8.625%, 07/15/2019	25,000	25,813
Salem Communications Corp., 9.625%, 12/15/2016 144A	235,000	247,925
Sirius XM Radio, Inc., 9.625%, 08/01/2013	165,000	168,300
WMG Acquisition Corp., 9.50%, 06/15/2016 144A	60,000	64,350
XM Satellite Radio Holdings, Inc., 13.00%, 08/01/2013 144A	425,000	466,437
Young Broadcasting, Inc.: 8.75%, 01/15/2014	2,121,000	14,847
10.00%, 03/01/2011	1,540,000	10,780
		<u>20,071,468</u>
<b>Multiline Retail 0.1%</b>		
Macy's, Inc.: 5.90%, 12/01/2016	55,000	52,525
8.875%, 07/15/2015	150,000	163,500
Neiman Marcus Group, Inc., 9.75%, 10/15/2015 @	50,000	48,625
Saks, Inc., 9.875%, 10/01/2011	585,000	612,787
		<u>877,437</u>
<b>Specialty Retail 0.5%</b>		
American Achievement Corp.: 8.25%, 04/01/2012 144A	2,800,000	2,793,000
Sr. Disc. Note, Step Bond, 10.25%, 10/01/2012	205,000	205,256
		<u>2,998,256</u>
<b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>		
Oxford Industries, Inc., 11.375%, 07/15/2015	1,600,000	1,792,000
Visant Corp., 7.625%, 10/01/2012	1,495,000	1,502,475
		<u>3,294,475</u>
<b>CONSUMER STAPLES 1.9%</b>		
<b>Beverages 0.4%</b>		
Anheuser-Busch InBev, 6.875%, 11/15/2019 144A	2,000,000	2,268,928
<b>Food Products 1.4%</b>		
Del Monte Foods Co.: 6.75%, 02/15/2015	25,000	25,563

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7.50%, 10/15/2019 144A	1,665,000	1,710,787
Dole Food Company, Inc.:		
8.00%, 10/01/2016 144A	660,000	683,100
13.875%, 03/15/2014 144A	1,256,000	1,500,920
Fage USA Dairy Industry, Inc., 9.875%, 02/01/2020 144A	1,330,000	1,244,232
Smithfield Foods, Inc.:		
7.00%, 08/01/2011	1,490,000	1,490,000
10.00%, 07/15/2014 144A	1,200,000	1,306,500
Tyson Foods, Inc.:		
7.85%, 04/01/2016	790,000	829,500
10.50%, 03/01/2014	60,000	69,300
Viskase, Inc., 9.875%, 01/15/2018 144A	695,000	695,000
		<u>9,554,902</u>