

Eaton Vance Risk-Managed Diversified Equity Income Fund

Form N-Q

May 28, 2010

**Table of Contents**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form N-Q**  
**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**811-22044**  
**Investment Company Act File Number**  
**Eaton Vance Risk-Managed Diversified Equity Income Fund**  
(Exact Name of Registrant as Specified in Charter)  
Two International Place, Boston, Massachusetts 02110  
(Address of Principal Executive Offices)  
Maureen A. Gemma  
Two International Place, Boston, Massachusetts 02110  
(Name and Address of Agent for Services)  
(617) 482-8260  
(Registrant's Telephone Number, Including Area Code)  
December 31  
Date of Fiscal Year End  
March 31, 2010  
Date of Reporting Period

---

**TABLE OF CONTENTS**

Item 1. Schedule of Investments

Item 2. Controls and Procedures

Signatures

EX-99.CERT Section 302 Certification

---

**Table of Contents**

**Item 1. Schedule of Investments**

---

**Table of Contents****Eaton Vance Risk-Managed Diversified Equity Income Fund**

as of March 31, 2010

**PORTFOLIO OF INVESTMENTS (Unaudited)****Common Stocks 97.3%****Security****Aerospace & Defense 1.7%**

General Dynamics Corp.

163,103 \$ 12,591,552

Lockheed Martin Corp.

86,990 7,239,308

**\$ 19,830,860****Air Freight & Logistics 0.6%**

FedEx Corp.

77,536 \$ 7,241,862

**\$ 7,241,862****Beverages 2.4%**

Coca-Cola Co. (The)

204,218 \$ 11,231,990

PepsiCo, Inc.

250,532 16,575,197

**\$ 27,807,187****Biotechnology 1.4%**Amgen, Inc.<sup>(1)</sup>

195,928 \$ 11,708,657

Celgene Corp.<sup>(1)</sup>

72,362 4,483,550

**\$ 16,192,207****Capital Markets 2.9%**

Goldman Sachs Group, Inc.

115,404 \$ 19,691,384

Northern Trust Corp.

132,180 7,304,267

State Street Corp.

145,583 6,571,617

**\$ 33,567,268****Chemicals 0.5%**

Monsanto Co.

82,404 \$ 5,885,294

**\$ 5,885,294****Commercial Banks 2.9%**

PNC Financial Services Group, Inc.

121,185 \$ 7,234,744

U.S. Bancorp

252,579 6,536,745

Wells Fargo &amp; Co.

620,373 19,306,008

**\$ 33,077,497**

<b>Commercial Services &amp; Supplies</b>	<b>1.0%</b>		
Waste Management, Inc.		328,266	\$ 11,302,198
			<b>\$ 11,302,198</b>
<b>Communications Equipment</b>	<b>3.1%</b>		
Cisco Systems, Inc. <sup>(1)</sup>		892,079	\$ 23,220,816
QUALCOMM, Inc.		293,422	12,320,790
			<b>\$ 35,541,606</b>
<b>Computers &amp; Peripherals</b>	<b>6.1%</b>		
Apple, Inc. <sup>(1)</sup>		125,021	\$ 29,371,184
Hewlett-Packard Co.		341,615	18,156,837
International Business Machines Corp.		178,608	22,906,476
			<b>\$ 70,434,497</b>
<b>Consumer Finance</b>	<b>0.6%</b>		
American Express Co.		154,058	\$ 6,356,433
			<b>\$ 6,356,433</b>
<b>Diversified Financial Services</b>	<b>5.0%</b>		
Bank of America Corp.		1,170,231	\$ 20,888,623
Citigroup, Inc. <sup>(1)</sup>		855,739	3,465,743
JPMorgan Chase & Co.		732,585	32,783,179
			<b>\$ 57,137,545</b>

**Table of Contents**

	<b>Shares</b>	<b>Value</b>
<b>Security</b>		
<b>Diversified Telecommunication Services 2.3%</b>		
AT&T, Inc.	658,763	\$ 17,022,436
Verizon Communications, Inc.	320,768	9,950,223
		<b>\$ 26,972,659</b>
<b>Electric Utilities 1.0%</b>		
American Electric Power Co., Inc.	322,093	\$ 11,009,139
		<b>\$ 11,009,139</b>
<b>Electrical Equipment 1.0%</b>		
Emerson Electric Co.	228,650	\$ 11,510,241
		<b>\$ 11,510,241</b>
<b>Electronic Equipment, Instruments &amp; Components 1.3%</b>		
Corning, Inc.	741,613	\$ 14,987,999
		<b>\$ 14,987,999</b>
<b>Energy Equipment &amp; Services 1.7%</b>		
Halliburton Co.	273,409	\$ 8,237,813
Schlumberger, Ltd.	169,943	10,784,583
		<b>\$ 19,022,396</b>
<b>Food &amp; Staples Retailing 2.4%</b>		
CVS Caremark Corp.	223,817	\$ 8,182,750
Wal-Mart Stores, Inc.	350,584	19,492,470
		<b>\$ 27,675,220</b>
<b>Food Products 1.7%</b>		
Kellogg Co.	155,534	\$ 8,310,182
Nestle SA	221,699	11,360,294
		<b>\$ 19,670,476</b>
<b>Health Care Equipment &amp; Supplies 2.9%</b>		
Baxter International, Inc.	180,249	\$ 10,490,492
Boston Scientific Corp. <sup>(1)</sup>	853,618	6,163,122
Covidien PLC	217,109	10,916,240
Zimmer Holdings, Inc. <sup>(1)</sup>	104,718	6,199,306
		<b>\$ 33,769,160</b>

<b>Health Care Providers &amp; Services 1.2%</b>		
AmerisourceBergen Corp.	219,005	\$ 6,333,624
Fresenius Medical Care AG & Co. KGaA ADR	122,392	6,873,535
		<b>\$ 13,207,159</b>
<b>Hotels, Restaurants &amp; Leisure 1.8%</b>		
Carnival Corp.	184,055	\$ 7,156,058
McDonald's Corp.	204,076	13,615,951
		<b>\$ 20,772,009</b>
<b>Household Products 3.3%</b>		
Colgate-Palmolive Co.	216,207	\$ 18,433,809
Procter & Gamble Co.	312,504	19,772,128
		<b>\$ 38,205,937</b>
<b>Industrial Conglomerates 2.6%</b>		
General Electric Co.	1,630,331	\$ 29,672,024
		<b>\$ 29,672,024</b>
<b>Insurance 3.6%</b>		
Berkshire Hathaway, Inc., Class B <sup>(1)</sup>	138,067	\$ 11,220,705
Lincoln National Corp.	234,165	7,188,866
MetLife, Inc.	251,867	10,915,916
Prudential Financial, Inc.	190,903	11,549,631
		<b>\$ 40,875,118</b>



**Table of Contents**

	<b>Shares</b>	<b>Value</b>
<b>Security</b>		
<b>Internet &amp; Catalog Retail 1.2%</b>		
Amazon.com, Inc. <sup>(1)</sup>	102,097	\$ 13,857,626
		<b>\$ 13,857,626</b>
<b>Internet Software &amp; Services 0.9%</b>		
Google, Inc., Class A <sup>(1)</sup>	17,638	\$ 10,000,922
		<b>\$ 10,000,922</b>
<b>IT Services 1.1%</b>		
MasterCard, Inc., Class A	51,491	\$ 13,078,714
		<b>\$ 13,078,714</b>
<b>Machinery 3.1%</b>		
Danaher Corp.	144,413	\$ 11,540,043
Deere & Co.	141,894	8,437,017
Illinois Tool Works, Inc.	172,527	8,170,879
PACCAR, Inc.	162,023	7,022,077
		<b>\$ 35,170,016</b>
<b>Media 0.6%</b>		
Walt Disney Co. (The)	208,435	\$ 7,276,466
		<b>\$ 7,276,466</b>
<b>Metals &amp; Mining 2.8%</b>		
BHP Billiton, Ltd. ADR	70,608	\$ 5,671,235
Freeport-McMoRan Copper & Gold, Inc.	69,461	5,802,772
Goldcorp, Inc.	432,348	16,091,993
United States Steel Corp.	77,076	4,895,867
		<b>\$ 32,461,867</b>
<b>Multi-Utilities 1.9%</b>		
PG&E Corp.	261,399	\$ 11,088,546
Public Service Enterprise Group, Inc.	362,570	10,703,066
		<b>\$ 21,791,612</b>
<b>Multiline Retail 0.9%</b>		
Target Corp.	188,145	\$ 9,896,427
		<b>\$ 9,896,427</b>

**Oil, Gas & Consumable Fuels 9.3%**

Anadarko Petroleum Corp.	293,847	\$ 21,400,877
Apache Corp.	136,418	13,846,427
Chevron Corp.	333,024	25,253,210
Exxon Mobil Corp.	202,980	13,595,600
Hess Corp.	240,500	15,043,275
Occidental Petroleum Corp.	143,295	12,114,159
Peabody Energy Corp.	122,881	5,615,662
		<b>\$ 106,869,210</b>

**Personal Products 0.5%**

Avon Products, Inc.	173,160	\$ 5,864,929
		<b>\$ 5,864,929</b>

**Pharmaceuticals 6.3%**

Abbott Laboratories	269,021	\$ 14,172,026
Bristol-Myers Squibb Co.	405,659	10,831,095
Johnson & Johnson	158,853	10,357,216
Merck & Co., Inc.	310,523	11,598,034
Pfizer, Inc.	1,050,795	18,021,134
Teva Pharmaceutical Industries, Ltd. ADR	120,408	7,595,337
		<b>\$ 72,574,842</b>

**Table of Contents**

	<b>Shares</b>		<b>Value</b>
<b>Security</b>			
<b>Real Estate Investment Trusts (REITs) 0.7%</b>			
AvalonBay Communities, Inc.	43,168	\$	3,727,557
Boston Properties, Inc.	54,847		4,137,658
		<b>\$</b>	<b>7,865,215</b>
<b>Road &amp; Rail 0.6%</b>			
CSX Corp.	125,639	\$	6,395,025
		<b>\$</b>	<b>6,395,025</b>
<b>Semiconductors &amp; Semiconductor Equipment 1.9%</b>			
ASML Holding NV ADR	329,604	\$	11,667,981
Intel Corp.	438,653		9,764,416
		<b>\$</b>	<b>21,432,397</b>
<b>Software 3.6%</b>			
Microsoft Corp.	1,014,959	\$	29,707,850
Oracle Corp.	463,476		11,906,698
		<b>\$</b>	<b>41,614,548</b>
<b>Specialty Retail 4.3%</b>			
Best Buy Co., Inc.	244,090	\$	10,383,589
Gap, Inc. (The)	200,632		4,636,605
Home Depot, Inc.	403,013		13,037,470
Staples, Inc.	465,977		10,899,202
TJX Companies, Inc. (The)	234,259		9,960,693
		<b>\$</b>	<b>48,917,559</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.0%</b>			
NIKE, Inc., Class B	160,476	\$	11,794,986
		<b>\$</b>	<b>11,794,986</b>
<b>Tobacco 1.1%</b>			
Philip Morris International, Inc.	234,030	\$	12,207,005
		<b>\$</b>	<b>12,207,005</b>
<b>Wireless Telecommunication Services 0.5%</b>			
American Tower Corp., Class A <sup>(1)</sup>	137,151	\$	5,844,004
		<b>\$</b>	<b>5,844,004</b>

**Total Common Stocks**  
 (identified cost \$926,299,853) **\$ 1,116,637,361**

**Put Options Purchased 2.6%**

<b>Description</b>	<b>Number of Contracts</b>	<b>Strike Price</b>	<b>Expiration Date</b>	<b>Value</b>
S&P 500 Index	3,035	\$ 1,050	6/19/10	\$ 3,035,000
S&P 500 Index	4,500	1,075	9/18/10	13,455,000
S&P 500 Index	1,950	1,150	12/31/10	13,923,000

**Total Put Options Purchased**  
 (identified cost \$72,789,058) **\$ 30,413,000**

**Table of Contents****Short-Term Investments 0.9%**

Description	Interest (000 s omitted)	Value
Eaton Vance Cash Reserves Fund, LLC, 0.17% <sup>(2)</sup>	\$ 10,659	\$ 10,659,250

**Total Short-Term Investments**  
(identified cost \$10,659,250) **\$ 10,659,250**

**Total Investments 100.8%**  
(identified cost \$1,009,748,161) **\$ 1,157,709,611**

**Call Options Written (0.9)%**

Description	Number of Contracts	Strike Price	Expiration Date	Value
S&P 500 Index	2,280	\$ 1,160	4/17/10	\$ (4,423,200)
S&P 500 Index	4,625	1,175	4/17/10	(5,272,500)
S&P 500 Index	900	1,200	4/17/10	(252,000)

**Total Call Options Written**  
(premiums received \$11,320,428) **\$ (9,947,700)**

**Put Options Written (0.0)%**

Description	Number of Contracts	Strike Price	Expiration Date	Value
Bally Technologies, Inc.	1,370	\$ 35	5/22/10	\$ (48,169)
Clorox Company	1,740	60	5/22/10	(67,721)
Comcast Corp., Class A	7,080	15	4/17/10	(7,080)
Nucor Corp.	1,230	40	5/22/10	(62,828)
Peabody Energy Corp.	1,220	42	5/22/10	(151,524)

**Total Put Options Written**  
(premiums received \$685,800) **\$ (337,322)**

**Other Assets, Less Liabilities 0.1%** **\$ 800,486**

**Net Assets 100.0%**

**\$ 1,148,225,075**

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

ADR - American Depositary Receipt

- (1) Non-income producing security.
- (2) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of March 31, 2010. Net income allocated from the investment in Eaton Vance Cash Reserves Fund, LLC and Cash Management Portfolio, another affiliated investment company, for the fiscal year to date ended March 31, 2010 was \$3,886 and \$0, respectively.

**Table of Contents**

The cost and unrealized appreciation (depreciation) of investments of the Fund at March 31, 2010, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$ 968,651,255</b>
Gross unrealized appreciation	\$ 242,897,992
Gross unrealized depreciation	(53,839,636)
<b>Net unrealized appreciation</b>	<b>\$ 189,058,356</b>

Written call and put options activity for the fiscal year to date ended March 31, 2010 was as follows:

	<b>Number of Contracts</b>	<b>Premiums Received</b>
Outstanding, beginning of period	7,066	\$ 13,135,333
Options written	38,603	44,370,167
Options terminated in closing purchase transactions	(21,056)	(42,541,270)
Options exercised	(1,218)	(2,799,115)
Options expired	(2,950)	(158,887)
<b>Outstanding, end of period</b>	<b>20,445</b>	<b>\$ 12,006,228</b>

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At March 31, 2010, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund generally intends to purchase index put options below the current value of the index to reduce the Fund's exposure to market risk and volatility. In buying index put options, the Fund in effect, acquires protection against decline in the value of the applicable index below the exercise price in exchange for the option premium paid. The Fund generally intends to write index call options above the current value of the index to generate premium income. In writing index call options, the Fund in effect, sells potential appreciation in the value of the applicable index above the exercise price in exchange for the option premium received. The Fund retains the risk of loss, minus the premium received, should the price of the underlying index decline. The Fund generally intends to write put options on individual stocks below the current value of the individual stock to generate premium income. In writing put options on individual stocks, the Fund in effect, sells protection against decline in the value of the applicable individual stock below the exercise price in exchange for the option premium received. The Fund retains the risk of loss, minus the premium received, should the price of the underlying individual stock decline below the exercise price.

At March 31, 2010, the aggregate fair value of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in an asset position and in a liability position and whose primary underlying risk exposure is equity price risk was \$30,413,000 and \$10,285,022, respectively.

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

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

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

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



**Table of Contents**

At March 31, 2010, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

<b>Asset Description</b>	<b>Quoted Prices in Active Markets for Identical Assets</b>		<b>Significant Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>	<b>Total</b>
	<b>(Level 1)</b>	<b>(Level 2)</b>		<b>(Level 3)</b>	
Common Stocks					
Consumer Discretionary	\$ 112,515,073	\$	\$	\$	\$ 112,515,073
Consumer Staples	120,070,460	11,360,294			131,430,754
Energy	125,891,606				125,891,606
Financials	178,879,076				178,879,076
Health Care	135,743,368				135,743,368
Industrials	121,122,226				121,122,226
Information Technology	207,090,683				207,090,683
Materials	38,347,161				38,347,161
Telecommunication Services	32,816,663				32,816,663
Utilities	32,800,751				32,800,751
<b>Total Common Stocks</b>	<b>\$ 1,105,277,067</b>	<b>\$ 11,360,294*</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,116,637,361</b>
Put Options Purchased	\$ 30,413,000	\$	\$	\$	30,413,000
Short-Term Investments		10,659,250			10,659,250
<b>Total Investments</b>	<b>\$ 1,135,690,067</b>	<b>\$ 22,019,544</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,157,709,611</b>
<b>Liability Description</b>					
Call Options Written	\$ (9,947,700)	\$	\$	\$	(9,947,700)
Put Options Written	(337,322)				(337,322)
<b>Total</b>	<b>\$ (10,285,022)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ (10,285,022)</b>

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-Q

\* Includes foreign equity securities whose values were adjusted to reflect market trading that occurred after the close of trading in their applicable foreign markets.

The Fund held no investments or other financial instruments as of December 31, 2009 whose fair value was determined using Level 3 inputs.

For information on the Fund's policy regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements included in its semiannual or annual report to shareholders.

**Table of Contents**

**Item 2. Controls and Procedures**

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

---

**Table of Contents**

**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.

Eaton Vance Risk-Managed Diversified Equity Income Fund

By: /s/ Duncan W. Richardson  
Duncan W. Richardson  
President

Date: May 24, 2010

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/ Duncan W. Richardson  
Duncan W. Richardson  
President

Date: May 24, 2010

By: /s/ Barbara E. Campbell  
Barbara E. Campbell  
Treasurer

Date: May 24, 2010