

Eaton Vance Short Duration Diversified Income Fund  
Form N-Q  
September 29, 2010

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form N-Q**  
**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**811-21563**

**Investment Company Act File Number**  
**Eaton Vance Short Duration Diversified 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)

October 31

Date of Fiscal Year End

July 31, 2010

Date of Reporting Period

**Item 1. Schedule of Investments**

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## Eaton Vance Short Duration Diversified Income Fund

as of July 31, 2010

## PORTFOLIO OF INVESTMENTS (Unaudited)

## Senior Floating-Rate Interests 44.0%

## Principal

## Amount\*

(000 s omitted)

## Borrower/Tranche Description

Value

## Aerospace and Defense 1.0%

## Aveos Fleet Performance, Inc.

|    |   |          |
|----|---|----------|
| 8  | Revolving Loan, 4.59%, Maturing March 12, 2013 <sup>(2)</sup>           | \$ 8,250 |
| 12 | Term Loan, 11.25%, Maturing March 12, 2013                              | 12,437   |
| 32 | Term Loan - Second Lien, 10.75%, Maturing March 12, 2015 <sup>(3)</sup> | 30,799   |

## DAE Aviation Holdings, Inc.

|     |  |         |
|-----|--|---------|
| 112 | Term Loan, 4.23%, Maturing July 31, 2014 | 101,224 |
| 115 | Term Loan, 4.23%, Maturing July 31, 2014 | 104,266 |

## Evergreen International Aviation

|     |   |         |
|-----|---|---------|
| 247 | Term Loan, 10.50%, Maturing October 31, 2011 <sup>(3)</sup> | 234,621 |
|-----|---|---------|

## Hawker Beechcraft Acquisition

|       |   |           |
|-------|---|-----------|
| 1,847 | Term Loan, 2.37%, Maturing March 26, 2014 | 1,497,284 |
| 110   | Term Loan, 2.63%, Maturing March 26, 2014 | 89,283    |

## International Lease Finance Co.

|     |   |         |
|-----|---|---------|
| 500 | Term Loan, 6.75%, Maturing March 17, 2015 | 504,375 |
|-----|---|---------|

## TransDigm, Inc.

|       |  |         |
|-------|--|---------|
| 1,000 | Term Loan, 2.54%, Maturing June 23, 2013 | 973,571 |
|-------|--|---------|

\$ 3,556,110

## Air Transport 0.2%

## Delta Air Lines, Inc.

|     |   |            |
|-----|---|------------|
| 495 | Term Loan, 2.26%, Maturing April 30, 2012               | \$ 472,731 |
| 340 | Term Loan - Second Lien, 3.59%, Maturing April 30, 2014 | 308,379    |

\$ 781,110

## Automotive 2.3%

## Adesa, Inc.

|     |   |            |
|-----|---|------------|
| 721 | Term Loan, 3.07%, Maturing October 18, 2013 | \$ 690,468 |
|-----|---|------------|

## Allison Transmission, Inc.

|     |   |         |
|-----|---|---------|
| 771 | Term Loan, 3.10%, Maturing August 7, 2014 | 721,827 |
|-----|---|---------|

## Dayco Products, LLC

|     |     |  |         |
|-----|-----|--|---------|
| EUR | 103 | Term Loan, 7.00%, Maturing November 13, 2014                 | 122,413 |
|     | 118 | Term Loan, 10.50%, Maturing May 13, 2014                     | 115,361 |
|     | 18  | Term Loan, 12.50%, Maturing November 13, 2014 <sup>(3)</sup> | 15,437  |

## Federal-Mogul Corp.

|  |     |  |         |
|--|-----|--|---------|
|  | 224 | Term Loan, 2.28%, Maturing December 28, 2015 | 200,452 |
|  | 289 | Term Loan, 2.29%, Maturing December 29, 2014 | 258,916 |

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|       |   |                     |
|-------|---|---------------------|
|       | <b>Ford Motor Co.</b>                                   |                     |
| 479   | Term Loan, 3.35%, Maturing December 16, 2013            | 466,768             |
|       | <b>Goodyear Tire &amp; Rubber Co.</b>                   |                     |
| 3,175 | Term Loan - Second Lien, 2.24%, Maturing April 30, 2014 | 2,953,245           |
|       | <b>HHI Holdings, LLC</b>                                |                     |
| 494   | Term Loan, 10.50%, Maturing March 30, 2015              | 497,453             |
|       | <b>Keystone Automotive Operations, Inc.</b>             |                     |
| 234   | Term Loan, 4.02%, Maturing January 12, 2012             | 191,951             |
|       | <b>LKQ Corp. U.S.</b>                                   |                     |
| 227   | Term Loan, 2.59%, Maturing October 12, 2013             | 220,120             |
|       | <b>TriMas Corp.</b>                                     |                     |
| 1,070 | Term Loan, 6.00%, Maturing August 2, 2011               | 1,051,582           |
| 293   | Term Loan, 6.00%, Maturing December 15, 2015            | 288,130             |
|       |   | <b>\$ 7,794,123</b> |

**Building and Development 0.7%**

|     |   |         |
|-----|---|---------|
|     | <b>Brickman Group Holdings, Inc.</b>        |         |
| 584 | Term Loan, 2.53%, Maturing January 23, 2014 | 548,592 |

| Principal Amount*<br>(000 \$ omitted)       | Borrower/Tranche Description                  | Value               |
|---|---|---------------------|
|   | <b>Building Materials Corp. of America</b>    |                     |
| 386   | Term Loan, 3.13%, Maturing February 24, 2014  | \$ 374,018          |
|   | <b>Mueller Water Products, Inc.</b>           |                     |
| 208   | Term Loan, 5.49%, Maturing May 23, 2014       | 206,975             |
|   | <b>Panoram Industries Holdings, Inc.</b>      |                     |
| 132   | Term Loan, 8.25%, Maturing December 31, 2013  | 122,348             |
|   | <b>Re/Max International, Inc.</b>             |                     |
| 449   | Term Loan, 5.50%, Maturing March 11, 2016     | 448,314             |
|   | <b>Realogy Corp.</b>                          |                     |
| 146   | Term Loan, 3.31%, Maturing October 10, 2013   | 128,530             |
| 543   | Term Loan, 3.35%, Maturing October 10, 2013   | 477,399             |
|   |   | <b>\$ 2,306,176</b> |
| <br>  |   |                     |
| <b>Business Equipment and Services 4.2%</b> |   |                     |
|   | <b>Activant Solutions, Inc.</b>               |                     |
| 469   | Term Loan, 2.56%, Maturing May 2, 2013        | \$ 441,588          |
|   | <b>Axiom Corp.</b>                            |                     |
| 426   | Term Loan, 3.50%, Maturing March 15, 2015     | 426,316             |
|   | <b>Affinion Group, Inc.</b>                   |                     |
| 848   | Term Loan, 5.00%, Maturing October 10, 2016   | 812,900             |
|   | <b>Allied Barton Security Service</b>         |                     |
| 195   | Term Loan, 6.75%, Maturing February 18, 2015  | 196,111             |
|   | <b>Dealer Computer Services, Inc.</b>         |                     |
| 429   | Term Loan, 5.25%, Maturing April 21, 2017     | 425,364             |
|   | <b>Education Management, LLC</b>              |                     |
| 1,400                                       | Term Loan, 2.31%, Maturing June 3, 2013       | 1,316,490           |
|   | <b>First American Corp.</b>                   |                     |
| 250   | Term Loan, 4.75%, Maturing April 12, 2016     | 250,313             |
|   | <b>Intergraph Corp.</b>                       |                     |
| 921   | Term Loan, 4.79%, Maturing May 29, 2014       | 918,718             |
|   | <b>Mitchell International, Inc.</b>           |                     |
| 189   | Term Loan, 2.56%, Maturing March 28, 2014     | 175,327             |
|   | <b>NE Customer Service</b>                    |                     |
| 419   | Term Loan, 6.00%, Maturing March 5, 2016      | 412,121             |
|   | <b>Protection One Alarm Monitor, Inc.</b>     |                     |
| 400   | Term Loan, 6.00%, Maturing May 16, 2016       | 396,500             |
|   | <b>Quintiles Transnational Corp.</b>          |                     |
| 879   | Term Loan, 2.46%, Maturing March 29, 2013     | 844,354             |
|   | <b>Sabre, Inc.</b>                            |                     |
| 1,352                                       | Term Loan, 2.37%, Maturing September 30, 2014 | 1,222,392           |
|   | <b>Serena Software, Inc.</b>                  |                     |
| 1,185                                       | Term Loan, 2.54%, Maturing March 10, 2013     | 1,131,675           |
|   | <b>Sitel (Client Logic)</b>                   |                     |
| 165   | Term Loan, 6.03%, Maturing January 30, 2014   | 160,270             |

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|     |       |   |                      |
|-----|-------|---|----------------------|
|     |       | <b>SunGard Data Systems, Inc.</b>             |                      |
|     | 81    | Term Loan, 2.09%, Maturing February 28, 2014  | 77,072               |
|     | 2,294 | Term Loan, 4.00%, Maturing February 26, 2016  | 2,215,496            |
|     |       | <b>Travelport, LLC</b>                        |                      |
| EUR | 526   | Term Loan, 3.22%, Maturing August 23, 2013    | 644,679              |
|     |       | <b>Valassis Communications, Inc.</b>          |                      |
|     | 474   | Term Loan, 2.79%, Maturing March 2, 2014      | 460,084              |
|     | 107   | Term Loan, 2.79%, Maturing March 2, 2014      | 103,893              |
|     |       | <b>West Corp.</b>                             |                      |
|     | 673   | Term Loan, 2.75%, Maturing October 24, 2013   | 640,071              |
|     | 978   | Term Loan, 4.25%, Maturing July 15, 2016      | 950,699              |
|     |       |   | <b>\$ 14,222,433</b> |
|     |       | <b>Cable and Satellite Television 3.6%</b>    |                      |
|     |       | <b>Charter Communications Operating, Inc.</b> |                      |
|     | 1,942 | Term Loan, 2.32%, Maturing March 6, 2014      | 1,847,000            |

| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                        | <b>Value</b>         |
|--|--|----------------------|
|  | <b>CSC Holdings, Inc.</b>                                  |                      |
| 1,466  | Term Loan, 2.09%, Maturing March 29, 2016                  | \$ 1,434,568         |
|  | <b>CW Media Holdings, Inc.</b>                             |                      |
| 1,102  | Term Loan, 3.53%, Maturing February 16, 2015               | 1,078,056            |
|  | <b>Insight Midwest Holdings, LLC</b>                       |                      |
| 1,029  | Term Loan, 2.16%, Maturing April 7, 2014                   | 978,458              |
|  | <b>Kabel Deutschland GmbH</b>                              |                      |
| EUR 1,000                                    | Term Loan, 2.89%, Maturing March 31, 2014                  | 1,276,817            |
|  | <b>MCC Iowa, LLC</b>                                       |                      |
| 1,954  | Term Loan, 2.06%, Maturing January 31, 2015                | 1,809,548            |
|  | <b>ProSiebenSat.1 Media AG</b>                             |                      |
| EUR 232                                      | Term Loan, 2.57%, Maturing June 26, 2015                   | 270,191              |
| EUR 9  | Term Loan, 2.57%, Maturing July 3, 2015                    | 10,966               |
| EUR 62                                       | Term Loan, 3.52%, Maturing March 6, 2015                   | 59,711               |
| EUR 62                                       | Term Loan, 3.77%, Maturing March 4, 2016                   | 59,711               |
|  | <b>UPC Broadband Holding B.V.</b>                          |                      |
| EUR 1,394                                    | Term Loan, 4.23%, Maturing December 31, 2016               | 1,678,984            |
| EUR 1,006                                    | Term Loan, 4.48%, Maturing December 31, 2017               | 1,215,448            |
|  | <b>YPSO Holding SA</b>                                     |                      |
| EUR 96                                       | Term Loan, 4.39%, Maturing June 16, 2014 <sup>(3)</sup>    | 101,257              |
| EUR 157                                      | Term Loan, 4.39%, Maturing June 16, 2014 <sup>(3)</sup>    | 165,209              |
| EUR 250                                      | Term Loan, 4.39%, Maturing June 16, 2014 <sup>(3)</sup>    | 262,381              |
|  |  | <b>\$ 12,248,305</b> |
| <b>Chemicals and Plastics 2.8%</b>           |  |                      |
|  | <b>Celanese Holdings, LLC</b>                              |                      |
| 1,470  | Term Loan, 2.25%, Maturing April 2, 2014                   | \$ 1,410,036         |
|  | <b>Cognis GmbH</b>   |                      |
| 400  | Term Loan, 2.54%, Maturing September 16, 2013              | 394,572              |
|  | <b>Huntsman International, LLC</b>                         |                      |
| 2,114  | Term Loan, 2.21%, Maturing April 21, 2014                  | 1,989,207            |
|  | <b>INEOS Group</b>   |                      |
| 1,205  | Term Loan, 7.50%, Maturing December 16, 2013               | 1,188,409            |
| 1,205  | Term Loan, 8.00%, Maturing December 16, 2014               | 1,188,409            |
|  | <b>Kraton Polymers, LLC</b>                                |                      |
| 425  | Term Loan, 2.38%, Maturing May 13, 2013                    | 402,482              |
|  | <b>MacDermid, Inc.</b>                                     |                      |
| EUR 345                                      | Term Loan, 2.83%, Maturing April 11, 2014                  | 415,867              |
|  | <b>Millenium Inorganic Chemicals</b>                       |                      |
| 300  | Term Loan - Second Lien, 6.28%, Maturing November 18, 2014 | 275,500              |
|  | <b>Rockwood Specialties Group, Inc.</b>                    |                      |
| EUR 1,411                                    | Term Loan, 6.25%, Maturing May 15, 2014                    | 1,815,440            |
|  | <b>Solutia, Inc.</b>                                       |                      |
| 648  | Term Loan, 4.75%, Maturing March 17, 2017                  | 650,459              |

|                      |             |   |              |
|----------------------|-------------|---|--------------|
|                      |             |   | \$ 9,730,381 |
| <b>Conglomerates</b> | <b>1.7%</b> |   |              |
|                      |             | <b>Doncasters (Dunde HoldCo 4 Ltd.)</b>                   |              |
|                      | 114         | Term Loan, 4.33%, Maturing July 13, 2015                  | \$ 97,479    |
|                      | 114         | Term Loan, 4.83%, Maturing July 13, 2015                  | 97,479       |
| GBP                  | 250         | Term Loan - Second Lien, 6.57%, Maturing January 13, 2016 | 302,061      |
|                      |             | <b>Jarden Corp.</b>                                       |              |
|                      | 101         | Term Loan, 2.28%, Maturing January 24, 2012               | 99,198       |
|                      | 499         | Term Loan, 2.28%, Maturing January 24, 2012               | 490,030      |
|                      | 247         | Term Loan, 3.03%, Maturing January 24, 2012               | 243,707      |
|                      |             | <b>Manitowoc Company, Inc. (The)</b>                      |              |
|                      | 171         | Term Loan, 8.00%, Maturing November 6, 2014               | 171,851      |
|                      |             | <b>Polymer Group, Inc.</b>                                |              |
|                      | 1,005       | Term Loan, 7.00%, Maturing November 24, 2014              | 1,008,273    |
|                      |             | <b>RBS Global, Inc.</b>                                   |              |
|                      | 2,000       | Term Loan, 2.88%, Maturing July 19, 2013                  | 1,911,250    |



| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>          | <b>Value</b>        |
|--|--|---------------------|
|  | <b>RGIS Holdings, LLC</b>                    |                     |
| 38   | Term Loan, 3.03%, Maturing April 30, 2014    | \$ 35,261           |
| 764  | Term Loan, 3.03%, Maturing April 30, 2014    | 705,228             |
|  | <b>US Investigations Services, Inc.</b>      |                     |
| 511  | Term Loan, 3.54%, Maturing February 21, 2015 | 451,178             |
|  | <b>Vertrue, Inc.</b>                         |                     |
| 237  | Term Loan, 3.54%, Maturing August 16, 2014   | 205,545             |
|  |  | <b>\$ 5,818,540</b> |
| <br>   |  |                     |
| <b>Containers and Glass Products</b>         | <b>0.6%</b>                                  |                     |
|  | <b>Berry Plastics Corp.</b>                  |                     |
| 528  | Term Loan, 2.34%, Maturing April 3, 2015     | \$ 487,513          |
|  | <b>Consolidated Container Co.</b>            |                     |
| 297  | Term Loan, 2.56%, Maturing March 28, 2014    | 273,869             |
|  | <b>Crown Americas, Inc.</b>                  |                     |
| EUR 388                                      | Term Loan, 2.32%, Maturing November 15, 2012 | 497,492             |
|  | <b>Graham Packaging Holdings Co.</b>         |                     |
| 82   | Term Loan, 2.64%, Maturing October 7, 2011   | 81,899              |
| 775  | Term Loan, 6.75%, Maturing April 5, 2014     | 782,413             |
|  |  | <b>\$ 2,123,186</b> |
| <br>   |  |                     |
| <b>Cosmetics/Toiletries</b>                  | <b>0.2%</b>                                  |                     |
|  | <b>Bausch &amp; Lomb, Inc.</b>               |                     |
| 114  | Term Loan, 3.57%, Maturing April 24, 2015    | \$ 109,451          |
| 471  | Term Loan, 3.63%, Maturing April 24, 2015    | 451,900             |
|  | <b>Prestige Brands, Inc.</b>                 |                     |
| 249  | Term Loan, 4.75%, Maturing March 24, 2016    | 249,063             |
|  |  | <b>\$ 810,414</b>   |
| <br>   |  |                     |
| <b>Drugs</b>                                 | <b>0.0%</b> <sup>(5)</sup>                   |                     |
|  | <b>Pharmaceutical Holdings Corp.</b>         |                     |
| 37   | Term Loan, 4.57%, Maturing January 30, 2012  | \$ 36,023           |
|  |  | <b>\$ 36,023</b>    |
| <br>   |  |                     |
| <b>Ecological Services and Equipment</b>     | <b>0.4%</b>                                  |                     |
|  | <b>Big Dumpster Merger Sub, Inc.</b>         |                     |
| 92   | Term Loan, 2.57%, Maturing February 5, 2013  | \$ 71,231           |
|  | <b>Blue Waste B.V. (AVR Acquisition)</b>     |                     |
| EUR 500                                      | Term Loan, 2.89%, Maturing March 31, 2014    | 582,997             |
|  | <b>Sensus Metering Systems, Inc.</b>         |                     |
| 349  | Term Loan, 7.00%, Maturing June 3, 2013      | 350,925             |

**Wastequip, Inc.**

|     |   |                     |
|-----|---|---------------------|
| 377 | Term Loan, 2.57%, Maturing February 5, 2013 | 293,039             |
|     |   | <b>\$ 1,298,192</b> |

**Electronics/Electrical 1.6%**

**Aspect Software, Inc.**

|     |   |            |
|-----|---|------------|
| 374 | Term Loan, 6.25%, Maturing April 19, 2016 | \$ 367,828 |
|-----|---|------------|

**Freescale Semiconductor, Inc.**

|     |   |         |
|-----|---|---------|
| 948 | Term Loan, 4.60%, Maturing December 1, 2016 | 873,470 |
|-----|---|---------|

**Infor Enterprise Solutions Holdings**

|     |  |         |
|-----|--|---------|
| 250 | Term Loan, 5.82%, Maturing March 2, 2014 | 193,750 |
|-----|--|---------|

|     |  |         |
|-----|--|---------|
| 380 | Term Loan, 6.07%, Maturing July 28, 2015 | 353,884 |
|-----|--|---------|

|     |  |         |
|-----|--|---------|
| 727 | Term Loan, 6.07%, Maturing July 28, 2015 | 674,640 |
|-----|--|---------|

|    |  |        |
|----|--|--------|
| 92 | Term Loan - Second Lien, 6.57%, Maturing March 2, 2014 | 67,833 |
|----|--|--------|

|     |  |         |
|-----|--|---------|
| 158 | Term Loan - Second Lien, 6.57%, Maturing March 2, 2014 | 116,111 |
|-----|--|---------|

**Network Solutions, LLC**

|     |  |         |
|-----|--|---------|
| 530 | Term Loan, 2.57%, Maturing March 7, 2014 | 499,751 |
|-----|--|---------|

**Open Solutions, Inc.**

|     |   |         |
|-----|---|---------|
| 314 | Term Loan, 2.63%, Maturing January 23, 2014 | 272,234 |
|-----|---|---------|

**Sensata Technologies Finance Co.**

|     |   |         |
|-----|---|---------|
| 967 | Term Loan, 2.23%, Maturing April 26, 2013 | 913,330 |
|-----|---|---------|

| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                     | <b>Value</b>        |
|--|---|---------------------|
|  | <b>Spectrum Brands, Inc.</b>                            |                     |
| 725  | Term Loan, 8.00%, Maturing June 16, 2016                | \$ 733,610          |
|  | <b>SS&amp;C Technologies, Inc.</b>                      |                     |
| 326  | Term Loan, 2.48%, Maturing November 23, 2012            | 314,700             |
|  |   | <b>\$ 5,381,141</b> |
| <br>   |   |                     |
| <b>Equipment Leasing</b>                     | <b>0.1%</b>   |                     |
|  | <b>AWAS Capital, Inc.</b>                               |                     |
| 455  | Term Loan - Second Lien, 6.56%, Maturing March 22, 2013 | \$ 380,220          |
|  |   | <b>\$ 380,220</b>   |
| <br>   |   |                     |
| <b>Farming/Agriculture</b>                   | <b>0.1%</b>   |                     |
|  | <b>CF Industries, Inc.</b>                              |                     |
| 457  | Term Loan, 4.50%, Maturing April 6, 2015                | \$ 459,203          |
|  |   | <b>\$ 459,203</b>   |
| <br>   |   |                     |
| <b>Financial Intermediaries</b>              | <b>0.8%</b>   |                     |
|  | <b>Citico III, Ltd.</b>                                 |                     |
| 693  | Term Loan, 4.75%, Maturing May 30, 2014                 | \$ 665,122          |
|  | <b>Jupiter Asset Management Group</b>                   |                     |
| GBP 159                                      | Term Loan, 4.44%, Maturing March 17, 2015               | 235,557             |
|  | <b>LPL Holdings, Inc.</b>                               |                     |
| 118  | Term Loan, 2.21%, Maturing June 28, 2013                | 112,331             |
| 370  | Term Loan, 4.25%, Maturing June 25, 2015                | 356,050             |
|  | <b>MSCI, Inc.</b>                                       |                     |
| 775  | Term Loan, 4.75%, Maturing June 1, 2016                 | 779,844             |
|  | <b>Nuveen Investments, Inc.</b>                         |                     |
| 500  | Term Loan, 3.51%, Maturing November 13, 2014            | 441,719             |
|  |   | <b>\$ 2,590,623</b> |
| <br>   |   |                     |
| <b>Food Products</b>                         | <b>0.7%</b>   |                     |
|  | <b>Acosta, Inc.</b>                                     |                     |
| 600  | Term Loan, 2.57%, Maturing July 28, 2013                | \$ 566,995          |
|  | <b>Dole Food Company, Inc.</b>                          |                     |
| 711  | Term Loan, 5.02%, Maturing March 2, 2017                | 713,264             |
| 286  | Term Loan, 5.04%, Maturing March 2, 2017                | 287,172             |
|  | <b>Pinnacle Foods Finance, LLC</b>                      |                     |
| 1,031  | Term Loan, 2.85%, Maturing April 2, 2014                | 973,176             |
|  |   | <b>\$ 2,540,607</b> |

**Food Service 1.4%**

|     |                                     |   |           |
|-----|-------------------------------------|---|-----------|
|     | <b>Aramark Corp.</b>                |   |           |
|     | 43                                  | Term Loan, 2.07%, Maturing January 27, 2014               | \$ 40,035 |
|     | 589                                 | Term Loan, 2.41%, Maturing January 27, 2014               | 552,870   |
| GBP | 531                                 | Term Loan, 2.86%, Maturing January 27, 2014               | 799,513   |
|     | 77                                  | Term Loan, 3.60%, Maturing July 26, 2016                  | 74,101    |
|     | 1,168                               | Term Loan, 3.78%, Maturing July 26, 2016                  | 1,126,756 |
|     | <b>Buffets, Inc.</b>                |   |           |
|     | 32                                  | Term Loan, 7.53%, Maturing April 22, 2015 <sup>(3)</sup>  | 24,924    |
|     | 299                                 | Term Loan, 12.00%, Maturing April 21, 2015 <sup>(3)</sup> | 271,405   |
|     | <b>Denny s, Inc.</b>                |   |           |
|     | 30                                  | Term Loan, 2.24%, Maturing March 31, 2012                 | 29,906    |
|     | 65                                  | Term Loan, 2.51%, Maturing March 31, 2012                 | 64,797    |
|     | <b>JRD Holdings, Inc.</b>           |   |           |
|     | 592                                 | Term Loan, 2.58%, Maturing July 2, 2014                   | 565,376   |
|     | <b>OSI Restaurant Partners, LLC</b> |   |           |
|     | 19                                  | Term Loan, 2.82%, Maturing June 14, 2013                  | 16,369    |
|     | 195                                 | Term Loan, 2.88%, Maturing June 14, 2014                  | 169,594   |
|     | <b>QCE Finance, LLC</b>             |   |           |
|     | 275                                 | Term Loan - Second Lien, 6.07%, Maturing November 5, 2013 | 186,313   |

| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                            | <b>Value</b>        |
|--|--|---------------------|
| EUR  | 741 <b>Selecta</b><br>Term Loan, 3.41%, Maturing June 28, 2015 | \$ 811,402          |
|  |  | <b>\$ 4,733,361</b> |
| <b>Food/Drug Retailers</b>                   | <b>1.2%</b>  |                     |
|  | <b>General Nutrition Centers, Inc.</b>                         |                     |
|  | 767 Term Loan, 2.71%, Maturing September 16, 2013              | \$ 724,477          |
|  | <b>Rite Aid Corp.</b>  |                     |
|  | 984 Term Loan, 2.09%, Maturing June 4, 2014                    | 865,377             |
|  | 1,476 Term Loan, 6.00%, Maturing June 4, 2014                  | 1,398,502           |
|  | <b>Roundy's Supermarkets, Inc.</b>                             |                     |
|  | 1,153 Term Loan, 7.00%, Maturing November 3, 2013              | 1,149,679           |
|  |  | <b>\$ 4,138,035</b> |
| <b>Forest Products</b>                       | <b>0.6%</b>  |                     |
|  | <b>Georgia-Pacific Corp.</b>                                   |                     |
|  | 1,632 Term Loan, 2.48%, Maturing December 20, 2012             | \$ 1,607,948        |
|  | 423 Term Loan, 3.79%, Maturing December 23, 2014               | 421,305             |
|  |  | <b>\$ 2,029,253</b> |
| <b>Health Care</b>                           | <b>4.6%</b>  |                     |
|  | <b>American Medical Systems</b>                                |                     |
|  | 47 Term Loan, 2.63%, Maturing July 20, 2012                    | \$ 45,518           |
|  | <b>Aveta Holdings, LLC</b>                                     |                     |
|  | 147 Term Loan, 8.00%, Maturing April 14, 2015                  | 144,152             |
|  | 147 Term Loan, 8.00%, Maturing April 14, 2015                  | 144,152             |
|  | <b>Biomet, Inc.</b>  |                     |
|  | 754 Term Loan, 3.51%, Maturing March 25, 2015                  | 734,322             |
| EUR  | 340 Term Loan, 3.64%, Maturing March 25, 2015                  | 421,857             |
|  | <b>Cardinal Health 409, Inc.</b>                               |                     |
|  | 412 Term Loan, 2.57%, Maturing April 10, 2014                  | 373,086             |
|  | <b>Carestream Health, Inc.</b>                                 |                     |
|  | 812 Term Loan, 2.32%, Maturing April 30, 2013                  | 771,723             |
|  | <b>Carl Zeiss Vision Holding GmbH</b>                          |                     |
|  | 400 Term Loan, 2.82%, Maturing July 24, 2015                   | 323,143             |
|  | <b>Community Health Systems, Inc.</b>                          |                     |
|  | 105 Term Loan, 2.79%, Maturing July 25, 2014                   | 99,213              |
|  | 2,037 Term Loan, 2.79%, Maturing July 25, 2014                 | 1,933,116           |
|  | <b>Concentra, Inc.</b>   |                     |
|  | 476 Term Loan, 2.79%, Maturing June 25, 2014                   | 444,237             |
|  | <b>Dako EQT Project Delphi</b>                                 |                     |
|  | 250 Term Loan - Second Lien, 4.28%, Maturing December 12, 2016 | 181,250             |

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|       |   |           |
|-------|---|-----------|
|       | <b>DJO Finance, LLC</b>                       |           |
| 176   | Term Loan, 3.32%, Maturing May 20, 2014       | 167,538   |
|       | <b>Fenwal, Inc.</b>                           |           |
| 72    | Term Loan, 2.79%, Maturing February 28, 2014  | 62,670    |
| 422   | Term Loan, 2.79%, Maturing February 28, 2014  | 365,625   |
|       | <b>HCA, Inc.</b>                              |           |
| 455   | Term Loan, 2.78%, Maturing November 18, 2013  | 440,163   |
| 1,091 | Term Loan, 3.78%, Maturing March 31, 2017     | 1,064,164 |
|       | <b>Health Management Association, Inc.</b>    |           |
| 1,019 | Term Loan, 2.28%, Maturing February 28, 2014  | 960,801   |
|       | <b>HealthSouth Corp.</b>                      |           |
| 262   | Term Loan, 2.79%, Maturing March 11, 2013     | 254,438   |
| 215   | Term Loan, 4.29%, Maturing September 10, 2015 | 213,143   |
|       | <b>IM U.S. Holdings, LLC</b>                  |           |
| 808   | Term Loan, 2.42%, Maturing June 26, 2014      | 774,321   |
|       | <b>MPT Operating Partnership, LP.</b>         |           |
| 250   | Term Loan, 5.00%, Maturing May 17, 2016       | 248,750   |
|       | <b>MultiPlan Merger Corp.</b>                 |           |
| 393   | Term Loan, 3.63%, Maturing April 12, 2013     | 390,534   |

| Principal Amount*<br>(000 \$ omitted) | Borrower/Tranche Description   | Value                |
|---------------------------------------|--|----------------------|
|                                       | <b>Mylan, Inc.</b>   |                      |
| 586                                   | Term Loan, 3.75%, Maturing October 2, 2014                             | \$ 584,484           |
|                                       | <b>National Mentor Holdings, Inc.</b>                                  |                      |
| 17                                    | Term Loan, 2.30%, Maturing June 29, 2013                               | 14,742               |
| 272                                   | Term Loan, 2.54%, Maturing June 29, 2013                               | 238,568              |
|                                       | <b>Nyco Holdings</b>   |                      |
| EUR 305                               | Term Loan, 4.47%, Maturing December 29, 2014                           | 370,747              |
| EUR 305                               | Term Loan, 5.22%, Maturing December 29, 2015                           | 370,747              |
|                                       | <b>P&amp;F Capital S.A.R.L.</b>  |                      |
| EUR 61                                | Term Loan, 2.80%, Maturing December 20, 2013                           | 77,081               |
| EUR 94                                | Term Loan, 2.80%, Maturing December 20, 2013                           | 118,872              |
| EUR 118                               | Term Loan, 2.80%, Maturing December 20, 2013                           | 148,446              |
| EUR 196                               | Term Loan, 2.80%, Maturing December 20, 2013                           | 248,023              |
| EUR 33                                | Term Loan, 3.55%, Maturing December 22, 2014                           | 41,652               |
| EUR 68                                | Term Loan, 3.55%, Maturing December 22, 2014                           | 86,326               |
| EUR 89                                | Term Loan, 3.55%, Maturing December 22, 2014                           | 111,924              |
| EUR 279                               | Term Loan, 3.55%, Maturing December 22, 2014                           | 351,705              |
|                                       | <b>RadNet Management, Inc.</b>   |                      |
| 249                                   | Term Loan, 5.75%, Maturing April 1, 2016                               | 246,465              |
|                                       | <b>ReAble Therapeutics Finance, LLC</b>                                |                      |
| 429                                   | Term Loan, 2.41%, Maturing November 16, 2013                           | 415,740              |
|                                       | <b>Select Medical Holdings Corp.</b>                                   |                      |
| 363                                   | Term Loan, 4.23%, Maturing August 22, 2014                             | 353,396              |
| 372                                   | Term Loan, 4.23%, Maturing August 22, 2014                             | 362,591              |
|                                       | <b>VWR International, Inc.</b>   |                      |
| 931                                   | Term Loan, 2.82%, Maturing June 30, 2014                               | 864,891              |
|                                       |  | <b>\$ 15,564,316</b> |
| <b>Home Furnishings</b>               | <b>0.4%</b>  |                      |
|                                       | <b>Interline Brands, Inc.</b>  |                      |
| 72                                    | Term Loan, 2.08%, Maturing June 23, 2013                               | \$ 66,718            |
| 264                                   | Term Loan, 2.08%, Maturing June 23, 2013                               | 245,085              |
|                                       | <b>National Bedding Co., LLC</b>                                       |                      |
| 985                                   | Term Loan, 2.38%, Maturing February 28, 2013                           | 945,306              |
|                                       | <b>Oreck Corp.</b>   |                      |
| 85                                    | Term Loan - Second Lien, 4.04%, Maturing March 19, 2016 <sup>(4)</sup> | 67,723               |
|                                       |  | <b>\$ 1,324,832</b>  |
| <b>Industrial Equipment</b>           | <b>1.5%</b>  |                      |
|                                       | <b>Brand Energy and Infrastructure Services, Inc.</b>                  |                      |
| 184                                   | Term Loan, 3.81%, Maturing February 7, 2014                            | \$ 168,683           |
|                                       | <b>CEVA Group PLC U.S.</b>   |                      |
| 260                                   | Term Loan, 3.32%, Maturing November 4, 2013                            | 230,426              |

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|       |  |           |
|-------|--|-----------|
| 744   | Term Loan, 3.32%, Maturing November 4, 2013            | 658,567   |
| 262   | Term Loan, 3.53%, Maturing November 4, 2013            | 230,442   |
|       | <b>EPD Holdings, (Goodyear Engineering Products)</b>   |           |
| 85    | Term Loan, 2.84%, Maturing July 31, 2014               | 72,942    |
| 596   | Term Loan, 2.84%, Maturing July 31, 2014               | 509,286   |
| 200   | Term Loan - Second Lien, 6.09%, Maturing July 13, 2015 | 152,500   |
|       | <b>Generac Acquisition Corp.</b>                       |           |
| 292   | Term Loan, 2.90%, Maturing November 11, 2013           | 269,530   |
|       | <b>Gleason Corp.</b>                                   |           |
| 195   | Term Loan, 2.19%, Maturing June 30, 2013               | 176,459   |
|       | <b>John Maneely Co.</b>                                |           |
| 1,217 | Term Loan, 3.78%, Maturing December 9, 2013            | 1,157,962 |
|       | <b>Polypore, Inc.</b>                                  |           |
| 806   | Term Loan, 2.32%, Maturing July 3, 2014                | 771,991   |
|       | <b>Sequa Corp.</b>                                     |           |
| 397   | Term Loan, 3.79%, Maturing December 3, 2014            | 371,604   |



| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                        | <b>Value</b>        |
|--|--|---------------------|
|  | <b>TFS Acquisition Corp.</b>                               |                     |
| 227  | Term Loan, 14.00%, Maturing August 11, 2013 <sup>(3)</sup> | \$ 225,617          |
|  |  | <b>\$ 4,996,009</b> |
| <b>Insurance 1.0%</b>                        |  |                     |
|  | <b>Alliant Holdings I, Inc.</b>                            |                     |
| 489  | Term Loan, 3.53%, Maturing August 21, 2014                 | \$ 461,078          |
|  | <b>CCC Information Services Group, Inc.</b>                |                     |
| 557  | Term Loan, 2.58%, Maturing February 10, 2013               | 538,227             |
|  | <b>Conseco, Inc.</b>                                       |                     |
| 595  | Term Loan, 7.50%, Maturing October 10, 2013                | 583,266             |
|  | <b>Crawford &amp; Company</b>                              |                     |
| 331  | Term Loan, 5.25%, Maturing October 30, 2013                | 323,506             |
|  | <b>Crump Group, Inc.</b>                                   |                     |
| 183  | Term Loan, 3.32%, Maturing August 1, 2014                  | 170,204             |
|  | <b>Hub International Holdings, Inc.</b>                    |                     |
| 575  | Term Loan, 3.03%, Maturing June 13, 2014                   | 524,996             |
| 129  | Term Loan, 3.03%, Maturing June 13, 2014                   | 118,008             |
|  | <b>U.S.I. Holdings Corp.</b>                               |                     |
| 711  | Term Loan, 3.29%, Maturing May 5, 2014                     | 649,788             |
|  |  | <b>\$ 3,369,073</b> |
| <b>Leisure Goods/Activities/Movies 2.4%</b>  |  |                     |
|  | <b>AMC Entertainment, Inc.</b>                             |                     |
| 1,954  | Term Loan, 2.08%, Maturing January 28, 2013                | \$ 1,893,921        |
|  | <b>Bombardier Recreational Products</b>                    |                     |
| 524  | Term Loan, 3.19%, Maturing June 28, 2013                   | 454,614             |
|  | <b>Cinemark, Inc.</b>                                      |                     |
| 985  | Term Loan, 3.60%, Maturing April 29, 2016                  | 962,750             |
|  | <b>Metro-Goldwyn-Mayer Holdings, Inc.</b>                  |                     |
| 1,095  | Term Loan, 0.00%, Maturing April 9, 2012 <sup>(5)</sup>    | 480,283             |
|  | <b>National CineMedia, LLC</b>                             |                     |
| 725  | Term Loan, 2.29%, Maturing February 13, 2015               | 688,448             |
|  | <b>Regal Cinemas Corp.</b>                                 |                     |
| 1,489  | Term Loan, 4.03%, Maturing November 21, 2016               | 1,469,083           |
|  | <b>Revolution Studios Distribution Co., LLC</b>            |                     |
| 284  | Term Loan, 4.07%, Maturing December 21, 2014               | 229,820             |
| 225  | Term Loan - Second Lien, 7.32%, Maturing June 21, 2015     | 106,875             |
|  | <b>Six Flags Theme Parks, Inc.</b>                         |                     |
| 625  | Term Loan, 6.00%, Maturing June 30, 2016                   | 621,247             |
|  | <b>Universal City Development Partners, Ltd.</b>           |                     |
| 672  | Term Loan, 5.50%, Maturing November 6, 2014                | 673,651             |
|  | <b>Zuffa, LLC</b>  |                     |

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|     |  |                     |
|-----|--|---------------------|
| 485 | Term Loan, 2.38%, Maturing June 22, 2015 | 459,537             |
|     |  | <b>\$ 8,040,229</b> |

**Lodging and Casinos 1.4%**

|       |   |            |
|-------|---|------------|
|       | <b>Harrah's Operating Co.</b>                             |            |
| 403   | Term Loan, 3.50%, Maturing January 28, 2015               | \$ 347,376 |
| 1,579 | Term Loan, 3.50%, Maturing January 28, 2015               | 1,350,203  |
|       | <b>Herbst Gaming, Inc.</b>                                |            |
| 965   | Term Loan, 0.00%, Maturing January 2, 2014 <sup>(5)</sup> | 593,604    |
|       | <b>Isle of Capri Casinos, Inc.</b>                        |            |
| 161   | Term Loan, 5.00%, Maturing November 25, 2013              | 152,526    |
| 213   | Term Loan, 5.00%, Maturing November 25, 2013              | 202,321    |
| 534   | Term Loan, 5.00%, Maturing November 25, 2013              | 505,802    |
|       | <b>New World Gaming Partners, Ltd.</b>                    |            |
| 58    | Term Loan, 3.05%, Maturing September 30, 2014             | 56,446     |
| 287   | Term Loan, 3.05%, Maturing September 30, 2014             | 278,682    |

| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                         | <b>Value</b>        |
|--|---|---------------------|
|  | <b>Venetian Casino Resort/Las Vegas Sands, Inc.</b>         |                     |
| 165  | Term Loan, 2.07%, Maturing May 23, 2014                     | \$ 153,279          |
| 815  | Term Loan, 2.07%, Maturing May 23, 2014                     | 758,577             |
|  | <b>VML US Finance, LLC</b>                                  |                     |
| 111  | Term Loan, 5.04%, Maturing May 25, 2012                     | 108,072             |
| 221  | Term Loan, 5.04%, Maturing May 27, 2013                     | 216,143             |
|  |   | <b>\$ 4,723,031</b> |
| <b>Nonferrous Metals/Minerals</b>            | <b>0.2%</b>   |                     |
|  | <b>Noranda Aluminum Acquisition</b>                         |                     |
| 873  | Term Loan, 2.54%, Maturing May 18, 2014                     | \$ 810,060          |
|  |   | <b>\$ 810,060</b>   |
| <b>Oil and Gas</b>                           | <b>0.9%</b>   |                     |
|  | <b>Citgo Petroleum Corp.</b>                                |                     |
| 575  | Term Loan, 9.25%, Maturing June 15, 2017                    | \$ 576,393          |
|  | <b>Dresser, Inc.</b>  |                     |
| 300  | Term Loan - Second Lien, 6.20%, Maturing May 4, 2015        | 281,500             |
|  | <b>Dynegy Holdings, Inc.</b>                                |                     |
| 74   | Term Loan, 4.07%, Maturing April 2, 2013                    | 69,467              |
| 925  | Term Loan, 4.07%, Maturing April 2, 2013                    | 867,379             |
|  | <b>Enterprise GP Holdings, L.P.</b>                         |                     |
| 294  | Term Loan, 2.78%, Maturing November 10, 2014                | 286,650             |
|  | <b>Hercules Offshore, Inc.</b>                              |                     |
| 539  | Term Loan, 6.00%, Maturing July 11, 2013                    | 479,969             |
|  | <b>Sheridan Production Partners I, LLC</b>                  |                     |
| 25   | Term Loan, 7.50%, Maturing April 20, 2017                   | 24,080              |
| 41   | Term Loan, 7.50%, Maturing April 20, 2017                   | 39,423              |
| 307  | Term Loan, 7.50%, Maturing April 20, 2017                   | 297,518             |
|  |   | <b>\$ 2,922,379</b> |
| <b>Publishing</b>                            | <b>2.0%</b>   |                     |
|  | <b>American Media Operations, Inc.</b>                      |                     |
| 971  | Term Loan, 10.00%, Maturing January 30, 2013 <sup>(3)</sup> | \$ 933,401          |
|  | <b>GateHouse Media Operating, Inc.</b>                      |                     |
| 738  | Term Loan, 2.33%, Maturing August 28, 2014                  | 299,456             |
| 310  | Term Loan, 2.34%, Maturing August 28, 2014                  | 125,947             |
|  | <b>Getty Images, Inc.</b>                                   |                     |
| 1,223  | Term Loan, 6.25%, Maturing July 2, 2015                     | 1,228,788           |
|  | <b>Laureate Education, Inc.</b>                             |                     |
| 58   | Term Loan, 3.74%, Maturing August 17, 2014                  | 53,204              |
| 390  | Term Loan, 3.74%, Maturing August 17, 2014                  | 355,427             |

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|     |       |   |                     |
|-----|-------|---|---------------------|
|     |       | <b>MediaNews Group, Inc.</b>                            |                     |
|     | 51    | Term Loan, 8.50%, Maturing March 19, 2014               | 47,994              |
|     |       | <b>Mediannuaire Holding</b>                             |                     |
| EUR | 223   | Term Loan, 2.97%, Maturing October 10, 2014             | 208,545             |
| EUR | 223   | Term Loan, 3.47%, Maturing October 9, 2015              | 207,906             |
|     |       | <b>Nielsen Finance, LLC</b>                             |                     |
|     | 1,669 | Term Loan, 2.35%, Maturing August 9, 2013               | 1,588,503           |
|     |       | <b>Philadelphia Newspapers, LLC</b>                     |                     |
|     | 212   | Term Loan, 0.00%, Maturing June 29, 2013 <sup>(5)</sup> | 65,320              |
|     |       | <b>SGS International, Inc.</b>                          |                     |
|     | 381   | Term Loan, 2.88%, Maturing December 30, 2011            | 373,698             |
|     |       | <b>TL Acquisitions, Inc.</b>                            |                     |
|     | 489   | Term Loan, 3.03%, Maturing July 3, 2014                 | 433,549             |
|     |       | <b>Tribune Co.</b>                                      |                     |
|     | 179   | Term Loan, 0.00%, Maturing June 7, 2011 <sup>(5)</sup>  | 111,851             |
|     |       | <b>Xsys, Inc.</b>                                       |                     |
| EUR | 793   | Term Loan, 2.97%, Maturing September 27, 2014           | 952,100             |
|     |       |   | <b>\$ 6,985,689</b> |

| Principal Amount* |       | Borrower/Tranche Description   | Value        |
|-------------------|-------|--|--------------|
| (000 s omitted)   |       |  |              |
|                   |       | <b>Radio and Television 1.1%</b>   |              |
|                   |       | <b>Block Communications, Inc.</b>  |              |
|                   | 263   | Term Loan, 2.32%, Maturing December 22, 2011                             | \$ 247,524   |
|                   |       | <b>CMP KC, LLC</b>   |              |
|                   | 478   | Term Loan, 0.00%, Maturing May 3, 2011 <sup>(4)(5)</sup>                 | 137,213      |
|                   |       | <b>Live Nation Worldwide, Inc.</b>                                       |              |
|                   | 524   | Term Loan, 4.50%, Maturing November 7, 2016                              | 516,919      |
|                   |       | <b>Mission Broadcasting, Inc.</b>  |              |
|                   | 127   | Term Loan, 5.00%, Maturing September 30, 2016                            | 124,215      |
|                   |       | <b>NEP II, Inc.</b>  |              |
|                   | 164   | Term Loan, 2.33%, Maturing February 16, 2014                             | 156,277      |
|                   |       | <b>Nexstar Broadcasting, Inc.</b>  |              |
|                   | 198   | Term Loan, 5.01%, Maturing September 30, 2016                            | 194,285      |
|                   |       | <b>Tyrol Acquisition 2 SAS</b>   |              |
| EUR               | 250   | Term Loan, 2.64%, Maturing January 30, 2015                              | 270,322      |
| EUR               | 250   | Term Loan, 2.89%, Maturing January 29, 2016                              | 270,322      |
|                   |       | <b>Univision Communications, Inc.</b>                                    |              |
|                   | 1,515 | Term Loan, 2.57%, Maturing September 29, 2014                            | 1,327,009    |
|                   |       | <b>Weather Channel</b>   |              |
|                   | 271   | Term Loan, 5.00%, Maturing September 14, 2015                            | 271,257      |
|                   |       | <b>Young Broadcasting, Inc.</b>  |              |
|                   | 108   | Term Loan, 8.00%, Maturing June 30, 2015                                 | 109,129      |
|                   |       |  | \$ 3,624,472 |
|                   |       | <b>Retailers (Except Food and Drug) 0.8%</b>                             |              |
|                   |       | <b>American Achievement Corp.</b>  |              |
|                   | 96    | Term Loan, 6.26%, Maturing March 25, 2011                                | \$ 90,828    |
|                   |       | <b>Harbor Freight Tools USA, Inc.</b>                                    |              |
|                   | 485   | Term Loan, 5.02%, Maturing February 24, 2016                             | 483,833      |
|                   |       | <b>Josten s Corp.</b>  |              |
|                   | 375   | Term Loan, 2.34%, Maturing October 4, 2011                               | 370,592      |
|                   |       | <b>Neiman Marcus Group, Inc.</b>   |              |
|                   | 192   | Term Loan, 2.47%, Maturing April 5, 2013                                 | 181,067      |
|                   |       | <b>Orbitz Worldwide, Inc.</b>  |              |
|                   | 296   | Term Loan, 3.42%, Maturing July 25, 2014                                 | 277,996      |
|                   |       | <b>Oriental Trading Co., Inc.</b>  |              |
|                   | 300   | Term Loan - Second Lien, 0.00%, Maturing January 31, 2014 <sup>(5)</sup> | 52,500       |
|                   |       | <b>Rent-A-Center, Inc.</b>   |              |
|                   | 12    | Term Loan, 2.18%, Maturing June 30, 2012                                 | 12,070       |
|                   | 214   | Term Loan, 3.54%, Maturing March 31, 2015                                | 211,807      |
|                   |       | <b>Rover Acquisition Corp.</b>   |              |
|                   | 410   | Term Loan, 2.66%, Maturing October 25, 2013                              | 394,019      |
|                   |       | <b>Savers, Inc.</b>  |              |
|                   | 299   | Term Loan, 5.75%, Maturing March 11, 2016                                | 300,746      |

|                               |   |    |                     |
|-------------------------------|---|----|---------------------|
|                               | <b>Yankee Candle Company, Inc. (The)</b>                    |    |                     |
| 337                           | Term Loan, 2.32%, Maturing February 6, 2014                 |    | 322,445             |
|                               |   |    | <b>\$ 2,697,903</b> |
| <b>Steel 0.1%</b>             |   |    |                     |
|                               | <b>Niagara Corp.</b>  |    |                     |
| 204                           | Term Loan, 10.50%, Maturing June 29, 2014 <sup>(3)(4)</sup> | \$ | 194,013             |
|                               |   |    | <b>\$ 194,013</b>   |
| <b>Surface Transport 0.1%</b> |   |    |                     |
|                               | <b>Swift Transportation Co., Inc.</b>                       |    |                     |
| 491                           | Term Loan, 8.25%, Maturing May 9, 2014                      | \$ | 478,945             |
|                               |   |    | <b>\$ 478,945</b>   |

| <b>Principal Amount*</b><br>(000 s omitted) | <b>Borrower/Tranche Description</b>                         | <b>Value</b>        |
|---|---|---------------------|
| <b>Telecommunications</b>                   | <b>2.0%</b>   |                     |
|   | <b>Asurion Corp.</b>  |                     |
| 422   | Term Loan, 3.36%, Maturing July 3, 2014                     | \$ 404,823          |
| 250   | Term Loan - Second Lien, 6.84%, Maturing July 3, 2015       | 245,491             |
|   | <b>BCM Luxembourg, Ltd.</b>                                 |                     |
| EUR 368                                     | Term Loan, 2.52%, Maturing September 30, 2014               | 397,463             |
| EUR 369                                     | Term Loan, 2.77%, Maturing September 30, 2015               | 397,520             |
| EUR 500                                     | Term Loan - Second Lien, 4.89%, Maturing March 31, 2016     | 464,247             |
|   | <b>CommScope, Inc.</b>                                      |                     |
| 259   | Term Loan, 3.03%, Maturing December 26, 2014                | 253,416             |
|   | <b>Crown Castle Operating Co.</b>                           |                     |
| 494   | Term Loan, 1.82%, Maturing March 6, 2014                    | 472,643             |
|   | <b>Intelsat Corp.</b>                                       |                     |
| 717   | Term Loan, 3.03%, Maturing January 3, 2014                  | 677,971             |
| 717   | Term Loan, 3.03%, Maturing January 3, 2014                  | 678,180             |
| 717   | Term Loan, 3.03%, Maturing January 3, 2014                  | 677,971             |
|   | <b>Intelsat Subsidiary Holding Co.</b>                      |                     |
| 289   | Term Loan, 3.03%, Maturing July 3, 2013                     | 274,734             |
|   | <b>IPC Systems, Inc.</b>                                    |                     |
| GBP 251                                     | Term Loan, 2.99%, Maturing May 31, 2014                     | 351,814             |
|   | <b>Macquarie UK Broadcast Ventures, Ltd.</b>                |                     |
| GBP 219                                     | Term Loan, 2.58%, Maturing December 1, 2014                 | 282,857             |
|   | <b>Telesat Canada, Inc.</b>                                 |                     |
| 39  | Term Loan, 3.32%, Maturing October 31, 2014                 | 38,168              |
| 458   | Term Loan, 3.32%, Maturing October 31, 2014                 | 444,359             |
|   | <b>Windstream Corp.</b>                                     |                     |
| 851   | Term Loan, 3.24%, Maturing December 17, 2015                | 843,977             |
|   |   | <b>\$ 6,905,634</b> |
| <b>Utilities</b>                            | <b>1.3%</b>   |                     |
|   | <b>AEI Finance Holding, LLC</b>                             |                     |
| 75  | Revolving Loan, 3.53%, Maturing March 30, 2012              | \$ 70,450           |
| 501   | Term Loan, 3.53%, Maturing March 30, 2014                   | 467,839             |
|   | <b>Astoria Generating Co.</b>                               |                     |
| 375   | Term Loan - Second Lien, 4.29%, Maturing August 23, 2013    | 357,344             |
|   | <b>Calpine Corp.</b>  |                     |
| 502   | DIP Loan, 3.42%, Maturing March 29, 2014                    | 477,774             |
|   | <b>Mirant North America, LLC</b>                            |                     |
| 730   | Term Loan, 2.07%, Maturing January 3, 2013                  | 724,950             |
|   | <b>NRG Energy, Inc.</b>                                     |                     |
| 0   | Term Loan, 2.18%, Maturing February 1, 2013 <sup>(16)</sup> | 205                 |
| 177   | Term Loan, 2.28%, Maturing February 1, 2013                 | 170,111             |
| 556   | Term Loan, 3.68%, Maturing August 31, 2015                  | 542,545             |
| 665   | Term Loan, 3.78%, Maturing August 31, 2015                  | 653,708             |

**TXU Texas Competitive Electric Holdings Co., LLC**

|       |   |         |
|-------|---|---------|
| 1,194 | Term Loan, 3.85%, Maturing October 10, 2014 | 925,907 |
| 219   | Term Loan, 3.98%, Maturing October 10, 2014 | 170,322 |

**\$ 4,561,155**

**Total Senior Floating-Rate Interests  
(identified cost \$154,033,790)**

**\$ 150,175,176**



**Collateralized Mortgage Obligations 6.8%**

| <b>Principal<br/>Amount<br/>(000 s omitted)</b>                                     | <b>Security</b>                               | <b>Value</b>         |
|---|---|----------------------|
|   | <b>Federal Home Loan Mortgage Corp.:</b>      |                      |
| \$ 5,007  | Series 2113, Class QG, 6.00%, 1/15/29         | \$ 5,466,396         |
| 2,663   | Series 2167, Class BZ, 7.00%, 6/15/29         | 2,890,394            |
| 3,335   | Series 2182, Class ZB, 8.00%, 9/15/29         | 3,751,946            |
|   | <b>Federal National Mortgage Association:</b> |                      |
| \$ 168  | Series 1989-89, Class H, 9.00%, 11/25/19      | \$ 197,255           |
| 439   | Series 1991-122, Class N, 7.50%, 9/25/21      | 500,427              |
| 3,845   | Series 1993-84, Class M, 7.50%, 6/25/23       | 4,410,979            |
| 1,409   | Series 1994-42, Class K, 6.50%, 4/25/24       | 1,578,317            |
| 1,153   | Series 1997-28, Class ZA, 7.50%, 4/20/27      | 1,355,475            |
| 1,049   | Series 1997-38, Class N, 8.00%, 5/20/27       | 1,239,354            |
| 1,632   | Series G-33, Class PT, 7.00%, 10/25/21        | 1,814,077            |
| <b>Total Collateralized Mortgage Obligations<br/>(identified cost \$21,772,664)</b> |   | <b>\$ 23,204,620</b> |

**Commercial Mortgage-Backed Securities 2.5%**

| <b>Principal<br/>Amount<br/>(000 s omitted)</b>                                      | <b>Security</b>  | <b>Value</b>        |
|--|--|---------------------|
| \$ 595   | CSFB, Series 2004-C3, Class A5, 5.113%, 7/15/36 <sup>(6)</sup>     | \$ 621,802          |
| 1,250  | GECMC, Series 2004-C3, Class A4, 5.189%, 7/10/39 <sup>(6)</sup>    | 1,332,392           |
| 1,250  | GSMS, Series 2004-GG2, Class A6, 5.396%, 8/10/38 <sup>(6)</sup>    | 1,337,552           |
| 1,000  | MLMT, Series 2004-BPC1, Class A4, 4.724%, 10/12/41 <sup>(6)</sup>  | 1,039,925           |
| 1,000  | MSC, Series 2003-IQ6, Class A4, 4.97%, 12/15/41                    | 1,071,379           |
| 675  | RBSCF, Series 2010-MB1, Class C, 4.664%, 4/15/24 <sup>(6)(7)</sup> | 675,082             |
| 2,225  | WBCMT, Series 2004-C12, Class A4, 5.305%, 7/15/41 <sup>(6)</sup>   | 2,400,101           |
| <b>Total Commercial Mortgage-Backed Securities<br/>(identified cost \$7,702,029)</b> |  | <b>\$ 8,478,233</b> |

**Mortgage Pass-Throughs 36.1%**

| <b>Principal<br/>Amount<br/>(000 s omitted)</b> | <b>Security</b> | <b>Value</b> |
|---|-----------------|--------------|
|---|-----------------|--------------|

| <b>Federal Home Loan Mortgage Corp.:</b>      |        |   |    |            |
|---|--------|---|----|------------|
| \$  | 6,446  | 3.238%, with maturity at 2035 <sup>(8)</sup>          | \$ | 6,622,838  |
|   | 9,518  | 5.00%, with maturity at 2019 <sup>(9)</sup>           |    | 10,217,072 |
|   | 7,641  | 6.00%, with various maturities to 2029                |    | 8,520,515  |
|   | 2,100  | 6.15%, with maturity at 2027                          |    | 2,368,590  |
|   | 4,437  | 6.50%, with maturity at 2019                          |    | 4,901,371  |
|   | 6,007  | 7.00%, with various maturities to 2035 <sup>(9)</sup> |    | 6,619,419  |
|   | 5,028  | 7.50%, with various maturities to 2035                |    | 5,831,149  |
|   | 6,090  | 8.00%, with various maturities to 2032                |    | 7,240,551  |
|   | 5,168  | 8.50%, with various maturities to 2031                |    | 6,246,675  |
|   | 467    | 9.00%, with maturity at 2031                          |    | 578,015    |
|   | 405    | 9.50%, with various maturities to 2022                |    | 477,193    |
|   | 806    | 11.50%, with maturity at 2019                         |    | 872,101    |
| <b>Federal National Mortgage Association:</b> |        |   |    |            |
| \$  | 2,632  | 5.50%, with maturity at 2029                          | \$ | 2,897,865  |
|   | 3,040  | 6.321%, with maturity at 2032 <sup>(8)</sup>          |    | 3,241,690  |
|   | 5,347  | 6.50%, with maturity at 2018                          |    | 5,806,794  |
|   | 9,755  | 7.00%, with various maturities to 2033                |    | 11,176,676 |
|   | 11,832 | 7.50%, with various maturities to 2031                |    | 13,809,460 |
|   | 3,354  | 8.00%, with various maturities to 2029                |    | 3,935,175  |
|   | 741    | 8.50%, with various maturities to 2027                |    | 875,879    |
|   | 1,573  | 9.00%, with various maturities to 2029                |    | 1,869,770  |

| <b>Principal Amount</b><br>(000 s omitted) | <b>Security</b>                                  | <b>Value</b> |
|--|--|--------------|
| \$ 40                                      | 9.50%, with maturity at 2014                     | \$ 43,493    |
| 1,369                                      | 10.00%, with various maturities to 2031          | 1,600,574    |
|  | <b>Government National Mortgage Association:</b> |              |
| \$ 5,359                                   | 7.50%, with maturity at 2025                     | \$ 6,221,118 |
| 5,594                                      | 8.00%, with various maturities to 2027           | 6,700,466    |
| 2,905                                      | 9.00%, with various maturities to 2026           | 3,595,115    |
| 474  | 9.50%, with maturity at 2025                     | 571,078      |
| 572  | 11.00%, with maturity at 2018                    | 637,807      |

**Total Mortgage Pass-Throughs**  
(identified cost \$114,429,342) **\$ 123,478,449**

**Asset-Backed Securities 0.1%**

| <b>Principal Amount</b><br>(000 s omitted) | <b>Security</b>  | <b>Value</b> |
|--|--|--------------|
| \$ 500                                     | Centurion CDO 9 Ltd., Series 2005-9A, Class D1, 5.054%, 7/17/19 <sup>(8)</sup> | \$ 280,172   |

**Total Asset-Backed Securities**  
(identified cost \$500,000) **\$ 280,172**

**Corporate Bonds & Notes 0.2%**

| <b>Principal Amount*</b><br>(000 s omitted) | <b>Security</b>                          | <b>Value</b>      |
|---|--|-------------------|
|   | <b>Building and Development 0.1%</b>     |                   |
|   | <b>Grohe Holding GmbH, Variable Rate</b> |                   |
| EUR 500                                     | 3.519%, 1/15/14 <sup>(10)</sup>          | \$ 589,676        |
|   |  | <b>\$ 589,676</b> |

|     |  |                   |
|-----|--|-------------------|
|     | <b>Telecommunications 0.1%</b>               |                   |
|     | <b>Qwest Corp., Sr. Notes, Variable Rate</b> |                   |
| 200 | 3.507%, 6/15/13                              | \$ 203,000        |
|     |  | <b>\$ 203,000</b> |

**Total Corporate Bonds & Notes**  
 (identified cost \$846,625) **\$ 792,676**

**Foreign Corporate Bonds & Notes 0.7%**

| <b>Principal<br/>Amount<br/>(000 s omitted)</b> | <b>Security</b>  | <b>Value</b> |
|---|--|--------------|
| <b>Chile 0.7%</b>                               |  |              |
| \$ 2,367  | <b>JPMorgan Chilean Inflation Linked Note</b><br>3.80%, 11/17/15 <sup>(11)</sup> | \$ 2,530,822 |

**Total Chile**  
 (identified cost \$2,000,000) **\$ 2,530,822**

**Total Foreign Corporate Bonds & Notes**  
 (identified cost \$2,000,000) **\$ 2,530,822**

**Foreign Government Bonds 11.6%****Principal****Amount\*****(000 s omitted)**

|                     | <b>Security</b>                                       | <b>Value</b> |
|---------------------|---|--------------|
| <b>Bermuda 0.8%</b> |   |              |
| 2,600               | Government of Bermuda, 5.603%, 7/20/20 <sup>(7)</sup> | \$ 2,714,717 |

**Total Bermuda****(identified cost \$2,679,366)****\$ 2,714,717****Brazil 0.8%**

|           |  |              |
|-----------|--|--------------|
| BRL 3,209 | Nota Do Tesouro Nacional, 6.00%, 5/15/15 <sup>(11)</sup> | \$ 1,801,278 |
| BRL 1,810 | Nota Do Tesouro Nacional, 10.00%, 1/1/17                 | 945,335      |

**Total Brazil****(identified cost \$2,624,193)****\$ 2,746,613****Chile 0.1%**

|             |                                    |            |
|-------------|------------------------------------|------------|
| CLP 240,000 | Government of Chile, 6.00%, 3/1/18 | \$ 461,624 |
|-------------|------------------------------------|------------|

**Total Chile****(identified cost \$462,712)****\$ 461,624****Congo 0.4%**

|       |                                   |              |
|-------|-----------------------------------|--------------|
| 2,270 | Republic of Congo, 3.00%, 6/30/29 | \$ 1,310,665 |
|-------|-----------------------------------|--------------|

**Total Congo****(identified cost \$1,180,737)****\$ 1,310,665****Georgia 0.3%**

|       |                                     |              |
|-------|-------------------------------------|--------------|
| 1,181 | Republic of Georgia, 7.50%, 4/15/13 | \$ 1,227,650 |
|-------|-------------------------------------|--------------|

**Total Georgia****(identified cost \$881,105)****\$ 1,227,650****Israel 0.8%**

|           |  |            |
|-----------|--|------------|
| ILS 2,416 | Israeli Government Bond, 3.00%, 10/31/19 <sup>(11)</sup> | \$ 714,228 |
| ILS 5,941 | Israeli Government Bond, 5.00%, 4/30/15 <sup>(11)</sup>  | 1,899,183  |

**Total Israel****(identified cost \$2,515,622)****\$ 2,613,411**

|                                      |       |  |                     |
|--------------------------------------|-------|--|---------------------|
| <b>Macedonia 0.6%</b>                |       |  |                     |
| EUR                                  | 1,716 | Republic of Macedonia, 4.625%, 12/8/15                 | \$ 1,946,193        |
| <b>Total Macedonia</b>               |       |  |                     |
| <b>(identified cost \$1,509,213)</b> |       |  | <b>\$ 1,946,193</b> |
| <b>Poland 0.7%</b>                   |       |  |                     |
| PLN                                  | 7,527 | Poland Government Bond, 3.00%, 8/24/16 <sup>(11)</sup> | \$ 2,414,844        |
| <b>Total Poland</b>                  |       |  |                     |
| <b>(identified cost \$2,194,852)</b> |       |  | <b>\$ 2,414,844</b> |
| <b>South Africa 1.9%</b>             |       |  |                     |
|                                      | 5,854 | Republic of South Africa, 6.50%, 6/2/14                | \$ 6,629,655        |
| <b>Total South Africa</b>            |       |  |                     |
| <b>(identified cost \$6,389,585)</b> |       |  | <b>\$ 6,629,655</b> |

| <b>Principal Amount*</b>              |        | <b>Security</b>   | <b>Value</b>         |
|---------------------------------------|--------|---|----------------------|
| <b>(000 s omitted)</b>                |        |   |                      |
| <b>Taiwan 0.7%</b>                    |        |   |                      |
| TWD                                   | 50,000 | Taiwan Government Bond, 0.25%, 10/21/11                         | \$ 1,558,252         |
| TWD                                   | 28,300 | Taiwan Government Bond, 0.25%, 2/10/12                          | 882,052              |
| <b>Total Taiwan</b>                   |        |   |                      |
| <b>(identified cost \$2,417,769)</b>  |        |   | <b>\$ 2,440,304</b>  |
| <b>Turkey 3.7%</b>                    |        |   |                      |
| TRY                                   | 6,076  | Turkey Government Bond, 10.00%, 2/15/12 <sup>(11)</sup>         | \$ 4,479,111         |
| TRY                                   | 9,785  | Turkey Government Bond, 12.00%, 8/14/13 <sup>(11)</sup>         | 8,138,179            |
| <b>Total Turkey</b>                   |        |   |                      |
| <b>(identified cost \$9,551,536)</b>  |        |   | <b>\$ 12,617,290</b> |
| <b>Uruguay 0.8%</b>                   |        |   |                      |
| UYU                                   | 49,809 | Republic of Uruguay, 5.00%, 9/14/18 <sup>(11)</sup>             | \$ 2,617,706         |
| <b>Total Uruguay</b>                  |        |   |                      |
| <b>(identified cost \$2,146,510)</b>  |        |   | <b>\$ 2,617,706</b>  |
| <b>Total Foreign Government Bonds</b> |        |   |                      |
| <b>(identified cost \$34,553,200)</b> |        |   | <b>\$ 39,740,672</b> |
| <b>Common Stocks 0.5%</b>             |        |   |                      |
| <b>Shares</b>                         |        | <b>Security</b>   | <b>Value</b>         |
| <b>United States 0.5%</b>             |        |   |                      |
|                                       | 3,371  | ACTS Aero Technical Support & Service, Inc. <sup>(12)(13)</sup> | \$ 59,830            |
|                                       | 6,477  | Buffets, Inc. <sup>(12)</sup>                                   | 26,718               |
|                                       | 8,898  | Dayco Products, LLC <sup>(12)(13)</sup>                         | 360,369              |
|                                       | 234    | Euramax International, Inc. <sup>(12)(13)</sup>                 | 70,110               |
|                                       | 30,203 | Hayes Lemmerz International, Inc. <sup>(4)(12)(13)</sup>        | 182,426              |
|                                       | 1,357  | Ion Media Networks, Inc. <sup>(4)(12)(13)</sup>                 | 392,146              |
|                                       | 3,419  | KNIA Holdings, Inc. <sup>(4)(12)(13)</sup>                      | 16,140               |
|                                       | 3,023  | MediaNews Group, Inc. <sup>(12)(13)</sup>                       | 48,368               |
|                                       | 1,510  | Oreck Corp. <sup>(4)(12)(13)</sup>                              | 102,816              |
|                                       | 1,346  | SuperMedia, Inc. <sup>(12)</sup>                                | 28,387               |
|                                       | 154    | United Subcontractors, Inc. <sup>(4)(12)(13)</sup>              | 15,069               |
|                                       | 178    | Young Broadcasting, Inc. <sup>(4)(12)(13)</sup>                 | 305,900              |

**Total United States**  
 (identified cost \$1,255,407) **\$ 1,608,279**

**Total Common Stocks**  
 (identified cost \$1,255,407) **\$ 1,608,279**

**Warrants 0.0%**<sup>5)</sup>

| Shares               | Security   | Value    |
|----------------------|--|----------|
| <b>United States</b> | <b>0.0%</b> <sup>5)</sup>                                      |          |
| 1                    | Young Broadcasting, Inc., Exp. 12/24/24 <sup>(4)(12)(13)</sup> | \$ 1,719 |

**Total United States**  
 (identified cost \$1,719) **\$ 1,719**

**Total Warrants**  
 (identified cost \$1,719) **\$ 1,719**



**Currency Options Purchased 0.1%**

| Description     | Principal<br>Amount of<br>Contracts<br>(000 s omitted) | Strike<br>Price | Expiration<br>Date | Value      |
|-----------------|--|-----------------|--------------------|------------|
| Euro Put Option | EUR 11,837   | EUR 1.17        | 5/3/12             | \$ 452,890 |

**Total Currency Options Purchased**  
(identified cost \$540,846) **\$ 452,890**

**Short-Term Investments 22.6%****Foreign Government Securities 19.9%**

| Principal<br>Amount<br>(000 s omitted) | Security                               | Value        |
|--|--|--------------|
| <b>Chile 0.3%</b>                      |  |              |
| CLP 570,000                            | Chilean Government Bond, 8.00%, 8/1/10 | \$ 1,094,274 |

**Total Chile**  
(identified cost \$1,080,274) **\$ 1,094,274**

|                     |  |              |
|---------------------|--|--------------|
| <b>Croatia 2.4%</b> |  |              |
| EUR 2,400           | Croatian Treasury Bill, 0.00%, 6/2/11  | \$ 3,044,400 |
| EUR 1,810           | Croatian Treasury Bill, 0.00%, 3/31/11 | 2,313,557    |
| EUR 2,100           | Croatian Treasury Bill, 0.00%, 4/7/11  | 2,682,103    |

**Total Croatia**  
(identified cost \$7,961,195) **\$ 8,040,060**

|                   |                                      |            |
|-------------------|--------------------------------------|------------|
| <b>Egypt 4.9%</b> |                                      |            |
| EGP 3,700         | Egypt Treasury Bill, 0.00%, 8/3/10   | \$ 648,754 |
| EGP 7,525         | Egypt Treasury Bill, 0.00%, 8/10/10  | 1,316,944  |
| EGP 9,375         | Egypt Treasury Bill, 0.00%, 8/24/10  | 1,634,545  |
| EGP 12,300        | Egypt Treasury Bill, 0.00%, 8/31/10  | 2,140,558  |
| EGP 1,325         | Egypt Treasury Bill, 0.00%, 9/14/10  | 229,709    |
| EGP 3,725         | Egypt Treasury Bill, 0.00%, 9/28/10  | 643,312    |
| EGP 2,725         | Egypt Treasury Bill, 0.00%, 10/5/10  | 469,632    |
| EGP 18,325        | Egypt Treasury Bill, 0.00%, 10/26/10 | 3,140,322  |
| EGP 35,100        | Egypt Treasury Bill, 0.00%, 11/2/10  | 6,002,510  |
| EGP 1,550         | Egypt Treasury Bill, 0.00%, 2/8/11   | 257,788    |

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|     |       |                                     |         |
|-----|-------|-------------------------------------|---------|
| EGP | 1,175 | Egypt Treasury Bill, 0.00%, 3/22/11 | 193,033 |
| EGP | 825   | Egypt Treasury Bill, 0.00%, 6/7/11  | 132,647 |
| EGP | 600   | Egypt Treasury Bill, 0.00%, 6/21/11 | 96,099  |

**Total Egypt**  
**(identified cost \$17,346,501)** **\$ 16,905,853**

|                     |         |   |            |
|---------------------|---------|---|------------|
| <b>Iceland 1.0%</b> |         |   |            |
| ISK                 | 92,910  | Iceland Treasury Bill, 0.00%, 10/15/10  | \$ 649,723 |
| ISK                 | 274,000 | Iceland Treasury Bill, 0.00%, 11/15/10  | 1,908,586  |
| ISK                 | 118,800 | Iceland Treasury Note, 13.75%, 12/10/10 | 870,258    |

**Total Iceland**  
**(identified cost \$3,274,501)** **\$ 3,428,567**

|                    |        |                                       |              |
|--------------------|--------|---------------------------------------|--------------|
| <b>Israel 3.7%</b> |        |                                       |              |
| ILS                | 5,390  | Israeli Treasury Bill, 0.00%, 12/1/10 | \$ 1,420,886 |
| ILS                | 39,267 | Israeli Treasury Bill, 0.00%, 4/6/11  | 10,270,111   |

| <b>Principal Amount</b><br>(000 s omitted)             |           | <b>Security</b>                          | <b>Value</b>         |
|--|-----------|--|----------------------|
| ILS  | 3,700     | Israeli Treasury Bill, 0.00%, 6/1/11     | \$ 963,890           |
| <b>Total Israel</b><br>(identified cost \$12,801,041)  |           |  | <b>\$ 12,654,887</b> |
| <b>Kazakhstan 0.1%</b>                                 |           |  |                      |
| KZT  | 45,330    | Kazakhstan National Bank, 0.00%, 8/27/10 | \$ 306,677           |
| <b>Total Kazakhstan</b><br>(identified cost \$307,261) |           |  | <b>\$ 306,677</b>    |
| <b>Lebanon 3.8%</b>                                    |           |  |                      |
| LBP  | 1,136,990 | Lebanon Treasury Bill, 0.00%, 8/5/10     | \$ 757,064           |
| LBP  | 3,025,250 | Lebanon Treasury Bill, 0.00%, 8/19/10    | 2,011,660            |
| LBP  | 536,000   | Lebanon Treasury Bill, 0.00%, 9/23/10    | 355,113              |
| LBP  | 1,824,370 | Lebanon Treasury Bill, 0.00%, 10/14/10   | 1,204,509            |
| LBP  | 1,203,800 | Lebanon Treasury Bill, 0.00%, 10/21/10   | 794,115              |
| LBP  | 541,580   | Lebanon Treasury Bill, 0.00%, 11/4/10    | 356,653              |
| LBP  | 565,870   | Lebanon Treasury Bill, 0.00%, 11/18/10   | 372,008              |
| LBP  | 562,400   | Lebanon Treasury Bill, 0.00%, 12/9/10    | 368,760              |
| LBP  | 600,000   | Lebanon Treasury Bill, 0.00%, 12/16/10   | 393,070              |
| LBP  | 2,341,800 | Lebanon Treasury Bill, 0.00%, 12/23/10   | 1,532,795            |
| LBP  | 927,820   | Lebanon Treasury Bill, 0.00%, 12/30/10   | 606,755              |
| LBP  | 888,320   | Lebanon Treasury Bill, 0.00%, 1/6/11     | 580,408              |
| LBP  | 1,501,600 | Lebanon Treasury Bill, 0.00%, 6/30/11    | 958,573              |
| LBP  | 3,573,620 | Lebanon Treasury Note, 4.58%, 7/28/11    | 2,273,162            |
| LBP  | 530,510   | Lebanon Treasury Note, 9.32%, 12/2/10    | 359,314              |
| <b>Total Lebanon</b><br>(identified cost \$12,907,325) |           |  | <b>\$ 12,923,959</b> |
| <b>Malaysia 0.2%</b>                                   |           |  |                      |
| MYR  | 2,018     | Malaysia Treasury Bill, 0.00%, 9/21/10   | \$ 631,880           |
| <b>Total Malaysia</b><br>(identified cost \$631,211)   |           |  | <b>\$ 631,880</b>    |
| <b>Mexico 0.6%</b>                                     |           |  |                      |
| MXN  | 25,197    | Mexico Treasury Bill, 0.00%, 8/5/10      | \$ 1,989,282         |

**Total Mexico**  
**(identified cost \$1,961,586)** **\$ 1,989,282**

**Romania 0.3%**  
 EUR 900 Romania Government Bond, 4.25%, 11/29/10 \$ 1,174,220

**Total Romania**  
**(identified cost \$1,170,709)** **\$ 1,174,220**

**Sri Lanka 2.2%**

|     |         |  |              |
|-----|---------|--|--------------|
| LKR | 135,510 | Sri Lanka Treasury Bill, 0.00%, 8/6/10   | \$ 1,199,516 |
| LKR | 33,410  | Sri Lanka Treasury Bill, 0.00%, 10/8/10  | 291,644      |
| LKR | 200,370 | Sri Lanka Treasury Bill, 0.00%, 11/12/10 | 1,735,119    |
| LKR | 85,120  | Sri Lanka Treasury Bill, 0.00%, 1/21/11  | 725,014      |
| LKR | 28,430  | Sri Lanka Treasury Bill, 0.00%, 3/11/11  | 239,183      |
| LKR | 36,270  | Sri Lanka Treasury Bill, 0.00%, 3/18/11  | 304,629      |
| LKR | 67,120  | Sri Lanka Treasury Bill, 0.00%, 3/25/11  | 562,796      |
| LKR | 61,000  | Sri Lanka Treasury Bill, 0.00%, 4/29/11  | 507,214      |

| <b>Principal Amount</b>                                      | <b>Security</b>                         | <b>Value</b>         |
|--|---|----------------------|
| <b>(000 s omitted)</b>                                       |   |                      |
| LKR 230,890  | Sri Lanka Treasury Bill, 0.00%, 7/15/11 | \$ 1,884,476         |
| <b>Total Sri Lanka</b>                                       |   |                      |
| <b>(identified cost \$7,380,263)</b>                         |   | <b>\$ 7,449,591</b>  |
| <b>Uruguay 0.4%</b>  |   |                      |
| UYU 9,800  | Uruguay Treasury Bill, 0.00%, 8/3/10    | \$ 467,383           |
| UYU 7,350  | Uruguay Treasury Bill, 0.00%, 11/17/10  | 341,864              |
| UYU 9,800  | Uruguay Treasury Bill, 0.00%, 2/15/11   | 444,686              |
| <b>Total Uruguay</b>   |   |                      |
| <b>(identified cost \$1,372,642)</b>                         |   | <b>\$ 1,253,933</b>  |
| <b>Zambia 0.0%<sup>5)</sup></b>                              |   |                      |
| ZMK 727,000  | Zambia Treasury Bill, 0.00%, 1/31/11    | \$ 143,802           |
| <b>Total Zambia</b>  |   |                      |
| <b>(identified cost \$150,950)</b>                           |   | <b>\$ 143,802</b>    |
| <b>Total Foreign Government Securities</b>                   |   |                      |
| <b>(identified cost \$68,345,459)</b>                        |   | <b>\$ 67,996,985</b> |
| <b>Other Securities 2.7%</b>                                 |   |                      |
|  |   | <b>Interest/</b>     |
|  |   | <b>Principal</b>     |
|  |   | <b>Amount</b>        |
| <b>Description</b>   | <b>(000 s omitted)</b>                  | <b>Value</b>         |
| Eaton Vance Cash Reserves Fund, LLC, 0.25% <sup>(14)</sup>   | \$ 7,861                                | \$ 7,860,659         |
| State Street Bank and Trust Euro Time Deposit, 0.01%, 8/2/10 | 1,185                                   | 1,184,973            |
| <b>Total Other Securities</b>                                |   |                      |
| <b>(identified cost \$9,045,632)</b>                         |   | <b>\$ 9,045,632</b>  |
| <b>Total Short-Term Investments</b>                          |   |                      |
| <b>(identified cost \$77,391,091)</b>                        |   | <b>\$ 77,042,617</b> |

|  |                        |
|--|------------------------|
| <b>Total Investments</b> 125.2%<br>(identified cost \$415,026,713) | <b>\$ 427,786,325</b>  |
| <b>Less Unfunded Loan Commitments</b> 0.0%                         | <b>\$ (5,390)</b>      |
| <b>Net Investments</b> 125.2%<br>(identified cost \$415,021,323)   | <b>\$ 427,780,935</b>  |
| <b>Other Assets and Liabilities</b> (25.2)%                        | <b>\$ (86,230,838)</b> |
| <b>Net Assets</b> 100.0%   | <b>\$ 341,550,097</b>  |

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

- CSFB - Credit Suisse First Boston Mortgage Securities Corp.
- DIP - Debtor In Possession
- GEPMC - General Electric Commercial Mortgage Corporation
- GSMS - Goldman Sachs Mortgage Securities Corporation II

MLMT - Merrill Lynch Mortgage Trust  
 MSC - Morgan Stanley Capital I  
 RBSCF - Royal Bank of Scotland Commercial Funding  
 WBCMT - Wachovia Bank Commercial Mortgage Trust

BRL - Brazilian Real  
 CLP - Chilean Peso  
 EGP - Egyptian Pound  
 EUR - Euro  
 GBP - British Pound Sterling  
 ILS - Israeli Shekel  
 ISK - Icelandic Krona  
 KZT - Kazak Tenge  
 LBP - Lebanese Pound  
 LKR - Sri Lankan Rupee  
 MXN - Mexican Peso  
 MYR - Malaysian Ringgit  
 PLN - Polish Zloty  
 TRY - New Turkish Lira  
 TWD - New Taiwan Dollar  
 UYU - Uruguayan Peso  
 ZMK - Zambian Kwacha

\* In U.S. dollars unless otherwise indicated.

- (1) Senior floating-rate interests (Senior Loans) often require prepayments from excess cash flows or permit the borrowers to repay at their election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, Senior Loans will have an expected average life of approximately two to four years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility and includes commitment fees on unfunded loan commitments, if any. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base lending rates are primarily the London Interbank Offered Rate ( LIBOR ) and secondarily, the prime rate offered by one or more major United States banks (the Prime Rate ) and the certificate of deposit ( CD ) rate or other base lending rates used by commercial lenders.
- (2) Unfunded or partially unfunded loan commitments. The Fund may enter into certain credit agreements all or a portion of which may be unfunded. The Fund is obligated to fund these commitments at the borrower's discretion.
- (3) Represents a payment-in-kind security which may pay all or a portion of interest in additional par.
- (4) Security valued at fair value using methods determined in good faith by or at the direction of the Trustees.
- (5) Defaulted security. Currently the issuer is in default with respect to interest payments.
- (6) Weighted average fixed-rate coupon that changes/updates monthly.
- (7) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At July 31, 2010, the aggregate value of these securities is \$3,669,971 or 1.1% of the Fund's net assets.

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- (8) Adjustable rate mortgage security. Rate shown is the rate at July 31, 2010.
- (9) Security (or a portion thereof) has been pledged to cover collateral requirements on open financial contracts.
- (10) Security exempt from registration under Regulation S of the Securities Act of 1933, which exempts from registration securities offered and sold outside the United States. Security may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.
- (11) Inflation-linked security whose principal is adjusted for inflation based on changes in a designated inflation index or inflation rate for the applicable country. Interest is calculated based on the inflation-adjusted principal.
- (12) Non-income producing security.
- (13) Security was acquired in connection with a restructuring of a Senior Loan and may be subject to restrictions on resale.
- (14) 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 July 31, 2010. Net income allocated from the investment in Eaton Vance Cash Reserves Fund, LLC and Cash Management Portfolio, an affiliated investment company, for the fiscal year to date ended July 31, 2010 was \$10,257 and \$0, respectively.
- (15) Amount is less than 0.05%.
- (16) Principal is less than \$1,000.



A summary of open financial instruments at July 31, 2010 is as follows:

### Forward Foreign Currency Exchange Contracts

#### Sales

| Settlement Date | Deliver                             | In Exchange For                    | Net Unrealized Appreciation (Depreciation) |
|-----------------|-------------------------------------|------------------------------------|--|
| 8/4/10          | Chilean Peso<br>156,000,000         | United States Dollar<br>296,296    | \$ (2,988)                                 |
| 8/4/10          | Chilean Peso<br>435,000,000         | United States Dollar<br>826,603    | (7,945)                                    |
| 8/6/10          | Sri Lankan Rupee<br>135,510,000     | United States Dollar<br>1,149,852  | (50,989)                                   |
| 8/10/10         | South African Rand<br>38,672,546    | United States Dollar<br>4,988,397  | (306,246)                                  |
| 8/16/10         | Euro<br>4,856,089                   | United States Dollar<br>6,109,106  | (219,069)                                  |
| 8/17/10         | Euro<br>6,070,000                   | United States Dollar<br>7,639,581  | (270,489)                                  |
| 8/19/10         | South African Rand<br>2,900,000     | United States Dollar<br>367,666    | (28,755)                                   |
| 8/25/10         | Euro<br>10,595,000                  | United States Dollar<br>12,966,426 | (840,305)                                  |
| 8/26/10         | Japanese Yen<br>207,100,000         | United States Dollar<br>2,379,858  | (17,724)                                   |
| 8/26/10         | Kazak Tenge<br>44,110,000           | United States Dollar<br>301,463    | 3,232                                      |
| 8/30/10         | Euro<br>1,400,000                   | United States Dollar<br>1,815,013  | (9,373)                                    |
| 8/31/10         | British Pound Sterling<br>1,256,171 | United States Dollar<br>1,959,337  | (11,521)                                   |
| 8/31/10         | Euro<br>12,277,711                  | United States Dollar<br>15,950,257 | (49,228)                                   |
| 9/27/10         | Japanese Yen<br>251,181,656         | United States Dollar<br>2,886,532  | (22,208)                                   |
| 10/8/10         | Sri Lankan Rupee<br>33,410,000      | United States Dollar<br>284,947    | (9,409)                                    |
| 10/29/10        | South African Rand<br>17,200,000    | United States Dollar<br>2,302,636  | (21,000)                                   |
| 11/12/10        | Sri Lankan Rupee<br>200,370,000     | United States Dollar<br>1,718,439  | (43,424)                                   |
| 11/29/10        | Euro<br>938,250                     | United States Dollar<br>1,213,185  | (9,068)                                    |
| 1/21/11         | Sri Lankan Rupee<br>85,120,000      | United States Dollar<br>731,900    | (12,431)                                   |
| 3/11/11         |                                     |                                    | (13,670)                                   |

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|         |                  |                      |          |
|---------|------------------|----------------------|----------|
|         | Sri Lankan Rupee | United States Dollar |          |
|         | 28,430,000       | 233,992              |          |
| 3/18/11 | Sri Lankan Rupee | United States Dollar |          |
|         | 36,270,000       | 298,028              | (17,760) |
| 3/25/11 | Sri Lankan Rupee | United States Dollar |          |
|         | 67,120,000       | 554,482              | (29,590) |
| 3/31/11 | Euro             | United States Dollar |          |
|         | 1,810,000        | 2,441,328            | 85,006   |
| 4/6/11  | Israeli Shekel   | United States Dollar |          |
|         | 19,633,000       | 5,276,270            | 85,861   |
| 4/6/11  | Israeli Shekel   | United States Dollar |          |
|         | 9,822,000        | 2,638,691            | 42,033   |
| 4/6/11  | Israeli Shekel   | United States Dollar |          |
|         | 9,812,000        | 2,635,509            | 41,494   |
| 4/7/11  | Euro             | United States Dollar |          |
|         | 2,100,000        | 2,813,727            | 79,982   |

| <b>Settlement Date</b> | <b>Deliver</b>                  | <b>In Exchange For</b>            | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|---------------------------------|-----------------------------------|---|
| 4/29/11                | Sri Lankan Rupee<br>61,000,000  | United States Dollar<br>509,607   | \$ (19,782)                                       |
| 6/2/11                 | Euro<br>2,400,000               | United States Dollar<br>2,935,920 | (187,420)   |
| 7/15/11                | Sri Lankan Rupee<br>230,890,000 | United States Dollar<br>1,943,028 | (49,338)  |
|                        |                                 |                                   | <b>\$ (1,912,124)</b>                             |

**Purchases**

| <b>Settlement Date</b> | <b>In Exchange For</b>             | <b>Deliver</b>                    | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|------------------------------------|-----------------------------------|---|
| 8/5/10                 | Australian Dollar<br>1,010,900     | United States Dollar<br>887,439   | \$ 27,016   |
| 8/6/10                 | Malaysian Ringgit<br>2,890,000     | United States Dollar<br>900,031   | 8,364   |
| 8/10/10                | New Turkish Lira<br>4,523,020      | United States Dollar<br>2,849,506 | 147,357   |
| 8/10/10                | Polish Zloty<br>15,246,621         | Euro<br>3,672,380                 | 171,849   |
| 8/12/10                | Indonesian Rupiah<br>5,074,000,000 | United States Dollar<br>542,616   | 24,315  |
| 8/12/10                | Polish Zloty<br>7,830,000          | Euro<br>1,934,480                 | 24,700  |
| 8/12/10                | South Korean Won<br>121,000,000    | United States Dollar<br>99,777    | 2,500   |
| 8/16/10                | New Turkish Lira<br>852,735        | United States Dollar<br>557,145   | 7,285   |
| 8/18/10                | Colombian Peso<br>1,930,000,000    | United States Dollar<br>1,006,624 | 39,666  |
| 8/19/10                | Norwegian Krone<br>30,407,300      | Euro<br>3,827,345                 | 13,130  |
| 8/19/10                | Swedish Krona<br>19,900,000        | Euro<br>2,075,424                 | 51,570  |
| 8/24/10                | Indian Rupee<br>46,500,000         | United States Dollar<br>971,990   | 26,777  |
| 8/24/10                | Indian Rupee<br>660,000            | United States Dollar<br>14,028    | 148   |
| 8/24/10                | Malaysian Ringgit<br>7,365,000     | United States Dollar<br>2,243,443 | 69,650  |
| 8/25/10                |                                    |                                   | 605   |

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|         |                   |                       |         |
|---------|-------------------|-----------------------|---------|
|         | Euro              | United States Dollars |         |
|         | 2,190,000         | 2,853,263             |         |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/26/10 | 1,870,000         | 513,708               | 62      |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/26/10 | 1,247,000         | 342,545               | 60      |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/26/10 | 623,500           | 171,258               | 44      |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/26/10 | 650,000           | 178,542               | 41      |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/26/10 | 1,300,000         | 357,162               | 3       |
|         | South Korean Won  | United States Dollar  |         |
| 8/26/10 | 4,380,200,000     | 3,625,393             | 77,167  |
|         | Malaysian Ringgit | United States Dollar  |         |
| 8/30/10 | 2,670,000         | 834,010               | 4,316   |
|         | Qatari Riyal      | United States Dollar  |         |
| 8/30/10 | 6,200,000         | 1,703,156             | 238     |
|         | Israeli Shekel    | United States Dollar  |         |
| 8/31/10 | 12,059,110        | 3,166,035             | 32,081  |
|         | Polish Zloty      | Euro                  |         |
| 8/31/10 | 3,610,000         | 900,326               | (1,117) |

| <b>Settlement Date</b> | <b>In Exchange For</b>              | <b>Deliver</b>                    | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|-------------------------------------|-----------------------------------|---|
| 9/2/10                 | Brazilian Real<br>2,063,492         | United States Dollar<br>1,160,047 | \$ 4,827  |
| 9/2/10                 | Qatari Riyal<br>2,215,000           | United States Dollar<br>608,266   | 282   |
| 9/2/10                 | Qatari Riyal<br>2,557,000           | United States Dollar<br>702,260   | 248   |
| 9/2/10                 | Qatari Riyal<br>1,920,000           | United States Dollar<br>527,328   | 172   |
| 9/2/10                 | South Korean Won<br>2,122,000,000   | United States Dollar<br>1,784,843 | 8,898   |
| 9/3/10                 | Indonesian Rupiah<br>21,374,000,000 | United States Dollar<br>2,277,949 | 109,273   |
| 9/7/10                 | Indian Rupee<br>102,106,000         | United States Dollar<br>2,162,575 | 25,919  |
| 9/7/10                 | Malaysian Ringgit<br>2,170,000      | United States Dollar<br>674,500   | 6,588   |
| 9/7/10                 | Swedish Krona<br>11,720,000         | Euro<br>1,226,030                 | 25,350  |
| 9/13/10                | British Pound Sterling<br>420,000   | Euro<br>505,747                   | (124)   |
| 9/13/10                | British Pound Sterling<br>335,000   | Euro<br>409,385                   | (7,907)   |
| 9/13/10                | British Pound Sterling<br>1,777,000 | Euro<br>2,147,341                 | (10,361)  |
| 9/13/10                | Malaysian Ringgit<br>3,310,000      | United States Dollar<br>1,031,763 | 6,847   |
| 9/20/10                | Indian Rupee<br>145,080,000         | United States Dollar<br>3,076,662 | 27,339  |
| 9/20/10                | Indonesian Rupiah<br>15,831,000,000 | United States Dollar<br>1,740,435 | 23,918  |
| 9/20/10                | Indonesian Rupiah<br>8,198,580,000  | United States Dollar<br>901,339   | 12,386  |
| 9/28/10                | Zambian Kwacha<br>2,553,900,000     | United States Dollar<br>485,071   | 38,539  |
| 10/12/10               | Colombian Peso<br>800,000,000       | United States Dollar<br>420,499   | 12,253  |
| 6/15/11                | Yuan Renminbi<br>9,800,000          | United States Dollar<br>1,483,724 | (22,421)  |
| 6/15/11                | Yuan Renminbi<br>20,600,000         | United States Dollar<br>3,116,490 | (44,771)  |
|                        |                                     |                                   | <b>\$ 945,082</b>                                 |

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At July 31, 2010, closed forward foreign currency purchases and sales contracts excluded above amounted to a receivable of \$179,583 and a payable of \$61,857.

**Futures Contracts**

| <b>Expiration Date</b> | <b>Contracts</b>             | <b>Position</b> | <b>Aggregate Cost</b> | <b>Value</b>   | <b>Net Unrealized Depreciation</b> |
|------------------------|------------------------------|-----------------|-----------------------|----------------|------------------------------------|
| 9/10                   | 16 Euro-Bobl                 | Short           | \$ (2,501,361)        | \$ (2,502,675) | \$ (1,314)                         |
| 9/10                   | 10 Euro-Bund                 | Short           | (1,666,300)           | (1,675,200)    | (8,900)                            |
| 9/10                   | 7 Japan 10-Year Bond         | Short           | (11,382,687)          | (11,492,332)   | (109,645)                          |
| 9/10                   | 57 U.S. 5-Year Treasury Note | Short           | (6,650,543)           | (6,830,203)    | (179,660)                          |
|                        |                              |                 |                       |                | <b>\$ (299,519)</b>                |

Euro-Bobl: Medium-term debt securities issued by the Federal Republic of Germany with a term to maturity of 4.5 to 5 years.

Euro-Bund: Long-term debt securities issued by the Federal Republic of Germany with a term to maturity of 8.5 to 10.5 years.

Japan 10-Year Bond: Japanese Government Bonds (JGB) having a maturity of 7 years or more but less than 11 years.

**Interest Rate Swaps**

| <b>Counterparty</b> | <b>Notional Amount (000 s omitted)</b> | <b>Fund Pays/Receives</b> | <b>Floating Rate</b>          | <b>Floating Rate Index</b> | <b>Annual Fixed Rate</b> | <b>Termination Date</b> | <b>Net Unrealized Appreciation (Depreciation)</b> |
|---------------------|--|---------------------------|-------------------------------|----------------------------|--------------------------|-------------------------|---|
| Bank of America     | ILS 2,650                              | Receive                   | 3-month ILS                   | TELBOR                     | 4.20%                    | 11/19/14                | \$ (43,892)                                       |
| Bank of America     | ILS 2,600                              | Receive                   | 3-month ILS                   | TELBOR                     | 4.54                     | 1/6/15                  | (51,375)  |
| Barclays Bank PLC   | ILS 1,311                              | Receive                   | 3-month ILS                   | TELBOR                     | 5.15                     | 3/5/20                  | (25,585)  |
| Barclays Bank PLC   | ILS 1,334                              | Receive                   | 3-month ILS                   | TELBOR                     | 5.16                     | 3/8/20                  | (26,192)  |
| JPMorgan Chase Bank | BRL 19,754                             | Pay                       | Brazil Interbank Deposit Rate |                            | 9.67                     | 1/3/11                  | 18,592  |
|                     |  |                           |                               |                            |                          |                         | <b>\$ (128,452)</b>                               |

BRL - Brazilian Real

ILS - Israeli Shekel

**Credit Default Swaps Sell Protection**

| Reference Entity | Counterparty        | Notional Amount*<br>(000 s omitted) | Contract Annual Fixed Rate** | Termination Date | Current Market Annual Fixed Rate*** | Net Unrealized Appreciation (Depreciation) |
|------------------|---------------------|-------------------------------------|------------------------------|------------------|-------------------------------------|--|
| Iceland          | JPMorgan Chase Bank | \$ 2,600                            | 1.75%                        | 3/20/18          | 2.84%                               | \$ (163,360)                               |
| Iceland          | JPMorgan Chase Bank | 1,000                               | 2.10                         | 3/20/23          | 2.42                                | (24,354)                                   |
| Iceland          | JPMorgan Chase Bank | 1,000                               | 2.45                         | 3/20/23          | 2.42                                | 5,571                                      |
|                  |                     |                                     |                              |                  |                                     | <b>\$ (182,143)</b>                        |

**Credit Default Swaps Buy Protection**

| Reference Entity | Counterparty                     | Notional Amount<br>(000 s omitted) | Contract Annual Fixed Rate** | Termination Date | Net Unrealized Appreciation (Depreciation) |
|------------------|----------------------------------|------------------------------------|------------------------------|------------------|--|
| Austria          | Barclays Bank PLC                | \$ 2,200                           | 0.44%                        | 12/20/13         | \$ 12,628                                  |
| Austria          | Barclays Bank PLC                | 1,000                              | 1.42                         | 3/20/14          | (29,160)                                   |
| Brazil           | Bank of America                  | 625                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (8,139)                                    |
| Brazil           | Bank of America                  | 1,000                              | 1.00 <sup>(1)</sup>          | 6/20/20          | (3,531)                                    |
| Brazil           | Barclays Bank PLC                | 2,300                              | 1.65                         | 9/20/19          | (59,536)                                   |
| Brazil           | Credit Suisse First Boston, Inc. | 775                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (16,534)                                   |
| Brazil           | HSBC Bank USA                    | 775                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (14,786)                                   |
| Egypt            | Bank of America                  | 350                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (6,683)                                    |
| Egypt            | Bank of America                  | 1,400                              | 1.00 <sup>(1)</sup>          | 9/20/15          | (6,122)                                    |
| Egypt            | Barclays Bank PLC                | 105                                | 1.00 <sup>(1)</sup>          | 6/20/15          | 175  |
| Egypt            | Citigroup Global Markets         | 300                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (7,504)                                    |
| Egypt            | Citigroup Global Markets         | 300                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (5,845)                                    |
| Egypt            | Deutsche Bank                    | 210                                | 1.00 <sup>(1)</sup>          | 6/20/15          | 440  |
| Egypt            | Deutsche Bank                    | 300                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (6,077)                                    |
| Egypt            | Deutsche Bank                    | 200                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (3,659)                                    |
| Egypt            | Deutsche Bank                    | 650                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (7,583)                                    |
| Egypt            | Deutsche Bank                    | 350                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (7,002)                                    |
| Egypt            | Deutsche Bank                    | 300                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (6,046)                                    |
| Egypt            | Deutsche Bank                    | 300                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (2,200)                                    |



| Reference Entity | Counterparty   | Notional Amount<br>(000 s omitted) | Contract Annual Fixed Rate** | Termination Date | Net Unrealized Appreciation<br>(Depreciation) |
|------------------|--|------------------------------------|------------------------------|------------------|---|
| Egypt            | JPMorgan Chase Bank<br>Credit Suisse First Boston,<br>Inc. | \$ 350                             | 1.00%(1)                     | 6/20/15          | \$ (6,683)                                    |
| Italy            | Inc.   | 6,800                              | 0.20                         | 12/20/16         | 447,598                                       |
| Kazakhstan       | Citigroup Global Markets                                   | 650                                | 1.00(1)                      | 6/20/15          | 7,818   |
| Kazakhstan       | Deutsche Bank  | 650                                | 1.00(1)                      | 6/20/15          | 8,099   |
| Lebanon          | Barclays Bank PLC  | 500                                | 1.00(1)                      | 12/20/14         | 5,069   |
| Lebanon          | Barclays Bank PLC  | 100                                | 1.00(1)                      | 3/20/15          | 655   |
| Lebanon          | Barclays Bank PLC  | 100                                | 1.00(1)                      | 3/20/15          | 1,613   |
| Lebanon          | Barclays Bank PLC  | 300                                | 1.00(1)                      | 3/20/15          | 5,190   |
| Lebanon          | Citigroup Global Markets                                   | 1,200                              | 3.30                         | 9/20/14          | (31,196)                                      |
| Lebanon          | Citigroup Global Markets                                   | 1,000                              | 1.00(1)                      | 12/20/14         | 9,118   |
| Lebanon          | Citigroup Global Markets                                   | 350                                | 1.00(1)                      | 12/20/14         | 4,023   |
| Lebanon          | Citigroup Global Markets                                   | 500                                | 1.00(1)                      | 12/20/14         | 5,069   |
| Lebanon          | Citigroup Global Markets                                   | 300                                | 1.00(1)                      | 3/20/15          | 7,335   |
| Lebanon          | Credit Suisse First Boston,<br>Inc.                        | 800                                | 1.00(1)                      | 3/20/15          | 13,870  |
| Lebanon          | Credit Suisse First Boston,<br>Inc.                        | 200                                | 1.00(1)                      | 3/20/15          | 3,391   |
| Lebanon          | Credit Suisse First Boston,<br>Inc.                        | 100                                | 1.00(1)                      | 6/20/15          | 2,326   |
| Lebanon          | Deutsche Bank  | 200                                | 1.00(1)                      | 3/20/15          | 4,403   |
| Lebanon          | Deutsche Bank  | 100                                | 1.00(1)                      | 6/20/15          | 2,326   |
| Malaysia         | Bank of America  | 800                                | 0.83                         | 12/20/14         | (1,848)                                       |
| Malaysia         | Barclays Bank PLC  | 2,100                              | 2.40                         | 3/20/14          | (132,635)                                     |
| Malaysia         | Barclays Bank PLC  | 1,600                              | 0.82                         | 12/20/14         | (2,997)                                       |
| Malaysia         | Citigroup Global Markets                                   | 2,000                              | 2.45                         | 3/20/14          | (130,007)                                     |
| Philippines      | Barclays Bank PLC  | 1,000                              | 1.70                         | 12/20/14         | (17,670)                                      |
| Philippines      | Barclays Bank PLC  | 1,500                              | 1.84                         | 12/20/14         | (35,602)                                      |
| Philippines      | Barclays Bank PLC  | 1,100                              | 1.85                         | 12/20/14         | (26,585)                                      |
| Philippines      | Barclays Bank PLC  | 655                                | 1.00(1)                      | 3/20/15          | (7,416)                                       |
| Philippines      | Citigroup Global Markets                                   | 800                                | 1.84                         | 12/20/14         | (18,988)                                      |
| Philippines      | Citigroup Global Markets                                   | 1,100                              | 1.86                         | 12/20/14         | (27,061)                                      |
| Philippines      | Credit Suisse First Boston,<br>Inc.                        | 5,000                              | 2.15                         | 9/20/11          | (106,653)                                     |
| Philippines      | JPMorgan Chase Bank  | 5,000                              | 2.17                         | 9/20/11          | (107,917)                                     |
| Philippines      | JPMorgan Chase Bank  | 1,100                              | 1.69                         | 12/20/14         | (18,960)                                      |
| Philippines      | JPMorgan Chase Bank  | 656                                | 1.00(1)                      | 3/20/15          | (7,428)                                       |
| Russia           | Bank of America  | 625                                | 1.00(1)                      | 6/20/15          | (15,996)                                      |
| Russia           | Citigroup Global Markets                                   | 600                                | 1.00(1)                      | 6/20/15          | 7,883   |
| Russia           | Credit Suisse First Boston,<br>Inc.                        | 700                                | 1.00(1)                      | 3/20/15          | 8,767   |
| Russia           | Credit Suisse First Boston,<br>Inc.                        | 600                                | 1.00(1)                      | 6/20/15          | 8,381   |

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|              |                                  |       |                     |          |          |
|--------------|----------------------------------|-------|---------------------|----------|----------|
| Russia       | Deutsche Bank                    | 600   | 1.00 <sub>(1)</sub> | 6/20/15  | 8,381    |
| Russia       | Goldman Sachs, Inc.              | 625   | 1.00 <sub>(1)</sub> | 6/20/15  | (15,996) |
| South Africa | Bank of America                  | 1,200 | 1.00 <sub>(1)</sub> | 12/20/19 | (2,649)  |
| South Africa | Barclays Bank PLC                | 1,200 | 1.00 <sub>(1)</sub> | 12/20/19 | (10,799) |
| South Africa | Barclays Bank PLC                | 500   | 1.00 <sub>(1)</sub> | 3/20/20  | 2,061    |
| South Africa | Citigroup Global Markets         | 655   | 1.00 <sub>(1)</sub> | 12/20/19 | (10,410) |
| South Africa | Citigroup Global Markets         | 400   | 1.00 <sub>(1)</sub> | 3/20/20  | (7,760)  |
| South Africa | Citigroup Global Markets         | 200   | 1.00 <sub>(1)</sub> | 3/20/20  | (3,494)  |
| South Africa | Credit Suisse First Boston, Inc. | 200   | 1.00 <sub>(1)</sub> | 3/20/20  | (1,749)  |
| South Africa | Credit Suisse First Boston, Inc. | 400   | 1.00 <sub>(1)</sub> | 3/20/20  | 160      |
| South Africa | JPMorgan Chase Bank              | 310   | 1.00 <sub>(1)</sub> | 12/20/19 | (9,389)  |
| South Africa | JPMorgan Chase Bank              | 600   | 1.00 <sub>(1)</sub> | 12/20/19 | (11,005) |
| South Africa | JPMorgan Chase Bank              | 200   | 1.00 <sub>(1)</sub> | 3/20/20  | (3,351)  |
| South Africa | JPMorgan Chase Bank              | 400   | 1.00 <sub>(1)</sub> | 3/20/20  | (137)    |
| South Africa | JPMorgan Chase Bank              | 300   | 1.00 <sub>(1)</sub> | 3/20/20  | 343      |
| Spain        | Barclays Bank PLC                | 300   | 1.00 <sub>(1)</sub> | 3/20/20  | 12,886   |
| Spain        | Citigroup Global Markets         | 1,200 | 1.00 <sub>(1)</sub> | 3/20/20  | 33,727   |
| Spain        | Citigroup Global Markets         | 1,200 | 1.00 <sub>(1)</sub> | 3/20/20  | 144      |
| Spain        | Deutsche Bank                    | 1,200 | 1.00 <sub>(1)</sub> | 3/20/20  | 35,493   |
| Spain        | Deutsche Bank                    | 1,200 | 1.00 <sub>(1)</sub> | 3/20/20  | 144      |
| Spain        | Deutsche Bank                    | 500   | 1.00 <sub>(1)</sub> | 6/20/20  | (7,351)  |
| Thailand     | Barclays Bank PLC                | 1,900 | 0.97                | 9/20/19  | 36,878   |
| Thailand     | Citigroup Global Markets         | 1,600 | 0.86                | 12/20/14 | 8,418    |
| Thailand     | Citigroup Global Markets         | 900   | 0.95                | 9/20/19  | 18,914   |

| Reference Entity                                   | Counterparty                     | Notional Amount<br>(000 s omitted) | Contract Annual Fixed Rate** | Termination Date | Net Unrealized Appreciation<br>(Depreciation) |
|--|----------------------------------|------------------------------------|------------------------------|------------------|---|
| Thailand   | JPMorgan Chase Bank              | \$ 800                             | 0.87%                        | 12/20/14         | \$ 3,861                                      |
| Turkey   | Barclays Bank PLC                | 1,100                              | 2.12                         | 1/20/13          | (23,221)                                      |
| Turkey   | Citigroup Global Markets         | 2,300                              | 2.93                         | 9/20/19          | (226,275)                                     |
| Turkey   | Credit Suisse First Boston, Inc. | 880                                | 2.11                         | 1/20/13          | (18,359)                                      |
| Turkey   | JPMorgan Chase Bank              | 3,740                              | 2.12                         | 1/20/13          | (78,950)                                      |
| Uruguay  | Citigroup Global Markets         | 300                                | 1.00 <sup>(1)</sup>          | 6/20/20          | 2,504   |
| Uruguay  | Deutsche Bank                    | 600                                | 1.00 <sup>(1)</sup>          | 6/20/20          | 6,069   |
| Banco Comercial Portugues, S.A.                    | JPMorgan Chase Bank              | 470                                | 1.00 <sup>(1)</sup>          | 3/20/15          | 41,969  |
| Banco de Sabadell, S.A.                            | JPMorgan Chase Bank              | 470                                | 3.00 <sup>(1)</sup>          | 3/20/15          | 10,906  |
| Erste Group Bank AG                                | Barclays Bank PLC                | 470                                | 1.00 <sup>(1)</sup>          | 3/20/15          | (3,024)                                       |
| ING Verzekeringen N.V.                             | JPMorgan Chase Bank              | 470                                | 1.00 <sup>(1)</sup>          | 3/20/15          | 12,005  |
| OA0 Gazprom  | Bank of America                  | 700                                | 1.00 <sup>(1)</sup>          | 6/20/20          | (15,970)                                      |
| OA0 Gazprom  | Barclays Bank PLC                | 500                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (1,833)                                       |
| OA0 Gazprom  | Deutsche Bank                    | 500                                | 1.00 <sup>(1)</sup>          | 6/20/15          | (2,040)                                       |
| OA0 Gazprom  | Goldman Sachs, Inc.              | 310                                | 1.00 <sup>(1)</sup>          | 9/20/20          | (3,091)                                       |
| Rabobank Nederland N.V.                            | JPMorgan Chase Bank              | 470                                | 1.00 <sup>(1)</sup>          | 3/20/15          | 1,601   |
| Raiffeisen Zentralbank                             | Barclays Bank PLC                | 470                                | 1.00 <sup>(1)</sup>          | 3/20/15          | (8,075)                                       |
| iTraxx Europe Subordinated Financials 5-Year Index | Bank of America                  | EUR 600                            | 1.00 <sup>(1)</sup>          | 6/20/15          | (24,245)                                      |
| iTraxx Europe Subordinated Financials 5-Year Index | JPMorgan Chase Bank              | EUR 1,800                          | 1.00 <sup>(1)</sup>          | 6/20/15          | 32,823  |
|  |                                  |                                    |                              |                  | <b>\$ (539,758)</b>                           |

\* If the Fund is the seller of credit protection, the notional amount is the maximum potential amount of future payments the Fund could be required to make if a credit event, as defined in the credit default swap agreement, were to occur. At July 31, 2010, such maximum potential amount for all open credit default swaps in which the Fund is the seller was \$4,600,000.

\*\* The contract annual fixed rate represents the fixed rate of interest received by the Fund (as a seller of protection) or paid by the Fund (as a buyer of protection) annually on the notional amount of the credit default swap contract.

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\*\*\* Current market annual fixed rates, utilized in determining the net unrealized appreciation or depreciation as of period end, serve as an indicator of the market's perception of the current status of the payment/performance risk associated with the credit derivative. The current market annual fixed rate of a particular reference entity reflects the cost, as quoted by the pricing vendor, of selling protection against default of that entity as of period end and may include upfront payments required to be made to enter into the agreement. The higher the fixed rate, the greater the market perceived risk of a credit event involving the reference entity. A rate identified as Defaulted indicates a credit event has occurred for the reference entity.

(1) Upfront payment is exchanged with the counterparty as a result of the standardized trading coupon.

EUR - Euro

## Cross-Currency Swaps

| Counterparty                     | Notional Amount on Fixed Rate (Currency Received) (000 s omitted) | Notional Amount on Floating Rate (Currency Delivered) (000 s omitted) | Floating Rate         | Fixed Rate | Termination Date | Net Unrealized Depreciation |
|----------------------------------|---|---|-----------------------|------------|------------------|-----------------------------|
| Bank of America                  | TRY 6,400   | \$ 4,272  | 3-month USD-LIBOR-BBA | 10.03%     | 11/25/13         | \$ (539,803)                |
| Citigroup Global Markets         | TRY 1,110   | 687   | 3-month USD-LIBOR-BBA | 11.95      | 2/15/12          | (137,819)                   |
| Citigroup Global Markets         | TRY 2,367   | 1,427   | 3-month USD-LIBOR-BBA | 12.10      | 2/15/12          | (335,480)                   |
| Citigroup Global Markets         | TRY 3,434   | 2,044   | 3-month USD-LIBOR-BBA | 12.46      | 8/14/13          | (788,943)                   |
| Citigroup Global Markets         | TRY 1,152   | 770   | 3-month USD-LIBOR-BBA | 10.05      | 11/06/13         | (99,282)                    |
| Credit Suisse First Boston, Inc. | TRY 1,799   | 1,039   | 3-month USD-LIBOR-BBA | 12.45      | 2/15/12          | (310,795)                   |
| JPMorgan Chase Bank              | TRY 26  | 18  | 3-month USD-LIBOR-BBA | 10.10      | 11/06/13         | (2,283)                     |
|                                  |   |   |                       |            |                  | <b>\$ (2,214,405)</b>       |

TRY - New Turkish Lira

The Fund pays interest on the currency received and receives interest on the currency delivered. At the termination date, the notional amount of the currency received will be exchanged for the notional amount of the currency delivered.

Written currency call options activity for the fiscal year to date ended July 31, 2010 was as follows:

|                                   | Principal Amount of Contracts (000 s omitted) | Premiums Received |
|-----------------------------------|---|-------------------|
| Outstanding, beginning of period  | JPY 1,057,000                                 | \$ 135,484        |
| Options expired                   | JPY (1,057,000)                               | (135,484)         |
| <b>Outstanding, end of period</b> |   | <b>\$</b>         |

JPY - Japanese Yen

At July 31, 2010, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

In the normal course of pursuing its investment objectives, the Fund is subject to the following risks:

**Credit Risk:** The Fund may enter into credit default swap contracts to manage its credit risk, to gain exposure to a credit in which the Fund may otherwise invest, or to enhance return.

**Foreign Exchange Risk:** The Fund engages in forward foreign currency exchange contracts and currency options to enhance return, to hedge against fluctuations in currency exchange rates, to manage certain investment risks and/or as a substitute for the purchase or sale of securities or currencies.

**Interest Rate Risk:** The Fund holds fixed-rate bonds. The value of these bonds may decrease if interest rates rise. To hedge against this risk, the Fund may enter into interest rate and cross-currency swap contracts. The Fund may also purchase and sell U.S. Treasury and foreign debt futures contracts to hedge against changes in interest rates.

The fair value of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) by risk exposure at July 31, 2010 was as follows:

| <b>Risk</b>      | <b>Derivative</b>                              | <b>Fair Value</b>            |                                  |
|------------------|--|------------------------------|----------------------------------|
|                  |  | <b>Asset<br/>Derivatives</b> | <b>Liability<br/>Derivatives</b> |
| Credit           | Credit Default Swaps                           | \$ 841,035                   | \$ (1,562,936)                   |
|                  |  | <b>\$ 841,035</b>            | <b>\$ (1,562,936)</b>            |
| Foreign Exchange | Currency Options Purchased                     | \$ 452,890                   | \$                               |
| Foreign Exchange | Forward Foreign Currency Exchange<br>Contracts | 1,548,974                    | (2,398,290)                      |
|                  |  | <b>\$ 2,001,864</b>          | <b>\$ (2,398,290)</b>            |
| Interest Rate    | Cross-Currency Swaps                           | \$                           | \$ (2,214,405)                   |
| Interest Rate    | Futures Contracts                              |                              | (299,519)*                       |
| Interest Rate    | Interest Rate Swaps                            | 18,592                       | (147,044)                        |
|                  |  | <b>\$ 18,592</b>             | <b>\$ (2,660,968)</b>            |

\* Amount represents cumulative unrealized depreciation on futures contracts in the Futures Contracts table above.

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

|                                    |                       |
|------------------------------------|-----------------------|
| <b>Aggregate cost</b>              | <b>\$ 416,800,894</b> |
| Gross unrealized appreciation      | \$ 21,114,659         |
| Gross unrealized depreciation      | (10,134,618)          |
| <b>Net unrealized appreciation</b> | <b>\$ 10,980,041</b>  |

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.)

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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.



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At July 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<br/>Prices in<br/>Active<br/>Markets<br/>for<br/>Identical<br/>Assets<br/><br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/><br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/><br/>(Level 3)</b> | <b>Total</b>          |
|---|--|---|---|-----------------------|
| Senior Floating-Rate<br>Interests (less unfunded loan<br>commitments) | \$   | \$ 149,770,837  | \$ 398,949  | \$ 150,169,786        |
| Collateralized Mortgage<br>Obligations                                |  | 23,204,620  |   | 23,204,620            |
| Commercial<br>Mortgage-Backed Securities                              |  | 8,478,233   |   | 8,478,233             |
| Mortgage Pass-Throughs  |  | 123,478,449   |   | 123,478,449           |
| Asset-Backed Securities   |  | 280,172   |   | 280,172               |
| Corporate Bonds & Notes   |  | 792,676   |   | 792,676               |
| Foreign Corporate Bonds &<br>Notes                                    |  | 2,530,822   |   | 2,530,822             |
| Foreign Government Bonds  |  | 39,740,672  |   | 39,740,672            |
| Common Stocks   | 28,387   | 565,395   | 1,014,497   | 1,608,279             |
| Warrants  |  |   | 1,719   | 1,719                 |
| Currency Options Purchased  |  | 452,890   |   | 452,890               |
| Short-Term Foreign<br>Government Securities                           |  | 67,996,985  |   | 67,996,985            |
| Short-Term Other Securities   |  | 9,045,632   |   | 9,045,632             |
| <b>Total Investments</b>  | <b>\$ 28,387</b>   | <b>\$ 426,337,383</b>   | <b>\$ 1,415,165</b>   | <b>\$ 427,780,935</b> |
| Forward Foreign Currency<br>Exchange Contracts                        | \$   | \$ 1,548,974  | \$  | \$ 1,548,974          |
| Swap Contracts  |  | 859,627   |   | 859,627               |
| <b>Total</b>  | <b>\$ 28,387</b>   | <b>\$ 428,745,984</b>   | <b>\$ 1,415,165</b>   | <b>\$ 430,189,536</b> |
| <b>Liability Description</b>  | \$   | \$ (2,398,290)  | \$  | \$ (2,398,290)        |

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|   |                     |                       |           |                       |
|---|---------------------|-----------------------|-----------|-----------------------|
| Forward Foreign Currency Exchange Contracts |                     |                       |           |                       |
| Futures Contracts                           | (299,519)           |                       |           | (299,519)             |
| Swap Contracts                              |                     | (3,924,385)           |           | (3,924,385)           |
| <b>Total</b>                                | <b>\$ (299,519)</b> | <b>\$ (6,322,675)</b> | <b>\$</b> | <b>\$ (6,622,194)</b> |

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

|   | Investments<br>in<br>Senior<br>Floating-Rate<br>Interests | Investments<br>in<br>Foreign<br>Government<br>Bonds | Investments<br>in<br>Common<br>Stocks | Investments<br>in<br>Warrants | Total               |
|---|---|---|---------------------------------------|-------------------------------|---------------------|
| <b>Balance as of<br/>October 31, 2009</b>   | <b>\$ 473,504</b>   | <b>\$ 711,596</b>                                   | <b>\$ 12,402</b>                      | <b>\$</b>                     | <b>\$ 1,197,502</b> |
| Realized gains<br>(losses)  | (323,555)   | (517,768)   | 18,698                                |                               | (822,625)           |
| Change in net<br>unrealized<br>appreciation<br>(depreciation)   | 196,688   | 690,995   | 41,244                                | 0                             | 928,927             |
| Net purchases<br>(sales)  | 51,289  | (884,823)   | 942,153                               | 1,719                         | 110,338             |
| Accrued discount<br>(premium)   | 1,023   |   |                                       |                               | 1,023               |
| Net transfers to<br>(from) Level 3*   |   |   | (0)                                   |                               | (0)                 |
| <b>Balance as of<br/>July 31, 2010</b>  | <b>\$ 398,949</b>   | <b>\$</b>   | <b>\$ 1,014,497</b>                   | <b>\$ 1,719</b>               | <b>\$ 1,415,165</b> |
| <b>Change in net<br/>unrealized<br/>appreciation<br/>(depreciation) on<br/>investments still<br/>held as of July 31,<br/>2010</b> | <b>\$ (27,652)</b>  | <b>\$</b>   | <b>\$ 41,244</b>                      | <b>\$ 0</b>                   | <b>\$ 13,592</b>    |

\* Transfers are reflected at the value of the securities at the beginning of the period.

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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.

**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.

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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.

Eaton Vance Short Duration Diversified Income Fund

By: /s/ Payson F. Swaffield

Payson F. Swaffield  
President

Date: September 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/ Payson F. Swaffield

Payson F. Swaffield  
President

Date: September 24, 2010

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: September 24, 2010