

Eaton Vance Risk-Managed Diversified Equity Income Fund

Form N-Q

November 26, 2008



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549





**FORM N-Q**





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



Investment Company Act File Number

**811-22044**

## **Eaton Vance Risk-Managed Diversified Equity Income Fund**

(Exact Name of Registrant as Specified in Charter)

**The Eaton Vance Building,  
255 State Street, Boston, Massachusetts**  
(Address of Principal Executive Offices)

**02109**  
(Zip code)

**Maureen A. Gemma**  
**Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109**  
(Name and Address of Agent for Service)

Registrant's Telephone Number, Including Area  
Code:

(617) 482-8260

Date of Fiscal Year End:

December 31

Date of Reporting Period:

September 30, 2008

---

**Item 1. Schedule of Investments**

---

Eaton Vance Risk-Managed Diversified Equity Income Fund

as of September 30, 2008

## PORTFOLIO OF INVESTMENTS (Unaudited)

## Common Stocks 83.6%

| Security                                       | Shares  | Value         |
|--|---------|---------------|
| <b>Aerospace &amp; Defense 5.1%</b>            |         |               |
| Boeing Co. (The)                               | 76,431  | \$ 4,383,318  |
| General Dynamics Corp.                         | 182,783 | 13,456,484    |
| Honeywell International, Inc.                  | 195,328 | 8,115,878     |
| Lockheed Martin Corp.                          | 137,147 | 15,040,912    |
| Raytheon Co.                                   | 174,136 | 9,318,017     |
| United Technologies Corp.                      | 269,731 | 16,200,044    |
|  |         | \$ 66,514,653 |
| <b>Air Freight &amp; Logistics 0.7%</b>        |         |               |
| United Parcel Service, Inc., Class B           | 143,854 | \$ 9,046,978  |
|  |         | \$ 9,046,978  |
| <b>Auto Components 0.8%</b>                    |         |               |
| Johnson Controls, Inc.                         | 353,145 | \$ 10,710,888 |
|  |         | \$ 10,710,888 |
| <b>Beverages 2.6%</b>                          |         |               |
| Coca-Cola Co. (The)                            | 245,105 | \$ 12,961,152 |
| PepsiCo, Inc.                                  | 298,863 | 21,299,966    |
|  |         | \$ 34,261,118 |
| <b>Biotechnology 2.3%</b>                      |         |               |
| Amgen, Inc. (1)                                | 254,076 | \$ 15,059,085 |
| Genzyme Corp. (1)                              | 189,103 | 15,296,542    |
|  |         | \$ 30,355,627 |
| <b>Capital Markets 2.8%</b>                    |         |               |
| Bank of New York Mellon Corp. (The)            | 227,790 | \$ 7,421,398  |
| Goldman Sachs Group, Inc.                      | 69,269  | 8,866,432     |
| Invesco, Ltd.                                  | 174,990 | 3,671,290     |
| Julius Baer Holding AG                         | 68,522  | 3,416,595     |
| State Street Corp.                             | 106,476 | 6,056,355     |
| T. Rowe Price Group, Inc.                      | 126,483 | 6,793,402     |
|  |         | \$ 36,225,472 |
| <b>Chemicals 1.4%</b>                          |         |               |
| E.I. Du Pont de Nemours & Co.                  | 271,707 | \$ 10,949,792 |
| Monsanto Co.                                   | 75,614  | 7,484,274     |
|  |         | \$ 18,434,066 |
| <b>Commercial Banks 2.0%</b>                   |         |               |
| Banco Bradesco SA ADR                          | 126,332 | \$ 2,033,937  |
| Banco Itau Holding Financiera SA ADR           | 484,566 | 8,479,909     |
| Toronto-Dominion Bank                          | 75,176  | 4,584,984     |
| U.S. Bancorp                                   | 296,528 | 10,680,939    |
|  |         | \$ 25,779,769 |
| <b>Commercial Services &amp; Supplies 0.7%</b> |         |               |
| Waste Management, Inc.                         | 303,462 | \$ 9,556,018  |
|  |         | \$ 9,556,018  |
| <b>Communications Equipment 2.0%</b>           |         |               |
| Corning, Inc.                                  | 381,702 | \$ 5,969,819  |
| QUALCOMM, Inc.                                 | 320,575 | 13,775,108    |
| Research In Motion, Ltd. (1)                   | 97,275  | 6,643,883     |
|  |         | \$ 26,388,810 |

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

**Computers & Peripherals 4.4%**

|                 |         |    |            |
|-----------------|---------|----|------------|
| Apple, Inc. (1) | 108,202 | \$ | 12,298,239 |
|-----------------|---------|----|------------|

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

|   |             |    |                   |
|---|-------------|----|-------------------|
| Hewlett-Packard Co.                                     | 424,434     | \$ | 19,625,828        |
| International Business Machines Corp.                   | 209,675     |    | 24,523,588        |
|   |             | \$ | <b>56,447,655</b> |
| <b>Diversified Financial Services</b>                   | <b>3.1%</b> |    |                   |
| Bank of America Corp.                                   | 152,497     | \$ | 5,337,395         |
| Citigroup, Inc.   | 452,726     |    | 9,285,410         |
| JPMorgan Chase & Co.                                    | 541,914     |    | 25,307,384        |
|   |             | \$ | <b>39,930,189</b> |
| <b>Diversified Telecommunication Services</b>           | <b>1.4%</b> |    |                   |
| AT&T, Inc.  | 311,084     | \$ | 8,685,465         |
| Verizon Communications, Inc.                            | 288,320     |    | 9,252,189         |
|   |             | \$ | <b>17,937,654</b> |
| <b>Electric Utilities</b>                               | <b>1.8%</b> |    |                   |
| Edison International                                    | 239,876     | \$ | 9,571,052         |
| FirstEnergy Corp.                                       | 197,461     |    | 13,227,912        |
|   |             | \$ | <b>22,798,964</b> |
| <b>Electrical Equipment</b>                             | <b>1.0%</b> |    |                   |
| Emerson Electric Co.                                    | 307,680     | \$ | 12,550,267        |
|   |             | \$ | <b>12,550,267</b> |
| <b>Energy Equipment &amp; Services</b>                  | <b>2.9%</b> |    |                   |
| Diamond Offshore Drilling, Inc.                         | 107,633     | \$ | 11,092,657        |
| Schlumberger, Ltd.                                      | 187,891     |    | 14,672,408        |
| Transocean, Inc. (1)                                    | 110,006     |    | 12,083,059        |
|   |             | \$ | <b>37,848,124</b> |
| <b>Food &amp; Staples Retailing</b>                     | <b>2.9%</b> |    |                   |
| CVS Caremark Corp.                                      | 379,047     | \$ | 12,758,722        |
| Wal-Mart Stores, Inc.                                   | 405,205     |    | 24,267,727        |
|   |             | \$ | <b>37,026,449</b> |
| <b>Food Products</b>                                    | <b>1.6%</b> |    |                   |
| Nestle SA   | 200,255     | \$ | 8,677,298         |
| Nestle SA ADR   | 301,155     |    | 12,633,452        |
|   |             | \$ | <b>21,310,750</b> |
| <b>Health Care Equipment &amp; Supplies</b>             | <b>2.4%</b> |    |                   |
| Baxter International, Inc.                              | 118,021     | \$ | 7,745,718         |
| Becton, Dickinson and Co.                               | 74,900      |    | 6,011,474         |
| Boston Scientific Corp. (1)                             | 432,259     |    | 5,303,818         |
| Medtronic, Inc.   | 148,795     |    | 7,454,630         |
| Zimmer Holdings, Inc. (1)                               | 73,316      |    | 4,733,281         |
|   |             | \$ | <b>31,248,921</b> |
| <b>Health Care Providers &amp; Services</b>             | <b>1.2%</b> |    |                   |
| Aetna, Inc.   | 149,059     | \$ | 5,382,520         |
| Fresenius Medical Care AG & Co. ADR                     | 110,539     |    | 5,741,396         |
| UnitedHealth Group, Inc.                                | 162,775     |    | 4,132,857         |
|   |             | \$ | <b>15,256,773</b> |
| <b>Hotels, Restaurants &amp; Leisure</b>                | <b>1.2%</b> |    |                   |
| McDonald's Corp.  | 258,299     | \$ | 15,937,048        |
|   |             | \$ | <b>15,937,048</b> |
| <b>Household Products</b>                               | <b>2.7%</b> |    |                   |
| Colgate-Palmolive Co.                                   | 184,496     | \$ | 13,901,774        |
| Kimberly-Clark Corp.                                    | 133,338     |    | 8,645,636         |
| Procter & Gamble Co.                                    | 169,679     |    | 11,824,930        |
|   |             | \$ | <b>34,372,340</b> |
| <b>Independent Power Producers &amp; Energy Traders</b> | <b>0.5%</b> |    |                   |
| NRG Energy, Inc. (1)                                    | 270,536     | \$ | 6,695,766         |
|   |             | \$ | <b>6,695,766</b>  |



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

|  |           |    |                   |
|--|-----------|----|-------------------|
| <b>Industrial Conglomerates 0.9%</b>           |           |    |                   |
| 3M Co.   | 177,820   | \$ | 12,146,884        |
|  |           | \$ | <b>12,146,884</b> |
| <b>Insurance 3.8%</b>                          |           |    |                   |
| AFLAC, Inc.                                    | 65,866    | \$ | 3,869,628         |
| Chubb Corp.                                    | 196,436   |    | 10,784,336        |
| Lincoln National Corp.                         | 85,159    |    | 3,645,657         |
| MetLife, Inc.                                  | 193,767   |    | 10,850,952        |
| Travelers Companies, Inc. (The)                | 271,580   |    | 12,275,416        |
| Zurich Financial Services AG                   | 29,036    |    | 8,061,821         |
|  |           | \$ | <b>49,487,810</b> |
| <b>Internet Software &amp; Services 0.5%</b>   |           |    |                   |
| Google, Inc., Class A (1)                      | 15,046    | \$ | 6,026,224         |
|  |           | \$ | <b>6,026,224</b>  |
| <b>IT Services 1.9%</b>                        |           |    |                   |
| Accenture, Ltd., Class A                       | 173,305   | \$ | 6,585,590         |
| MasterCard, Inc., Class A                      | 62,813    |    | 11,138,629        |
| Visa, Inc., Class A                            | 104,185   |    | 6,395,917         |
|  |           | \$ | <b>24,120,136</b> |
| <b>Leisure Equipment &amp; Products 0.3%</b>   |           |    |                   |
| Mattel, Inc.                                   | 210,574   | \$ | 3,798,755         |
|  |           | \$ | <b>3,798,755</b>  |
| <b>Life Sciences Tools &amp; Services 0.6%</b> |           |    |                   |
| Thermo Fisher Scientific, Inc. (1)             | 132,791   | \$ | 7,303,505         |
|  |           | \$ | <b>7,303,505</b>  |
| <b>Machinery 1.9%</b>                          |           |    |                   |
| Caterpillar, Inc.                              | 146,995   | \$ | 8,760,902         |
| Danaher Corp.                                  | 163,328   |    | 11,334,963        |
| Illinois Tool Works, Inc.                      | 116,491   |    | 5,178,025         |
|  |           | \$ | <b>25,273,890</b> |
| <b>Media 2.9%</b>                              |           |    |                   |
| Comcast Corp., Class A                         | 1,036,166 | \$ | 20,339,939        |
| Omnicom Group, Inc.                            | 292,828   |    | 11,291,448        |
| Time Warner, Inc.                              | 498,480   |    | 6,535,073         |
|  |           | \$ | <b>38,166,460</b> |
| <b>Metals &amp; Mining 0.7%</b>                |           |    |                   |
| Cleveland-Cliffs, Inc.                         | 57,669    | \$ | 3,052,997         |
| Companhia Vale do Rio Doce ADR                 | 345,752   |    | 6,621,151         |
|  |           | \$ | <b>9,674,148</b>  |
| <b>Multi-Utilities 0.4%</b>                    |           |    |                   |
| Public Service Enterprise Group, Inc.          | 149,307   | \$ | 4,895,777         |
|  |           | \$ | <b>4,895,777</b>  |
| <b>Oil, Gas &amp; Consumable Fuels 7.5%</b>    |           |    |                   |
| Anadarko Petroleum Corp.                       | 355,190   | \$ | 17,230,267        |
| Chevron Corp.                                  | 312,332   |    | 25,761,143        |
| ConocoPhillips                                 | 230,066   |    | 16,852,335        |
| Hess Corp.                                     | 176,025   |    | 14,448,132        |
| Occidental Petroleum Corp.                     | 216,612   |    | 15,260,315        |
| Williams Cos., Inc.                            | 181,304   |    | 4,287,840         |
| XTO Energy, Inc.                               | 80,111    |    | 3,726,764         |
|  |           | \$ | <b>97,566,796</b> |
| <b>Pharmaceuticals 5.0%</b>                    |           |    |                   |
| Abbott Laboratories                            | 351,935   | \$ | 20,264,417        |
| Johnson & Johnson                              | 291,102   |    | 20,167,547        |
| Novartis AG ADR                                | 80,121    |    | 4,233,594         |
| Novo-Nordisk A/S, Class B                      | 77,089    |    | 3,987,593         |
| Roche Holding AG                               | 37,759    |    | 5,926,418         |
| Schering-Plough Corp.                          | 267,732   |    | 4,945,010         |

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

|   |         |                   |
|---|---------|-------------------|
| Teva Pharmaceutical Industries, Ltd., ADR | 108,777 | 4,980,899         |
|   | \$      | <b>64,505,478</b> |

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

|  |           |    |                         |
|--|-----------|----|-------------------------|
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>        |           |    |                         |
| Boston Properties, Inc.                                  | 50,900    | \$ | 4,767,294               |
| Simon Property Group, Inc.                               | 44,288    |    | 4,295,936               |
|  |           | \$ | <b>9,063,230</b>        |
| <b>Semiconductors &amp; Semiconductor Equipment 1.5%</b> |           |    |                         |
| ASML Holding NV  | 497,567   | \$ | 8,762,155               |
| Intel Corp.  | 603,588   |    | 11,305,203              |
|  |           | \$ | <b>20,067,358</b>       |
| <b>Software 3.0%</b>                                     |           |    |                         |
| Microsoft Corp.  | 1,011,236 | \$ | 26,989,889              |
| Oracle Corp. (1)   | 585,511   |    | 11,891,728              |
|  |           | \$ | <b>38,881,617</b>       |
| <b>Specialty Retail 2.3%</b>                             |           |    |                         |
| Best Buy Co., Inc.                                       | 254,517   | \$ | 9,544,388               |
| Home Depot, Inc.   | 364,281   |    | 9,431,235               |
| Staples, Inc.  | 453,138   |    | 10,195,605              |
|  |           | \$ | <b>29,171,228</b>       |
| <b>Tobacco 1.8%</b>                                      |           |    |                         |
| Philip Morris International, Inc.                        | 489,094   | \$ | 23,525,421              |
|  |           | \$ | <b>23,525,421</b>       |
| <b>Wireless Telecommunication Services 0.4%</b>          |           |    |                         |
| Rogers Communications, Inc., Class B                     | 141,055   | \$ | 4,688,668               |
|  |           | \$ | <b>4,688,668</b>        |
| <b>Total Common Stocks</b>                               |           |    |                         |
| <b>(identified cost \$1,159,103,131)</b>                 |           |    | <b>\$ 1,084,997,684</b> |

**Put Options Purchased 8.1%**

| Description                           | Number<br>of Contracts | Strike<br>Price | Expiration<br>Date    | Value        |
|---------------------------------------|------------------------|-----------------|-----------------------|--------------|
| S&P 500 Index                         | 939                    | \$ 1,185        | 12/20/08              | \$ 7,244,385 |
| S&P 500 Index                         | 979                    | 1,225           | 12/20/08              | 9,496,300    |
| S&P 500 Index                         | 1,877                  | 1,185           | 3/21/09               | 18,272,595   |
| S&P 500 Index                         | 1,957                  | 1,225           | 3/21/09               | 23,004,535   |
| S&P 500 Index                         | 1,877                  | 1,185           | 6/20/09               | 20,975,475   |
| S&P 500 Index                         | 1,998                  | 1,200           | 6/20/09               | 25,974,000   |
| <b>Total Put Options Purchased</b>    |                        |                 |                       |              |
| <b>(identified cost \$78,546,453)</b> |                        |                 | <b>\$ 104,967,290</b> |              |

**Short-Term Investments 9.4%**

| Description  | Interest<br>(000 s omitted) | Value                   |
|--|-----------------------------|-------------------------|
| Investment in Cash Management Portfolio, 2.18% (2) | \$ 121,577                  | \$ 121,576,976          |
| <b>Total Short-Term Investments</b>                |                             |                         |
| <b>(identified cost \$121,576,976)</b>             |                             | <b>\$ 121,576,976</b>   |
| <b>Total Investments 101.1%</b>                    |                             |                         |
| <b>(identified cost \$1,359,226,560)</b>           |                             | <b>\$ 1,311,541,950</b> |

**Covered Call Options Written (1.6%)**

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

| Description  | Number<br>of Contracts | Strike<br>Price | Expiration<br>Date | Value                   |
|--|------------------------|-----------------|--------------------|-------------------------|
| S&P 500 Index  | 1,360                  | \$ 1,170        | 10/18/08           | \$ (4,760,000)          |
| S&P 500 Index  | 1,187                  | 1,180           | 10/18/08           | (4,273,200)             |
| S&P 500 Index  | 1,543                  | 1,185           | 10/18/08           | (4,937,600)             |
| S&P 500 Index  | 778                    | 1,190           | 10/18/08           | (2,100,600)             |
| S&P 500 Index  | 1,464                  | 1,195           | 10/18/08           | (3,952,800)             |
| <b>Total Covered Call Options Written<br/>(premiums received \$25,306,662)</b> |                        |                 |                    | <b>\$ (20,024,200)</b>  |
| <b>Other Assets, Less Liabilities 0.5%</b>                                     |                        |                 |                    | <b>\$ 6,515,722</b>     |
| <b>Net Assets 100.0%</b>   |                        |                 |                    | <b>\$ 1,298,033,472</b> |

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

- ADR American Depository Receipt
- (1) Non-income producing security.
- (2) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of September 30, 2008. Net income allocated from the Investment in Cash Management Portfolio for the fiscal year to date ended September 30, 2008 was \$1,339,903.

The cost and unrealized appreciation (depreciation) of investments of the Fund at September 30, 2008, as determined on a federal income tax basis, were as follows:

|                                    |           |                      |
|------------------------------------|-----------|----------------------|
| <b>Aggregate cost</b>              | <b>\$</b> | <b>1,378,849,531</b> |
| Gross unrealized appreciation      |           | 52,417,544           |
| Gross unrealized depreciation      |           | (119,725,125)        |
| <b>Net unrealized depreciation</b> | <b>\$</b> | <b>(67,307,581)</b>  |

Written call and put options activity for the fiscal year to date ended September 30, 2008 was as follows:

|   | Number of<br>Contracts |           | Premiums Received |
|---|------------------------|-----------|-------------------|
| Outstanding, beginning of period                    | 70,117                 | \$        | 21,506,649        |
| Options written                                     | 256,574                |           | 206,612,347       |
| Options terminated in closing purchase transactions | (248,639)              |           | (194,216,240)     |
| Options exercised                                   | (14,486)               |           | (1,566,225)       |
| Options expired                                     | (57,234)               |           | (7,029,869)       |
| <b>Outstanding, end of period</b>                   | <b>6,332</b>           | <b>\$</b> | <b>25,306,662</b> |

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At September 30, 2008, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, effective January 1, 2008. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

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

At September 30, 2008, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

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

|              | Valuation Inputs                    | Investments in<br>Securities | Other Financial<br>Instruments* |
|--------------|-------------------------------------|------------------------------|---------------------------------|
| Level 1      | Quoted Prices                       | \$ 1,281,472,225             | \$ (20,024,200)                 |
| Level 2      | Other Significant Observable Inputs | 30,069,725                   |                                 |
| Level 3      | Significant Unobservable Inputs     |                              |                                 |
| <b>Total</b> |                                     | <b>\$ 1,311,541,950</b>      | <b>\$ (20,024,200)</b>          |

\*Other financial instruments are written call options, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund held no investments or other financial instruments as of December 31, 2007 whose fair value was determined using Level 3 inputs.

For information on the Fund's policy regarding 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.

---

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Risk-Managed Diversified Equity Income Fund

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

Date: November 21, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

Date: November 21, 2008

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

Date: November 21, 2008

---