

Eaton Vance Tax-Managed Diversified Equity Income Fund  
Form N-Q  
March 30, 2017

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form N-Q**

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

**811-21832**

**Investment Company Act File Number**

**Eaton Vance Tax-Managed Diversified Equity Income Fund**

(Exact Name of Registrant as Specified in Charter)

Two International Place, Boston, Massachusetts 02110

(Address of Principal Executive Offices)

Maureen A. Gemma

Two International Place, Boston, Massachusetts 02110

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number, Including Area Code)

October 31

Date of Fiscal Year End

January 31, 2017

Date of Reporting Period



**Item 1. Schedule of Investments**

**Eaton Vance****Tax-Managed Diversified Equity Income Fund**

January 31, 2017

**PORTFOLIO OF INVESTMENTS (Unaudited)****Common Stocks 98.3%**

| <b>Security</b>                          | <b>Shares</b> | <b>Value</b>          |
|--|---------------|-----------------------|
| <b>Air Freight &amp; Logistics 1.8%</b>  |               |                       |
| C.H. Robinson Worldwide, Inc.            | 410,504       | \$ 31,222,934         |
|  |               | <b>\$ 31,222,934</b>  |
| <b>Auto Components 1.6%</b>              |               |                       |
| Delphi Automotive PLC                    | 145,160       | \$ 10,169,909         |
| Goodyear Tire & Rubber Co. (The)         | 556,315       | 18,019,043            |
|  |               | <b>\$ 28,188,952</b>  |
| <b>Banks 5.9%</b>                        |               |                       |
| JPMorgan Chase & Co.                     | 691,404       | \$ 58,513,520         |
| PNC Financial Services Group, Inc. (The) | 278,249       | 33,517,875            |
| Wells Fargo & Co.                        | 167,673       | 9,445,020             |
|  |               | <b>\$ 101,476,415</b> |
| <b>Beverages 2.3%</b>                    |               |                       |
| Constellation Brands, Inc., Class A      | 127,340       | \$ 19,070,438         |
| PepsiCo, Inc.                            | 206,248       | 21,404,418            |
|  |               | <b>\$ 40,474,856</b>  |
| <b>Biotechnology 1.9%</b>                |               |                       |
| Celgene Corp. <sup>(1)</sup>             | 287,934       | \$ 33,443,534         |
|  |               | <b>\$ 33,443,534</b>  |
| <b>Capital Markets 4.4%</b>              |               |                       |
| Charles Schwab Corp. (The)               | 1,005,314     | \$ 41,459,150         |
| Goldman Sachs Group, Inc. (The)          | 151,782       | 34,806,648            |
|  |               | <b>\$ 76,265,798</b>  |

**Chemicals 1.3%**

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|  |         |    |                   |
|--|---------|----|-------------------|
| PPG Industries, Inc.                               | 220,631 | \$ | 22,065,306        |
|  |         | \$ | <b>22,065,306</b> |
| <b>Communications Equipment 1.8%</b>               |         |    |                   |
| Cisco Systems, Inc.                                | 996,269 | \$ | 30,605,384        |
|  |         | \$ | <b>30,605,384</b> |
| <b>Containers &amp; Packaging 1.4%</b>             |         |    |                   |
| International Paper Co.                            | 436,207 | \$ | 24,689,316        |
|  |         | \$ | <b>24,689,316</b> |
| <b>Distributors 1.4%</b>                           |         |    |                   |
| LKQ Corp. <sup>(1)</sup>                           | 762,413 | \$ | 24,328,599        |
|  |         | \$ | <b>24,328,599</b> |
| <b>Diversified Telecommunication Services 2.4%</b> |         |    |                   |
| Verizon Communications, Inc.                       | 600,646 | \$ | 29,437,660        |
| Zayo Group Holdings, Inc. <sup>(1)</sup>           | 381,979 |    | 12,208,049        |
|  |         | \$ | <b>41,645,709</b> |

| Security   | Shares    | Value                |
|--|-----------|----------------------|
| <b>Electric Utilities 1.6%</b>                           |           |                      |
| NextEra Energy, Inc.                                     | 223,744   | \$ 27,681,608        |
|  |           | <b>\$ 27,681,608</b> |
| <b>Energy Equipment &amp; Services 2.2%</b>              |           |                      |
| Oceaneering International, Inc.                          | 499,456   | \$ 13,909,850        |
| Schlumberger, Ltd.                                       | 284,947   | 23,852,913           |
|  |           | <b>\$ 37,762,763</b> |
| <b>Equity Real Estate Investment Trusts (REITs) 2.6%</b> |           |                      |
| Equity Residential                                       | 300,413   | \$ 18,256,098        |
| Federal Realty Investment Trust                          | 189,410   | 26,598,846           |
|  |           | <b>\$ 44,854,944</b> |
| <b>Food Products 1.4%</b>                                |           |                      |
| General Mills, Inc.                                      | 392,192   | \$ 24,504,156        |
|  |           | <b>\$ 24,504,156</b> |
| <b>Health Care Equipment &amp; Supplies 3.4%</b>         |           |                      |
| Danaher Corp.  | 472,450   | \$ 39,648,004        |
| Zimmer Biomet Holdings, Inc.                             | 166,938   | 19,753,774           |
|  |           | <b>\$ 59,401,778</b> |
| <b>Household Durables 1.7%</b>                           |           |                      |
| Newell Brands, Inc.                                      | 220,289   | \$ 10,426,278        |
| Whirlpool Corp.  | 106,842   | 18,685,598           |
|  |           | <b>\$ 29,111,876</b> |
| <b>Industrial Conglomerates 3.0%</b>                     |           |                      |
| General Electric Co.                                     | 1,749,942 | \$ 51,973,277        |
|  |           | <b>\$ 51,973,277</b> |
| <b>Insurance 3.3%</b>                                    |           |                      |
| American Financial Group, Inc.                           | 294,977   | \$ 25,418,168        |
| Chubb, Ltd.  | 240,411   | 31,611,642           |
|  |           | <b>\$ 57,029,810</b> |
| <b>Internet &amp; Direct Marketing Retail 3.7%</b>       |           |                      |
| Amazon.com, Inc. <sup>(1)</sup>                          | 76,888    | \$ 63,315,730        |

\$ 63,315,730

**Internet Software & Services 6.0%**

|  |         |    |            |
|--|---------|----|------------|
| Alphabet, Inc., Class C <sup>(1)</sup> | 96,167  | \$ | 76,624,904 |
| Facebook, Inc., Class A <sup>(1)</sup> | 61,746  |    | 8,046,738  |
| GoDaddy, Inc., Class A <sup>(1)</sup>  | 508,634 |    | 18,173,493 |

\$ 102,845,135

**IT Services 2.9%**

|                     |         |    |            |
|---------------------|---------|----|------------|
| Visa, Inc., Class A | 601,997 | \$ | 49,791,172 |
|---------------------|---------|----|------------|

\$ 49,791,172

**Machinery 3.7%**

|                   |         |    |            |
|-------------------|---------|----|------------|
| Caterpillar, Inc. | 253,777 | \$ | 24,276,308 |
| Fortive Corp.     | 702,987 |    | 38,882,211 |

\$ 63,158,519

**Multi-Utilities 1.6%**

|               |         |    |            |
|---------------|---------|----|------------|
| Sempra Energy | 274,891 | \$ | 28,146,090 |
|---------------|---------|----|------------|

\$ 28,146,090

|  | Shares    | Value                 |
|--|-----------|-----------------------|
| <b>Security</b>  |           |                       |
| <b>Oil, Gas &amp; Consumable Fuels 5.1%</b>                |           |                       |
| Chevron Corp.  | 318,104   | \$ 35,420,881         |
| ConocoPhillips   | 455,440   | 22,207,254            |
| EOG Resources, Inc.  | 290,966   | 29,556,326            |
|  |           | <b>\$ 87,184,461</b>  |
| <b>Personal Products 1.6%</b>                              |           |                       |
| Estee Lauder Cos., Inc. (The), Class A                     | 341,605   | \$ 27,741,742         |
|  |           | <b>\$ 27,741,742</b>  |
| <b>Pharmaceuticals 7.8%</b>                                |           |                       |
| Eli Lilly & Co.  | 306,145   | \$ 23,582,349         |
| Johnson & Johnson  | 497,084   | 56,294,763            |
| Pfizer, Inc.   | 1,061,293 | 33,674,827            |
| Zoetis, Inc.   | 381,401   | 20,954,171            |
|  |           | <b>\$ 134,506,110</b> |
| <b>Road &amp; Rail 1.3%</b>                                |           |                       |
| CSX Corp.  | 466,559   | \$ 21,643,672         |
|  |           | <b>\$ 21,643,672</b>  |
| <b>Semiconductors &amp; Semiconductor Equipment 3.3%</b>   |           |                       |
| Intel Corp.  | 1,094,863 | \$ 40,312,856         |
| NXP Semiconductors NV <sup>(1)</sup>                       | 173,696   | 16,996,153            |
|  |           | <b>\$ 57,309,009</b>  |
| <b>Software 3.9%</b>                                       |           |                       |
| Microsoft Corp.  | 1,046,150 | \$ 67,633,598         |
|  |           | <b>\$ 67,633,598</b>  |
| <b>Specialty Retail 2.8%</b>                               |           |                       |
| Home Depot, Inc. (The)                                     | 344,914   | \$ 47,453,268         |
|  |           | <b>\$ 47,453,268</b>  |
| <b>Technology Hardware, Storage &amp; Peripherals 4.5%</b> |           |                       |
| Apple, Inc.  | 632,020   | \$ 76,695,627         |
|  |           | <b>\$ 76,695,627</b>  |
| <b>Textiles, Apparel &amp; Luxury Goods 1.5%</b>           |           |                       |
| NIKE, Inc., Class B  | 473,615   | \$ 25,054,234         |



|  |                      |
|--|----------------------|
|  | <b>\$ 25,054,234</b> |
|--|----------------------|

**Tobacco 3.2%**

|                    |         |               |
|--------------------|---------|---------------|
| Altria Group, Inc. | 780,614 | \$ 55,564,105 |
|--------------------|---------|---------------|

|  |                      |
|--|----------------------|
|  | <b>\$ 55,564,105</b> |
|--|----------------------|

**Total Common Stocks**

|  |                         |
|--|-------------------------|
| <b>(identified cost \$1,411,028,404)</b> | <b>\$ 1,694,769,487</b> |
|--|-------------------------|

**Short-Term Investments 1.9%**

| <b>Description</b>  | <b>Units</b> | <b>Value</b>  |
|---|--------------|---------------|
| Eaton Vance Cash Reserves Fund, LLC, 0.90% <sup>(2)</sup> | 32,812,552   | \$ 32,815,833 |

**Total Short-Term Investments**

|                                       |                      |
|---------------------------------------|----------------------|
| <b>(identified cost \$32,815,833)</b> | <b>\$ 32,815,833</b> |
|---------------------------------------|----------------------|

|   |                         |
|---|-------------------------|
|   | <b>Value</b>            |
| <b>Total Investments 100.2%</b><br><b>(identified cost \$1,443,844,237)</b> | <b>\$ 1,727,585,320</b> |

**Call Options Written (0.3)%**

**Exchanged-Traded Options (0.3)%**

| <b>Description</b> | <b>Number of Contracts</b> | <b>Strike Price</b> | <b>Expiration Date</b> | <b>Value</b> |
|--------------------|----------------------------|---------------------|------------------------|--------------|
| S&P 500 Index      | 300                        | \$ 2,275            | 2/1/17                 | \$ (216,000) |
| S&P 500 Index      | 300                        | 2,275               | 2/3/17                 | (307,500)    |
| S&P 500 Index      | 300                        | 2,280               | 2/6/17                 | (261,000)    |
| S&P 500 Index      | 300                        | 2,275               | 2/8/17                 | (415,500)    |
| S&P 500 Index      | 300                        | 2,280               | 2/10/17                | (372,000)    |
| S&P 500 Index      | 300                        | 2,275               | 2/13/17                | (489,000)    |
| S&P 500 Index      | 300                        | 2,280               | 2/15/17                | (451,500)    |
| S&P 500 Index      | 305                        | 2,275               | 2/17/17                | (588,650)    |
| S&P 500 Index      | 300                        | 2,270               | 2/21/17                | (714,000)    |
| S&P 500 Index      | 300                        | 2,290               | 2/22/17                | (393,000)    |
| S&P 500 Index      | 300                        | 2,300               | 2/24/17                | (289,500)    |
| S&P 500 Index      | 300                        | 2,280               | 2/27/17                | (600,000)    |

|   |                       |
|---|-----------------------|
| <b>Total Call Options Written</b><br><b>(premiums received \$7,061,424)</b> | <b>\$ (5,097,650)</b> |
|---|-----------------------|

|  |                     |
|--|---------------------|
| <b>Other Assets, Less Liabilities 0.1%</b> | <b>\$ 1,089,107</b> |
|--|---------------------|

|                          |                         |
|--------------------------|-------------------------|
| <b>Net Assets 100.0%</b> | <b>\$ 1,723,576,777</b> |
|--------------------------|-------------------------|

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

- (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 January 31, 2017. Net income from the investment in Eaton Vance Cash Reserves Fund, LLC for the fiscal year to date ended January 31, 2017 was \$38,881.

Written options activity for the fiscal year to date ended January 31, 2017 was as follows:

|   | <b>Number of<br/>Contracts</b> | <b>Premiums<br/>Received</b> |
|---|--------------------------------|------------------------------|
| Outstanding, beginning of period                    | 3,750                          | \$ 6,370,521                 |
| Options written                                     | 12,120                         | 23,385,531                   |
| Options terminated in closing purchase transactions | (7,950)                        | (15,216,728)                 |
| Options exercised                                   | (1,260)                        | (2,415,203)                  |
| Options expired                                     | (3,055)                        | (5,062,697)                  |
| <b>Outstanding, end of period</b>                   | <b>3,605</b>                   | <b>\$ 7,061,424</b>          |

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At January 31, 2017, the Fund had sufficient cash and/or securities to cover commitments under open derivative contracts.

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund writes index call options above the current value of the index to generate premium income. In writing index call options, the Fund in effect, sells potential appreciation in the value of the applicable index above the exercise price in exchange for the option premium received. The Fund retains the risk of loss, minus the premium received, should the price of the underlying index decline.

At January 31, 2017, the aggregate fair value of open derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in a liability position and whose primary underlying risk exposure is equity price risk was \$5,097,650.

The cost and unrealized appreciation (depreciation) of investments of the Fund at January 31, 2017, as determined on a federal income tax basis, were as follows:

|                                    |                         |
|------------------------------------|-------------------------|
| <b>Aggregate cost</b>              | <b>\$ 1,450,056,874</b> |
| Gross unrealized appreciation      | \$ 283,452,886          |
| Gross unrealized depreciation      | (5,924,440)             |
| <b>Net unrealized appreciation</b> | <b>\$ 277,528,446</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.)

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

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At January 31, 2017, the hierarchy of inputs used in valuing the Fund's investments and open derivative instruments, which are carried at value, were as follows:

| <b>Asset Description</b> | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>     |
|--------------------------|-------------------|----------------|----------------|------------------|
| Common Stocks            | \$ 1,694,769,487* | \$             | \$             | \$ 1,694,769,487 |
| Short-Term Investments   |                   | 32,815,833     |                | 32,815,833       |

|                              |                         |                      |           |                         |
|------------------------------|-------------------------|----------------------|-----------|-------------------------|
| <b>Total Investments</b>     | <b>\$ 1,694,769,487</b> | <b>\$ 32,815,833</b> | <b>\$</b> | <b>\$ 1,727,585,320</b> |
| <b>Liability Description</b> |                         |                      |           |                         |
| Call Options Written         | \$ (5,097,650)          | \$                   | \$        | (5,097,650)             |
| <b>Total</b>                 | <b>\$ (5,097,650)</b>   | <b>\$</b>            | <b>\$</b> | <b>(5,097,650)</b>      |

\* The level classification by major category of investments is the same as the category presentation in the Portfolio of Investments.

The Fund held no investments or other financial instruments as of October 31, 2016 whose fair value was determined using Level 3 inputs. At January 31, 2017, there were no investments transferred between Level 1 and Level 2 during the fiscal year to date then ended.

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.

**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 Tax-Managed Diversified Equity Income Fund

By: /s/ Edward J. Perkin  
Edward J. Perkin  
President

Date: March 24, 2017

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/ Edward J. Perkin  
Edward J. Perkin  
President

Date: March 24, 2017

By: /s/ James F. Kirchner  
James F. Kirchner  
Treasurer

Date: March 24, 2017