

Eaton Vance Tax-Managed Diversified Equity Income Fund
Form N-Q
March 31, 2009

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT 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, 2009
Date of Reporting Period

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Item 1. Schedule of Investments

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**Eaton Vance Tax-Managed Diversified Equity
Income Fund**
PORTFOLIO OF INVESTMENTS (Unaudited)
Common Stocks 93.1%

as of January 31, 2009

| Security | Shares | Value |
|-------------------------------------|---------------|----------------------|
| Aerospace & Defense 4.9% | | |
| General Dynamics Corp. | 362,188 | \$ 20,546,925 |
| Lockheed Martin Corp. | 271,765 | 22,295,601 |
| Raytheon Co. | 341,979 | 17,310,977 |
| United Technologies Corp. | 534,507 | 25,650,991 |
| | | \$ 85,804,494 |
| Auto Components 0.4% | | |
| Johnson Controls, Inc. | 498,752 | \$ 6,239,387 |
| | | \$ 6,239,387 |
| Beverages 2.5% | | |
| Coca-Cola Co. (The) | 418,283 | \$ 17,869,050 |
| PepsiCo, Inc. | 515,673 | 25,902,255 |
| | | \$ 43,771,305 |
| Biotechnology 2.5% | | |
| Amgen, Inc. ⁽¹⁾ | 236,712 | \$ 12,983,653 |
| Biogen Idec, Inc. ⁽¹⁾ | 172,845 | 8,408,909 |
| Genzyme Corp. ⁽¹⁾ | 331,555 | 22,850,771 |
| | | \$ 44,243,333 |
| Capital Markets 2.9% | | |
| Bank of New York Mellon Corp. (The) | 342,331 | \$ 8,811,600 |
| Credit Suisse Group | 368,122 | 9,395,036 |
| Goldman Sachs Group, Inc. | 131,166 | 10,589,031 |
| Invesco, Ltd. | 508,607 | 5,996,477 |
| Julius Baer Holding AG | 363,391 | 10,776,519 |
| T. Rowe Price Group, Inc. | 194,233 | 5,356,946 |
| | | \$ 50,925,609 |
| Chemicals 0.7% | | |
| E.I. Du Pont de Nemours & Co. | 529,290 | \$ 12,152,498 |
| | | \$ 12,152,498 |
| Commercial Banks 1.6% | | |

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| | | | |
|--|-----------|----|-------------------|
| Banco Bradesco SA ADR | 1 | \$ | 4 |
| Banco Santander Central Hispano SA | 585,659 | | 4,739,228 |
| HSBC Holdings PLC | 1,144,104 | | 8,876,857 |
| Wells Fargo & Co. | 793,710 | | 15,001,119 |
| | | \$ | 28,617,208 |
| Commercial Services & Supplies 0.9% | | | |
| Waste Management, Inc. | 498,002 | \$ | 15,532,682 |
| | | \$ | 15,532,682 |
| Communications Equipment 3.2% | | | |
| Cisco Systems, Inc. ⁽¹⁾ | 1,812,593 | \$ | 27,134,517 |
| Nokia Oyj ADR | 300,000 | | 3,681,000 |
| QUALCOMM, Inc. | 734,207 | | 25,366,852 |
| | | \$ | 56,182,369 |
| Computers & Peripherals 5.1% | | | |
| Apple, Inc. ⁽¹⁾ | 194,590 | \$ | 17,538,397 |
| Hewlett-Packard Co. | 959,803 | | 33,353,154 |
| International Business Machines Corp. | 431,798 | | 39,574,287 |
| | | \$ | 90,465,838 |
| Diversified Financial Services 1.8% | | | |
| Bank of America Corp. | 548,955 | \$ | 3,612,124 |
| Citigroup, Inc. | 827,389 | | 2,937,231 |
| JPMorgan Chase & Co. | 997,650 | | 25,450,051 |
| | | \$ | 31,999,406 |

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| | Shares | Value |
|--|---------------|----------------------|
| Security | | |
| Diversified Telecommunication Services 2.9% | | |
| AT&T, Inc. | 821,020 | \$ 20,213,512 |
| BCE, Inc. | 500,000 | 10,230,000 |
| Verizon Communications, Inc. | 691,682 | 20,660,541 |
| | | \$ 51,104,053 |
| Electric Utilities 2.8% | | |
| E.ON AG | 564,258 | \$ 18,175,317 |
| Edison International | 484,150 | 15,768,765 |
| FirstEnergy Corp. | 235,932 | 11,794,241 |
| Iberdrola SA | 538,537 | 4,192,420 |
| | | \$ 49,930,743 |
| Electrical Equipment 1.8% | | |
| ABB, Ltd. ⁽¹⁾ | 252,429 | \$ 3,277,953 |
| Emerson Electric Co. | 609,703 | 19,937,288 |
| Vestas Wind Systems A/S ⁽¹⁾ | 184,627 | 8,891,665 |
| | | \$ 32,106,906 |
| Energy Equipment & Services 1.7% | | |
| Diamond Offshore Drilling, Inc. | 205,096 | \$ 12,871,825 |
| Schlumberger, Ltd. | 430,344 | 17,562,339 |
| | | \$ 30,434,164 |
| Food & Staples Retailing 2.2% | | |
| CVS Caremark Corp. | 624,937 | \$ 16,798,307 |
| Kroger Co. (The) | 204,381 | 4,598,572 |
| Wal-Mart Stores, Inc. | 349,620 | 16,474,094 |
| | | \$ 37,870,973 |
| Food Products 3.3% | | |
| Groupe Danone | 84,641 | \$ 4,344,338 |
| Nestle SA | 861,427 | 29,770,320 |
| Nestle SA ADR | 319,837 | 11,018,385 |
| Unilever NV | 566,760 | 12,493,291 |
| | | \$ 57,626,334 |
| Health Care Equipment & Supplies 2.2% | | |
| Baxter International, Inc. | 218,713 | \$ 12,827,517 |
| Becton, Dickinson & Co. | 93,781 | 6,815,065 |
| Boston Scientific Corp. ⁽¹⁾ | 877,418 | 7,782,698 |

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| | | |
|--|-----------|----------------------|
| Medtronic, Inc. | 356,536 | 11,940,391 |
| | | \$ 39,365,671 |
| Health Care Providers & Services 1.3% | | |
| Aetna, Inc. | 299,251 | \$ 9,276,781 |
| Fresenius Medical Care AG & Co. KGaA ADR | 97,630 | 4,369,919 |
| UnitedHealth Group, Inc. | 323,476 | 9,164,075 |
| | | \$ 22,810,775 |
| Hotels, Restaurants & Leisure 1.6% | | |
| McDonald's Corp. | 477,077 | \$ 27,680,008 |
| | | \$ 27,680,008 |
| Household Durables 2.0% | | |
| Centex Corp. | 514,627 | \$ 4,379,476 |
| D.R. Horton, Inc. | 858,770 | 5,118,269 |
| KB HOME | 387,851 | 4,138,370 |
| Lennar Corp., Class A | 660,357 | 5,078,145 |
| NVR, Inc. ⁽¹⁾ | 10,335 | 4,403,640 |
| Pulte Homes, Inc. | 560,142 | 5,685,441 |
| Ryland Group, Inc. | 106,254 | 1,657,562 |
| Toll Brothers, Inc. ⁽¹⁾ | 279,790 | 4,762,026 |
| | | \$ 35,222,929 |
| Household Products 2.2% | | |
| Clorox Co. | 96,834 | \$ 4,856,225 |
| Colgate-Palmolive Co. | 291,647 | 18,968,721 |
| Procter & Gamble Co. | 283,641 | 15,458,434 |
| | | \$ 39,283,380 |
| Industrial Conglomerates 1.7% | | |
| General Electric Co. | 1,862,318 | \$ 22,589,917 |
| Siemens AG | 145,329 | 8,183,765 |
| | | \$ 30,773,682 |
| Insurance 4.6% | | |
| ACE, Ltd. | 129,307 | \$ 5,645,544 |
| Aflac, Inc. | 146,581 | 3,402,145 |
| Allianz SE | 110,480 | 9,263,146 |
| Chubb Corp. | 309,971 | 13,198,565 |

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| | Shares | Value |
|--|---------------|----------------------|
| Security | | |
| MetLife, Inc. | 243,737 | \$ 7,002,564 |
| Travelers Companies, Inc. (The) | 571,396 | 22,078,741 |
| Zurich Financial Services AG | 115,592 | 20,842,598 |
| | | \$ 81,433,303 |
| Internet Software & Services 1.6% | | |
| Google, Inc., Class A ⁽¹⁾ | 83,054 | \$ 28,116,271 |
| | | \$ 28,116,271 |
| IT Services 1.7% | | |
| Accenture, Ltd., Class A | 248,425 | \$ 7,840,293 |
| MasterCard, Inc., Class A | 97,580 | 13,249,412 |
| Visa, Inc., Class A | 169,114 | 8,345,776 |
| | | \$ 29,435,481 |
| Life Sciences Tools & Services 0.5% | | |
| Thermo Fisher Scientific, Inc. ⁽¹⁾ | 264,139 | \$ 9,490,514 |
| | | \$ 9,490,514 |
| Machinery 1.5% | | |
| Danaher Corp. | 323,637 | \$ 18,101,017 |
| Illinois Tool Works, Inc. | 230,795 | 7,537,765 |
| | | \$ 25,638,782 |
| Media 2.2% | | |
| Comcast Corp., Class A | 1,650,164 | \$ 24,174,903 |
| Time Warner, Inc. | 880,013 | 8,210,521 |
| Vivendi SA | 238,195 | 6,136,059 |
| | | \$ 38,521,483 |
| Metals & Mining 2.6% | | |
| Anglo American PLC | 177,796 | \$ 3,198,296 |
| ArcelorMittal | 83,309 | 1,864,278 |
| BHP Billiton, Ltd. ADR | 225,872 | 8,479,235 |
| Goldcorp, Inc. | 1,089,666 | 32,221,424 |
| | | \$ 45,763,233 |
| Multi-Utilities 1.4% | | |
| Public Service Enterprise Group, Inc. | 597,835 | \$ 18,873,651 |
| RWE AG | 64,864 | 5,039,784 |

| | | |
|--|-----------|-----------------------|
| | | \$ 23,913,435 |
| Oil, Gas & Consumable Fuels 9.9% | | |
| Anadarko Petroleum Corp. | 490,457 | \$ 18,019,390 |
| BP PLC | 997,257 | 7,062,659 |
| Chevron Corp. | 243,776 | 17,191,083 |
| ConocoPhillips | 317,824 | 15,106,175 |
| ENI SpA | 463,131 | 9,795,812 |
| Exxon Mobil Corp. | 633,804 | 48,473,330 |
| Hess Corp. | 355,292 | 19,757,788 |
| Occidental Petroleum Corp. | 285,634 | 15,581,335 |
| Royal Dutch Shell PLC, Class B | 278,455 | 6,610,397 |
| Total SA | 195,743 | 9,754,757 |
| XTO Energy, Inc. | 169,031 | 6,269,360 |
| | | \$ 173,622,086 |
| Pharmaceuticals 5.8% | | |
| Bayer AG | 70,858 | \$ 3,761,406 |
| Johnson & Johnson | 491,604 | 28,360,635 |
| Merck & Co., Inc. | 670,235 | 19,135,209 |
| Novartis AG | 206,853 | 8,499,692 |
| Novo-Nordisk A/S, Class B | 116,072 | 6,183,583 |
| Roche Holding AG | 71,637 | 10,056,740 |
| Sanofi-Aventis SA | 179,473 | 10,094,153 |
| Schering-Plough Corp. | 477,778 | 8,389,782 |
| Teva Pharmaceutical Industries, Ltd. ADR | 163,785 | 6,788,888 |
| | | \$ 101,270,088 |
| Semiconductors & Semiconductor Equipment 0.9% | | |
| ASML Holding NV | 918,083 | \$ 15,185,093 |
| | | \$ 15,185,093 |
| Software 2.9% | | |
| Microsoft Corp. | 1,859,828 | \$ 31,803,059 |
| Oracle Corp. ⁽¹⁾ | 1,141,867 | 19,217,622 |
| | | \$ 51,020,681 |

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| | Shares | Value |
|---|---------------|-------------------------|
| Security | | |
| Specialty Retail 2.0% | | |
| Best Buy Co., Inc. | 536,445 | \$ 15,031,189 |
| Home Depot, Inc. | 282,080 | 6,073,182 |
| Staples, Inc. | 885,038 | 14,107,506 |
| | | \$ 35,211,877 |
| Tobacco 2.4% | | |
| British American Tobacco PLC | 441,140 | \$ 12,095,992 |
| Philip Morris International, Inc. | 825,726 | 30,675,721 |
| | | \$ 42,771,713 |
| Wireless Telecommunication Services 0.9% | | |
| Rogers Communications, Inc., Class B | 284,698 | \$ 8,017,096 |
| Vodafone Group PLC | 4,476,148 | 8,313,669 |
| | | \$ 16,330,765 |
| Total Common Stocks (identified cost \$2,336,195,378) | | \$ 1,637,868,552 |

Investment Funds 0.4%

| | Shares | Value |
|--|---------------|---------------------|
| Security | | |
| Capital Markets 0.4% | | |
| SPDR S&P Homebuilders ETF | 630,303 | \$ 6,466,909 |
| Total Investment Funds (identified cost \$8,760,960) | | \$ 6,466,909 |

Call Options Purchased 0.1%

| Description | Number of Contracts | Strike Price | Expiration Date | Value |
|--|------------------------------------|-------------------------|----------------------------|---------------------|
| S&P 500 Index | 1,005 | \$ 855 | 2/21/09 | \$ 1,809,000 |
| Total Call Options Purchased (identified cost \$2,715,409) | | | | \$ 1,809,000 |

Short-Term Investments 7.5%

| Description | Interest (000 s omitted) | Value |
|--------------------|-------------------------------------|--------------|
|--------------------|-------------------------------------|--------------|

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Cash Management Portfolio, 0.23%⁽²⁾ \$ 131,172 \$ 131,171,993

Total Short-Term Investments
(identified cost \$131,171,993) \$ 131,171,993

Total Investments 101.1%
(identified cost \$2,478,843,740) \$ 1,777,316,454

Covered Call Options Written (1.2)%

| Description | Number of Contracts | Strike Price | Expiration Date | Value |
|---------------|---------------------------|-----------------|--------------------|----------------|
| S&P 500 Index | 1,100 | \$ 825 | 2/21/09 | \$ (3,608,000) |
| S&P 500 Index | 5,922 | 845 | 2/21/09 | (12,436,200) |
| S&P 500 Index | 3,098 | 875 | 2/21/09 | (3,098,000) |
| S&P 500 Index | 2,010 | 885 | 2/21/09 | (1,708,500) |

Total Covered Call Options Written
(premiums received \$45,957,450) \$ (20,850,700)

Other Assets, Less Liabilities 0.1% \$ 1,699,390

Net Assets 100.0% \$ 1,758,165,144

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
January 31,
2009. Net
income
allocated from
the investment
in Cash
Management
Portfolio for the
fiscal year to
date ended
January 31,
2009 was
\$178,967.

Table of Contents**Country Concentration of Portfolio**

| Country | Percentage of Net Assets | Value |
|----------------|-------------------------------------|-------------------------|
| United States | 79.4% | \$ 1,396,153,369 |
| Switzerland | 6.2 | 109,282,786 |
| Canada | 2.9 | 50,468,519 |
| Germany | 2.8 | 48,793,337 |
| United Kingdom | 2.6 | 46,157,870 |
| France | 1.7 | 30,329,306 |
| Netherlands | 1.6 | 27,678,384 |
| Denmark | 0.9 | 15,075,248 |
| Bermuda | 0.8 | 13,836,770 |
| Italy | 0.5 | 9,795,812 |
| Spain | 0.5 | 8,931,648 |
| Australia | 0.5 | 8,479,235 |
| Israel | 0.4 | 6,788,888 |
| Finland | 0.2 | 3,681,000 |
| Luxembourg | 0.1 | 1,864,278 |
| Brazil | 0.0 | 4 |
| Total | 101.1% | \$ 1,777,316,454 |

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The cost and unrealized appreciation (depreciation) of investments of the Fund at January 31, 2009, as determined on a federal income tax basis, were as follows:

| | |
|------------------------------------|-------------------------|
| Aggregate cost | \$ 2,478,922,808 |
| Gross unrealized appreciation | \$ 9,203,094 |
| Gross unrealized depreciation | (710,809,448) |
| Net unrealized depreciation | \$ (701,606,354) |

Written call options activity for the fiscal year to date ended January 31, 2009 was as follows:

| | Number of Contracts | Premiums Received |
|---|--------------------------------|------------------------------|
| Outstanding, beginning of period | 14,680 | \$ 70,390,742 |
| Options written | 38,060 | 160,913,895 |
| Options terminated in closing purchase transactions | (32,730) | (173,398,544) |
| Options expired | (7,880) | (11,948,643) |
| Outstanding, end of period | 12,130 | \$ 45,957,450 |

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At January 31, 2009, 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 November 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 January 31, 2009, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

| | Valuation Inputs | Investments in Securities | Other Financial Instruments* |
|--------------|------------------------------|--------------------------------------|---|
| Level 1 | Quoted Prices | \$ 1,532,742,139 | \$ (20,850,700) |
| | Other Significant Observable | | |
| Level 2 | Inputs | 244,574,315 | |
| | Significant Unobservable | | |
| Level 3 | Inputs | | |
| Total | | \$ 1,777,316,454 | \$ (20,850,700) |

- * Other financial instruments include written call options.

The Fund held no investments or other financial instruments as of October 31, 2008 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.

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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 Tax-Managed Diversified Equity Income Fund

By: /s/ Duncan W. Richardson

Duncan W. Richardson
President

Date: March 25, 2009

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: March 25, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell
Treasurer

Date: March 25, 2009