

Eaton Vance Tax-Managed Diversified Equity Income Fund  
Form N-Q  
September 25, 2009

Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form N-Q**

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

**811-21832**

**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

July 31, 2009

Date of Reporting Period

---

**TABLE OF CONTENTS**

Item 1. Schedule of Investments

Item 2. Controls and Procedures

Signatures

EX-99.CERT Section 302 Certification

---

**Table of Contents**

**Item 1. Schedule of Investments**

---

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

as of July 31, 2009

**PORTFOLIO OF INVESTMENTS (Unaudited)****Common Stocks 101.8%****Security****Aerospace & Defense 2.1%**

General Dynamics Corp.

**Shares****Value**

446,321

\$ 24,721,720

Lockheed Martin Corp.

214,540

16,039,011

**\$ 40,760,731****Air Freight & Logistics 0.5%**

FedEx Corp.

134,193

\$ 9,103,653

**\$ 9,103,653****Beverages 2.0%**

Diageo PLC

583,624

\$ 9,097,953

PepsiCo, Inc.

515,673

29,264,443

**\$ 38,362,396****Biotechnology 3.1%**Amgen, Inc.<sup>(1)</sup>

236,712

\$ 14,749,525

Biogen Idec, Inc.<sup>(1)</sup>

211,998

10,080,505

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

115,895

6,601,379

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

331,555

17,204,389

Gilead Sciences, Inc.<sup>(1)</sup>

204,805

10,021,108

**\$ 58,656,906****Capital Markets 5.1%**

Credit Suisse Group AG

230,756

\$ 10,904,568

Deutsche Bank AG

149,855

9,684,726

Goldman Sachs Group, Inc.

193,363

31,576,178

Invesco, Ltd.

508,607

10,044,988

Northern Trust Corp.

228,177

13,647,266

State Street Corp.

301,317

15,156,245

UBS AG<sup>(1)</sup>

387,510

5,672,974

**\$ 96,686,945****Commercial Banks 4.5%**

Banco Bilbao Vizcaya Argentaria SA

490,046

\$ 8,022,983

Banco Santander Central Hispano SA

874,193

12,659,225

Barclays PLC

815,415

4,144,720

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

|                                    |           |            |
|------------------------------------|-----------|------------|
| BNP Paribas SA                     | 97,742    | 7,097,179  |
| HSBC Holdings PLC                  | 1,665,135 | 16,849,222 |
| Intesa Sanpaolo SpA <sup>(1)</sup> | 1,125,069 | 4,183,464  |
| PNC Financial Services Group, Inc. | 211,694   | 7,760,702  |
| U.S. Bancorp                       | 398,333   | 8,129,976  |
| Wells Fargo & Co.                  | 668,037   | 16,340,185 |

**\$ 85,187,656**

**Commercial Services & Supplies 0.7%**

|                        |         |               |
|------------------------|---------|---------------|
| Waste Management, Inc. | 498,002 | \$ 13,998,836 |
|------------------------|---------|---------------|

**\$ 13,998,836**

**Communications Equipment 2.2%**

|  |         |              |
|--|---------|--------------|
| Nokia Oyj ADR                            | 300,000 | \$ 4,002,000 |
| QUALCOMM, Inc.                           | 734,207 | 33,927,706   |
| Telefonaktiebolaget LM Ericsson, Class B | 396,705 | 3,905,614    |

**\$ 41,835,320**

**Table of Contents**

|  | <b>Shares</b> | <b>Value</b>          |
|--|---------------|-----------------------|
| <b>Security</b>                                    |               |                       |
| <b>Computers &amp; Peripherals 6.7%</b>            |               |                       |
| Apple, Inc. <sup>(1)</sup>                         | 257,647       | \$ 42,096,943         |
| Hewlett-Packard Co.                                | 959,803       | 41,559,470            |
| International Business Machines Corp.              | 376,777       | 44,433,312            |
|  |               | <b>\$ 128,089,725</b> |
| <b>Consumer Finance 0.3%</b>                       |               |                       |
| Discover Financial Services                        | 425,464       | \$ 5,054,512          |
|  |               | <b>\$ 5,054,512</b>   |
| <b>Diversified Financial Services 2.9%</b>         |               |                       |
| Bank of America Corp.                              | 1,183,921     | \$ 17,510,192         |
| JPMorgan Chase & Co.                               | 997,650       | 38,559,172            |
|  |               | <b>\$ 56,069,364</b>  |
| <b>Diversified Telecommunication Services 2.5%</b> |               |                       |
| AT&T, Inc.   | 821,020       | \$ 21,535,355         |
| BCE, Inc.  | 500,000       | 11,520,000            |
| Verizon Communications, Inc.                       | 485,615       | 15,573,673            |
|  |               | <b>\$ 48,629,028</b>  |
| <b>Electric Utilities 2.5%</b>                     |               |                       |
| American Electric Power Co., Inc.                  | 392,701       | \$ 12,158,023         |
| E.ON AG  | 564,258       | 21,319,724            |
| FirstEnergy Corp.                                  | 235,932       | 9,720,399             |
| Iberdrola SA                                       | 538,537       | 4,617,293             |
|  |               | <b>\$ 47,815,439</b>  |
| <b>Electrical Equipment 1.4%</b>                   |               |                       |
| ABB, Ltd.  | 279,564       | \$ 5,109,958          |
| Emerson Electric Co.                               | 609,703       | 22,180,995            |
|  |               | <b>\$ 27,290,953</b>  |
| <b>Energy Equipment &amp; Services 1.0%</b>        |               |                       |
| Diamond Offshore Drilling, Inc.                    | 205,096       | \$ 18,431,978         |
|  |               | <b>\$ 18,431,978</b>  |
| <b>Food &amp; Staples Retailing 3.0%</b>           |               |                       |
| Carrefour SA                                       | 129,657       | \$ 6,079,511          |
| CVS Caremark Corp.                                 | 624,937       | 20,922,891            |

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

|  |           |                      |
|--|-----------|----------------------|
| Tesco PLC  | 1,025,388 | 6,280,897            |
| Wal-Mart Stores, Inc.                            | 491,145   | 24,498,313           |
|  |           | <b>\$ 57,781,612</b> |
| <b>Food Products 3.3%</b>                        |           |                      |
| Nestle SA  | 861,427   | \$ 35,399,857        |
| Nestle SA ADR                                    | 319,837   | 13,138,904           |
| Unilever NV                                      | 566,760   | 15,446,475           |
|  |           | <b>\$ 63,985,236</b> |
| <b>Health Care Equipment &amp; Supplies 2.1%</b> |           |                      |
| Baxter International, Inc.                       | 218,713   | \$ 12,328,852        |
| Boston Scientific Corp. <sup>(1)</sup>           | 1,331,827 | 14,303,822           |
| Covidien, Ltd.                                   | 330,776   | 12,506,640           |
|  |           | <b>\$ 39,139,314</b> |
| <b>Health Care Providers &amp; Services 1.9%</b> |           |                      |
| Aetna, Inc.                                      | 467,124   | \$ 12,598,334        |
| Fresenius Medical Care AG & Co. KGaA ADR         | 238,809   | 10,958,945           |
| UnitedHealth Group, Inc.                         | 471,507   | 13,230,487           |
|  |           | <b>\$ 36,787,766</b> |



**Table of Contents**

|   | <b>Shares</b> | <b>Value</b>         |
|---|---------------|----------------------|
| <b>Security</b>                               |               |                      |
| <b>Hotels, Restaurants &amp; Leisure 1.1%</b> |               |                      |
| McDonald's Corp.                              | 394,621       | \$ 21,727,832        |
|   |               | <b>\$ 21,727,832</b> |
| <b>Household Products 2.2%</b>                |               |                      |
| Colgate-Palmolive Co.                         | 291,647       | \$ 21,126,909        |
| Procter & Gamble Co.                          | 283,641       | 15,744,912           |
| Reckitt Benckiser Group PLC                   | 101,018       | 4,853,165            |
|   |               | <b>\$ 41,724,986</b> |
| <b>Industrial Conglomerates 2.1%</b>          |               |                      |
| General Electric Co.                          | 1,862,318     | \$ 24,955,061        |
| Philips Electronics NV                        | 183,878       | 4,185,953            |
| Siemens AG                                    | 145,329       | 11,581,583           |
|   |               | <b>\$ 40,722,597</b> |
| <b>Insurance 2.4%</b>                         |               |                      |
| Allianz SE                                    | 37,440        | \$ 3,696,604         |
| MetLife, Inc.                                 | 309,770       | 10,516,692           |
| Prudential Financial, Inc.                    | 363,445       | 16,089,710           |
| Prudential PLC                                | 734,221       | 5,498,409            |
| Zurich Financial Services AG                  | 54,031        | 10,610,497           |
|   |               | <b>\$ 46,411,912</b> |
| <b>Internet &amp; Catalog Retail 0.9%</b>     |               |                      |
| Amazon.com, Inc. <sup>(1)</sup>               | 195,278       | \$ 16,747,041        |
|   |               | <b>\$ 16,747,041</b> |
| <b>Internet Software &amp; Services 1.5%</b>  |               |                      |
| Google, Inc., Class A <sup>(1)</sup>          | 65,599        | \$ 29,063,637        |
|   |               | <b>\$ 29,063,637</b> |
| <b>IT Services 2.0%</b>                       |               |                      |
| Accenture, Ltd., Class A                      | 248,425       | \$ 8,712,265         |
| MasterCard, Inc., Class A                     | 97,580        | 18,933,447           |
| Western Union Co.                             | 618,783       | 10,816,327           |
|   |               | <b>\$ 38,462,039</b> |
| <b>Machinery 1.5%</b>                         |               |                      |
| Danaher Corp.                                 | 323,637       | \$ 19,819,530        |

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

|                                       |           |                      |
|---------------------------------------|-----------|----------------------|
| Illinois Tool Works, Inc.             | 230,795   | 9,358,737            |
|                                       |           | <b>\$ 29,178,267</b> |
| <b>Media 1.4%</b>                     |           |                      |
| Comcast Corp., Class A                | 1,399,194 | \$ 20,792,023        |
| Vivendi SA                            | 238,195   | 6,105,796            |
|                                       |           | <b>\$ 26,897,819</b> |
| <b>Metals &amp; Mining 4.9%</b>       |           |                      |
| Anglo American PLC                    | 177,796   | \$ 5,733,973         |
| ArcelorMittal                         | 83,309    | 3,002,386            |
| BHP Billiton, Ltd. ADR                | 496,804   | 31,278,780           |
| Freeport-McMoRan Copper & Gold, Inc.  | 227,789   | 13,735,677           |
| Goldcorp, Inc.                        | 927,035   | 34,939,949           |
| United States Steel Corp.             | 109,605   | 4,356,799            |
|                                       |           | <b>\$ 93,047,564</b> |
| <b>Multi-Utilities 1.3%</b>           |           |                      |
| Public Service Enterprise Group, Inc. | 597,835   | \$ 19,399,746        |
| RWE AG                                | 64,864    | 5,472,188            |
|                                       |           | <b>\$ 24,871,934</b> |

**Table of Contents**

|   | <b>Shares</b> | <b>Value</b>          |
|---|---------------|-----------------------|
| <b>Security</b>                                   |               |                       |
| <b>Multiline Retail 0.4%</b>                      |               |                       |
| Target Corp.                                      | 157,657       | \$ 6,876,998          |
|   |               | <b>\$ 6,876,998</b>   |
| <b>Oil, Gas &amp; Consumable Fuels 11.4%</b>      |               |                       |
| Anadarko Petroleum Corp.                          | 490,457       | \$ 23,640,027         |
| BP PLC  | 2,475,861     | 20,531,522            |
| Chevron Corp.                                     | 243,776       | 16,935,119            |
| ENI SpA   | 584,484       | 13,657,490            |
| Exxon Mobil Corp.                                 | 814,689       | 57,345,959            |
| Hess Corp.  | 355,292       | 19,612,118            |
| Occidental Petroleum Corp.                        | 285,634       | 20,377,130            |
| Royal Dutch Shell PLC, Class B                    | 369,674       | 9,585,851             |
| Total SA  | 460,313       | 25,529,268            |
| XTO Energy, Inc.                                  | 291,883       | 11,742,453            |
|   |               | <b>\$ 218,956,937</b> |
| <b>Personal Products 0.5%</b>                     |               |                       |
| Avon Products, Inc.                               | 280,011       | \$ 9,066,756          |
|   |               | <b>\$ 9,066,756</b>   |
| <b>Pharmaceuticals 6.9%</b>                       |               |                       |
| Abbott Laboratories                               | 318,614       | \$ 14,334,444         |
| AstraZeneca PLC                                   | 138,225       | 6,438,267             |
| Bristol-Myers Squibb Co.                          | 483,093       | 10,502,442            |
| GlaxoSmithKline PLC                               | 605,494       | 11,600,985            |
| Johnson & Johnson                                 | 491,604       | 29,933,767            |
| Merck & Co., Inc.                                 | 670,235       | 20,113,752            |
| Novartis AG                                       | 206,853       | 9,451,007             |
| Pfizer, Inc.                                      | 594,539       | 9,471,006             |
| Sanofi-Aventis SA                                 | 179,473       | 11,742,422            |
| Teva Pharmaceutical Industries, Ltd. ADR          | 163,785       | 8,736,292             |
|   |               | <b>\$ 132,324,384</b> |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b> |               |                       |
| AvalonBay Communities, Inc.                       | 77,824        | \$ 4,529,357          |
| Boston Properties, Inc.                           | 98,875        | 5,230,487             |
|   |               | <b>\$ 9,759,844</b>   |
| <b>Road &amp; Rail 0.5%</b>                       |               |                       |
| CSX Corp.   | 240,888       | \$ 9,664,427          |

|   |             |                      |
|---|-------------|----------------------|
|   |             | <b>\$ 9,664,427</b>  |
| <b>Semiconductors &amp; Semiconductor Equipment</b> | <b>2.2%</b> |                      |
| Applied Materials, Inc.                             | 641,373     | \$ 8,850,947         |
| ASML Holding NV                                     | 581,662     | 15,129,029           |
| Broadcom Corp., Class A <sup>(1)</sup>              | 177,610     | 5,013,930            |
| NVIDIA Corp. <sup>(1)</sup>                         | 521,332     | 6,740,823            |
| Taiwan Semiconductor Manufacturing Co., Ltd. ADR    | 671,965     | 7,035,478            |
|   |             | <b>\$ 42,770,207</b> |
| <b>Software</b>                                     | <b>3.2%</b> |                      |
| Microsoft Corp.                                     | 1,661,866   | \$ 39,087,088        |
| Oracle Corp.  | 784,442     | 17,359,702           |
| SAP AG  | 92,919      | 4,376,216            |
|   |             | <b>\$ 60,823,006</b> |
| <b>Specialty Retail</b>                             | <b>3.9%</b> |                      |
| Best Buy Co., Inc.                                  | 536,445     | \$ 20,046,950        |
| Gap, Inc. (The)                                     | 421,212     | 6,874,180            |
| Hennes & Mauritz AB                                 | 118,500     | 7,062,053            |

**Table of Contents**

| <b>Security</b>  | <b>Shares</b> |                                  | <b>Value</b>            |
|--|---------------|----------------------------------|-------------------------|
| Home Depot, Inc.   | 528,838       | \$                               | 13,718,058              |
| Staples, Inc.  | 885,038       |                                  | 18,603,499              |
| TJX Companies, Inc. (The)  | 206,324       |                                  | 7,475,118               |
|  |               | <b>\$</b>                        | <b>73,779,858</b>       |
| <b>Textiles, Apparel &amp; Luxury Goods 1.2%</b>                             |               |                                  |                         |
| LVMH Moet Hennessy Louis Vuitton SA  | 47,107        | \$                               | 4,250,117               |
| NIKE, Inc., Class B  | 324,860       |                                  | 18,400,070              |
|  |               | <b>\$</b>                        | <b>22,650,187</b>       |
| <b>Tobacco 1.5%</b>  |               |                                  |                         |
| Philip Morris International, Inc.  | 617,449       | \$                               | 28,773,123              |
|  |               | <b>\$</b>                        | <b>28,773,123</b>       |
| <b>Wireless Telecommunication Services 0.5%</b>                              |               |                                  |                         |
| Vodafone Group PLC   | 4,476,148     | \$                               | 9,202,939               |
|  |               | <b>\$</b>                        | <b>9,202,939</b>        |
| <b>Total Common Stocks</b><br><b>(identified cost \$2,120,419,574)</b>       |               |                                  | <b>\$ 1,947,171,664</b> |
| <b>Short-Term Investments 1.4%</b>   |               |                                  |                         |
| <b>Description</b>   |               | <b>Interest</b><br><b>(000 s</b> | <b>Value</b>            |
| Cash Management Portfolio, 0.00% <sup>(2)</sup>                              |               | <b>omitted)</b>                  |                         |
|  | \$ 26,833     | \$                               | 26,832,941              |
| <b>Total Short-Term Investments</b><br><b>(identified cost \$26,832,941)</b> |               |                                  | <b>\$ 26,832,941</b>    |
| <b>Total Investments 103.2%</b><br><b>(identified cost \$2,147,252,515)</b>  |               |                                  | <b>\$ 1,974,004,605</b> |
| <b>Covered Call Options Written (3.4)%</b>                                   |               |                                  |                         |

| <b>Security</b>  | <b>Number<br/>of Contracts</b> | <b>Strike<br/>Price</b> | <b>Expiration<br/>Date</b> | <b>Value</b>            |
|--|--------------------------------|-------------------------|----------------------------|-------------------------|
| S&P 500 Index  | 2,475                          | \$ 905                  | 8/22/09                    | \$ (20,493,000)         |
| S&P 500 Index  | 1,301                          | 925                     | 8/22/09                    | (8,211,912)             |
| S&P 500 Index  | 3,549                          | 930                     | 8/22/09                    | (22,003,800)            |
| S&P 500 Index  | 2,350                          | 935                     | 8/22/09                    | (13,167,050)            |
| <b>Total Covered Call Options Written<br/>(premiums received \$24,263,286)</b> |                                |                         |                            | <b>\$ (63,875,762)</b>  |
| <b>Other Assets, Less Liabilities 0.2%</b>                                     |                                |                         |                            | <b>\$ 3,204,781</b>     |
| <b>Net Assets 100.0%</b>   |                                |                         |                            | <b>\$ 1,913,333,624</b> |

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

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 July 31, 2009. Net income allocated from the investment in Cash Management Portfolio for the fiscal year to date ended July 31, 2009 was \$205,469.

**Table of Contents****Country Concentration of Portfolio**

| <b>Country</b>           | <b>Percentage<br/>of Net<br/>Assets</b> | <b>Value</b>            |
|--------------------------|---|-------------------------|
| United States            | 74.5%                                   | \$ 1,425,356,301        |
| United Kingdom           | 5.7                                     | 109,817,903             |
| Switzerland              | 4.7                                     | 90,287,765              |
| Germany                  | 3.5                                     | 67,089,986              |
| France                   | 3.2                                     | 60,804,293              |
| Canada                   | 2.4                                     | 46,459,949              |
| Netherlands              | 1.8                                     | 34,761,457              |
| Australia                | 1.6                                     | 31,278,780              |
| Spain                    | 1.3                                     | 25,299,501              |
| Bermuda                  | 1.0                                     | 18,757,253              |
| Italy                    | 0.9                                     | 17,840,954              |
| Ireland                  | 0.7                                     | 12,506,640              |
| Sweden                   | 0.6                                     | 10,967,667              |
| Israel                   | 0.5                                     | 8,736,292               |
| Taiwan                   | 0.4                                     | 7,035,478               |
| Finland                  | 0.2                                     | 4,002,000               |
| Luxembourg               | 0.2                                     | 3,002,386               |
| <b>Total Investments</b> | <b>103.2%</b>                           | <b>\$ 1,974,004,605</b> |

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

|                                    |                         |
|------------------------------------|-------------------------|
| <b>Aggregate cost</b>              | <b>\$ 2,147,331,583</b> |
| Gross unrealized appreciation      | \$ 125,279,975          |
| Gross unrealized depreciation      | (298,606,953)           |
| <b>Net unrealized depreciation</b> | <b>\$ (173,326,978)</b> |

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

|   | <b>Number of<br/>Contracts</b> | <b>Premiums<br/>Received</b> |
|---|--------------------------------|------------------------------|
| Outstanding, beginning of period                    | 14,680                         | \$ 70,390,742                |
| Options written                                     | 98,519                         | 342,864,005                  |
| Options terminated in closing purchase transactions | (93,634)                       | (374,132,137)                |
| Options expired                                     | (9,890)                        | (14,859,324)                 |

|                                   |              |           |                   |
|-----------------------------------|--------------|-----------|-------------------|
| <b>Outstanding, end of period</b> | <b>9,675</b> | <b>\$</b> | <b>24,263,286</b> |
|-----------------------------------|--------------|-----------|-------------------|

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At July 31, 2009, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund is subject to equity price risk in the normal course of pursuing its investment objective. The Fund generally intends to write index call options above the current value of an 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 July 31, 2009, the aggregate fair value of derivative instruments (not accounted for as hedging instruments under Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 133) in a liability position and whose primary underlying risk exposure is equity price risk was \$63,875,762.



**Table of Contents**

The Fund adopted FASB 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 July 31, 2009, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

| Asset Description            | Quoted Prices<br>in<br>Active Markets<br>for<br>Identical Assets | Significant<br>Other<br>Observable<br>Inputs | Significant<br>Unobservable<br>Inputs | Total                   |
|------------------------------|--|--|---------------------------------------|-------------------------|
|                              | (Level 1)  | (Level 2)                                    | (Level 3)                             |                         |
| Common Stocks                |  |  |                                       |                         |
| Consumer Discretionary       | \$ 151,261,769   | \$ 17,417,966                                | \$                                    | \$ 168,679,735          |
| Consumer Staples             | 162,536,251  | 77,157,858                                   |                                       | 239,694,109             |
| Energy                       | 168,084,784  | 69,304,131                                   |                                       | 237,388,915             |
| Financials                   | 200,145,662  | 99,024,571                                   |                                       | 299,170,233             |
| Health Care                  | 227,675,689  | 39,232,681                                   |                                       | 266,908,370             |
| Industrials                  | 149,841,970  | 20,877,494                                   |                                       | 170,719,464             |
| Information Technology       | 332,762,104  | 8,281,830                                    |                                       | 341,043,934             |
| Materials                    | 84,311,205   | 8,736,359                                    |                                       | 93,047,564              |
| Telecommunication Services   | 48,629,028   | 9,202,939                                    |                                       | 57,831,967              |
| Utilities                    | 41,278,168   | 31,409,205                                   |                                       | 72,687,373              |
| Total Common Stocks          | \$ 1,566,526,630   | \$ 380,645,034*                              | \$                                    | \$ 1,947,171,664        |
| Short-Term Investments       | 26,832,941   |  |                                       | 26,832,941              |
| <b>Total Investments</b>     | <b>\$ 1,593,359,571</b>  | <b>\$ 380,645,034</b>                        | <b>\$</b>                             | <b>\$ 1,974,004,605</b> |
| <b>Liability Description</b> |  |  |                                       |                         |
| Covered Call Options Written | \$ (63,875,762)  | \$   | \$                                    | \$ (63,875,762)         |

|              |    |                     |    |    |                     |
|--------------|----|---------------------|----|----|---------------------|
| <b>Total</b> | \$ | <b>(63,875,762)</b> | \$ | \$ | <b>(63,875,762)</b> |
|--------------|----|---------------------|----|----|---------------------|

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

The Fund held no investments or other financial instruments as of 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.

**Table of Contents**

**Item 2. Controls and Procedures**

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

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

---

**Table of Contents**

**Signatures**

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

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

By: /s/ Duncan W. Richardson

Duncan W. Richardson  
President

Date: September 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: September 25, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: September 25, 2009