

Eaton Vance Tax-Managed Diversified Equity Income Fund  
Form N-Q  
March 30, 2010

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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, 2010

Date of Reporting Period

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**Item 1. Schedule of Investments**

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**Table of Contents****Eaton Vance Tax-Managed Diversified Equity Income Fund****as of January 31, 2010****PORTFOLIO OF INVESTMENTS (Unaudited)****Common Stocks 98.2%****Security****Aerospace & Defense 1.4%**

General Dynamics Corp.

Lockheed Martin Corp.

**Shares****Value**

242,575 \$ 16,216,139

136,645 10,182,785

**\$ 26,398,924****Air Freight & Logistics 0.5%**

FedEx Corp.

127,742 \$ 10,008,586

**\$ 10,008,586****Automobiles 0.2%**

Bayerische Motoren Werke AG

92,419 \$ 3,949,581

**\$ 3,949,581****Beverages 2.2%**

Coca-Cola Co. (The)

Diageo PLC

PepsiCo, Inc.

144,127 \$ 7,818,890

368,543 6,194,525

490,885 29,266,564

**\$ 43,279,979****Biotechnology 1.0%**Amgen, Inc.<sup>(1)</sup>Celgene Corp.<sup>(1)</sup>

225,332 \$ 13,177,415

110,323 6,264,140

**\$ 19,441,555****Capital Markets 3.8%**

Credit Suisse Group AG

Deutsche Bank AG

Goldman Sachs Group, Inc.

Northern Trust Corp.

State Street Corp.

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

219,663 \$ 9,501,993

142,651 8,701,874

184,067 27,374,444

217,208 10,973,348

286,832 12,299,356

368,882 4,810,954

**\$ 73,661,969****Chemicals 0.5%**

Monsanto Co.

122,240 \$ 9,275,571

		<b>\$ 9,275,571</b>
<b>Commercial Banks 5.2%</b>		
Banco Bilbao Vizcaya Argentaria SA	466,490	\$ 7,110,963
Banco Santander Central Hispano SA	832,171	11,884,185
Barclays PLC	776,219	3,317,568
BNP Paribas SA	93,042	6,646,630
HSBC Holdings PLC	1,585,095	16,969,333
Intesa Sanpaolo SpA <sup>(1)</sup>	1,070,988	4,076,859
Itau Unibanco Holding SA ADR	549,799	10,534,149
PNC Financial Services Group, Inc.	201,517	11,170,087
U.S. Bancorp	379,185	9,509,960
Wells Fargo & Co.	635,925	18,079,348
		<b>\$ 99,299,082</b>
<b>Commercial Services &amp; Supplies 0.8%</b>		
Waste Management, Inc.	474,063	\$ 15,193,719
		<b>\$ 15,193,719</b>
<b>Communications Equipment 2.5%</b>		
Cisco Systems, Inc. <sup>(1)</sup>	1,322,275	\$ 29,711,519
Nokia Oyj ADR	285,578	3,909,563

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	<b>Shares</b>	<b>Value</b>
<b>Security</b>		
QUALCOMM, Inc.	269,409	\$ 10,558,139
Telefonaktiebolaget LM Ericsson, Class B	377,635	3,659,625
		<b>\$ 47,838,846</b>
 <b>Computers &amp; Peripherals 4.7%</b>		
Apple, Inc. <sup>(1)</sup>	198,910	\$ 38,214,589
Hewlett-Packard Co.	479,050	22,548,883
International Business Machines Corp.	250,463	30,654,167
		<b>\$ 91,417,639</b>
 <b>Consumer Finance 0.5%</b>		
American Express Co.	251,154	\$ 9,458,460
		<b>\$ 9,458,460</b>
 <b>Diversified Financial Services 2.8%</b>		
Bank of America Corp.	1,127,012	\$ 17,108,042
JPMorgan Chase & Co.	949,694	36,981,085
		<b>\$ 54,089,127</b>
 <b>Diversified Telecommunication Services 1.7%</b>		
AT&T, Inc.	781,555	\$ 19,820,235
Verizon Communications, Inc.	462,272	13,600,042
		<b>\$ 33,420,277</b>
 <b>Electric Utilities 2.4%</b>		
American Electric Power Co., Inc.	373,824	\$ 12,953,002
E.ON AG	537,135	19,759,808
FirstEnergy Corp.	224,591	9,796,659
Iberdrola SA	512,650	4,364,640
		<b>\$ 46,874,109</b>
 <b>Electrical Equipment 1.7%</b>		
ABB, Ltd. <sup>(1)</sup>	266,125	\$ 4,817,877
Emerson Electric Co.	580,395	24,109,608
Vestas Wind Systems A/S <sup>(1)</sup>	54,197	2,850,678
		<b>\$ 31,778,163</b>
 <b>Electronic Equipment, Instruments &amp; Components 1.0%</b>		
Corning, Inc.	1,039,966	\$ 18,802,585

		<b>\$ 18,802,585</b>
<b>Energy Equipment &amp; Services</b>	<b>1.7%</b>	
Diamond Offshore Drilling, Inc.	195,237	\$ 17,870,043
Schlumberger, Ltd.	234,891	14,906,183
		<b>\$ 32,776,226</b>
<b>Food &amp; Staples Retailing</b>	<b>2.1%</b>	
Carrefour SA	85,450	\$ 4,169,042
CVS Caremark Corp.	347,693	11,254,822
Tesco PLC	629,574	4,260,850
Wal-Mart Stores, Inc.	380,087	20,308,049
		<b>\$ 39,992,763</b>
<b>Food Products</b>	<b>3.4%</b>	
Danone	63,455	\$ 3,628,546
Kellogg Co.	148,435	8,077,833
Nestle SA	691,185	32,763,363
Nestle SA ADR	304,462	14,464,989
Unilever NV	237,257	7,264,818
		<b>\$ 66,199,549</b>
<b>Health Care Equipment &amp; Supplies</b>	<b>2.6%</b>	
Baxter International, Inc.	208,199	\$ 11,990,181
Boston Scientific Corp. <sup>(1)</sup>	1,267,808	10,941,183



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<b>Security</b>	<b>Shares</b>	<b>Value</b>
Covidien PLC	381,920	\$ 19,309,875
Zimmer Holdings, Inc. <sup>(1)</sup>	148,585	8,368,307
		<b>\$ 50,609,546</b>
<b>Health Care Providers &amp; Services 1.1%</b>		
AmerisourceBergen Corp.	390,007	\$ 10,631,591
Fresenius Medical Care AG & Co. KGaA ADR	227,329	11,511,940
		<b>\$ 22,143,531</b>
<b>Hotels, Restaurants &amp; Leisure 1.4%</b>		
Carnival Corp. <sup>(1)</sup>	261,820	\$ 8,726,461
McDonald's Corp.	301,347	18,813,093
		<b>\$ 27,539,554</b>
<b>Household Products 2.7%</b>		
Colgate-Palmolive Co.	383,597	\$ 30,699,268
Procter & Gamble Co.	270,006	16,618,869
Reckitt Benckiser Group PLC	96,161	4,984,966
		<b>\$ 52,303,103</b>
<b>Industrial Conglomerates 2.4%</b>		
General Electric Co.	1,772,801	\$ 28,506,640
Philips Electronics NV	175,039	5,285,848
Siemens AG	138,342	12,335,604
		<b>\$ 46,128,092</b>
<b>Insurance 2.4%</b>		
Allianz SE	35,639	\$ 3,946,151
Lincoln National Corp.	341,755	8,400,338
MetLife, Inc.	294,880	10,415,162
Prudential Financial, Inc.	345,974	17,295,240
Prudential PLC	698,928	6,401,288
		<b>\$ 46,458,179</b>
<b>Internet &amp; Catalog Retail 1.2%</b>		
Amazon.com, Inc. <sup>(1)</sup>	185,891	\$ 23,312,590
		<b>\$ 23,312,590</b>
<b>Internet Software &amp; Services 1.4%</b>		
Google, Inc., Class A <sup>(1)</sup>	49,420	\$ 26,163,936

		<b>\$ 26,163,936</b>
<b>IT Services 1.8%</b>		
MasterCard, Inc., Class A	92,889	\$ 23,212,961
Western Union Co.	589,038	10,920,765
		<b>\$ 34,133,726</b>
<b>Machinery 2.6%</b>		
Danaher Corp.	308,079	\$ 21,981,437
Deere & Co.	207,679	10,373,566
Illinois Tool Works, Inc.	219,700	9,576,723
PACCAR, Inc.	225,909	8,139,501
		<b>\$ 50,071,227</b>
<b>Media 0.5%</b>		
Walt Disney Co. (The)	298,352	\$ 8,816,302
		<b>\$ 8,816,302</b>
<b>Metals &amp; Mining 3.4%</b>		
ArcelorMittal	79,303	\$ 3,070,041
BHP Billiton, Ltd. ADR	290,376	20,143,383
Freeport-McMoRan Copper & Gold, Inc.	106,338	7,091,681

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	<b>Shares</b>	<b>Value</b>
<b>Security</b>		
Goldcorp, Inc.	882,474	\$ 29,968,817
United States Steel Corp.	104,335	4,635,604
		<b>\$ 64,909,526</b>
<b>Multi-Utilities 1.2%</b>		
Public Service Enterprise Group, Inc.	569,097	\$ 17,408,677
RWE AG	61,746	5,478,100
		<b>\$ 22,886,777</b>
<b>Multiline Retail 0.4%</b>		
Target Corp.	150,078	\$ 7,694,499
		<b>\$ 7,694,499</b>
<b>Oil, Gas &amp; Consumable Fuels 10.3%</b>		
Anadarko Petroleum Corp.	466,881	\$ 29,777,670
Apache Corp.	194,613	19,221,926
BP PLC	2,356,851	21,989,517
Chevron Corp.	232,057	16,735,951
ENI SpA	556,388	12,931,194
Exxon Mobil Corp.	298,386	19,225,010
Hess Corp.	338,213	19,545,329
Occidental Petroleum Corp.	271,904	21,300,959
Royal Dutch Shell PLC, Class B	437,407	11,635,628
Total SA	438,186	25,324,218
		<b>\$ 197,687,402</b>
<b>Personal Products 0.4%</b>		
Avon Products, Inc.	266,551	\$ 8,033,847
		<b>\$ 8,033,847</b>
<b>Pharmaceuticals 8.4%</b>		
Abbott Laboratories	385,475	\$ 20,407,046
AstraZeneca PLC	131,580	6,107,475
Bristol-Myers Squibb Co.	592,160	14,425,018
GlaxoSmithKline PLC	576,389	11,217,719
Johnson & Johnson	467,973	29,416,783
Merck & Co., Inc.	638,018	24,359,527
Novartis AG	196,909	10,537,564
Pfizer, Inc.	1,156,656	21,583,201
Sanofi-Aventis	170,845	12,633,018
Teva Pharmaceutical Industries, Ltd. ADR	200,109	11,350,182

		<b>\$ 162,037,533</b>
<b>Real Estate Investment Trusts (REITs) 0.6%</b>		
AvalonBay Communities, Inc.	74,082	\$ 5,675,422
Boston Properties, Inc.	94,121	6,105,629
		<b>\$ 11,781,051</b>
<b>Road &amp; Rail 0.5%</b>		
CSX Corp.	229,308	\$ 9,828,141
		<b>\$ 9,828,141</b>
<b>Semiconductors &amp; Semiconductor Equipment 1.9%</b>		
ASML Holding NV ADR	553,702	\$ 17,303,188
Intel Corp.	615,126	11,933,444
NVIDIA Corp. <sup>(1)</sup>	496,272	7,637,626
		<b>\$ 36,874,258</b>
<b>Software 3.1%</b>		
Microsoft Corp.	1,350,744	\$ 38,063,966
Oracle Corp.	746,735	17,219,709
SAP AG	88,452	4,040,163
		<b>\$ 59,323,838</b>

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	<b>Shares</b>		<b>Value</b>
<b>Security</b>			
<b>Specialty Retail 3.9%</b>			
Best Buy Co., Inc.	510,658	\$	18,715,616
Gap, Inc. (The)	400,965		7,650,412
Hennes & Mauritz AB	112,804		6,638,252
Home Depot, Inc.	503,417		14,100,710
Staples, Inc.	842,496		19,764,956
TJX Companies, Inc. (The)	196,406		7,465,392
		<b>\$</b>	<b>74,335,338</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.3%</b>			
LVMH Moet Hennessy Louis Vuitton SA	44,842	\$	4,885,757
NIKE, Inc., Class B	309,244		19,714,305
		<b>\$</b>	<b>24,600,062</b>
<b>Tobacco 1.1%</b>			
British American Tobacco PLC	120,651	\$	3,988,103
Imperial Tobacco Group PLC	129,658		4,181,189
Philip Morris International, Inc.	304,921		13,876,955
		<b>\$</b>	<b>22,046,247</b>
<b>Wireless Telecommunication Services 1.5%</b>			
American Tower Corp., Class A <sup>(1)</sup>	198,599	\$	8,430,527
Rogers Communications, Inc., Class B	347,983		10,877,949
Vodafone Group PLC	4,260,992		9,103,225
		<b>\$</b>	<b>28,411,701</b>
<b>Total Common Stocks</b> <b>(identified cost \$1,883,676,409)</b>			<b>\$ 1,891,286,716</b>
<b>Convertible Preferred Stocks 0.2%</b>			
<b>Security</b>			
<b>Diversified Financial Services 0.2%</b>			
Bank of America Corp., 10.00% <sup>(2)</sup>	165,165	\$	2,493,992
<b>Total Convertible Preferred Stocks</b> <b>(identified cost \$2,477,475)</b>			<b>\$ 2,493,992</b>
<b>Short-Term Investments 1.6%</b>			

<b>Description</b>	<b>Interest (000 s omitted)</b>	<b>Value</b>
Cash Management Portfolio, 0.00% <sup>(3)</sup>	\$ 17,243	\$ 17,243,016
Eaton Vance Cash Reserves Fund, LLC, 0.11% <sup>(3)</sup>	13,334	13,333,954
 <b>Total Short-Term Investments (identified cost \$30,576,970)</b>		 <b>\$ 30,576,970</b>
 <b>Total Investments 100.0% (identified cost \$1,916,730,854)</b>		 <b>\$ 1,924,357,678</b>

**Table of Contents****Call Options Written (0.1)%**

<b>Description</b>	<b>Number of Contracts</b>	<b>Strike Price</b>	<b>Expiration Date</b>	<b>Value</b>
S&P 500 Index	2,394	\$ 1,135	2/20/10	\$ (418,950)
S&P 500 Index	6,426	1,140	2/20/10	(899,640)
<b>Total Call Options Written (premiums received \$19,869,222)</b>				<b>\$ (1,318,590)</b>
<b>Other Assets, Less Liabilities 0.1%</b>				<b>\$ 2,549,117</b>
<b>Net Assets 100.0%</b>				<b>\$ 1,925,588,205</b>

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

ADR - American Depositary Receipt

- (1) Non-income producing security.
- (2) Variable rate security. The stated interest rate represents the rate in effect at January 31, 2010.
- (3) 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, 2010. Net income allocated from the investment in Cash Management Portfolio and Eaton Vance Cash Reserves Fund, LLC for the fiscal year to date ended January 31, 2010 was \$0 and \$287, respectively.

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

<b>Country</b>	<b>Percentage of Net Assets</b>	<b>Value</b>
United States	72.4%	\$ 1,393,932,267
United Kingdom	5.7	110,351,386
Switzerland	3.9	76,896,740
Germany	3.6	69,723,221
France	3.0	57,287,211
Netherlands	2.3	44,760,037
Canada	2.1	40,846,766
Spain	1.2	23,359,788
Australia	1.1	20,143,383
Ireland	1.0	19,309,875
Italy	0.9	17,008,053
Israel	0.6	11,350,182
Brazil	0.6	10,534,149
Sweden	0.5	10,297,877
Panama	0.5	8,726,461
Finland	0.2	3,909,563
Luxembourg	0.2	3,070,041
Denmark	0.2	2,850,678
<b>Total Investments</b>	<b>100.0%</b>	<b>\$ 1,924,357,678</b>

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

<b>Aggregate cost</b>	<b>\$ 1,917,194,045</b>
Gross unrealized appreciation	\$ 191,433,296
Gross unrealized depreciation	(184,269,663)
<b>Net unrealized appreciation</b>	<b>\$ 7,163,633</b>

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

	<b>Number of Contracts</b>	<b>Premiums Received</b>
Outstanding, beginning of period	9,070	\$ 23,976,998
Options written	26,634	55,841,699
Options terminated in closing purchase transactions	(24,946)	(55,785,391)
Options expired	(1,938)	(4,164,084)



**Outstanding, end of period**

**8,820    \$ 19,869,222**

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At January 31, 2010, 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 objectives. The Fund generally intends to write 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, 2010, the aggregate fair value of 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 \$1,318,590.

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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)

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, 2010, the inputs used in valuing the Fund's investments, which are carried at value, were as follows:

Asset Description	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Common Stocks				
Consumer Discretionary	\$ 154,774,336	\$ 15,473,590	\$	\$ 170,247,926
Consumer Staples	160,420,086	71,435,403		231,855,489
Energy	158,583,071	71,880,556		230,463,627
Financials	223,264,254	71,483,614		294,747,868
Health Care	213,736,390	40,495,776		254,232,166
Industrials	164,116,845	25,290,006		189,406,851
Information Technology	306,855,041	7,699,788		314,554,829
Materials	71,115,056	3,070,041		74,185,097
Telecommunication Services	52,728,753	9,103,225		61,831,978
Utilities	40,158,338	29,602,547		69,760,885
<b>Total Common Stocks</b>	<b>\$ 1,545,752,170</b>	<b>\$ 345,534,546*</b>	<b>\$</b>	<b>\$ 1,891,286,716</b>
Convertible Preferred Stocks	\$ 2,493,992	\$	\$	\$ 2,493,992
Short-Term Investments	17,243,016	13,333,954		30,576,970
<b>Total Investments</b>	<b>\$ 1,565,489,178</b>	<b>\$ 358,868,500</b>	<b>\$</b>	<b>\$ 1,924,357,678</b>

**Liability Description**

Call Options Written	\$	(1,318,590)	\$	\$	(1,318,590)
<b>Total</b>	<b>\$</b>	<b>(1,318,590)</b>	<b>\$</b>	<b>\$</b>	<b>(1,318,590)</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, 2009 whose fair value was determined using Level 3 inputs.

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.

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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 24, 2010

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

By: /s/ Duncan W. Richardson

Duncan W. Richardson  
President

Date: March 24, 2010

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: March 24, 2010