

Edgar Filing: Eaton Vance Short Duration Diversified Income Fund - Form N-Q

Eaton Vance Short Duration Diversified Income Fund

Form N-Q

September 29, 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**

**811-21563**

**Investment Company Act File Number**

**Eaton Vance Short Duration Diversified 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

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**Item 1. Schedule of Investments**

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**Table of Contents****Eaton Vance Short Duration Diversified Income Fund****as of July 31, 2009****PORTFOLIO OF INVESTMENTS (Unaudited)****Senior Floating-Rate Interests 57.7%****Principal****Amount\*****(000 s omitted)**

|                                   | <b>Borrower/Tranche Description</b>                       | <b>Value</b>        |
|-----------------------------------|---|---------------------|
| <b>Aerospace and Defense 1.2%</b> |   |                     |
|                                   | <b>ACTS Aero Technical Support &amp; Service, Inc.</b>    |                     |
| 188                               | Term Loan, 0.00%, Maturing October 5, 2014 <sup>(2)</sup> | \$ 42,718           |
|                                   | <b>DAE Aviation Holdings, Inc.</b>                        |                     |
| 113                               | Term Loan, 4.24%, Maturing July 31, 2014                  | 93,531              |
| 115                               | Term Loan, 4.24%, Maturing July 31, 2014                  | 95,362              |
|                                   | <b>Evergreen International Aviation</b>                   |                     |
| 261                               | Term Loan, 11.50%, Maturing October 31, 2011              | 160,004             |
|                                   | <b>Hawker Beechcraft Acquisition</b>                      |                     |
| 1,866                             | Term Loan, 2.39%, Maturing March 26, 2014                 | 1,275,881           |
| 110                               | Term Loan, 2.60%, Maturing March 26, 2014                 | 75,303              |
|                                   | <b>Hexcel Corp.</b>                                       |                     |
| 500                               | Term Loan, 6.50%, Maturing May 21, 2014                   | 502,084             |
|                                   | <b>TransDigm, Inc.</b>                                    |                     |
| 1,000                             | Term Loan, 2.41%, Maturing June 23, 2013                  | 970,833             |
|                                   | <b>Vought Aircraft Industries, Inc.</b>                   |                     |
| 121                               | Term Loan, 2.94%, Maturing December 17, 2011              | 118,182             |
| 369                               | Term Loan, 7.50%, Maturing December 17, 2011              | 362,088             |
|                                   |   | <b>\$ 3,695,986</b> |
| <b>Air Transport 0.4%</b>         |   |                     |
|                                   | <b>Delta Air Lines, Inc.</b>                              |                     |
| 500                               | Term Loan, 2.23%, Maturing April 30, 2012                 | \$ 395,000          |
| 343                               | Term Loan - Second Lien, 3.55%, Maturing April 30, 2014   | 235,955             |
|                                   | <b>Northwest Airlines, Inc.</b>                           |                     |
| 813                               | Term Loan, 2.29%, Maturing December 31, 2010              | 777,030             |
|                                   |   | <b>\$ 1,407,985</b> |
| <b>Automotive 2.9%</b>            |   |                     |
|                                   | <b>Accuride Corp.</b>                                     |                     |
| 536                               | Term Loan, 3.00%, Maturing January 31, 2012               | \$ 494,166          |
|                                   | <b>Adesa, Inc.</b>  |                     |
| 885                               | Term Loan, 2.54%, Maturing October 18, 2013               | 825,570             |
|                                   | <b>Allison Transmission, Inc.</b>                         |                     |
| 794                               | Term Loan, 3.06%, Maturing September 30, 2014             | 692,092             |
|                                   | <b>Dayco Europe S.R.I.</b>                                |                     |
| EUR 222                           | Term Loan, 0.00%, Maturing June 21, 2010 <sup>(2)</sup>   | 76,957              |

|           |   |           |
|-----------|---|-----------|
|           | <b>Dayco Products, LLC</b>                                  |           |
| 491       | Term Loan, 0.00%, Maturing June 21, 2011 <sup>(2)</sup>     | 138,036   |
|           | <b>Delphi Corp.</b>   |           |
| 622       | DIP Loan, 8.25%, Maturing September 30, 2009                | 622,492   |
|           | <b>Federal-Mogul Corp.</b>                                  |           |
| 292       | Term Loan, 2.24%, Maturing December 27, 2014                | 221,342   |
| 226       | Term Loan, 2.23%, Maturing December 27, 2015                | 171,362   |
|           | <b>Ford Motor Co.</b>                                       |           |
| 487       | Term Loan, 3.50%, Maturing December 15, 2013                | 415,695   |
|           | <b>Goodyear Tire &amp; Rubber Co.</b>                       |           |
| 3,175     | Term Loan - Second Lien, 2.04%, Maturing April 30, 2010     | 2,942,168 |
|           | <b>HLI Operating Co., Inc.</b>                              |           |
| 359       | DIP Loan, 26.00%, Maturing November 30, 2009 <sup>(4)</sup> | 344,200   |
| EUR 27    | Term Loan, 3.56%, Maturing May 30, 2014                     | 2,915     |
| EUR 1,297 | Term Loan, 9.50%, Maturing May 30, 2014                     | 140,975   |
|           | <b>Keystone Automotive Operations, Inc.</b>                 |           |
| 237       | Term Loan, 3.79%, Maturing January 12, 2012                 | 112,344   |

**Table of Contents****Principal  
Amount\*****(000 s omitted)****Borrower/Tranche Description****Value**

|       |  |   |                     |
|-------|--|---|---------------------|
|       |  | <b>LKQ Corp.</b>                            |                     |
| 242   |  | Term Loan, 2.55%, Maturing October 12, 2014 | \$ 237,463          |
|       |  | <b>TriMas Corp.</b>                         |                     |
| 1,070 |  | Term Loan, 2.62%, Maturing August 2, 2011   | 965,957             |
| 296   |  | Term Loan, 2.65%, Maturing August 2, 2013   | 267,419             |
|       |  | <b>TRW Automotive, Inc.</b>                 |                     |
| 499   |  | Term Loan, 6.31%, Maturing February 2, 2014 | 474,727             |
|       |  |   | <b>\$ 9,145,880</b> |

**Beverage and Tobacco 0.0%****Culligan International Co.**

|     |     |   |                   |
|-----|-----|---|-------------------|
| EUR | 300 | Term Loan - Second Lien, 5.48%, Maturing May 31, 2013 | \$ 110,461        |
|     |     |   | <b>\$ 110,461</b> |

**Building and Development 1.2%****Brickman Group Holdings, Inc.**

|     |  |   |                     |
|-----|--|---|---------------------|
| 587 |  | Term Loan, 2.34%, Maturing January 23, 2014                     | \$ 538,984          |
|     |  | <b>Building Materials Corp. of America</b>                      |                     |
| 390 |  | Term Loan, 3.06%, Maturing February 22, 2014                    | 350,938             |
|     |  | <b>Epco/Fantome, LLC</b>  |                     |
| 440 |  | Term Loan, 2.91%, Maturing November 23, 2010                    | 336,600             |
|     |  | <b>Hovstone Holdings, LLC</b>                                   |                     |
| 134 |  | Term Loan, 5.50%, Maturing September 25, 2009 <sup>(3)(4)</sup> | 54,039              |
|     |  | <b>LNR Property Corp.</b>                                       |                     |
| 631 |  | Term Loan, 3.81%, Maturing July 3, 2011                         | 385,076             |
|     |  | <b>Mueller Water Products, Inc.</b>                             |                     |
| 404 |  | Term Loan, 6.03%, Maturing May 24, 2014                         | 372,116             |
|     |  | <b>Panoram Industries Holdings, Inc.</b>                        |                     |
| 156 |  | Term Loan, 5.00%, Maturing September 30, 2012                   | 114,865             |
|     |  | <b>Realogy Corp.</b>  |                     |
| 255 |  | Term Loan, 3.28%, Maturing September 1, 2014                    | 197,355             |
| 946 |  | Term Loan, 3.31%, Maturing September 1, 2014                    | 733,033             |
|     |  | <b>Wintergames Acquisition ULC</b>                              |                     |
| 732 |  | Term Loan, 7.79%, Maturing October 31, 2009                     | 577,461             |
|     |  |   | <b>\$ 3,660,467</b> |

**Business Equipment and Services 5.3%****Activant Solutions, Inc.**

|     |  |   |            |
|-----|--|---|------------|
| 500 |  | Term Loan, 2.48%, Maturing May 1, 2013        | \$ 452,500 |
|     |  | <b>Axiom Corp.</b>                            |            |
| 468 |  | Term Loan, 2.37%, Maturing September 15, 2012 | 450,395    |
|     |  | <b>Affiliated Computer Services</b>           |            |

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|       |  |           |
|-------|--|-----------|
| 497   | Term Loan, 2.29%, Maturing March 20, 2013<br><b>Affinion Group, Inc.</b>             | 488,852   |
| 1,394 | Term Loan, 2.79%, Maturing October 17, 2012<br><b>Allied Barton Security Service</b> | 1,328,835 |
| 199   | Term Loan, 6.75%, Maturing February 21, 2015<br><b>Education Management, LLC</b>     | 199,607   |
| 1,415 | Term Loan, 2.38%, Maturing June 1, 2013<br><b>Info USA, Inc.</b>                     | 1,358,337 |
| 88    | Term Loan, 2.60%, Maturing February 14, 2012<br><b>Intergraph Corp.</b>              | 83,590    |
| 921   | Term Loan, 2.66%, Maturing May 29, 2014<br><b>Mitchell International, Inc.</b>       | 876,696   |
| 191   | Term Loan, 2.63%, Maturing March 28, 2014<br><b>N.E.W. Holdings I, LLC</b>           | 167,013   |
| 260   | Term Loan, 2.80%, Maturing May 22, 2014<br><b>Protection One, Inc.</b>               | 240,871   |
| 1,051 | Term Loan, 2.54%, Maturing March 31, 2012<br><b>Quintiles Transnational Corp.</b>    | 1,003,835 |
| 888   | Term Loan, 2.48%, Maturing March 31, 2013  | 842,743   |

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| <b>Principal Amount*</b><br>(000 \$ omitted)   | <b>Borrower/Tranche Description</b>                                 | <b>Value</b>         |
|--|---|----------------------|
|  | <b>Sabre, Inc.</b>  |                      |
| 1,365  | Term Loan, 2.67%, Maturing September 30, 2014                       | \$ 1,103,615         |
|  | <b>Serena Software, Inc.</b>  |                      |
| 1,193  | Term Loan, 2.63%, Maturing March 10, 2013                           | 1,100,081            |
|  | <b>Sitel (Client Logic)</b>   |                      |
| 273  | Term Loan, 5.96%, Maturing January 29, 2014                         | 203,535              |
|  | <b>SunGard Data Systems, Inc.</b>                                   |                      |
| 82   | Term Loan, 2.45%, Maturing February 11, 2013                        | 77,943               |
| 2,318  | Term Loan, 4.35%, Maturing February 28, 2016                        | 2,226,215            |
|  | <b>TDS Investor Corp.</b>   |                      |
| EUR 526  | Term Loan, 3.62%, Maturing August 23, 2013                          | 584,545              |
|  | <b>Ticketmaster</b>   |                      |
| 1,000  | Term Loan, 3.60%, Maturing July 22, 2014                            | 970,000              |
|  | <b>Valassis Communications, Inc.</b>                                |                      |
| 108  | Term Loan, 2.04%, Maturing March 2, 2014                            | 103,122              |
| 481  | Term Loan, 2.04%, Maturing March 2, 2014                            | 458,234              |
|  | <b>VWR International, Inc.</b>                                      |                      |
| 950  | Term Loan, 2.79%, Maturing June 28, 2013                            | 872,021              |
|  | <b>West Corp.</b>   |                      |
| 1,677  | Term Loan, 2.67%, Maturing October 24, 2013                         | 1,593,360            |
|  |   | <b>\$ 16,785,945</b> |
| <br><b>Cable and Satellite Television 4.5%</b> |   |                      |
|  | <b>Cequel Communications, LLC</b>                                   |                      |
| 475  | Term Loan - Second Lien, 4.81%, Maturing May 5, 2014                | \$ 425,719           |
| 1,133  | Term Loan - Second Lien, 6.31%, Maturing May 5, 2014 <sup>(4)</sup> | 1,026,523            |
|  | <b>Charter Communications Operating, Inc.</b>                       |                      |
| 1,962  | Term Loan, 6.25%, Maturing April 28, 2013                           | 1,837,371            |
|  | <b>CSC Holdings, Inc.</b>   |                      |
| 1,481  | Term Loan, 2.04%, Maturing March 29, 2013                           | 1,434,220            |
|  | <b>CW Media Holdings, Inc.</b>                                      |                      |
| 1,191  | Term Loan, 3.85%, Maturing February 15, 2015                        | 1,029,104            |
|  | <b>Insight Midwest Holdings, LLC</b>                                |                      |
| 1,029  | Term Loan, 2.31%, Maturing April 6, 2014                            | 977,171              |
|  | <b>Kabel Deutschland GmbH</b>                                       |                      |
| EUR 1,000                                      | Term Loan, 2.29%, Maturing March 31, 2012                           | 1,336,575            |
|  | <b>MCC Iowa, LLC</b>  |                      |
| 1,975  | Term Loan, 2.02%, Maturing January 31, 2015                         | 1,862,784            |
|  | <b>ProSiebenSat.1 Media AG</b>                                      |                      |
| EUR 62   | Term Loan, 3.53%, Maturing March 2, 2015                            | 33,381               |
| EUR 9  | Term Loan, 3.14%, Maturing June 26, 2015                            | 10,390               |
| EUR 232  | Term Loan, 3.14%, Maturing June 26, 2015                            | 256,016              |
| EUR 62   | Term Loan, 3.78%, Maturing March 2, 2016                            | 33,381               |
|  | <b>UPC Broadband Holding B.V.</b>                                   |                      |

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|     |       |  |           |
|-----|-------|--|-----------|
| EUR | 1,394 | Term Loan, 4.52%, Maturing December 31, 2016 | 1,789,606 |
| EUR | 1,006 | Term Loan, 4.77%, Maturing December 31, 2017 | 1,291,674 |

**YPSO Holding SA**

|     |     |  |         |
|-----|-----|--|---------|
| EUR | 191 | Term Loan, 3.44%, Maturing July 28, 2014 | 202,969 |
| EUR | 312 | Term Loan, 3.44%, Maturing July 28, 2014 | 331,159 |
| EUR | 496 | Term Loan, 3.44%, Maturing July 28, 2014 | 525,938 |

**\$ 14,403,981**

**Chemicals and Plastics 3.4%**

**Ashland, Inc.**

|  |     |  |            |
|--|-----|--|------------|
|  | 254 | Term Loan, 7.65%, Maturing November 20, 2014 | \$ 259,127 |
|--|-----|--|------------|

**Brenntag Holding GmbH and Co.**

|     |       |   |           |
|-----|-------|---|-----------|
| EUR | 1,111 | Term Loan, 8.37%, Maturing December 23, 2013 <sup>(4)</sup> | 1,275,014 |
|-----|-------|---|-----------|

**Celanese Holdings, LLC**

|  |       |  |           |
|--|-------|--|-----------|
|  | 1,485 | Term Loan, 2.35%, Maturing April 2, 2014 | 1,409,891 |
|--|-------|--|-----------|

**Cognis GmbH**

|  |     |   |         |
|--|-----|---|---------|
|  | 400 | Term Loan, 2.62%, Maturing September 15, 2013 | 335,800 |
|--|-----|---|---------|

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                       | <b>Value</b>         |
|--|---|----------------------|
|  | <b>Georgia Gulf Corp.</b>                                 |                      |
| 185  | Term Loan, 9.02%, Maturing October 3, 2013                | \$ 172,024           |
|  | <b>Huntsman International, LLC</b>                        |                      |
| 2,475  | Term Loan, 2.04%, Maturing August 16, 2012                | 2,300,278            |
|  | <b>INEOS Group</b>  |                      |
| 1,218  | Term Loan, 7.50%, Maturing December 14, 2013              | 943,985              |
| 1,218  | Term Loan, 8.00%, Maturing December 14, 2014              | 943,985              |
|  | <b>Kranton Polymers, LLC</b>                              |                      |
| 624  | Term Loan, 2.63%, Maturing May 12, 2013                   | 522,282              |
|  | <b>MacDermid, Inc.</b>                                    |                      |
| EUR 363                                      | Term Loan, 2.75%, Maturing April 12, 2014                 | 365,618              |
|  | <b>Millenium Inorganic Chemicals</b>                      |                      |
| 300  | Term Loan - Second Lien, 6.35%, Maturing October 31, 2014 | 187,500              |
|  | <b>Rockwood Specialties Group, Inc.</b>                   |                      |
| EUR 1,425                                    | Term Loan, 6.25%, Maturing May 15, 2014                   | 1,970,120            |
|  |   | <b>\$ 10,685,624</b> |
| <b>Clothing/Textiles</b>                     | <b>0.4%</b>   |                      |
|  | <b>Hanesbrands, Inc.</b>                                  |                      |
| 1,000  | Term Loan, 5.24%, Maturing September 5, 2013              | \$ 1,007,407         |
| 250  | Term Loan - Second Lien, 4.25%, Maturing March 5, 2014    | 240,833              |
|  | <b>St. John Knits International, Inc.</b>                 |                      |
| 110  | Term Loan, 10.00%, Maturing March 23, 2012                | 82,775               |
|  |   | <b>\$ 1,331,015</b>  |
| <b>Conglomerates</b>                         | <b>2.0%</b>   |                      |
|  | <b>Doncasters (Dunde HoldCo 4 Ltd.)</b>                   |                      |
| 124  | Term Loan, 2.79%, Maturing July 13, 2015                  | \$ 86,413            |
| 124  | Term Loan, 3.29%, Maturing July 13, 2015                  | 86,413               |
| GBP 250                                      | Term Loan - Second Lien, 5.09%, Maturing January 13, 2016 | 195,234              |
|  | <b>Jarden Corp.</b>                                       |                      |
| 824  | Term Loan, 2.35%, Maturing January 24, 2012               | 805,791              |
| 167  | Term Loan, 2.35%, Maturing January 24, 2012               | 163,016              |
| 408  | Term Loan, 3.10%, Maturing January 24, 2012               | 404,202              |
|  | <b>Manitowoc Company, Inc. (The)</b>                      |                      |
| 249  | Term Loan, 7.50%, Maturing August 21, 2014                | 226,155              |
|  | <b>Polymer Group, Inc.</b>                                |                      |
| 1,199  | Term Loan, 2.67%, Maturing November 22, 2012              | 1,136,081            |
|  | <b>RBS Global, Inc.</b>                                   |                      |
| 2,000  | Term Loan, 2.96%, Maturing July 19, 2013                  | 1,820,000            |
|  | <b>RGIS Holdings, LLC</b>                                 |                      |
| 813  | Term Loan, 3.04%, Maturing April 30, 2014                 | 694,906              |
| 41   | Term Loan, 3.10%, Maturing April 30, 2014                 | 34,745               |

|   |  |    |                     |
|---|--|----|---------------------|
|   | <b>US Investigations Services, Inc.</b>      |    |                     |
| 516                                       | Term Loan, 3.36%, Maturing February 21, 2015 |    | 461,954             |
|   | <b>Vertrue, Inc.</b>                         |    |                     |
| 242                                       | Term Loan, 3.60%, Maturing August 16, 2014   |    | 193,465             |
|   |  |    | <b>\$ 6,308,375</b> |
| <b>Containers and Glass Products 1.7%</b> |  |    |                     |
|   | <b>Berry Plastics Corp.</b>                  |    |                     |
| 534                                       | Term Loan, 2.30%, Maturing April 3, 2015     | \$ | 455,310             |
|   | <b>Consolidated Container Co.</b>            |    |                     |
| 318                                       | Term Loan, 2.54%, Maturing March 28, 2014    |    | 285,919             |
|   | <b>Crown Americas, Inc.</b>                  |    |                     |
| EUR 970                                   | Term Loan, 2.38%, Maturing November 15, 2012 |    | 1,265,024           |
|   | <b>Graham Packaging Holdings Co.</b>         |    |                     |
| 89  | Term Loan, 2.56%, Maturing October 7, 2011   |    | 86,218              |
| 893                                       | Term Loan, 6.75%, Maturing April 5, 2014     |    | 893,176             |
|   | <b>Pregis Corp.</b>                          |    |                     |
| 944                                       | Term Loan, 2.54%, Maturing October 12, 2011  |    | 778,655             |

**Table of Contents****Principal  
Amount\*****(000 \$ omitted)****Borrower/Tranche Description****Value****Smurfit-Stone Container Corp.**

|     |   |           |                  |
|-----|---|-----------|------------------|
| 367 | DIP Loan, 8.75%, Maturing August 6, 2010          | \$        | 372,343          |
| 198 | Revolving Loan, 3.05%, Maturing December 31, 2009 |           | 187,933          |
| 596 | Term Loan, 2.89%, Maturing November 1, 2009       |           | 566,629          |
| 136 | Term Loan, 2.57%, Maturing November 1, 2011       |           | 128,749          |
| 257 | Term Loan, 2.57%, Maturing November 1, 2011       |           | 243,154          |
| 78  | Term Loan, 2.57%, Maturing November 1, 2011       |           | 73,516           |
| 120 | Term Loan, 4.50%, Maturing November 1, 2011       |           | 113,134          |
|     |   | <b>\$</b> | <b>5,449,760</b> |

**Cosmetics/Toiletries 0.3%****Bausch & Lomb, Inc.**

|     |   |    |         |
|-----|---|----|---------|
| 121 | Term Loan, 3.70%, Maturing April 30, 2015 | \$ | 114,635 |
| 475 | Term Loan, 3.85%, Maturing April 30, 2015 |    | 451,660 |

**Prestige Brands, Inc.**

|     |  |           |                  |
|-----|--|-----------|------------------|
| 464 | Term Loan, 2.54%, Maturing April 7, 2011 |           | 455,534          |
|     |  | <b>\$</b> | <b>1,021,829</b> |

**Drugs 0.2%****Pharmaceutical Holdings Corp.**

|     |   |    |        |
|-----|---|----|--------|
| 101 | Term Loan, 3.56%, Maturing January 30, 2012 | \$ | 92,243 |
|-----|---|----|--------|

**Warner Chilcott Corp.**

|     |   |           |                |
|-----|---|-----------|----------------|
| 111 | Term Loan, 2.29%, Maturing January 18, 2012 |           | 108,568        |
| 317 | Term Loan, 2.46%, Maturing January 18, 2012 |           | 309,569        |
|     |   | <b>\$</b> | <b>510,380</b> |

**Ecological Services and Equipment 0.4%****Big Dumpster Merger Sub, Inc.**

|    |   |    |        |
|----|---|----|--------|
| 95 | Term Loan, 2.54%, Maturing February 5, 2013 | \$ | 55,439 |
|----|---|----|--------|

**Blue Waste B.V. (AVR Acquisition)**

|     |     |  |  |         |
|-----|-----|--|--|---------|
| EUR | 500 | Term Loan, 2.79%, Maturing April 1, 2015 |  | 637,822 |
|-----|-----|--|--|---------|

**Sensus Metering Systems, Inc.**

|     |   |  |         |
|-----|---|--|---------|
| 353 | Term Loan, 7.00%, Maturing June 3, 2013 |  | 349,179 |
|-----|---|--|---------|

**Wastequip, Inc.**

|     |   |           |                  |
|-----|---|-----------|------------------|
| 390 | Term Loan, 2.54%, Maturing February 5, 2013 |           | 228,072          |
|     |   | <b>\$</b> | <b>1,270,512</b> |

**Electronics/Electrical 1.8%****Aspect Software, Inc.**

|     |  |    |         |
|-----|--|----|---------|
| 369 | Term Loan, 3.31%, Maturing July 11, 2011 | \$ | 321,195 |
|-----|--|----|---------|

|     |  |  |         |
|-----|--|--|---------|
| 500 | Term Loan - Second Lien, 7.38%, Maturing July 11, 2013 |  | 271,250 |
|-----|--|--|---------|

|       |  |         |
|-------|--|---------|
|       | <b>Freescale Semiconductor, Inc.</b>                   |         |
| 1,186 | Term Loan, 2.06%, Maturing December 1, 2013            | 881,140 |
|       | <b>Infor Enterprise Solutions Holdings</b>             |         |
| 383   | Term Loan, 4.04%, Maturing July 28, 2012               | 329,761 |
| 735   | Term Loan, 4.04%, Maturing July 28, 2012               | 632,042 |
| 250   | Term Loan, 5.79%, Maturing March 2, 2014               | 138,750 |
| 92    | Term Loan - Second Lien, 6.54%, Maturing March 2, 2014 | 48,125  |
| 158   | Term Loan - Second Lien, 6.54%, Maturing March 2, 2014 | 87,083  |
|       | <b>Network Solutions, LLC</b>                          |         |
| 695   | Term Loan, 2.84%, Maturing March 7, 2014               | 606,476 |
|       | <b>Open Solutions, Inc.</b>                            |         |
| 318   | Term Loan, 2.63%, Maturing January 23, 2014            | 226,526 |
|       | <b>Sensata Technologies Finance Co.</b>                |         |
| 977   | Term Loan, 2.25%, Maturing April 27, 2013              | 823,706 |
|       | <b>Spectrum Brands, Inc.</b>                           |         |
| 16    | Term Loan, 2.60%, Maturing March 30, 2013              | 15,112  |
| 324   | Term Loan, 6.25%, Maturing March 30, 2013              | 297,284 |
|       | <b>SS&amp;C Technologies, Inc.</b>                     |         |
| 383   | Term Loan, 2.48%, Maturing November 23, 2012           | 344,137 |

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                        | <b>Value</b>        |
|--|--|---------------------|
|  | <b>Vertafore, Inc.</b>                                     |                     |
| 485  | Term Loan, 3.16%, Maturing January 31, 2012                | \$ 463,247          |
| 275  | Term Loan - Second Lien, 6.66%, Maturing January 31, 2013  | 222,750             |
|  |  | <b>\$ 5,708,584</b> |
| <b>Equipment Leasing</b>                     | <b>0.1%</b>  |                     |
|  | <b>AWAS Capital, Inc.</b>                                  |                     |
| 491  | Term Loan - Second Lien, 6.63%, Maturing March 22, 2013    | \$ 224,443          |
|  |  | <b>\$ 224,443</b>   |
| <b>Farming/Agriculture</b>                   | <b>0.1%</b>  |                     |
|  | <b>BF Bolthouse HoldCo, LLC</b>                            |                     |
| 375  | Term Loan - Second Lien, 5.79%, Maturing December 16, 2013 | \$ 325,781          |
|  |  | <b>\$ 325,781</b>   |
| <b>Financial Intermediaries</b>              | <b>0.4%</b>  |                     |
|  | <b>Citco III, Ltd.</b>                                     |                     |
| 988  | Term Loan, 2.85%, Maturing June 30, 2014                   | \$ 691,879          |
|  | <b>Jupiter Asset Management Group</b>                      |                     |
| GBP 213                                      | Term Loan, 3.11%, Maturing June 30, 2015                   | 269,621             |
|  | <b>LPL Holdings, Inc.</b>                                  |                     |
| 492  | Term Loan, 2.19%, Maturing December 18, 2014               | 451,817             |
|  |  | <b>\$ 1,413,317</b> |
| <b>Food Products</b>                         | <b>1.3%</b>  |                     |
|  | <b>Acosta, Inc.</b>  |                     |
| 606  | Term Loan, 2.54%, Maturing July 28, 2013                   | \$ 576,695          |
|  | <b>Advantage Sales &amp; Marketing, Inc.</b>               |                     |
| 918  | Term Loan, 2.31%, Maturing March 29, 2013                  | 877,259             |
|  | <b>American Seafoods Group, LLC</b>                        |                     |
| 577  | Term Loan, 2.04%, Maturing September 30, 2011              | 524,686             |
|  | <b>Michael Foods, Inc.</b>                                 |                     |
| 197  | Term Loan, 6.50%, Maturing April 30, 2014                  | 198,970             |
|  | <b>Pinnacle Foods Finance, LLC</b>                         |                     |
| 1,054  | Term Loan, 3.06%, Maturing April 2, 2014                   | 963,953             |
|  | <b>Reddy Ice Group, Inc.</b>                               |                     |
| 925  | Term Loan, 2.04%, Maturing August 9, 2012                  | 747,708             |
|  | <b>Wrigley Company</b>                                     |                     |
| 251  | Term Loan, 6.50%, Maturing October 6, 2014                 | 254,528             |
|  |  | <b>\$ 4,143,799</b> |

**Food Service 1.4%**

|     |       |   |              |
|-----|-------|---|--------------|
|     |       | <b>Aramark Corp.</b>  |              |
|     | 1,881 | Term Loan, 2.47%, Maturing January 26, 2014                               | \$ 1,788,854 |
|     | 119   | Term Loan, 3.75%, Maturing January 26, 2014                               | 113,645      |
| GBP | 536   | Term Loan, 3.33%, Maturing January 27, 2014                               | 833,074      |
|     |       | <b>Buffets, Inc.</b>  |              |
|     | 30    | Term Loan, 7.85%, Maturing November 1, 2013 <sup>(4)</sup>                | 13,964       |
|     | 140   | Term Loan - Second Lien, 19.12%, Maturing November 1, 2013 <sup>(4)</sup> | 65,596       |
|     |       | <b>Denny s, Inc.</b>  |              |
|     | 37    | Term Loan, 2.38%, Maturing March 31, 2012                                 | 35,150       |
|     | 117   | Term Loan, 3.43%, Maturing March 31, 2012                                 | 110,820      |
|     |       | <b>JRD Holdings, Inc.</b>   |              |
|     | 616   | Term Loan, 2.54%, Maturing June 26, 2014                                  | 592,762      |
|     |       | <b>OSI Restaurant Partners, LLC</b>                                       |              |
|     | 19    | Term Loan, 3.05%, Maturing May 9, 2013                                    | 14,427       |
|     | 208   | Term Loan, 2.63%, Maturing May 9, 2014                                    | 159,629      |

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                          | <b>Value</b>        |
|--|--|---------------------|
|  | <b>QCE Finance, LLC</b>                                      |                     |
| 275  | Term Loan - Second Lien, 6.35%, Maturing November 5, 2013    | \$ 144,375          |
|  | <b>Selecta</b>   |                     |
| EUR 741                                      | Term Loan, 3.71%, Maturing June 28, 2015                     | 598,242             |
|  |  | <b>\$ 4,470,538</b> |
| <b>Food/Drug Retailers</b>                   | <b>1.6%</b>  |                     |
|  | <b>General Nutrition Centers, Inc.</b>                       |                     |
| 774  | Term Loan, 2.73%, Maturing September 16, 2013                | \$ 707,319          |
|  | <b>Iceland Foods Group, Ltd.</b>                             |                     |
| GBP 53                                       | Term Loan, 2.36%, Maturing May 2, 2014                       | 87,222              |
| GBP 250                                      | Term Loan, 3.11%, Maturing May 2, 2015                       | 408,564             |
|  | <b>Rite Aid Corp.</b>  |                     |
| 995  | Term Loan, 2.05%, Maturing June 1, 2014                      | 828,057             |
| 1,492  | Term Loan, 6.00%, Maturing June 4, 2014                      | 1,348,830           |
|  | <b>Rite Aid Funding II</b>                                   |                     |
| 500  | Term Loan - Second Lien, 15.00%, Maturing September 14, 2010 | 510,000             |
|  | <b>Roundy's Supermarkets, Inc.</b>                           |                     |
| 1,165  | Term Loan, 3.05%, Maturing November 3, 2011                  | 1,135,019           |
|  |  | <b>\$ 5,025,011</b> |
| <b>Forest Products</b>                       | <b>1.3%</b>  |                     |
|  | <b>Appleton Papers, Inc.</b>                                 |                     |
| 499  | Term Loan, 6.50%, Maturing June 5, 2014                      | \$ 436,387          |
|  | <b>Georgia-Pacific Corp.</b>                                 |                     |
| 1,920  | Term Loan, 2.31%, Maturing December 20, 2012                 | 1,857,670           |
| 427  | Term Loan, 3.77%, Maturing December 23, 2014                 | 417,969             |
|  | <b>Newpage Corp.</b>   |                     |
| 1,789  | Term Loan, 4.06%, Maturing December 5, 2014                  | 1,555,147           |
|  |  | <b>\$ 4,267,173</b> |
| <b>Healthcare</b>                            | <b>5.3%</b>  |                     |
|  | <b>Accellent, Inc.</b>                                       |                     |
| 986  | Term Loan, 3.17%, Maturing November 22, 2012                 | \$ 897,694          |
|  | <b>American Medical Systems</b>                              |                     |
| 253  | Term Loan, 2.56%, Maturing July 20, 2012                     | 245,430             |
|  | <b>AMR HoldCo, Inc.</b>                                      |                     |
| 287  | Term Loan, 2.30%, Maturing February 10, 2012                 | 274,684             |
|  | <b>Biomet, Inc.</b>  |                     |
| 761  | Term Loan, 3.58%, Maturing December 26, 2014                 | 723,484             |
| EUR 344                                      | Term Loan, 3.98%, Maturing December 26, 2014                 | 467,824             |
|  | <b>Cardinal Health 409, Inc.</b>                             |                     |

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|       |   |           |
|-------|---|-----------|
| 417   | Term Loan, 2.54%, Maturing April 10, 2014<br><b>Carestream Health, Inc.</b>           | 356,802   |
| 880   | Term Loan, 2.29%, Maturing April 30, 2013<br><b>Carl Zeiss Vision Holding GmbH</b>    | 812,967   |
| 400   | Term Loan, 2.79%, Maturing March 23, 2015<br><b>Community Health Systems, Inc.</b>    | 198,000   |
| 105   | Term Loan, 2.54%, Maturing July 25, 2014  | 98,475    |
| 2,049 | Term Loan, 2.90%, Maturing July 25, 2014<br><b>Concentra, Inc.</b>                    | 1,929,655 |
| 494   | Term Loan, 2.85%, Maturing June 25, 2014<br><b>Dako EQT Project Delphi</b>            | 439,361   |
| 250   | Term Loan - Second Lien, 4.35%, Maturing December 12, 2016<br><b>DJO Finance, LLC</b> | 105,417   |
| 197   | Term Loan, 3.41%, Maturing May 15, 2014<br><b>Fenwal, Inc.</b>                        | 184,523   |
| 426   | Term Loan, 2.92%, Maturing February 28, 2014  | 363,011   |
| 73    | Term Loan, 2.92%, Maturing February 28, 2014<br><b>HCA, Inc.</b>                      | 61,894    |
| 2,066 | Term Loan, 2.85%, Maturing November 18, 2013  | 1,943,418 |

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>          | <b>Value</b>         |
|--|--|----------------------|
|  | <b>Health Management Association, Inc.</b>   |                      |
| 1,030  | Term Loan, 2.35%, Maturing February 28, 2014 | \$ 959,381           |
|  | <b>HealthSouth Corp.</b>                     |                      |
| 482  | Term Loan, 2.54%, Maturing March 10, 2013    | 460,499              |
|  | <b>IM U.S. Holdings, LLC</b>                 |                      |
| 816  | Term Loan, 2.42%, Maturing June 26, 2014     | 786,043              |
|  | <b>Invacare Corp.</b>                        |                      |
| 150  | Term Loan, 2.54%, Maturing February 12, 2013 | 135,000              |
|  | <b>MultiPlan Merger Corp.</b>                |                      |
| 431  | Term Loan, 2.81%, Maturing April 12, 2013    | 410,791              |
|  | <b>Mylan, Inc.</b>                           |                      |
| 1,000  | Term Loan, 3.81%, Maturing October 2, 2014   | 974,200              |
|  | <b>National Mentor Holdings, Inc.</b>        |                      |
| 275  | Term Loan, 2.60%, Maturing June 29, 2013     | 235,788              |
| 17   | Term Loan, 4.59%, Maturing June 29, 2013     | 14,420               |
|  | <b>Nyco Holdings</b>                         |                      |
| EUR 308                                      | Term Loan, 3.37%, Maturing December 29, 2014 | 398,161              |
| EUR 308                                      | Term Loan, 4.12%, Maturing December 29, 2015 | 398,161              |
|  | <b>P&amp;F Capital S.A.R.L.</b>              |                      |
| EUR 63                                       | Term Loan, 3.95%, Maturing February 21, 2014 | 87,590               |
| EUR 204                                      | Term Loan, 3.95%, Maturing February 21, 2014 | 281,824              |
| EUR 122                                      | Term Loan, 3.95%, Maturing February 21, 2014 | 168,713              |
| EUR 98                                       | Term Loan, 3.95%, Maturing February 21, 2014 | 135,349              |
| EUR 92                                       | Term Loan, 4.45%, Maturing February 21, 2015 | 127,271              |
| EUR 34                                       | Term Loan, 4.45%, Maturing February 21, 2015 | 47,298               |
| EUR 71                                       | Term Loan, 4.45%, Maturing February 21, 2015 | 98,187               |
| EUR 290                                      | Term Loan, 4.45%, Maturing February 21, 2015 | 400,042              |
|  | <b>ReAble Therapeutics Finance, LLC</b>      |                      |
| 434  | Term Loan, 2.47%, Maturing November 16, 2013 | 422,868              |
|  | <b>Select Medical Corp.</b>                  |                      |
| 491  | Term Loan, 2.72%, Maturing February 24, 2012 | 469,511              |
|  | <b>Select Medical Holdings Corp.</b>         |                      |
| 479  | Term Loan, 2.72%, Maturing February 24, 2012 | 457,605              |
|  | <b>Viant Holdings, Inc.</b>                  |                      |
| 483  | Term Loan, 2.85%, Maturing June 25, 2014     | 419,831              |
|  |  | <b>\$ 16,991,172</b> |
| <b>Home Furnishings</b>                      | <b>0.8%</b>                                  |                      |
|  | <b>Interline Brands, Inc.</b>                |                      |
| 264  | Term Loan, 1.98%, Maturing June 23, 2013     | \$ 238,497           |
| 148  | Term Loan, 1.98%, Maturing June 23, 2013     | 133,783              |
|  | <b>National Bedding Co., LLC</b>             |                      |
| 995  | Term Loan, 2.31%, Maturing August 31, 2011   | 868,048              |
|  | <b>Oreck Corp.</b>                           |                      |

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|       |   |                     |
|-------|---|---------------------|
| 442   | Term Loan, 0.00%, Maturing February 2, 2012 <sup>(2)(3)</sup><br><b>Simmons Co.</b> | 138,366             |
| 1,307 | Term Loan, 10.50%, Maturing December 19, 2011                                       | 1,241,271           |
|       |   | <b>\$ 2,619,965</b> |

**Industrial Equipment 1.4%**

|     |   |            |
|-----|---|------------|
|     | <b>Brand Energy and Infrastructure Services, Inc.</b>   |            |
| 197 | Term Loan, 3.67%, Maturing February 7, 2014<br><b>CEVA Group PLC U.S.</b>                         | \$ 183,973 |
| 752 | Term Loan, 3.29%, Maturing January 4, 2014  | 561,692    |
| 263 | Term Loan, 3.29%, Maturing January 4, 2014  | 196,413    |
| 262 | Term Loan, 3.60%, Maturing January 4, 2014<br><b>EPD Holdings (Goodyear Engineering Products)</b> | 188,286    |
| 86  | Term Loan, 2.55%, Maturing July 13, 2014  | 58,608     |
| 602 | Term Loan, 2.55%, Maturing July 13, 2014  | 409,211    |
| 200 | Term Loan - Second Lien, 6.05%, Maturing July 13, 2015  | 79,500     |

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>          | <b>Value</b>        |
|--|--|---------------------|
|  | <b>Generac Acquisition Corp.</b>             |                     |
| 363  | Term Loan, 2.81%, Maturing November 7, 2013  | \$ 285,266          |
|  | <b>Gleason Corp.</b>                         |                     |
| 175  | Term Loan, 2.42%, Maturing June 30, 2013     | 163,525             |
| 20   | Term Loan, 2.42%, Maturing June 30, 2013     | 18,783              |
|  | <b>John Maneely Co.</b>                      |                     |
| 1,502  | Term Loan, 3.63%, Maturing December 8, 2013  | 1,175,985           |
|  | <b>Polypore, Inc.</b>                        |                     |
| 833  | Term Loan, 2.56%, Maturing July 3, 2014      | 787,185             |
|  | <b>Sequa Corp.</b>                           |                     |
| 397  | Term Loan, 3.84%, Maturing November 30, 2014 | 324,688             |
|  | <b>TFS Acquisition Corp.</b>                 |                     |
| 219  | Term Loan, 5.10%, Maturing August 11, 2013   | 101,201             |
|  |  | <b>\$ 4,534,316</b> |
| <b>Insurance 1.4%</b>                        |  |                     |
|  | <b>CCC Information Services Group, Inc.</b>  |                     |
| 563  | Term Loan, 2.54%, Maturing February 10, 2013 | \$ 541,048          |
|  | <b>Conseco, Inc.</b>                         |                     |
| 778  | Term Loan, 6.50%, Maturing October 10, 2013  | 567,960             |
|  | <b>Crawford &amp; Company</b>                |                     |
| 346  | Term Loan, 3.10%, Maturing October 31, 2013  | 297,683             |
|  | <b>Crump Group, Inc.</b>                     |                     |
| 219  | Term Loan, 3.29%, Maturing August 4, 2014    | 177,682             |
|  | <b>Getty Images, Inc.</b>                    |                     |
| 1,454  | Term Loan, 6.25%, Maturing July 2, 2015      | 1,468,050           |
|  | <b>Hub International Holdings, Inc.</b>      |                     |
| 580  | Term Loan, 2.79%, Maturing June 13, 2014     | 535,124             |
| 130  | Term Loan, 2.79%, Maturing June 13, 2014     | 120,281             |
|  | <b>U.S.I. Holdings Corp.</b>                 |                     |
| 718  | Term Loan, 3.35%, Maturing May 4, 2014       | 610,268             |
|  |  | <b>\$ 4,318,096</b> |
| <b>Leisure Goods/Activities/Movies 2.9%</b>  |  |                     |
|  | <b>24 Hour Fitness Worldwide, Inc.</b>       |                     |
| 392  | Term Loan, 2.94%, Maturing June 8, 2012      | \$ 338,940          |
|  | <b>AMC Entertainment, Inc.</b>               |                     |
| 1,974  | Term Loan, 1.79%, Maturing January 26, 2013  | 1,878,665           |
|  | <b>Bombardier Recreational Products</b>      |                     |
| 524  | Term Loan, 3.30%, Maturing June 28, 2013     | 374,696             |
|  | <b>Cinemark, Inc.</b>                        |                     |
| 995  | Term Loan, 2.23%, Maturing October 5, 2013   | 956,079             |
|  | <b>Metro-Goldwyn-Mayer Holdings, Inc.</b>    |                     |

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|       |   |                     |
|-------|---|---------------------|
| 1,602 | Term Loan, 3.54%, Maturing April 8, 2012<br><b>National CineMedia, LLC</b>                      | 929,317             |
| 725   | Term Loan, 2.38%, Maturing February 13, 2015<br><b>Regal Cinemas Corp.</b>                      | 683,313             |
| 1,519 | Term Loan, 4.35%, Maturing November 10, 2010<br><b>Revolution Studios Distribution Co., LLC</b> | 1,509,202           |
| 293   | Term Loan, 4.04%, Maturing December 21, 2014  | 266,924             |
| 225   | Term Loan - Second Lien, 7.29%, Maturing June 21, 2015<br><b>Six Flags Theme Parks, Inc.</b>    | 129,375             |
| 835   | Term Loan, 2.66%, Maturing April 30, 2015<br><b>Universal City Development Partners, Ltd.</b>   | 815,082             |
| 925   | Term Loan, 6.00%, Maturing June 9, 2011<br><b>Zuffa, LLC</b>                                    | 910,416             |
| 490   | Term Loan, 2.38%, Maturing June 20, 2016  | 428,750             |
|       |   | <b>\$ 9,220,759</b> |

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| <b>Principal Amount*</b><br>(000 s omitted) | <b>Borrower/Tranche Description</b>                        | <b>Value</b>        |
|---|--|---------------------|
| <b>Lodging and Casinos</b>                  | <b>1.4%</b>  |                     |
|   | <b>Harrah s Operating Co.</b>                              |                     |
| 438   | Term Loan, 3.50%, Maturing January 28, 2015                | \$ 351,809          |
| 1,735                                       | Term Loan, 3.51%, Maturing January 28, 2015                | 1,394,698           |
|   | <b>Herbst Gaming, Inc.</b>                                 |                     |
| 995   | Term Loan, 0.00%, Maturing December 2, 2011 <sup>(2)</sup> | 451,038             |
|   | <b>Isle of Capri Casinos, Inc.</b>                         |                     |
| 216   | Term Loan, 2.04%, Maturing November 30, 2013               | 204,533             |
| 539   | Term Loan, 2.35%, Maturing November 30, 2013               | 511,331             |
| 163   | Term Loan, 2.35%, Maturing November 30, 2013               | 154,185             |
|   | <b>New World Gaming Partners, Ltd.</b>                     |                     |
| 58  | Term Loan, 3.10%, Maturing June 30, 2014                   | 38,113              |
| 287   | Term Loan, 3.10%, Maturing June 30, 2014                   | 188,176             |
|   | <b>Venetian Casino Resort/Las Vegas Sands, Inc.</b>        |                     |
| 166   | Term Loan, 2.09%, Maturing May 14, 2014                    | 131,778             |
| 824   | Term Loan, 2.09%, Maturing May 23, 2014                    | 652,235             |
|   | <b>VML US Finance, LLC</b>                                 |                     |
| 133   | Term Loan, 2.85%, Maturing May 25, 2012                    | 123,468             |
| 266   | Term Loan, 2.85%, Maturing May 25, 2013                    | 246,937             |
|   |  | <b>\$ 4,448,301</b> |
| <b>Nonferrous Metals/Minerals</b>           | <b>0.5%</b>  |                     |
|   | <b>Murray Energy Corp.</b>                                 |                     |
| 686   | Term Loan, 6.94%, Maturing January 28, 2010                | \$ 665,573          |
|   | <b>Noranda Aluminum Acquisition</b>                        |                     |
| 1,429                                       | Term Loan, 2.29%, Maturing May 18, 2014                    | 1,007,145           |
|   |  | <b>\$ 1,672,718</b> |
| <b>Oil and Gas</b>                          | <b>1.8%</b>  |                     |
|   | <b>Citgo Petroleum Corp.</b>                               |                     |
| 995   | Term Loan, 1.64%, Maturing November 15, 2012               | \$ 935,155          |
|   | <b>Dresser, Inc.</b>                                       |                     |
| 300   | Term Loan - Second Lien, 6.04%, Maturing May 4, 2015       | 231,250             |
|   | <b>Dynegy Holdings, Inc.</b>                               |                     |
| 75  | Term Loan, 1.79%, Maturing April 2, 2013                   | 72,582              |
| 925   | Term Loan, 1.79%, Maturing April 2, 2013                   | 897,049             |
|   | <b>Enterprise GP Holdings, L.P.</b>                        |                     |
| 297   | Term Loan, 2.68%, Maturing October 31, 2014                | 290,874             |
|   | <b>Hercules Offshore, Inc.</b>                             |                     |
| 995   | Term Loan, 7.58%, Maturing July 6, 2013                    | 920,304             |
|   | <b>Targa Resources, Inc.</b>                               |                     |
| 1,481                                       | Term Loan, 2.29%, Maturing October 31, 2012                | 1,455,844           |
| 818   | Term Loan, 2.60%, Maturing October 31, 2012                | 803,877             |

|                        |   |              |
|------------------------|---|--------------|
|                        |   | \$ 5,606,935 |
| <b>Publishing 4.0%</b> |   |              |
|                        | <b>American Media Operations, Inc.</b>                      |              |
| 1,481                  | Term Loan, 10.00%, Maturing January 31, 2013 <sup>(4)</sup> | \$ 1,187,229 |
|                        | <b>CanWest Media Works, Ltd.</b>                            |              |
| 221                    | Term Loan, 4.75%, Maturing July 10, 2014                    | 116,058      |
|                        | <b>GateHouse Media Operating, Inc.</b>                      |              |
| 739                    | Term Loan, 2.29%, Maturing August 28, 2014                  | 186,894      |
| 311                    | Term Loan, 2.30%, Maturing August 28, 2014                  | 78,606       |
|                        | <b>Idearc, Inc.</b>   |              |
| 2,716                  | Term Loan, 0.00%, Maturing November 17, 2014 <sup>(2)</sup> | 1,253,959    |
|                        | <b>Laureate Education, Inc.</b>                             |              |
| 59                     | Term Loan, 3.75%, Maturing August 17, 2014                  | 52,176       |
| 394                    | Term Loan, 3.75%, Maturing August 17, 2014                  | 348,637      |
|                        | <b>MediaNews Group, Inc.</b>                                |              |
| 198                    | Term Loan, 6.79%, Maturing August 2, 2013                   | 40,317       |

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| <b>Principal Amount*</b><br>(000 \$ omitted) | <b>Borrower/Tranche Description</b>                        | <b>Value</b>         |
|--|--|----------------------|
|  | <b>Mediannuaire Holding</b>                                |                      |
| EUR 234                                      | Term Loan, 2.90%, Maturing October 10, 2014                | \$ 196,354           |
| EUR 234                                      | Term Loan, 3.40%, Maturing October 10, 2015                | 196,354              |
|  | <b>Nebraska Book Co., Inc.</b>                             |                      |
| 712  | Term Loan, 9.25%, Maturing March 4, 2011                   | 705,374              |
|  | <b>Nielsen Finance, LLC</b>                                |                      |
| 1,717  | Term Loan, 2.30%, Maturing August 9, 2013                  | 1,601,332            |
|  | <b>Philadelphia Newspapers, LLC</b>                        |                      |
| 212  | Term Loan, 0.00%, Maturing June 29, 2013 <sup>(2)</sup>    | 46,733               |
|  | <b>R.H. Donnelley Corp.</b>                                |                      |
| 917  | Term Loan, 6.75%, Maturing June 30, 2010                   | 707,478              |
|  | <b>Reader's Digest Association, Inc. (The)</b>             |                      |
| 1,902  | Term Loan, 2.64%, Maturing March 2, 2014                   | 941,310              |
|  | <b>SGS International, Inc.</b>                             |                      |
| 500  | Term Loan, 2.92%, Maturing December 30, 2011               | 455,000              |
|  | <b>TL Acquisitions, Inc.</b>                               |                      |
| 494  | Term Loan, 2.79%, Maturing July 5, 2014                    | 425,421              |
|  | <b>Tribune Co.</b>   |                      |
| 179  | Term Loan, 0.00%, Maturing August 17, 2009 <sup>(2)</sup>  | 73,323               |
| 500  | Term Loan, Maturing May 17, 2014 <sup>(2)(15)</sup>        | 192,891              |
| 790  | Term Loan, 0.00%, Maturing May 17, 2014 <sup>(2)</sup>     | 325,677              |
|  | <b>World Directories Acquisition</b>                       |                      |
| EUR 867                                      | Term Loan, 3.02%, Maturing May 31, 2014                    | 749,426              |
|  | <b>Xsys, Inc.</b>  |                      |
| EUR 980                                      | Term Loan, 3.94%, Maturing September 27, 2014              | 925,024              |
|  | <b>YBR Acquisition BV</b>                                  |                      |
| EUR 450                                      | Term Loan, 3.04%, Maturing June 30, 2013                   | 411,020              |
| EUR 450                                      | Term Loan, 3.54%, Maturing June 30, 2014                   | 411,020              |
|  | <b>Yell Group, PLC</b>                                     |                      |
| 2,000  | Term Loan, 3.29%, Maturing February 10, 2013               | 1,210,000            |
|  |  | <b>\$ 12,837,613</b> |
| <b>Radio and Television</b>                  | <b>2.1%</b>  |                      |
|  | <b>Block Communications, Inc.</b>                          |                      |
| 265  | Term Loan, 2.60%, Maturing December 22, 2011               | \$ 230,876           |
|  | <b>CMP KC, LLC</b>   |                      |
| 479  | Term Loan, 6.25%, Maturing May 5, 2013 <sup>(3)</sup>      | 137,572              |
|  | <b>Intelsat Corp.</b>                                      |                      |
| 726  | Term Loan, 2.80%, Maturing January 3, 2014                 | 694,379              |
| 726  | Term Loan, 2.80%, Maturing January 3, 2014                 | 694,591              |
| 726  | Term Loan, 2.80%, Maturing January 3, 2014                 | 694,379              |
|  | <b>Ion Media Networks, Inc.</b>                            |                      |
| 113  | DIP Loan, 10.17%, Maturing May 29, 2010 <sup>(5)</sup>     | 111,495              |
| 850  | Term Loan, 0.00%, Maturing January 15, 2012 <sup>(2)</sup> | 229,500              |

|     |       |  |                     |
|-----|-------|--|---------------------|
|     |       | <b>NEP II, Inc.</b>  |                     |
|     | 171   | Term Loan, 2.54%, Maturing February 16, 2014               | 150,533             |
|     |       | <b>Nexstar Broadcasting, Inc.</b>                          |                     |
|     | 359   | Term Loan, 2.24%, Maturing October 1, 2012                 | 269,921             |
|     | 379   | Term Loan, 2.35%, Maturing October 1, 2012                 | 285,401             |
|     |       | <b>SFX Entertainment</b>                                   |                     |
|     | 336   | Term Loan, 3.72%, Maturing June 21, 2013                   | 314,491             |
|     |       | <b>Tyrol Acquisition 2 SAS</b>                             |                     |
| EUR | 250   | Term Loan, 2.54%, Maturing January 19, 2015                | 302,319             |
| EUR | 250   | Term Loan, 3.40%, Maturing January 19, 2016                | 302,320             |
|     |       | <b>Univision Communications, Inc.</b>                      |                     |
|     | 2,525 | Term Loan, 2.54%, Maturing September 29, 2014              | 2,044,725           |
|     |       | <b>Young Broadcasting, Inc.</b>                            |                     |
|     | 241   | Term Loan, 0.00%, Maturing November 3, 2012 <sup>(2)</sup> | 120,625             |
|     | 486   | Term Loan, 0.00%, Maturing November 3, 2012 <sup>(2)</sup> | 243,125             |
|     |       |  | <b>\$ 6,826,252</b> |

**Table of Contents****Principal  
Amount\***

| <b>(000 s omitted)</b>                       | <b>Borrower/Tranche Description</b>                       | <b>Value</b>        |
|--|---|---------------------|
| <b>Retailers (Except Food and Drug) 0.8%</b> |   |                     |
|  | <b>American Achievement Corp.</b>                         |                     |
| 190  | Term Loan, 6.26%, Maturing March 25, 2011                 | \$ 163,319          |
|  | <b>Josten s Corp.</b>                                     |                     |
| 375  | Term Loan, 2.64%, Maturing October 4, 2011                | 364,732             |
|  | <b>Neiman Marcus Group, Inc.</b>                          |                     |
| 206  | Term Loan, 2.50%, Maturing April 5, 2013                  | 169,506             |
|  | <b>Orbitz Worldwide, Inc.</b>                             |                     |
| 309  | Term Loan, 3.51%, Maturing July 25, 2014                  | 225,152             |
|  | <b>Oriental Trading Co., Inc.</b>                         |                     |
| 300  | Term Loan - Second Lien, 6.29%, Maturing January 31, 2013 | 52,500              |
| 446  | Term Loan, 9.75%, Maturing July 31, 2013                  | 316,789             |
|  | <b>Rent-A-Center, Inc.</b>                                |                     |
| 256  | Term Loan, 2.04%, Maturing November 15, 2012              | 245,732             |
|  | <b>Rover Acquisition Corp.</b>                            |                     |
| 414  | Term Loan, 2.72%, Maturing October 26, 2013               | 398,629             |
|  | <b>Savers, Inc.</b>                                       |                     |
| 100  | Term Loan, 3.06%, Maturing August 11, 2012                | 95,466              |
| 109  | Term Loan, 3.06%, Maturing August 11, 2012                | 104,452             |
|  | <b>Yankee Candle Company, Inc. (The)</b>                  |                     |
| 412  | Term Loan, 2.29%, Maturing February 6, 2014               | 376,683             |
|  |   | <b>\$ 2,512,960</b> |
| <b>Steel 0.2%</b>                            |   |                     |
|  | <b>Algoma Acquisition Corp.</b>                           |                     |
| 701  | Term Loan, 2.79%, Maturing June 20, 2013                  | \$ 582,206          |
|  | <b>Niagara Corp.</b>                                      |                     |
| 294  | Term Loan, 7.25%, Maturing June 29, 2014                  | 149,940             |
|  |   | <b>\$ 732,146</b>   |
| <b>Surface Transport 0.1%</b>                |   |                     |
|  | <b>Swift Transportation Co., Inc.</b>                     |                     |
| 500  | Term Loan, 3.56%, Maturing May 10, 2014                   | \$ 388,379          |
|  |   | <b>\$ 388,379</b>   |
| <b>Telecommunications 1.5%</b>               |   |                     |
|  | <b>Asurion Corp.</b>                                      |                     |
| 425  | Term Loan, 3.58%, Maturing July 13, 2012                  | \$ 410,391          |
| 250  | Term Loan - Second Lien, 6.79%, Maturing January 13, 2013 | 226,042             |
|  | <b>BCM Luxembourg, Ltd.</b>                               |                     |
| EUR 369                                      | Term Loan, 2.42%, Maturing September 30, 2014             | 449,395             |
| EUR 369                                      | Term Loan, 2.67%, Maturing September 30, 2015             | 449,445             |

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|     |     |   |                     |
|-----|-----|---|---------------------|
| EUR | 500 | Term Loan - Second Lien, 4.79%, Maturing March 31, 2016<br><b>CommScope, Inc.</b>       | 507,169             |
|     | 313 | Term Loan, 3.10%, Maturing November 19, 2014<br><b>Crown Castle Operating Co.</b>       | 306,100             |
|     | 499 | Term Loan, 1.79%, Maturing January 9, 2014<br><b>Intelsat Subsidiary Holding Co.</b>    | 474,946             |
|     | 292 | Term Loan, 2.80%, Maturing July 3, 2013<br><b>IPC Systems, Inc.</b>                     | 277,892             |
| GBP | 256 | Term Loan, 3.44%, Maturing May 31, 2014<br><b>Macquarie UK Broadcast Ventures, Ltd.</b> | 354,306             |
| GBP | 219 | Term Loan, 2.59%, Maturing December 26, 2014<br><b>Stratos Global Corp.</b>             | 305,694             |
|     | 302 | Term Loan, 3.10%, Maturing February 13, 2012<br><b>Windstream Corp.</b>                 | 293,182             |
|     | 860 | Term Loan, 1.98%, Maturing July 17, 2013  | 834,253             |
|     |     |   | <b>\$ 4,888,815</b> |

**Table of Contents****Principal****Amount\*****(000 s omitted)****Utilities 1.6%****Borrower/Tranche Description****Value**

|       |  |                     |
|-------|--|---------------------|
|       | <b>AEI Finance Holding, LLC</b>                          |                     |
| 75    | Term Loan, 5.99%, Maturing March 30, 2012                | \$ 64,291           |
| 525   | Term Loan, 3.60%, Maturing March 30, 2014                | 447,904             |
|       | <b>Astoria Generating Co.</b>                            |                     |
| 375   | Term Loan - Second Lien, 4.10%, Maturing August 23, 2013 | 339,687             |
|       | <b>Calpine Corp.</b>                                     |                     |
| 743   | DIP Loan, 3.48%, Maturing March 29, 2014                 | 683,996             |
|       | <b>Mirant North America, LLC</b>                         |                     |
| 897   | Term Loan, 2.04%, Maturing January 3, 2013               | 853,378             |
|       | <b>NRG Energy, Inc.</b>                                  |                     |
| 1,038 | Term Loan, 2.01%, Maturing June 1, 2014                  | 986,866             |
| 556   | Term Loan, 2.10%, Maturing June 1, 2014                  | 529,027             |
|       | <b>TXU Texas Competitive Electric Holdings Co., LLC</b>  |                     |
| 221   | Term Loan, 3.80%, Maturing October 10, 2014              | 171,262             |
| 1,206 | Term Loan, 3.80%, Maturing October 10, 2014              | 930,340             |
|       |  | <b>\$ 5,006,751</b> |

**Total Senior Floating-Rate Interests**  
**(identified cost \$202,573,749)**

**\$ 183,972,024****Mortgage-Backed Securities 60.0%****Collateralized Mortgage Obligations 8.7%****Principal****Amount****(000 s****omitted)****Security****Value**

|          |   |              |
|----------|---|--------------|
|          | <b>Federal Home Loan Mortgage Corp.:</b>      |              |
| \$ 6,359 | Series 2113, Class QG, 6.00%, 1/15/29         | \$ 6,770,221 |
| 3,200    | Series 2167, Class BZ, 7.00%, 6/15/29         | 3,421,125    |
| 4,159    | Series 2182, Class ZB, 8.00%, 9/15/29         | 4,585,985    |
|          | <b>Federal National Mortgage Association:</b> |              |
| \$ 229   | Series 1989-89, Class H, 9.00%, 11/25/19      | \$ 260,079   |
| 505      | Series 1991-122, Class N, 7.50%, 9/25/21      | 555,474      |
| 4,638    | Series 1993-84, Class M, 7.50%, 6/25/23       | 5,167,756    |
| 1,729    | Series 1994-42, Class K, 6.50%, 4/25/24       | 1,870,280    |
| 1,353    | Series 1997-28, Class ZA, 7.50%, 4/20/27      | 1,486,999    |
| 1,230    | Series 1997-38, Class N, 8.00%, 5/20/27       | 1,391,338    |
| 2,074    | Series G-33, Class PT, 7.00%, 10/25/21        | 2,251,421    |

**Total Collateralized Mortgage Obligations**  
 (identified cost \$25,944,314) **\$ 27,760,678**

**Commercial Mortgage-Backed Securities 2.2%**

| <b>Principal<br/>Amount<br/>(000 s<br/>omitted)</b> | <b>Security</b>   | <b>Value</b> |
|---|---|--------------|
| \$ 595  | CSFB, Series 2004-C3, Class A5, 5.113%, 7/15/36                   | \$ 575,019   |
| 700   | GEPMC, Series 2004-C1, Class A3, 4.596%, 11/10/38                 | 660,483      |
| 1,250   | GEPMC, Series 2004-C3, Class A4, 5.189%, 7/10/39 <sup>(16)</sup>  | 1,251,098    |
| 1,250   | GSMS, Series 2004-GG2, Class A6, 5.396%, 8/10/38                  | 1,161,010    |
| 1,270   | L-UCMT, Series 2004-C6, Class A6, 5.02%, 8/15/29                  | 1,149,148    |
| 1,000   | MSC, Series 2003-IQ6, Class A4, 4.97%, 12/15/41                   | 972,708      |
| 1,225   | WBCMT, Series 2004-C12, Class A4, 5.249%, 7/15/41 <sup>(16)</sup> | 1,156,807    |

**Total Commercial Mortgage-Backed Securities**  
 (identified cost \$6,690,989) **\$ 6,926,273**

**Table of Contents****Mortgage Pass-Throughs 49.1%**

| <b>Principal Amount<br/>(000 s omitted)</b> | <b>Security</b>                                       | <b>Value</b> |
|---|---|--------------|
|   | <b>Federal Home Loan Mortgage Corp.:</b>              |              |
| \$ 7,379                                    | 2.956%, with maturity at 2035 <sup>(6)</sup>          | \$ 7,517,021 |
| 11,561                                      | 5.00%, with maturity at 2019                          | 12,176,362   |
| 11,342                                      | 6.00%, with various maturities to 2029                | 12,012,374   |
| 2,459                                       | 6.15%, with maturity at 2027                          | 2,613,232    |
| 5,792                                       | 6.50%, with maturity at 2019 <sup>(7)</sup>           | 6,202,166    |
| 8,893                                       | 7.00%, with various maturities to 2035                | 9,566,346    |
| 6,005                                       | 7.50%, with various maturities to 2035                | 6,709,834    |
| 7,361                                       | 8.00%, with various maturities to 2032 <sup>(7)</sup> | 8,266,319    |
| 6,148                                       | 8.50%, with various maturities to 2031                | 7,086,020    |
| 569   | 9.00%, with maturity at 2031                          | 669,631      |
| 532   | 9.50%, with various maturities to 2022                | 612,583      |
| 1,187                                       | 11.50%, with maturity at 2019                         | 1,308,260    |
|   | <b>Federal National Mortgage Association:</b>         |              |
| \$ 8,384                                    | 5.00%, with maturity at 2013                          | \$ 8,687,000 |
| 2,897                                       | 5.50%, with maturity at 2029                          | 3,001,057    |
| 3,498                                       | 6.321%, with maturity at 2032 <sup>(6)</sup>          | 3,616,332    |
| 7,221                                       | 6.50%, with maturity at 2018                          | 7,673,951    |
| 12,314                                      | 7.00%, with various maturities to 2033                | 13,417,541   |
| 14,183                                      | 7.50%, with various maturities to 2031                | 15,842,398   |
| 4,148                                       | 8.00%, with various maturities to 2029                | 4,684,130    |
| 850   | 8.50%, with various maturities to 2027                | 969,629      |
| 1,913                                       | 9.00%, with various maturities to 2029                | 2,214,954    |
| 132   | 9.50%, with maturity at 2014                          | 138,693      |
| 1,706                                       | 10.00%, with various maturities to 2031               | 1,954,511    |
|   | <b>Government National Mortgage Association:</b>      |              |
| \$ 6,453                                    | 7.50%, with maturity at 2025                          | \$ 7,211,059 |
| 6,398                                       | 8.00%, with various maturities to 2027                | 7,291,682    |
| 3,363                                       | 9.00%, with various maturities to 2026                | 3,962,237    |
| 574   | 9.50%, with maturity at 2025                          | 659,502      |
| 702   | 11.00%, with maturity at 2018                         | 787,253      |

**Total Mortgage Pass-Throughs**  
(identified cost \$150,566,120) **\$ 156,852,077**

**Total Mortgage-Backed Securities**  
(identified cost \$183,201,423) **\$ 191,539,028**

**Asset-Backed Securities 0.0%**

| <b>Principal Amount (000 s omitted)</b> | <b>Security</b>   | <b>Value</b> |
|---|---|--------------|
| \$ 500                                  | Centurion CDO 9 Ltd., Series 2005-9A, Class D1, 5.863%, 7/17/19 <sup>(6)(8)</sup> | \$ 30,000    |

**Total Asset-Backed Securities (identified cost \$500,000)** **\$ 30,000**

**Corporate Bonds & Notes 0.2%**

| <b>Principal Amount (000 s omitted)</b> | <b>Security</b>  | <b>Value</b>      |
|---|--|-------------------|
| EUR 500                                 | <b>Building and Development 0.1%</b><br><b>Grohe Holding, Variable Rate</b><br>3.871%, 1/15/14 | \$ 505,981        |
|   |  | <b>\$ 505,981</b> |

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| <b>Principal Amount</b><br><b>(000 s omitted)</b>                              | <b>Security</b>                              | <b>Value</b>      |
|--|--|-------------------|
| <b>Telecommunications</b>  | <b>0.1%</b>                                  |                   |
|  | <b>Qwest Corp., Sr. Notes, Variable Rate</b> |                   |
| \$ 200   | 3.879%, 6/15/13                              | \$ 189,000        |
|  |  | <b>\$ 189,000</b> |
| <b>Total Corporate Bonds &amp; Notes</b><br><b>(identified cost \$846,625)</b> |  | <b>\$ 694,981</b> |

**Foreign Corporate Bonds & Notes 1.2%**

| <b>Principal Amount</b><br><b>(000 s omitted)</b>  | <b>Security</b>                                | <b>Value</b>        |
|--|--|---------------------|
|  | <b>JP Morgan Chilean Inflation Linked Note</b> |                     |
| \$ 2,337   | 3.80%, 11/17/15 <sup>(9)</sup>                 | \$ 2,465,816        |
|  | <b>Kazkommerts International</b>               |                     |
| 2,000  | 7.875%, 4/7/14                                 | 1,330,000           |
| <b>Total Foreign Corporate Bonds &amp; Notes</b><br><b>(identified cost \$3,647,650)</b> |  | <b>\$ 3,795,816</b> |

**Foreign Government Securities 8.3%**

| <b>Principal Amount</b><br><b>(000 s omitted)</b> | <b>Security</b>                 | <b>Value</b> |
|---|---------------------------------|--------------|
|   | <b>Ghana Government Bond</b>    |              |
| GHS 320   | 13.50%, 3/30/10                 | \$ 204,368   |
| GHS 1,300   | 13.67%, 6/11/12 <sup>(3)</sup>  | 736,087      |
| GHS 730   | 13.69%, 3/15/10                 | 467,965      |
|   | <b>Ivory Coast</b>              |              |
| \$ 562  | 4.00%, 3/31/28 <sup>(2)</sup>   | 206,559      |
|   | <b>Nota Do Tesouro Nacional</b> |              |
| BRL 2,972   | 6.00%, 5/15/15 <sup>(10)</sup>  | 1,549,332    |
|   | <b>Poland Government Bond</b>   |              |
| PLN 6,687   | 3.00%, 8/24/16 <sup>(17)</sup>  | 2,164,180    |
|   | <b>Republic of Georgia</b>      |              |

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|  |        |   |                      |
|--|--------|---|----------------------|
| \$   | 1,501  | 7.50%, 4/15/13<br><b>Republic of Indonesia</b>                | 1,292,061            |
| \$   | 600    | 6.875%, 1/17/18   | 610,500              |
| \$   | 1,960  | 11.625%, 3/4/19 <sup>(8)</sup><br><b>Republic of Iraq</b>     | 2,646,000            |
| \$   | 1,040  | 5.80%, 1/15/28<br><b>Republic of Macedonia</b>                | 715,000              |
| EUR  | 1,716  | 4.625%, 12/8/15<br><b>Republic of South Korea</b>             | 2,000,920            |
| \$   | 970    | 7.125%, 4/16/19<br><b>Republic of Turkey</b>                  | 1,090,944            |
| TRY  | 5,565  | 10.00%, 2/15/12 <sup>(11)</sup>                               | 4,006,397            |
| TRY  | 8,962  | 12.00%, 8/14/13 <sup>(12)</sup><br><b>Republic of Uruguay</b> | 7,048,822            |
| UYU  | 46,811 | 5.00%, 9/14/18 <sup>(13)</sup>                                | 1,843,420            |
| <b>Total Foreign Government Securities</b><br>(identified cost \$22,858,470) |        |   | <b>\$ 26,582,555</b> |

**Table of Contents****Common Stocks 0.0%**

| Shares  | Security                                   | Value            |
|---|--|------------------|
| <b>Building Products 0.0%</b>                 |  |                  |
| 234   | Euramax International, Inc. <sup>(3)</sup> | \$ 0             |
| 154   | United Subcontractors, Inc. <sup>(3)</sup> | 19,681           |
|   |  | <b>\$ 19,681</b> |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b> |  |                  |
| 6,477   | Buffets, Inc.                              | \$ 8,906         |
|   |  | <b>\$ 8,906</b>  |
| <b>Total Common Stocks</b>                    |  |                  |
| <b>(identified cost \$27,778)</b>             |  | <b>\$ 28,587</b> |

**Currency Options Purchased 0.0%**

| Description                             | Principal<br>Amount<br>of Contracts<br>(000 s omitted) | Strike<br>Price | Expiration<br>Date | Value            |
|---|--|-----------------|--------------------|------------------|
| Japanese Yen Put Option                 | JPY 741,000  | 106.91          | 4/8/10             | \$ 34,848        |
| <b>Total Currency Options Purchased</b> |  |                 |                    |                  |
| <b>(identified cost \$128,433)</b>      |  |                 |                    | <b>\$ 34,848</b> |

**Short-Term Investments 7.9%****Foreign Government Securities 4.7%**

| Principal<br>Amount<br>(000 s omitted) | Security  | Value      |
|--|---|------------|
| EGP 3,350                              | <b>Egypt Treasury Bill</b><br>0.00%, 10/27/09   | \$ 589,888 |
| ISK 89,914                             | <b>Iceland Treasury Bill</b><br>0.00%, 10/15/09 | 597,924    |
| ISK 277,352                            | 0.00%, 11/16/09                                 | 1,824,630  |
| ISK 131,164                            | <b>Iceland Treasury Note</b><br>7.00%, 3/17/10  | 881,353    |

| <b>Lebanon Treasury Bill</b>  |         |                 |                      |
|---|---------|-----------------|----------------------|
| LBP   | 560,000 | 0.00%, 9/24/09  | 369,621              |
| LBP   | 581,160 | 0.00%, 10/1/09  | 383,667              |
| LBP   | 559,000 | 0.00%, 10/8/09  | 368,692              |
| LBP   | 525,000 | 0.00%, 10/22/09 | 345,618              |
| LBP   | 586,500 | 0.00%, 12/17/09 | 379,982              |
| LBP   | 852,790 | 0.00%, 12/24/09 | 551,660              |
| LBP   | 879,100 | 0.00%, 12/31/09 | 567,790              |
| LBP   | 848,000 | 0.00%, 1/7/10   | 546,846              |
| LBP   | 570,000 | 0.00%, 1/21/10  | 366,401              |
| <b>Lebanon Treasury Note</b>  |         |                 |                      |
| LBP   | 585,000 | 9.32%, 10/8/09  | 391,098              |
| LBP   | 586,100 | 9.32%, 10/22/09 | 392,139              |
| <b>Sri Lanka Treasury Bill</b>  |         |                 |                      |
| LKR   | 192,980 | 0.00%, 10/30/09 | 1,636,789            |
| LKR   | 349,400 | 0.00%, 1/8/10   | 2,895,594            |
| LKR   | 218,000 | 0.00%, 1/15/10  | 1,809,540            |
| <b>Total Foreign Government Securities<br/>(identified cost \$14,769,194)</b> |         |                 | <b>\$ 14,899,232</b> |

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**Other Securities 3.2%**

| <b>Description</b>   | <b>Interest<br/>(000 s omitted)</b> | <b>Value</b>          |
|--|-------------------------------------|-----------------------|
| Cash Management Portfolio, 0.00% <sup>(14)</sup>                       | \$ 10,257                           | \$ 10,256,589         |
| <b>Total Other Securities<br/>(identified cost \$10,256,589)</b>       |                                     | <b>\$ 10,256,589</b>  |
| <b>Total Short-Term Investments<br/>(identified cost \$25,025,783)</b> |                                     | <b>\$ 25,155,821</b>  |
| <b>Total Investments 135.3%<br/>(identified cost \$438,809,911)</b>    |                                     | <b>\$ 431,833,660</b> |
| <b>Less Unfunded Loan Commitments 0.0%</b>                             |                                     | <b>\$ (37,633)</b>    |
| <b>Net Investments 135.3%<br/>(identified cost \$438,772,278)</b>      |                                     | <b>\$ 431,796,027</b> |
| <b>Currency Options Written (0.0)%</b>                                 |                                     |                       |

| <b>Description</b>  | <b>Principal<br/>Amount<br/>of Contracts<br/>(000 s omitted)</b> | <b>Strike<br/>Price</b> | <b>Expiration<br/>Date</b> | <b>Value</b>            |
|---|--|-------------------------|----------------------------|-------------------------|
| Japanese Yen Call Option  | JPY (1,057,000)  | 76.30                   | 4/8/10                     | \$ (114,050)            |
| <b>Total Currency Options Written<br/>(premiums received \$135,484)</b> |  |                         |                            | <b>\$ (114,050)</b>     |
| <b>Other Assets and Liabilities (35.3)%</b>                             |  |                         |                            | <b>\$ (112,626,378)</b> |
| <b>Net Assets 100.0%</b>  |  |                         |                            | <b>\$ 319,055,599</b>   |

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

|        |  |
|--------|--|
| CSFB   | - Credit Suisse First Boston                       |
| DIP    | - Debtor in Possession                             |
| GECCM  | - General Electric Commercial Mortgage Corporation |
| GSMS   | - GS Mortgage Securities Corporation II            |
| L-UCMT | - LB-UBS Commercial Mortgage Trust                 |
| MSC    | - Morgan Stanley Capital I                         |
| WBCMT  | - Wachovia Bank Commercial Mortgage Trust          |
| BRL    | - Brazilian Real                                   |
| EGP    | - Egyptian Pound                                   |
| EUR    | - Euro   |
| GBP    | - British Pound Sterling                           |
| GHS    | - Ghanaian Cedi                                    |
| ISK    | - Icelandic Krona                                  |
| JPY    | - Japanese Yen                                     |
| LBP    | - Lebanese Pound                                   |
| LKR    | - Sri Lanka Rupee                                  |
| PLN    | - Polish Zloty                                     |
| TRY    | - New Turkish Lira                                 |
| UYU    | - Uruguayan Peso                                   |

\* In U.S. dollars unless otherwise indicated.

- (1) Senior floating-rate interests (Senior Loans) often require prepayments from excess cash flows or permit the borrowers to repay at their election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, Senior Loans will have an expected average life of approximately two to four years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility and includes commitment fees on unfunded loan commitments, if any. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base rates are primarily the London Interbank Offered Rate ( LIBOR ) and

secondarily, the prime rate offered by one or more major United States banks (the Prime Rate ) and the certificate of deposit ( CD ) rate or other base lending rates used by commercial lenders.

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- (2) Defaulted security. Currently the issuer is in default with respect to interest payments.
- (3) Security valued at fair value using methods determined in good faith by or at the direction of the Trustees.
- (4) Represents a payment-in-kind security which may pay all or a portion of interest in additional par.
- (5) Unfunded or partially unfunded loan commitments. The Fund may enter into certain credit agreements all or a portion of which may be unfunded. The Fund is obligated to fund these commitments at the borrower's discretion.
- (6) Adjustable rate security. Rate shown is the rate at July 31, 2009.
- (7) Security (or a portion thereof) has been pledged to cover margin requirements on open financial futures contracts.
- (8) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At July 31, 2009, the aggregate value of these securities is \$2,676,000 or 0.8% of the Fund's net assets.
- (9) Bond pays a 3.80% coupon on the face at the end of the payment period. Principal is adjusted based on changes in the Chilean UF (Unidad de Fomento) Rate. The original face is \$2,000,000 and the current face is \$2,337,225.
- (10) Bond pays a 6.00% coupon on the face at the end of the payment period. Principal is adjusted based on the ICPA (Amplified Consumer Price Index) as determined by the Brazilian Institute of Geography and Statistics. The original face is BRL 1,615,000 and the current face is BRL 2,972,131.
- (11) Bond pays a 10.00% coupon on the face at the end of the payment period. Principal is adjusted based on the Turkey Inflation Indexed CPI. The original face is TRY 4,586,000 and the current face is TRY 5,564,882.
- (12) Bond pays a 12.00% coupon on the face at the end of the payment period. Principal is adjusted based on the Turkey Inflation Indexed CPI. The original face is TRY 8,502,000 and the current face is TRY 8,961,508.
- (13) Bond pays a 5.00% coupon on the face at the end of the payment period. Principal is adjusted based on the Uruguayan inflation rate. The original face is UYU 38,030,000 and the current face is UYU 46,810,778.
- (14) 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 \$31,438.
- (15) This Senior Loan will settle after July 31, 2009, at which time the interest rate will be determined.

- (16) Weighted average fixed-rate coupon that changes/updates monthly.
- (17) Bond pays a 3.00% coupon on the face at the end of the payment period. Principal is adjusted based on the Polish Consumer Price Index. The original face is PLN 5,827,000 and the current face is PLN 6,686,890.

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A summary of financial instruments outstanding at July 31, 2009 is as follows:

**Forward Foreign Currency Exchange Contracts****Sales**

| <b>Settlement Date</b> | <b>Deliver</b>                      | <b>In Exchange For</b>             | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|-------------------------------------|------------------------------------|---|
| 8/28/09                | British Pound Sterling<br>1,456,409 | United States Dollar<br>2,381,768  | \$ (50,956)                                       |
| 8/7/09                 | Euro<br>2,915,745                   | United States Dollar<br>4,146,189  | (9,648)   |
| 8/17/09                | Euro<br>1,422,985                   | United States Dollar<br>1,987,042  | (41,197)  |
| 8/27/09                | Euro<br>1,400,000                   | United States Dollar<br>1,990,695  | (4,828)   |
| 8/31/09                | Euro<br>14,458,552                  | United States Dollar<br>20,271,035 | (337,990)   |
| 8/31/09                | Japanese Yen<br>204,100,000         | United States Dollar<br>2,157,597  | 130   |
| 7/20/10                | Kazakhstan Tenge<br>186,263,000     | United States Dollar<br>1,142,718  | (16,719)  |
| 7/21/10                | Kazakhstan Tenge<br>185,190,000     | United States Dollar<br>1,143,148  | (9,368)   |
| 7/23/10                | Kazakhstan Tenge<br>181,859,600     | United States Dollar<br>1,120,860  | (10,454)  |
| 8/20/09                | Philippine Peso<br>71,400,000       | United States Dollar<br>1,479,088  | (4,106)   |
| 8/24/09                | Philippine Peso<br>97,600,000       | United States Dollar<br>1,993,464  | (33,358)  |
| 8/24/09                | Philippine Peso<br>55,300,000       | United States Dollar<br>1,145,568  | (2,826)   |
| 8/13/09                | South African Rand<br>18,183,562    | United States Dollar<br>2,240,045  | (98,989)  |
| 8/20/09                | South African Rand<br>39,778,983    | United States Dollar<br>4,890,458  | (219,353)   |
| 10/30/09               | Sri Lanka Rupee<br>192,980,000      | United States Dollar<br>1,654,634  | (7,971)   |
| 1/8/10                 | Sri Lanka Rupee<br>349,400,000      | United States Dollar<br>2,963,528  | (15,656)  |
| 1/15/10                | Sri Lanka Rupee<br>218,000,000      | United States Dollar<br>1,849,809  | (7,056)   |
|                        |                                     |                                    | <b>\$ (870,345)</b>                               |



**Table of Contents****Purchases**

| <b>Settlement Date</b> | <b>In Exchange For</b>              | <b>Deliver</b>                    | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|-------------------------------------|-----------------------------------|---|
| 8/21/09                | Australian Dollar<br>1,466,500      | United States Dollar<br>1,169,475 | \$ 55,629   |
| 9/2/09                 | Brazilian Real<br>2,883,492         | United States Dollar<br>1,509,287 | 27,302  |
| 8/24/09                | British Pound Sterling<br>1,460,000 | Euro<br>1,695,543                 | 21,978  |
| 8/24/09                | Colombian Peso<br>3,463,573,521     | United States Dollar<br>1,737,869 | (42,851)  |
| 8/10/09                | Indian Rupee<br>113,446,400         | United States Dollar<br>2,339,583 | 25,250  |
| 8/10/09                | Indonesian Rupiah<br>11,672,000,000 | United States Dollar<br>1,131,446 | 44,001  |
| 9/4/09                 | Indonesian Rupiah<br>11,710,000,000 | United States Dollar<br>1,175,467 | 1,418   |
| 9/28/09                | Indonesian Rupiah<br>12,600,000,000 | United States Dollar<br>1,241,624 | 20,779  |
| 8/13/09                | New Turkish Lira<br>1,995,812       | United States Dollar<br>1,273,327 | 80,582  |
| 8/20/09                | Norwegian Krone<br>18,017,300       | United States Dollar<br>2,826,465 | 111,780   |
| 8/27/09                | Norwegian Krone<br>12,390,000       | United States Dollar<br>1,973,653 | 46,530  |
| 9/3/09                 | Polish Zloty<br>15,987,300          | Euro<br>3,815,403                 | 46,122  |
| 8/31/09                | Serbian Dinar<br>76,800,000         | Euro<br>815,460                   | 4,310   |
| 9/21/09                | Serbian Dinar<br>80,500,000         | Euro<br>847,368                   | 7,976   |
| 8/17/09                | South Korean Won<br>4,262,000,000   | United States Dollar<br>3,435,019 | 34,744  |
| 7/20/10                | Ukraine Hryvnia<br>11,484,300       | United States Dollar<br>1,142,716 | (42,997)  |
| 7/21/10                | Ukraine Hryvnia<br>11,317,000       | United States Dollar<br>1,143,131 | (59,827)  |
| 7/23/10                | Ukraine Hryvnia<br>11,065,700       | United States Dollar<br>1,117,747 | (59,269)  |
| 6/15/11                | Yuan Renminbi<br>20,600,000         | United States Dollar<br>3,116,490 | (36,035)  |
| 6/15/11                | Yuan Renminbi<br>9,800,000          | United States Dollar<br>1,483,724 | (18,265)  |
| 8/26/09                | Zambian Kwacha<br>2,553,900,000     | United States Dollar<br>482,961   | 22,487  |
| 12/11/09               |                                     |                                   | 5,051   |

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|          |                |                      |            |
|----------|----------------|----------------------|------------|
|          | Zambian Kwacha | United States Dollar |            |
|          | 3,099,500,000  | 582,066              |            |
|          | Zambian Kwacha | United States Dollar |            |
| 12/21/09 | 3,170,000,000  | 587,037              | 10,971     |
|          | Zambian Kwacha | United States Dollar |            |
| 1/27/10  | 2,558,443,600  | 470,475              | 4,952      |
|          | Zambian Kwacha | United States Dollar |            |
| 5/26/10  | 3,486,700,000  | 589,368              | 23,585     |
|          | Zambian Kwacha | United States Dollar |            |
| 5/27/10  | 3,186,400,000  | 537,698              | 22,171     |
|          |                |                      |            |
|          |                |                      | \$ 358,374 |

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At July 31, 2009, closed forward foreign currency purchases and sales contracts excluded above amounted to a receivable of \$184,227 and a payable of \$72,440.

**Futures Contracts**

| <b>Expiration Date</b> | <b>Contracts</b>              | <b>Position</b> | <b>Aggregate Cost</b> | <b>Value</b>   | <b>Net Unrealized Appreciation (Depreciation)</b> |
|------------------------|-------------------------------|-----------------|-----------------------|----------------|---|
| 9/09                   | 14 Euro-Bobl                  | Short           | \$ (2,283,399)        | \$ (2,317,680) | \$ (34,281)                                       |
| 9/09                   | 10 Euro-Bund                  | Short           | (1,688,653)           | (1,739,436)    | (50,783)  |
| 9/09                   | 42 U.S. 5 Year Treasury Note  | Short           | (4,856,103)           | (4,846,078)    | 10,025  |
| 9/09                   | 44 U.S. 10 Year Treasury Note | Short           | (5,159,346)           | (5,160,376)    | (1,030)   |
|                        |                               |                 |                       |                | <b>\$ (76,069)</b>                                |

Euro-Bobl: Medium-term debt securities issued by the Federal Republic of Germany with a term to maturity of 4.5 to 5.5 years.

Euro-Bund: Long-term debt securities issued by the Federal Republic of Germany with a term to maturity of 8.5 to 10.5 years.

**Interest Rate Swaps**

| <b>Counterparty</b> | <b>Notional Amount</b> | <b>Portfolio Pays/Receives Floating Rate</b> | <b>Floating Rate Index</b>       | <b>Annual Fixed Rate</b> | <b>Termination Date</b> | <b>Net Unrealized Appreciation (Depreciation)</b> |
|---------------------|------------------------|--|----------------------------------|--------------------------|-------------------------|---|
| JPMorgan Chase Bank | BRL 3,693,637          | Pay  | Brazilian Interbank Deposit Rate | 12.73%                   | 1/02/12                 | \$ 155,682  |
| JPMorgan Chase Bank | BRL 4,309,749          | Pay  | Brazilian Interbank Deposit Rate | 10.35                    | 1/02/12                 | (116,044)   |
|                     |                        |  |                                  |                          |                         | <b>\$ 39,638</b>                                  |

BRL Brazilian Real

**Credit Default Swaps Sell Protection**

| <b>Notional Amount*</b> | <b>Contract Annual</b> | <b>Termination</b> | <b>Current</b> | <b>Net Unrealized Appreciation</b> |
|-------------------------|------------------------|--------------------|----------------|------------------------------------|
|-------------------------|------------------------|--------------------|----------------|------------------------------------|

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| Reference Entity | Counterparty                        | (000 s<br>omitted) | Fixed<br>Rate** | Date     | Market<br>Annual<br>Fixed<br>Rate*** | (Depreciation)      |
|------------------|-------------------------------------|--------------------|-----------------|----------|--------------------------------------|---------------------|
| Brazil           | JPMorgan Chase<br>Bank              | \$ 2,100           | 5.25%           | 11/20/09 | 0.53%                                | \$ 52,845           |
| Colombia         | Credit Suisse First<br>Boston, Inc. | 2,200              | 4.90            | 11/20/09 | 0.84                                 | 49,316              |
| Iceland          | JPMorgan Chase<br>Bank              | 2,600              | 1.75            | 3/20/18  | 4.92                                 | (481,229)           |
| Iceland          | Barclays Bank PLC                   | 800                | 1.88            | 3/20/18  | 4.92                                 | (141,827)           |
| Iceland          | JPMorgan Chase<br>Bank              | 800                | 1.90            | 3/20/18  | 4.92                                 | (140,866)           |
| Iceland          | JPMorgan Chase<br>Bank              | 1,000              | 2.10            | 3/20/23  | 4.77                                 | (198,885)           |
| Iceland          | JPMorgan Chase<br>Bank              | 1,000              | 2.45            | 3/20/23  | 4.77                                 | (172,145)           |
| Kazakhstan       | Citigroup, Inc.                     | 1,900              | 8.00            | 10/20/09 | 2.19                                 | 67,919              |
| Kazakhstan       | Barclays Bank PLC                   | 1,900              | 9.75            | 11/20/09 | 2.19                                 | 81,593              |
| Peru             | Citigroup, Inc.                     | 1,900              | 2.00            | 9/20/11  | 1.05                                 | 52,230              |
| Peru             | Citigroup, Inc.                     | 1,000              | 2.90            | 10/20/13 | 1.37                                 | 68,675              |
|                  |                                     |                    |                 |          |                                      | <b>\$ (762,374)</b> |

**Table of Contents****Credit Default Swaps Buy Protection**

| <b>Reference Entity</b> | <b>Counterparty</b>              | <b>Notional Amount<br/>(000 s omitted)</b> | <b>Contract Annual Fixed Rate**</b> | <b>Termination Date</b> | <b>Net Unrealized Appreciation<br/>(Depreciation)</b> |
|-------------------------|----------------------------------|--|-------------------------------------|-------------------------|---|
| Austria                 | Barclays Bank PLC                | \$ 2,200                                   | 0.44%                               | 12/20/13                | \$ 12,420   |
| Austria                 | Barclays Bank PLC                | 1,000                                      | 1.42                                | 3/20/14                 | (37,818)  |
| Brazil                  | Barclays Bank PLC                | 2,300                                      | 1.65                                | 9/20/19                 | (19,834)  |
| Italy                   | Credit Suisse First Boston, Inc. | 6,800                                      | 0.20                                | 12/20/16                | 175,762   |
| Kazakhstan              | Barclays Bank PLC                | 2,000                                      | 2.43                                | 9/20/13                 | 108,837   |
| Lebanon                 | Citigroup, Inc.                  | 1,200                                      | 3.30                                | 9/20/14                 | (10,469)  |
| Malaysia                | Barclays Bank PLC                | 2,100                                      | 2.40                                | 3/20/14                 | (155,135)   |
| Malaysia                | Citigroup, Inc.                  | 2,000                                      | 2.45                                | 3/20/14                 | (152,213)   |
| Philippines             | Credit Suisse First Boston, Inc. | 5,000                                      | 2.15                                | 9/20/11                 | (79,036)  |
| Philippines             | JPMorgan Chase Bank              | 5,000                                      | 2.17                                | 9/20/11                 | (81,240)  |
| Thailand                | Citigroup, Inc.                  | 900  | 0.95                                | 9/20/19                 | (9,288)   |
| Thailand                | Barclays Bank PLC                | 1,900                                      | 0.97                                | 9/20/19                 | (22,729)  |
| Turkey                  | JPMorgan Chase Bank              | 10,000                                     | 2.00                                | 3/20/10                 | (163,121)   |
| Turkey                  | Credit Suisse First Boston, Inc. | 10,000                                     | 2.01                                | 3/20/10                 | (164,131)   |
| Turkey                  | Credit Suisse First Boston, Inc. | 880  | 2.11                                | 1/20/13                 | (7,671)   |
| Turkey                  | Barclays Bank PLC                | 1,100                                      | 2.12                                | 1/20/13                 | (9,954)   |
| Turkey                  | JPMorgan Chase Bank              | 3,740                                      | 2.12                                | 1/20/13                 | (33,843)  |
| Turkey                  | Citigroup, Inc.                  | 2,300                                      | 2.93                                | 9/20/19                 | (155,810)   |
|                         |                                  |  |                                     |                         | <b>\$ (805,273)</b>                                   |

\* If the Fund is the seller of credit protection, the notional amount is the maximum potential amount of future payments the Fund could be required to make if a credit event, as defined in the credit default swap agreement, were to occur. At July 31, 2009, such maximum potential amount for all open credit default swaps in which the Fund is the seller was \$17,200,000.

\*\* The contract annual fixed rate represents the fixed rate of interest received by the Fund (as a seller of protection) or paid by the Fund (as a buyer of protection) annually on the notional amount of the credit default swap contract.

\*\*\* Current market annual fixed rates, utilized in determining the net unrealized appreciation or depreciation as of period end, serve as an indicator of the market's perception of the current status of the payment/performance risk associated with the credit derivative. The current market annual fixed rate of a particular reference entity reflects the cost, as quoted by the pricing vendor, of selling protection against default of that entity as of period end and may include upfront payments required to be made to enter into the agreement. The higher the fixed rate, the greater the market perceived risk of a credit event involving the reference entity. A rate identified as Defaulted

indicates a credit event has occurred for the reference entity.

**Cross-Currency Swaps**

| <b>Counterparty</b>              | <b>Notional Amount on Fixed Rate<br/>(Currency Received)</b> | <b>Notional Amount on Floating Rate<br/>(Currency Delivered)</b> | <b>Floating Rate</b>  | <b>Fixed Rate</b> | <b>Termination Date</b> | <b>Net Unrealized Depreciation</b> |
|----------------------------------|--|--|-----------------------|-------------------|-------------------------|------------------------------------|
| Citigroup, Inc.                  | TRY 1,110  | USD 687  | 3-month USD-LIBOR-BBA | 11.95%            | 2/15/12                 | \$ (131,946)                       |
| Citigroup, Inc.                  | TRY 2,367  | USD 1,427  | 3-month USD-LIBOR-BBA | 12.10             | 2/15/12                 | (322,352)                          |
| Credit Suisse First Boston, Inc. | TRY 1,799  | USD 1,039  | 3-month USD-LIBOR-BBA | 12.45             | 2/15/12                 | (292,327)                          |
| Citigroup, Inc.                  | TRY 3,434  | USD 2,044  | 3-month USD-LIBOR-BBA | 12.46             | 8/14/13                 | (522,700)                          |
|                                  |  |  |                       |                   |                         | <b>\$ (1,269,325)</b>              |

TRY New Turkish Lira

The Fund pays interest on the currency received and receives interest on the currency delivered. At the termination date, the notional amount of the currency received will be exchanged for the notional amount of the currency delivered.

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

|                                   | <b>Principal Amount<br/>of Contracts<br/>(000 s Omitted)</b> |                  | <b>Premiums<br/>Received</b> |
|-----------------------------------|--|------------------|------------------------------|
| Outstanding, beginning of period  |  |                  | \$                           |
| Options written                   | JPY  | 1,057,000        | 135,484                      |
| <b>Outstanding, end of period</b> | <b>JPY</b>   | <b>1,057,000</b> | <b>\$ 135,484</b>            |

JPY - Japanese Yen

At July 31, 2009, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

In the normal course of pursuing its investment objectives, the Fund is subject to the following risks:

**Credit Risk:** The Fund may enter into credit default swap contacts to manage its credit risk, to gain exposure to a credit in which the Fund may otherwise invest, or to enhance return.

**Foreign Exchange Risk:** The Fund holds foreign currency denominated investments. The value of these investments and related receivables and payables may change due to future changes in foreign currency exchange rates. To hedge against this risk, the Fund may enter into forward foreign currency exchange contracts. The Fund may also enter into such contracts to hedge the currency risk of investments it anticipates purchasing. The Fund may also purchase or write currency option contracts to enhance return.

**Interest Rate Risk:** The Fund holds fixed-rate bonds. The value of these bonds may decrease if interest rates rise. To hedge against this risk, the Fund may enter into interest rate and cross-currency swap contracts. The Fund may also purchase and sell U.S. Treasury and foreign debt futures contracts to hedge against changes in interest rates.

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) by risk exposure was as follows:

| <b>Risk</b>      | <b>Derivative</b>                           | <b>Fair Value</b>            |                                  |
|------------------|---|------------------------------|----------------------------------|
|                  |   | <b>Asset<br/>Derivatives</b> | <b>Liability<br/>Derivatives</b> |
| Credit           | Credit default swaps                        | \$ 669,597                   | \$ (2,237,244)                   |
|                  |   | \$ 669,597                   | \$ (2,237,244)                   |
| Foreign Exchange | Currency options purchased                  | \$ 34,848                    | \$                               |
| Foreign Exchange | Currency options written                    |                              | (114,050)                        |
| Foreign Exchange | Forward foreign currency exchange contracts | 801,975                      | (1,202,159)                      |

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|               |                      |            |                |
|---------------|----------------------|------------|----------------|
|               |                      | \$ 836,823 | \$ (1,316,209) |
| Interest Rate | Futures contracts    | \$ 10,025  | \$ (86,094)    |
| Interest Rate | Interest rate swaps  | 155,682    | (116,044)      |
| Interest Rate | Cross-currency swaps |            | (1,269,325)    |
|               |                      | \$ 165,707 | \$ (1,471,463) |

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>\$ 440,704,380</b> |
| Gross unrealized appreciation      | \$ 19,164,083         |
| Gross unrealized depreciation      | (28,072,436)          |
| <b>Net unrealized depreciation</b> | <b>\$ (8,908,353)</b> |

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)

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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:

| <b>Asset Description</b>  | <b>Quoted<br/>Prices in<br/>Active<br/>Markets for<br/>Identical<br/>Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>          |
|---|---|--|--|-----------------------|
| Senior Floating-Rate Interests (less unfunded Loan Commitments) | \$  | \$ 183,604,414   | \$ 329,977   | \$ 183,934,391        |
| Collateralized Mortgage Obligations                             |   | 27,760,678   |  | 27,760,678            |
| Commercial Mortgage-Backed Securities                           |   | 6,926,273  |  | 6,926,273             |
| Mortgage Pass-Throughs  |   | 156,852,077  |  | 156,852,077           |
| Asset-Backed Securities   |   | 30,000   |  | 30,000                |
| Corporate Bonds & Notes   |   | 694,981  |  | 694,981               |
| Foreign Corporate Bonds & Notes                                 |   | 3,795,816  |  | 3,795,816             |
| Foreign Government Securities                                   |   | 25,846,468   | 736,087  | 26,582,555            |
| Common Stocks   |   | 8,906  | 19,681   | 28,587                |
| Currency Options Purchased                                      |   | 34,848   |  | 34,848                |
| Short-Term Investments  | 10,256,589  | 14,899,232   |  | 25,155,821            |
| <b>Total Investments</b>  | <b>\$ 10,256,589</b>  | <b>\$ 420,453,693</b>  | <b>\$ 1,085,745</b>  | <b>\$ 431,796,027</b> |
| Forward Foreign Currency Exchange Contracts                     | \$  | \$ 801,975   | \$   | \$ 801,975            |
| Futures Contracts   | 10,025  |  |  | 10,025                |
| Interest Rate Swaps   |   | 155,682  |  | 155,682               |
| Credit Default Swaps  |   | 669,597  |  | 669,597               |
| <b>Total</b>  | <b>\$ 10,266,614</b>  | <b>\$ 422,080,947</b>  | <b>\$ 1,085,745</b>  | <b>\$ 433,433,306</b> |
| <b>Liability Description</b>                                    |   |  |  |                       |
| Currency Options Written  | \$  | \$ (114,050)   | \$   | \$ (114,050)          |
|   |   | (1,202,159)  |  | (1,202,159)           |

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|                          |                    |                       |           |                       |  |
|--------------------------|--------------------|-----------------------|-----------|-----------------------|--|
| Forward Foreign Currency |                    |                       |           |                       |  |
| Exchange Contracts       |                    |                       |           |                       |  |
| Futures Contracts        | (86,094)           |                       |           | (86,094)              |  |
| Interest Rate Swaps      |                    | (116,044)             |           | (116,044)             |  |
| Credit Default Swaps     |                    | (2,237,244)           |           | (2,237,244)           |  |
| Cross-Currency Swaps     |                    | (1,269,325)           |           | (1,269,325)           |  |
| <b>Total</b>             | <b>\$ (86,094)</b> | <b>\$ (4,938,822)</b> | <b>\$</b> | <b>\$ (5,024,916)</b> |  |

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The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

|  | <b>Investment<br/>in<br/>Senior<br/>Floating-Rate<br/>Interests</b> | <b>Investment in<br/>Foreign<br/>Government<br/>Securities</b> | <b>Investment<br/>in<br/>Common<br/>Stocks</b> | <b>Total</b>        |
|--|---|--|--|---------------------|
| <b>Balance as of October 31, 2008</b>  | <b>\$ 269,506</b>   | <b>\$ 1,735,349</b>  | <b>\$</b>                                      | <b>\$ 2,004,855</b> |
| Realized gains (losses)  | (243,398)   |  |  | (243,398)           |
| Change in net unrealized appreciation (depreciation)   | (83,660)  | (325,990)  |  | (409,650)           |
| Net purchases (sales)  | (12,852)  |  | 19,681   | 6,829               |
| Accrued discount (premium)   | (700)   | (939)  |  | (1,639)             |
| Net transfers to (from) Level 3  | 401,081   | (672,333)  |  | (271,252)           |
| <b>Balance as of July 31, 2009</b>   | <b>\$ 329,977</b>   | <b>\$ 736,087</b>  | <b>\$ 19,681</b>                               | <b>\$ 1,085,745</b> |
| <b>Change in net unrealized appreciation(depreciation) on investments still held as of July 31, 2009</b> | <b>\$ (239,573)</b>   | <b>\$ (173,437)</b>  | <b>\$</b>                                      | <b>\$ (413,010)</b> |

Equity securities (including common shares of closed-end investment companies) listed on a U.S. securities exchange generally are valued at the last sale price on the day of valuation or, if no sales took place on such date, at the mean between the closing bid and asked prices therefore on the exchange where such securities are principally traded. Equity securities listed on the NASDAQ Global or Global Select Market generally are valued at the NASDAQ official closing price. Unlisted or listed securities for which closing sales prices or closing quotations are not available are valued at the mean between the latest available bid and asked prices or, in the case of preferred equity securities that are not listed or traded in the over-the-counter market, by a third party pricing service that will use various techniques that consider factors including, but not limited to, prices or yields of securities with similar characteristics, benchmark yields, broker/dealer quotes, quotes of underlying common stock, issuer spreads, as well as industry and economic events.

For additional 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 Short Duration Diversified Income Fund**

By: /s/ Payson F. Swaffield

Payson F. Swaffield  
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/ Payson F. Swaffield

Payson F. Swaffield  
President

Date: September 25, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: September 25, 2009