Eaton Vance Risk-Managed Diversified Equity Income Fund
Form N-CSR
February 26, 2010

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act File Number: 811-22044
Eaton Vance Risk-Managed Diversified Equity Income Fund
(Exact Name of registrant as Specified in Charter)
Two International Place Boston, Massachusetts 02110
(Address of Principal Executive Offices)
Maureen A. Gemma
Two International Place Boston, Massachusetts 02110
(Name and Address of Agent for Services)
(617) 482-8260
(registrant s Telephone Number)
December 31
Date of Fiscal Year End
December 31, 2009
Date of Reporting Period

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Item 1. Reports to Stockholders

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Eaton Vance investment Managers EATON VANCE RISK MANAGED DIVERSIFIED EQUITY INCOME FUND

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IMPORTANT NOTICES REGARDING DISTRIBUTIONS, DELIVERY OF SHAREHOLDER DOCUMENTS, PORTFOLIO HOLDINGS AND PROXY VOTING

Managed Distribution Plan. On March 10, 2009, the Fund received authorization from the Securities and Exchange Commission to distribute long-term capital gains to shareholders more frequently than once per year. In this connection, the Board of Trustees formally approved the implementation of a Managed Distribution Plan (MDP) to make quarterly cash distributions to common shareholders, stated in terms of a fixed amount per common share.

The Fund intends to pay quarterly cash distributions equal to $0.45 per share. You should not draw any conclusions about the Fund s investment performance from the amount of these distributions or from the terms of the MDP. The MDP will be subject to regular periodic review by the Fund s Board of Trustees.

With each distribution, the Fund will issue a notice to shareholders and an accompanying press release which will provide detailed information required by the Fund s exemptive order. The Fund s Board of Trustees may amend or terminate the MDP at any time without prior notice to Fund shareholders. However, at this time there are no reasonably foreseeable circumstances that might cause the termination of the MDP.

Delivery of Shareholder Documents. The Securities and Exchange Commission (the SEC) permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called householding and it helps eliminate duplicate mailings to shareholders.

Eaton Vance, or your financial adviser, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial adviser, otherwise.

If you would prefer that your Eaton Vance documents not be householded, please contact Eaton Vance at 1-800-262-1122, or contact your financial adviser.

Your instructions that householding not apply to delivery of your Eaton Vance documents will be effective within 30 days of receipt by Eaton Vance or your financial adviser.

Portfolio Holdings. Each Eaton Vance Fund and its underlying Portfolio(s) (if applicable) will file a schedule of portfolio holdings on Form N-Q with the SEC for the first and third quarters of each fiscal year. The Form N-Q will be available on the Eaton Vance website at www.eatonvance.com, by calling Eaton Vance at 1-800-262-1122 or in the EDGAR database on the SEC s website at www.sec.gov. Form N-Q may also be reviewed and copied at the SEC s public reference room in Washington, D.C. (call 1-800-732-0330 for information on the operation of the public reference room).

Proxy Voting. From time to time, funds are required to vote proxies related to the securities held by the funds. The Eaton Vance Funds or their underlying Portfolios (if applicable) vote proxies according to a set of policies and procedures approved by the Funds and Portfolios Boards. You may obtain a description of these policies and procedures and information on how the Funds or Portfolios voted proxies relating to portfolio securities during the most recent 12 month period ended June 30, without charge, upon request, by calling 1-800-262-1122. This description is also available on the SEC s website at www.sec.gov.

Please refer to the inside back cover of this report for an important notice about the privacy policies adopted by the Eaton Vance organization.

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Eaton Vance Risk-Managed Diversified Equity Income Fund **as of December 31, 2009**

MANAGEMENT S DISCUSSION OF FUND PERFORMANCE

Economic and Market Conditions

Walter A. Row, CFA
Eaton Vance
Management
Co-Portfolio Manager
Michael A. Allison, CFA
Eaton Vance
Management
Co-Portfolio Manager

After an uncertain first quarter of 2009 in which equity markets struggled to climb back from the historic lows of 2008, stocks staged a broad-based rally that continued through year end. For 2009 overall, the S&P 500 Index was up 26.47%, the NASDAQ Composite Index increased 43.89%, and the Dow Jones Industrial Average gained 22.74%, the best annual returns for all three benchmarks since 2003.[1]

As the year began, the economy was mired in the worst recession of the post-war era, primarily a result of upheavals in the banking sector and a credit drought that led to a severe crisis of confidence for investors. Helped by the massive injections of government monetary and fiscal stimulus, the economic and financial turmoil began to moderate. As of December 31, 2009, the U.S. economy was technically no longer in recession, after the nation s gross domestic product (GDP) returned to a growth mode in the third quarter of 2009. The banking sector also found restored equilibrium. After one of the most volatile periods in equity market history, 2009 will be remembered for the sustained rally that helped replenish many of the investor losses caused by the financial crisis of 2008.

Growth outperformed value across all market capitalizations for the year. Mid-cap stocks outperformed the small- and large-cap segments of the market, although all three groups had positive returns: the Russell Midcap Index gained 40.48%, while the large-cap Russell 1000 Index returned 28.43% and the small-cap Russell 2000 Index rose 27.17%.[1]

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value or market price (as applicable) with all distributions reinvested. The Fund s performance at market price will differ from its results at NAV. Although market price performance generally reflects investment results over time, during shorter periods, returns at market price can also be affected by factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for the Fund s shares, or changes in Fund distributions. The Fund has no current intention to utilize leverage, but may do so in the future through borrowings and other permitted methods. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund s current performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Management Discussion

The Fund is a closed-end fund and trades on the New York Stock Exchange (NYSE) under the symbol ETJ. At net asset value (NAV), the Fund underperformed the S&P 500 Index, the CBOE S&P 500 BuyWrite Index and its Lipper peer group average during the 12 months ending December 31, 2009[1]. The Fund s market price traded at a 1.52% premium to NAV as of December 31, 2009.

The Fund s equity portfolio emphasized high quality stocks, which underperformed during the market s rally. Additional hedging expenses associated with the Fund s low-volatility structure also limited the Fund s upside market capture.

The Fund s primary investment objective is to provide current income and gains, with a secondary objective of capital appreciation. The Fund pursues its investment objectives by investing primarily in a portfolio of common stocks and index put options. Under normal market conditions, the Fund seeks to generate current earnings in part by employing an options strategy of writing (selling) put options on individual stocks and index call options with respect to a portion of its common stock portfolio. In spite of the previously

Total Return Performance 12/31/08 12/31/09

NYSE Symbol	**ETJ**
At Net Asset Value (NAV)	5.68%
At Market Price	3.47%
S&P 500 Index[1]	26.47%
CBOE S&P 500 BuyWrite Index[1]	25.91%
Lipper Options Arbitrage/Options Strategies Funds Average[1]	27.38%
Premium/(Discount) to NAV (12/31/09)	1.52%
Total Distributions per share	$ 1.80
Distribution Rate[2]	
At NAV	10.97%
At Market Price	10.80%

See page 3 for more performance information.

1 It is not possible to invest directly in an Index or a Lipper Classification. The Indices total returns do not reflect commissions or expenses that would have been incurred if an investor individually purchased or sold the securities represented in the Indices. The Lipper total return is the

average total return, at net asset value, of the funds that are in the same Lipper Classification as the Fund.

2 The Distribution Rate is based on the Fund s last regular distribution per share (annualized) in the period divided by the Fund s NAV or market price at the end of the period. The Fund s quarterly distributions may be comprised of ordinary income, net realized capital gains and return of capital.

Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.

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Eaton Vance Risk-Managed Diversified Equity Income Fund **as of December 31, 2009**

MANAGEMENT S DISCUSSION OF FUND PERFORMANCE

mentioned losses related to these option strategies during the 12 months ending December 31, 2009, the Fund continued to provide shareholders with attractive quarterly distributions.

As of December 31, 2009, the Fund maintained a portfolio of dividend-paying stocks, broadly diversified across the U.S. economy. Among the Fund s common stock holdings, its largest sector weightings on December 31, 2009, were information technology, financials, health care, and energy. Security selection in the energy sector benefited the Fund s performance relative to the S&P 500 Index, as did strong gains in the information technology sector and an underweighted exposure to utilities. Conversely, Fund performance was negatively affected by the recovery in the consumer discretionary and financials sectors, as the Fund s holdings in these sectors underperformed their counterparts in the S&P 500 Index. The Fund was more defensively positioned within these economically sensitive or cyclical areas of the market at a time when investors became less risk averse. The Fund s holdings in the health care sector also held back its performance versus the S&P 500 Index.

The views expressed throughout this report are those of the portfolio managers and are current only through the end of the period of the report as stated on the cover. These views are subject to change at any time based upon market or other conditions, and the investment adviser disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a fund are based on many factors, may not be relied on as an indication of trading intent on behalf of any Eaton Vance fund. Portfolio information provided in the report may not be representative of the Fund s current or future investments and may change due to active management.

As of December 31, 2009, the Fund had written index calls and long index puts on 159% of its equity holdings, comprising its collared overlay strategy. This strategy weighed on the Fund s return, as the market rallied strongly during the year.

Eaton Vance Management (EVM) terminated its sub-advisory agreement with Rampart Investment Management Company, Inc. with respect to the Fund and, effective October 20, 2009, EVM assumed responsibility for the management of the Fund s options strategy.

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Eaton Vance Risk-Managed Diversified Equity Income Fund **as of December 31, 2009**
FUND PERFORMANCE
Fund Performance

NYSE Symbol	**ETJ**
Average Annual Total Returns (at market price, New York Stock Exchange)	
One Year	3.47%
Life of Fund (7/31/07)	5.51
Average Annual Total Returns (at net asset value)	
One Year	5.68%
Life of Fund (7/31/07)	4.85

During the year ended December 31, 2008, the Fund elected to retain a portion of its realized long-term gains and pay the required federal corporate income tax on such amount. The total returns presented in the table include the economic benefit to common shareholders of the tax credit or refund available to them, which equaled their pro rata share of the tax paid by the Fund. If this benefit were not included in their returns, the returns would have been 4.01% (at market price) and 3.36% (at net asset value) for the Life of Fund.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value or market price (as applicable) with all distributions reinvested. The Fund s performance at market price will differ from its results at NAV. Although market price performance generally reflects investment results over time, during shorter periods, returns at market price can also be affected by factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for the Fund s shares, or changes in Fund distributions. The Fund has no current intention to utilize leverage, but may do so in the future through borrowings and other permitted methods. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund s current performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Fund Composition

Top 10 Holdings[1]

By total investments

JPMorgan Chase & Co.	2.6%
Apple, Inc.	2.6
Microsoft Corp.	2.5
Chevron Corp.	2.2
General Electric Co.	1.9
International Business Machines Corp.	1.9
Cisco Systems, Inc.	1.8
Goldman Sachs Group, Inc.	1.8
Exxon Mobile Corp.	1.7
AT&T, Inc.	1.7

1 Top 10 Holdings represented 20.7% of the Fund s total investments as of 12/31/09. The Top 10 Holdings are presented without the offsetting effect of the Fund s written option positions at 12/31/09. Excludes cash

equivalents.

Common Stock Sector Weightings[2]c

By total investments

[2] Reflects the Fund s total investments as of 12/31/09. Common Stock Sector Weightings are presented without the offsetting effect of the Fund s written option positions at 12/31/09. Excludes cash equivalents.

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

PORTFOLIO OF INVESTMENTS

Common Stocks 96.8%

Security	**Shares**	**Value**
Aerospace & Defense 1.6%		
General Dynamics Corp.	171,495	$ 11,690,814
Lockheed Martin Corp.	100,469	7,570,339
		$ 19,261,153
Air Freight & Logistics 0.7%		
FedEx Corp.	94,527	$ 7,888,278
		$ 7,888,278
Beverages 1.9%		
Coca-Cola Co. (The)	105,262	$ 5,999,934
PepsiCo, Inc.	262,939	15,986,691
		$ 21,986,625
Biotechnology 1.7%		
Amgen, Inc.[1]	288,981	$ 16,347,655
Celgene Corp.[1]	74,351	4,139,864

		$	**20,487,519**
Capital Markets 3.0%			
Goldman Sachs Group, Inc.	129,187	$	21,811,933
Northern Trust Corp.	138,981		7,282,604
State Street Corp.	153,073		6,664,799
		$	**35,759,336**
Chemicals 0.6%			
Monsanto Co.	86,646	$	7,083,310
		$	**7,083,310**
Commercial Banks 2.5%			
PNC Financial Services Group, Inc.	127,421	$	6,726,555
U.S. Bancorp	265,571		5,978,003
Wells Fargo & Co.	629,401		16,987,533
		$	**29,692,091**
Commercial Services & Supplies 1.0%			
Waste Management, Inc.	345,152	$	11,669,589
		$	**11,669,589**
Communications Equipment 2.6%			
Cisco Systems, Inc.[1]	934,816	$	22,379,495

QUALCOMM, Inc.	193,736		8,962,227
		$	**31,341,722**
Computers & Peripherals 6.1%			
Apple, Inc.[(1)]	151,219	$	31,886,038
Hewlett-Packard Co.	338,676		17,445,201
International Business Machines Corp.	177,072		23,178,725
		$	**72,509,964**
Consumer Finance 0.6%			
American Express Co.	161,985	$	6,563,632
		$	**6,563,632**
Diversified Financial Services 4.3%			
Bank of America Corp.	1,230,419	$	18,530,110
JPMorgan Chase & Co.	770,079		32,089,192
		$	**50,619,302**
Diversified Telecommunication Services 2.8%			
AT&T, Inc.	727,793	$	20,400,038
Verizon Communications, Inc.	370,188		12,264,328
		$	**32,664,366**

Electric Utilities 1.8%			
American Electric Power Co., Inc.	266,955	$	9,287,364
FirstEnergy Corp.	249,177		11,574,272
		$	**20,861,636**
Electrical Equipment 1.0%			
Emerson Electric Co.	275,263	$	11,726,204
		$	**11,726,204**
Electronic Equipment, Instruments & Components 1.2%			
Corning, Inc.	735,230	$	14,197,291
		$	**14,197,291**

See notes to financial statements

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

PORTFOLIO OF INVESTMENTS CONT D

Security	**Shares**	**Value**
Energy Equipment & Services 1.6%		
Diamond Offshore Drilling, Inc.	97,873	$ 9,632,661
Schlumberger, Ltd.	141,677	9,221,756
		$ 18,854,417
Food & Staples Retailing 1.8%		
CVS Caremark Corp.	227,075	$ 7,314,086
Wal-Mart Stores, Inc.	268,713	14,362,710
		$ 21,676,796
Food Products 1.6%		
Kellogg Co.	104,940	$ 5,582,808
Nestle SA	221,699	10,759,849
Nestle SA ADR	57,115	2,761,510
		$ 19,104,167
Health Care Equipment & Supplies 3.3%		
Baxter International, Inc.	185,196	$ 10,867,301
Boston Scientific Corp.(1)	877,032	7,893,288
Covidien PLC	281,417	13,477,060

Zimmer Holdings, Inc.[1]	107,594	6,359,882
		$ 38,597,531
Health Care Providers & Services 0.6%		
Fresenius Medical Care AG & Co. KGaA ADR	125,721	$ 6,664,470
		$ 6,664,470
Hotels, Restaurants & Leisure 1.6%		
Carnival Corp.[1]	193,524	$ 6,132,776
McDonald s Corp.	214,575	13,398,063
		$ 19,530,839
Household Products 3.3%		
Colgate-Palmolive Co.	242,067	$ 19,885,804
Procter & Gamble Co.	317,052	19,222,863
		$ 39,108,667
Industrial Conglomerates 2.0%		
General Electric Co.	1,536,023	$ 23,240,028
		$ 23,240,028
Insurance 2.4%		

Lincoln National Corp.	246,211	$ 6,125,730
MetLife, Inc.	264,771	9,359,655
Prudential Financial, Inc.	257,266	12,801,556
		$ 28,286,941
Internet & Catalog Retail 1.2%		
Amazon.com, Inc.(1)	107,351	$ 14,440,857
		$ 14,440,857
Internet Software & Services 0.9%		
Google, Inc., Class A(1)	17,236	$ 10,685,975
		$ 10,685,975
IT Services 1.8%		
MasterCard, Inc., Class A	51,050	$ 13,067,779
Western Union Co.	438,011	8,256,507
		$ 21,324,286
Machinery 3.1%		
Danaher Corp.	170,115	$ 12,792,648
Deere & Co.	171,369	9,269,349
Illinois Tool Works, Inc.	181,403	8,705,530
PACCAR, Inc.	170,360	6,178,957
		$ 36,946,484

Media 0.6%			
Walt Disney Co. (The)	219,157	$	7,067,813
		$	**7,067,813**
Metals & Mining 3.2%			
BHP Billiton, Ltd. ADR	87,060	$	6,667,055
Freeport-McMoRan Copper & Gold, Inc.(1)	79,705		6,399,514
Goldcorp, Inc.	474,017		18,647,829
United States Steel Corp.	108,090		5,957,921
		$	**37,672,319**
Multi-Utilities 1.5%			
PG&E Corp.	194,404	$	8,680,139
Public Service Enterprise Group, Inc.	263,396		8,757,917
		$	**17,438,056**

See notes to financial statements

Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

PORTFOLIO OF INVESTMENTS CONT D

Security	**Shares**	**Value**	
Multiline Retail 0.8%			
Target Corp.	197,825	$	9,568,795
		$	**9,568,795**
Oil, Gas & Consumable Fuels 10.0%			
Anadarko Petroleum Corp.	312,086	$	19,480,408
Chevron Corp.	342,162		26,343,052
Exxon Mobil Corp.	310,694		21,186,224
Hess Corp.	247,100		14,949,550
Occidental Petroleum Corp.	192,778		15,682,490
Total SA ADR	187,429		12,002,953
XTO Energy, Inc.	192,114		8,939,065
		$	**118,583,742**
Personal Products 0.5%			
Avon Products, Inc.	197,344	$	6,216,336
		$	**6,216,336**
Pharmaceuticals 6.4%			
Abbott Laboratories	328,682	$	17,745,541

Bristol-Myers Squibb Co.	416,789		10,523,922
Johnson & Johnson	163,214		10,512,614
Merck & Co., Inc.	319,044		11,657,868
Pfizer, Inc.	1,079,619		19,638,269
Teva Pharmaceutical Industries, Ltd. ADR	123,715		6,950,309
		$	**77,028,523**

Real Estate Investment Trusts (REITs) 0.6%			
AvalonBay Communities, Inc.	45,391	$	3,727,055
Boston Properties, Inc.	57,671		3,867,994
		$	**7,595,049**

Road & Rail 0.7%			
CSX Corp.	162,921	$	7,900,039
		$	**7,900,039**

Semiconductors & Semiconductor Equipment 2.8%			
ASML Holding NV ADR	345,537	$	11,779,356
Intel Corp.	434,879		8,871,532
NVIDIA Corp.(1)	688,858		12,867,867
		$	**33,518,755**

Software 4.0%			
Microsoft Corp.	1,006,172	$	30,678,184
Oracle Corp.	665,959		16,342,634

		$	**47,020,818**
Specialty Retail 4.5%			
Best Buy Co., Inc.	271,104	$	10,697,764
Gap, Inc. (The)	296,719		6,216,263
Home Depot, Inc.	532,774		15,413,152
Staples, Inc.	489,945		12,047,748
TJX Companies, Inc. (The)	246,310		9,002,630
		$	**53,377,557**
Textiles, Apparel & Luxury Goods 1.1%			
NIKE, Inc., Class B	190,937	$	12,615,208
		$	**12,615,208**
Tobacco 1.0%			
Philip Morris International, Inc.	237,437	$	11,442,089
		$	**11,442,089**
Wireless Telecommunication Services 0.5%			
American Tower Corp., Class A(1)	144,208	$	6,231,228
		$	**6,231,228**
Total Common Stocks (identified cost $991,278,527)		**$**	**1,146,049,803**

Put Options Purchased 2.5%

Description	**Number of Contracts**	**Strike Price**	**Expiration Date**	**Value**
S&P 500 Index	6,189	$ 975	3/20/10	$ 5,879,550
S&P 500 Index	2,359	1,025	6/19/10	9,282,665
S&P 500 Index	3,035	1,050	6/19/10	14,112,750
Total Put Options Purchased (identified cost $82,030,087)				**$ 29,274,965**

See notes to financial statements

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

PORTFOLIO OF INVESTMENTS CONT D

Short-Term Investments 3.0%

Description	**Interest (000 s omitted)**	**Value**
Cash Management Portfolio, 0.00%(2)	$ 35,640	$ 35,639,728
Total Short-Term Investments (identified cost $35,639,728)		**$ 35,639,728**
Total Investments 102.3% (identified cost $1,108,948,342)		**$ 1,210,964,496**

Covered Call Options Written (1.2)%

Description	**Number of Contracts**	**Strike Price**	**Expiration Date**	**Value**
S&P 500 Index	4,910	$ 1,105	1/16/10	$ (11,175,160)
S&P 500 Index	1,660	1,115	1/16/10	(2,679,240)
S&P 500 Index	496	1,125	1/16/10	(505,920)
Total Covered Call Options Written (premiums received $13,135,333)				**$ (14,360,320)**
Other Assets, Less Liabilities (1.1)%				**$ (13,450,470)**

Net Assets 100.0%	$	**1,183,153,706**

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

ADR - American Depositary Receipt

(1) Non-income producing security.

(2) 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 December 31, 2009.

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

FINANCIAL STATEMENTS

Statement of Assets and Liabilities

As of December 31, 2009		
Assets		
Unaffiliated investments, at value (identified cost, $1,073,308,614)	$	1,175,324,768
Affiliated investment, at value (identified cost, $35,639,728)		35,639,728
Dividends receivable		1,468,211
Tax reclaims receivable		260,049
Total assets	**$**	**1,212,692,756**
Liabilities		
Written options outstanding, at value (premiums received, $13,135,333)	$	14,360,320
Payable for investments purchased		13,923,417
Payable to affiliates:		
Investment adviser fee		996,783
Trustees fees		11,725
Accrued expenses		246,805
Total liabilities	**$**	**29,539,050**
Net Assets	**$**	**1,183,153,706**
Sources of Net Assets		
Common shares, $0.01 par value, unlimited number of shares authorized, 72,082,170 shares issued and	$	720,822

outstanding	
Additional paid-in capital	1,334,427,092
Accumulated net realized loss	(252,755,757)
Accumulated distributions in excess of net investment income	(38,647)
Net unrealized appreciation	100,800,196
Net Assets	**$ 1,183,153,706**

Net Asset Value

($1,183,153,706 ¸ 72,082,170 common shares issued and outstanding)	**$ 16.41**

Statement of Operations

For the Year Ended December 31, 2009

Investment Income

Dividends (net of foreign taxes, $423,366)	$ 23,887,867
Interest income allocated from affiliated investment	156,354
Expenses allocated from affiliated investment	(123,539)
Total investment income	**$ 23,920,682**

Expenses

Investment adviser fee	$ 11,531,349
Trustees fees and expenses	50,895
Custodian fee	319,842
Transfer and dividend disbursing agent fees	18,471
Legal and accounting services	81,184
Printing and postage	310,961
Miscellaneous	110,173

Total expenses	**$ 12,422,875**
Deduct	
Reduction of custodian fee	$ 36
Total expense reductions	**$ 36**
Net expenses	**$ 12,422,839**
Net investment income	**$ 11,497,843**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss)	
Investment transactions	$ (85,623,411)
Investment transactions allocated from affiliated investment	(76,994)
Written options	(4,798,974)
Foreign currency transactions	(86,241)
Net realized loss	**$ (90,585,620)**
Change in unrealized appreciation (depreciation)	
Investments	$ 153,109,062
Written options	(10,558,630)
Foreign currency	15,123
Net change in unrealized appreciation (depreciation)	**$ 142,565,555**
Net realized and unrealized gain	**$ 51,979,935**
Net increase in net assets from operations	**$ 63,477,778**

See notes to financial statements

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

FINANCIAL STATEMENTS CONT D

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	**Year Ended December 31, 2009**	**Year Ended December 31, 2008**
From operations		
Net investment income	$ 11,497,843	$ 11,170,928
Net realized gain (loss) from investment transactions, written options and foreign currency transactions	(90,585,620)	56,847,726
Net change in unrealized appreciation (depreciation) from investments, written options and foreign currency	142,565,555	(129,152,667)
Net increase (decrease) in net assets from operations	**$ 63,477,778**	**$ (61,134,013)**
Distributions to shareholders		
From net investment income	$ (11,504,808)	$ (11,532,334)
From net realized gain	(604,782)	(114,987,293)
Tax return of capital	(116,236,664)	
Total distributions	**$ (128,346,254)**	**$ (126,519,627)**
Capital share transactions		
Reinvestment of distributions	$ 20,545,492	$ 10,956,109
Offering costs		75,643
Net increase in net assets from capital share transactions	**$ 20,545,492**	**$ 11,031,752**
Net decrease in net assets	**$ (44,322,984)**	**$ (176,621,888)**

Net Assets				
At beginning of year	$	1,227,476,690	$	1,404,098,578
At end of year	**$**	**1,183,153,706**	**$**	**1,227,476,690**
Accumulated undistributed (distributions in excess of) net investment income included in net assets				
At end of year	**$**	**(38,647)**	**$**	**147,930**

See notes to financial statements

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

FINANCIAL STATEMENTS CONT D

Financial Highlights

	Year Ended December 31,		Period Ended December 31,
	2009	**2008**	**2007**[1]
Net asset value Beginning of period	$ 17.340	$ 20.000	$ 19.100[2]
Income (Loss) From Operations			
Net investment income[3]	$ 0.161	$ 0.159	$ 0.106
Net realized and unrealized gain (loss)	0.709	(1.020)[4]	1.265
Total income (loss) from operations	**$ 0.870**	**$ (0.861)**	**$ 1.371**
Less Distributions			
From net investment income	$ (0.161)	$ (0.164)	$ (0.096)
From net realized gain	(0.010)	(1.636)	(0.354)
Tax return of capital	(1.629)		
Total distributions	**$ (1.800)**	**$ (1.800)**	**$ (0.450)**
Offering costs charged to paid-in capital[3]	**$**	**$ 0.001**	**$ (0.021)**
Net asset value End of period	**$ 16.410**	**$ 17.340**	**$ 20.000**

Market value End of period	**$ 16.660**	**$ 17.980**	**$ 18.700**
Total Investment Return on Net Asset Value[5]	**5.68%**	**(1.17)%**[6]	**7.38%**[7][8]
Total Investment Return on Market Value[5]	**3.47%**	**9.60%**[6]	**0.40%**[7][8]

Ratios/Supplemental Data

Net assets, end of period (000 s omitted)	$ 1,183,154	$ 1,227,477	$ 1,404,099
Ratios (as a percentage of average daily net assets):			
Expenses[9]	1.08%	1.06%	1.08%[10]
Net investment income	0.99%	0.85%	1.29%[10]
Portfolio Turnover	59%	100%	30%[8]

(1) For the period from the start of business, July 31, 2007, to December 31, 2007.

(2) Net asset value at beginning of period reflects the deduction of the sales load of $0.90 per share paid by the shareholder from the $20.00 offering price.

(3) Computed using average shares outstanding.

(4) Includes per share federal corporate income tax on long-term capital gains retained by the Fund of $(0.612).

(5) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. During the year ended December 31, 2008, the Fund elected to retain a portion of its realized long-term gains and pay the required federal corporate income tax on such amount. The total returns for the year ended December 31, 2008, presented in the table, include the economic benefit to common shareholders of the tax credit or refund available to them, which equaled their pro rata share of the tax paid by the Fund. If this benefit were not included in the returns, the Total Investment Return on Net Asset Value would have been (4.54%) and the Total Investment Return on Market Value would have been 5.87%.

(6) During the year ended December 31, 2008, the Fund realized a gain on the disposal of an investment security which did not meet investment guidelines. The gain was less than $0.001 per share and had no effect on total return for the year ended December 31, 2008.

(7) Total investment return on net asset value is calculated assuming a purchase at the offering price of $20.00 less the sales load of $0.90 per share paid by the shareholder on the first day and a sale at the net asset value on the last day of the period reported with all distributions reinvested. Total investment return on market value is

calculated assuming a purchase at the offering price of $20.00 less the sales load of $0.90 per share paid by the shareholder on the first day and a sale at the current market price on the last day of the period reported with all distributions reinvested.

(8) Not annualized.

(9) Excludes the effect of custody fee credits, if any, of less than 0.005%.

(10) Annualized.

See notes to financial statements

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

NOTES TO FINANCIAL STATEMENTS

1 Significant Accounting Policies

Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund) is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Fund s primary investment objective is to provide current income and gains, with a secondary objective of capital appreciation. The Fund pursues its investment objectives by investing primarily in a portfolio of common stocks and index put options. Under normal market conditions, the Fund seeks to generate current earnings in part by employing an options strategy of writing put options on individual stocks and index call options with respect to a portion of its common stock portfolio.

The following is a summary of significant accounting policies of the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America. A source of authoritative accounting principles applied in the preparation of the Fund s financial statements is the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification), which superseded existing non-Securities and Exchange Commission accounting and reporting standards for interim and annual reporting periods ending after September 15, 2009. The adoption of the Codification for the current reporting period did not impact the Fund s application of generally accepted accounting principles.

A Investment Valuation 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. Exchange-traded options are valued at the last sale price for the day of valuation as quoted on any exchange on which the option is listed or, in the absence of sales on such date, at the mean between the closing bid and asked prices therefore as reported by the Options Price Reporting Authority. Over-the-counter options are valued by a third party pricing service using techniques that consider factors including the value of the underlying instrument, the volatility of the underlying instrument and the time until option expiration. Short-term debt securities with a remaining maturity of sixty days or less are generally valued at amortized cost, which approximates market value. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rate quotations supplied by a third party pricing service. The pricing service uses a proprietary model to determine the exchange rate. Inputs to the model include reported trades and implied bid/ask spreads. The daily valuation of exchange-traded foreign securities generally is determined as of the close of trading on the principal exchange on which such securities trade. Events occurring after the close of trading on foreign exchanges may result in adjustments to the valuation of foreign securities to more accurately reflect their fair value as of the close of regular trading on the New York Stock Exchange. When valuing foreign equity securities that meet certain criteria, the Trustees have approved the use of a fair value service that values such securities to reflect market trading that occurs after the close of the applicable foreign markets of comparable securities or other instruments that have a strong correlation to the fair-valued securities. Investments for which valuations or market quotations are not readily available or are deemed unreliable are valued at fair value using methods determined in good faith by or at the direction of the Trustees of the Fund in a manner that most fairly reflects the security s value, or the amount that the Fund might reasonably expect to receive for the security upon its current sale in the ordinary course. Each such determination is based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. These factors may include, but are not limited to, the type of security, the existence of any contractual restrictions on the security s disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies or entities, quotations or relevant information obtained from broker-dealers or other market participants, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company s or entity s financial condition, and an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold.

The Fund may invest in Cash Management Portfolio (Cash Management), an affiliated investment company managed by Boston Management and Research (BMR), a subsidiary of Eaton Vance Management (EVM). Cash Management generally values its investment securities utilizing the amortized cost valuation technique permitted by Rule 2a-7 under the 1940 Act, pursuant to which Cash Management must comply with certain conditions. This technique involves initially valuing a portfolio security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium. If amortized cost is determined

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

NOTES TO FINANCIAL STATEMENTS CONT D

not to approximate fair value, Cash Management may value its investment securities based on available market quotations provided by a third party pricing service.

B Investment Transactions Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost.

C Income Dividend income is recorded on the ex-dividend date for dividends received in cash and/or securities. However, if the ex-dividend date has passed, certain dividends from foreign securities are recorded as the Fund is informed of the ex-dividend date. Withholding taxes on foreign dividends and capital gains have been provided for in accordance with the Fund s understanding of the applicable countries tax rules and rates. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

D Federal Taxes The Fund s policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary.

At December 31, 2009, the Fund, for federal income tax purposes, had a capital loss carryforward of $253,207,118 which will reduce its taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Internal Revenue Code, and thus will reduce the amount of distributions to shareholders, which would otherwise be necessary to relieve the Fund of any liability for federal income or excise tax. Such capital loss carryforward will expire on December 31, 2017.

Additionally, at December 31, 2009, the Fund had a net capital loss of $41,909,179 attributable to security transactions incurred after October 31, 2009. This net capital loss is treated as arising on the first day of the Fund s taxable year ending December 31, 2010.

As of December 31, 2009, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each of the Fund s federal tax returns filed since the start of business on July 31, 2007 to December 31, 2009 remains subject to examination by the Internal Revenue Service.

E Expense Reduction State Street Bank and Trust Company (SSBT) serves as custodian of the Fund. Pursuant to the custodian agreement, SSBT receives a fee reduced by credits, which are determined based on the average daily cash balance the Fund maintains with SSBT. All credit balances, if any, used to reduce the Fund s custodian fees are reported as a reduction of expenses in the Statement of Operations.

F Organization and Offering Costs Costs incurred by the Fund in connection with its organization are expensed. Costs incurred by the Fund in connection with the offering of its common shares are recorded as a reduction of additional paid-in capital.

G Foreign Currency Translation Investment valuations, other assets, and liabilities initially expressed in foreign currencies are translated each business day into U.S. dollars based upon current exchange rates. Purchases and sales of foreign investment securities and income and expenses denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates in effect on the respective dates of such transactions. Recognized gains or losses on investment transactions attributable to changes in foreign currency exchange rates are recorded for financial statement purposes as net realized gains and losses on investments. That portion of unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

H Use of Estimates The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

I Indemnifications Under the Fund s organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Fund. Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust, (such as the Fund) could be deemed to have personal liability for the obligations of the Fund. However, the Fund s Declaration of Trust contains an express disclaimer of liability on the part of Fund shareholders and the By-laws provide that the Fund shall assume the defense on behalf of any Fund shareholders. Moreover, the By-laws provide for indemnification out of Fund property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. Additionally, in the normal course of business, the Fund enters into agreements with service providers that may contain indemnification clauses. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

NOTES TO FINANCIAL STATEMENTS CONT D

J Written Options Upon the writing of a call or a put option, the premium received by the Fund is included in the Statement of Assets and Liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written, in accordance with the Fund s policies on investment valuations discussed above. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as a writer of an option, may have no control over whether the underlying securities or other assets may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the securities or other assets underlying the written option. The Fund may also bear the risk of not being able to enter into a closing transaction if a liquid secondary market does not exist.

K Purchased Options Upon the purchase of a call or put option, the premium paid by the Fund is included in the Statement of Assets and Liabilities as an investment. The amount of the investment is subsequently marked-to-market to reflect the current market value of the option purchased, in accordance with the Fund s policies on investment valuations discussed above. If an option which the Fund had purchased expires on the stipulated expiration date, the Fund will realize a loss in the amount of the cost of the option. If the Fund enters into a closing sale transaction, the Fund will realize a gain or loss, depending on whether the sales proceeds from the closing sale transaction are greater or less than the cost of the option. If the Fund exercises a put option, it will realize a gain or loss from the sale of the underlying security, and the proceeds from such sale will be decreased by the premium originally paid. If the Fund exercises a call option, the cost of the security which the Fund purchases upon exercise will be increased by the premium originally paid. The risk associated with purchasing options is limited to the premium originally paid.

2 Distributions to Shareholders

Subject to its Managed Distribution Plan, the Fund intends to make quarterly distributions from its cash available for distribution, which consists of the Fund s dividends and interest income after payment of Fund expenses, net option premiums and net realized and unrealized gains on stock investments. The Fund intends to distribute all or substantially all of its net realized capital gains, if any. Distributions are recorded on the ex-dividend date. The Fund distinguishes between distributions on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income. Distributions in any year may include a substantial return of capital component.

The tax character of distributions declared for the years ended December 31, 2009 and December 31, 2008 was as follows:

	Year Ended December 31,	
	2009	**2008**

Distributions declared from:		
Ordinary income	$ 11,504,808	$ 33,724,663
Long-term capital gains	$ 604,782	$ 92,794,964
Tax return of capital	$ 116,236,664	$

During the year ended December 31, 2009, accumulated net realized loss was decreased by $179,612 and accumulated undistributed net investment income was decreased by $179,612 due to differences between book and tax accounting, primarily for distributions from real estate investment trusts and foreign currency gain (loss). These reclassifications had no effect on the net assets or net asset value per share of the Fund.

As of December 31, 2009, the components of distributable earnings (accumulated losses) and unrealized appreciation (depreciation) on a tax basis were as follows:

Capital loss carryforward and post October losses	$ (295,116,297)
Net unrealized appreciation	$ 143,122,089

The differences between components of distributable earnings (accumulated losses) on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to investments in partnerships, written option contracts and wash sales.

3 Investment Adviser Fee and Other Transactions with Affiliates

The investment adviser fee is earned by EVM as compensation for management and investment advisory services rendered to the Fund. The fee is computed at an annual rate of 1.00% of the Fund s average daily gross assets and is payable monthly. Gross assets as referred to herein represent net assets plus obligations attributable to investment leverage, if any. The portion of the adviser fee payable by Cash Management on the Fund s investment of cash therein is credited against the Fund s investment adviser fee. For the year ended December 31, 2009, the Fund s investment adviser fee totaled $11,648,818 of which $117,469 was allocated from Cash Management and $11,531,349 was paid or accrued directly by the Fund. Prior to October 20, 2009, EVM delegated the investment

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

NOTES TO FINANCIAL STATEMENTS CONT D

management of the Fund s options strategy to Rampart Investment Management Company, Inc. (Rampart) pursuant to a sub-advisory agreement. EVM paid Rampart a portion of its advisory fee for sub-advisory services provided to the Fund. EVM terminated its sub-advisory agreement with Rampart with respect to the Fund and, effective October 20, 2009, EVM assumed the investment management of the Fund s options strategy. EVM also serves as administrator of the Fund, but receives no compensation.

Except for Trustees of the Fund who are not members of EVM s organization, officers and Trustees receive remuneration for their services to the Fund out of the investment adviser fee. Trustees of the Fund who are not affiliated with EVM may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the year ended December 31, 2009, no significant amounts have been deferred. Certain officers and Trustees of the Fund are officers of EVM.

4 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations, aggregated $614,422,959 and $686,006,084 respectively, for the year ended December 31, 2009.

5 Common Shares of Beneficial Interest

Common shares issued pursuant to the Fund s dividend reinvestment plan for the years ended December 31, 2009 and December 31, 2008 were 1,276,345 and 600,825, respectively.

6 Federal Income Tax Basis of Investments

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

Aggregate cost	**$ 1,067,851,436**
Gross unrealized appreciation	$ 214,593,084
Gross unrealized depreciation	(71,480,024)
Net unrealized appreciation	**$ 143,113,060**

7 Financial Instruments

The Fund may trade in financial instruments with off-balance sheet risk in the normal course of its investing activities. These financial instruments may include written options and may involve, to a varying degree, elements of risk in excess of the amounts recognized for financial statement purposes. The notional or contractual amounts of these instruments represent the investment the Fund has in particular classes of financial instruments and do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. A summary of written call options at December 31, 2009 is included in the Portfolio of Investments.

Written call options activity for the year ended December 31, 2009 was as follows:

	Number of Contracts	Premiums Received
Outstanding, beginning of year	9,834	$ 11,956,243
Options written	89,566	182,566,560
Options terminated in closing purchase transactions	(89,030)	(175,425,102)
Options expired	(3,304)	(5,962,368)
Outstanding, end of year	**7,066**	**$ 13,135,333**

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent.

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

The Fund adopted FASB Statement of Financial Accounting Standards No. 161 (FAS 161), Disclosures about Derivative Instruments and Hedging Activities , (currently FASB Accounting Standards Codification (ASC) 815-10), effective January 1, 2009. Such standard requires enhanced disclosures about an entity s derivative and hedging activities, including qualitative disclosures about the objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk related contingent features in derivative instruments. The disclosure below includes additional information as a result of implementing FAS 161.

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund generally intends to purchase index put options below the current value of the index to reduce the Fund s exposure to market risk and volatility. In buying index put options, the Fund in effect, acquires protection against decline in the value of the applicable index below the exercise price in exchange for the option premium paid. The Fund generally intends to write index call options above the current value of the index to generate premium income. In writing index call options, the Fund in effect, sells potential appreciation in the value of the applicable index above the exercise price in exchange for the option premium received. The Fund retains the risk of loss, minus the premium received, should the price of the underlying index decline. The Fund is not subject to counterparty credit risk with respect to its written options as the Fund, not the counterparty, is obligated to perform under such derivatives.

Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

NOTES TO FINANCIAL STATEMENTS CONT D

The fair value of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) and whose primary underlying risk exposure is equity price risk at December 31, 2009 was as follows:

	Fair Value	
Derivative	**Asset Derivatives**[1]	**Liability Derivatives**[2]
Purchased Options	$ 29,274,965	$
Written Options		(14,360,320)

(1) Statement of Assets and Liabilities location: Investments, at value.

(2) Statement of Assets and Liabilities location: Written options outstanding, at value.

The effect of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) on the Statement of Operations and whose primary underlying risk exposure is equity price risk for the year ended December 31, 2009 was as follows:

Derivative	**Realized Gain (Loss) on Derivatives Recognized in Income**[1]	**Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income**[2]
Purchased Options	$ 55,848,559	$ (192,100,561)
Written Options	(4,798,974)	(10,558,630)

(1) Statement of Operations location: Net realized gain (loss) Investment transactions and Written options, respectively.

(2) Statement of Operations location: Change in unrealized appreciation (depreciation) Investments and Written options, respectively.

The average number of purchased options contracts outstanding during the year ended December 31, 2009, which is indicative of the volume of this derivative type, was 10,572.

8 Fair Value Measurements

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At December 31, 2009, the inputs used in valuing the Fund s investments, which are carried at value, were as follows:

Asset Description	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Common Stocks				
Consumer Discretionary	$ 116,601,069	$	$	$ 116,601,069
Consumer Staples	108,774,831	10,759,849		119,534,680
Energy	137,438,159			137,438,159
Financials	158,516,351			158,516,351
Health Care	142,778,043			142,778,043
Industrials	118,631,775			118,631,775
Information Technology	230,598,811			230,598,811
Materials	44,755,629			44,755,629
Telecommunication Services	38,895,594			38,895,594
Utilities	38,299,692			38,299,692
Total Common Stocks	**$ 1,135,289,954**	**$ 10,759,849***	**$**	**$ 1,146,049,803**
Put Options Purchased	$ 29,274,965	$	$	$ 29,274,965
Short-Term Investments	35,639,728			35,639,728
Total Investments	**$ 1,200,204,647**	**$ 10,759,849**	**$**	**$ 1,210,964,496**

Liability Description								
Covered Call Options Written	$	(14,360,320)	$		$		$	(14,360,320)
Total	**$**	**(14,360,320)**	**$**		**$**		**$**	**(14,360,320)**

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

The Fund held no investments or other financial instruments as of December 31, 2008 whose fair value was determined using Level 3 inputs.

9 Review for Subsequent Events

In connection with the preparation of the financial statements of the Fund as of and for the year ended December 31, 2009, events and transactions subsequent to December 31, 2009 through February 16, 2010, the date the financial statements were issued, have been evaluated by the Fund s management for possible adjustment and/or disclosure. Management has not identified any subsequent events requiring financial statement disclosure as of the date these financial statements were issued.

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of Eaton Vance
Risk-Managed Diversified Equity Income Fund:
We have audited the accompanying statement of assets and liabilities of Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund), including the portfolio of investments, as of December 31, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended and for the period from the start of business, July 31, 2007, to December 31, 2007. These financial statements and financial highlights are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended and for the period from the start of business, July 31, 2007, to December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
Boston, Massachusetts
February 16, 2010

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Eaton Vance Risk-Managed Diversified Equity Income Fund as of December 31, 2009

FEDERAL TAX INFORMATION (Unaudited)

The Form 1099-DIV you received in January 2010 showed the tax status of all distributions paid to your account in calendar year 2009. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Fund. As required by the Internal Revenue Code regulations, shareholders must be notified within 60 days of the Fund s fiscal year end regarding the status of qualified dividend income for individuals, the dividends received deduction for corporations and capital gain dividends.

Qualified Dividend Income. The Fund designates $23,655,240 or up to the maximum amount of such dividends allowable pursuant to the Internal Revenue Code, as qualified dividend income eligible for the reduced tax rate of 15%.

Dividends Received Deduction. Corporate shareholders are generally entitled to take the dividends received deduction on the portion of the Fund s dividend distribution that qualifies under tax law. For the Fund s fiscal year 2009 ordinary income dividends, 100% qualifies for the corporate dividends received deduction.

Capital Gain Dividends. The Fund designates $604,782 as a capital gain dividend.

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Eaton Vance Risk-Managed Diversified Equity Income Fund

DIVIDEND REINVESTMENT PLAN

The Fund offers a dividend reinvestment plan (the Plan) pursuant to which shareholders automatically have distributions reinvested in common shares (the Shares) of the Fund unless they elect otherwise through their investment dealer. On the distribution payment date, if the net asset value per Share is equal to or less than the market price per Share plus estimated brokerage commissions, then new Shares will be issued. The number of Shares shall be determined by the greater of the net asset value per Share or 95% of the market price. Otherwise, Shares generally will be purchased on the open market by the Plan Agent. Distributions subject to income tax (if any) are taxable whether or not shares are reinvested.

If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you will need to request that your shares be re-registered in your name with the Fund s transfer agent, American Stock Transfer & Trust Company (AST), or you will not be able to participate.

The Plan Agent s service fee for handling distributions will be paid by the Fund. Each participant will be charged their pro-rata share of brokerage commissions on all open-market purchases.

Plan participants may withdraw from the Plan at any time by writing to the Plan Agent at the address noted on the following page. If you withdraw, you will receive shares in your name for all Shares credited to your account under the Plan. If a participant elects by written notice to the Plan Agent to have the Plan Agent sell part or all of his or her Shares and remit the proceeds, the Plan Agent is authorized to deduct a $5.00 fee plus brokerage commissions from the proceeds.

If you wish to participate in the Plan and your shares are held in your own name, you may complete the form on the following page and deliver it to the Plan Agent.

Any inquiries regarding the Plan can be directed to the Plan Agent, AST, at 1-866-439-6787.

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Eaton Vance Risk-Managed Diversified Equity Income Fund

APPLICATION FOR PARTICIPATION IN DIVIDEND REINVESTMENT PLAN

This form is for shareholders who hold their common shares in their own names. If your common shares are held in the name of a brokerage firm, bank, or other nominee, you should contact your nominee to see if it will participate in the Plan on your behalf. If you wish to participate in the Plan, but your brokerage firm, bank, or nominee is unable to participate on your behalf, you should request that your common shares be re-registered in your own name which will enable your participation in the Plan.

The following authorization and appointment is given with the understanding that I may terminate it at any time by terminating my participation in the Plan as provided in the terms and conditions of the Plan.

Please print exact name on account:
Shareholder signature Date
Shareholder signature Date

Please sign exactly as your common shares are registered. All persons whose names appear on the share certificate must sign.

YOU SHOULD NOT RETURN THIS FORM IF YOU WISH TO RECEIVE YOUR DISTRIBUTIONS IN CASH. THIS IS NOT A PROXY.

This authorization form, when signed, should be mailed to the following address:

Eaton Vance Risk-Managed Diversified Equity Income Fund
c/o American Stock Transfer & Trust Company
P.O. Box 922
Wall Street Station
New York, NY 10269-0560

Number of Employees
The Fund is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company and has no employees.

Number of Shareholders
As of December 31, 2009, our records indicate that there are 40 registered shareholders and approximately 52,806 shareholders owning the Fund shares in street name, such as through brokers, banks, and financial intermediaries.

If you are a street name shareholder and wish to receive our reports directly, which contain important information about the Fund, please write or call:

Eaton Vance Distributors, Inc.
Two International Place
Boston, MA 02110
1-800-262-1122

New York Stock Exchange symbol

The New York Stock Exchange symbol is ETJ.

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Eaton Vance Risk-Managed Diversified Equity Income Fund

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENT

Overview of the Contract Review Process

The Investment Company Act of 1940, as amended (the 1940 Act), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuance is approved at least annually by the fund s board of trustees, including by a vote of a majority of the trustees who are not interested persons of the fund (Independent Trustees), cast in person at a meeting called for the purpose of considering such approval.

At a meeting of the Boards of Trustees (each a Board) of the Eaton Vance group of mutual funds (the Eaton Vance Funds) held on April 27, 2009, the Board, including a majority of the Independent Trustees, voted to approve continuation of existing advisory and sub-advisory agreements for the Eaton Vance Funds for an additional one-year period. In voting its approval, the Board relied upon the affirmative recommendation of the Contract Review Committee of the Board (formerly the Special Committee), which is a committee comprised exclusively of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished for a series of meetings of the Contract Review Committee held in February, March and April 2009. Such information included, among other things, the following:

Information about Fees, Performance and Expenses

- An independent report comparing the advisory and related fees paid by each fund with fees paid by comparable funds;
- An independent report comparing each fund s total expense ratio and its components to comparable funds;
- An independent report comparing the investment performance of each fund to the investment performance of comparable funds over various time periods;
- Data regarding investment performance in comparison to relevant peer groups of funds and appropriate indices;
- Comparative information concerning fees charged by each adviser for managing other mutual funds and institutional accounts using investment strategies and techniques similar to those used in managing the fund;
- Profitability analyses for each adviser with respect to each fund;

Information about Portfolio Management

- Descriptions of the investment management services provided to each fund, including the investment strategies and processes employed, and any changes in portfolio management processes and personnel;
- Information concerning the allocation of brokerage and the benefits received by each adviser as a result of brokerage allocation, including information concerning the acquisition of research through soft dollar benefits received in connection with the funds brokerage, and the implementation of a soft dollar reimbursement program established with respect to the funds;
- Data relating to portfolio turnover rates of each fund;
- The procedures and processes used to determine the fair value of fund assets and actions taken to monitor and test the effectiveness of such procedures and processes;

Information about each Adviser

- Reports detailing the financial results and condition of each adviser;

Descriptions of the qualifications, education and experience of the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and information relating to their compensation and responsibilities with respect to managing other mutual funds and investment accounts;
Copies of the Codes of Ethics of each adviser and its affiliates, together with information relating to compliance with and the administration of such codes;
Copies of or descriptions of each adviser s proxy voting policies and procedures;
Information concerning the resources devoted to compliance efforts undertaken by each adviser and its affiliates on behalf of the funds (including descriptions of various compliance programs) and their record of compliance with investment policies and restrictions, including policies with respect to market-timing, late trading and selective portfolio disclosure, and with policies on personal securities transactions;
Descriptions of the business continuity and disaster recovery plans of each adviser and its affiliates;

Other Relevant Information

Information concerning the nature, cost and character of the administrative and other non-investment management services provided by Eaton Vance Management and its affiliates;
Information concerning management of the relationship with the custodian, subcustodians and fund accountants by each adviser or the funds administrator; and
The terms of each advisory agreement.

Eaton Vance Risk-Managed Diversified Equity Income Fund

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENT CONT D

In addition to the information identified above, the Contract Review Committee considered information provided from time to time by each adviser throughout the year at meetings of the Board and its committees. Over the course of the twelve-month period ended April 30, 2009, the Board met eighteen times and the Contract Review Committee, the Audit Committee, the Governance Committee, the Portfolio Management Committee and the Compliance Reports and Regulatory Matters Committee, each of which is a Committee comprised solely of Independent Trustees, met seven, five, six, six and six times, respectively. At such meetings, the Trustees received, among other things, presentations by the portfolio managers and other investment professionals of each adviser relating to the investment performance of each fund and the investment strategies used in pursuing the fund s investment objective.

For funds that invest through one or more underlying portfolios, the Board considered similar information about the portfolio(s) when considering the approval of advisory agreements. In addition, in cases where the fund s investment adviser has engaged a sub-adviser, the Board considered similar information about the sub-adviser when considering the approval of any sub-advisory agreement.

The Contract Review Committee was assisted throughout the contract review process by Goodwin Procter LLP, legal counsel for the Independent Trustees. The members of the Contract Review Committee relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating each advisory and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each advisory and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each advisory and sub-advisory agreement.

Results of the Process

Based on its consideration of the foregoing, and such other information as it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuance of the investment advisory agreement between Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund) and Eaton Vance Management (the Adviser) and the sub-advisory agreement with Rampart Investment Management Company, Inc. (Rampart or the Sub-adviser), including their fee structures, are in the interests of shareholders and, therefore, the Contract Review Committee recommended to the Board approval of each agreement. The Board accepted the recommendation of the Contract Review Committee as well as the factors considered and conclusions reached by the Contract Review Committee with respect to each agreement. Accordingly, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory and sub-advisory agreements for the Fund.

Nature, Extent and Quality of Services

In considering whether to approve the investment advisory and sub-advisory agreements of the Fund, the Board evaluated the nature, extent and quality of services provided to the Fund by the Adviser and Sub-adviser.

The Board considered the Adviser s and Sub-adviser s management capabilities and investment process with respect to the types of investments held by the Fund, including the education, experience and number of its investment professionals and other personnel who provide portfolio management, investment research, and similar services to the Fund and whose responsibilities include supervising the Sub-adviser and coordinating activities in implementing the Fund s investment strategy. In particular, the Board evaluated the abilities and experience of such investment personnel in analyzing factors such as tax efficiency and special considerations relevant to investing in stocks and selling call options on various indexes. With respect to Rampart, the Board considered Rampart s business reputation and its options strategy and its past experience in implementing this strategy.

The Board also reviewed the compliance programs of the Adviser, Sub-adviser and relevant affiliates thereof. Among other matters, the Board considered compliance and reporting matters relating to personal trading by investment personnel, selective disclosure of portfolio holdings, late trading, frequent trading, portfolio valuation, business continuity and the allocation of investment opportunities. The Board also evaluated the responses of the Adviser and its affiliates to requests from regulatory authorities such as the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Board considered shareholder and other administrative services provided or managed by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large family of funds.

The Board considered the Adviser s recommendations for Board action and other steps taken in response to the unprecedented dislocations experienced in the capital markets over recent periods, including sustained periods of high volatility, credit disruption and government intervention. In particular, the Board considered the Adviser s efforts and expertise with respect to each of the following matters as they relate to the Fund and/or other funds within the Eaton Vance family of funds: (i) negotiating and maintaining the

Eaton Vance Risk-Managed Diversified Equity Income Fund

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENT CONT D

availability of bank loan facilities and other sources of credit used for investment purposes or to satisfy liquidity needs; (ii) establishing the fair value of securities and other instruments held in investment portfolios during periods of market volatility and issuer-specific disruptions; and (iii) the ongoing monitoring of investment management processes and risk controls.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser and Sub-adviser, taken as a whole, are appropriate and consistent with the terms of the investment advisory agreement and sub-advisory agreement, respectively.

Fund Performance

The Board compared the Fund s investment performance to a relevant universe of similarly managed funds identified by an independent data provider and appropriate benchmark indices. The Board reviewed comparative performance data for the one-year period ended September 30, 2008 for the Fund. The Board concluded that the performance of the Fund was satisfactory.

Management Fees and Expenses

The Board reviewed contractual investment advisory fee rates, including any administrative fee rates, payable by the Fund (referred to collectively as management fees). As part of its review, the Board considered the Fund s management fees and total expense ratio for the year ended September 30, 2008, as compared to a group of similarly managed funds selected by an independent data provider.

After reviewing the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the management fees charged to the Fund for advisory and related services and the total expense ratio of the Fund are reasonable.

Profitability

The Board reviewed the level of profits realized by the Adviser and relevant affiliates in providing investment advisory and administrative services to the Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized with and without regard to revenue sharing or other payments by the Adviser and its affiliates to third parties in respect of distribution services. The Board also considered other direct or indirect benefits received by the Adviser and its affiliates in connection with its relationship with the Fund, including the benefits of research services that may be available to the Adviser as a result of securities transactions effected for the Fund and other investment advisory clients. The Board also concluded that, in light of its role as a sub-adviser not affiliated with the Adviser, the Sub-adviser s profitability in managing the Fund was not a material factor.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are reasonable.

Economies of Scale

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and the Fund, on the other hand, can expect to realize benefits from economies of scale as the assets of the Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from the economies of scale with respect to the management of any specific fund or group of funds. The Board also considered the fact that the Fund is not continuously offered and concluded that, in light of the level of the Adviser s profits with respect to the Fund, the implementation of breakpoints in the advisory fee schedule is not appropriate at this time. Based upon the foregoing, the Board concluded that the benefits from economies of scale are currently being shared equitably by the Adviser and its affiliates and the Fund.

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Eaton Vance Risk-Managed Diversified Equity Income Fund

MANAGEMENT AND ORGANIZATION

Fund Management. The Trustees of Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund) are responsible for the overall management and supervision of the Fund s affairs. The Trustees and officers of the Fund are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. The Noninterested Trustees consist of those Trustees who are not interested persons of the Fund, as that term is defined under the 1940 Act. The business address of each Trustee and officer is Two International Place, Boston, Massachusetts 02110. As used below, EVC refers to Eaton Vance Corp., EV refers to Eaton Vance, Inc., EVM refers to Eaton Vance Management, BMR refers to Boston Management and Research and EVD refers to Eaton Vance Distributors, Inc. EVC and EV are the corporate parent and trustee, respectively, of EVM and BMR. EVD is the Fund s principal underwriter and a wholly-owned subsidiary of EVC. Each officer affiliated with Eaton Vance may hold a position with other Eaton Vance affiliates that is comparable to his or her position with EVM listed below.

Name and Date of Birth	Position with the Fund	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee[1]	Other Directorships Held
Interested Trustee					
Thomas E. Faust Jr. 5/31/58	Class I Trustee and Vice President	Until 2011. 3 years. Trustee and Vice President since 2007.	Chairman, Chief Executive Officer and President of EVC, Director and President of EV, Chief Executive Officer and President of EVM and BMR, and Director of EVD. Trustee and/or officer of 178 registered investment companies and 4 private companies managed by EVM or BMR. Mr. Faust is an interested person because of his positions with EVM, BMR, EVD, EVC and EV, which are affiliates of the Fund.	178	Director of EVC
Noninterested Trustee(s)					

Benjamin C. Esty 1/2/63	Class I Trustee	Until 2011. 3 years. Trustee since 2007.	Roy and Elizabeth Simmons Professor of Business Administration and Finance Unit Head, Harvard University Graduate School of Business Administration.	178	None
Allen R. Freedman 4/3/40	Class I Trustee	Until 2011. 3 years. Trustee since 2007.	Former Chairman (2002-2004) and a Director (1983-2004) of Systems & Computer Technology Corp. (provider of software to higher education). Formerly, a Director of Loring Ward International (fund distributor) (2005-2007). Formerly, Chairman and a Director of Indus International, Inc. (provider of enterprise management software to the power generating industry) (2005-2007).	178	Director of Assurant, Inc. (insurance provider) and Stonemor Partners L.P. (owner and operator of cemeteries)
William H. Park 9/19/47	Class II Trustee	Until 2012. 3 years. Trustee since 2007.	Vice Chairman, Commercial Industrial Finance Corp. (specialty finance company) (since 2006). Formerly, President and Chief Executive Officer, Prizm Capital Management, LLC (investment management firm) (2002-2005).	178	None
Ronald A. Pearlman 7/10/40	Class II Trustee	Until 2012. 3 years. Trustee since 2007.	Professor of Law, Georgetown University Law Center.	178	None
Helen Frame Peters 3/22/48	Class II Trustee	Until 2012. 3 years. Trustee since 2008.	Professor of Finance, Carroll School of Management, Boston College (since 2003), Adjunct Professor of Finance, Peking University, Beijing, China (since 2005).	178	Director of BJ s Wholesale Club, Inc. (wholesale club retailer)
Heidi L. Steiger 7/8/53	Class III Trustee	Until 2010. 3 years. Trustee since 2007.	Managing Partner, Topridge Associates LLC (global wealth management firm) (since 2008); Senior Adviser (since 2008), President	178	Director of Nuclear Electric Insurance Ltd. (nuclear insurance provider), Aviva USA (insurance provider) and CIFG (family of

	(2005-2008), Lowenhaupt Global Advisors, LLC (global wealth management firm). Formerly, President and Contributing Editor, Worth Magazine (2004-2005). Formerly Executive Vice President and Global Head of Private Asset Management (and various other positions), Neuberger Berman (investment firm) (1986-2004).	financial guaranty companies) and Advisory Director, Berkshire Capital Securities LLC (private investment banking firm)

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Eaton Vance Risk-Managed Diversified Equity Income Fund

MANAGEMENT AND ORGANIZATION CONT D

Name and Date of Birth	Position with the Fund	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee(1)	Other Directorships Held
Noninterested Trustee(s) (continued)					
Lynn A. Stout 9/14/57	Class III Trustee	Until 2010. 3 years. Trustee since 2007.	Paul Hastings Professor of Corporate and Securities Law (since 2006) and Professor of Law (2001-2006), University of California at Los Angeles School of Law.	178	None
Ralph F. Verni 1/26/43	Chairman of the Board and Class III Trustee	Until 2010. 3 years. Chairman of the Board and Trustee since 2007.	Consultant and private investor.	178	None

Principal Officers who are not Trustees

Name and Date of Birth	Position with the Fund	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years
Duncan W. Richardson 10/26/57	President	Since 2007	Director of EVC and Executive Vice President and Chief Equity Investment Officer of EVC, EVM and BMR. Officer of 82 registered investment companies managed by EVM or BMR.
Michael A. Allison	Vice President	Since 2007	Vice President of EVM and BMR. Officer of 22 registered investment companies

10/26/64			managed by EVM or BMR.
Walter A. Row, III 7/20/57	Vice President	Since 2007	Vice President of EVM and BMR. Officer of 23 registered investment companies managed by EVM or BMR.
Barbara E. Campbell 6/19/57	Treasurer	Since 2007	Vice President of EVM and BMR. Officer of 178 registered investment companies managed by EVM or BMR.
Maureen A. Gemma 5/24/60	Secretary and Chief Legal Officer	Secretary since 2007 and Chief Legal Officer since 2008	Vice President of EVM and BMR. Officer of 178 registered investment companies managed by EVM or BMR.
Paul M. O Neil 7/11/53	Chief Compliance Officer	Since 2007	Vice President of EVM and BMR. Officer of 178 registered investment companies managed by EVM or BMR.

(1) Includes both master and feeder funds in a master-feeder structure.

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IMPORTANT NOTICE ABOUT PRIVACY

The Eaton Vance organization is committed to ensuring your financial privacy. Each of the financial institutions identified below has in effect the following policy (Privacy Policy) with respect to nonpublic personal information about its customers:

Only such information received from you, through application forms or otherwise, and information about your Eaton Vance fund transactions will be collected. This may include information such as name, address, social security number, tax status, account balances and transactions.

None of such information about you (or former customers) will be disclosed to anyone, except as permitted by law (which includes disclosure to employees necessary to service your account). In the normal course of servicing a customer s account, Eaton Vance may share information with unaffiliated third parties that perform various required services such as transfer agents, custodians and broker/dealers.

Policies and procedures (including physical, electronic and procedural safeguards) are in place that are designed to protect the confidentiality of such information.

We reserve the right to change our Privacy Policy at any time upon proper notification to you. Customers may want to review our Privacy Policy periodically for changes by accessing the link on our homepage: www.eatonvance.com.

Our pledge of privacy applies to the following entities within the Eaton Vance organization: the Eaton Vance Family of Funds, Eaton Vance Management, Eaton Vance Investment Counsel, Boston Management and Research, and Eaton Vance Distributors, Inc.

In addition, our Privacy Policy applies only to those Eaton Vance customers who are individuals and who have a direct relationship with us. If a customer s account (i.e., fund shares) is held in the name of a third-party financial adviser/broker-dealer, it is likely that only such adviser s privacy policies apply to the customer. This notice supersedes all previously issued privacy disclosures.

For more information about Eaton Vance s Privacy Policy, please call 1-800-262-1122.

Investment Adviser and Administrator of
Eaton Vance Risk-Managed Diversified Equity Income Fund
Eaton Vance Management
Two International Place
Boston, MA 02110

Custodian
State Street Bank and Trust Company
200 Clarendon Street
Boston, MA 02116

Transfer Agent
American Stock Transfer & Trust Company
59 Maiden Lane
Plaza Level
New York, NY 10038

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116-5022

Eaton Vance Risk-Managed Diversified Equity Income Fund
Two International Place
Boston, MA 02110

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Item 2. Code of Ethics

The registrant has adopted a code of ethics applicable to its Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. The registrant undertakes to provide a copy of such code of ethics to any person upon request, without charge, by calling 1-800-262-1122.

Item 3. Audit Committee Financial Expert

The registrant s Board has designated William H. Park, an independent trustee, as its audit committee financial expert. Mr. Park is a certified public accountant who is the Vice Chairman of Commercial

Industrial Finance Corp (specialty finance company). Previously, he served as President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm) and as Executive Vice President and Chief Financial Officer of United Asset Management Corporation (UAM) (a holding company owning institutional investment management firms).

Item 4. Principal Accountant Fees and Services

(a) (d)

The following table presents the aggregate fees billed to the registrant for the registrant s fiscal years ended December 31, 2008 and December 31, 2009 by the registrant s principal accountant, Deloitte & Touche LLP (D&T), for professional services rendered for the audit of the registrant s annual financial statements and fees billed for other services rendered by the principal accountant during such period.

Fiscal Years Ended	**12/31/08**	**12/31/09**
Audit Fees	$ 60,035	$ 59,000
Audit-Related Fees[1]	0	0
Tax Fees[2]	9,380	9,380
All Other Fees[3]	0	2,500
Total	$ 69,415	$ 70,880

(1) Audit-related fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit of financial statements and are not reported under the category of audit fees.

(2) Tax fees consist of the aggregate fees billed for professional services rendered by the

principal accountant relating to tax compliance, tax advice, and tax planning and specifically include fees for tax return preparation.

(3) All other fees consist of the aggregate fees billed for products and services provided by the principal accountant other than audit, audit-related, and tax services.

(e)(1) The registrant s audit committee has adopted policies and procedures relating to the pre-approval of services provided by the registrant s principal accountant (the Pre-Approval Policies). The Pre-Approval Policies establish a framework intended to assist the audit committee in the proper discharge of its pre-approval responsibilities. As a general matter, the Pre-Approval Policies (i) specify certain types of audit, audit-related, tax, and other services determined to be pre-approved by the audit committee; and (ii) delineate specific procedures governing the mechanics of the pre-approval process, including the approval and monitoring of audit and non-audit service fees. Unless a service is specifically pre-approved under the Pre-Approval Policies, it must be separately pre-approved by the audit committee.

The Pre-Approval Policies and the types of audit and non-audit services pre-approved therein must be reviewed and ratified by the registrant s audit committee at least annually. The registrant s audit committee maintains full responsibility for the appointment, compensation, and oversight of the work of the registrant s principal accountant.

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(e)(2) No services described in paragraphs (b)-(d) above were approved by the registrant s audit committee pursuant to the de minimis exception set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.
(f) Not applicable.
(g) The following table presents (i) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed to the registrant by the registrant s principal accountant for the registrant s fiscal year ended December 31, 2008 and the fiscal year ended December 31, 2009; and (ii) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed for services rendered to the Eaton Vance organization for the registrant s principal accountant for the same time periods, respectively.

Fiscal Years Ended	**12/31/08**	**12/31/09**
Registrant	$ 9,380	$ 11,880
Eaton Vance[1]	$ 345,473	$ 288,295

(1) The Investment adviser to the registrant, as well as any of its affiliates that provide ongoing services to the registrant, are subsidiaries of Eaton Vance Corp.

(h) The registrant s audit committee has considered whether the provision by the registrant s principal accountant of non-audit services to the registrant s investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant that were not pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X is compatible with maintaining the principal accountant s independence.

Item 5. Audit Committee of Listed registrants

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities and Exchange Act of 1934, as amended. William H. Park (Chair), Lynn A. Stout, Heidi L. Steiger and Ralph F. Verni are the members of the registrant s audit committee.

Item 6. Schedule of Investments

Please see schedule of investments contained in the Report to Stockholders included under Item 1 of this Form N-CSR.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies

The Board of Trustees of the Trust has adopted a proxy voting policy and procedure (the Fund Policy), pursuant to which the Trustees have delegated proxy voting responsibility to the Fund s investment adviser and adopted the investment adviser s proxy voting policies and procedures (the Policies) which are described below. The Trustees will review the Fund s proxy voting records from time to time and will annually consider approving the Policies for the upcoming year. In the event that a conflict of interest arises between the Fund s shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund, the investment adviser will generally refrain from voting the proxies related to the companies giving rise to such conflict until it consults with the Board s Special Committee except as contemplated under the Fund Policy. The Board s Special Committee will instruct the investment adviser on the appropriate course of action.

The Policies are designed to promote accountability of a company s management to its shareholders and to align the interests of management with those shareholders. An independent proxy voting service (Agent), currently Institutional Shareholder Services, Inc., has been retained to assist in the voting of proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services. The investment adviser will generally vote proxies through the Agent. The Agent is required to vote all proxies and/or refer then back to the investment adviser pursuant to the Policies. It is generally the policy of the investment adviser to vote in accordance with the recommendation of the Agent. The Agent shall refer to the investment adviser proxies relating to mergers and restructurings, and the disposition of assets, termination, liquidation and mergers contained in mutual fund proxies. The investment adviser will normally vote against anti-takeover measures and other proposals designed to limit the ability of shareholders to act on possible transactions, except in the case of closed-end management investment companies. The investment adviser generally supports management on social and environmental proposals. The investment adviser may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweighs the benefits derived from exercising the right to vote or the economic effect on shareholders interests or the value of the portfolio holding is indeterminable or insignificant.

In addition, the investment adviser will monitor situations that may result in a conflict of interest between the Fund s shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund by maintaining a list of significant existing and prospective corporate clients. The investment adviser s personnel responsible for reviewing and voting proxies on behalf of the Fund will report any proxy received or expected to be received from a company included on that list to the personal of the investment adviser identified in the Policies. If such personnel expects to instruct the Agent to vote such proxies in a manner inconsistent with the guidelines of the Policies or the recommendation of the Agent, the personnel will consult with members of senior management of the investment adviser to determine if a material conflict of interests exists. If it is determined that a material conflict does exist, the investment adviser will seek instruction on how to vote from the Special Committee.

Information on how the Fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is available (1) without charge, upon request, by calling 1-800-262-1122, and (2) on the Securities and Exchange Commission s website at http://www.sec.gov.

Item 8. Portfolio Managers of Closed-End Management Investment Companies

Walter A. Row, Michael A. Allison and other Eaton Vance Management (EVM) investment professionals comprise the investment team responsible for the overall management of the Fund s investments. Mr. Row and Mr. Allison are the portfolio managers responsible for the day-to-day management of EVM s responsibilities with respect to the Fund s investment portfolio. Mr. Row is a Vice President and Head of Structured Equity Portfolios at EVM. He is a member of EVM s Equity Strategy Committee and co-manages other Eaton Vance registered investment companies. He joined Eaton Vance s equity group in 1996. Mr. Allison is a Vice President of EVM

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and a co-portfolio manager for other Eaton Vance registered investment companies. He is a member of EVM s Equity Strategy Committee. He first joined Eaton Vance s equity group in 2000.

Effective October 20, 2009, EVM internalized the management of the Fund s options strategy, replacing Rampart Investment Management Company, Inc.

The following tables show, as of the Fund s most recent fiscal year end, the number of accounts each portfolio manager managed in each of the listed categories and the total assets in the accounts managed within each category. The table also shows the number of accounts with respect to which the advisory fee is based on the performance of the account, if any, and the total assets in those accounts.

	Number of All Accounts	Total Assets of All Accounts*	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee*
Walter A. Row				
Registered Investment Companies		$ 11,159.4	0	$0
Other Pooled Investment Vehicles		$ 0	0	$0
Other Accounts		$ 0.4	0	$0
Michael A. Allison				
Registered Investment Companies	8	$ 17,855.9	0	$0
Other Pooled Investment Vehicles	16	$ 13,820.7	0	$0
Other Accounts	1	$ 0.4	0	$0

* In millions of dollars.

The following table shows the dollar range of Fund shares beneficially owned by each portfolio manager as of the Fund s most recent fiscal year end.

Portfolio Manager	Dollar Range of Equity Securities Owned in the Fund
Walter A. Row	$ 100,001-$500,000
Michael A. Allison	$ 50,001-$100,000

Potential for Conflicts of Interest. It is possible that conflicts of interest may arise in connection with a portfolio manager s management of a Fund s investments on the one hand and the investments of other accounts for which the portfolio manager is responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among the Fund and other accounts he or she advises. In addition, due to differences in the investment strategies or restrictions between a Fund and the other accounts, a portfolio manager may take action with respect to another account that differs from the action taken with respect to the Fund. In some cases, another account managed by a portfolio manager may compensate the investment adviser or sub-adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities. Whenever conflicts of interest arise, the portfolio manager will endeavor to exercise his or her discretion in a manner that he or she believes is equitable to all interested persons. EVM and the sub-adviser have adopted several policies and procedures designed to address these potential conflicts including: a code of ethics; and policies which govern the investment adviser or sub-adviser s trading practices, including among other things the aggregation and allocation of trades among clients, brokerage allocation, cross trades and best execution.

Compensation Structure for EVM

Compensation of EVM s portfolio managers and other investment professionals has three primary components: (1) a base salary, (2) an annual cash bonus, and (3) annual stock-based compensation consisting of options to purchase shares of EVC s nonvoting common stock and restricted shares of EVC s nonvoting common stock. EVM s investment professionals also receive certain retirement, insurance and other benefits that are broadly available to EVM s employees. Compensation of EVM s investment professionals is reviewed primarily on an annual basis. Cash bonuses, stock-based compensation awards, and adjustments in base salary are typically paid or put into effect at or shortly after the October 31st fiscal year end of EVC.

Method to Determine Compensation. EVM compensates its portfolio managers based primarily on the scale and complexity of their portfolio responsibilities and the total return performance of managed funds and accounts versus the benchmarks stated in the prospectus as well as an appropriate peer group (as described below). In addition to rankings within peer groups of funds on the basis of absolute performance, consideration may also be given to relative risk-adjusted performance. Risk-adjusted performance measures include, but are not limited to, the Sharpe Ratio. Performance is normally based on periods ending on the September 30th preceding fiscal year end. Fund performance is normally evaluated primarily versus peer groups of funds as determined by Lipper Inc. and/or Morningstar, Inc. When a fund s peer group as determined by Lipper or Morningstar is deemed by EVM s management not to provide a fair comparison, performance may instead be evaluated primarily against a custom peer group. In evaluating the performance of a fund and its manager, primary emphasis is normally placed on three-year performance, with secondary consideration of performance over longer and shorter periods. For funds that are tax-managed or otherwise have an objective of after-tax returns, performance is measured net of taxes. For other funds, performance is evaluated on a pre-tax basis. For funds with an investment objective other than total return (such as current income), consideration will also be given to the fund s success in achieving its objective. For managers responsible for multiple funds and accounts, investment performance is evaluated on an aggregate basis, based on averages or weighted averages among managed funds and accounts. Funds and accounts that have performance-based advisory fees are not accorded disproportionate weightings in measuring aggregate portfolio manager performance.

The compensation of portfolio managers with other job responsibilities (such as heading an investment group or providing analytical support to other portfolios) will include consideration of the scope of such responsibilities and the managers performance in meeting them.

EVM seeks to compensate portfolio managers commensurate with their responsibilities and performance, and competitive with other firms within the investment management industry. EVM participates in investment-industry compensation surveys and utilizes survey data as a factor in determining salary, bonus and stock-based compensation levels for portfolio managers and other investment professionals. Salaries, bonuses and stock-based compensation are also influenced by the operating performance of EVM and its parent company. The overall annual cash bonus pool is based on a substantially fixed percentage of pre-bonus operating income. While the salaries of EVM s portfolio managers are comparatively fixed, cash bonuses and stock-based compensation may fluctuate significantly from year to year, based on changes in manager performance and other factors as described herein. For a high performing portfolio manager, cash bonuses and stock-based compensation may represent a substantial portion of total compensation.

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Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No such purchases this period.

Item 10. Submission of Matters to a Vote of Security Holders.

No Material Changes.

Item 11. 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 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 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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

Item 12. Exhibits

(a)(1)	Registrant s Code of Ethics Not applicable (please see Item 2).
(a)(2)(i)	Treasurer s Section 302 certification.
(a)(2)(ii)	President s Section 302 certification.
(b)	Combined Section 906 certification.
(c)	Registrant s notices to shareholders pursuant to Registrant s exemptive order granting an exemption from Section 19(b) of the 1940 Act and Rule 19b-1 thereunder regarding distributions paid pursuant to the Registrant s Managed Distribution Plan.

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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 Risk-Managed Diversified Equity Income Fund

By: /s/ Duncan W. Richardson
Duncan W. Richardson
President

Date: February 16, 2010

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

By: /s/ Barbara E. Campbell
Barbara E. Campbell
Treasurer

Date: February 16, 2010

By: /s/ Duncan W. Richardson
Duncan W. Richardson
President

Date: February 16, 2010