

Eaton Vance Short Duration Diversified Income Fund
Form N-Q
September 28, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM N-Q

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

Investment Company Act File Number

811-21563

**Eaton Vance Short Duration
Diversified Income Fund**

(Exact Name of Registrant as Specified in Charter)

The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109

(Address of Principal Executive Offices)

Alan R. Dynner, Esq.

Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109

(Name and Address of Agent for Services)

(Registrant's Telephone Number, Including Area Code)

(617) 482-8260

Date of Fiscal Year End

October 31

Date of Reporting Period

July 31, 2005

Item 1. Schedule of Investments

Eaton Vance Short Duration Diversified Income Fund

as of July 31, 2005

PORTFOLIO OF INVESTMENTS (Unaudited)

Senior Floating Rate Interests 61.5% (1)

| Principal Amount | Borrower/Tranche Description | Value |
|-----------------------------------|---|---------------------|
| Aerospace and Defense 0.9% | | |
| | Hexcel Corp. | |
| \$ 822,222 | Term Loan, 5.26%, Maturing March 1, 2012 | \$ 833,142 |
| | K&F Industries, Inc. | |
| 620,476 | Term Loan, 6.04%, Maturing November 18, 2012 | 629,860 |
| | Standard Aero Holdings, Inc. | |
| 753,846 | Term Loan, 5.72%, Maturing August 24, 2012 | 764,212 |
| | Vought Aircraft Industries, Inc. | |
| 181,818 | Term Loan, 5.02%, Maturing December 22, 2010 | 184,545 |
| 814,332 | Term Loan, 5.99%, Maturing December 22, 2011 | 828,175 |
| | | \$ 3,239,934 |
| Air Transport 0.2% | | |
| | United Airlines, Inc. | |
| 725,078 | DIP Loan, 7.96%, Maturing December 31, 2005 | 733,688 |
| | | \$ 733,688 |
| Automotive 4.3% | | |
| | Accuride Corp. | |
| 808,409 | Term Loan, 5.65%, Maturing January 31, 2012 | 816,241 |
| | Affina Group, Inc. | |
| 992,506 | Term Loan, 6.40%, Maturing November 30, 2011 | 997,779 |
| | Collins & Aikman Products Co. | |
| 149,648 | Revolving Loan, 9.75%, Maturing December 31, 2005 | 123,647 |
| 350,352 | Term Loan, 7.94%, Maturing August 31, 2011 | 288,040 |
| | CSA Acquisition Corp. | |
| 381,416 | Term Loan, 5.50%, Maturing December 23, 2011 | 381,893 |
| 613,584 | Term Loan, 5.50%, Maturing December 23, 2011 | 614,351 |
| | Dayco Europe S.R.L. | |
| 968,164 | Term Loan, 4.40%, Maturing June 21, 2010 | EUR 1,178,920 |
| | Dura Operating Corp. | |
| 647,000 | Term Loan, 6.78%, Maturing May 3, 2011 | 655,088 |
| | Exide Technologies | |
| 1,549,748 | Term Loan, 7.36%, Maturing May 5, 2010 | EUR 1,854,165 |
| | Federal-Mogul Corp. | |
| 361,345 | Term Loan, 5.74%, Maturing December 31, 2005 | 332,099 |
| 420,728 | Term Loan, 5.99%, Maturing December 31, 2005 | 386,919 |
| | Goodyear Tire & Rubber Co. | |
| 635,000 | Term Loan, 6.32%, Maturing April 30, 2010 | 640,854 |
| 500,000 | Term Loan, 7.07%, Maturing March 1, 2011 | 498,170 |
| | HLI Operating Co., Inc. | |
| 500,000 | Term Loan, 8.92%, Maturing June 3, 2010 | 507,500 |

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| | | |
|---------------------------------|--|----------------------|
| | R.J. Tower Corp. | |
| \$ 370,000 | DIP Revolving Loan, 6.63%, Maturing February 2, 2007 | \$ 375,049 |
| | Tenneco Automotive, Inc. | |
| 963,141 | Term Loan, 5.54%, Maturing December 12, 2009 | 976,786 |
| 418,922 | Term Loan, 5.59%, Maturing December 12, 2010 | 424,857 |
| | The Goodyear Dunlop Tires | |
| 1,000,000 | Term Loan, 4.49%, Maturing April 30, 2010 | EUR 1,217,434 |
| | Trimas Corp. | |
| 995,002 | Term Loan, 6.90%, Maturing December 31, 2009 | 1,003,708 |
| | TRW Automotive, Inc. | |
| 995,000 | Term Loan, 4.94%, Maturing October 31, 2010 | 1,002,214 |
| 995,000 | Term Loan, 5.25%, Maturing June 30, 2012 | 1,006,297 |
| | | \$ 15,282,011 |
| Beverage and Tobacco | 1.1% | |
| | Alliance One International, Inc. | |
| 249,375 | Term Loan, 6.73%, Maturing May 13, 2010 | 254,207 |
| | Constellation Brands, Inc. | |
| 1,246,250 | Term Loan, 5.30%, Maturing November 30, 2011 | 1,267,107 |
| | Culligan International Co. | |
| 500,000 | Term Loan, 5.88%, Maturing September 30, 2011 | 507,188 |
| | National Dairy Holdings, L.P. | |
| 498,750 | Term Loan, 5.49%, Maturing March 15, 2012 | 505,920 |
| | National Distribution Company | |
| 250,000 | Term Loan, 9.96%, Maturing June 22, 2010 | 250,625 |
| | Southern Wine & Spirits of America | |
| 997,500 | Term Loan, 4.99%, Maturing May 31, 2012 | 1,006,436 |
| | | \$ 3,791,483 |
| Building and Development | 3.8% | |
| | AIMCO Properties, L.P. | |
| 300,000 | Term Loan, 5.16%, Maturing November 2, 2009 | 303,563 |
| 1,500,000 | Term Loan, 5.21%, Maturing November 2, 2009 | 1,522,970 |
| | Biomed Realty, L.P. | |
| 660,000 | Term Loan, 5.59%, Maturing May 31, 2010 | 660,825 |
| | General Growth Properties, Inc. | |
| 1,905,673 | Term Loan, 5.59%, Maturing November 12, 2007 | 1,925,682 |
| | Hovstone Holdings, LLC | |
| 265,000 | Term Loan, 5.59%, Maturing February 28, 2009 | 265,663 |
| | LNR Property Corp. | |
| 1,469,955 | Term Loan, 6.21%, Maturing February 3, 2008 | 1,485,310 |
| | MAAX Corp. | |
| 721,491 | Term Loan, 5.99%, Maturing June 4, 2011 | 723,294 |
| | NCI Building Systems, Inc. | |
| 748,067 | Term Loan, 5.41%, Maturing June 18, 2010 | 756,950 |
| | Nortek, Inc. | |
| 997,487 | Term Loan, 5.92%, Maturing August 27, 2011 | 1,007,462 |

| | | |
|--|---|----------------------|
| | Stile Acquisition Corp. | |
| \$ 941,835 | Term Loan, 5.66%, Maturing April 6, 2013 | \$ 945,367 |
| | Stile U.S. Acquisition Corp. | |
| 943,440 | Term Loan, 5.66%, Maturing April 6, 2013 | 946,978 |
| | Sugarloaf Mills, L.P. | |
| 1,000,000 | Term Loan, 5.19%, Maturing April 7, 2007 | 1,005,000 |
| | The Macerich Partnership, L.P. | |
| 300,000 | Term Loan, 4.89%, Maturing July 30, 2007 | 300,375 |
| 260,000 | Term Loan, 6.75%, Maturing April 25, 2010 | 260,975 |
| | The Woodlands Community Property Co. | |
| 1,000,000 | Term Loan, 5.59%, Maturing November 30, 2007 | 1,006,250 |
| | Trustreet Properties, Inc. | |
| 185,000 | Term Loan, 5.34%, Maturing April 8, 2010 | 186,503 |
| | | \$ 13,303,167 |
| Business Equipment and Services | 0.7% | |
| | DynCorp International, LLC | |
| 498,750 | Term Loan, 6.06%, Maturing February 11, 2011 | 505,088 |
| | Global Imaging Systems, Inc. | |
| 497,487 | Term Loan, 4.92%, Maturing May 10, 2010 | 501,374 |
| | Protection One, Inc. | |
| 197,400 | Term Loan, 6.35%, Maturing April 18, 2011 | 200,114 |
| | Quintiles Transnational Corp. | |
| 995,011 | Term Loan, 5.24%, Maturing September 25, 2009 | 1,000,608 |
| | Williams Scotsman, Inc. | |
| 180,000 | Term Loan, 5.98%, Maturing June 27, 2010 | 182,363 |
| | | \$ 2,389,547 |
| Cable and Satellite Television | 3.7% | |
| | Adelphia Communications Corp. | |
| 497,364 | DIP Loan, 5.38%, Maturing March 31, 2006 | 499,307 |
| | Charter Communications Operating, LLC | |
| 2,496,896 | Term Loan, 6.68%, Maturing April 27, 2010 | 2,479,173 |
| | Iesy Hessen GmbH and Co., KG | |
| 2,000,000 | Term Loan, 4.88%, Maturing February 14, 2013 | EUR 2,429,300 |
| | NTL Investment Holdings Ltd. | |
| 1,000,000 | Term Loan, 8.00%, Maturing April 13, 2011 | GBP 1,766,014 |
| | Rainbow National Services, LLC | |
| 498,750 | Term Loan, 6.13%, Maturing March 31, 2012 | 503,987 |
| | Telewest Global Finance, LLC | |
| 1,000,000 | Term Loan, 6.92%, Maturing December 22, 2012 | GBP 1,764,195 |
| | UGS Corp. | |
| 1,895,938 | Term Loan, 5.49%, Maturing March 31, 2012 | 1,924,377 |
| | UPC Broadband Holdings B.V. | |
| 1,500,000 | Term Loan, 4.86%, Maturing September 30, 2012 | EUR 1,806,944 |
| | | \$ 13,173,297 |

Chemicals and Plastics 3.8%

| | | |
|--------------|---|----------------------|
| | Brenntag AG | |
| \$ 1,423,099 | Term Loan, 5.44%, Maturing December 9, 2012 | EUR 1,745,597 |
| | Celanese Holdings, LLC | |
| 995,239 | Term Loan, 4.35%, Maturing April 6, 2011 | EUR 1,224,582 |
| 997,966 | Term Loan, 5.74%, Maturing April 6, 2011 | 1,016,367 |
| | Hexion Specialty Chemicals, Inc. | |
| 35,000 | Term Loan, 3.16%, Maturing May 31, 2012 | 35,438 |
| 153,300 | Term Loan, 5.88%, Maturing May 31, 2012 | 155,216 |
| 210,700 | Term Loan, 5.88%, Maturing May 31, 2012 | 213,334 |
| | Huntsman International, LLC | |
| 1,128,296 | Term Loan, 5.75%, Maturing December 31, 2010 | 1,131,822 |
| | Huntsman, LLC | |
| 465,035 | Term Loan, 6.40%, Maturing March 31, 2010 | 466,779 |
| | Innophos, Inc. | |
| 713,944 | Term Loan, 5.55%, Maturing August 13, 2010 | 721,232 |
| | Invista B.V. | |
| 859,502 | Term Loan, 5.75%, Maturing April 29, 2011 | 874,007 |
| 372,909 | Term Loan, 5.75%, Maturing April 29, 2011 | 379,202 |
| | Kraton Polymer, LLC | |
| 748,101 | Term Loan, 6.28%, Maturing December 23, 2010 | 760,258 |
| | Niagara Acquisition, Inc. | |
| 997,500 | Term Loan, 5.50%, Maturing February 11, 2012 | 1,009,658 |
| | Professional Paint, Inc. | |
| 246,795 | Term Loan, 6.80%, Maturing September 30, 2011 | 250,497 |
| | Rockwood Specialties Group | |
| 1,492,500 | Term Loan, 5.13%, Maturing July 30, 2012 | EUR 1,833,260 |
| | Solo Cup Co. | |
| 1,496,212 | Term Loan, 5.40%, Maturing February 27, 2011 | 1,515,289 |
| | | \$ 13,332,538 |
| | Clothing/Textiles 0.3% | |
| | Propex Fabrics, Inc. | |
| 468,987 | Term Loan, 5.74%, Maturing December 31, 2011 | 469,574 |
| | St. John Knits International, Inc. | |
| 174,563 | Term Loan, 6.00%, Maturing March 23, 2012 | 176,635 |
| | The William Carter Co. | |
| 250,000 | Term Loan, 5.24%, Maturing July 14, 2012 | 253,828 |
| | | \$ 900,037 |

Conglomerates 1.6%

| | | |
|------------|--|--------------|
| | Amsted Industries, Inc. | |
| \$ 909,619 | Term Loan, 6.12%, Maturing October 15, 2010 | \$ 921,747 |
| | Euramax International, Inc. | |
| 167,105 | Term Loan, 10.55%, Maturing June 28, 2013 | 167,523 |
| 82,895 | Term Loan, 10.55%, Maturing June 28, 2013 | 83,102 |
| | Gentek, Inc. | |
| 748,125 | Term Loan, 6.09%, Maturing February 25, 2011 | 751,024 |
| | Goodman Global Holdings, Inc. | |
| 498,747 | Term Loan, 5.88%, Maturing December 23, 2011 | 506,384 |
| | Johnson Diversey, Inc. | |
| 1,359,665 | Term Loan, 4.90%, Maturing November 30, 2009 | 1,373,474 |
| 255,000 | Term Loan, 4.96%, Maturing November 30, 2009 | 257,709 |
| | PP Acquisition Corp. | |
| 1,110,000 | Term Loan, 5.74%, Maturing November 12, 2011 | 1,117,862 |
| | Rexnord Corp. | |
| 206,422 | Term Loan, 6.80%, Maturing December 31, 2011 | 209,304 |
| 458,161 | Term Loan, 6.80%, Maturing December 31, 2011 | 464,556 |
| | | \$ 5,852,685 |

Containers and Glass Products 2.4%

| | | |
|-----------|--|---------------|
| | Ball Corp. | |
| 1,051,835 | Term Loan, 4.49%, Maturing December 31, 2009 | 1,049,206 |
| | Berry Plastics Corp. | |
| 1,252,287 | Term Loan, 5.60%, Maturing June 30, 2010 | 1,273,263 |
| | Graham Packaging Holdings Co. | |
| 1,243,750 | Term Loan, 6.03%, Maturing October 7, 2011 | 1,264,609 |
| 500,000 | Term Loan, 7.75%, Maturing April 7, 2012 | 515,729 |
| | Graphic Packaging International, Inc. | |
| 1,000,000 | Term Loan, 6.03%, Maturing August 8, 2009 | 1,014,688 |
| | Owens-Illinois, Inc. | |
| 1,169,682 | Term Loan, 3.86%, Maturing April 1, 2008 | EUR 1,434,074 |
| | Smurfit-Stone Container Corp. | |
| 341,166 | Term Loan, 5.34%, Maturing November 1, 2010 | 346,923 |
| 615,934 | Term Loan, 5.38%, Maturing November 1, 2011 | 626,135 |
| 1,034,607 | Term Loan, 5.47%, Maturing November 1, 2011 | 1,051,743 |
| | | \$ 8,576,370 |

Cosmetics/Toiletries 0.5%

| | | |
|---------|--|--------------|
| | American Safety Razor Co. | |
| 498,750 | Term Loan, 6.01%, Maturing February 28, 2012 | 504,984 |
| | Prestige Brands, Inc. | |
| 748,106 | Term Loan, 5.37%, Maturing April 7, 2011 | 756,210 |
| | Revlon Consumer Products Corp. | |
| 656,250 | Term Loan, 9.43%, Maturing July 9, 2010 | 680,039 |
| | | \$ 1,941,233 |

Drugs 0.4%

| Warner Chilcott Corp. | | |
|------------------------------|---|---------------------|
| \$ 784,641 | Term Loan, 6.07%, Maturing January 18, 2012 | \$ 793,958 |
| 316,172 | Term Loan, 6.18%, Maturing January 18, 2012 | 319,926 |
| 146,062 | Term Loan, 6.18%, Maturing January 18, 2012 | 147,797 |
| | | \$ 1,261,681 |

Ecological Services and Equipment 0.7%

| Allied Waste Industries, Inc. | | |
|--|--|---------------------|
| 202,703 | Term Loan, 4.87%, Maturing January 15, 2010 | 204,185 |
| 531,068 | Term Loan, 5.54%, Maturing January 15, 2012 | 535,328 |
| Envirocare of Utah, LLC | | |
| 338,864 | Term Loan, 6.11%, Maturing April 15, 2010 | 343,523 |
| Environmental Systems Products Holdings, Inc. | | |
| 737,572 | Term Loan, 6.94%, Maturing December 12, 2008 | 751,862 |
| Sensus Metering Systems, Inc. | | |
| 64,885 | Term Loan, 6.02%, Maturing December 17, 2010 | 65,669 |
| 432,564 | Term Loan, 6.02%, Maturing December 17, 2010 | 437,791 |
| Synagro Technologies, Inc. | | |
| 37,857 | Term Loan, 0.00%, Maturing June 21, 2012 (2) | 37,999 |
| 227,143 | Term Loan, 5.68%, Maturing June 21, 2012 | 228,988 |
| | | \$ 2,605,345 |

Electronics/Electrical 1.4%

| AMI Semiconductor, Inc. | | |
|-------------------------------------|---|---------------------|
| 254,363 | Term Loan, 4.99%, Maturing April 1, 2012 | 255,846 |
| Security Co., Inc. | | |
| 748,111 | Term Loan, 7.50%, Maturing June 30, 2010 | 754,657 |
| Spectrum Brands, Inc. | | |
| 2,000,000 | Term Loan, 4.36%, Maturing February 7, 2012 | EUR 2,444,483 |
| Telcordia Technologies, Inc. | | |
| 423,938 | Term Loan, 6.07%, Maturing September 15, 2012 | 423,143 |
| United Online, Inc. | | |
| 422,222 | Term Loan, 6.73%, Maturing December 13, 2008 | 424,333 |
| Vertafore, Inc. | | |
| 480,192 | Term Loan, 6.06%, Maturing December 22, 2010 | 483,194 |
| | | \$ 4,785,656 |

Equipment Leasing 0.6%

| Ashtead Group, PLC | | |
|--------------------------------|--|---------------------|
| 1,000,000 | Term Loan, 5.56%, Maturing November 12, 2009 | 1,015,000 |
| Maxim Crane Works, L.P. | | |
| 500,000 | Term Loan, 8.94%, Maturing January 28, 2012 | 521,250 |
| United Rentals, Inc. | | |
| 84,034 | Term Loan, 3.34%, Maturing February 14, 2011 | 85,259 |
| 414,916 | Term Loan, 5.73%, Maturing February 14, 2011 | 420,413 |
| | | \$ 2,041,922 |

Financial Intermediaries 1.0%

| | | |
|------------|--|---------------------|
| | Corrections Corp. of America | |
| \$ 498,750 | Term Loan, 5.35%, Maturing March 31, 2008 | \$ 506,855 |
| | Fidelity National Information Solutions, Inc. | |
| 1,739,025 | Term Loan, 5.10%, Maturing March 9, 2013 | 1,744,614 |
| | Refco Group Ltd., LLC | |
| 993,827 | Term Loan, 5.48%, Maturing August 5, 2011 | 1,000,287 |
| | Sirona Dental Services GmbH & Co. | |
| 340,000 | Term Loan, 4.61%, Maturing June 30, 2013 | EUR 416,724 |
| | | \$ 3,668,480 |

Food Products 1.7%

| | | |
|-----------|--|---------------------|
| | Acosta Sales Co., Inc. | |
| 1,246,859 | Term Loan, 5.35%, Maturing August 13, 2010 | 1,264,394 |
| | Chiquita Brands, LLC | |
| 165,000 | Term Loan, 5.84%, Maturing June 28, 2012 | 167,784 |
| | Doane Pet Care Co. | |
| 748,116 | Term Loan, 7.41%, Maturing November 5, 2009 | 762,455 |
| | Dole Food Co., Inc. | |
| 246,258 | Term Loan, 5.18%, Maturing April 18, 2012 | 249,298 |
| | Herbalife International, Inc. | |
| 770,000 | Term Loan, 5.37%, Maturing December 21, 2010 | 775,775 |
| | Merisant Company | |
| 914,395 | Term Loan, 5.38%, Maturing January 11, 2009 | 896,107 |
| | Michael Foods, Inc. | |
| 1,000,000 | Term Loan, 6.59%, Maturing November 21, 2011 | 1,025,625 |
| | Nash-Finch Co. | |
| 500,000 | Term Loan, 5.75%, Maturing November 12, 2010 | 505,938 |
| | The Meow Mix Company | |
| 383,158 | Term Loan, 7.06%, Maturing July 13, 2011 | 389,305 |
| | | \$ 6,036,681 |

Food Service 1.0%

| | | |
|-----------|---|---------------------|
| | Carrols Corp. | |
| 498,747 | Term Loan, 6.00%, Maturing December 31, 2010 | 506,332 |
| | Denny s, Inc. | |
| 995,004 | Term Loan, 6.72%, Maturing September 21, 2009 | 1,021,745 |
| | Domino s, Inc. | |
| 1,163,146 | Term Loan, 5.25%, Maturing June 25, 2010 | 1,181,685 |
| | Jack in the Box, Inc. | |
| 982,886 | Term Loan, 5.18%, Maturing January 8, 2011 | 995,479 |
| | | \$ 3,705,241 |

Food/Drug Retailers 1.1%

| | | |
|------------|---|---------------------|
| | General Nutrition Centers, Inc. | |
| \$ 994,949 | Term Loan, 6.50%, Maturing December 7, 2009 | \$ 1,005,728 |
| | Rite Aid Corp. | |
| 1,238,759 | Term Loan, 5.11%, Maturing September 22, 2009 | 1,250,630 |
| | The Jean Coutu Group (PJC), Inc. | |
| 1,492,481 | Term Loan, 5.94%, Maturing July 30, 2011 | 1,518,134 |
| | | \$ 3,774,492 |

Forest Products 1.8%

| | | |
|-----------|--|---------------------|
| | Boise Cascade Holdings, LLC | |
| 1,825,490 | Term Loan, 5.25%, Maturing October 29, 2011 | 1,855,269 |
| | NewPage Corp. | |
| 965,000 | Term Loan, 6.38%, Maturing May 2, 2011 | 984,300 |
| | RLC Industries Co. | |
| 1,518,145 | Term Loan, 4.99%, Maturing February 24, 2010 | 1,526,368 |
| | Xerium Technologies, Inc. | |
| 1,590,483 | Term Loan, 4.35%, Maturing May 18, 2012 | EUR 1,943,954 |
| | | \$ 6,309,891 |

Healthcare 4.4%

| | | |
|-----------|---|-------------|
| | Alliance Imaging, Inc. | |
| 493,429 | Term Loan, 5.87%, Maturing December 29, 2011 | 500,831 |
| | AMN Healthcare, Inc. | |
| 437,062 | Term Loan, 6.49%, Maturing October 2, 2008 | 443,617 |
| | AMR HoldCo, Inc. | |
| 498,750 | Term Loan, 5.67%, Maturing February 10, 2012 | 507,011 |
| | Blitz F04-506 GmbH | |
| 500,000 | Term Loan, 5.11%, Maturing June 30, 2014 | EUR 615,581 |
| | Carl Zeiss Topco GMBH | |
| 166,667 | Term Loan, 6.24%, Maturing February 28, 2013 | 167,292 |
| 333,333 | Term Loan, 6.74%, Maturing February 28, 2014 | 336,250 |
| | Colgate Medical, Ltd. | |
| 1,162,679 | Term Loan, 5.48%, Maturing December 30, 2008 | 1,175,033 |
| | Community Health Systems, Inc. | |
| 994,987 | Term Loan, 5.07%, Maturing August 19, 2011 | 1,009,602 |
| | Encore Medical IHC, Inc. | |
| 585,000 | Term Loan, 6.40%, Maturing October 4, 2010 | 593,409 |
| | Envision Worldwide, Inc. | |
| 498,603 | Term Loan, 8.56%, Maturing September 30, 2010 | 501,096 |
| | FHC Health Systems, Inc. | |
| 294,118 | Term Loan, 8.91%, Maturing December 18, 2009 | 297,059 |
| 205,882 | Term Loan, 11.91%, Maturing December 18, 2009 | 207,941 |

| | | | |
|-----------------------------|-------------|---|---------------|
| | | Healthsouth Corp. | |
| \$ | 446,875 | Term Loan, 5.98%, Maturing June 14, 2007 | \$ 452,950 |
| 53,125 | | Term Loan, 3.09%, Maturing March 21, 2010 | 53,847 |
| | | Kinetic Concepts, Inc. | |
| 351,914 | | Term Loan, 5.24%, Maturing August 11, 2009 | 356,093 |
| | | Knowledge Learning Corp. | |
| 955,556 | | Term Loan, 5.99%, Maturing January 7, 2012 | 962,722 |
| | | Lifepoint Hospitals, Inc. | |
| 1,796,850 | | Term Loan, 5.01%, Maturing April 15, 2012 | 1,815,140 |
| | | Medcath Holdings Corp. | |
| 497,487 | | Term Loan, 5.50%, Maturing July 2, 2011 | 503,084 |
| | | National Mentor, Inc. | |
| 985,004 | | Term Loan, 5.73%, Maturing September 30, 2011 | 997,932 |
| | | Select Medical Holding Corp. | |
| 498,750 | | Term Loan, 5.04%, Maturing February 24, 2012 | 501,400 |
| | | Sirona Dental Systems GmbH | |
| 160,000 | | Term Loan, 4.61%, Maturing June 30, 2013 | EUR 196,105 |
| | | Talecris Biotherapeutics, Inc. | |
| 249,375 | | Term Loan, 6.54%, Maturing March 31, 2010 | 249,998 |
| | | Team Health, Inc. | |
| 500,000 | | Term Loan, 6.24%, Maturing March 23, 2011 | 500,000 |
| | | Vanguard Health Holding Co., LLC | |
| 746,241 | | Term Loan, 6.74%, Maturing September 23, 2011 | 759,300 |
| | | VWR International, Inc. | |
| 1,576,667 | | Term Loan, 4.88%, Maturing April 7, 2011 | EUR 1,933,052 |
| | | | \$ 15,636,345 |
| Home Furnishings | 0.6% | | |
| | | Jarden Corp. | |
| 497,500 | | Term Loan, 5.47%, Maturing January 24, 2012 | 502,253 |
| | | Oreck Corp. | |
| 498,747 | | Term Loan, 6.24%, Maturing February 2, 2012 | 506,228 |
| | | Sealy Mattress Co. | |
| 998,982 | | Term Loan, 5.13%, Maturing April 6, 2012 | 1,008,972 |
| | | | \$ 2,017,453 |
| Industrial Equipment | 0.9% | | |
| | | Alliance Laundry Holdings, LLC | |
| 350,606 | | Term Loan, 5.59%, Maturing January 27, 2012 | 356,303 |
| | | Douglas Dynamics Holdings, Inc. | |
| 995,000 | | Term Loan, 5.48%, Maturing December 16, 2010 | 1,007,438 |
| | | Gleason Corp. | |
| 468,418 | | Term Loan, 6.28%, Maturing July 27, 2011 | 473,492 |
| | | MTD Products, Inc. | |
| 1,246,851 | | Term Loan, 5.13%, Maturing June 1, 2010 | 1,257,761 |
| | | | \$ 3,094,994 |

Insurance 0.7%

| | | |
|--------------|--|---------------------|
| | Conseco, Inc. | |
| \$ 1,500,000 | Term Loan, 6.99%, Maturing June 22, 2010 | \$ 1,514,688 |
| | Hilb, Rogal & Hobbs Co. | |
| 972,612 | Term Loan, 5.75%, Maturing December 15, 2011 | 980,515 |
| | | \$ 2,495,203 |

Leisure Goods/Activities/Movies 3.2%

| | | |
|-----------|--|----------------------|
| | 24 Hour Fitness Worldwide, Inc. | |
| 405,000 | Term Loan, 6.78%, Maturing June 8, 2012 | 411,708 |
| | Cinemark, Inc. | |
| 1,476,300 | Term Loan, 5.18%, Maturing March 31, 2011 | 1,497,337 |
| | Fender Musical Instruments Co. | |
| 250,000 | Term Loan, 7.71%, Maturing March 30, 2012 | 253,125 |
| | Loews Cineplex Entertainment Corp. | |
| 2,020,201 | Term Loan, 5.64%, Maturing July 30, 2011 | 2,036,772 |
| | Metro-Goldwyn-Mayer Holdings | |
| 2,165,000 | Term Loan, 5.74%, Maturing April 8, 2012 | 2,190,980 |
| | Regal Cinemas Corp. | |
| 1,989,924 | Term Loan, 5.24%, Maturing November 10, 2010 | 2,013,555 |
| | Six Flags Theme Parks, Inc. | |
| 1,493,715 | Term Loan, 6.16%, Maturing June 30, 2008 | 1,516,121 |
| | Universal City Development Partners, Ltd. | |
| 995,000 | Term Loan, 5.46%, Maturing June 9, 2011 | 1,008,266 |
| | WMG Acquisition Corp. | |
| 498,533 | Term Loan, 5.45%, Maturing February 28, 2011 | 503,963 |
| | | \$ 11,431,827 |

Lodging and Casinos 2.2%

| | | |
|-----------|--|-----------|
| | CNL Hospitality Partners, L.P. | |
| 148,711 | Term Loan, 5.85%, Maturing October 13, 2006 | 149,082 |
| | Isle of Capri Casinos, Inc. | |
| 1,990,000 | Term Loan, 5.19%, Maturing February 4, 2012 | 2,013,942 |
| | Marina District Finance Co., Inc. | |
| 995,000 | Term Loan, 4.99%, Maturing October 14, 2011 | 1,003,913 |
| | Pinnacle Entertainment, Inc. | |
| 1,000,000 | Term Loan, 6.49%, Maturing August 27, 2010 | 1,015,000 |
| | Resorts International Holdings, LLC | |
| 721,617 | Term Loan, 5.99%, Maturing April 26, 2012 | 731,088 |
| 194,513 | Term Loan, 9.07%, Maturing April 26, 2013 | 196,002 |
| | Venetian Casino Resort, LLC | |
| 256,410 | Term Loan, 0.00%, Maturing June 15, 2011 (2) | 259,295 |
| 1,243,590 | Term Loan, 5.24%, Maturing June 15, 2011 | 1,260,467 |
| | Wyndham International, Inc. | |
| 53,017 | Term Loan, 3.58%, Maturing May 10, 2011 | 53,282 |
| 560,578 | Term Loan, 6.63%, Maturing May 10, 2011 | 564,502 |

| | | |
|--|--|---------------------|
| Wynn Las Vegas, LLC | | |
| \$ 500,000 | Term Loan, 5.62%, Maturing December 14, 2011 | \$ 506,063 |
| | | \$ 7,752,636 |
| Nonferrous Metals/Minerals 1.0% | | |
| Foundation Coal Corp. | | |
| 961,170 | Term Loan, 5.54%, Maturing July 30, 2011 | 978,658 |
| Murray Energy Corp. | | |
| 748,125 | Term Loan, 6.49%, Maturing January 28, 2010 | 753,268 |
| Novelis, Inc. | | |
| 474,297 | Term Loan, 4.96%, Maturing January 6, 2012 | 481,115 |
| 823,780 | Term Loan, 4.96%, Maturing January 6, 2012 | 835,621 |
| Trout Coal Holdings, LLC | | |
| 500,000 | Term Loan, 8.50%, Maturing March 23, 2012 | 502,657 |
| | | \$ 3,551,319 |
| Oil and Gas 2.5% | | |
| Dresser Rand Group, Inc. | | |
| 976,902 | Term Loan, 4.72%, Maturing October 29, 2011 | EUR 1,197,718 |
| Dynegy Holdings, Inc. | | |
| 1,496,222 | Term Loan, 7.34%, Maturing May 28, 2010 | 1,508,534 |
| El Paso Corp. | | |
| 1,239,960 | Term Loan, 6.24%, Maturing November 23, 2009 | 1,256,524 |
| Energy Transfer Company, L.P. | | |
| 515,000 | Term Loan, 6.47%, Maturing June 16, 2012 | 522,339 |
| Kerr-McGee Corp. | | |
| 510,000 | Term Loan, 5.71%, Maturing May 24, 2007 | 513,825 |
| 925,000 | Term Loan, 5.79%, Maturing May 24, 2011 | 942,081 |
| LB Pacific, L.P. | | |
| 718,200 | Term Loan, 6.15%, Maturing March 3, 2012 | 728,524 |
| Lyondell-Citgo Refining, L.P. | | |
| 1,980,000 | Term Loan, 5.51%, Maturing May 21, 2007 | 2,010,938 |
| | | \$ 8,680,483 |
| Publishing 3.4% | | |
| American Media Operations, Inc. | | |
| 997,396 | Term Loan, 6.25%, Maturing April 1, 2008 | 1,010,903 |
| CBD Media, LLC | | |
| 947,712 | Term Loan, 5.84%, Maturing December 31, 2009 | 962,520 |
| Dex Media East, LLC | | |
| 1,906,232 | Term Loan, 5.08%, Maturing May 8, 2009 | 1,933,873 |
| Dex Media West, LLC | | |
| 934,548 | Term Loan, 5.13%, Maturing March 9, 2010 | 948,619 |
| Herald Media, Inc. | | |
| 498,741 | Term Loan, 5.56%, Maturing July 22, 2011 | 503,105 |
| Liberty Group Operating, Inc. | | |
| 985,031 | Term Loan, 5.63%, Maturing February 28, 2012 | 995,086 |

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| | | |
|--|--|----------------------|
| | Nebraska Book Co., Inc. | |
| \$ 748,106 | Term Loan, 5.88%, Maturing March 4, 2011 | \$ 758,393 |
| | R.H. Donnelley Corp. | |
| 1,989,975 | Term Loan, 5.20%, Maturing June 30, 2011 | 2,019,443 |
| | SP Newsprint Co. | |
| 652,602 | Term Loan, 3.43%, Maturing January 9, 2010 | 657,904 |
| 277,356 | Term Loan, 5.74%, Maturing January 9, 2010 | 281,690 |
| | World Directories ACQI Corp. | |
| 1,500,000 | Term Loan, 5.38%, Maturing November 29, 2013 | EUR 1,837,006 |
| | | \$ 11,908,542 |
| Radio and Television 1.7% | | |
| | Adams Outdoor Advertising, L.P. | |
| 498,750 | Term Loan, 5.64%, Maturing October 15, 2011 | 506,543 |
| | ALM Media Holdings, Inc. | |
| 498,750 | Term Loan, 5.99%, Maturing March 5, 2010 | 499,997 |
| | DirecTV Holdings, LLC | |
| 836,667 | Term Loan, 4.91%, Maturing April 13, 2013 | 846,303 |
| | Nexstar Broadcasting, Inc. | |
| 394,048 | Term Loan, 5.24%, Maturing October 1, 2012 | 397,003 |
| 415,952 | Term Loan, 5.24%, Maturing October 1, 2012 | 419,938 |
| | PanAmSat Corp. | |
| 359,864 | Term Loan, 5.16%, Maturing August 20, 2010 | 364,137 |
| 188,162 | Term Loan, 5.16%, Maturing August 20, 2010 | 191,321 |
| | Raycom TV Broadcasting, Inc. | |
| 1,000,000 | Term Loan, 5.50%, Maturing February 24, 2012 | 1,010,000 |
| | Spanish Broadcasting System | |
| 300,000 | Term Loan, 7.03%, Maturing June 10, 2013 | 304,313 |
| | TDF SA | |
| 305,762 | Term Loan, 4.61%, Maturing March 11, 2013 | EUR 375,959 |
| 305,762 | Term Loan, 5.11%, Maturing March 11, 2014 | EUR 376,825 |
| 388,476 | Term Loan, 5.73%, Maturing March 11, 2015 | EUR 480,120 |
| | Young Broadcasting, Inc. | |
| 250,000 | Term Loan, 5.64%, Maturing November 3, 2012 | 252,604 |
| | | \$ 6,025,063 |
| Retailers (Except Food and Drug) 1.3% | | |
| | Harbor Freight Tools USA, Inc. | |
| 997,489 | Term Loan, 5.78%, Maturing July 15, 2010 | 1,010,456 |
| | Jostens Corp. | |
| 979,381 | Term Loan, 5.94%, Maturing October 4, 2010 | 995,296 |
| | Mapco Express, Inc. | |
| 250,000 | Term Loan, 6.21%, Maturing April 28, 2011 | 254,375 |
| | Movie Gallery, Inc. | |
| 250,000 | Term Loan, 6.49%, Maturing April 27, 2011 | 252,578 |
| | Oriental Trading Co., Inc. | |
| 486,490 | Term Loan, 6.00%, Maturing August 4, 2010 | 489,531 |

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| | | |
|--------------------------------|---|----------------------|
| | Stewart Enterprises, Inc. | |
| \$ 949,494 | Term Loan, 5.01%, Maturing November 19, 2011 | \$ 958,395 |
| | Travelcenters of America, Inc. | |
| 750,000 | Term Loan, 5.09%, Maturing November 30, 2008 | 759,492 |
| | | \$ 4,720,123 |
| Surface Transport 0.1% | | |
| | Sirva Worldwide, Inc. | |
| 500,000 | Term Loan, 6.45%, Maturing December 1, 2010 | 483,334 |
| | | \$ 483,334 |
| Telecommunications 4.5% | | |
| | Alaska Communications Systems Holdings, Inc. | |
| 500,000 | Term Loan, 5.49%, Maturing February 1, 2011 | 507,552 |
| | Centennial Cellular Operating Co., LLC | |
| 746,222 | Term Loan, 5.68%, Maturing February 9, 2011 | 758,414 |
| | Consolidated Communications, Inc. | |
| 773,431 | Term Loan, 5.77%, Maturing July 27, 2015 | 785,999 |
| | Fairpoint Communications, Inc. | |
| 2,000,000 | Term Loan, 5.55%, Maturing February 8, 2012 | 2,028,750 |
| | Intelsat Ltd. | |
| 996,247 | Term Loan, 5.25%, Maturing July 28, 2011 | 1,006,583 |
| | Iowa Telecommunications Services, Inc. | |
| 1,250,000 | Term Loan, 5.50%, Maturing November 23, 2011 | 1,268,945 |
| | NTelos, Inc. | |
| 497,500 | Term Loan, 5.99%, Maturing February 18, 2011 | 499,179 |
| | Qwest Corp. | |
| 800,000 | Term Loan, 8.10%, Maturing June 4, 2007 | 827,438 |
| | Satbirds Finance SARL | |
| 500,000 | Term Loan, 4.90%, Maturing April 4, 2013 | EUR 605,807 |
| 500,000 | Term Loan, 4.90%, Maturing April 4, 2013 | EUR 606,945 |
| | SBA Senior Finance, Inc. | |
| 997,481 | Term Loan, 5.58%, Maturing October 31, 2008 | 1,013,483 |
| | Spectrasite Communications, Inc. | |
| 995,000 | Term Loan, 4.91%, Maturing May 19, 2012 | 1,005,468 |
| | Stratos Global Corp. | |
| 500,000 | Term Loan, 5.74%, Maturing December 3, 2010 | 505,469 |
| | Syniverse Holdings, Inc. | |
| 497,500 | Term Loan, 5.10%, Maturing February 15, 2012 | 501,231 |
| | Triton PCS, Inc. | |
| 748,120 | Term Loan, 6.74%, Maturing November 18, 2009 | 752,796 |
| | Valor Telecom Enterprise, LLC | |
| 1,208,333 | Term Loan, 5.49%, Maturing February 14, 2012 | 1,224,409 |
| | Western Wireless Corp. | |
| 2,000,000 | Term Loan, 6.90%, Maturing May 28, 2011 | 2,006,964 |
| | | \$ 15,905,432 |

Utilities 2.0%

| | | | |
|---|-----------|--|-----------------------|
| | | Cogentrix Delaware Holdings, Inc. | |
| \$ | 1,773,173 | Term Loan, 5.24%, Maturing January 14, 2012 | \$ 1,795,893 |
| | | Covanta Energy Corp. | |
| 248,780 | | Term Loan, 3.36%, Maturing June 24, 2012 | 252,668 |
| 201,220 | | Term Loan, 6.46%, Maturing June 24, 2012 | 204,741 |
| 250,000 | | Term Loan, 8.96%, Maturing June 24, 2013 | 250,469 |
| | | KGen, LLC | |
| 189,525 | | Term Loan, 6.12%, Maturing August 5, 2011 | 188,577 |
| | | NRG Energy, Inc. | |
| 546,875 | | Term Loan, 3.39%, Maturing December 24, 2011 | 553,760 |
| 699,609 | | Term Loan, 5.37%, Maturing December 24, 2011 | 708,417 |
| | | Pike Electric, Inc. | |
| 750,000 | | Term Loan, 5.63%, Maturing July 1, 2012 | 759,375 |
| | | Plains Resources, Inc. | |
| 497,500 | | Term Loan, 5.49%, Maturing December 17, 2010 | 503,097 |
| | | Reliant Energy, Inc. | |
| 496,877 | | Term Loan, 6.07%, Maturing December 22, 2010 | 503,126 |
| | | Texas Genco, LLC | |
| 438,462 | | Term Loan, 5.41%, Maturing December 14, 2011 | 445,548 |
| 1,056,231 | | Term Loan, 5.41%, Maturing December 14, 2011 | 1,073,301 |
| | | | \$ 7,238,972 |
| Total Senior Floating Rate Interests | | | |
| (identified cost \$219,602,191) | | | \$ 217,647,105 |

Mortgage Pass-Throughs 42.1%

Principal Amount

| (000 s omitted) | Security | Value |
|------------------------|---|----------------------|
| | Federal Home Loan Mortgage Corp.: | |
| \$ 10,123 | 7.00%, with maturity at 2013 (3) | \$ 10,590,020 |
| 18,896 | 8.00%, with various maturities to 2031 (3) | 20,455,471 |
| 9,525 | 8.50%, with maturity at 2031 | 10,497,425 |
| 1,554 | 9.00%, with maturity at 2031 | 1,735,489 |
| 602 | 9.50%, with maturity at 2017 | 672,827 |
| 3,761 | 11.50%, with maturity at 2019 | 4,326,707 |
| | | \$ 48,277,939 |
| | Federal National Mortgage Association: | |
| 5,022 | 6.00%, with maturity at 2026 | 5,158,896 |
| 19,612 | 6.50%, with maturity at 2018 (3) | 20,331,865 |
| 7,152 | 7.50%, with maturity at 2028 | 7,664,235 |
| 3,638 | 8.00%, with various maturities to 2023 | 3,944,985 |
| 807 | 8.50%, with maturity at 2027 | 884,714 |
| 14 | | |

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| | | |
|---|---|-----------------------|
| \$ 712 | 9.00%, with maturity at 2028 | \$ 787,916 |
| 8,746 | 9.50%, with maturity at 2031 | 9,782,290 |
| 5,591 | 10.00%, with various maturities to 2031 | 6,386,149 |
| | | \$ 54,941,050 |
| | Government National Mortgage Association: | |
| 1,389 | 6.50%, with maturity at 2024 | 1,448,860 |
| 1,346 | 8.00%, with maturity at 2017 | 1,452,345 |
| 7,305 | 9.00%, with maturity at 2026 | 8,157,329 |
| | | \$ 11,058,534 |
| | Collateralized Mortgage Obligations: | |
| 5,605 | Federal Home Loan Mortgage Corp., Series 2137, Class Z, 6.00%, 3/15/29 | 5,790,402 |
| 6,726 | Federal Home Loan Mortgage Corp., Series 2167, Class BZ, 7.00%, 6/15/29 | 7,082,217 |
| 1,607 | Federal Home Loan Mortgage Corp., Series 2214, Class NC, 11.058%, 8/15/21 | 1,814,163 |
| 529 | Federal National Mortgage Association, Series 1989-89, Class H, 9.00%, 11/25/19 | 575,965 |
| 1,338 | Federal National Mortgage Association, Series 1991-122, Class N, 7.50%, 9/25/21 | 1,410,107 |
| 8,970 | Federal National Mortgage Association, Series 1993-84, Class M, 7.50%, 6/25/23 | 9,372,329 |
| 3,029 | Federal National Mortgage Association, Series 1997-38, Class N, 8.00%, 5/20/27 | 3,220,192 |
| 5,213 | Federal National Mortgage Association, Series G-33, Class PT, 7.00%, 10/25/21 | 5,446,010 |
| | | \$ 34,711,385 |
| Total Mortgage Pass-Throughs (identified cost \$149,956,984) | | \$ 148,988,908 |

Corporate Bonds & Notes 0.8%

Financial Intermediaries 0.1%

| | | | |
|----|-----|---|-------------------|
| | | Centurion CDO 9 Ltd., Series 2005-9A | |
| \$ | 500 | 0.00%, 7/17/19 | \$ 500,000 |
| | | | \$ 500,000 |

Radio and Television 0.6%

| | | | |
|-------|--|--|---------------------|
| | | Emmis Communications Corp., Sr. Notes, Class A, Variable Rate | |
| 1,000 | | 9.314%, 6/15/12 (4) | 1,006,250 |
| | | Paxson Communications Corp., Variable Rate | |
| 1,000 | | 6.349%, 1/15/10 (4) | 1,005,000 |
| | | | \$ 2,011,250 |

Telecommunications 0.1%

| | | | |
|-----|--|--|-------------------|
| | | Qwest Corp., Sr. Notes, Variable Rate | |
| 200 | | 6.671%, 6/15/13 (4) | 210,000 |
| | | | \$ 210,000 |

**Total Corporate Bonds & Notes
(identified cost \$2,709,481)**

\$ 2,721,250

Sovereign Issues 2.2%

| | | | | |
|----|------------|--------------------------------------|-----|---------------------|
| \$ | 16,246,000 | Republic of Colombia, 11.75%, 3/1/10 | COP | 7,632,881 |
| | | | | \$ 7,632,881 |

Commercial Paper 2.8%

| Principal Amount | Maturity Date | Borrower | Rate | Amount |
|------------------|---------------|--------------------------------|------|---------------------|
| \$ 4,633,000 | 08/01/05 | Barclays US Funding, LLC | 3.25 | % \$ 4,633,000 |
| 5,284,000 | 08/01/05 | General Electric Capital Corp. | 3.29 | % 5,284,000 |
| | | | | \$ 9,917,000 |

**Total Commercial Paper
(at amortized cost \$9,917,000)**

Short-Term Investments 0.7%

| Principal Amount | Maturity Date | Borrower | Rate | Amount |
|---|---------------|---|------|-------------------------|
| 2,450,000 | 08/01/05 | Investors Bank and Trust Company Time Deposit | 3.30 | % \$ 2,450,000 |
| Total Short-Term Investments (at amortized cost \$2,450,000) | | | | \$ 2,450,000 |
| Gross Investments 110.1% (identified cost \$392,009,744) | | | | \$ 389,357,144 |
| Less Unfunded Loan Commitments (0.1)% | | | | \$ (295,364) |
| Net Investments 110.0% (identified cost \$391,714,380) | | | | \$ 389,061,780 |
| Other Assets, Less Liabilities (10.0)% | | | | \$ (35,301,508) |
| Net Assets 100.0% | | | | \$ 353,760,272 |

COP Colombian Peso

EUR Euro

GBP British Pound

- (1) Senior floating-rate interests often require prepayments from excess cash flows or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, it is anticipated that the senior floating-rate interests will have an expected average life of approximately two to three years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base lending rates are primarily the London-Interbank Offered Rate (LIBOR), and secondarily the prime rate offered by one or more major United States banks (the Prime Rate) and the certificate of deposit (CD) rate or other base lending rates used by commercial lenders.
- (2) Unfunded loan commitments. The Fund may enter into certain credit agreements, all or a portion of which may be unfunded. The Fund is obligated to fund these loan commitments at the borrower s discretion.
- (3) All or a portion of these securities were on loan at July 31, 2005.
- (4) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At July 31, 2005, the aggregate value of the securities is \$2,221,250 or 0.6% of the Fund s net assets.

A summary of financial instruments at July 31, 2005 is as follows:

Forward Foreign Currency Exchange Contracts

Sales

| Settlement Date(s) | Deliver | In Exchange For | Net Unrealized Appreciation (Depreciation) |
|--------------------|-------------------------------------|------------------------------------|--|
| 8/22/05 | British Pound Sterling 2,005,926 | United States Dollar 3,502,457 | \$ (27,157) |
| 8/22/05 | Euro 22,850,000 | United States Dollar 27,573,933 | (203,194) |
| 8/29/05 | Euro 8,570,000 | United States Dollar 10,348,104 | (72,269) |
| 8/31/05 | Euro 5,500,000 | United States Dollar 6,624,723 | (63,312) |
| 8/11/05 | Japanese Yen 1,200,000,000 | United States Dollar 10,740,081 | 25,538 |
| | | | \$ (340,394) |

Purchases

| Settlement Date(s) | In Exchange For | Deliver | Net Unrealized Appreciation (Depreciation) |
|--------------------|--------------------------------------|------------------------------------|--|
| 8/25/05 | Euro 2,683,026 | Czech Koruna 80,875,800 | \$ 1,383 |
| 8/22/05 | Icelandic Krona 545,174,800 | Euro 6,921,976 | (7,422) |
| 8/29/05 | Indonesian Rupiah 150,000,000,000 | United States Dollar 15,177,578 | 39,635 |
| 8/05/05 | Polish Zloty 17,663,000 | Euro 4,387,560 | (54,632) |
| 8/22/05 | Romanian Leu 21,068,900 | Euro 5,900,000 | 91,556 |
| 8/29/05 | Romanian Leu 10,646,900 | Euro 2,998,016 | 34,522 |
| 8/08/05 | Slovakia Koruna 737,548,840 | Euro 19,262,682 | (408,557) |
| 8/08/05 | Turkish Lira 10,097,900 | United States Dollar 7,413,479 | 190,746 |
| 8/22/05 | Turkish Lira 10,000,000 | United States Dollar 7,413,448 | 84,998 |
| | | | \$ (27,771) |

Credit Default Swaps

| Notional Amount | Expiration Date | Description | Net Unrealized Appreciation |
|-----------------|-----------------|---|-----------------------------|
| 10,000,000 USD | 3/20/2010 | Agreement with Credit Suisse First Boston dated 3/05/2005 whereby the Fund will pay 2.01% per year times the notional amount. In exchange for that periodic payment, upon a default event in Turkey, Credit Suisse First Boston agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by Turkey to Credit Suisse First Boston. | \$ 136,630 |
| 10,000,000 USD | 3/20/2010 | Agreement with JP Morgan Chase Bank dated 3/05/2005 whereby the Fund will pay 2.00% per year times the notional amount. In exchange for that periodic payment, upon a default event in Turkey, JP Morgan Chase Bank agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by Turkey to JP Morgan Chase Bank. | \$ 140,647 |

At July 31, 2005, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The cost and unrealized appreciation (depreciation) in value of the investments owned by the Fund at July 31, 2005, as computed on a federal income tax basis, were as follows:

| | |
|------------------------------------|------------------------|
| Aggregate cost | \$ 391,881,207 |
| Gross unrealized appreciation | \$ 784,248 |
| Gross unrealized depreciation | (3,603,675) |
| Net unrealized depreciation | \$ (2,819,427) |

The net unrealized appreciation on foreign currency at July 31, 2005 on a federal income tax basis was \$2,437.

Item 2. Controls and Procedures

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

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

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Signatures

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

Eaton Vance Short Duration Diversified Income Fund

By: /s/ Thomas E. Faust Jr.
Thomas E. Faust Jr.
President and Principal Executive Officer
Date: September 22, 2005

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/ Thomas E. Faust Jr.
Thomas E. Faust Jr.
President and Principal Executive Officer
Date: September 22, 2005
By: /s/ James L. O Connor
James L. O Connor
Treasurer and Principal Financial Officer
Date: September 22, 2005
