

Eaton Vance Risk-Managed Diversified Equity Income Fund  
Form N-CSR  
February 27, 2012

**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, 2011

Date of Reporting Period

---

**Item 1. Reports to Stockholders**

---

Eaton Vance  
Risk-Managed Diversified Equity Income Fund (ETJ)

Annual Report  
December 31, 2011

---

**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 \$0.3195 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.

**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.**

---

**Annual Report** December 31, 2011

Eaton Vance

Risk-Managed Diversified Equity Income Fund

**Table of Contents**

Management's Discussion of Fund Performance	2
Performance	3
Fund Profile	3
Endnotes and Additional Disclosures	4
Financial Statements	5
Report of Independent Registered Public Accounting Firm	18
Federal Tax Information	19
Dividend Reinvestment Plan	20
Management and Organization	22
Important Notices	24

---

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2011

Management's Discussion of Fund Performance

### Economic and Market Conditions

Amid widespread volatility in global markets during 2011, U.S. equity markets posted mixed results for the 12 months ending December 31, 2011, with early- and late-year gains helping to offset mid-year losses.

In the early months of the period, investor sentiment for U.S. equities was running high as U.S. and global economic conditions reaccelerated and corporate earnings results generally continued to beat consensus expectations. These and other factors enabled U.S. stocks to register broad-based gains through the first four months of the year.

As the year progressed, however, U.S. stock returns first moderated and then faltered. From July 2011 to the market bottom on October 3, 2011, U.S. stocks registered broad-based declines as U.S. corporate profit growth slowed, the eurozone's debt crisis worsened, and global economic activity decelerated. Investor confidence also was eroded by U.S. lawmakers' partisan bickering over the federal debt ceiling and Standard & Poor's resulting decision to downgrade the country's long-term credit rating. At the same time, discouraging U.S. economic data raised the possibility of another recession.

By the end of October 2011, the market had reversed course again, with the S&P 500 Index<sup>2</sup> recording one of its best calendar months in several decades. Investors seemed to be encouraged by Europe's plan to combat Greece's debt problems, expand a eurozone bailout fund, and recapitalize the region's banks. The U.S. economy also displayed signs of improvement in the fourth quarter, most notably a slight decline in the unemployment rate. The October market rally helped the S&P 500 Index gain roughly 12% during the fourth quarter and end the year in positive territory.

For 2011 as a whole, the S&P 500 Index and the Dow Jones Industrial Average gained 2.11% and 8.38%, respectively, while the NASDAQ Composite Index returned -0.83%. Growth stocks outperformed value stocks across most market capitalizations, and large-cap stocks outpaced their small-cap counterparts.

### Fund Performance

For the fiscal year ending December 31, 2011, Eaton Vance Risk-Managed Diversified Equity Income Fund's return at net asset value (NAV) was -2.79%, underperforming the 2.11% return of its benchmark, the S&P 500 Index (the Index), and the 5.72% return of the CBOE S&P 500 BuyWrite Index.

The Fund's underperformance stemmed from its underlying equity portfolio. Security selection was the key detractor in the energy, information technology, health care and materials sectors. In contrast, results were helped by underweighting financials, the worst-performing sector in the Index during the period, and by stock selection in telecommunication services.

Contributions from the Fund's options overlay strategy aided performance relative to the Index. The options strategy, which is designed to help limit the Fund's exposure to market volatility, can be beneficial during times of market weakness, such as we saw from July through October, but detract during periods of market strength, which occurred during the first half of the year and in the period's closing months.

The Fund invests in a diversified portfolio of common stocks and employs an options strategy that includes (1) writing (selling) index calls slightly out-of-the money on a portion of the Fund's portfolio value, which can generate premiums and allow for participation in rising markets, (2) writing (selling) equity puts on individual stocks that management believes are undervalued and (3) buying index puts on all or a portion of the portfolio value, which management believes offers a degree of protection in declining markets.

In the early part of the fiscal year, when the market was trending upward, the Fund's writing of call options held back results, as premium income was relatively low and some short calls ended in losses. But after the market peaked in April and began a precipitous slide in July, premium income increased and few of the call options were redeemed. During the market decline from July to October, the Fund's long puts also became profitable, further helping to reduce portfolio volatility. When the market rallied in the final months of the period, however, the long puts became less advantageous and some of the profits in the options writing program were given back. Looking at the one-year period as a whole, the options strategy helped mitigate Fund volatility during a year of historically high market volatility and

contributed positively to relative results.

See *Endnotes and Additional Disclosures in this report*.

*Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions.*

*Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund 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](http://www.eatonvance.com).*

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2011

Portfolio Managers Walter A. Row III, CFA, CMT; Michael A. Allison, CFA

Performance<sup>2</sup>

<b>% Average Annual Total Returns</b>	<b>Inception Date</b>	<b>One Year</b>	<b>Since Inception</b>
Fund at NAV	7/31/2007	-2.79%	1.86%
Fund at Market Price		-12.43	-2.43
S&P 500 Index	7/31/2007	2.11%	-1.09%
CBOE S&P 500 BuyWrite Index		5.72	1.22

**% Premium/Discount to NAV**

-17.33%

**Distributions<sup>3</sup>**

Total Distributions per share for the period	\$1.278
Distribution Rate at NAV	10.11%
Distribution Rate at Market Price	12.23%

**Fund Profile**

**Sector Allocation (% of total investments)<sup>4</sup>**

**Top 10 Holdings (% of total investments)<sup>4</sup>**

Exxon Mobil Corp.	4.7%
Apple, Inc.	4.2
Procter & Gamble Co.	3.6
Google, Inc., Class A	3.6
International Business Machines Corp.	3.4
Pfizer, Inc.	2.8
Danaher Corp.	2.6
Verizon Communications, Inc.	2.5
Philip Morris International, Inc.	2.4
NIKE, Inc., Class B	2.4
Total	32.2%

*See Endnotes and Additional Disclosures in this report.*



*Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund 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](http://www.eatonvance.com).*

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2011

Endnotes and Additional Disclosures

- <sup>1</sup> The views expressed in this report are those of the portfolio manager(s) and are current only through the date stated at the top of this page. These views are subject to change at any time based upon market or other conditions, and Eaton Vance and the Fund(s) disclaim any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. This commentary may contain statements that are not historical facts, referred to as forward looking statements. The Fund's actual future results may differ significantly from those stated in any forward looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of Fund shares, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in the Fund's filings with the Securities and Exchange Commission.
- <sup>2</sup> S&P 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance. Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. NASDAQ Composite Index is a market capitalization-weighted index of all domestic and international securities listed on NASDAQ. CBOE S&P 500 BuyWrite Index measures the performance of a hypothetical buy-write strategy on the S&P 500 Index. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index.
- <sup>3</sup> The Distribution Rate is based on the Fund's last regular distribution per share in the period (annualized) divided by the Fund's NAV or market price at the end of the period. The Fund's distributions may be composed of ordinary income, net realized capital gains and return of capital. In recent years, a significant portion of the Fund's distributions has been characterized as a return of capital.
- <sup>4</sup> Excludes cash and cash equivalents. Depictions do not reflect the Fund's option positions.

Fund profile subject to change due to active management.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Portfolio of Investments

Common Stocks 94.7%

<b>Security</b>	<b>Shares</b>	<b>Value</b>
Aerospace & Defense 1.9%		
Boeing Co. (The)	241,007	\$ 17,677,863
		<b>\$ 17,677,863</b>
Air Freight & Logistics 0.5%		
United Parcel Service, Inc., Class B	63,610	\$ 4,655,616
		<b>\$ 4,655,616</b>
Beverages 2.3%		
Coca-Cola Co. (The)	307,888	\$ 21,542,923
		<b>\$ 21,542,923</b>
Biotechnology 1.4%		
Celgene Corp. <sup>(1)</sup>	187,412	\$ 12,669,051

**\$ 12,669,051**

Commercial Banks 3.1%

KeyCorp	762,889	\$ 5,866,616
PNC Financial Services Group, Inc.	92,198	5,317,059
Wells Fargo & Co.	620,373	17,097,480

**\$ 28,281,155**

Communications Equipment 0.8%

QUALCOMM, Inc.	141,649	\$ 7,748,200
----------------	---------	--------------

**\$ 7,748,200**

Computers & Peripherals 4.2%

Apple, Inc. <sup>(1)</sup>	95,840	\$ 38,815,200
----------------------------	--------	---------------

**\$ 38,815,200**

Consumer Finance 0.8%

American Express Co.	165,526	\$ 7,807,861
----------------------	---------	--------------

**\$ 7,807,861**

Diversified Financial Services 1.9%

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

JPMorgan Chase & Co.	520,756	\$ 17,315,137
		<b>\$ 17,315,137</b>

Diversified Telecommunication Services 4.0%

AT&T, Inc.	423,152	\$ 12,796,117
Verizon Communications, Inc.	588,528	23,611,743
		<b>\$ 36,407,860</b>

Electric Utilities 3.7%

American Electric Power Co., Inc.	241,914	\$ 9,993,467
Duke Energy Corp.	325,889	7,169,558
PPL Corp.	325,298	9,570,267
Southern Co. (The)	153,691	7,114,357
		<b>\$ 33,847,649</b>

Electrical Equipment 1.4%

Emerson Electric Co.	278,727	\$ 12,985,891
		<b>\$ 12,985,891</b>

Energy Equipment & Services 3.3%

Baker Hughes, Inc.	298,146	\$ 14,501,822
Halliburton Co.	215,263	7,428,726
Schlumberger, Ltd.	126,036	8,609,519
		<b>\$ 30,540,067</b>

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

Food & Staples Retailing 1.6%

Costco Wholesale Corp.	180,800	\$ 15,064,256
		<b>\$ 15,064,256</b>

Health Care Equipment & Supplies 1.9%

Covidien PLC	217,109	\$ 9,772,076
Varian Medical Systems, Inc. <sup>(1)</sup>	111,647	7,494,863
		<b>\$ 17,266,939</b>

Health Care Providers & Services 3.0%

AmerisourceBergen Corp.	369,921	\$ 13,757,362
UnitedHealth Group, Inc.	266,392	13,500,747
		<b>\$ 27,258,109</b>

Hotels, Restaurants & Leisure 1.7%

McDonald's Corp.	157,644	\$ 15,816,422
		<b>\$ 15,816,422</b>

Household Products 4.2%

Colgate-Palmolive Co.	50,385	\$ 4,655,070
Procter & Gamble Co.	504,533	33,657,397

**\$ 38,312,467**

Industrial Conglomerates 2.6%

Danaher Corp.	513,176	\$ 24,139,799
---------------	---------	---------------

**\$ 24,139,799**

Insurance 3.0%

Aflac, Inc.	106,176	\$ 4,593,174
Aon Corp.	152,629	7,143,037

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Portfolio of Investments continued

Security	Shares	Value
Insurance (continued)		
MetLife, Inc.	227,415	\$ 7,090,800
XL Group PLC	464,356	9,180,318
		<b>\$ 28,007,329</b>
Internet & Catalog Retail 0.7%		
Amazon.com, Inc. <sup>(1)</sup>	35,966	\$ 6,225,715
		<b>\$ 6,225,715</b>
Internet Software & Services 4.1%		
eBay, Inc. <sup>(1)</sup>	168,085	\$ 5,098,018
Google, Inc., Class A <sup>(1)</sup>	51,045	32,969,966
		<b>\$ 38,067,984</b>
IT Services 5.5%		
Accenture PLC, Class A	162,556	\$ 8,652,856



Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

International Business Machines Corp.	174,061	32,006,337
Visa, Inc., Class A	100,318	10,185,286

**\$ 50,844,479**

Life Sciences Tools & Services 1.3%

Agilent Technologies, Inc. <sup>(1)</sup>	341,051	\$ 11,912,911
---	---------	---------------

**\$ 11,912,911**

Machinery 1.1%

AGCO Corp. <sup>(1)</sup>	226,476	\$ 9,731,674
---------------------------	---------	--------------

**\$ 9,731,674**

Media 1.7%

Comcast Corp., Class A	650,868	\$ 15,432,080
------------------------	---------	---------------

**\$ 15,432,080**

Metals & Mining 1.5%

Freeport-McMoRan Copper & Gold, Inc.	74,972	\$ 2,758,220
Goldcorp, Inc.	253,057	11,197,772

**\$ 13,955,992**

Multiline Retail 1.3%

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

Macy's, Inc.	367,759	\$ 11,834,485
		<b>\$ 11,834,485</b>

Oil, Gas & Consumable Fuels 9.6%

ConocoPhillips	209,157	\$ 15,241,271
EOG Resources, Inc.	116,826	11,508,529
Exxon Mobil Corp.	512,495	43,439,076
Occidental Petroleum Corp.	84,069	7,877,265
Southwestern Energy Co. <sup>(1)</sup>	340,745	10,883,396
		<b>\$ 88,949,537</b>

Personal Products 1.4%

Estee Lauder Cos., Inc. (The), Class A	117,904	\$ 13,242,977
		<b>\$ 13,242,977</b>

Pharmaceuticals 6.1%

Eli Lilly & Co.	315,345	\$ 13,105,738
Johnson & Johnson	267,181	17,521,730
Pfizer, Inc.	1,193,791	25,833,637
		<b>\$ 56,461,105</b>

Real Estate Investment Trusts (REITs) 1.3%

AvalonBay Communities, Inc.	54,354	\$ 7,098,633
Boston Properties, Inc.	50,704	5,050,118

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

**\$ 12,148,751**

Road & Rail 1.6%

Norfolk Southern Corp. 196,131 \$ 14,290,105

**\$ 14,290,105**

Software 3.7%

Microsoft Corp. 532,947 \$ 13,835,304

Oracle Corp. 781,346 20,041,525

**\$ 33,876,829**

Specialty Retail 1.7%

Home Depot, Inc. (The) 198,590 \$ 8,348,724

TJX Companies, Inc. (The) 110,186 7,112,506

**\$ 15,461,230**

Textiles, Apparel & Luxury Goods 2.4%

NIKE, Inc., Class B 229,097 \$ 22,078,078

**\$ 22,078,078**

Tobacco 2.4%

Philip Morris International, Inc. 281,925 \$ 22,125,474

**\$ 22,125,474**

Total Common Stocks  
(identified cost \$713,473,871)

**\$ 872,799,200**

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Portfolio of Investments continued

Call Options Purchased 0.0%

Security	Number of Contracts	Strike Price	Expiration Date	Value
Shaw Group, Inc. (The)	2,025	\$ 35.00	1/21/12	\$ 5,063
Total Call Options Purchased (identified cost \$861,918)				\$ 5,063

Put Options Purchased 2.6%

Description	Number of Contracts	Strike Price	Expiration Date	Value
SPDR S&P 500 ETF Trust	60,000	\$ 111.00	6/16/12	\$ 24,240,000
Total Put Options Purchased (identified cost \$34,670,568)				\$ 24,240,000

Short-Term Investments 3.4%

Description	Interest (000 s omitted)	Value
Eaton Vance Cash Reserves Fund, LLC, 0.06% <sup>(3)</sup>	\$ 31,547	\$ 31,547,168

Total Short-Term Investments  
(identified cost \$31,547,168) **\$ 31,547,168**

Total Investments 100.7%  
(identified cost \$780,553,525) **\$ 928,591,431**

Call Options Written (2.1)%

Description	Number of Contracts	Strike Price	Expiration Date	Value
S&P 500 Index	4,035	\$ 1,220.00	1/21/12	\$ (19,509,225)

Total Call Options Written  
(premiums received \$13,370,981) **\$ (19,509,225)**

Other Assets, Less Liabilities 1.4% **\$ 13,143,503**

Net Assets 100.0% **\$ 922,225,709**

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

- (1) Non-income producing security.
- (2) Amount is less than 0.05%.
- (3) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of December 31, 2011.

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Statement of Assets and Liabilities

Assets	<b>December 31, 2011</b>
Unaffiliated investments, at value (identified cost, \$749,006,357)	\$ 897,044,263
Affiliated investment, at value (identified cost, \$31,547,168)	31,547,168
Restricted cash*	13,200,000
Dividends receivable	893,210
Interest receivable from affiliated investment	1,713
Tax reclaims receivable	278,672
<b>Total assets</b>	<b>\$ 942,965,026</b>
Liabilities	
Written options outstanding, at value (premiums received, \$13,370,981)	\$ 19,509,225
Payable to affiliates:	
Investment adviser fee	785,444
Trustees fees	8,177
Accrued expenses	436,471
<b>Total liabilities</b>	<b>\$ 20,739,317</b>
<b>Net Assets</b>	<b>\$ 922,225,709</b>

Sources of Net Assets

Common shares, \$0.01 par value, unlimited number of shares authorized, 72,958,783 shares issued and outstanding	\$ 729,588
Additional paid-in capital	1,137,648,492

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

Accumulated net realized loss	(358,136,042)
Accumulated undistributed net investment income	48,848
Net unrealized appreciation	141,934,823

**Net Assets** **\$ 922,225,709**

Net Asset Value

**(\$922,225,709 , 72,958,783 common shares issued and outstanding)** **\$ 12.64**

\* Represents restricted cash on deposit at the custodian as collateral for written options.

*See Notes to Financial Statements.*



Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Statement of Operations

	<b>Year Ended December 31, 2011</b>
<b>Investment Income</b>	
Dividends (net of foreign taxes, \$19,358)	\$ 16,368,748
Interest income allocated from affiliated investment	40,729
Expenses allocated from affiliated investment	(6,130)
<b>Total investment income</b>	<b>\$ 16,403,347</b>
<b>Expenses</b>	
Investment adviser fee	\$ 9,889,165
Trustees' fees and expenses	32,381
Custodian fee	372,774
Transfer and dividend disbursing agent fees	19,750
Legal and accounting services	82,192
Printing and postage	234,729
Miscellaneous	120,016
<b>Total expenses</b>	<b>\$ 10,751,007</b>
Deduct	
Reduction of custodian fee	\$ 16
<b>Total expense reductions</b>	<b>\$ 16</b>
<b>Net expenses</b>	<b>\$ 10,750,991</b>

**Net investment income** **\$ 5,652,356**

Realized and Unrealized Gain (Loss)

Net realized gain (loss)

Investment transactions \$ (40,235,353)

Investment transactions allocated from affiliated investment 1,267

Written options 32,404,358

Foreign currency transactions 2,835

**Net realized loss** **\$ (7,826,893)**

Change in unrealized appreciation (depreciation)

Investments \$ (31,549,757)

Written options (6,793,519)

Foreign currency 2,678

**Net change in unrealized appreciation (depreciation)** **\$ (38,340,598)**

**Net realized and unrealized loss** **\$ (46,167,491)**

**Net decrease in net assets from operations** **\$ (40,515,135)**

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Statements of Changes in Net Assets

	<b>Year Ended December 31,</b>	
Increase (Decrease) in Net Assets	<b>2011</b>	<b>2010</b>
From operations		
Net investment income	\$ 5,652,356	\$ 8,200,297
Net realized loss from investment transactions, written options and foreign currency transactions	(7,826,893)	(97,575,082)
Net change in unrealized appreciation (depreciation) from investments, written options and foreign currency	(38,340,598)	79,475,225
<b>Net decrease in net assets from operations</b>	<b>\$ (40,515,135)</b>	<b>\$ (9,899,560)</b>
Distributions to shareholders		
From net investment income	\$ (5,569,829)	\$ (8,173,639)
Tax return of capital	(87,671,496)	(122,364,745)
<b>Total distributions</b>	<b>\$ (93,241,325)</b>	<b>\$ (130,538,384)</b>
Capital share transactions		
Reinvestment of distributions	\$	\$ 13,266,407
<b>Net increase in net assets from capital share transactions</b>	<b>\$</b>	<b>\$ 13,266,407</b>
<b>Net decrease in net assets</b>	<b>\$ (133,756,460)</b>	<b>\$ (127,171,537)</b>

Net Assets

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

At beginning of year	\$ 1,055,982,169	\$ 1,183,153,706
<b>At end of year</b>	<b>\$ 922,225,709</b>	<b>\$ 1,055,982,169</b>

Accumulated undistributed net investment income  
included in net assets

<b>At end of year</b>	<b>\$ 48,848</b>	<b>\$ 9,529</b>
-----------------------	------------------	-----------------

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Financial Highlights

	Year Ended December 31,				Period Ended December 31, 2007 <sup>(1)</sup>
	2011	2010	2009	2008	
Net asset value Beginning of period	\$ 14.470	\$ 16.410	\$ 17.340	\$ 20.000	\$ 19.100 <sup>(2)</sup>
Income (Loss) From Operations					
Net investment income <sup>(3)</sup>	\$ 0.077	\$ 0.113	\$ 0.161	\$ 0.159	\$ 0.106
Net realized and unrealized gain (loss)	(0.629)	(0.253)	0.709	(1.020) <sup>(4)</sup>	1.265
<b>Total income (loss) from operations</b>	<b>\$ (0.552)</b>	<b>\$ (0.140)</b>	<b>\$ 0.870</b>	<b>\$ (0.861)</b>	<b>\$ 1.371</b>
Less Distributions					
From net investment income	\$ (0.076)	\$ (0.113)	\$ (0.161)	\$ (0.164)	\$ (0.096)
From net realized gain			(0.010)	(1.636)	(0.354)
Tax return of capital	(1.202)	(1.687)	(1.629)		
<b>Total distributions</b>	<b>\$ (1.278)</b>	<b>\$ (1.800)</b>	<b>\$ (1.800)</b>	<b>\$ (1.800)</b>	<b>\$ (0.450)</b>

<b>Offering costs charged to paid-in capital<sup>(3)</sup></b>	\$	\$	\$	\$	<b>0.001</b>	\$	<b>(0.021)</b>			
<b>Net asset value End of period</b>	\$	<b>12.640</b>	\$	<b>14.470</b>	\$	<b>16.410</b>	\$	<b>17.340</b>	\$	<b>20.000</b>
<b>Market value End of period</b>	\$	<b>10.450</b>	\$	<b>13.280</b>	\$	<b>16.660</b>	\$	<b>17.980</b>	\$	<b>18.700</b>
<b>Total Investment Return on Net Asset Value<sup>(5)</sup></b>		<b>(2.79)%</b>		<b>(0.48)%</b>		<b>5.68%</b>		<b>(1.17)%<sup>(6)</sup></b>		<b>7.38%<sup>(7)(8)</sup></b>
<b>Total Investment Return on Market Value<sup>(5)</sup></b>		<b>(12.43)%</b>		<b>(10.03)%</b>		<b>3.47%</b>		<b>9.60%<sup>(6)</sup></b>		<b>0.40%<sup>(7)(8)</sup></b>

Ratios/Supplemental Data

Net assets, end of period (000 s omitted)	\$	922,226	\$	1,055,982	\$	1,183,154	\$	1,227,477	\$	1,404,099
Ratios (as a percentage of average daily net assets):										
Expenses <sup>(9)</sup>		1.09%		1.07%		1.08%		1.06%		1.08% <sup>(10)</sup>
Net investment income		0.57%		0.76%		0.99%		0.85%		1.29% <sup>(10)</sup>
Portfolio Turnover		103%		39%		59%		100%		30% <sup>(7)</sup>

(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) Not annualized.
- (8) 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.
- (9) Excludes the effect of custody fee credits, if any, of less than 0.005%.
- (10) Annualized.

*See Notes to Financial Statements.*

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

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 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 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 or closing 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 mean between the bid and asked prices at valuation time as reported by the Options Price Reporting Authority for U.S. listed options or by the relevant exchange or board of trade for non-U.S. listed options. 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 period of time until option expiration. Short-term debt obligations purchased 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 Fund's 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 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 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 Eaton Vance Cash Reserves Fund, LLC (Cash Reserves Fund), an affiliated investment company managed by Eaton Vance Management (EVM). Cash Reserves Fund generally values its investment securities utilizing the amortized cost valuation technique in accordance with Rule 2a-7 under the 1940 Act. 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 not to approximate fair value, Cash Reserves Fund 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, 2011, the Fund, for federal income tax purposes, had a capital loss carryforward of \$332,065,202 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 (\$232,948,451) and December 31, 2018 (\$99,116,751). In addition, such capital loss carryforward cannot be utilized prior to the utilization of new capital losses, if any, created after December 31, 2011.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Notes to Financial Statements continued

During the year ended December 31, 2011, a capital loss carryforward of \$20,258,667 was utilized to offset net realized gains by the Fund.

Additionally, at December 31, 2011, the Fund had a net capital loss of \$20,622,590 attributable to security transactions incurred after October 31, 2011. This net capital loss is treated as arising on the first day of the Fund's taxable year ending December 31, 2012.

As of December 31, 2011, 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 in the 3-year period ended December 31, 2011 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 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.

**G 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.

**H 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 also 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.

**I 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. When an index option is exercised, the Fund is required to deliver an amount of cash determined by the excess of the strike price of the option over the value of the index (in the case of a put) or the excess of the value of the index over the strike price of the option (in the case of a call) at contract termination. 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.

**J 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. As the purchaser of an index option, the Fund has the right to receive a cash payment equal to any depreciation in the value of the index below the strike price of the option (in the case of a put) or equal to any appreciation in the value of the index over the strike price of the option (in the case of a call) as of the valuation date of the option. 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 on a security, 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 on a security, 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 (reduced by available capital loss carryforwards from prior years, 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

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Notes to Financial Statements continued

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, 2011 and December 31, 2010 was as follows:

	<b>Year Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Distributions declared from:</b>		
Ordinary income	\$ 5,569,829	\$ 8,173,639
Tax return of capital	87,671,496	122,364,745

During the year ended December 31, 2011, accumulated net realized loss was decreased by \$43,208 and accumulated undistributed net investment income was decreased by \$43,208 due to differences between book and tax accounting, primarily for distributions from real estate investment trusts (REITs) 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, 2011, 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	\$ (352,687,792)
Net unrealized appreciation	\$ 136,535,421

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, wash sales and distributions from REITs.

### 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 Fund invests its cash in Cash Reserves Fund. EVM does not currently receive a fee for advisory services provided to Cash Reserves Fund. For the year ended December 31, 2011, the Fund's investment adviser fee amounted to \$9,889,165. 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, 2011, 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 \$979,371,958 and \$1,087,003,951, respectively, for the year ended December 31, 2011.

### 5 Common Shares of Beneficial Interest

The Fund may issue common shares pursuant to its dividend reinvestment plan. There were no transactions in common shares for the year ended December 31, 2011. Common shares issued pursuant to the Fund's dividend reinvestment plan for the year ended December 31, 2010 were 876,613.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Notes to Financial Statements continued

6 Federal Income Tax Basis of Investments

The cost and unrealized appreciation (depreciation) of investments of the Fund at December 31, 2011, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$ 785,952,927</b>
Gross unrealized appreciation	\$ 154,720,306
Gross unrealized depreciation	(12,081,802)
<b>Net unrealized appreciation</b>	<b>\$ 142,638,504</b>

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 options at December 31, 2011 is included in the Portfolio of Investments.

Written options activity for the year ended December 31, 2011 was as follows:

	<b>Number of Contracts</b>	<b>Premiums Received</b>
Outstanding, beginning of year	23,015	\$ 9,489,435

Edgar Filing: Eaton Vance Risk-Managed Diversified Equity Income Fund - Form N-CSR

Options written	191,045	230,394,890
Options terminated in closing purchase transactions	(129,430)	(182,843,715)
Options expired	(80,595)	(43,669,629)
<b>Outstanding, end of year</b>	<b>4,035</b>	<b>\$ 13,370,981</b>

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At December 31, 2011, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund purchases call options on individual stocks at or above the current value of the stock to enhance return. In buying call options on individual stocks, the Fund in effect, acquires potential appreciation in the value of the applicable stock above the exercise price in exchange for the option premium paid. The Fund purchases put options on indices and exchange-traded funds that replicate such indices below the current value of the index or exchange-traded fund to reduce the Fund's exposure to market risk and volatility. In buying put options on an index or exchange-traded fund, the Fund in effect, acquires protection against decline in the value of the applicable index or exchange-traded fund below the exercise price in exchange for the option premium paid. The Fund writes 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 writes put options on individual stocks and exchange-traded funds below the current value of the individual security to generate premium income. In writing put options on individual securities, the Fund in effect, sells protection against decline in the value of the applicable individual security below 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 security decline below the exercise price. 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.

The Fund enters into over-the-counter written options that may contain provisions whereby the counterparty may terminate the contract under certain conditions, including but not limited to a decline in the Fund's net assets below a certain level over a certain period of time, which would trigger a payment by the Fund for those derivatives in a liability position. At December 31, 2011 the fair value of derivatives with credit-related contingent features in a net liability position was \$19,509,225. The aggregate fair value of assets pledged as collateral by the Fund for such liability was \$13,200,000 at December 31, 2011.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Notes to Financial Statements continued

The fair value of open 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, 2011 was as follows:

<b>Derivative</b>	<b>Fair Value</b>	
	<b>Asset Derivative</b>	<b>Liability Derivative</b>
Purchased options	\$ 24,245,063 <sup>(1)</sup>	\$
Written options		19,509,225 <sup>(2)</sup>

<sup>(1)</sup> Statement of Assets and Liabilities location: Unaffiliated investments, at value.

<sup>(2)</sup> 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, 2011 was as follows:

<b>Derivative</b>	<b>Realized Gain (Loss) on Derivatives Recognized in Income</b>	<b>Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income</b>
Purchased options	\$ (39,728,091) <sup>(1)</sup>	\$ 14,948,447 <sup>(2)</sup>
Written options	32,404,358 <sup>(1)</sup>	(6,793,519) <sup>(2)</sup>

<sup>(1)</sup> 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 option contracts outstanding during the year ended December 31, 2011, which is indicative of the volume of this derivative type, was approximately 24,000 contracts.

## 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)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Notes to Financial Statements continued

At December 31, 2011, the hierarchy of inputs used in valuing the Fund's investments and open derivative instruments, which are carried at value, were as follows:

<b>Asset Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks	\$ 872,799,200*	\$	\$	\$ 872,799,200
Call Options Purchased	5,063			5,063
Put Options Purchased	24,240,000			24,240,000
Short-Term Investments		31,547,168		31,547,168
<b>Total Investments</b>	<b>\$ 897,044,263</b>	<b>\$ 31,547,168</b>	<b>\$</b>	<b>\$ 928,591,431</b>

**Liability Description**

Call Options Written	\$	\$ (19,509,225)	\$	\$ (19,509,225)
<b>Total</b>	<b>\$</b>	<b>\$ (19,509,225)</b>	<b>\$</b>	<b>\$ (19,509,225)</b>

\* The level classification by major category of investments is the same as the category presentation in the Portfolio of Investments.

The Fund held no investments or other financial instruments as of December 31, 2010 whose fair value was determined using Level 3 inputs. At December 31, 2011, the value of investments transferred between Level 1 and Level 2, if any, during the year then ended was not significant.



Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

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, 2011, 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 four 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, 2011, 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, such 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, 2011, 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 four 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, 2012

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

Federal Tax Information (Unaudited)

The Form 1099-DIV you received in January 2012 showed the tax status of all distributions paid to your account in calendar year 2011. 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 and/or regulations, shareholders must be notified regarding the status of qualified dividend income for individuals and the dividends received deduction for corporations.

**Qualified Dividend Income.** The Fund designates approximately \$15,625,017, 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 2011 ordinary income dividends, 100% qualifies for the corporate dividends received deduction.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

#### Dividend Reinvestment Plan

The Fund offers a dividend reinvestment plan (Plan) pursuant to which shareholders automatically have distributions reinvested in common shares (Shares) of the Fund unless they elect otherwise through their investment dealer. On the distribution payment date, if the NAV 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 NAV per Share or 95% of the market price. Otherwise, Shares generally will be purchased on the open market by American Stock Transfer & Trust Company, the Plan agent (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 the Fund's transfer agent re-register your Shares in your name or you will not be able to participate.

The Agent's service fee for handling distributions will be paid by the Fund. Plan participants 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 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 Agent to sell part or all of his or her Shares and remit the proceeds, the 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 Agent. Any inquiries regarding the Plan can be directed to the Agent at 1-866-439-6787.

Eaton Vance  
Risk-Managed Diversified Equity Income Fund

December 31, 2011

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 s