

Eaton Vance Risk-Managed Diversified Equity Income Fund  
Form N-CSR  
February 27, 2013

**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

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**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, 2012**

**Date of Reporting Period**

**Item 1. Reports to Stockholders**

Eaton Vance

Risk-Managed

Diversified Equity

Income Fund (ETJ)

Annual Report

December 31, 2012

**Managed Distribution Plan.** Pursuant to an exemptive order issued by the Securities and Exchange Commission (Order), the Fund is authorized to distribute long-term capital gains to shareholders more frequently than once per year. Pursuant to the Order, the Fund's Board of Trustees approved a Managed Distribution Plan (MDP) pursuant to which the Fund makes quarterly cash distributions to common shareholders, stated in terms of a fixed amount per common share.

As of December 31, 2012, the Fund distributed quarterly cash distributions equal to \$0.2790 per share in accordance with the MDP. The Fund's distribution frequency changed to monthly beginning in January 2013. 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 and the Board 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.

The Fund may distribute more than its net investment income and net realized capital gains and, therefore, a distribution may include a return of capital. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income. With each distribution, the Fund will issue a notice to shareholders and a press release containing information about the amount and sources of the distribution and other related information. The amounts and sources of distributions contained in the notice and press release are only estimates and are not provided for tax purposes. The amounts and sources of the Fund's distributions for tax purposes will be reported to shareholders on Form 1099-DIV for each calendar year.

**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, 2012

Eaton Vance

## Risk-Managed Diversified Equity Income Fund

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Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

Management's Discussion of Fund Performance

Economic and Market Conditions

Early in the 12-month period ended December 31, 2012, U.S. stocks began a rally that continued through early April 2012. Equities were generally fueled by stronger economic growth, falling unemployment and what the markets perceived as a successful restructuring of Greek debt, which lowered the potential for European contagion. Then in May 2012, the third consecutive mid-year economic slowdown arrived amid renewed concerns over Europe, slowing growth in China and continuing political uncertainty in the United States ahead of the elections.

However, despite a slowdown in consumer spending, weakening employment data and downward revisions of growth expectations, U.S. stocks rallied from June 2012 through early October 2012. Several catalysts appeared to be driving a market rally that defied U.S. economic data. First, investors anticipated that worsening economic news would prompt the U.S. Federal Reserve to initiate another round of quantitative easing to stimulate the economy which it did in September 2012. Second, many of the investors who were hunting for yield in a historically low interest-rate environment were driven to stocks that offered higher yields than bonds. Finally, Europe's ongoing debt crisis and a slowdown in Chinese growth made the United States, despite its problems, look relatively attractive to many global investors.

In the final months of the fiscal year, however, from early October 2012 through December 2012, U.S. stocks gave back some of their gains amid elevated market volatility. With the U.S. elections leaving Congress still divided on economic issues, investors grew increasingly worried about a political deadlock on tax and spending policies an impasse that left the United States rushing toward a so-called fiscal cliff that threatened to drag down its economy. On the positive side, investors appeared to be encouraged by improving employment numbers, signs of an accelerating recovery in the housing market, and the European Central Bank's efforts to strengthen and centralize the European banking system.

Fund Snapshot at December 31, 2012<sup>6</sup>

|                  |   |
|------------------|---|
| <b>Objective</b> | The primary investment objective is to provide current income and gains, with a secondary objective of capital appreciation.  |
| <b>Strategy</b>  | The Fund invests in a diversified portfolio of common stocks and purchases out-of-the-money, short-dated S&P 500 Index put options and sells out-of-the-money S&P 500 Index call options of the same term as the put options with roll dates that are staggered across the options portfolio. The Fund evaluates returns on an after tax basis and seeks to minimize and defer federal income taxes incurred by shareholders in connection with their investment in the Fund. |

Write Index Covered Calls;

|                                     |                |
|-------------------------------------|----------------|
| <b>Options Strategy</b>             | Buy Index Puts |
| <b>Equity Benchmark<sup>2</sup></b> | S&P 500 Index  |
| <b>Morningstar Category</b>         | Large Blend    |
| <b>Distribution Frequency</b>       | Quarterly*     |
| <b>Common Stock Portfolio</b>       |                |
| <b>Positions Held</b>               | 80             |
| <b>% US / Non-US</b>                | 97.5/2.5       |

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|   |                           |
|---|---------------------------|
| <b>Avg. Market Cap</b>                          | \$81.5 Billion            |
| <b>Call Options</b>                             |                           |
| <b>% Portfolio with Call Options</b>            | 94                        |
| <b>Average Days to Expiration</b>               | 15 days                   |
| <b>Weighted Average %<br/>of Strike Prices:</b> | 2.03%<br>out-of-the-money |
| <b>Put Options</b>                              |                           |
| <b>% Portfolio with Put Options</b>             | 94                        |
| <b>Average Days to Expiration</b>               | 15 days                   |
| <b>Weighted Average %<br/>of Strike Prices:</b> | 4.99%<br>out-of-the-money |

\* Distribution is changed from quarterly to monthly. See page 3 for additional details.

*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, 2012

#### Management's Discussion of Fund Performance *continued*

#### Fund Performance

For the fiscal year ending December 31, 2012, Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund) shares at net asset value (NAV) had a total return of 5.42%, underperforming the 16.00% return of the S&P 500 Index (the Index)<sup>2</sup> and outperforming the 5.20% return of the CBOE S&P 500 BuyWrite Index. While the Fund's underlying common stock portfolio underperformed the common stock Index during the period, the Fund's options overlay strategy was a larger detractor from Fund performance relative to the Index.

In the Fund's underlying common stock portfolio, stock selection in the financials sector, as well as an underweighting in the sector, detracted from Fund performance relative to the Index during the period. Relative Fund returns were also hurt by stock selection and an overweighting in the energy sector. And in a generally rising market during the period, the Fund's cash position was a relative detractor from Fund performance versus the Index during the period as well. In contrast, stock selection in the information technology, health care, and consumer discretionary sectors helped relative Fund performance versus the Index during the period.

The Fund employs an options strategy that can be beneficial during times of market weakness such as we saw in May 2012, but detract during periods of market strength. When the market was trending upward, as it was for most of the fiscal year, the Fund's writing of call options and purchasing of put options held back Fund returns versus the Index, as premium income from selling call options was relatively low and some short calls and purchases of put options ended in losses. For the period as a whole, the Fund's options program detracted from relative Fund returns versus the Index.

Beginning in early October 2012, the Fund began the process of modifying the implementation of its collared options strategy, which consists of purchasing out-of-the-money S&P 500 Index put options and selling out-of-the-money S&P 500 Index call options on all or substantially all of the value of the Fund's common stock portfolio. Purchasing index put options provides protection against loss of principal value during periods of market weakness, and selling index call options generates premium income. Going forward, the Fund generally intends to purchase short-dated (generally 28-day) index put options and sell index call options of the same term, staggering roll dates across the options portfolio. Management believes that, under normal market conditions, this approach should result in a more consistent level of market exposure and market protection than the historical implementation of the Fund's options strategy.

**In January 2013, the Fund began paying distributions to shareholders on a monthly basis instead of quarterly.** As a result of this change, beginning in January 2013 you will receive each month a distribution equal to one-twelfth of the Fund's planned distribution for the calendar year, rather than receiving one-quarter of that total amount four times a year. In October 2012, you received a quarterly distribution of \$0.2790 per share. In January 2013, you received a distribution of \$0.0930 per share as your first monthly distribution, followed by expected distributions in the same amount in February, March and so on. The Fund's distribution rate is determined by the investment adviser based on its current assessment of the Fund's long-term return potential. As portfolio and market conditions change, the rate of distributions paid by the Fund could change. Additional information about the Fund, including the change in distribution frequency, is available on the Eaton Vance website ([www.eatonvance.com](http://www.eatonvance.com)).

*See Endnotes and Additional Disclosures in this report.*

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## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### Performance<sup>2</sup>

**Portfolio Managers** Walter A. Row III, CFA, CMT, Michael A. Allison, CFA and Kevin J. Amell

| <b>% Average Annual Total Returns</b> | <b>Inception Date</b> | <b>One Year</b> | <b>Five Years</b> | <b>Since Inception</b> |
|---------------------------------------|-----------------------|-----------------|-------------------|------------------------|
| Fund at NAV <sup>3</sup>              | 07/31/2007            | 5.42%           | 1.27%             | 2.51%                  |
| Fund at Market Price <sup>3</sup>     |                       | 11.20           | 0.13              | 0.05                   |
| S&P 500 Index                         | 07/31/2007            | 16.00%          | 1.66%             | 1.86%                  |
| CBOE S&P 500 BuyWrite Index           | 07/31/2007            | 5.20            | 1.13              | 1.94                   |

#### **% Premium/Discount to NAV**

12.79%

#### **Distributions<sup>4</sup>**

|  |          |
|--|----------|
| Total Distributions per share for the period | \$ 1.157 |
| Distribution Rate at NAV                     | 9.33%    |
| Distribution Rate at Market Price            | 10.70%   |

#### **Fund Profile**

#### **Sector Allocation (% of total investments)<sup>5</sup>**

#### **Top 10 Holdings (% of total investments)<sup>5</sup>**

|                                       |      |
|---------------------------------------|------|
| Exxon Mobil Corp.                     | 3.7% |
| Apple, Inc.                           | 3.3  |
| International Business Machines Corp. | 2.5  |
| Google, Inc., Class A                 | 2.4  |
| Wells Fargo & Co.                     | 2.3  |
| Amazon.com, Inc.                      | 2.3  |
| Gilead Sciences, Inc.                 | 2.2  |
| Pfizer, Inc.                          | 2.1  |
| eBay, Inc.                            | 1.9  |
| Bank of America Corp.                 | 1.9  |

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Total

24.6%

*See Endnotes and Additional Disclosures in this report.*

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## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### 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. 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> 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 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 was not included, the returns for five years would have been 0.57% (at NAV) and -0.82% (at Market Price) and the returns for since inception would have been 1.85% (at NAV) and -0.68% (at Market Price).

<sup>4</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, tax-exempt 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. The Fund's distribution rate is determined by the investment adviser based on its current assessment of the Fund's long-term return potential. As portfolio and market conditions change, the rate of distributions paid by the Fund could change.

<sup>5</sup> Depictions do not reflect the Fund's option positions. Excludes cash and cash equivalents.

<sup>6</sup> The following terms as used in the Fund snapshot:

**Average Market Cap:** The average market capitalization of the companies that have issued the common stocks owned by a Fund. Market Cap is determined by multiplying the price of a share of a company's common stock by the number of shares outstanding.

**Call Option:** For a call option on a security, the option buyer has the right to purchase, and the option seller (or writer) has the obligation to sell, a specified security at a specified price (exercise price or strike price) on or before a specified date (option expiration date). For an index call option, the buyer has the right to receive from the seller a cash payment at the option expiration date equal to any positive difference between the value of the index at contract expiration and the exercise price. The buyer of a call option makes a cash payment (premium) to the seller (writer) of the option upon entering into the option contract.

**Covered Call Strategy:** A strategy of owning a portfolio of common stocks and writing call options on all or a portion of such stocks to generate current earnings from option premium.

**Index Put Option:** Gives the option buyer the right to receive from the option seller (writer) a cash payment if the value of the index exceeds a specified value (exercise price or strike price) on or before a specified date (option expiration date). The buyer makes a cash payment (premium) to the seller of the option upon entering into the contract.

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**Out-of-the-Money:** For a call option on an index, the extent to which the exercise price of the option exceeds the current price of the value of the index.

Fund snapshot and profile subject to change due to active management.

### Important Notice to Shareholders

On August 6, 2012, the Fund's Board of Trustees adopted a share repurchase program for the Fund and authorized it to repurchase up to 10% of its then currently outstanding common shares in open-market transactions at a discount to net asset value. Establishing the repurchase program does not obligate the Fund to purchase specific amounts of shares. For more information on the Fund's share repurchase program, please see Note 5 in the Fund's Notes to Financial Statements.

Effective October 5, 2012, Kevin J. Amell became a portfolio manager of the Fund, joining current managers Walter A. Row III and Michael A. Allison. Going forward, Mr. Row and Mr. Allison will continue to manage the Fund's common stock portfolio, while Mr. Amell will manage the Fund's options overlay program and collaborate with the other managers to direct the Fund's overall investment program. Mr. Amell joined Eaton Vance Management as an equity options trader in 2009. He was previously a senior trader at Numeric Investors and Jacobs Levy Equity Management.

## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### Portfolio of Investments

Common Stocks 99.3%

| Security                              | Shares  | Value                |
|---------------------------------------|---------|----------------------|
| <b>Aerospace &amp; Defense 2.5%</b>   |         |                      |
| Boeing Co. (The)                      | 166,130 | \$ 12,519,557        |
| United Technologies Corp.             | 103,866 | 8,518,050            |
|                                       |         | <b>\$ 21,037,607</b> |
| <b>Automobiles 0.7%</b>               |         |                      |
| Bayerische Motoren Werke AG           | 58,194  | \$ 5,662,915         |
|                                       |         | <b>\$ 5,662,915</b>  |
| <b>Beverages 2.1%</b>                 |         |                      |
| Beam, Inc.                            | 84,050  | \$ 5,134,615         |
| Coca-Cola Co. (The)                   | 335,932 | 12,177,535           |
|                                       |         | <b>\$ 17,312,150</b> |
| <b>Biotechnology 3.6%</b>             |         |                      |
| Celgene Corp. <sup>(1)</sup>          | 157,419 | \$ 12,392,024        |
| Gilead Sciences, Inc. <sup>(1)</sup>  | 248,005 | 18,215,967           |
|                                       |         | <b>\$ 30,607,991</b> |
| <b>Capital Markets 0.8%</b>           |         |                      |
| Goldman Sachs Group, Inc. (The)       | 50,381  | \$ 6,426,600         |
|                                       |         | <b>\$ 6,426,600</b>  |
| <b>Chemicals 2.9%</b>                 |         |                      |
| LyondellBasell Industries NV, Class A | 139,045 | \$ 7,938,079         |
| Monsanto Co.                          | 156,779 | 14,839,133           |
| PPG Industries, Inc.                  | 13,561  | 1,835,481            |
|                                       |         | <b>\$ 24,612,693</b> |

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|  |               |                      |  |
|--|---------------|----------------------|--|
| <b>Commercial Banks 4.2%</b>                       |               |                      |  |
| PNC Financial Services Group, Inc.                 | 151,102       | \$ 8,810,757         |  |
| Regions Financial Corp.                            | 982,098       | 6,992,538            |  |
| Wells Fargo & Co.                                  | 580,067       | 19,826,690           |  |
|  |               | <b>\$ 35,629,985</b> |  |
|  |               |                      |  |
| <b>Communications Equipment 0.8%</b>               |               |                      |  |
| QUALCOMM, Inc.                                     | 101,068       | \$ 6,268,237         |  |
|  |               | <b>\$ 6,268,237</b>  |  |
|  |               |                      |  |
| <b>Computers &amp; Peripherals 4.3%</b>            |               |                      |  |
| Apple, Inc.  | 51,998        | \$ 27,716,494        |  |
| EMC Corp. <sup>(1)</sup>                           | 320,697       | 8,113,634            |  |
|  |               | <b>\$ 35,830,128</b> |  |
|  |               |                      |  |
| <b>Security</b>                                    | <b>Shares</b> | <b>Value</b>         |  |
|  |               |                      |  |
| <b>Consumer Finance 1.1%</b>                       |               |                      |  |
| American Express Co.                               | 165,526       | \$ 9,514,434         |  |
|  |               | <b>\$ 9,514,434</b>  |  |
|  |               |                      |  |
| <b>Diversified Financial Services 5.5%</b>         |               |                      |  |
| Bank of America Corp.                              | 1,383,956     | \$ 16,053,890        |  |
| Citigroup, Inc.                                    | 373,190       | 14,763,396           |  |
| JPMorgan Chase & Co.                               | 343,986       | 15,125,064           |  |
|  |               | <b>\$ 45,942,350</b> |  |
|  |               |                      |  |
| <b>Diversified Telecommunication Services 2.5%</b> |               |                      |  |
| AT&T, Inc.   | 364,108       | \$ 12,274,080        |  |
| CenturyLink, Inc.                                  | 221,423       | 8,662,068            |  |
|  |               | <b>\$ 20,936,148</b> |  |
|  |               |                      |  |
| <b>Electric Utilities 3.0%</b>                     |               |                      |  |
| American Electric Power Co., Inc.                  | 114,868       | \$ 4,902,566         |  |
| Duke Energy Corp.                                  | 65,511        | 4,179,602            |  |
| Edison International                               | 103,463       | 4,675,493            |  |
| PPL Corp.  | 162,448       | 4,650,886            |  |
| Southern Co. (The)                                 | 153,691       | 6,579,512            |  |
|  |               | <b>\$ 24,988,059</b> |  |
|  |               |                      |  |
| <b>Electrical Equipment 1.3%</b>                   |               |                      |  |
| Emerson Electric Co.                               | 210,973       | \$ 11,173,130        |  |
|  |               | <b>\$ 11,173,130</b> |  |
|  |               |                      |  |
| <b>Energy Equipment &amp; Services 1.7%</b>        |               |                      |  |
| Halliburton Co.                                    | 215,263       | \$ 7,467,473         |  |



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|  |         |                      |
|--|---------|----------------------|
| National Oilwell Varco, Inc.                     | 102,553 | 7,009,498            |
|  |         | <b>\$ 14,476,971</b> |
| <br>   |         |                      |
| <b>Food &amp; Staples Retailing</b> 1.6%         |         |                      |
| Costco Wholesale Corp.                           | 135,745 | \$ 13,407,534        |
|  |         | <b>\$ 13,407,534</b> |
| <br>   |         |                      |
| <b>Food Products</b> 2.2%                        |         |                      |
| Hershey Co. (The)                                | 86,446  | \$ 6,243,130         |
| Kraft Foods Group, Inc.                          | 137,608 | 6,257,036            |
| Mondelez International, Inc., Class A            | 244,492 | 6,227,211            |
|  |         | <b>\$ 18,727,377</b> |
| <br>   |         |                      |
| <b>Health Care Equipment &amp; Supplies</b> 2.9% |         |                      |
| Abbott Laboratories                              | 190,727 | \$ 12,492,618        |
| Covidien PLC                                     | 211,609 | 12,218,304           |
|  |         | <b>\$ 24,710,922</b> |

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

Portfolio of Investments continued

| Security  | Shares             | Value                       |
|---|--------------------|-----------------------------|
| <b>Health Care Providers &amp; Services 0.6%</b><br>Express Scripts Holding Co. <sup>(1)</sup>                    | 92,895             | \$ 5,016,330                |
|   |                    | <b>\$ 5,016,330</b>         |
| <b>Hotels, Restaurants &amp; Leisure 1.5%</b><br>McDonald's Corp.   | 144,219            | \$ 12,721,558               |
|   |                    | <b>\$ 12,721,558</b>        |
| <b>Household Products 3.2%</b><br>Colgate-Palmolive Co.<br>Procter & Gamble Co.                                   | 127,405<br>199,928 | \$ 13,318,919<br>13,573,112 |
|   |                    | <b>\$ 26,892,031</b>        |
| <b>Industrial Conglomerates 3.4%</b><br>Danaher Corp.<br>General Electric Co.                                     | 233,877<br>750,112 | \$ 13,073,724<br>15,744,851 |
|   |                    | <b>\$ 28,818,575</b>        |
| <b>Insurance 1.5%</b><br>ACE, Ltd.<br>Aflac, Inc.   | 78,029<br>125,325  | \$ 6,226,714<br>6,657,264   |
|   |                    | <b>\$ 12,883,978</b>        |
| <b>Internet &amp; Catalog Retail 2.3%</b><br>Amazon.com, Inc. <sup>(1)</sup>                                      | 77,638             | \$ 19,498,007               |
|   |                    | <b>\$ 19,498,007</b>        |
| <b>Internet Software &amp; Services 4.4%</b><br>eBay, Inc. <sup>(1)</sup><br>Google, Inc., Class A <sup>(1)</sup> | 319,527<br>29,033  | \$ 16,302,268<br>20,595,139 |

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**\$ 36,897,407**

**IT Services 6.3%**

|                                       |         |               |
|---------------------------------------|---------|---------------|
| Accenture PLC, Class A                | 210,160 | \$ 13,975,640 |
| International Business Machines Corp. | 110,453 | 21,157,272    |
| Teradata Corp. <sup>(1)</sup>         | 34,044  | 2,106,983     |
| Visa, Inc., Class A                   | 100,318 | 15,206,203    |

**\$ 52,446,098**

**Machinery 1.1%**

|             |         |              |
|-------------|---------|--------------|
| Deere & Co. | 104,137 | \$ 8,999,520 |
|-------------|---------|--------------|

**\$ 8,999,520**

**Security**

**Shares Value**

**Media 3.8%**

|                        |         |               |
|------------------------|---------|---------------|
| Comcast Corp., Class A | 395,091 | \$ 14,768,501 |
| Virgin Media, Inc.     | 63,160  | 2,321,130     |
| Walt Disney Co. (The)  | 297,220 | 14,798,584    |

**\$ 31,888,215**

**Metals & Mining 0.4%**

|                                      |         |              |
|--------------------------------------|---------|--------------|
| Freeport-McMoRan Copper & Gold, Inc. | 105,470 | \$ 3,607,074 |
|--------------------------------------|---------|--------------|

**\$ 3,607,074**

**Multi-Utilities 0.6%**

|               |        |              |
|---------------|--------|--------------|
| Sempra Energy | 69,500 | \$ 4,930,330 |
|---------------|--------|--------------|

**\$ 4,930,330**

**Multiline Retail 2.0%**

|                                     |         |               |
|-------------------------------------|---------|---------------|
| Dollar General Corp. <sup>(1)</sup> | 229,966 | \$ 10,139,201 |
| Macy's, Inc.                        | 179,029 | 6,985,712     |

**\$ 17,124,913**

**Oil, Gas & Consumable Fuels 9.6%**

|                            |         |              |
|----------------------------|---------|--------------|
| Anadarko Petroleum Corp.   | 79,015  | \$ 5,871,605 |
| Apache Corp.               | 72,873  | 5,720,531    |
| Chevron Corp.              | 67,182  | 7,265,061    |
| ConocoPhillips             | 262,044 | 15,195,932   |
| Exxon Mobil Corp.          | 356,018 | 30,813,358   |
| Occidental Petroleum Corp. | 111,789 | 8,564,155    |
| Phillips 66                | 131,022 | 6,957,268    |

**\$ 80,387,910**

**Pharmaceuticals 4.9%**

|                   |         |               |
|-------------------|---------|---------------|
| Allergan, Inc.    | 131,661 | \$ 12,077,264 |
| Johnson & Johnson | 156,091 | 10,941,979    |

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|              |         |                      |
|--------------|---------|----------------------|
| Pfizer, Inc. | 713,340 | 17,890,567           |
|              |         | <b>\$ 40,909,810</b> |

Real Estate Investment Trusts (REITs) 1.7%

|                             |        |                      |
|-----------------------------|--------|----------------------|
| AvalonBay Communities, Inc. | 54,354 | \$ 7,369,859         |
| Boston Properties, Inc.     | 65,336 | 6,913,202            |
|                             |        | <b>\$ 14,283,061</b> |

Road & Rail 1.6%

|                     |         |                      |
|---------------------|---------|----------------------|
| Union Pacific Corp. | 107,172 | \$ 13,473,664        |
|                     |         | <b>\$ 13,473,664</b> |

## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## Portfolio of Investments continued

| Security   | Shares  | Value                 |
|--|---------|-----------------------|
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b> |         |                       |
| Broadcom Corp., Class A                                  | 63,776  | \$ 2,118,001          |
|  |         | <b>\$ 2,118,001</b>   |
| <b>Software 2.9%</b>                                     |         |                       |
| Microsoft Corp.  | 526,642 | \$ 14,077,141         |
| Oracle Corp.   | 313,357 | 10,441,055            |
|  |         | <b>\$ 24,518,196</b>  |
| <b>Specialty Retail 0.8%</b>                             |         |                       |
| Home Depot, Inc. (The)                                   | 112,056 | \$ 6,930,664          |
|  |         | <b>\$ 6,930,664</b>   |
| <b>Textiles, Apparel &amp; Luxury Goods 1.1%</b>         |         |                       |
| NIKE, Inc., Class B                                      | 171,616 | \$ 8,855,386          |
|  |         | <b>\$ 8,855,386</b>   |
| <b>Tobacco 1.0%</b>                                      |         |                       |
| Philip Morris International, Inc.                        | 98,727  | \$ 8,257,526          |
|  |         | <b>\$ 8,257,526</b>   |
| <b>Wireless Telecommunication Services 0.6%</b>          |         |                       |
| Rogers Communications, Inc., Class B                     | 104,606 | \$ 4,761,665          |
|  |         | <b>\$ 4,761,665</b>   |
| Total Common Stocks<br>(identified cost \$638,550,623)   |         | <b>\$ 833,485,150</b> |
| Put Options Purchased 0.4%                               |         |                       |

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| Description        | Number of Contracts | Strike Price | Expiration Date | Value     |
|--------------------|---------------------|--------------|-----------------|-----------|
| S&P 500 Index      | 465                 | \$ 1,360     | 1/4/13          | \$ 59,288 |
| S&P 500 Index      | 465                 | 1,360        | 1/11/13         | 174,375   |
| S&P 500 Index      | 465                 | 1,360        | 1/19/13         | 253,425   |
| S&P 500 Index      | 455                 | 1,335        | 1/25/13         | 216,125   |
| S&P 500 Index FLEX | 465                 | 1,355        | 1/2/13          | 1,244     |
| S&P 500 Index FLEX | 465                 | 1,365        | 1/7/13          | 102,233   |
| S&P 500 Index FLEX | 465                 | 1,370        | 1/9/13          | 172,114   |
| S&P 500 Index FLEX | 465                 | 1,360        | 1/14/13         | 235,488   |
| S&P 500 Index FLEX | 465                 | 1,385        | 1/16/13         | 482,987   |
| S&P 500 Index FLEX | 460                 | 1,356        | 1/22/13         | 376,753   |
| S&P 500 Index FLEX | 465                 | 1,360        | 1/23/13         | 430,258   |
| S&P 500 Index FLEX | 462                 | 1,335        | 1/28/13         | 272,071   |

Total Put Options Purchased  
(identified cost \$4,691,039) **\$ 2,776,361**

Short-Term Investments 0.9%

| Description                                   | Interest<br>(000 s omitted) | Value        |
|---|-----------------------------|--------------|
| Eaton Vance Cash Reserves Fund, LLC, 0.12%(2) | \$ 7,661                    | \$ 7,661,071 |

Total Short-Term Investments  
(identified cost \$7,661,071) **\$ 7,661,071**

Total Investments 100.6%  
(identified cost \$650,902,733) **\$ 843,922,582**

Call Options Written (0.5)%

| Description        | Number of Contracts | Strike Price | Expiration Date | Value        |
|--------------------|---------------------|--------------|-----------------|--------------|
| S&P 500 Index      | 465                 | \$ 1,450     | 1/4/13          | \$ (123,225) |
| S&P 500 Index      | 465                 | 1,450        | 1/11/13         | (334,800)    |
| S&P 500 Index      | 465                 | 1,460        | 1/19/13         | (292,950)    |
| S&P 500 Index      | 455                 | 1,450        | 1/25/13         | (598,325)    |
| S&P 500 Index FLEX | 465                 | 1,442        | 1/2/13          | (75,927)     |
| S&P 500 Index FLEX | 465                 | 1,450        | 1/7/13          | (207,738)    |
| S&P 500 Index FLEX | 465                 | 1,467        | 1/9/13          | (120,546)    |
| S&P 500 Index FLEX | 465                 | 1,456        | 1/14/13         | (321,179)    |
| S&P 500 Index FLEX | 465                 | 1,480        | 1/16/13         | (152,991)    |
| S&P 500 Index FLEX | 460                 | 1,458        | 1/22/13         | (461,401)    |
| S&P 500 Index FLEX | 465                 | 1,462        | 1/23/13         | (433,436)    |
| S&P 500 Index FLEX | 462                 | 1,445        | 1/28/13         | (675,566)    |

Total Call Options Written  
(premiums received \$4,805,536) **\$ (3,798,084)**

Other Assets, Less Liabilities (0.1%) **\$ (421,899)**

Net Assets 100.0% **\$ 839,702,599**

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

FLEX FLExible EXchange traded option, representing a customized option contract with negotiated contract terms.

(1) Non-income producing security.

(2) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of December 31, 2012.

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

Statement of Assets and Liabilities

|  | <b>December 31, 2012</b> |
|--|--------------------------|
| <b>Assets</b>  |                          |
| Unaffiliated investments, at value (identified cost, \$643,241,662)  | \$ 836,261,511           |
| Affiliated investment, at value (identified cost, \$7,661,071)   | 7,661,071                |
| Dividends receivable   | 824,308                  |
| Interest receivable from affiliated investment   | 1,131                    |
| Receivable for investments sold  | 461,293                  |
| Tax reclaims receivable  | 190,902                  |
| <b>Total assets</b>  | <b>\$ 845,400,216</b>    |
| <b>Liabilities</b>   |                          |
| Written options outstanding, at value (premiums received, \$4,805,536)   | \$ 3,798,084             |
| Payable for investments purchased  | 462,707                  |
| Payable for Fund shares repurchased  | 534,583                  |
| Payable to affiliates:   |                          |
| Investment adviser fee   | 710,086                  |
| Trustees fees  | 8,893                    |
| Accrued expenses   | 183,264                  |
| <b>Total liabilities</b>   | <b>\$ 5,697,617</b>      |
| <b>Net Assets</b>  | <b>\$ 839,702,599</b>    |
| <b>Sources of Net Assets</b>   |                          |
| Common shares, \$0.01 par value, unlimited number of shares authorized, 70,262,683 shares issued and outstanding | \$ 702,627               |
| Additional paid-in capital   | 1,034,541,032            |
| Accumulated net realized loss  | (389,648,142)            |
| Accumulated undistributed net investment income  | 45,743                   |
| Net unrealized appreciation  | 194,061,339              |
| <b>Net Assets</b>  | <b>\$ 839,702,599</b>    |
| <b>Net Asset Value</b>   |                          |
| <b>(\$839,702,599 ÷ 70,262,683 common shares issued and outstanding)</b>   | <b>\$ 11.95</b>          |



## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## Statement of Operations

|  | <b>Year Ended</b>        |
|--|--------------------------|
|  | <b>December 31, 2012</b> |
| <b>Investment Income</b>                                     |                          |
| Dividends (net of foreign taxes, \$74,666)                   | \$ 19,114,539            |
| Interest income allocated from affiliated investment         | 31,149                   |
| Expenses allocated from affiliated investment                | (4,183)                  |
| <b>Total investment income</b>                               | <b>\$ 19,141,505</b>     |
| <b>Expenses</b>  |                          |
| Investment adviser fee                                       | \$ 8,837,657             |
| Trustees' fees and expenses                                  | 37,486                   |
| Custodian fee  | 338,569                  |
| Transfer and dividend disbursing agent fees                  | 18,569                   |
| Legal and accounting services                                | 148,895                  |
| Printing and postage   | 159,890                  |
| Miscellaneous  | 106,425                  |
| <b>Total expenses</b>  | <b>\$ 9,647,491</b>      |
| Deduct   |                          |
| Reduction of custodian fee                                   | \$ 577                   |
| <b>Total expense reductions</b>                              | <b>\$ 577</b>            |
| <b>Net expenses</b>  | <b>\$ 9,646,914</b>      |
| <b>Net investment income</b>                                 | <b>\$ 9,494,591</b>      |
| <b>Realized and Unrealized Gain (Loss)</b>                   |                          |
| Net realized gain (loss)                                     |                          |
| Investment transactions                                      | \$ 7,976,174             |
| Investment transactions allocated from affiliated investment | 442                      |
| Written options  | (39,631,863)             |
| Foreign currency transactions                                | 13,368                   |
| <b>Net realized loss</b>                                     | <b>\$ (31,641,879)</b>   |
| Change in unrealized appreciation (depreciation)             |                          |
| Investments  | \$ 44,981,943            |
| Written options  | 7,145,696                |
| Foreign currency   | (1,123)                  |
| <b>Net change in unrealized appreciation (depreciation)</b>  | <b>\$ 52,126,516</b>     |
| <b>Net realized and unrealized gain</b>                      | <b>\$ 20,484,637</b>     |
| <b>Net increase in net assets from operations</b>            | <b>\$ 29,979,228</b>     |

Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

Statements of Changes in Net Assets

|   | <b>Year Ended December 31,</b> |                         |
|---|--------------------------------|-------------------------|
|   | <b>2012</b>                    | <b>2011</b>             |
| <b>Increase (Decrease) in Net Assets</b>  |                                |                         |
| From operations   |                                |                         |
| Net investment income   | \$ 9,494,591                   | \$ 5,652,356            |
| Net realized loss from investment transactions, written options and foreign currency transactions           | (31,641,879)                   | (7,826,893)             |
| Net change in unrealized appreciation (depreciation) from investments, written options and foreign currency | 52,126,516                     | (38,340,598)            |
| <b>Net increase (decrease) in net assets from operations</b>  | <b>\$ 29,979,228</b>           | <b>\$ (40,515,135)</b>  |
| Distributions to shareholders   |                                |                         |
| From net investment income  | \$ (9,367,917)                 | \$ (5,569,829)          |
| Tax return of capital   | (74,596,079)                   | (87,671,496)            |
| <b>Total distributions</b>  | <b>\$ (83,963,996)</b>         | <b>\$ (93,241,325)</b>  |
| Capital share transactions  |                                |                         |
| Cost of shares repurchased (see Note 5)   | \$ (28,538,342)                | \$                      |
| <b>Net decrease in net assets from capital share transactions</b>   | <b>\$ (28,538,342)</b>         | <b>\$</b>               |
| <b>Net decrease in net assets</b>   | <b>\$ (82,523,110)</b>         | <b>\$ (133,756,460)</b> |
| <b>Net Assets</b>   |                                |                         |
| At beginning of year  | \$ 922,225,709                 | \$ 1,055,982,169        |
| <b>At end of year</b>   | <b>\$ 839,702,599</b>          | <b>\$ 922,225,709</b>   |
| <b>Accumulated undistributed net investment income</b>  |                                |                         |
| <b>included in net assets</b>   |                                |                         |
| <b>At end of year</b>   | <b>\$ 45,743</b>               | <b>\$ 48,848</b>        |

## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## Financial Highlights

|  | Year Ended December 31, |                   |                   |                   |                              |
|--|-------------------------|-------------------|-------------------|-------------------|------------------------------|
|  | 2012                    | 2011              | 2010              | 2009              | 2008                         |
| Net asset value Beginning of year  | \$ 12.640               | \$ 14.470         | \$ 16.410         | \$ 17.340         | \$ 20.000                    |
| <b>Income (Loss) From Operations</b>   |                         |                   |                   |                   |                              |
| Net investment income <sup>(1)</sup>   | \$ 0.131                | \$ 0.077          | \$ 0.113          | \$ 0.161          | \$ 0.159                     |
| Net realized and unrealized gain (loss)  | 0.281                   | (0.629)           | (0.253)           | 0.709             | (1.020) <sup>(2)</sup>       |
| <b>Total income (loss) from operations</b>   | <b>\$ 0.412</b>         | <b>\$ (0.552)</b> | <b>\$ (0.140)</b> | <b>\$ 0.870</b>   | <b>\$ (0.861)</b>            |
| <b>Less Distributions</b>  |                         |                   |                   |                   |                              |
| From net investment income   | \$ (0.129)              | \$ (0.076)        | \$ (0.113)        | \$ (0.161)        | \$ (0.164)                   |
| From net realized gain   |                         |                   |                   | (0.010)           | (1.636)                      |
| Tax return of capital  | (1.028)                 | (1.202)           | (1.687)           | (1.629)           |                              |
| <b>Total distributions</b>   | <b>\$ (1.157)</b>       | <b>\$ (1.278)</b> | <b>\$ (1.800)</b> | <b>\$ (1.800)</b> | <b>\$ (1.800)</b>            |
| <b>Anti-dilutive effect of share repurchase program (see Note 5)<sup>(1)</sup></b> | <b>\$ 0.055</b>         | <b>\$</b>         | <b>\$</b>         | <b>\$</b>         | <b>\$</b>                    |
| <b>Offering costs charged to paid-in capital<sup>(1)</sup></b>                     | <b>\$</b>               | <b>\$</b>         | <b>\$</b>         | <b>\$</b>         | <b>\$ 0.001</b>              |
| <b>Net asset value End of year</b>   | <b>\$ 11.950</b>        | <b>\$ 12.640</b>  | <b>\$ 14.470</b>  | <b>\$ 16.410</b>  | <b>\$ 17.340</b>             |
| <b>Market value End of year</b>  | <b>\$ 10.430</b>        | <b>\$ 10.450</b>  | <b>\$ 13.280</b>  | <b>\$ 16.660</b>  | <b>\$ 17.980</b>             |
| <b>Total Investment Return on Net Asset Value<sup>(3)</sup></b>                    | <b>5.42%</b>            | <b>(2.79)%</b>    | <b>(0.48)%</b>    | <b>5.68%</b>      | <b>(1.17)%<sup>(4)</sup></b> |
| <b>Total Investment Return on Market Value<sup>(3)</sup></b>                       | <b>11.20%</b>           | <b>(12.43)%</b>   | <b>(10.03)%</b>   | <b>3.47%</b>      | <b>9.60%<sup>(4)</sup></b>   |
| <b>Ratios/Supplemental Data</b>  |                         |                   |                   |                   |                              |
| Net assets, end of year (000 s omitted)  | \$ 839,703              | \$ 922,226        | \$ 1,055,982      | \$ 1,183,154      | \$ 1,227,477                 |
| Ratios (as a percentage of average daily net assets):                              |                         |                   |                   |                   |                              |
| Expenses <sup>(5)</sup>  | 1.09%                   | 1.09%             | 1.07%             | 1.08%             | 1.06%                        |
| Net investment income  | 1.07%                   | 0.57%             | 0.76%             | 0.99%             | 0.85%                        |
| Portfolio Turnover   | 48%                     | 103%              | 39%               | 59%               | 100%                         |

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Includes per share federal corporate income tax on long-term capital gains retained by the Fund of \$(0.612).

<sup>(3)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Fund's dividend reinvestment plan. 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%.

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(4) 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.

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

## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### 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 (other than FLEXible 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 (including options on securities, indices and foreign currencies) and FLEXible EXchange traded options traded at the Chicago Board Options Exchange 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 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

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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, 2012, the Fund, for federal income tax purposes, had a capital loss carryforward of \$332,065,202 and current year deferred capital losses of \$54,234,022 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

## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### Notes to Financial Statements continued

December 31, 2018 (\$99,116,751). The current year deferred capital losses are treated as arising on the first day of the Fund's next taxable year and are treated as realized prior to the utilization of the capital loss carryforward.

As of December 31, 2012, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund files a U.S. federal income tax return annually after its fiscal year-end, which is subject to examination by the Internal Revenue Service for a period of three years from the date of filing.

**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 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,

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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 makes quarterly distributions (monthly distributions beginning in January 2013) 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



Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

Notes to Financial Statements continued

basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income. Distributions in any year may include a substantial return of capital component.

The tax character of distributions declared for the years ended December 31, 2012 and December 31, 2011 was as follows:

|                                     | <b>Year Ended December 31,</b> |               |
|-------------------------------------|--------------------------------|---------------|
|                                     | <b>2012</b>                    | <b>2011</b>   |
| <b>Distributions declared from:</b> |                                |               |
| Ordinary income                     | \$ 9,367,917                   | \$ 5,569,829  |
| Tax return of capital               | \$ 74,596,079                  | \$ 87,671,496 |

During the year ended December 31, 2012, accumulated net realized loss was decreased by \$129,779 and accumulated undistributed net investment income was decreased by \$129,779 due to differences between book and tax accounting, primarily for investments in partnerships, 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, 2012, the components of distributable earnings (accumulated losses) and unrealized appreciation (depreciation) on a tax basis were as follows:

|  |                  |
|--|------------------|
| Capital carryforward and deferred capital losses | \$ (386,299,224) |
| Net unrealized appreciation                      | \$ 190,758,164   |

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 wash sales, purchased and written options contracts, distributions from REITs and investments in partnerships.

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, 2012, the Fund's investment adviser fee amounted to \$8,837,657. EVM also serves as administrator of the Fund, but receives no compensation.

Trustees and officers of the Fund who are members of EVM's organization 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, 2012, 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 \$408,258,195 and \$561,787,147, respectively, for the year ended December 31, 2012.

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### 5 Common Shares of Beneficial Interest

The Fund may issue common shares pursuant to its dividend reinvestment plan. There were no common shares issued by the Fund for the years ended December 31, 2012 and December 31, 2011.

On August 6, 2012, the Board of Trustees of the Fund authorized the repurchase by the Fund of up to 10% of its then currently outstanding common shares in open-market transactions at a discount to net asset value (NAV). During the year ended December 31, 2012, the Fund repurchased 2,696,100 of its common shares under the share repurchase program at a cost, including brokerage commissions, of \$28,538,342 and an average price of \$10.59 per share. The weighted average discount per share to NAV on these repurchases amounted to 12.12%.

## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## 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, 2012, as determined on a federal income tax basis, were as follows:

|                                    |                       |
|------------------------------------|-----------------------|
| <b>Aggregate cost</b>              | <b>\$ 655,113,134</b> |
| Gross unrealized appreciation      | \$ 196,732,974        |
| Gross unrealized depreciation      | (7,923,526)           |
| <b>Net unrealized appreciation</b> | <b>\$ 188,809,448</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, 2012 is included in the Portfolio of Investments.

Written options activity for the year ended December 31, 2012 was as follows:

|   | <b>Number of<br/>Contracts</b> | <b>Premiums<br/>Received</b> |
|---|--------------------------------|------------------------------|
| Outstanding, beginning of year                      | 4,035                          | \$ 13,370,981                |
| Options written                                     | 108,703                        | 137,490,163                  |
| Options terminated in closing purchase transactions | (76,395)                       | (124,845,208)                |
| Options expired                                     | (30,781)                       | (21,210,400)                 |
| <b>Outstanding, end of year</b>                     | <b>5,562</b>                   | <b>\$ 4,805,536</b>          |

All of the assets of the Fund are subject to segregation to satisfy the requirements of the escrow agent. At December 31, 2012, 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. During the year ended December 31, 2012, the Fund entered into a combination of stand-alone purchased and written option transactions on individual securities, indices or exchange-traded funds to enhance return, to reduce the Fund's exposure to market risk and volatility and/or to generate premium income. The Fund also pursued a collared options strategy which consists of buying S&P 500 index put options below the current value of the index and writing S&P 500 index call options above the current value of the index with the same expiration. The strategy uses the premium income from the written call options to buy an equal number of put options. In buying put options on an index, the Fund in effect, acquires protection against decline in the value of the applicable index below the exercise price in exchange for the option premium paid. In writing index call options, the Fund in effect, sells potential appreciation in the value of the applicable index above the exercise price. The Fund retains the risk of lost appreciation, minus the premium received, should the price of the underlying index rise above the strike price. Under normal market conditions, the Fund's use of option collars is expected to provide a more consistent level of market exposure and market protection.



Eaton Vance

Risk-Managed Diversified Equity Income Fund

December 31, 2012

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, 2012 was as follows:

| <b>Derivative</b> | <b>Asset Derivative</b>     | <b>Fair Value</b> | <b>Liability Derivative</b> |
|-------------------|-----------------------------|-------------------|-----------------------------|
| Purchased options | \$ 2,776,361 <sup>(1)</sup> |                   | \$                          |
| Written options   |                             |                   | (3,798,084) <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, 2012 was as follows:

| <b>Derivative</b> | <b>Realized Gain (Loss)<br/>on Derivatives Recognized<br/>in Income<sup>(1)</sup></b> | <b>Change in Unrealized<br/>Appreciation (Depreciation) on<br/>Derivatives Recognized in Income<sup>(2)</sup></b> |
|-------------------|---|---|
| Purchased options | \$ (70,700,929)   | \$ 9,372,745  |
| Written options   | (39,631,863)  | 7,145,696   |

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

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

The average number of purchased options contracts outstanding during the year ended December 31, 2012, which is indicative of the volume of this derivative type, was approximately 18,000 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.

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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, 2012

## Notes to Financial Statements continued

At December 31, 2012, the hierarchy of inputs used in valuing the Fund's investments and open derivative instruments, which are carried at value, were as follows:

| Asset Description            | Level 1               | Level 2               | Level 3   | Total                 |
|------------------------------|-----------------------|-----------------------|-----------|-----------------------|
| Common Stocks                |                       |                       |           |                       |
| Consumer Discretionary       | \$ 97,018,743         | \$ 5,662,915          | \$        | \$ 102,681,658        |
| Consumer Staples             | 84,596,618            |                       |           | 84,596,618            |
| Energy                       | 94,864,881            |                       |           | 94,864,881            |
| Financials                   | 124,680,408           |                       |           | 124,680,408           |
| Health Care                  | 101,245,053           |                       |           | 101,245,053           |
| Industrials                  | 83,502,496            |                       |           | 83,502,496            |
| Information Technology       | 158,078,067           |                       |           | 158,078,067           |
| Materials                    | 28,219,767            |                       |           | 28,219,767            |
| Telecommunication Services   | 25,697,813            |                       |           | 25,697,813            |
| Utilities                    | 29,918,389            |                       |           | 29,918,389            |
| <b>Total Common Stocks</b>   | <b>\$ 827,822,235</b> | <b>\$ 5,662,915*</b>  | <b>\$</b> | <b>\$ 833,485,150</b> |
| Put Options Purchased        | \$ 703,213            | \$ 2,073,148          | \$        | \$ 2,776,361          |
| Short-Term Investments       |                       | 7,661,071             |           | 7,661,071             |
| <b>Total Investments</b>     | <b>\$ 828,525,448</b> | <b>\$ 15,397,134</b>  | <b>\$</b> | <b>\$ 843,922,582</b> |
| <b>Liability Description</b> |                       |                       |           |                       |
| Call Options Written         | \$ (1,349,300)        | \$ (2,448,784)        | \$        | \$ (3,798,084)        |
| <b>Total</b>                 | <b>\$ (1,349,300)</b> | <b>\$ (2,448,784)</b> | <b>\$</b> | <b>\$ (3,798,084)</b> |

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

The Fund held no investments or other financial instruments as of December 31, 2011 whose fair value was determined using Level 3 inputs. At December 31, 2012, there were no investments transferred between Level 1 and Level 2 during the year then ended.

Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

### 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, 2012, 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 five years in the period then ended. 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, 2012, 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, 2012, 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 five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

February 18, 2013



Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

### Federal Tax Information (Unaudited)

The Form 1099-DIV you received in January 2013 showed the tax status of all distributions paid to your account in calendar year 2012. 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 \$18,077,238 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 2012 ordinary income dividends, 100% qualifies for the corporate dividends received deduction.

Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

### Notice to Shareholders (Unaudited)

In November 2012, the Fund changed its frequency of regular Fund distributions from quarterly to monthly. Beginning in January 2013, Fund shareholders will receive one-third of the current quarterly distribution on a monthly basis rather than the full current distribution once every three months. Total distribution amounts paid over the calendar year will not be affected.

In October 2012, the Fund announced that it was in the process of modifying the implementation of its collared options strategy, which consists of purchasing out-of-the-money S&P 500 Index put options and selling out-of-the-money S&P 500 Index call options on all or substantially all of the value of the Fund's common stock portfolio. Purchasing index put options provides protection against loss of principal value during periods of market weakness and selling index call options generates premium income. Going forward, the Fund generally intends to purchase short-dated (generally 28-day) index put options and sell index call options of the same term, staggering roll dates across the options portfolio. Eaton Vance Management believes that, under normal market conditions, this should result in a more consistent level of market exposure and market protection than the historical implementation of the Fund's options strategy. There can be no assurance that the Fund's investment program as a whole or its options strategy will be successful.

The Fund is managed to achieve a primary objective of current income and gains and a secondary objective of capital appreciation. Relative to other equity income funds, the Fund seeks to provide less volatile returns and reduced exposure to loss of value during stock market declines. The Fund evaluates returns on an after-tax basis, seeking to minimize and defer shareholder federal income taxes. There can be no assurance that the Fund will achieve its objectives.

EVM believes that the Fund may be appropriate for investors seeking an investment vehicle that combines regular distributions, the use of risk management techniques to protect against loss of principal value in a stock market decline and potential for capital appreciation. An investment in the Fund may not be appropriate for all investors.

## Eaton Vance

### Risk-Managed Diversified Equity Income Fund

December 31, 2012

#### 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, 2012

Application for Participation in Dividend Reinvestment Plan

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

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

Please print exact name on account:

Shareholder signature

Date

Shareholder signature

Date

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

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

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

Eaton Vance Risk-Managed Diversified Equity Income Fund

c/o American Stock Transfer & Trust Company

P.O. Box 922

Wall Street Station

New York, NY 10269-0560

**Number of Employees**

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

**Number of Shareholders**

As of December 31, 2012, Fund records indicate that there are 22 registered shareholders and approximately 32,873 shareholders owning the Fund shares in street name, such as through brokers, banks, and financial intermediaries.

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

Eaton Vance Distributors, Inc.

Two International Place

Boston, MA 02110

1-800-262-1122

**New York Stock Exchange symbol**

The New York Stock Exchange symbol is ETJ.

## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## Management and Organization

**Fund Management.** The Trustees of Eaton Vance Risk-Managed Diversified Equity Income Fund (the Fund) are responsible for the overall management and supervision of the Fund's affairs. The Trustees and officers of the Fund are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. The Noninterested Trustees consist of those Trustees who are not interested persons of the Fund, as that term is defined under the 1940 Act. The business address of each Trustee and officer is Two International Place, Boston, Massachusetts 02110. As used below, EVC refers to Eaton Vance Corp., EV refers to Eaton Vance, Inc., EVM refers to Eaton Vance Management, BMR refers to Boston Management and Research and EVD refers to Eaton Vance Distributors, Inc. EVC and EV are the corporate parent and trustee, respectively, of EVM and BMR. EVD is a wholly-owned subsidiary of EVC. Each officer affiliated with Eaton Vance may hold a position with other Eaton Vance affiliates that is comparable to his or her position with EVM listed below. Each Trustee oversees 188 portfolios in the Eaton Vance Complex (including all master and feeder funds in a master feeder structure). Each officer serves as an officer of certain other Eaton Vance funds. Each Trustee serves for a three year term. Each officer serves until his or her successor is elected.

| Name and Year of Birth        | Position(s) with the Fund | Term of Office;<br>Length of Service           | Principal Occupation(s) and Directorships  |
|-------------------------------|---------------------------|--|--|
|                               |                           |  | During Past Five Years and Other Relevant Experience   |
| <b>Interested Trustee</b>     |                           |  |  |
| Thomas E. Faust Jr.<br>1958   | Class I<br>Trustee        | Until 2014.<br>3 years.<br>Trustee since 2007. | Chairman, Chief Executive Officer and President of EVC, Director and President of EV, Chief Executive Officer and President of EVM and BMR, and Director of EVD. Trustee and/or officer of 188 registered investment companies. Mr. Faust is an interested person because of his positions with EVM, BMR, EVD, EVC and EV, which are affiliates of the Fund.<br><br><b>Directorships in the Last Five Years.</b> <sup>(1)</sup> Director of EVC and Hexavest Inc.  |
| <b>Noninterested Trustees</b> |                           |  |  |
| Scott E. Eston<br>1956        | Class I<br>Trustee        | Until 2014.<br>2 years.<br>Trustee since 2011. | Private investor. Formerly held various positions at Grantham, Mayo, Van Otterloo and Co., L.L.C. (investment management firm) (1997-2009), including Chief Operating Officer (2002-2009), Chief Financial Officer (1997-2009) and Chairman of the Executive Committee (2002-2008); President and Principal Executive Officer, GMO Trust (open-end registered investment company) (2006-2009). Former Partner, Coopers and Lybrand L.L.P. (now PricewaterhouseCoopers) (public accounting firm) (1987-1997).<br><br><b>Directorships in the Last Five Years.</b> None. |
| Benjamin C. Esty<br>1963      | Class I<br>Trustee        | Until 2014.<br>3 years.<br>Trustee since 2007. | Roy and Elizabeth Simmons Professor of Business Administration and Finance Unit Head, Harvard University Graduate School of Business Administration.<br><br><b>Directorships in the Last Five Years.</b> <sup>(1)</sup> None.  |
| Allen R. Freedman             | Class I                   | Until 2014.                                    |  |

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|                    |          |                                     |   |
|--------------------|----------|-------------------------------------|---|
| 1940               | Trustee  | 3 years.<br><br>Trustee since 2007. | <p>Private Investor. Former Chairman (2002-2004) and a Director (1983-2004) of Systems &amp; Computer Technology Corp. (provider of software to higher education). Formerly, a Director of Loring Ward International (fund distributor) (2005-2007). Former Chairman and a Director of Indus International, Inc. (provider of enterprise management software to the power generating industry) (2005-2007). Former Chief Executive Officer of Assurant, Inc. (insurance provider) (1979-2000).</p> <p><b>Directorships in the Last Five Years.</b><sup>(1)</sup> Director of Stonemor Partners, L.P. (owner and operator of cemeteries). Formerly, Director of Assurant, Inc. (insurance provider) (1979-2011).</p> |
| William H. Park    | Class II | Until 2015.                         | <p>Consultant and private investor. Formerly, Chief Financial Officer, Aveon Group L.P. (investment management firm) (2010-2011). Formerly, Vice Chairman, Commercial Industrial Finance Corp. (specialty finance company) (2006-2010). Formerly, President and Chief Executive Officer, Prizm Capital Management, LLC (investment management firm) (2002-2005). Formerly, Executive Vice President and Chief Financial Officer, United Asset Management Corporation (investment management firm) (1982-2001). Formerly, Senior Manager, Price Waterhouse (now PricewaterhouseCoopers) (an independent registered public accounting firm) (1972-1981).</p>  |
| 1947               | Trustee  | 3 years.<br><br>Trustee since 2007. | <p><b>Directorships in the Last Five Years.</b><sup>(1)</sup> None.</p>   |
| Ronald A. Pearlman | Class II | Until 2015.                         | <p>Professor of Law, Georgetown University Law Center. Formerly, Deputy Assistant Secretary (Tax Policy) and Assistant Secretary (Tax Policy), U.S. Department of the Treasury (1983-1985). Formerly, Chief of Staff, Joint Committee on Taxation, U.S. Congress (1988-1990).</p>   |
| 1940               | Trustee  | 3 years.<br><br>Trustee since 2007. | <p><b>Directorships in the Last Five Years.</b><sup>(1)</sup> None.</p>   |

## Eaton Vance

## Risk-Managed Diversified Equity Income Fund

December 31, 2012

## Management and Organization continued

| Name and Year of Birth                    | Position(s) with the Fund | Term of Office;   | Principal Occupation(s) and Directorships During Past Five Years and Other Relevant Experience   |
|---|---------------------------|---|--|
|   |                           | Length of Service   |  |
| <b>Noninterested Trustees (continued)</b> |                           |   |  |
| Helen Frame Peters                        | Class II                  | Until 2015.   | Professor of Finance, Carroll School of Management, Boston College. Formerly, Dean, Carroll School of Management, Boston College (2000-2002). Formerly, Chief Investment Officer, Fixed Income, Scudder Kemper Investments (investment management firm) (1998-1999). Formerly, Chief Investment Officer, Equity and Fixed Income, Colonial Management Associates (investment management firm) (1991-1998).   |
| 1948                                      | Trustee                   | 3 years.<br>Trustee since 2008.                           | <b>Directorships in the Last Five Years.</b> <sup>(1)</sup> Formerly, Director of BJ's Wholesale Club, Inc. (wholesale club retailer) (2004-2011). Formerly, Trustee of SPDR Index Shares Funds and SPDR Series Trust (exchange traded funds) (2000-2009). Formerly, Director of Federal Home Loan Bank of Boston (a bank for banks) (2007-2009).  |
| Lynn A. Stout                             | Class III                 | Until 2013.   | Distinguished Professor of Corporate and Business Law, Jack G. Clarke Business Law Institute, Cornell University Law School. Formerly, the Paul Hastings Professor of Corporate and Securities Law (2006-2012) and Professor of Law (2001-2006), University of California at Los Angeles School of Law.  |
| 1957                                      | Trustee                   | 3 years.<br>Trustee since 2007.                           | <b>Directorships in the Last Five Years.</b> <sup>(1)</sup> None.  |
| Harriett Tee Taggart                      | Class III                 | Until 2013.   | Managing Director, Taggart Associates (a professional practice firm). Formerly, Partner and Senior Vice President, Wellington Management Company, LLP (investment management firm) (1983-2006).  |
| 1948                                      | Trustee                   | 1 year.<br>Trustee since 2011.                            | <b>Directorships in the Last Five Years.</b> Director of Albemarle Corporation (chemicals manufacturer) (since 2007) and The Hanover Group (specialty property and casualty insurance company) (since 2009). Formerly, Director of Lubrizol Corporation (specialty chemicals) (2007-2011).   |
| Ralph F. Verni                            | Chairman of the Board and | Until 2013.   | Consultant and private investor. Formerly, Chief Investment Officer (1982-1992), Chief Financial Officer (1988-1990) and Director (1982-1992), New England Life. Formerly, Chairperson, New England Mutual Funds (1982-1992). Formerly, President and Chief Executive Officer, State Street Management & Research (1992-2000). Formerly, Chairperson, State Street Research Mutual Funds (1992-2000). Formerly, Director, W.P. Carey, LLC (1998-2004) and First Pioneer Farm Credit Corp. (2002-2006). |
| 1943                                      | Class III<br>Trustee      | 3 years.<br>Chairman of the Board and Trustee since 2007. | <b>Directorships in the Last Five Years.</b> <sup>(1)</sup> None.  |

## Principal Officers who are not Trustees

| Name and Year of Birth | Position(s) with the Fund | Length of | Principal Occupation(s) During Past Five Years |
|------------------------|---------------------------|-----------|--|
|                        |                           | Service   |  |



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

|                                  |  |   |   |
|----------------------------------|--|---|---|
| Walter A. Row, III<br><br>1957   | President  | Since 2011  | Vice President of EVM and BMR.  |
| Duncan W. Richardson<br><br>1957 | Vice President   | Since 2011  | Director of EVC and Executive Vice President and Chief Equity Investment Officer of EVC, EVM and BMR. |
| Barbara E. Campbell<br><br>1957  | Treasurer  | Since 2007  | Vice President of EVM and BMR.  |
| Maureen A. Gemma<br><br>1960     | Vice President,<br>Secretary and<br>Chief Legal<br>Officer | Vice President<br>since 2011,<br>Secretary since<br>2007 and Chief<br>Legal Officer<br>since 2008 | Vice President of EVM and BMR.  |
| Paul M. O. Neil<br><br>1953      | Chief<br>Compliance<br>Officer                             | Since 2007  | Vice President of EVM and BMR.  |

<sup>(1)</sup> During their respective tenures, the Trustees (except Mr. Eston and Ms. Taggart) also served as trustees of one or more of the following Eaton Vance funds (which operated in the years noted): Eaton Vance Credit Opportunities Fund (launched in 2005 and terminated in 2010); Eaton Vance Insured Florida Plus Municipal Bond Fund (launched in 2002 and terminated in 2009); and Eaton Vance National Municipal Income Trust (launched in 1998 and terminated in 2009).

## Eaton Vance Funds

### IMPORTANT NOTICES

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

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

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

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

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

Our pledge of privacy applies to the following entities within the Eaton Vance organization: the Eaton Vance Family of Funds, Eaton Vance Management, Eaton Vance Investment Counsel, Eaton Vance Distributors, Inc., Eaton Vance Trust Company, Eaton Vance Management's Real Estate Investment Group and Boston Management and Research. In addition, our Privacy Policy applies only to those Eaton Vance customers who are individuals and who have a direct relationship with us. If a customer's account (i.e., fund shares) is held in the name of a third-party financial advisor/broker-dealer, it is likely that only such advisor's privacy policies apply to the customer. This notice supersedes all previously issued privacy disclosures. For more information about Eaton Vance's Privacy Policy, please call 1-800-262-1122.

**Delivery of Shareholder Documents.** The Securities and Exchange Commission (SEC) permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called "householding" and it helps eliminate duplicate mailings to shareholders. *Eaton Vance, or your financial advisor, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial advisor, otherwise.* If you would prefer that your Eaton Vance documents not be householded, please contact Eaton Vance at 1-800-262-1122, or contact your financial advisor. Your instructions that householding not apply to delivery of your Eaton Vance documents will be effective within 30 days of receipt by Eaton Vance or your financial advisor.

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

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

**Share Repurchase Program.** On August 6, 2012, the Fund's Board of Trustees approved a share repurchase program authorizing the Fund to repurchase up to 10% of its currently outstanding common shares in open-market transactions at a discount to net asset value. The repurchase program does not obligate the Fund to purchase a specific amount of shares. The Fund's repurchase activity, including the number of shares purchased, average price and average discount to net asset value, is disclosed in the Fund's annual and semi-annual reports to shareholders.

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

**Closed-End Fund Information.** The Eaton Vance closed-end funds make certain fund performance data and information about portfolio characteristics (such as top holdings and asset allocation) available on the Eaton Vance website after the end of each month. Certain fund performance data for the funds, including total returns, are posted to the website shortly after the end of each month. Portfolio holdings for the most recent month-end are also posted to the website approximately 30 days following the end of the month. This information is available at [www.eatonvance.com](http://www.eatonvance.com) on the fund information pages under Individual Investors Closed-End Funds .

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**Investment Adviser and Administrator**

**Eaton Vance Management**

Two International Place

Boston, MA 02110

**Custodian**

**State Street Bank and Trust Company**

200 Clarendon Street

Boston, MA 02116

**Transfer Agent**

**American Stock Transfer & Trust Company**

59 Maiden Lane

Plaza Level

New York, NY 10038

**Independent Registered Public Accounting Firm**

**Deloitte & Touche LLP**

200 Berkeley Street

Boston, MA 02116-5022

**Fund Offices**

Two International Place

Boston, MA 02110

3079-2/13

CE-ETJSRC

**Item 2. Code of Ethics**

Not required in this filing.

**Item 3. Audit Committee Financial Expert**

The registrant's Board has designated William H. Park, an independent trustee, as its audit committee financial expert. Mr. Park is a certified public accountant who is a consultant and private investor. Previously, he served as the Chief Financial Officer of Aveon Group, L.P. (an investment management firm), as the Vice Chairman of Commercial Industrial Finance Corp. (specialty finance company), as President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm), as Executive Vice President and Chief Financial Officer of United Asset Management Corporation (an institutional investment management firm) and as a Senior Manager at Price Waterhouse (now PricewaterhouseCoopers) (an independent registered public accounting firm).



**Item 4. Principal Accountant Fees and Services**

**(a) (d)**

The following table presents the aggregate fees billed to the registrant for the registrant's fiscal years ended December 31, 2011 and December 31, 2012 by the registrant's principal accountant, Deloitte & Touche LLP ( "D&T" ), for professional services rendered for the audit of the registrant's annual financial statements and fees billed for other services rendered by D&T during such periods.

| <b>Fiscal Years Ended</b>         | <b>12/31/11</b>  | <b>12/31/12</b>  |
|-----------------------------------|------------------|------------------|
| Audit Fees                        | \$ 59,590        | \$ 61,900        |
| Audit-Related Fees <sup>(1)</sup> | \$ 0             | \$ 0             |
| Tax Fees <sup>(2)</sup>           | \$ 9,470         | \$ 10,030        |
| All Other Fees <sup>(3)</sup>     | \$ 1,200         | \$ 0             |
| <b>Total</b>                      | <b>\$ 70,260</b> | <b>\$ 71,930</b> |

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

(2) Tax fees consist of the aggregate fees billed for professional services rendered by the principal accountant relating to tax compliance, tax advice, and tax planning and specifically include fees for tax return preparation.

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

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

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

(e)(2) No services described in paragraphs (b)-(d) above were approved by the registrant's audit committee pursuant to the de minimis exception set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(f) Not applicable.

(g) The following table presents (i) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed to the registrant by D&T for the registrant's fiscal years ended December 31, 2011 and December 31, 2012; and (ii) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed to the Eaton Vance organization by D&T for the same time periods.

| Fiscal Years Ended               | 12/31/11   | 12/31/12   |
|----------------------------------|------------|------------|
| <b>Registrant</b>                | \$ 10,670  | \$ 10,030  |
| <b>Eaton Vance<sup>(1)</sup></b> | \$ 334,561 | \$ 615,489 |

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

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

#### **Item 5. Audit Committee of Listed Registrants**

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

#### **Item 6. Schedule of Investments**

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

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

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

The Policies are designed to promote accountability of a company's management to its shareholders and to align the interests of management with those shareholders. An independent proxy voting service ("Agent"), currently Institutional Shareholder Services, Inc., has been retained to assist in the voting of proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services. The investment adviser will generally vote proxies through the Agent. The Agent is required to vote all proxies and/or refer them back to the investment adviser pursuant to the Policies. It is generally the policy of the investment adviser to vote in accordance with the recommendation of the Agent. The Agent shall refer to the investment adviser proxies relating to mergers and restructurings,

and the disposition of assets, termination, liquidation and mergers contained in mutual fund proxies. The investment adviser will normally vote against anti-takeover measures and other proposals designed to limit the ability of shareholders to act on possible transactions, except in the case of closed-end management investment companies. The investment adviser generally supports management on social and environmental proposals. The investment adviser may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweighs the benefits derived from exercising the right to vote or the economic effect on shareholders interests or the value of the portfolio holding is indeterminable or insignificant.

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

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

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

Walter A. Row, Michael A. Allison, Kevin J. Amell and other Eaton Vance Management (EVM) investment professionals comprise the investment team responsible for the overall management of the Fund's investments. Messrs. Row, Allison and Amell are the portfolio managers responsible for the day-to-day management of EVM's responsibilities with respect to the Fund's investment portfolio. Mr. Row is a Vice President and Head of Structured Equity Portfolios at EVM. He is a member of EVM's Equity Strategy Committee and co-manages other Eaton Vance registered investment companies. He joined Eaton Vance's equity group in 1996. Mr. Allison is a Vice President of EVM and a co-portfolio manager for other Eaton Vance registered investment companies. He is a member of EVM's Equity Strategy Committee. He first joined Eaton Vance's equity group in 2000. Mr. Amell is a Vice President of EVM and a co-portfolio manager of the Fund effective October 2012. He joined EVM in 2009 as an equity options trader and is a member of the EVM equity trading team. Prior to joining EVM, Mr. Amell was a senior trader for Numeric Investors and Jacobs Levy Equity Management and had additional experience in trading at Fidelity Capital Markets.

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

|                                  | Number of<br>All<br>Accounts | Total Assets<br>of<br>All<br>Accounts | Number of<br>Accounts<br>Paying a<br>Performance Fee | Total<br>Assets<br>of<br>Accounts<br>Paying<br>a Performance<br>Fee |
|----------------------------------|------------------------------|---------------------------------------|--|---|
| <b>Walter A. Row</b>             |                              |                                       |  |   |
| Registered Investment Companies  | 9                            | \$ 9,264.5                            | 0  | \$ 0  |
| Other Pooled Investment Vehicles | 0                            | \$ 0                                  | 0  | \$ 0  |
| Other Accounts                   | 0                            | \$ 0                                  | 0  | \$ 0  |
| <b>Michael A. Allison</b>        |                              |                                       |  |   |
| Registered Investment Companies  | 7                            | \$ 14,432.9                           | 0  | \$ 0  |
| Other Pooled Investment Vehicles | 14                           | \$ 6,554.3 <sup>(1)</sup>             | 0  | \$ 0  |
| Other Accounts                   | 0                            | \$ 0                                  | 0  | \$ 0  |
| <b>Kevin J. Amell</b>            |                              |                                       |  |   |
| Registered Investment Companies  | 1                            | \$ 840.3                              | 0  | \$ 0  |
| Other Pooled Investment Vehicles | 0                            | \$ 0                                  | 0  | \$ 0  |
| Other Accounts                   | 0                            | \$ 0                                  | 0  | \$ 0  |

<sup>(1)</sup> Certain of these Other Pooled Investment Vehicles invest a substantial portion of their assets in a registered investment company or in a separate unregistered pooled investment vehicle managed by this portfolio manager.

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

Dollar Range of Equity Securities

| Portfolio Manager  | Owned in the Fund   |
|--------------------|---------------------|
| Walter A. Row      | \$100,001-\$500,000 |
| Michael A. Allison | \$10,001-\$50,000   |
| Kevin J. Amell     | None                |

*Potential for Conflicts of Interest.* It is possible that conflicts of interest may arise in connection with a portfolio manager's management of a Fund's investments on the one hand and the investments of other accounts for which the portfolio manager is responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among the Fund and other accounts he or she advises. In addition, due to differences in the investment strategies or restrictions between a Fund and the other accounts, a portfolio manager may take action with respect to another account that differs from the action taken with respect to the Fund. In some cases, another account managed by a portfolio manager may compensate EVM or the sub-adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities. Whenever conflicts of interest

arise, the portfolio manager will endeavor to exercise his or her discretion in a manner that he or she believes is equitable to all interested persons. EVM and the sub-adviser have adopted several policies and procedures designed to address these potential conflicts including a code of ethics and policies which govern EVM's and the sub-adviser's trading practices, including among other things the aggregation and allocation of trades among clients, brokerage allocation, cross trades and best execution.

### **Compensation Structure for EVM**

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

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

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

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

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

REGISTRANT PURCHASES OF EQUITY SECURITIES

| Period*        | (a)<br>Total Number of<br>Shares<br>Purchased | (b)<br>Average Price<br>Paid per<br>Share | (c)<br>Total Number of<br>Shares<br>Purchased<br>as Part of Publicly<br>Announced<br>Programs | (d)<br>Maximum<br>Number of<br>Shares that May<br>Yet Be<br>Purchased Under<br>the Programs* |
|----------------|---|---|---|--|
| August 2012    | 26,700  | \$ 10.35                                  | 26,700  | 7,269,178  |
| September 2012 | 515,700                                       | \$ 10.54                                  | 542,400   | 6,753,478  |
| October 2012   | 1,298,700                                     | \$ 10.77                                  | 1,841,100   | 5,454,778  |
| November 2012  | 432,800                                       | \$ 10.36                                  | 2,273,900   | 5,021,978  |
| December 2012  | 422,200                                       | \$ 10.34                                  | 2,696,100   | 4,599,778  |
| Total          | 2,696,100                                     | \$ 10.59                                  |   |  |

\* On August 6, 2012, the Fund's Board of Trustees approved a share repurchase program authorizing the Fund to repurchase up to 10% of its then currently outstanding common shares in open-market transactions at a discount to net asset value. The repurchase program was announced on August 8, 2012.

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

No Material Changes.

**Item 11. Controls and Procedures**

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

(b) There have been no changes in the registrant's internal controls over financial reporting during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits**

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

**Signatures**

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

Eaton Vance Risk-Managed Diversified Equity Income Fund

By: /s/ Walter A. Row, III  
Walter A. Row, III  
President

Date: February 11, 2013

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

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

Date: February 11, 2013

By: /s/ Walter A. Row, III  
Walter A. Row, III  
President

Date: February 11, 2013