

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

Eaton Vance Short Duration Diversified Income Fund

Form N-Q

September 29, 2009

**Table of Contents**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form N-Q**

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

**811-21563**

**Investment Company Act File Number**

**Eaton Vance Short Duration Diversified Income Fund**

(Exact Name of Registrant as Specified in Charter)

**Two International Place, Boston, Massachusetts 02110**

(Address of Principal Executive Offices)

Maureen A. Gemma

**Two International Place, Boston, Massachusetts 02110**

(Name and Address of Agent for Services)

**(617) 482-8260**

(Registrant's Telephone Number, Including Area Code)

**October 31**

Date of Fiscal Year End

**July 31, 2009**

Date of Reporting Period

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**TABLE OF CONTENTS**

Item 1. Schedule of Investments

Item 2. Controls and Procedures

Signatures

EX-99.CERT Section 302 Certification

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**Table of Contents**

**Item 1. Schedule of Investments**

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Table of Contents**Eaton Vance Short Duration Diversified Income Fund****as of July 31, 2009****PORTFOLIO OF INVESTMENTS (Unaudited)****Senior Floating-Rate Interests 57.7%****Principal****Amount\*****(000 s omitted)****Borrower/Tranche Description****Value****Aerospace and Defense 1.2%**

	<b>ACTS Aero Technical Support &amp; Service, Inc.</b>	
188	Term Loan, 0.00%, Maturing October 5, 2014 <sup>(2)</sup>	\$ 42,718
	<b>DAE Aviation Holdings, Inc.</b>	
113	Term Loan, 4.24%, Maturing July 31, 2014	93,531
115	Term Loan, 4.24%, Maturing July 31, 2014	95,362
	<b>Evergreen International Aviation</b>	
261	Term Loan, 11.50%, Maturing October 31, 2011	160,004
	<b>Hawker Beechcraft Acquisition</b>	
1,866	Term Loan, 2.39%, Maturing March 26, 2014	1,275,881
110	Term Loan, 2.60%, Maturing March 26, 2014	75,303
	<b>Hexcel Corp.</b>	
500	Term Loan, 6.50%, Maturing May 21, 2014	502,084
	<b>TransDigm, Inc.</b>	
1,000	Term Loan, 2.41%, Maturing June 23, 2013	970,833
	<b>Vought Aircraft Industries, Inc.</b>	
121	Term Loan, 2.94%, Maturing December 17, 2011	118,182
369	Term Loan, 7.50%, Maturing December 17, 2011	362,088
		<b>\$ 3,695,986</b>

**Air Transport 0.4%**

	<b>Delta Air Lines, Inc.</b>	
500	Term Loan, 2.23%, Maturing April 30, 2012	\$ 395,000
343	Term Loan - Second Lien, 3.55%, Maturing April 30, 2014	235,955
	<b>Northwest Airlines, Inc.</b>	
813	Term Loan, 2.29%, Maturing December 31, 2010	777,030
		<b>\$ 1,407,985</b>

**Automotive 2.9%**

	<b>Accuride Corp.</b>	
536	Term Loan, 3.00%, Maturing January 31, 2012	\$ 494,166
	<b>Adesa, Inc.</b>	
885	Term Loan, 2.54%, Maturing October 18, 2013	825,570
	<b>Allison Transmission, Inc.</b>	
794	Term Loan, 3.06%, Maturing September 30, 2014	692,092
	<b>Dayco Europe S.R.I.</b>	
EUR 222	Term Loan, 0.00%, Maturing June 21, 2010 <sup>(2)</sup>	76,957

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

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

<b>(000 \$ omitted)</b>	<b>Borrower/Tranche Description</b>	<b>Value</b>
	<b>LKQ Corp.</b>	
242	Term Loan, 2.55%, Maturing October 12, 2014	\$ 237,463
	<b>TriMas Corp.</b>	
1,070	Term Loan, 2.62%, Maturing August 2, 2011	965,957
296	Term Loan, 2.65%, Maturing August 2, 2013	267,419
	<b>TRW Automotive, Inc.</b>	
499	Term Loan, 6.31%, Maturing February 2, 2014	474,727
		<b>\$ 9,145,880</b>

**Beverage and Tobacco 0.0%**

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

**Building and Development 1.2%**

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

**Business Equipment and Services 5.3%**

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

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



**Table of Contents**

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

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EUR	1,394	Term Loan, 4.52%, Maturing December 31, 2016	1,789,606
EUR	1,006	Term Loan, 4.77%, Maturing December 31, 2017	1,291,674
<b>YPSO Holding SA</b>			
EUR	191	Term Loan, 3.44%, Maturing July 28, 2014	202,969
EUR	312	Term Loan, 3.44%, Maturing July 28, 2014	331,159
EUR	496	Term Loan, 3.44%, Maturing July 28, 2014	525,938
			<b>\$ 14,403,981</b>

**Chemicals and Plastics 3.4%**

<b>Ashland, Inc.</b>			
	254	Term Loan, 7.65%, Maturing November 20, 2014	\$ 259,127
<b>Brenntag Holding GmbH and Co.</b>			
EUR	1,111	Term Loan, 8.37%, Maturing December 23, 2013 <sup>(4)</sup>	1,275,014
<b>Celanese Holdings, LLC</b>			
	1,485	Term Loan, 2.35%, Maturing April 2, 2014	1,409,891
<b>Cognis GmbH</b>			
	400	Term Loan, 2.62%, Maturing September 15, 2013	335,800

**Table of Contents**

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

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

Table of Contents**Principal  
Amount\***

<b>(000 \$ omitted)</b>	<b>Borrower/Tranche Description</b>	<b>Value</b>
	<b>Smurfit-Stone Container Corp.</b>	
367	DIP Loan, 8.75%, Maturing August 6, 2010	\$ 372,343
198	Revolving Loan, 3.05%, Maturing December 31, 2009	187,933
596	Term Loan, 2.89%, Maturing November 1, 2009	566,629
136	Term Loan, 2.57%, Maturing November 1, 2011	128,749
257	Term Loan, 2.57%, Maturing November 1, 2011	243,154
78	Term Loan, 2.57%, Maturing November 1, 2011	73,516
120	Term Loan, 4.50%, Maturing November 1, 2011	113,134
		<b>\$ 5,449,760</b>
<b>Cosmetics/Toiletries</b>	<b>0.3%</b>	
	<b>Bausch &amp; Lomb, Inc.</b>	
121	Term Loan, 3.70%, Maturing April 30, 2015	\$ 114,635
475	Term Loan, 3.85%, Maturing April 30, 2015	451,660
	<b>Prestige Brands, Inc.</b>	
464	Term Loan, 2.54%, Maturing April 7, 2011	455,534
		<b>\$ 1,021,829</b>
<b>Drugs</b>	<b>0.2%</b>	
	<b>Pharmaceutical Holdings Corp.</b>	
101	Term Loan, 3.56%, Maturing January 30, 2012	\$ 92,243
	<b>Warner Chilcott Corp.</b>	
111	Term Loan, 2.29%, Maturing January 18, 2012	108,568
317	Term Loan, 2.46%, Maturing January 18, 2012	309,569
		<b>\$ 510,380</b>
<b>Ecological Services and Equipment</b>	<b>0.4%</b>	
	<b>Big Dumpster Merger Sub, Inc.</b>	
95	Term Loan, 2.54%, Maturing February 5, 2013	\$ 55,439
	<b>Blue Waste B.V. (AVR Acquisition)</b>	
EUR 500	Term Loan, 2.79%, Maturing April 1, 2015	637,822
	<b>Sensus Metering Systems, Inc.</b>	
353	Term Loan, 7.00%, Maturing June 3, 2013	349,179
	<b>Wastequip, Inc.</b>	
390	Term Loan, 2.54%, Maturing February 5, 2013	228,072
		<b>\$ 1,270,512</b>
<b>Electronics/Electrical</b>	<b>1.8%</b>	
	<b>Aspect Software, Inc.</b>	
369	Term Loan, 3.31%, Maturing July 11, 2011	\$ 321,195
500	Term Loan - Second Lien, 7.38%, Maturing July 11, 2013	271,250

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

**Table of Contents**

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

**Food Service 1.4%**

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



**Table of Contents**

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

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

**Table of Contents**

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

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

**Industrial Equipment 1.4%**

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

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

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

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

Table of Contents

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

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



**Table of Contents**

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

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

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

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

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

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

75 Term Loan, 5.99%, Maturing March 30, 2012 \$ 64,291

525 Term Loan, 3.60%, Maturing March 30, 2014 447,904

**Astoria Generating Co.**

375 Term Loan - Second Lien, 4.10%, Maturing August 23, 2013 339,687

**Calpine Corp.**

743 DIP Loan, 3.48%, Maturing March 29, 2014 683,996

**Mirant North America, LLC**

897 Term Loan, 2.04%, Maturing January 3, 2013 853,378

**NRG Energy, Inc.**

1,038 Term Loan, 2.01%, Maturing June 1, 2014 986,866

556 Term Loan, 2.10%, Maturing June 1, 2014 529,027

**TXU Texas Competitive Electric Holdings Co., LLC**

221 Term Loan, 3.80%, Maturing October 10, 2014 171,262

1,206 Term Loan, 3.80%, Maturing October 10, 2014 930,340

**\$ 5,006,751****Total Senior Floating-Rate Interests****(identified cost \$202,573,749)****\$ 183,972,024****Mortgage-Backed Securities 60.0%****Collateralized Mortgage Obligations 8.7%****Principal  
Amount****(000 s****omitted)****Security****Value****Federal Home Loan Mortgage Corp.:**

\$ 6,359 Series 2113, Class QG, 6.00%, 1/15/29 \$ 6,770,221

3,200 Series 2167, Class BZ, 7.00%, 6/15/29 3,421,125

4,159 Series 2182, Class ZB, 8.00%, 9/15/29 4,585,985

**Federal National Mortgage Association:**

\$ 229 Series 1989-89, Class H, 9.00%, 11/25/19 \$ 260,079

505 Series 1991-122, Class N, 7.50%, 9/25/21 555,474

4,638 Series 1993-84, Class M, 7.50%, 6/25/23 5,167,756

1,729 Series 1994-42, Class K, 6.50%, 4/25/24 1,870,280

1,353 Series 1997-28, Class ZA, 7.50%, 4/20/27 1,486,999

1,230 Series 1997-38, Class N, 8.00%, 5/20/27 1,391,338

2,074 Series G-33, Class PT, 7.00%, 10/25/21 2,251,421

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

**Commercial Mortgage-Backed Securities 2.2%**

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

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

**Table of Contents**

**Mortgage Pass-Throughs 49.1%**

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

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

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

**Asset-Backed Securities 0.0%**

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

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

**Corporate Bonds & Notes 0.2%**

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



# Table of Contents

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

## Foreign Corporate Bonds & Notes 1.2%

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

## Foreign Government Securities 8.3%

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

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

**Total Foreign Government Securities**  
**(identified cost \$22,858,470)**

**\$ 26,582,555**

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

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

**Currency Options Purchased 0.0%**

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

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

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

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

**Total Foreign Government Securities**  
**(identified cost \$14,769,194)**

**\$ 14,899,232**

**Table of Contents**

**Other Securities 3.2%**

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

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

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

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

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

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

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

**Table of Contents**

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



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

**Table of Contents**

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

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

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



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

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

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

## Table of Contents

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

## Futures Contracts

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

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

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

## Interest Rate Swaps

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

BRL Brazilian Real

## Credit Default Swaps Sell Protection

Notional Amount*	Contract Annual	Termination	Current	Net Unrealized Appreciation
------------------	-----------------	-------------	---------	-----------------------------

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

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

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

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

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

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



indicates a credit event has occurred for the reference entity.

## Cross-Currency Swaps

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

TRY New Turkish Lira

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

# Table of Contents

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

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

JPY - Japanese Yen

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

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

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

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

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

At July 31, 2009, the aggregate fair value of derivative instruments (not accounted for as hedging instruments under Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 133) by risk exposure was as follows:

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

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

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

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

The Fund adopted FASB Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, effective November 1, 2008. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

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

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

**Table of Contents**

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

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

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

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

**Table of Contents**

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

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

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

For additional information on the Fund's policy regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements included in its semiannual or annual report to shareholders.

**Table of Contents**

**Item 2. Controls and Procedures**

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

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

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**Table of Contents**

**Signatures**

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

**Eaton Vance Short Duration Diversified Income Fund**

By: /s/ Payson F. Swaffield

Payson F. Swaffield  
President

Date: September 25, 2009

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

By: /s/ Payson F. Swaffield

Payson F. Swaffield  
President

Date: September 25, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: September 25, 2009