

Eaton Vance Short Duration Diversified Income Fund  
Form N-Q  
September 29, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-Q**

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

Investment Company Act File Number

**811-21563**

**Eaton Vance Short Duration  
Diversified Income Fund**

(Exact Name of Registrant as Specified in Charter)

**The Eaton Vance Building,  
255 State Street, Boston, Massachusetts**  
(Address of Principal Executive Offices)

**02109**  
(Zip code)

**Alan R. Dynner, Esq.**  
**Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109**  
(Name and Address of Agent for Services)

Registrant's Telephone Number, Including Area Code:

(617) 482-8260

Date of Fiscal Year End:

October 31

Date of Reporting Period:

July 31, 2006

**Item 1. Schedule of Investments**

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Eaton Vance Short Duration Diversified Income Fund

as of July 31, 2006

## PORTFOLIO OF INVESTMENTS (Unaudited)

Senior, Floating Rate Interests 72.7% (1)

Principal Amount		Borrower/Tranche Description	Value
<b>Aerospace and Defense 1.9%</b>			
\$ 759,542		<b>Awac Capital, Inc.</b> Term Loan, 11.50%, Maturing March 22, 2013	\$ 765,238
425,000		<b>Delta Air Lines, Inc.</b> Term Loan, 12.77%, Maturing March 27, 2008	439,237
820,146		<b>Hexcel Corp.</b> Term Loan, 7.19%, Maturing March 1, 2012	822,196
583,737		<b>K&amp;F Industries, Inc.</b> Term Loan, 7.40%, Maturing November 18, 2012	584,740
1,844,300		<b>Mid-Western Aircraft Systems, Inc.</b> Term Loan, 7.75%, Maturing December 31, 2011	1,854,213
698,006		<b>Standard Aero Holdings, Inc.</b> Term Loan, 7.67%, Maturing August 24, 2012	698,442
475,000		<b>Transdigm, Inc.</b> Term Loan, 7.45%, Maturing June 23, 2013	476,707
181,818		<b>Vought Aircraft Industries, Inc.</b> Term Loan, 7.33%, Maturing December 22, 2010	182,955
806,631		Term Loan, 8.00%, Maturing December 17, 2011	813,689
			<b>\$ 6,637,417</b>
<b>Air Transport 0.1%</b>			
437,500		<b>United Airlines, Inc.</b> Term Loan, 8.63%, Maturing February 1, 2012	443,014
62,500		Term Loan, 9.19%, Maturing February 1, 2012	63,288
			<b>\$ 506,302</b>
<b>Automotive 5.1%</b>			
1,000,000	GBP	<b>AA Acquisitions Co., Ltd.</b> Term Loan, 9.24%, Maturing June 25, 2014	1,920,145
699,318		<b>Accuride Corp.</b> Term Loan, 7.31%, Maturing January 31, 2012	701,241
888,482		<b>Affina Group, Inc.</b> Term Loan, 8.50%, Maturing November 30, 2011	891,592
425,000		<b>Axletech International Holding, Inc.</b> Term Loan, 12.01%, Maturing April 22, 2013	428,187
377,583		<b>CSA Acquisition Corp.</b> Term Loan, 8.00%, Maturing December 23, 2011	379,471
607,415		Term Loan, 8.00%, Maturing December 23, 2011	610,452
	859,082	<b>Dayco Europe S.R.I.</b> Term Loan, 5.54%, Maturing June 21, 2010	1,100,429
575,000		<b>Dayco Products, LLC</b> Term Loan, 8.03%, Maturing June 21, 2011	579,912
500,000		<b>Delphi Corp.</b> Term Loan, 8.19%, Maturing October 8, 2007	505,625

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			<b>Dura Operating Corp.</b>	
\$	647,000		Term Loan, 9.11%, Maturing May 3, 2011	\$ 651,852
			<b>Exide Technologies</b>	
	949,088	EUR	Term Loan, 9.25%, Maturing May 5, 2010	1,271,738
			<b>Federal-Mogul Corp.</b>	
500,000			DIP Loan, 7.50%, Maturing December 9, 2006	501,875
361,345			Term Loan, 7.65%, Maturing December 9, 2006	353,742
420,728			Term Loan, 7.90%, Maturing December 9, 2006	413,102
			<b>Goodyear Tire &amp; Rubber Co.</b>	
635,000			Term Loan, 7.95%, Maturing April 30, 2010	638,638
500,000			Term Loan, 8.70%, Maturing March 1, 2011	504,812
			<b>Insurance Auto Auctions, Inc.</b>	
250,000			Term Loan, 6.77%, Maturing May 19, 2012 (2)	251,172
			<b>R.J. Tower Corp.</b>	
370,000			DIP Revolving Loan, 8.25%, Maturing February 2, 2007	374,741
			<b>Tenneco Automotive, Inc.</b>	
963,141			Term Loan, 7.19%, Maturing December 12, 2009	970,485
418,922			Term Loan, 7.11%, Maturing December 12, 2010	422,116
			<b>Teutates Vermögensverwaltung</b>	
	500,000	EUR	Term Loan, 5.40%, Maturing March 11, 2014	648,178
	500,000	EUR	Term Loan, 5.90%, Maturing March 11, 2015	651,103
			<b>The Goodyear Dunlop Tires</b>	
	990,000	EUR	Term Loan, 5.52%, Maturing April 30, 2010	1,270,495
			<b>Trimas Corp.</b>	
882,552			Term Loan, 9.25%, Maturing December 31, 2009	891,654
			<b>United Components, Inc.</b>	
492,292			Term Loan, 7.41%, Maturing June 30, 2010	494,753
				<b>\$ 17,427,510</b>
<b>Beverage and Tobacco</b>	<b>0.4%</b>			
			<b>Alliance One International, Inc.</b>	
246,875			Term Loan, 8.49%, Maturing May 13, 2010	248,727
			<b>Culligan International Co.</b>	
434,535			Term Loan, 7.37%, Maturing September 30, 2011	434,671
			<b>National Dairy Holdings, L.P.</b>	
493,750			Term Loan, 7.40%, Maturing March 15, 2012	495,602
			<b>National Distribution Co.</b>	
220,000			Term Loan, 11.90%, Maturing June 22, 2010	220,550
				<b>\$ 1,399,550</b>
<b>Building and Development</b>	<b>3.7%</b>			
			<b>Biomed Realty, L.P.</b>	
660,000			Term Loan, 7.60%, Maturing May 31, 2010	661,650
			<b>Capital Automotive REIT</b>	
415,134			Term Loan, 7.10%, Maturing December 16, 2010	415,595
			<b>EpcO / Fantome, LLC</b>	
500,000			Term Loan, 8.50%, Maturing November 23, 2010	501,250

			<b>Gables GP, Inc.</b>	
\$	188,840		Term Loan, 7.10%, Maturing September 30, 2006	\$ 189,096
			<b>Hovstone Holdings, LLC</b>	
265,000			Term Loan, 7.68%, Maturing February 28, 2009	265,662
			<b>Kyle Acquisition Group, LLC</b>	
115,371			Term Loan, 7.38%, Maturing July 20, 2010	115,371
			<b>LNR Property Corp.</b>	
800,000			Term Loan, 8.11%, Maturing July 3, 2011	804,834
			<b>MAAX Corp.</b>	
630,897			Term Loan, 8.40%, Maturing June 4, 2011	627,743
			<b>Mueller Group, Inc.</b>	
473,658			Term Loan, 7.65%, Maturing October 3, 2012	476,618
			<b>Newkirk Master, L.P.</b>	
753,351			Term Loan, 7.10%, Maturing August 11, 2008	755,705
			<b>Nortek, Inc.</b>	
987,437			Term Loan, 7.40%, Maturing August 27, 2011	986,049
			<b>Panolam Industries Holdings, Inc.</b>	
182,701			Term Loan, 8.25%, Maturing September 30, 2012	184,071
			<b>Ply Gem Industries, Inc.</b>	
32,730			Term Loan, 7.21%, Maturing August 15, 2011	32,690
490,957			Term Loan, 7.21%, Maturing August 15, 2011	490,343
			<b>Ristretto Investissements SAS</b>	
	308,150	EUR	Term Loan, 5.34%, Maturing September 30, 2013	398,324
	130,995	GBP	Term Loan, 7.07%, Maturing September 30, 2013	247,356
	308,150	EUR	Term Loan, 5.72%, Maturing September 30, 2014	400,290
	130,995	GBP	Term Loan, 7.45%, Maturing September 30, 2014	248,375
			<b>Stile Acquisition Corp.</b>	
932,393			Term Loan, 7.49%, Maturing April 6, 2013	915,827
			<b>Stile U.S. Acquisition Corp.</b>	
933,982			Term Loan, 7.49%, Maturing April 6, 2013	917,387
			<b>The Woodlands Community Property Co.</b>	
991,848			Term Loan, 7.76%, Maturing November 30, 2007	999,287
			<b>TRU 2005 RE Holding Co.</b>	
1,325,000			Term Loan, 8.35%, Maturing December 9, 2008	1,319,203
			<b>Trustreet Properties, Inc.</b>	
385,000			Term Loan, 7.35%, Maturing April 8, 2010	387,166
			<b>United Subcontractors, Inc.</b>	
250,000			Term Loan, 12.86%, Maturing May 27, 2013	250,000
				<b>\$ 12,589,892</b>
<b>Business Equipment and Services</b>	<b>4.7%</b>			
			<b>Acco Brands Corp.</b>	
1,278,195			Term Loan, 7.12%, Maturing August 17, 2012	1,278,994
			<b>Affiliated Computer Services</b>	
248,750			Term Loan, 7.40%, Maturing March 20, 2013	249,261
			<b>Affinion Group, Inc.</b>	
520,930			Term Loan, 7.93%, Maturing October 17, 2012	524,023

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			<b>Allied Security Holdings, LLC</b>	
\$	375,000		Term Loan, 10.25%, Maturing June 30, 2010	\$ 377,344
			<b>Aspect Software, Inc.</b>	
	575,000		Term Loan, 8.50%, Maturing July 11, 2011	575,539
	500,000		Term Loan, 12.56%, Maturing July 11, 2013	500,625
			<b>Audatex North America, Inc.</b>	
	1,000,000	EUR	Term Loan, 8.58%, Maturing January 13, 2013	1,304,863
			<b>BSG Clearing Solutions GmbH</b>	
	987,500	EUR	Term Loan, 5.74%, Maturing May 5, 2012	1,266,499
			<b>Buhrmann US, Inc.</b>	
	1,984,810	EUR	Term Loan, 4.71%, Maturing December 23, 2010	2,567,743
			<b>DynCorp International, LLC</b>	
	493,750		Term Loan, 8.06%, Maturing February 11, 2011	496,013
			<b>Gate Gourmet Borrower, LLC</b>	
	498,750	EUR	Term Loan, 5.81%, Maturing March 9, 2013	640,458
			<b>Info USA, Inc.</b>	
	199,000		Term Loan, 7.25%, Maturing February 14, 2012	199,249
			<b>Protection One, Inc.</b>	
	195,426		Term Loan, 7.84%, Maturing April 18, 2011	195,915
			<b>Quintiles Transnational Corp.</b>	
	500,000		Term Loan, 9.50%, Maturing March 31, 2014	507,187
			<b>RGIS Holdings, LLC</b>	
	348,278		Term Loan, 8.00%, Maturing February 15, 2013	347,843
			<b>SS&amp;C Technologies, Inc.</b>	
	38,975		Term Loan, 8.00%, Maturing November 23, 2012	39,202
	458,525		Term Loan, 8.00%, Maturing November 23, 2012	461,200
			<b>Sungard Data Systems, Inc.</b>	
	2,974,962		Term Loan, 7.66%, Maturing February 11, 2013	2,991,697
			<b>US Investigations Services, Inc.</b>	
	665,954		Term Loan, 7.92%, Maturing October 14, 2012	667,619
			<b>Williams Scotsman, Inc.</b>	
	930,000		Term Loan, 7.00%, Maturing June 28, 2010	932,518
				<b>\$ 16,123,792</b>
	<b>Cable and Satellite Television</b>	<b>4.5%</b>		
			<b>Adelphia Communications Corp.</b>	
	495,134		DIP Loan, 5.38%, Maturing August 7, 2006	496,063
			<b>Cablecom Luxembourg SCA</b>	
	1,000,000	EUR	Term Loan, 5.79%, Maturing September 28, 2012	1,285,004
			<b>Canadian Cable Acquisition</b>	
	495,000		Term Loan, 8.50%, Maturing July 27, 2011	497,475
			<b>Charter Communications Operating, LLC</b>	
	2,991,833		Term Loan, 8.13%, Maturing April 28, 2013	2,999,863
			<b>CSC Holdings, Inc.</b>	
	897,750		Term Loan, 7.03%, Maturing March 29, 2013	893,455
			<b>Escaline S.A.R.L. (Ewt)</b>	
	500,000	EUR	Term Loan, 5.53%, Maturing March 17, 2014	645,333

500,000	EUR	Term Loan, 6.03%, Maturing March 17, 2015	\$ 648,204
		<b>Kabel Deutschland GmbH</b>	
500,000	EUR	Term Loan, 5.06%, Maturing March 31, 2012	640,655
		<b>Lanoga Corp.</b>	
375,000		Term Loan, 7.25%, Maturing June 29, 2013	375,117
		<b>PKS Media (Netherlands) B.V.</b>	
500,000	EUR	Term Loan, 5.49%, Maturing October 5, 2013	639,976
1,000,000	EUR	Term Loan, 5.74%, Maturing October 5, 2013	1,294,566
1,000,000	EUR	Term Loan, 6.24%, Maturing October 5, 2014	1,300,650
		<b>UGS Corp.</b>	
1,698,639		Term Loan, 7.48%, Maturing March 31, 2012	1,700,409
		<b>UPC Broadband Holding B.V.</b>	
750,000	EUR	Term Loan, 5.51%, Maturing March 31, 2013	955,765
750,000	EUR	Term Loan, 5.51%, Maturing December 31, 2013	956,801
			\$ 15,329,336
<b>Chemicals and Plastics 6.5%</b>			
		<b>Basell Af S.A.R.L.</b>	
208,333		Term Loan, 7.73%, Maturing August 1, 2013	210,937
41,667		Term Loan, 7.73%, Maturing August 1, 2013	42,187
208,333		Term Loan, 8.23%, Maturing August 1, 2014	210,937
41,667		Term Loan, 8.23%, Maturing August 1, 2014	42,188
		<b>Brenntag Holding GmbH and Co.</b>	
1,020,189	EUR	Term Loan, 12.28%, Maturing December 23, 2013	1,337,716
		<b>Celanese Holdings, LLC</b>	
1,851,005	EUR	Term Loan, 5.33%, Maturing April 6, 2011	2,385,291
927,583		Term Loan, 7.50%, Maturing June 4, 2011	930,386
		<b>Gentek, Inc.</b>	
702,663		Term Loan, 7.56%, Maturing February 28, 2011	707,604
		<b>Hexion Specialty Chemicals, Inc.</b>	
232,000		Term Loan, 7.50%, Maturing May 5, 2013	230,042
1,068,000		Term Loan, 7.56%, Maturing May 5, 2013	1,058,988
		<b>Huntsman, LLC</b>	
1,347,723		Term Loan, 7.15%, Maturing August 16, 2012	1,343,089
		<b>Ineos Group</b>	
500,000		Term Loan, 7.34%, Maturing December 14, 2013	503,646
500,000		Term Loan, 7.84%, Maturing December 14, 2014	503,646
		<b>Innophos, Inc.</b>	
645,283		Term Loan, 7.70%, Maturing August 13, 2010	646,896
		<b>Invista B.V.</b>	
629,534		Term Loan, 7.00%, Maturing April 29, 2011	630,583
320,012		Term Loan, 7.00%, Maturing April 29, 2011	320,546
		<b>ISP Chemo, Inc.</b>	
698,250		Term Loan, 7.08%, Maturing February 16, 2013	698,998
		<b>Kranton Polymers, LLC</b>	
740,549		Term Loan, 7.44%, Maturing May 12, 2013	740,549

			<b>Nalco Co.</b>	
\$	1,981,498		Term Loan, 7.21%, Maturing November 4, 2010	\$ 1,982,118
			<b>PQ Corp.</b>	
	490,019		Term Loan, 7.50%, Maturing February 11, 2012	491,040
			<b>Professional Paint, Inc.</b>	
	200,000		Term Loan, 7.76%, Maturing May 31, 2012	201,000
			<b>Rockwood Specialties Group</b>	
	1,477,500	EUR	Term Loan, 5.90%, Maturing July 30, 2012	1,902,796
			<b>Sigmakalon (BC) Holdco B.V.</b>	
	8,871	EUR	Term Loan, 5.99%, Maturing September 9, 2013	11,426
	173,632	EUR	Term Loan, 5.99%, Maturing September 9, 2013	223,657
	317,498	EUR	Term Loan, 5.99%, Maturing September 9, 2013	408,973
	107,857	EUR	Term Loan, 6.49%, Maturing September 9, 2014	139,536
	30,222	EUR	Term Loan, 6.49%, Maturing September 9, 2014	38,664
	26,409	EUR	Term Loan, 6.49%, Maturing September 9, 2014	34,166
	335,513	EUR	Term Loan, 6.49%, Maturing September 9, 2014	434,058
	1,000,000	EUR	Term Loan, 8.74%, Maturing September 9, 2015	1,291,039
			<b>Solo Cup Co.</b>	
	935,248		Term Loan, 7.84%, Maturing February 27, 2011	939,827
	200,000		Term Loan, 9.66%, Maturing March 31, 2012	202,000
			<b>Wavin Holdings B.V.</b>	
	650,000	EUR	Term Loan, 5.56%, Maturing September 9, 2013	836,459
	650,000	EUR	Term Loan, 6.06%, Maturing September 9, 2014	840,311
				\$ 22,521,299
<b>Clothing/Textiles</b>	<b>0.1%</b>			
			<b>Propex Fabrics, Inc.</b>	
	283,147		Term Loan, 7.76%, Maturing July 31, 2012	283,501
			<b>St. John Knits International, Inc.</b>	
	152,136		Term Loan, 7.75%, Maturing March 23, 2012	152,136
				\$ 435,637
<b>Conglomerates</b>	<b>1.8%</b>			
			<b>Amsted Industries, Inc.</b>	
	521,648		Term Loan, 7.46%, Maturing October 15, 2010	524,746
			<b>Bushnell Performance Optics</b>	
	496,339		Term Loan, 8.45%, Maturing August 19, 2011	499,854
			<b>Education Management, LLC</b>	
	450,000		Term Loan, 8.06%, Maturing June 1, 2013	452,883
			<b>Euramax International, Inc.</b>	
	167,105		Term Loan, 12.49%, Maturing June 28, 2013	168,045
	82,895		Term Loan, 12.49%, Maturing June 28, 2013	83,361
			<b>Goodman Global Holdings, Inc.</b>	
	443,430		Term Loan, 6.94%, Maturing December 23, 2011	442,945
			<b>Jarden Corp.</b>	
	254,253		Term Loan, 7.25%, Maturing January 24, 2012	253,485
	451,732		Term Loan, 7.50%, Maturing January 24, 2012	452,014



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			<b>Johnson Diversey, Inc.</b>		
\$	738,478		Term Loan, 7.63%, Maturing November 3, 2009	\$ 744,132	
			<b>Polymer Group, Inc.</b>		
	1,343,250		Term Loan, 7.74%, Maturing November 22, 2012	1,347,168	
			<b>PP Acquisition Corp.</b>		
	1,052,888		Term Loan, 8.40%, Maturing November 12, 2011	1,063,417	
				<b>\$ 6,032,050</b>	
<b>Containers and Glass Products</b>	<b>3.9%</b>				
			<b>Berry Plastics Corp.</b>		
	723,415		Term Loan, 7.15%, Maturing December 2, 2011	723,565	
			<b>Bluegrass Container Company</b>		
	109,394		Term Loan, 0.00%, Maturing June 30, 2013 (2)	109,975	
	365,606		Term Loan, 7.65%, Maturing June 30, 2013	367,548	
	84,848		Term Loan, 0.00%, Maturing December 30, 2013 (2)	86,015	
	265,152		Term Loan, 10.40%, Maturing December 30, 2013	268,797	
			<b>Crown Americas, Inc.</b>		
	1,000,000	EUR	Term Loan, 4.61%, Maturing November 15, 2012	1,274,555	
			<b>Graham Packaging Holdings Co.</b>		
	1,231,250		Term Loan, 7.75%, Maturing October 7, 2011	1,236,123	
	357,143		Term Loan, 9.75%, Maturing April 7, 2012	362,500	
			<b>Graphic Packaging International, Inc.</b>		
	2,394,279		Term Loan, 7.92%, Maturing August 8, 2010	2,416,297	
			<b>JSG Acquisitions</b>		
		1,250,000	EUR	Term Loan, 5.58%, Maturing December 31, 2014	1,621,109
		1,250,000	EUR	Term Loan, 6.10%, Maturing December 31, 2014	1,621,109
			<b>Pregis Corp.</b>		
	992,500		Term Loan, 7.75%, Maturing October 12, 2011	1,001,184	
			<b>Smurfit-Stone Container Corp.</b>		
	428,496		Term Loan, 4.73%, Maturing November 1, 2010	430,966	
	1,129,221		Term Loan, 7.59%, Maturing November 1, 2010	1,135,730	
	822,866		Term Loan, 7.54%, Maturing November 1, 2011	827,609	
				<b>\$ 13,483,082</b>	
<b>Cosmetics/Toiletries</b>	<b>0.4%</b>				
			<b>Prestige Brands, Inc.</b>		
	740,441		Term Loan, 7.25%, Maturing April 7, 2011	742,909	
			<b>Revlon Consumer Products Corp.</b>		
	656,250		Term Loan, 11.49%, Maturing July 9, 2009	673,750	
				<b>\$ 1,416,659</b>	
<b>Drugs</b>	<b>0.5%</b>				
			<b>Patheon, Inc.</b>		
	589,293		Term Loan, 7.74%, Maturing December 14, 2011	589,293	
			<b>Warner Chilcott Corp.</b>		
	313,002		Term Loan, 7.61%, Maturing January 18, 2012	313,752	

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\$	144,598		Term Loan, 7.61%, Maturing January 18, 2012	\$	144,945
	776,775		Term Loan, 7.62%, Maturing January 18, 2012		778,636
				\$	<b>1,826,626</b>
<b>Ecological Services and Equipment 0.8%</b>					
			<b>Duratek, Inc.</b>		
	173,585		Term Loan, 7.76%, Maturing June 7, 2013		175,104
			<b>Energysolutions, LLC</b>		
	18,082		Term Loan, 7.62%, Maturing June 7, 2013		18,240
	383,333		Term Loan, 7.76%, Maturing June 7, 2013		386,688
			<b>Environmental Systems Products Holdings, Inc.</b>		
	505,772		Term Loan, 8.86%, Maturing December 12, 2008		509,565
			<b>Sensus Metering Systems, Inc.</b>		
	53,627		Term Loan, 7.20%, Maturing December 17, 2010		53,761
	403,727		Term Loan, 7.24%, Maturing December 17, 2010		404,736
			<b>Sulo GmbH</b>		
	625,000	EUR	Term Loan, 9.24%, Maturing January 19, 2016		817,285
			<b>Synagro Technologies, Inc.</b>		
	227,143		Term Loan, 7.76%, Maturing June 21, 2012		227,711
	37,857		Term Loan, 7.77%, Maturing June 21, 2012		37,952
				\$	<b>2,631,042</b>
<b>Electronics/Electrical 1.4%</b>					
			<b>Network Solutions, LLC</b>		
	298,500		Term Loan, 10.50%, Maturing January 9, 2012		302,231
			<b>Open Solutions, Inc.</b>		
	350,000		Term Loan, 11.78%, Maturing March 3, 2012		359,188
			<b>Security Co., Inc.</b>		
	740,571		Term Loan, 8.75%, Maturing June 30, 2010		742,422
			<b>Spectrum Brands, Inc.</b>		
	1,860,755	EUR	Term Loan, 6.12%, Maturing February 7, 2012		2,374,603
			<b>Telcordia Technologies, Inc.</b>		
	667,803		Term Loan, 7.73%, Maturing September 15, 2012		645,265
			<b>Vertafore, Inc.</b>		
	275,000		Term Loan, 11.13%, Maturing January 31, 2013		279,354
				\$	<b>4,703,063</b>
<b>Equipment Leasing 0.4%</b>					
			<b>Ashtead Group, PLC</b>		
	990,000		Term Loan, 6.94%, Maturing November 12, 2009		990,619
			<b>United Rentals, Inc.</b>		
	84,034		Term Loan, 6.00%, Maturing February 14, 2011		84,274
	410,714		Term Loan, 7.40%, Maturing February 14, 2011		411,888
				\$	<b>1,486,781</b>
<b>Financial Intermediaries 0.7%</b>					
			<b>AIMCO Properties, L.P.</b>		
	1,800,000		Term Loan, 7.01%, Maturing November 2, 2009		1,804,500

			<b>Blitz F04-506 GmbH</b>	
500,000		EUR	Term Loan, 5.93%, Maturing June 30, 2014	\$ 648,159
				<b>\$ 2,452,659</b>
<b>Food Products</b>	<b>2.6%</b>			
			<b>American Seafoods Group, LLC</b>	
938,372			Term Loan, 7.25%, Maturing September 30, 2011	938,372
			<b>BF Bolthouse HoldCo, LLC</b>	
375,000			Term Loan, 11.00%, Maturing December 16, 2013	382,188
			<b>BL Marketing, Ltd.</b>	
	300,000	GBP	Term Loan, 7.19%, Maturing December 20, 2013	568,167
	300,000	GBP	Term Loan, 7.69%, Maturing December 20, 2014	570,649
	409,228	GBP	Term Loan, 12.46%, Maturing December 20, 2015	789,454
			<b>Black Lion Beverages III B.V.</b>	
1,000,000		EUR	Term Loan, 7.69%, Maturing January 24, 2016	1,306,193
			<b>Charden International B.V.</b>	
250,000		EUR	Term Loan, 5.47%, Maturing March 14, 2014	320,234
250,000		EUR	Term Loan, 5.97%, Maturing March 14, 2015	321,670
			<b>Chiquita Brands, LLC</b>	
907,711			Term Loan, 7.65%, Maturing June 28, 2012	910,169
			<b>Michael Foods, Inc.</b>	
250,000			Term Loan, 7.51%, Maturing November 21, 2010	250,781
			<b>Nash-Finch Co.</b>	
500,000			Term Loan, 7.69%, Maturing November 12, 2010	502,813
			<b>Picard Surgeles S.A.</b>	
500,000		EUR	Term Loan, 5.44%, Maturing June 4, 2014	643,110
			<b>Pinnacle Foods Holdings Corp.</b>	
257,573			Term Loan, 7.48%, Maturing November 25, 2010	257,814
			<b>QCE Finance, LLC</b>	
275,000			Term Loan, 11.25%, Maturing November 5, 2013	279,297
			<b>Reddy Ice Group, Inc.</b>	
925,000			Term Loan, 7.25%, Maturing August 9, 2012	924,422
				<b>\$ 8,965,333</b>
<b>Food Service</b>	<b>0.4%</b>			
			<b>Carrols Corp.</b>	
441,331			Term Loan, 8.00%, Maturing December 31, 2010	444,434
			<b>Denny s, Inc.</b>	
985,013			Term Loan, 8.59%, Maturing September 21, 2009	989,528
				<b>\$ 1,433,962</b>
<b>Food/Drug Retailers</b>	<b>0.9%</b>			
			<b>General Nutrition Centers, Inc.</b>	
984,848			Term Loan, 8.06%, Maturing December 7, 2009	991,928
			<b>Roundy s Supermarkets, Inc.</b>	
820,875			Term Loan, 8.23%, Maturing November 3, 2011	829,426

			<b>The Jean Coutu Group (PJC), Inc.</b>	
\$	1,356,230		Term Loan, 8.00%, Maturing July 30, 2011	\$ 1,360,161
				<b>\$ 3,181,515</b>
<b>Forest Products</b>	<b>2.3%</b>			
			<b>Boise Cascade Holdings, LLC</b>	
2,063,309			Term Loan, 7.20%, Maturing October 29, 2011	2,068,936
			<b>Buckeye Technologies, Inc.</b>	
504,058			Term Loan, 7.16%, Maturing April 15, 2010	504,058
			<b>Georgia-Pacific Corp.</b>	
1,741,250			Term Loan, 7.35%, Maturing December 20, 2012	1,741,314
850,000			Term Loan, 8.30%, Maturing December 23, 2013	858,386
			<b>NewPage Corp.</b>	
747,021			Term Loan, 8.50%, Maturing May 2, 2011	752,624
			<b>Xerium Technologies, Inc.</b>	
	1,574,578	EUR	Term Loan, 5.31%, Maturing May 18, 2012	2,024,468
				<b>\$ 7,949,786</b>
<b>Healthcare</b>	<b>4.2%</b>			
			<b>Accellent, Inc.</b>	
597,000			Term Loan, 7.23%, Maturing November 22, 2012	596,378
			<b>Alliance Imaging, Inc.</b>	
490,000			Term Loan, 7.95%, Maturing December 29, 2011	491,531
			<b>AMR HoldCo, Inc.</b>	
325,178			Term Loan, 7.26%, Maturing February 10, 2012	325,686
			<b>Carl Zeiss Topco GMBH</b>	
166,667			Term Loan, 7.86%, Maturing February 28, 2013	168,195
333,333			Term Loan, 8.36%, Maturing February 28, 2014	338,055
500,000			Term Loan, 10.61%, Maturing August 31, 2014	507,438
			<b>Community Health Systems, Inc.</b>	
984,962			Term Loan, 6.97%, Maturing August 19, 2011	986,347
			<b>Concentra Operating Corp.</b>	
1,002,348			Term Loan, 7.62%, Maturing September 30, 2011	1,005,167
			<b>Davita, Inc.</b>	
1,620,004			Term Loan, 7.44%, Maturing October 5, 2012	1,625,211
			<b>Encore Medical IHC, Inc.</b>	
527,896			Term Loan, 8.31%, Maturing October 4, 2010	529,875
			<b>FHC Health Systems, Inc.</b>	
294,118			Term Loan, 11.23%, Maturing December 18, 2009	304,412
205,882			Term Loan, 13.23%, Maturing December 18, 2009	213,088
			<b>Kinetic Concepts, Inc.</b>	
253,591			Term Loan, 7.25%, Maturing August 11, 2010	255,176
			<b>Lifecare Holdings, Inc.</b>	
223,313			Term Loan, 7.65%, Maturing August 11, 2012	213,263
			<b>Moinlycke</b>	
	458,140	EUR	Term Loan, 5.56%, Maturing November 4, 2013	593,419
	500,000	EUR	Term Loan, 6.06%, Maturing November 4, 2014	650,617

			<b>National Mentor Holdings, Inc.</b>	
\$	16,800		Term Loan, 7.84%, Maturing June 29, 2013	\$ 16,853
283,200			Term Loan, 7.90%, Maturing June 29, 2013	284,085
			<b>P&amp;F Capital S.A.R.L.</b>	
	209,223	EUR	Term Loan, 5.63%, Maturing February 21, 2014	270,783
	125,235	EUR	Term Loan, 5.63%, Maturing February 21, 2014	162,082
	100,494	EUR	Term Loan, 5.63%, Maturing February 21, 2014	130,062
	65,049	EUR	Term Loan, 6.13%, Maturing February 21, 2014	84,188
	94,595	EUR	Term Loan, 6.13%, Maturing February 21, 2015	122,943
	35,135	EUR	Term Loan, 6.13%, Maturing February 21, 2015	45,664
	72,973	EUR	Term Loan, 6.13%, Maturing February 21, 2015	94,841
	297,297	EUR	Term Loan, 6.13%, Maturing February 21, 2015	386,391
			<b>Select Medical Holding Corp.</b>	
493,750			Term Loan, 6.94%, Maturing February 24, 2012	487,640
			<b>Sirona Dental Systems GmbH</b>	
	500,000	EUR	Term Loan, 5.43%, Maturing June 30, 2013	645,595
			<b>Talecris Biotherapeutics, Inc.</b>	
246,875			Term Loan, 8.44%, Maturing March 31, 2010	248,109
234,375			Term Loan, 9.75%, Maturing May 31, 2010	234,375
			<b>Vanguard Health Holding Co., LLC</b>	
740,658			Term Loan, 7.87%, Maturing September 23, 2011	744,515
			<b>VWR International, Inc.</b>	
	1,446,747	EUR	Term Loan, 5.87%, Maturing April 7, 2011	1,865,112
				<b>\$ 14,627,096</b>
<b>Home Furnishings</b>	<b>0.8%</b>			
			<b>Interline Brands, Inc.</b>	
282,609			Term Loan, 7.26%, Maturing June 23, 2013	283,668
217,391			Term Loan, 7.26%, Maturing June 23, 2013	218,207
			<b>Oreck Corp.</b>	
455,274			Term Loan, 8.25%, Maturing February 2, 2012	456,128
			<b>Sealy Mattress Co.</b>	
821,593			Term Loan, 7.10%, Maturing April 6, 2012	823,005
			<b>Simmons Co.</b>	
832,637			Term Loan, 7.49%, Maturing December 19, 2011	836,280
				<b>\$ 2,617,288</b>
<b>Industrial Equipment</b>	<b>0.8%</b>			
			<b>Alliance Laundry Holdings, LLC</b>	
314,646			Term Loan, 7.60%, Maturing January 27, 2012	315,925
			<b>Douglas Dynamics Holdings, Inc.</b>	
863,795			Term Loan, 7.25%, Maturing December 16, 2010	865,955
			<b>Maxim Crane Works, L.P.</b>	
339,887			Term Loan, 7.44%, Maturing January 28, 2010	340,950
			<b>MTD Products, Inc.</b>	
1,234,257			Term Loan, 6.88%, Maturing June 1, 2010	1,243,514
				<b>\$ 2,766,344</b>

<b>Insurance 0.4%</b>			
			<b>ARG Holding, Inc.</b>
\$	400,000		Term Loan, 12.75%, Maturing November 30, 2012 \$ 406,000
			<b>CCC Information Services Group</b>
	225,000		Term Loan, 8.00%, Maturing February 10, 2013 226,172
			<b>Conseco, Inc.</b>
	798,222		Term Loan, 7.12%, Maturing June 22, 2010 800,052
			<b>\$ 1,432,224</b>
<b>Leisure Goods/Activities/Movies 2.3%</b>			
			<b>24 Hour Fitness Worldwide, Inc.</b>
	403,988		Term Loan, 8.05%, Maturing June 8, 2012 406,512
			<b>AMC Entertainment, Inc.</b>
	572,125		Term Loan, 7.53%, Maturing January 26, 2013 574,595
			<b>Bombardier Recreational Product</b>
	575,000		Term Loan, 8.24%, Maturing June 28, 2013 574,641
			<b>Deluxe Entertainment Services</b>
	295,000		Term Loan, 9.25%, Maturing January 28, 2011 305,694
			<b>Fender Musical Instruments Co.</b>
	250,000		Term Loan, 11.12%, Maturing March 30, 2012 251,875
			<b>Metro-Goldwyn-Mayer Holdings, Inc.</b>
	2,159,588		Term Loan, 7.75%, Maturing April 8, 2012 2,165,775
			<b>Six Flags Theme Parks, Inc.</b>
	1,478,627		Term Loan, 8.36%, Maturing June 30, 2009 1,492,754
			<b>Universal City Development Partners, Ltd.</b>
	980,000		Term Loan, 7.38%, Maturing June 9, 2011 981,532
			<b>WMG Acquisition Corp.</b>
	988,235		Term Loan, 7.31%, Maturing February 28, 2011 991,657
			<b>\$ 7,745,035</b>
<b>Lodging and Casinos 3.6%</b>			
			<b>Alliance Gaming Corp.</b>
	991,640		Term Loan, 9.33%, Maturing September 5, 2009 995,359
			<b>Columbia Entertainment</b>
	496,250		Term Loan, 8.00%, Maturing October 24, 2011 499,041
			<b>Fairmont Hotels and Resorts, Inc.</b>
	400,000		Term Loan, 8.61%, Maturing May 12, 2011 402,500
			<b>Gala Electric Casinos, Ltd.</b>
	875,000	GBP	Term Loan, 7.26%, Maturing December 12, 2013 1,648,270
	875,000	GBP	Term Loan, 7.76%, Maturing December 12, 2014 1,654,536
			<b>Isle of Capri Casinos, Inc.</b>
	1,970,000		Term Loan, 7.17%, Maturing February 4, 2011 1,971,724
			<b>Penn National Gaming, Inc.</b>
	1,404,388		Term Loan, 7.13%, Maturing October 3, 2012 1,409,478
			<b>Pinnacle Entertainment, Inc.</b>
	225,000		Term Loan, 0.00%, Maturing December 14, 2011 (2) 224,789
	200,000		Term Loan, 7.40%, Maturing December 14, 2011 200,656

			<b>Resorts International Holdings, LLC</b>	
\$	716,285		Term Loan, 9.50%, Maturing April 26, 2012	\$ 721,926
	149,139		Term Loan, 16.50%, Maturing April 26, 2013	155,322
			<b>Venetian Casino Resort, LLC</b>	
	1,243,590		Term Loan, 7.25%, Maturing June 15, 2011	1,243,687
	256,410		Term Loan, 7.25%, Maturing June 15, 2011	256,430
			<b>VML US Finance, LLC</b>	
	133,333		Term Loan, 1.38%, Maturing May 25, 2012 (2)	133,167
	266,667		Term Loan, 8.20%, Maturing May 25, 2013	267,917
			<b>Wynn Las Vegas, LLC</b>	
	500,000		Term Loan, 7.55%, Maturing December 14, 2011	500,938
				<b>\$ 12,285,740</b>
<b>Nonferrous Metals/Minerals</b>	<b>0.8%</b>			
			<b>Almatis Holdings 5 BV</b>	
	250,000	EUR	Term Loan, 5.74%, Maturing December 21, 2013	323,624
	250,000	EUR	Term Loan, 6.24%, Maturing December 21, 2014	324,820
			<b>International Mill Service, Inc.</b>	
	496,250		Term Loan, 8.25%, Maturing December 31, 2010	497,491
			<b>Murray Energy Corp.</b>	
	740,625		Term Loan, 8.40%, Maturing January 28, 2010	748,031
			<b>Novelis, Inc.</b>	
	336,408		Term Loan, 7.38%, Maturing January 7, 2012	338,721
	584,288		Term Loan, 7.38%, Maturing January 7, 2012	588,305
				<b>\$ 2,820,992</b>
<b>Oil and Gas</b>	<b>2.8%</b>			
			<b>Coffeyville Resources, LLC</b>	
	400,601		Term Loan, 5.40%, Maturing June 24, 2011	402,980
	594,915		Term Loan, 7.94%, Maturing June 24, 2012	598,447
			<b>Concho Resources, Inc.</b>	
	625,000		Term Loan, 9.50%, Maturing July 6, 2011 (3)	622,063
			<b>Dresser Rand Group, Inc.</b>	
	976,902	EUR	Term Loan, 5.17%, Maturing October 29, 2011	1,256,023
			<b>Epco Holdings, Inc.</b>	
	990,000		Term Loan, 7.40%, Maturing August 18, 2010	995,492
			<b>Key Energy Services, Inc.</b>	
	497,500		Term Loan, 8.90%, Maturing June 30, 2012	499,884
			<b>LB Pacific, L.P.</b>	
	711,000		Term Loan, 7.95%, Maturing March 3, 2012	714,555
			<b>Lyondell-Citgo Refining, L.P.</b>	
	1,960,000		Term Loan, 7.50%, Maturing May 21, 2007	1,964,900

			<b>Niska Gas Storage</b>	
\$	50,909		Term Loan, 0.00%, Maturing May 13, 2011 (2)	\$ 50,909
	72,727		Term Loan, 7.03%, Maturing May 13, 2011	72,727
	76,173		Term Loan, 7.03%, Maturing May 13, 2011	76,173
	399,045		Term Loan, 7.03%, Maturing May 12, 2013	399,045
			<b>Petroleum Geo-Services ASA</b>	
	388,184		Term Loan, 7.75%, Maturing December 16, 2012	390,610
			<b>Primary Natural Resources, Inc.</b>	
	500,000		Term Loan, 9.50%, Maturing July 28, 2010 (3)	499,050
			<b>Targa Resources, Inc.</b>	
	390,000		Term Loan, 7.48%, Maturing October 31, 2007	390,569
	542,994		Term Loan, 7.39%, Maturing October 31, 2012	544,593
	87,903		Term Loan, 7.75%, Maturing October 31, 2012	88,162
				<b>\$ 9,566,182</b>
<b>Publishing</b>	<b>4.3%</b>			
			<b>American Media Operations, Inc.</b>	
	1,000,000		Term Loan, 8.12%, Maturing January 31, 2013	1,009,125
			<b>CBD Media, LLC</b>	
	803,922		Term Loan, 7.87%, Maturing December 31, 2009	809,951
			<b>Dex Media West, LLC</b>	
	830,502		Term Loan, 6.80%, Maturing March 9, 2010	826,774
			<b>Gatehouse Media Operating, Inc.</b>	
	475,000		Term Loan, 7.59%, Maturing June 6, 2013	474,555
			<b>Hanley-Wood, LLC</b>	
	51,738		Term Loan, 7.46%, Maturing August 1, 2012	51,792
	433,161		Term Loan, 7.52%, Maturing August 1, 2012	433,612
			<b>Nebraska Book Co., Inc.</b>	
	740,530		Term Loan, 7.61%, Maturing March 4, 2011	744,233
			<b>Philadelphia Newspapers, LLC</b>	
	225,000		Term Loan, 8.09%, Maturing June 29, 2013	225,844
			<b>R.H. Donnelley Corp.</b>	
	1,472,475		Term Loan, 6.88%, Maturing June 30, 2011	1,463,043
			<b>Seat Pagine Gialle Spa</b>	
	1,744,216	EUR	Term Loan, 5.35%, Maturing May 25, 2012	2,246,453
			<b>SP Newsprint Co.</b>	
	652,602		Term Loan, 5.40%, Maturing January 9, 2010	655,049
	141,772		Term Loan, 7.83%, Maturing January 9, 2010	142,304
			<b>World Directories ACQI Corp.</b>	
	500,000	EUR	Term Loan, 5.66%, Maturing November 29, 2012	645,874
	2,000,000	EUR	Term Loan, 6.16%, Maturing November 29, 2013	2,589,875
			<b>Xsys, Inc.</b>	
	1,000,000	EUR	Term Loan, 6.06%, Maturing September 27, 2014	1,303,268



<b>YBR Acquisition BV</b>			
450,000	EUR	Term Loan, 5.74%, Maturing June 30, 2013	\$ 582,020
450,000	EUR	Term Loan, 6.24%, Maturing June 30, 2014	584,341
			<b>\$ 14,788,113</b>
<b>Radio and Television 2.8%</b>			
<b>Adams Outdoor Advertising, L.P.</b>			
463,784		Term Loan, 7.27%, Maturing October 18, 2012	464,847
<b>ALM Media Holdings, Inc.</b>			
489,989		Term Loan, 8.00%, Maturing March 5, 2010	489,785
<b>Block Communications, Inc.</b>			
273,625		Term Loan, 7.50%, Maturing December 22, 2011	274,309
<b>Cequel Communications, LLC</b>			
475,000		Term Loan, 9.85%, Maturing May 5, 2014	460,750
850,000		Term Loan, 11.35%, Maturing May 5, 2014	817,417
<b>CMP KC, LLC</b>			
500,000		Term Loan, 9.31%, Maturing May 3, 2011	500,625
<b>Nexstar Broadcasting, Inc.</b>			
391,093		Term Loan, 7.25%, Maturing October 1, 2012	390,685
379,859		Term Loan, 7.25%, Maturing October 1, 2012	379,463
<b>P7S1 Holding II S.A.R.L.</b>			
1,000,000	EUR	Term Loan, 6.84%, Maturing July 18, 2011	1,276,150
<b>Paxson Communcations Corp.</b>			
850,000		Term Loan, 8.76%, Maturing December 30, 2011	868,063
<b>SFX Entertainment</b>			
447,750		Term Loan, 7.75%, Maturing June 21, 2013	448,217
<b>TDF SA</b>			
1,305,762	EUR	Term Loan, 4.85%, Maturing March 11, 2013	1,682,492
305,762	EUR	Term Loan, 5.85%, Maturing March 11, 2014	395,620
388,476	EUR	Term Loan, 6.48%, Maturing March 11, 2015	503,965
<b>Young Broadcasting, Inc.</b>			
247,500		Term Loan, 7.73%, Maturing November 3, 2012	246,765
498,750		Term Loan, 7.88%, Maturing November 3, 2012	497,269
			<b>\$ 9,696,422</b>
<b>Rail Industries 0.1%</b>			
<b>Railamerica, Inc.</b>			
470,851		Term Loan, 7.25%, Maturing September 29, 2011	474,530
			<b>\$ 474,530</b>
<b>Retailers (Except Food and Drug) 2.0%</b>			
<b>Alimentation Couche-Tard, Inc.</b>			
976,855		Term Loan, 7.13%, Maturing December 17, 2010	982,757
<b>American Achievement Corp.</b>			
432,631		Term Loan, 7.95%, Maturing March 25, 2011	435,876
<b>Coinmach Laundry Corp.</b>			
1,122,730		Term Loan, 7.78%, Maturing December 19, 2012	1,132,086

	<b>Josten s Corp.</b>	
\$ 849,035	Term Loan, 7.07%, Maturing October 4, 2010	\$ 854,165
	<b>Mapco Express, Inc.</b>	
448,541	Term Loan, 8.20%, Maturing April 28, 2011	451,064
	<b>Mauser Werke GMBH &amp; Co. KG</b>	
375,000	Term Loan, 8.25%, Maturing December 3, 2011	377,344
	<b>Movie Gallery, Inc.</b>	
230,773	Term Loan, 10.75%, Maturing April 27, 2011	225,382
	<b>Neiman Marcus Group, Inc.</b>	
237,342	Term Loan, 7.77%, Maturing April 5, 2013	239,547
	<b>Savers, Inc.</b>	
882,355	Term Loan, 8.60%, Maturing August 4, 2009	884,561
	<b>Sears Canada, Inc.</b>	
299,250	Term Loan, 7.25%, Maturing December 22, 2012	299,811
	<b>Stewert Enterprises, Inc.</b>	
377,893	Term Loan, 6.86%, Maturing November 19, 2011	378,838
	<b>Travelcenters of America, Inc.</b>	
746,250	Term Loan, 7.02%, Maturing November 30, 2008	746,903
		<b>\$ 7,008,334</b>
<b>Steel 0.1%</b>		
	<b>Gibraltar Industries, Inc.</b>	
163,043	Term Loan, 7.19%, Maturing December 8, 2010	163,043
		<b>\$ 163,043</b>
<b>Surface Transport 0.2%</b>		
	<b>Sirva Worldwide, Inc.</b>	
360,424	Term Loan, 9.97%, Maturing December 1, 2010	349,161
	<b>Vanguard Car Rental USA</b>	
475,000	Term Loan, 8.32%, Maturing June 14, 2013	477,078
		<b>\$ 826,239</b>
<b>Telecommunications 2.8%</b>		
	<b>Alaska Communications Systems Holdings, Inc.</b>	
500,000	Term Loan, 7.25%, Maturing February 1, 2011	500,000
	<b>Cellular South, Inc.</b>	
992,405	Term Loan, 7.25%, Maturing May 4, 2011	994,886
	<b>Centennial Cellular Operating Co., LLC</b>	
692,695	Term Loan, 7.68%, Maturing February 9, 2011	695,973
	<b>Consolidated Communications, Inc.</b>	
1,000,000	Term Loan, 7.44%, Maturing October 14, 2011	996,875
	<b>Fairpoint Communications, Inc.</b>	
1,000,000	Term Loan, 7.25%, Maturing February 8, 2012	995,625
	<b>Hawaiian Telecom Communications, Inc.</b>	
498,889	Term Loan, 7.75%, Maturing October 31, 2012	501,740
	<b>Madison River Capital, LLC</b>	
1,000,000	Term Loan, 7.73%, Maturing July 31, 2012	1,001,875

	<b>NTelos, Inc.</b>	
\$ 492,506	Term Loan, 7.65%, Maturing August 24, 2011	\$ 492,382
	<b>Qwest Corp.</b>	
800,000	Term Loan, 11.00%, Maturing June 4, 2007	814,300
	<b>Stratos Global Corp.</b>	
325,000	Term Loan, 8.25%, Maturing February 13, 2012	326,083
	<b>Syniverse Holdings, Inc.</b>	
369,634	Term Loan, 7.25%, Maturing February 15, 2012	369,634
	<b>Triton PCS, Inc.</b>	
740,602	Term Loan, 8.65%, Maturing November 18, 2009	746,897
	<b>Windstream Corp.</b>	
1,200,000	Term Loan, 7.26%, Maturing July 17, 2013	1,205,357
		<b>\$ 9,641,627</b>
<b>Utilities 1.6%</b>		
	<b>Astoria Generating Co.</b>	
375,000	Term Loan, 9.20%, Maturing August 23, 2013	380,484
	<b>Cogentrix Delaware Holdings, Inc.</b>	
672,383	Term Loan, 7.00%, Maturing April 14, 2012	673,924
	<b>Covanta Energy Corp.</b>	
234,146	Term Loan, 5.46%, Maturing May 27, 2013	235,463
167,790	Term Loan, 7.70%, Maturing May 27, 2013	168,733
162,500	Term Loan, 10.96%, Maturing June 24, 2013	166,156
	<b>KGen, LLC</b>	
187,625	Term Loan, 8.12%, Maturing August 5, 2011	185,749
	<b>La Paloma Generating Co., LLC</b>	
65,152	Term Loan, 7.15%, Maturing August 16, 2012	64,582
382,701	Term Loan, 7.25%, Maturing August 16, 2012	379,352
30,025	Term Loan, 7.25%, Maturing August 16, 2012	29,762
	<b>LSP General Finance Co., LLC</b>	
12,121	Term Loan, 0.00%, Maturing April 14, 2013 (2)	12,091
287,879	Term Loan, 7.25%, Maturing April 14, 2013	287,159
	<b>NRG Energy, Inc.</b>	
1,471,313	Term Loan, 7.23%, Maturing February 1, 2013	1,477,212
575,000	Term Loan, 7.50%, Maturing February 1, 2013	576,761
	<b>Pike Electric, Inc.</b>	
448,530	Term Loan, 6.88%, Maturing July 1, 2012	448,670
	<b>Plains Resources, Inc.</b>	
480,744	Term Loan, 6.69%, Maturing August 12, 2011	481,345
	<b>Reliant Energy, Inc.</b>	
90,147	Term Loan, 7.78%, Maturing December 22, 2010	90,260
		<b>\$ 5,657,703</b>
<b>Total Senior, Floating Rate Interests</b>		
<b>(identified cost \$248,057,165)</b>		<b>\$ 250,650,205</b>

**Mortgage Pass-Throughs 55.2%**

Principal Amount (000 s omitted)	Security	Value
	<b>Federal Home Loan Mortgage Corp.:</b>	
\$ 3,607	6.15%, with maturity at 2027 (4)	\$ 3,646,679
10,859	7.00%, with maturity at 2013 (4)	11,094,511
7,014	7.50%, with maturity at 2024 (4)	7,429,430
20,379	8.00%, with various maturities to 2031 (4)	21,677,817
11,068	8.50%, with various maturities to 2031 (4)	12,033,150
1,243	9.00%, with maturity at 2031	1,369,128
1,243	9.50%, with various maturities to 2022	1,376,115
2,909	11.50%, with maturity at 2019 (4)	3,247,149
		<b>\$ 61,873,979</b>
	<b>Federal National Mortgage Association:</b>	
5,159	6.321%, with maturity at 2032	5,311,937
18,918	6.50%, with various maturities to 2028 (4)	19,234,094
2,795	7.00%, with maturity at 2014	2,854,834
6,379	7.50%, with various maturities to 2028 (4)	6,680,481
7,720	8.00%, with various maturities to 2029 (4)	8,216,896
1,786	8.50%, with maturity at 2027	1,930,185
1,629	9.00%, with various maturities to 2028	1,785,265
10,229	9.50%, with various maturities to 2031 (4)	11,355,797
4,290	10.00%, with various maturities to 2031	4,781,873
		<b>\$ 62,151,362</b>
	<b>Government National Mortgage Association:</b>	
8,399	7.50%, with maturity at 2022 (4)	8,897,659
11,069	8.00%, with various maturities to 2027 (4)	11,860,429
5,628	9.00%, with maturity at 2026 (4)	6,215,044
1,111	9.50%, with maturity at 2025	1,237,311
1,585	11.00%, with maturity at 2018	1,773,588
		<b>\$ 29,984,031</b>
	<b>Collateralized Mortgage Obligations:</b>	
4,412	Federal Home Loan Mortgage Corp., Series 2137, Class Z, 6.00%, 3/15/29 (4)	4,456,451
5,194	Federal Home Loan Mortgage Corp., Series 2167, Class BZ, 7.00%, 6/15/29 (4)	5,369,984
1,175	Federal Home Loan Mortgage Corp., Series 2214, Class NC, 11.052%, 8/15/21	1,291,536
7,027	Federal Home Loan Mortgage Corp., Series S 2182, Class ZB, 8.00%, 9/15/29 (4)	7,394,009
390	Federal National Mortgage Association, Series 1989-89, Class H, 9.00%, 11/25/19	423,993
963	Federal National Mortgage Association, Series 1991-122, Class N, 7.50%, 9/25/21	1,001,938
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\$	7,223	Federal National Mortgage Association, Series 1993-84, Class M, 7.50%, 6/25/23 (4)	\$	7,618,240
2,301		Federal National Mortgage Association, Series 1997-28, Class ZA, 7.50%, 4/20/27		2,405,224
2,159		Federal National Mortgage Association, Series 1997-38, Class N, 8.00%, 5/20/27		2,281,960
3,851		Federal National Mortgage Association, Series G-33, Class PT, 7.00%, 10/25/21 (4)		3,967,403
			\$	<b>36,210,738</b>
<b>Total Mortgage Pass-Throughs</b>				
<b>(identified cost \$192,815,616)</b>			\$	<b>190,220,110</b>

**Corporate Bonds & Notes 1.5%**

Principal Amount (000 \$ omitted)		Security	Value
<b>Cable and Satellite Television 0.7%</b>			
		<b>Iesy Hessen &amp; ISH NRW, Variable Rate</b>	
2,000	EUR	6.021%, 4/15/13 (5)	\$ 2,494,873
			\$ <b>2,494,873</b>
<b>Financial Intermediaries 0.1%</b>			
		<b>Centurion CDO 9 Ltd., Series 2005-9A</b>	
500		9.35%, 7/17/19	515,095
			\$ <b>515,095</b>
<b>Index Linked Notes 0.6%</b>			
		<b>JP Morgan Chilean Inflation Linked Note</b>	
2,000		7.433%, 11/17/15	2,011,600
			\$ <b>2,011,600</b>
<b>Telecommunications 0.1%</b>			
		<b>Qwest Corp., Sr. Notes, Variable Rate</b>	
200		8.579%, 6/15/13 (5)	215,000
			\$ <b>215,000</b>
<b>Total Corporate Bonds &amp; Notes</b>			
<b>(identified cost \$5,152,301)</b>			\$ <b>5,236,568</b>

**Sovereign Issues 6.5%**

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Principal Amount (000 s omitted)		Security	Value
		<b>Egyptian Treasury Bill</b>	
8,275	EGP	0.00%, 8/1/06	\$ 1,440,696
8,000	EGP	0.00%, 9/5/06	1,381,620
8,400	EGP	0.00%, 10/10/06	1,438,716
8,000	EGP	0.00%, 12/5/06	1,352,211
7,590	EGP	0.00%, 2/27/07	1,257,948
		<b>Federal Republic of Brazil</b>	
4,204	BRL	12.50%, 1/5/16	1,943,526
		<b>Indonesia Government</b>	
30,000,000	IDR	11.00%, 12/15/12	3,171,504
		<b>Indonesia Recapitalization Bond</b>	
35,000,000	IDR	12.25%, 7/15/07	3,882,708
		<b>Republic of Colombia</b>	
14,760,000	COP	11.75%, 3/1/10	6,554,053
			<b>\$ 22,422,982</b>
<b>Total Sovereign Issues</b> <b>(identified cost \$22,587,229)</b>			<b>\$ 22,422,982</b>

**Short-Term Investments 1.7%**

Principal Amount	Maturity Date	Borrower	Rate	Amount
\$ 1,817,000	08/01/06	General Electric Capital Corp. Commercial Paper	5.30	% \$ 1,817,000
3,870,000	08/01/06	Investors Bank and Trust Company Time Deposit	5.31	% 3,870,000
<b>Total Short-Term Investments</b> <b>(at amortized cost, \$5,687,000)</b>				<b>\$ 5,687,000</b>
<b>Gross Investments 137.6%</b> <b>(identified cost \$474,299,312)</b>				<b>\$ 474,216,865</b>
<b>Less Unfunded Loan Commitments (0.2)%</b>				<b>\$ (653,650 )</b>
<b>Net Investments 137.4%</b> <b>(identified cost \$473,645,662)</b>				<b>\$ 473,563,215</b>
<b>Other Assets, Less Liabilities (37.4)%</b>				<b>\$ (128,972,773 )</b>
<b>Net Assets 100.0%</b>				<b>\$ 344,590,442</b>

BRL Brazilian Real  
COP Colombian Peso

EGP Egyptian Pound  
 EUR Euro  
 GBP British Pound  
 IDR Indonesian Rupiah

- (1) Senior floating-rate interests often require prepayments from excess cash flows or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, it is anticipated that the senior floating-rate interests will have an expected average life of approximately two to three years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base lending rates are primarily the London-Interbank Offered Rate ( LIBOR ), and secondarily the prime rate offered by one or more major United States banks (the Prime Rate ) and the certificate of deposit ( CD ) rate or other base lending rates used by commercial lenders.
- (2) Unfunded loan commitments. The Fund may enter into certain credit agreements, all or a portion of which may be unfunded. The Fund is obligated to fund these loan commitments at the borrower's discretion.
- (3) Security valued at fair value using methods determined in good faith by or at the direction of the Trustees.
- (4) All or a portion of these securities were on loan at July 31, 2006.
- (5) Adjustable rate securities. Rates shown are the rates at period end.

A summary of financial instruments at July 31, 2006 is as follows:

**Futures Contracts**

Expiration Date	Contracts	Position	Aggregate Cost	Value	Net Unrealized Depreciation
09/06	21 Japan 10 Year Bond	Short	\$ (24,214,183 )	\$ (24,219,688 )	\$ (5,505 )

Description of the underlying instruments to futures contracts: Japanese Government Bonds (JGB) having a maturity of 7 years or more but less than 11 years.



**Forward Foreign Currency Exchange Contracts**

**Sales**

<b>Settlement Date(s)</b>	<b>Deliver</b>	<b>In Exchange For</b>	<b>Net Unrealized Appreciation (Depreciation)</b>
8/02/06	Brazilian Real 5,300,000	United States Dollar 2,424,520	\$ (12,822 )
8/08/06	Canadian Dollar 4,000,000	United States Dollar 3,496,504	(43,314 )
8/29/06	Euro 50,256,015	United States Dollar 63,623,222	(623,940 )
8/29/06	Great British Pound 4,090,483	United States Dollar 7,576,270	(65,252 )
8/09/06	Japanese Yen 249,600,000	United States Dollar 2,154,296	(28,984 )
8/01/06	Turkish Lira 8,124,500	United States Dollar 5,452,685	21,869
8/07/06	South African Rand 12,000,000	United States Dollar 1,740,449	10,319
			<b>\$ (742,124 )</b>

**Purchases**

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Settlement Date(s)	Acquire	In Exchange For	Net Unrealized Appreciation (Depreciation)
8/02/06	Brazilian Real 5,300,000	United States Dollar 2,382,986	\$ 54,356
9/05/06	Brazilian Real 5,300,000	United States Dollar 2,405,155	12,177
8/14/06	Chilean Peso 1,800,000,000	United States Dollar 3,339,208	(3,776 )
8/07/06	Indonesian Rupiah 32,000,000,000	United States Dollar 3,490,401	34,341
8/04/06	Icelandic Krona 211,144,000	Euro 2,248,365	29,637
8/11/06	Icelandic Krona 545,174,800	Euro 5,924,847	(89,150 )
8/07/06	Japanese Yen 201,000,000	United States Dollar 1,753,927	3,754
8/07/06	Korean Won 10,280,000,000	United States Dollar 10,811,152	(53,148 )
8/28/06	Kazakhstan Tenge 35,700,000	United States Dollar 302,542	(528 )
8/14/06	Mexican Peso 38,328,000	United States Dollar 3,484,364	29,168
8/07/06	Malaysian Ringgit 21,495,000	United States Dollar 5,843,414	35,099

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8/22/06	Malaysian Ringgit 26,000,000	United States Dollar 7,077,141	39,037
8/25/06	Malaysian Ringgit 13,000,000	United States Dollar 3,532,033	26,619
8/04/06	Philippines Peso 180,000,000	United States Dollar 3,430,663	66,253
8/22/06	Philippines Peso 185,000,000	United States Dollar 3,527,303	64,273
8/18/06	Romanian Leu 5,100,000	Euro 1,417,415	22,989
10/27/06	Romanian Leu 28,500,000	Euro 7,730,849	265,381
8/01/06	Turkish Lira 8,124,500	United States Dollar 5,450,855	(20,040 )
8/15/06	Turkish Lira 8,124,500	United States Dollar 5,427,188	(21,941 )
			<b>\$ 494,501</b>

At July 31, 2006, the Fund had sufficient cash and/or securities to cover potential obligations arising from open futures and forward foreign currency exchange contracts, as well as margin requirements on open futures contracts.

The Portfolio has entered into an interest rate swap with JPMorgan Chase Bank N.A. whereby the Portfolio makes a payment every 28 days at a rate equal to the MXN-TIIE-BANXICO on the notional amount of \$39,000,000 MXN. In exchange, the Portfolio receives payments every 28 days at a fixed rate equal to 9.870% on the same notional amount. The value of the contract, which terminates on May 26, 2016, is recorded as a receivable for open swap contracts of \$173,468, at July 31, 2006.

#### Credit Default Swaps

The Fund has entered into credit default swaps whereby the Fund is buying exposure to an increase in credit spreads for the underlying instrument. The maximum payouts are limited to the notional amount of each swap.

Notional Amount	Expiration Date	Description	Net Unrealized Depreciation
10,000,000 USD	3/20/2010	Agreement with Credit Suisse First Boston dated 3/05/2005 whereby the Fund will pay 2.01% per year times the notional amount. In exchange for that periodic payment, upon a default event involving Turkish sovereign issues, Credit Suisse First Boston agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by Turkey to Credit Suisse First Boston.	\$ (57,779 )

5,000,000 USD	9/20/2011	Agreement with Credit Suisse First Boston dated 7/21/2006 whereby the Fund will pay 2.15% per year times the notional amount. In exchange for that periodic payment, upon a default event involving Philippine sovereign issues, Credit Suisse First Boston agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by the Philippines to Credit Suisse First Boston.	\$(62,870 )
10,000,000 USD	3/20/2010	Agreement with JP Morgan Chase Bank dated 3/05/2005 whereby the Fund will pay 2.00% per year times the notional amount. In exchange for that periodic payment, upon a default event involving Turkish sovereign issues, JP Morgan Chase Bank agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by Turkey to JP Morgan Chase Bank.	\$(54,579 )
10,000,000 USD	9/20/2011	Agreement with JP Morgan Chase Bank dated 7/21/2006 whereby the Fund will pay 2.09% per year times the notional amount. In exchange for that periodic payment, upon a default event involving Indonesian sovereign issues, JP Morgan Chase Bank agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by Indonesia to JP Morgan Chase Bank.	\$(127,656 )
5,000,000 USD	9/20/2011	Agreement with JP Morgan Chase Bank dated 7/21/2006 whereby the Fund will pay 2.17% per year times the notional amount. In exchange for that periodic payment, upon a default event involving Philippine sovereign issues, JP Morgan Chase Bank agrees to pay the Fund the notional amount of the swap. To receive that payment, the Fund must deliver a bond (with par value equal to the notional amount of the swap) issued by the Philippines to JP Morgan Chase Bank.	\$(67,213 )
			<b>\$(370,097 )</b>

The cost and unrealized appreciation (depreciation) in value of the investments owned by the Fund at July 31, 2006, as computed on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$</b>	<b>474,705,231</b>	
Gross unrealized appreciation	\$	4,326,856	
Gross unrealized depreciation		(5,468,872	)
<b>Net unrealized depreciation</b>	<b>\$</b>	<b>(1,142,016</b>	<b>)</b>

The unrealized depreciation on foreign currency, swaps, futures and forward contracts at July 31, 2006 on a federal income tax basis was \$467,380.

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**Item 2. Controls and Procedures**

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

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

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**Signatures**

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

Eaton Vance Short Duration Diversified Income Fund

By: /s/ Thomas E. Faust Jr.  
Thomas E. Faust Jr.  
President and Principal Executive Officer  
Date: September 22, 2006

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

By: /s/ Thomas E. Faust Jr.  
Thomas E. Faust Jr.  
President and Principal Executive Officer  
Date: September 22, 2006  
By: /s/ Barbara E. Campbell  
Barbara E. Campbell  
Treasurer and Principal Financial Officer  
Date: September 22, 2006

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