

Eaton Vance Short Duration Diversified Income Fund
Form SC 13G/A
May 10, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549 SCHEDULE 13G/A
(Amendment No. 2)
Under the Securities Exchange Act of 1934
Eaton Vance Short Duration Diversified Income Fund (EVG)

(Name of Issuer) Common Stock

(Title of Class of Securities) 27828V104

(CUSIP Number) April 30, 2010

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)(4)

Rule 13d-1(c)(4)

Rule 13d-1(d)(4)

CUSIP No. 27828V104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Karpus Management, Inc., d/b/a Karpus Investment Management
I.D. #16-1290558

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a) 127
(b) 32 & 32X
-

3. SEC Use Only

4. Citizenship or Place of Organization New York

Number of Shares Beneficially Owned by Each reporting Person With:

5. Sole Voting Power 758,021 **6. Shared Voting Power** N/A **7. Sole Dispositive Power** 758,021 **8. Shared Dispositive Power** N/A

9. Aggregate Amount Beneficially Owned by Each Reporting Person 758,021

10. Check if the Aggregate Amount in Row 9 Excludes Certain Shares (See Instructions) N/A

11. Percent of Class Represented by Amount in Row 9 4.01%

12. Type of Reporting Person (See Instructions) IA

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Item 1.

(a) **The Name of the Issuer is** Eaton Vance Short Duration Diversified Income Fund (b) **The Address of the Issuer's Principal Executive Office is** Eaton Vance Management, 255 State Street, Boston, MA 02109 **Item 2.**

(a) **The name of the Person Filing is** Karpus Management, Inc., d/b/a Karpus Investment Management & KIM, George W. Karpus, President, Director and controlling stockholder, Jo Ann Van Degriff, Partner Emeritus. (b) **The address of KIM's principal place of business and principal office is** 183 Sully Trail, Pittsford, New York 14534. (c) **Citizenship** Each of the Principals is a United States citizen. KIM is a New York corporation. (d) **Title of Class of Securities** Common Stock (e) **CUSIP Number** 27828V104 **Item 3.** If this statement is filed pursuant to 17 CFR 240.13d-1(b) or 240.13d-1(c) or 240.13d-1(d) or 240.13d-1(e), check whether the person filing is a

____ Broker or dealer registered under section 15 of the Act 15 U.S.C. 78o ____ Bank as defined in section 3 ____ of the Act 15 U.S.C. 78c ____ Insurance company as defined in section 3 ____ of the Act 15 U.S.C. 78c ____ Investment company registered under section 8 of the Investment Company Act of 1940 15 U.S.C. 80a-1.

~~____~~ **An investment adviser in accordance with 17 CFR 240.13d-1(b) & 17 CFR 240.13d-1(c) & 17 CFR 240.13d-1(d) & 17 CFR 240.13d-1(e)**

____ An employee benefit plan or endowment fund in accordance with 17 CFR 240.13d-1(b) & 17 CFR 240.13d-1(c) & 17 CFR 240.13d-1(d) & 17 CFR 240.13d-1(e) ____ A parent holding company or control person in accordance with 17 CFR 240.13d-1(b) & 17 CFR 240.13d-1(c) & 17 CFR 240.13d-1(d) & 17 CFR 240.13d-1(e) ____ A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act 12 U.S.C. 1813 ____ A church plan that is excluded from the definition of an investment company under section 3(c) & 14 of the Investment Company Act of 1940 15 U.S.C. 80a-13 ____ Group, in accordance with 17 CFR 240.13-1(b) & 17 CFR 240.13-1(c) & 17 CFR 240.13-1(d) & 17 CFR 240.13-1(e) **Item 4.** **Amount beneficially owned** 758,021 shares **Percent of class** 4.01% **Number of shares as to which the person has**

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Sole power to vote or to direct the vote 758,021 shares Shared power to vote or to direct the vote N/A Sole power to dispose or to direct the disposition of 758,021 shares Shared power to dispose or to direct the disposition of N/A **Item 5. Ownership of Five Percent or Less of a Class.** If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following . **Item 6. Ownership of More than Five Percent on Behalf of Another Person.** Accounts managed by KIM (the "Accounts") have the right to receive all dividends from, and any proceeds from the sale of the shares. None of the Accounts has an interest in shares constituting more than 5% of the shares outstanding. **Item 7. Identification and Classification of the Subsidiary Which Acquired the Security being Reported on by the Parent Holding Company.** Not applicable. **Item 8. Identification and Classification of Members of the Group.** Not applicable. **Item 9. Notice of Dissolution of Group.** Not applicable. **Item 10. Certification.** By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Karpus Management, Inc.

By: /s/
Name: Cody B. Bartlett Jr., CFA
Title: Managing Director of Investments
Date: May 10, 2010