

Edgar Filing: Eaton Vance Enhanced Equity Income Fund - Form N-Q

Eaton Vance Enhanced Equity Income Fund

Form N-Q

February 29, 2008

**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

811-21614

## **Eaton Vance Enhanced Equity Income Fund**

(Exact Name of Registrant as Specified in Charter)

**The Eaton Vance Building,**

**255 State Street, Boston, Massachusetts 02109**

(Address of Principal Executive Offices)

**02109**

(Zip code)

**Maureen A. Gemma**

**Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109**

(Name and Address of Agent for Service)

Registrant's Telephone Number, Including Area  
Code:

(617) 482-8260

Date of Fiscal Year End:

September 30

Date of Reporting Period:

December 31, 2007

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**Item 1. Schedule of Investments**

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## Eaton Vance Enhanced Equity Income Fund

as of December 31, 2007

## PORTFOLIO OF INVESTMENTS (Unaudited)

## Common Stocks (1) 102.3%

Security	Shares	Value
<b>Aerospace &amp; Defense 4.8%</b>		
Boeing Co. (The)	96,229	\$ 8,416,188
General Dynamics Corp.	120,840	10,753,552
Northrop Grumman Corp.	113,058	8,890,881
United Technologies Corp.	138,502	10,600,943
		<b>\$ 38,661,564</b>
<b>Auto Components 0.8%</b>		
Johnson Controls, Inc.	177,538	\$ 6,398,470
		<b>\$ 6,398,470</b>
<b>Beverages 1.3%</b>		
PepsiCo, Inc.	141,991	\$ 10,777,117
		<b>\$ 10,777,117</b>
<b>Biotechnology 1.3%</b>		
Biogen Idec, Inc. (2)	76,783	\$ 4,370,488
BioMarin Pharmaceutical, Inc. (2)	184,822	6,542,699
		<b>\$ 10,913,187</b>
<b>Capital Markets 5.7%</b>		
Bank of New York Mellon Corp. (The)	278,201	\$ 13,565,081
Charles Schwab Corp.	376,779	9,626,703
Invesco PLC ADR	340,487	10,684,482
Merrill Lynch & Co., Inc.	75,030	4,027,610
T. Rowe Price Group, Inc.	134,109	8,164,556
		<b>\$ 46,068,432</b>
<b>Chemicals 3.1%</b>		
Airgas, Inc.	147,466	\$ 7,684,453
Ecolab, Inc.	179,929	9,214,164
PPG Industries, Inc.	113,743	7,988,171
		<b>\$ 24,886,788</b>
<b>Commercial Services &amp; Supplies 0.7%</b>		
Manpower, Inc.	105,420	\$ 5,998,398
		<b>\$ 5,998,398</b>
<b>Communications Equipment 2.7%</b>		
Cisco Systems, Inc. (2)	512,752	\$ 13,880,197
Corning, Inc.	331,610	7,955,324
		<b>\$ 21,835,521</b>
<b>Computer Peripherals 4.6%</b>		
Apple, Inc. (2)	98,591	\$ 19,528,905
EMC Corp. (2)	420,330	7,788,715
International Business Machines Corp.	89,745	9,701,435
		<b>\$ 37,019,055</b>
<b>Consumer Finance 0.7%</b>		
American Express Co.	107,500	\$ 5,592,150
		<b>\$ 5,592,150</b>
<b>Diversified Consumer Services 0.7%</b>		
Apollo Group, Inc., Class A (2)	83,927	\$ 5,887,479
		<b>\$ 5,887,479</b>
<b>Diversified Financial Services 2.3%</b>		
Bank of America Corp.	308,760	\$ 12,739,438
JPMorgan Chase & Co.	142,273	6,210,216
		<b>\$ 18,949,654</b>

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<b>Diversified Telecommunication Services 3.0%</b>			
AT&T, Inc.	333,976	\$	13,880,043
Verizon Communications, Inc.	241,753		10,562,189
		\$	<b>24,442,232</b>
<b>Electric Utilities 1.3%</b>			
E. ON AG ADR	152,148	\$	10,810,115
		\$	<b>10,810,115</b>

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<b>Electrical Equipment</b>	<b>1.3%</b>		
Emerson Electric Co.		188,479	\$ 10,679,220
			<b>\$ 10,679,220</b>
<b>Energy Equipment &amp; Services</b>	<b>4.1%</b>		
Diamond Offshore Drilling, Inc.		54,768	\$ 7,777,056
Rowan Cos., Inc.		169,528	6,689,575
Schlumberger, Ltd.		104,918	10,320,784
Transocean, Inc. (2)		58,027	8,306,565
			<b>\$ 33,093,980</b>
<b>Food &amp; Staples Retailing</b>	<b>4.3%</b>		
Safeway, Inc.		218,077	\$ 7,460,414
Sysco Corp.		246,583	7,695,855
Walgreen Co.		212,298	8,084,308
Wal-Mart Stores, Inc.		248,820	11,826,415
			<b>\$ 35,066,992</b>
<b>Food Products</b>	<b>2.5%</b>		
Cadbury Schweppes PLC ADR		185,281	\$ 9,147,323
Kraft Foods, Inc., Class A		46,503	1,517,393
William Wrigley Jr. Co.		164,769	9,647,225
			<b>\$ 20,311,941</b>
<b>Health Care Equipment &amp; Supplies</b>	<b>4.5%</b>		
Edwards Lifesciences Corp. (2)		140,662	\$ 6,469,045
Hospira, Inc. (2)		250,621	10,686,479
Medtronic, Inc.		219,888	11,053,770
Respironics, Inc. (2)		121,442	7,952,022
			<b>\$ 36,161,316</b>
<b>Hotels, Restaurants &amp; Leisure</b>	<b>2.3%</b>		
McDonald's Corp.		157,996	\$ 9,307,544
Yum! Brands, Inc.		246,476	9,432,637
			<b>\$ 18,740,181</b>
<b>Household Products</b>	<b>3.4%</b>		
Colgate-Palmolive Co.		109,860	\$ 8,564,686
Energizer Holdings, Inc. (2)		79,963	8,966,251
Procter & Gamble Co.		135,566	9,953,256
			<b>\$ 27,484,193</b>
<b>Industrial Conglomerates</b>	<b>2.0%</b>		
General Electric Co.		441,552	\$ 16,368,333
			<b>\$ 16,368,333</b>
<b>Insurance</b>	<b>2.7%</b>		
Lincoln National Corp.		127,888	\$ 7,445,639
Travelers Cos., Inc. (The)		160,846	8,653,515
Willis Group Holdings, Ltd.		150,619	5,719,003
			<b>\$ 21,818,157</b>
<b>Internet Software &amp; Services</b>	<b>1.6%</b>		
Akamai Technologies, Inc. (2)		107,920	\$ 3,734,032
Google, Inc., Class A (2)		13,598	9,402,745
			<b>\$ 13,136,777</b>
<b>IT Services</b>	<b>1.2%</b>		
Paychex, Inc.		274,080	\$ 9,927,178
			<b>\$ 9,927,178</b>
<b>Life Sciences Tools &amp; Services</b>	<b>1.4%</b>		
Thermo Fisher Scientific, Inc. (2)		195,523	\$ 11,277,767
			<b>\$ 11,277,767</b>
<b>Machinery</b>	<b>2.0%</b>		
Danaher Corp.		87,974	\$ 7,718,839
Illinois Tool Works, Inc.		155,695	8,335,910
			<b>\$ 16,054,749</b>
<b>Media</b>	<b>0.8%</b>		

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Time Warner, Inc.	404,114	\$	6,671,922
		\$	<b>6,671,922</b>



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<b>Metals &amp; Mining 5.4%</b>		
Alcoa, Inc.	234,516	\$ 8,571,560
BHP Billiton, Ltd. ADR	160,266	11,225,031
Freeport-McMoRan Copper & Gold, Inc., Class B	100,829	10,328,923
Goldcorp, Inc.	398,640	13,525,855
		\$ <b>43,651,369</b>
<b>Multiline Retail 0.8%</b>		
Target Corp.	121,960	\$ 6,098,000
		\$ <b>6,098,000</b>
<b>Multi-Utilities 1.4%</b>		
Dominion Resources, Inc.	234,834	\$ 11,142,873
		\$ <b>11,142,873</b>
<b>Oil, Gas &amp; Consumable Fuels 10.9%</b>		
Anadarko Petroleum Corp.	165,800	\$ 10,891,402
ConocoPhillips	97,510	8,610,133
Exxon Mobil Corp.	327,900	30,720,951
Hess Corp.	136,720	13,789,579
Occidental Petroleum Corp.	69,377	5,341,335
Suncor Energy, Inc.	92,217	10,026,754
Williams Cos., Inc.	249,298	8,919,882
		\$ <b>88,300,036</b>
<b>Pharmaceuticals 4.4%</b>		
Allergan, Inc.	131,077	\$ 8,420,387
Johnson & Johnson	167,521	11,173,651
Schering-Plough Corp.	398,047	10,603,972
Shire PLC ADR	73,860	5,092,647
		\$ <b>35,290,657</b>
<b>Real Estate Investment Trusts (REITs) 0.9%</b>		
AvalonBay Communities, Inc.	74,382	\$ 7,002,321
		\$ <b>7,002,321</b>
<b>Semiconductors &amp; Semiconductor Equipment 3.3%</b>		
Applied Materials, Inc.	404,747	\$ 7,188,307
Broadcom Corp., Class A (2)	144,149	3,768,055
Intel Corp.	220,758	5,885,408
Texas Instruments, Inc.	284,807	9,512,554
		\$ <b>26,354,324</b>
<b>Software 3.7%</b>		
Microsoft Corp.	492,092	\$ 17,518,475
Oracle Corp. (2)	368,317	8,316,598
VMware, Inc., Class A (2)	47,575	4,043,399
		\$ <b>29,878,472</b>
<b>Specialty Retail 0.9%</b>		
Staples, Inc.	332,272	\$ 7,665,515
		\$ <b>7,665,515</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.4%</b>		
Nike, Inc., Class B	173,793	\$ 11,164,462
		\$ <b>11,164,462</b>
<b>Tobacco 2.1%</b>		
Altria Group, Inc.	167,488	\$ 12,658,743
Loews Corp.-Carolina Group	48,506	4,137,562
		\$ <b>16,796,305</b>
<b>Total Common Stocks</b> <b>(identified cost \$775,701,034)</b>		\$ <b>828,377,202</b>
<b>Short-Term Investments 2.4%</b>		

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Description	Interest (000 s omitted)	Value
Investment in Cash Management Portfolio, 4.58% (3)	\$ 19,029	\$ 19,028,545
<b>Total Short-Term Investments</b> (identified cost \$19,028,545)		<b>\$ 19,028,545</b>
<b>Total Investments 104.7%</b> (identified cost \$794,729,579)		<b>\$ 847,405,747</b>

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**Covered Call Options Written (3.2%)**

Security	Number of Contracts	Strike Price	Expiration Date	Value
Airgas, Inc.	1,456	\$ 50.00	1/19/2008	\$ (436,800)
Akamai Technologies, Inc.	810	40.00	2/16/2008	(93,150)
Alcoa, Inc.	1,240	37.50	1/19/2008	(117,800)
Allergan, Inc.	1,295	62.50	1/19/2008	(372,960)
Alltel Corp.	219	70.00	1/19/2008	(33,507)
American Express Co.	610	60.00	1/19/2008	(3,050)
Anadarko Petroleum Corp.	1,170	60.00	2/16/2008	(854,100)
Apple, Inc.	985	180.00	1/19/2008	(2,073,425)
Applied Materials, Inc.	1,990	19.00	4/19/2008	(159,200)
AT&T, Inc.	895	37.50	4/19/2008	(469,875)
AvalonBay Communities, Inc.	415	120.00	1/19/2008	(31,125)
Bank of America Corp.	2,265	47.50	1/19/2008	(11,325)
BHP Billiton, Ltd. ADR	1,602	80.00	2/16/2008	(168,210)
Biogen Idec, Inc.	540	65.00	1/19/2008	(29,700)
BioMarin Pharmaceutical, Inc.	1,395	22.50	1/19/2008	(1,883,250)
Boeing Co. (The)	390	95.00	2/16/2008	(40,950)
Cisco Systems, Inc.	2,795	32.50	1/19/2008	(5,590)
Colgate-Palmolive Co.	690	80.00	2/16/2008	(91,770)
ConocoPhillips	730	90.00	1/19/2008	(107,310)
Corning, Inc.	2,280	25.00	2/16/2008	(205,200)
Dominion Resources, Inc.	1,550	45.00	1/19/2008	(434,000)
Ecolab, Inc.	1,799	50.00	1/19/2008	(350,805)
Edwards Lifesciences Corp.	760	50.00	2/16/2008	(19,000)
EMC Corp.	2,600	22.50	1/19/2008	(13,000)
Energizer Holdings, Inc.	435	110.00	2/16/2008	(307,110)
Exxon Mobil Corp.	3,279	95.00	1/19/2008	(475,455)
Freeport-McMoRan Copper & Gold, Inc., Class B	770	115.00	2/16/2008	(218,680)
General Dynamics Corp.	890	90.00	2/16/2008	(258,100)
General Electric Co.	3,055	40.00	3/22/2008	(137,475)
Goldcorp, Inc.	2,355	30.00	1/19/2008	(989,100)
Hess Corp.	1,075	75.00	2/16/2008	(2,870,250)
Hospira, Inc.	1,330	40.00	2/16/2008	(465,500)
Illinois Tool Works, Inc.	1,556	60.00	3/22/2008	(124,480)
Intel Corp.	2,181	27.50	1/19/2008	(111,231)
International Business Machines Corp.	670	115.00	1/19/2008	(46,900)
Johnson & Johnson	1,655	65.00	1/19/2008	(331,000)
Johnson Controls, Inc.	1,075	40.00	1/19/2008	(16,125)
JPMorgan Chase & Co.	560	45.00	1/19/2008	(36,400)
Lincoln National Corp.	785	65.00	1/19/2008	(7,850)
Loews Corp.-Carolina Group.	330	90.00	1/19/2008	(9,900)
Medtronic, Inc.	1,340	50.00	1/19/2008	(167,500)
Merrill Lynch & Co., Inc.	570	60.00	1/19/2008	(25,650)
Microsoft Corp.	4,920	32.50	1/19/2008	(1,599,000)
Nike, Inc., Class B	1,465	65.00	1/19/2008	(191,915)
Northrop Grumman Corp.	760	80.00	2/16/2008	(175,560)
Occidental Petroleum Corp.	530	75.00	2/16/2008	(296,800)
Oracle Corp.	3,683	22.50	3/22/2008	(607,695)
Paychex, Inc.	775	40.00	3/22/2008	(27,125)
PepsiCo, Inc.	1,402	70.00	1/19/2008	(900,084)
PPG Industries, Inc.	530	70.00	2/16/2008	(151,050)
Proctor & Gamble Co.	1,339	70.00	1/19/2008	(482,040)

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Respironics, Inc.	1,199	50.00	1/19/2008	(1,870,440)
Rowan Cos., Inc.	845	37.50	1/19/2008	(228,150)
Schering-Plough Corp.	2,095	30.00	2/16/2008	(83,800)
Schlumberger, Ltd.	695	95.00	2/16/2008	(514,300)
Shire PLC ADR	729	80.00	1/19/2008	(7,290)
Staples, Inc.	2,185	25.00	3/22/2008	(174,800)
Suncor Energy, Inc.	625	105.00	3/22/2008	(625,000)
Sysco Corp.	805	32.50	2/16/2008	(48,300)
T. Rowe Price Group, Inc.	915	55.00	1/19/2008	(622,200)
Target Corp.	645	65.00	1/19/2008	(3,225)

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Texas Instruments, Inc.	1,110	\$	32.50	4/19/2008	\$	(315,240)
Thermo Fisher Scientific, Inc.	1,955		60.00	3/22/2008		(342,125)
Time Warner, Inc.	1,005		17.50	4/19/2008		(60,300)
Transocean, Inc.	590		125.00	2/16/2008		(607,700)
Travelers Cos., Inc. (The)	1,020		50.00	1/19/2008		(448,800)
United Technologies Corp.	555		75.00	2/16/2008		(210,900)
VMware, Inc., Class A	230		80.00	1/19/2008		(163,300)
Williams Cos., Inc.	1,360		35.00	2/16/2008		(258,400)
Willis Group Holdings, Ltd.	605		40.00	1/19/2008		(7,563)
Yum! Brands, Inc.	905		37.50	1/19/2008		(122,175)
<b>Total Covered Call Options Written</b>						
<b>(premiums received \$22,644,481)</b>					\$	<b>(25,749,085)</b>
<b>Other Assets, Less Liabilities (1.5)%</b>					\$	<b>(11,744,524)</b>
<b>Net Assets 100.0%</b>					\$	<b>809,912,138</b>

ADR American Depository Receipt

- (1) A portion of each common stock holding has been segregated as collateral for options written.
- (2) Non-income producing security.
- (3) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of December 31, 2007. Net income allocated from the Investment in Cash Management Portfolio for the fiscal year to date ended December 31, 2007 was \$379,262.

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The cost and unrealized appreciation (depreciation) of investments of the Fund at December 31, 2007, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$</b>	<b>794,716,303</b>
Gross unrealized appreciation	\$	71,222,696
Gross unrealized depreciation		(18,533,252)
<b>Net unrealized appreciation</b>	<b>\$</b>	<b>52,689,444</b>

Written call options activity for the fiscal year to date ended December 31, 2007 was as follows:

	Number of Contracts		Premiums Received
Outstanding, beginning of period	110,709	\$	25,984,835
Options written	85,589		18,964,093
Options terminated in closing purchase transactions	(103,274)		(21,540,784)
Options expired	(3,155)		(763,663)
<b>Outstanding, end of period</b>	<b>89,869</b>	<b>\$</b>	<b>22,644,481</b>

At December 31, 2007, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

**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 Enhanced Equity Income Fund

By: /s/ Duncan W. Richardson  
Duncan W. Richardson  
President

Date: February 20, 2008

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/ Duncan W. Richardson  
Duncan W. Richardson  
President

Date: February 20, 2008

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

Date: February 20, 2008

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