

Eaton Vance Enhanced Equity Income Fund
Form N-CSR
December 01, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21614

Eaton Vance Enhanced Equity 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

The Eaton Vance Building, 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: September 30, 2005

Item 1. Reports to Stockholders

Annual Report September 30, 2005

EATON VANCE
ENHANCED
EQUITY
INCOME
FUND

**IMPORTANT NOTICES REGARDING PRIVACY,
DELIVERY OF SHAREHOLDER DOCUMENTS,
PORTFOLIO HOLDINGS AND PROXY VOTING**

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

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

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

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

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

Our pledge of privacy applies to the following entities within the Eaton Vance organization: the Eaton Vance Family of Funds, Eaton Vance Management, Eaton Vance Investment Counsel, Boston Management and Research, and Eaton Vance Distributors, Inc.

In addition, our Privacy Policy only applies to those Eaton Vance customers who are individuals and who have a direct relationship with us. If a customer's account (i.e., fund shares) is held in the name of a third-party financial adviser/ broker-dealer, it is likely that only such adviser's privacy policies apply to the customer. This notice supersedes all previously issued privacy disclosures.

For more information about Eaton Vance's Privacy Policy, please call 1-800-262-1122.

Delivery of Shareholder Documents. The Securities and Exchange Commission (the "SEC") permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called "householding" and it helps eliminate duplicate mailings to shareholders.

Eaton Vance, or your financial adviser, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial adviser, otherwise.

If you would prefer that your Eaton Vance documents not be househanded, please contact Eaton Vance at 1-800-262-1122, or contact your financial adviser.

Your instructions that householding not apply to delivery of your Eaton Vance documents will be effective within 30 days of receipt by Eaton Vance or your financial adviser.

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

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

Eaton Vance Enhanced Equity Income Fund as of September 30, 2005

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE

Walter A. Row

Lewis R. Piantedosi

Eaton Vance Management

David R. Fraley

Ronald M. Egalka

Rampart Investment

Management

The Fund

Based on share price, Eaton Vance Enhanced Equity Income Fund (the Fund), a diversified, closed-end investment company traded on the New York Stock Exchange under the symbol EOI, had a total return of 10.85% from inception on October 29, 2004, to September 30, 2005. This return resulted from an increase in share price from \$19.10 (offering price of \$20 per share, less all commissions) on October 29, 2004, to \$19.89 on September 30, 2005, plus the reinvestment of \$1.233 per share in distributions.(1) The Fund's primary objective is to provide current income, with a secondary objective of capital appreciation. The Fund pursues its primary investment strategy by using a systematic program of covered call option writing (selling) on a substantial portion of its portfolio securities to

enhance the returns and dampen the volatility of its underlying stock portfolio.

Based on net asset value (NAV), the Fund had a total return of 11.24% for the period from inception on October 29, 2004, to September 30, 2005. This return was the result of an increase in NAV per share from \$19.10 (offering price of \$20 per share, less all commissions) on October 29, 2004, to \$19.96 on September 30, 2005, plus the reinvestment of \$1.233 per share in distributions.(1)

For comparison, the S&P 500 Index, an unmanaged index commonly used to measure the performance of U.S. stocks, had a total return of 10.70% over the same period.(2)

Management Discussion

During the 11-month period ended September 30, 2005, the stock market posted solid gains. The strongest price gainer among the 10 economic sectors in the S&P 500 Index was the energy sector, as the commodity prices of crude oil, natural gas and coal skyrocketed, followed by the utilities sector in second place. The spike in energy costs, exacerbated by two catastrophic Gulf Coast hurricanes, as well as marginally higher interest rates, began to weigh on the U.S. consumer by the end of the period. However, an improving job market and continued improvements in capital spending helped to keep the economy and corporate earnings growing at a healthy clip.

During the period, the health care and energy sectors were the greatest contributors to the Fund's positive relative performance. In health care, picks in the health care providers and services industry, in particular, contributed to the sector's success. Management continued to overweight this sector during the period. In energy, stock selection, particularly in the equipment and services industry, as well as an overweight allocation, also aided this sector's success. Conversely, weaker-performing sectors were in the utilities and, to a lesser extent, information technology sectors. Stock selection in technology, as well as timing in overweighting the sector, was a drag on the Fund's overall performance. The Fund's lack of exposure to the utilities sector hurt performance, as investors embraced a more defensive posture and dividend-paying equities. Given the growth profile of the Fund and the underwhelming growth characteristics of utilities, it is likely the Fund will maintain limited exposure to this group.(3)

The Fund holds a broadly diversified portfolio consisting of 70-100 stocks; approximately 65% are large-caps and 35% are mid-caps. In selecting stocks for purchase, a team of research analysts focuses on companies with above-average growth and financial strength. Stocks are selected with a valuation sensitivity, and a sell discipline is employed to further limit risk. While the Fund is authorized to utilize leverage, the Fund has no current intention to do so.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value or share price (as applicable) with all distributions reinvested. The Fund has no current intention to utilize leverage, but may do so in the future through the issuance of preferred shares and/or borrowings, including the

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issuance of debt securities. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

(1) *Share price and net asset value on October 29, 2004, are calculated assuming a purchase price of \$20.00, less the sales load of \$0.90 per share paid by the shareholder.*

(2) *It is not possible to invest directly in an Index. The Index's total return does not reflect commissions or expenses that would have been incurred if an investor individually purchased or sold the securities represented in the Index.*

(3) *Holdings and industry weightings are subject to change due to active management.*

Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.

FUND PERFORMANCE

The Fund writes (sells) covered call options on a substantial portion of its stock holdings. As the writer of stock options, the Fund receives initial payments (premiums) in exchange for giving the option buyers the right to acquire the associated stocks at specified exercise prices on or before specified expiration dates. Writing covered call options involves a tradeoff between the options premiums received and reduced participation in potential stock appreciation. A covered call strategy typically underperforms in strong up markets, while seeking to outperform in modestly up, flat and down markets.

The Fund's strategy relies on stocks selection and price target objectives set by Eaton Vance's equity research team, in concert with Rampart Investment Management's options optimization models. To allow for capital appreciation, the Fund varies the amount of options written on its common stock holdings. For stocks considered to have significant upside potential, the Fund generally expects to write initially on a smaller portion of the underlying position. If the stock price rises, the options contracts are normally rolled to higher strike prices. This allows for potential increased cash flows and higher target share price realization. Equities considered to have less upside potential may be more fully written. If the stock price falls, the Fund may look to cover, or buy back, the options sold. Depending on the stock's fundamental outlook, the Fund may then exit the position, write more options toward a new target, or write fewer options, allowing the stock to recover to its original target. During the Fund's first 11 months, it has written call option contracts covering, on average, 65-70% of stock portfolio assets.

The views expressed throughout this report are those of the portfolio managers and are current only through the end of the period of the report as stated on the cover. These views are subject to change at any time based upon market or other conditions, and the investment adviser disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a fund are based on many factors, may not be relied on as an indication of trading intent on behalf of any Eaton Vance fund.

Performance

Cumulative Annual Total Returns (by share price, New York Stock Exchange)

Life of Fund (10/29/04)	10.85%
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Cumulative Annual Total Returns (at net asset value)

Life of Fund (10/29/04)	11.24%
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Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value or share price (as applicable) with all distributions reinvested. The Fund has no current intention to utilize leverage, but may do so in the future through the issuance of preferred shares and/or borrowings, including the issuance of debt securities. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Common Stock Sector Allocation*

By total net assets

Ten Largest Equity Holdings *

By total net assets

Wyeth	1.89%
Halliburton Co.	1.87
Walgreen Co.	1.74
Goldman Sachs Grp.	1.73
Chesapeake Energy Corp.	1.68
BP PLC	1.58
T Rowe Price Grp.	1.57
Pepsico Inc.	1.53
Freeport-McMoRan	1.51
Nike Inc. Cl B	1.47

* Fund information may not be representative of the Fund's current or future investments and may change due to active management. The sector allocation and largest equity holdings are presented without the offsetting effect of the Fund's written option positions at September 30, 2005.

Eaton Vance Enhanced Equity Income Fund as of September 30, 2005

PORTFOLIO OF INVESTMENTS

Common Stocks - 103.0%		
Security	Shares	Value
Advertising - 0.7%		
Lamar Advertising Co. ⁽¹⁾	125,000	\$ 5,670,000
		\$ 5,670,000
Aerospace & Defense - 5.0%		
Alliant Techsystems, Inc. ⁽¹⁾	93,300	\$ 6,964,845
General Dynamics Corp.	73,497	8,786,566
L-3 Communications Holdings, Inc.	105,000	8,302,350
Northrop Grumman Corp.	148,100	8,049,235
Precision Castparts Corp.	137,078	7,278,842
		\$ 39,381,838
Apparel - 1.5%		
Nike, Inc., Class B	142,000	\$ 11,598,560
		\$ 11,598,560
Asset Management - 2.8%		
Legg Mason, Inc.	92,000	\$ 10,091,480
T. Rowe Price Group, Inc.	189,000	12,341,700
		\$ 22,433,180
Auto and Parts - 1.2%		
BorgWarner, Inc.	169,700	\$ 9,581,262
		\$ 9,581,262
Beverages - 2.3%		
Anheuser-Busch Cos., Inc.	133,600	\$ 5,750,144
PepsiCo, Inc.	212,500	12,050,875
		\$ 17,801,019
Biotechnology - 3.0%		
Genzyme Corp. ⁽¹⁾	132,600	\$ 9,499,464
Gilead Sciences, Inc. ⁽¹⁾	237,700	11,590,252
MedImmune, Inc. ⁽¹⁾	78,800	2,651,620
		\$ 23,741,336
Security		
Business Services - 2.2%		
Cintas Corp.	167,700	\$ 6,884,085
Paychex, Inc.	278,800	10,337,904
		\$ 17,221,989
Chemicals-Specialty - 1.2%		
Ecolab, Inc.	301,900	\$ 9,639,667
		\$ 9,639,667
Commercial Banks - 6.8%		
Bank of New York Co., Inc.	318,000	\$ 9,352,380
Commerce Bancorp, Inc.	234,500	7,196,805
North Fork Bancorporation, Inc.	356,850	9,099,675

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Sovereign Bancorporation, Inc.	311,600	6,867,664
SunTrust Banks, Inc.	159,000	11,042,550
Wells Fargo & Co.	175,400	10,273,178
		\$ 53,832,252
Commercial Printing - 0.9%		
Donnelley (R.R.) & Sons Co.	188,000	\$ 6,969,160
		\$ 6,969,160
Communications Equipment - 2.1%		
Cisco Systems, Inc. ⁽¹⁾	371,100	\$ 6,653,823
Corning, Inc. ⁽¹⁾	499,000	9,645,670
		\$ 16,299,493
Computer Software - 2.9%		
Microsoft Corp.	369,000	\$ 9,494,370
Oracle Corp. ⁽¹⁾	778,800	9,649,332
SAP AG ADR	87,600	3,795,708
		\$ 22,939,410
Computers & Peripherals - 1.0%		
International Business Machines Corp.	95,600	\$ 7,669,032
		\$ 7,669,032
Department Stores - 0.9%		
Federated Department Stores, Inc.	108,000	\$ 7,221,960
		\$ 7,221,960

See notes to financial statements

Eaton Vance Enhanced Equity Income Fund as of September 30, 2005

PORTFOLIO OF INVESTMENTS CONT'D

Security	Shares	Value
Diversified Metals / Mining - 1.0%		
Phelps Dodge Corp.	58,200	\$ 7,561,926
		\$ 7,561,926
Diversified Telecommunication Services - 0.8%		
Sprint Nextel Corp.	269,800	\$ 6,415,844
		\$ 6,415,844
Electrical Equipment - 1.1%		
Emerson Electric Co.	126,200	\$ 9,061,160
		\$ 9,061,160
Electronic Equipment & Instruments - 1.4%		
Flextronics International, Ltd. ⁽¹⁾	882,300	\$ 11,337,555
		\$ 11,337,555
Entertainment - 1.3%		
Carnival Corp.	204,100	\$ 10,200,918
		\$ 10,200,918
Financial Services - 6.6%		
American Express Co.	198,800	\$ 11,419,072
Citigroup, Inc.	237,600	10,815,552
Countrywide Financial Corp.	199,000	6,563,020
E*Trade Financial Corp. ⁽¹⁾	557,800	9,817,280
Goldman Sachs Group, Inc.	112,100	13,629,118

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