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Eaton Vance Global Macro Absolute Return Advantage Strategy

Designed for steady risk-adjusted returns that lower portfolio volatility.

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- Strategies that seek steady risk-adjusted returns, with low sensitivity to stocks and bonds, can be a valuable strategic weighting for lowering portfolio volatility.
- Eaton Vance Global Macro Absolute Return Advantage (GMARA) has achieved this low correlation over the trailing three years with:
  - A track record with 46% more return over three years than the MSCI World Equity Index and a risk profile lower than the Bloomberg Barclays Global Aggregate Index*.
  - A third-percentile ranking in risk-adjusted performance relative to peers.
  - A transparent, repeatable process designed as a unique source of alpha – not a repackaging of traditional betas.

***Sources:** Zephyr Style Advisor, eVestment Alliance and Eaton Vance. Data is for periods ending 30 June 2017. **Past performance is not a reliable indicator of future results.**

The portfolio challenge of correlation creep

When investors seek low-correlated assets to build diversified portfolios, they make the key assumption that those low correlations will persist. Unfortunately, this is not always the case.

One need look no further than the classic 60/40 stock/bond portfolio. For 20-year rolling periods since 1945 through 2013, (capturing data starting in 1926), on average, stocks and bonds have been uncorrelated – or -0.01, to be precise, according to Ibbotson.[1]

But Exhibit A shows that the average masks a wide historical range over multi-decade cycles, including lengthy stretches of relatively high correlation, with that relationship varying from a high of just under 0.6 to a low of -0.4. While correlations in recent years have been at the low end of the range, the lesson is that for long-term portfolio construction, it is unwise to assume they will stay that way. Portfolio volatility may be higher than anticipated if correlations increase.

These considerations have been a key factor driving the adoption of alternative investments as diversifiers in institutional portfolios. By definition, alternatives seek to generate a risk/return profile that differs from traditional stocks and bonds – performance that can potentially lower overall portfolio volatility when used to replace a portion of stock and bond weightings. Institutional allocations to alternatives have grown to more than 20% as of the end of 2016, according to Pensions & Investments, from a negligible amount two decades ago.

In this report, we will show why we believe that the Eaton Vance Global Macro Absolute Return Advantage (GMARA) Strategy merits consideration as a strategic alternative weighting. We believe that GMARA's true value is based not just on its track record but also its transparent, repeatable investment process, designed to generate an ongoing, unique source of alpha – not a repackaging of beta risk factors.

Low correlation with stocks and bonds

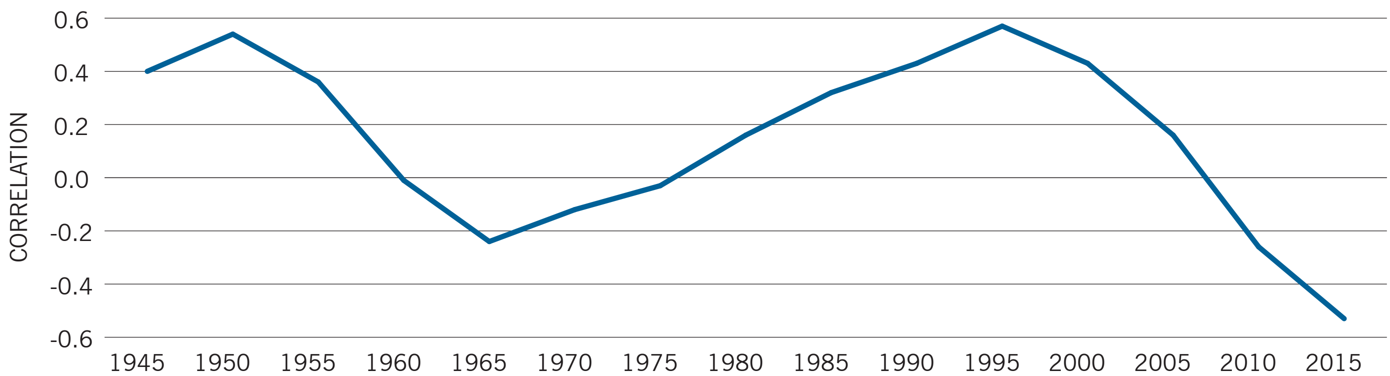
GMARA's performance has been distinguished by low sensitivity to stocks and bonds. Exhibit B shows that over three- and five-year periods, the strategy's beta with the MSCI World Equity Index has been below 0.2, with the Bloomberg Barclays Global Aggregate Index (Barclays Global Aggregate) it has been zero, and with the ICE BofAML Global High Yield Index it has been just under 0.3.

Equity-like returns and bond-like volatility

GMARA's track record is not just about low correlation – it has also delivered a return consistent with the long-term

Exhibit A **Stocks and bonds have experienced lengthy stretches of high correlation.**

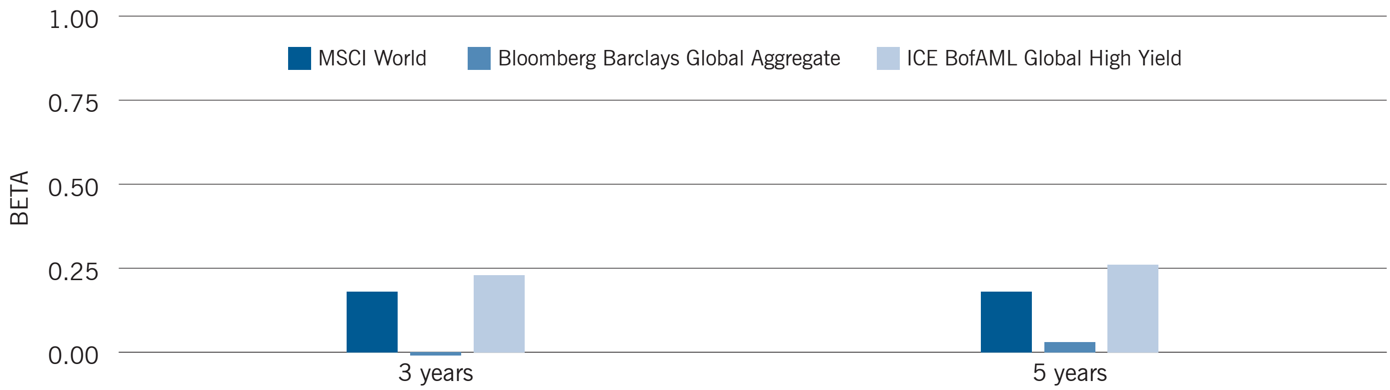
20-year rolling correlations of annual returns for large company stocks and long-term government bonds



Past performance is not a reliable indicator of future results.

Sources: Morningstar, 31 December 2015. 20-year periods are rolled every 60 months, with the first 20-year period ending in 1946. Large company stocks are represented by the S&P 500, 1957-2013, and the S&P 90, 1926-1956. The S&P 500 and S&P 90 Indexes are unmanaged indexes of large-cap stocks commonly used as a measure of US stock market performance. It is not possible to invest directly in an index. Long-term government bonds are represented by US Treasury bonds. Data provided are for informational use only. See end of report for important additional information.
[1]Ibbotson SBBI 2014 Classic Yearbook.

Exhibit B **GMARA's low betas with major indexes indicate little correlation with stocks and bonds.**



Past performance is not a reliable indicator of future results.

Sources: Zephyr Style Advisor, eVestment Alliance, Eaton Vance. Data are for periods ended 30 June 2017. Data provided are for informational use only. It is not possible to invest directly in an index. See end of report for important additional information.

equity risk premium, with bond-like volatility, during a strong stretch for the stock market. For the three years ended 30 June, 2017, GMARA's annual average return of 7.7% was 46% greater than the return of the MSCI World Equity Index, while its standard deviation, at 4.0%, was lower than that of the Barclays Global Agg (Exhibit C-1).

Exhibit C-1 also shows GMARA's favorable risk-adjusted return compared with peers in the eVestment Alliance Macro-Discretionary universe. The eVestment Global Unconstrained Fixed Income category is also included in Exhibit C-1 because it also comprises investments that vary from traditional stock and bond performance. As the "discretionary" and "unconstrained" labels imply, both categories are quite diverse, but the Global Unconstrained universe is generally long-only, while Macro-Discretionary strategies broadly include long/short positions.

GMARA was more volatile than the median strategy in the Macro-Discretionary category by a factor of two, but its return was higher by an order of magnitude. Further, we believe absolute volatility levels are less important in the portfolio context than the contribution to diversification indicated by low correlation with other asset classes.

GMARA maintained a similar risk-return profile over five years, with a 6.1% average annual total return that was substantially above its peer group median and the Barclays Global Agg (Exhibit C-2). All returns paled in comparison to the 11.4% total return of the MSCI World Equity Index, which was fueled by post-financial-crisis

Performance as of 30 June 2017

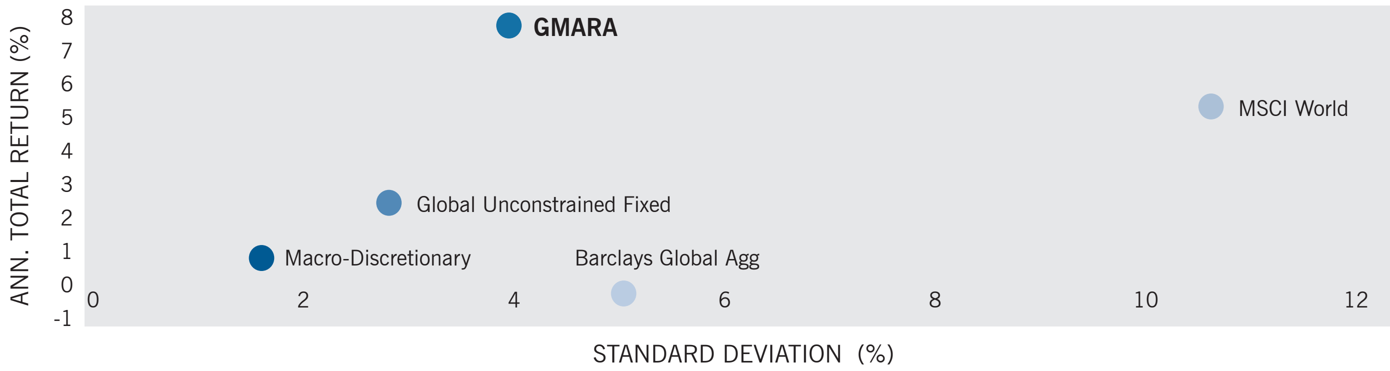
Composite / Benchmark	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since inception (1/9/2010)
Eaton Vance Global Macro Absolute Return Advantage Composite (Gross)	2.04%	5.19%	9.57%	7.65%	6.12%		5.16%
Eaton Vance Global Macro Absolute Return Advantage Composite (Net)	1.79%	4.67%	8.50%	6.59%	5.07%		4.12%
ICE BofAML 3-Month Treasury Bill Index	0.20%	0.31%	0.49%	0.23%	0.17%		0.15%

Past performance is not a reliable indicator of future results.

The above information is supplemental to the Composite's GIPS® presentation contained at the end of the presentation as an integral part of this material. Composite data and other statistics are based upon the total assets of all fee-paying discretionary accounts eligible for inclusion in such Composite for the periods shown. Gross returns are calculated in US dollars and include the reinvestment of distributions, are after transactions costs, any foreign withholding taxes and other direct expenses, but before management fees, custody charges and other indirect expenses. Such fees and expenses would reduce the results shown. Please refer to the end of the presentation for important information and disclosure.

Exhibit C-1 GMARA has provided equity-like return with bond-like risk.

3 years ended 30 June 2017, gross of fees



Past performance is not a reliable indicator of future results.

Sources: Zephyr Style Advisor, eVestment Alliance, Eaton Vance. Data are for periods ended 30 June 2017. Risk-adjusted returns are for eVestment Alliance Macro–Discretionary (123 strategies) and Global Unconstrained Fixed (162 strategies) categories and represent the median strategy returns of those categories. Data provided are for informational use only. The data on this page is supplemental to the Composite's GIPS® presentation contained at the end of the presentation as an integral part of this material. Composite data is based upon the total assets of all fee-paying discretionary accounts eligible for inclusion in such Composite for the periods shown. Gross returns are calculated in US dollars and include the reinvestment of distributions, are after transactions costs, any foreign withholdingtaxes and other direct expenses, but before management fees, custody charges and other indirect expenses. Such fees and expenses would reduce the results shown. Please refer to the end of the presentation for important information and disclosure.

central bank stimulus. Most investors expect much less from equity returns going forward.

GMARA's attractive risk-adjusted returns are reflected in:

- Sharpe ratios that exceed stock and bond benchmarks over three- and five-year periods ended 30 June 2017, and alternative universe median managers (Exhibit D).

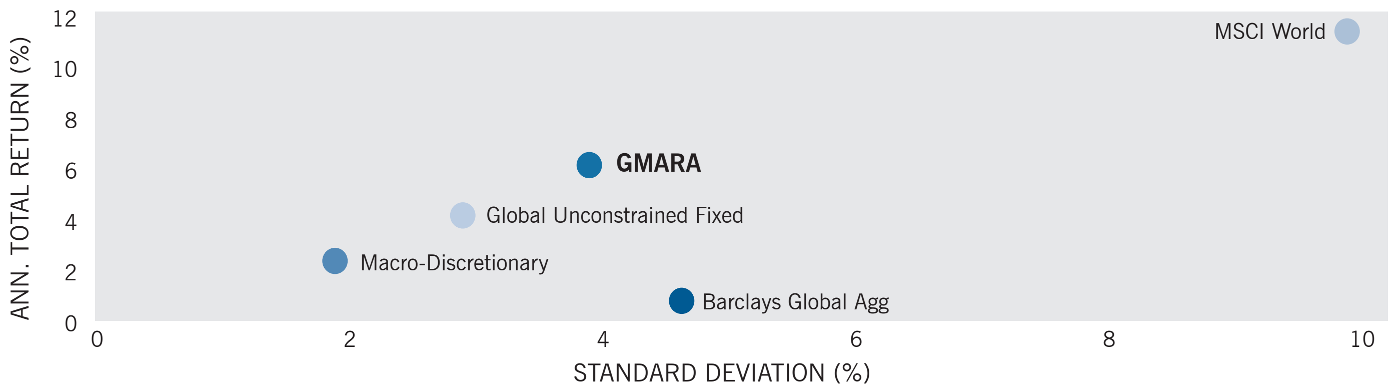
- Top-third and top-fourth percentile ranks within the Macro-Discretionary category, for the three- and five-year periods, respectively, ended 30 June 2017[1].

Deconstructing stock and bond risks to seek alpha

GMARA's track record of low correlation with major asset classes, and attractive risk-adjusted return, reflect a process designed to produce a unique source of alpha, rather than

Exhibit C-2 GMARA outpaced its peers and the Barclays Agg over 5 years.

5 years ended 30 June 2017, gross of fees

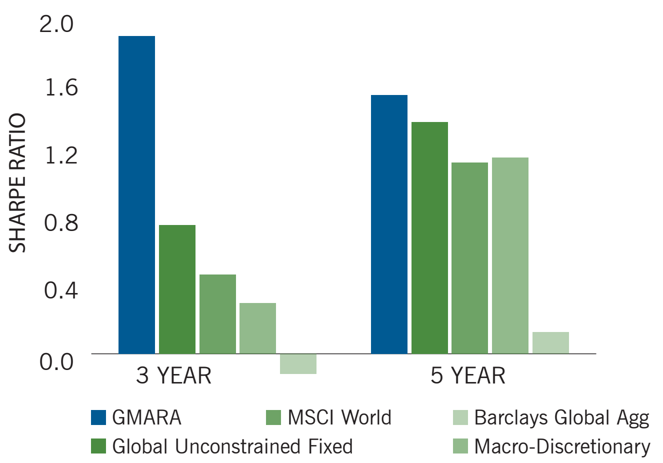


Past performance is not a reliable indicator of future results.

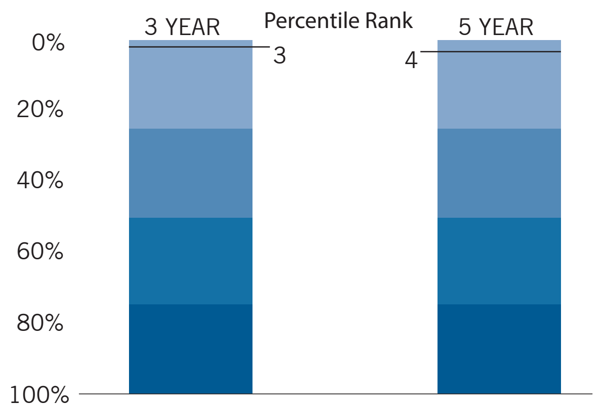
Sources: Zephyr Style Advisor, eVestment Alliance, Eaton Vance. Data are for periods ended 30 June 2017. Risk-adjusted returns are for eVestment Alliance Macro–Discretionary (96 strategies) and Global Unconstrained Fixed (124 strategies) categories and represent the median strategy returns of those categories. Data provided are for informational use only. See end of report for important additional information.

[1]Percentile ranks are for eVestment Alliance Macro–Discretionary (123 strategies for 3 years and 96 strategies for 5 years) category for three- and five-year periods ended 30 June 2017, and represent the median strategy returns of the category.

Exhibit D **GMARA's Sharpe ratios topped stock and bond benchmarks, and AI universes…**



… and were among the top-percentile leaders in the Macro-Discretionary category.



GMARA Sharpe ratio percentile rankings for Macro-Discretionary universe. Periods ended 30/6/17

Past performance is not a reliable indicator of future results.

Sources: Zephyr Style Advisor, eVestment Alliance, Eaton Vance. Data are for periods ended 30 June 2017. Data provided are for informational use only. Risk-adjusted returns are for eVestment Alliance Macro–Discretionary (123 strategies for 3 years and 96 strategies for 5 years) and Global Unconstrained Fixed (162 strategies for 3 years and 124 strategies for 5 years) categories and represent the median strategy returns of those categories. The data on this page is supplemental to the Composite's GIPS® presentation contained at the end of the presentation as an integral part of this material. Composite data is based upon the total assets of all fee-paying discretionary accounts eligible for inclusion in such Composite for the periods shown. Gross returns are calculated in US dollars and include the reinvestment of distributions, are after transactions costs, any foreign withholding taxes and other direct expenses, but before management fees, custody charges and other indirect expenses. Such fees and expenses would reduce the results shown. Please refer to the end of the presentation for important information and disclosure. See end of report for important additional information. It is not possible to invest directly in an Index.

a repackaging of traditional stock and bond investment risks. Exhibit E shows the risk factors employed in the strategy: principally sovereign credit, interest rates and currency (highlighted), and to a lesser extent corporate credit, the broad equity market and commodities.

The investment process deconstructs the risks that are bundled together in bonds, stocks and commodities, and includes both long and short positions. This allows the management team to isolate risk factors and capitalise on both bullish and bearish views, while avoiding risks without sufficient compensation.

The sidebar on page 6 gives an example of how isolating risk factors can allow the strategy to capitalise on a bullish view of Mexican interest rates and a bearish view of its currency.

A team focus on country-level analysis

The Eaton Vance global income team focuses on country-level macroeconomic and political research, and stand-alone analysis of the specific risk factors noted. The team comprises more than 40 investment professionals in Boston, London and Singapore, including a dedicated quantitative group to supplement the qualitative analysis. They are led by three portfolio managers and a head of trading with more than a decade of experience together.

The team scours the globe for inefficiencies where pricing does not reflect the fundamental value that we see, and determines whether a country's risk premium is likely to increase or decrease. The covered universe currently comprises 126 countries with investable markets. Given that only 20 countries are considered developed, Eaton Vance has devoted significant resources toward building a proprietary infrastructure dedicated to uncovering value in emerging markets, which are most likely to have risks that are priced inefficiently.

In-depth emerging-markets presence

Successful trading in emerging markets often means more than simply "hitting" an attractive quote. Lengthy lead times are usually required to establish local clearance and

Exhibit E **GMARA's process deconstructs the risks bundled together in stocks and bonds.**

Security	Bonds				Stocks	Commodities
Risk Factor	Corporate Credit	Sovereign Credit	Interest Rates	Currency	Equity Risk Premium	Commodity
Pricing Analysis	• Spread premium to sovereign	• Default probability • Historical spreads • Absolute spreads • Relative spreads	• Nominal rates • Real rates • IR differentials • Term structure	• Real effective exchange rate • PPP • IR differentials	• Price-to-earnings • Price-to-book • Price-to-cash flow • Dividend yield • Absolute value • Relative value	• Supply • Demand • Global monetary policy
Instrument Options	• Local currency • External • Convertibles	• External sovereign bonds • Credit default swaps	• Local sovereign bonds • Inflation-linked sovereign bonds • Interest-rate swaps • Futures	• Currency forwards • Currency options • Local bills • Local deposits • Money markets	• Futures • Swaps • Stocks	• Swaps • Futures • Options • Physical

Source: Eaton Vance as of 30 June 2017.

settlement arrangements, and for compliance with varying registration and licensing procedures, along with other up-front documentation and administrative burdens. To help navigate this landscape, the global income team has a 12-person trading desk with subcustodial arrangements in more than 100 countries.

Many emerging-markets managers confine their strategies largely to countries represented in the major emerging-markets indexes, like the JPMorgan Emerging Market Bond Index – Global (EMBIG) (for dollar-denominated debt) or JPMorgan Government Bond Index-Emerging Markets (GBI-EM) (local-currency debt).

Such strategies omit about two-thirds of the $32 trillion in GDP represented by emerging and developing markets, according to the IMF, which overlooks the lion's share of global growth potential. Moreover, at any given time, some index countries are likely to be fully or over-valued compared with those outside the benchmark, so strategies that track benchmarks may be forced to hold positions that are less than optimal. In strategies where the index weightings are

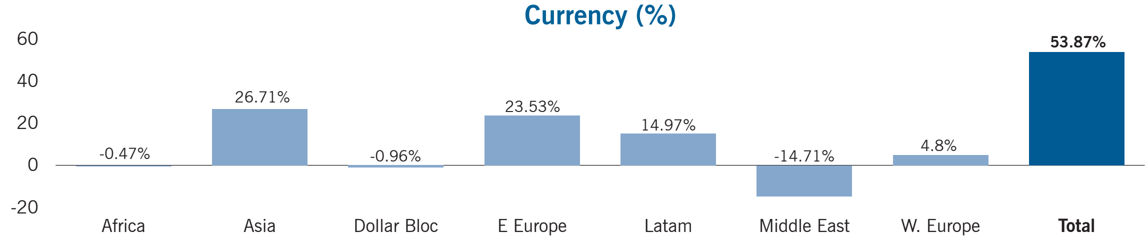
Isolating risk factors to advance investment goals – Mexico example

Five-year rates in Mexico fell 38 basis points in the first month of 2016, while the currency depreciated by 493 bps versus the US dollar.

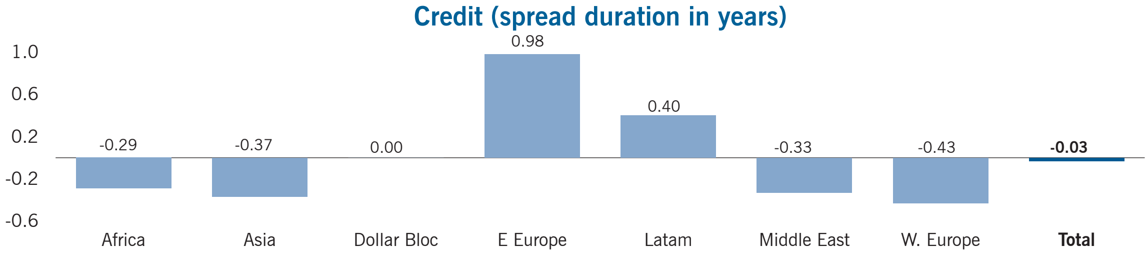
- *Security-focused investor*: purchases a cash bond and incurs a loss on the position as the decline in the currency exceeds the potential gain from fall in interest rates.
- *Risk factor-focused investor*: receives rates via an interest rate swap rather than buying the cash bond. Posts a gain on the position from the decline in rates while avoiding currency risk.

It should not be assumed that the strategies described were or will be profitable, or that any recommendations in the future will be profitable or will result in the same outcome.

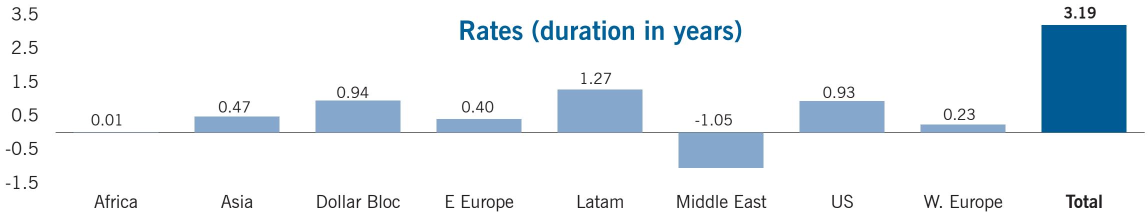
Exhibit F **GMARA's risk exposure seeks to maximise global opportunities.**



Top Long	
Serbia	**9.8%**
Top Short	
Oman	**-9.4%**



Top Long	Years
Turkey	**0.43**
Top Short	Years
South Africa	**-0.45**



Top Long	Years
India	**0.55**
Top Short	Years
Saudi Arabia	**-0.66**

Sources: Eaton Vance, 30 June 2017. This information is supplemental to the Composite's GIPS® presentation contained at the end of the presentation as an integral part of this material. Composite data is based upon the total assets of all fee-paying discretionary accounts eligible for inclusion in such Composite for the periods shown. Please refer to the end of the presentation for important information and disclosure.

matched, the portfolio becomes highly concentrated – in the GBI-EM, for example, the nine largest issuers account for 85% of the Index weighting. Such concentration has been a contributor to the historical volatility of the asset class.

Casting a wide net for opportunities

In contrast, the country-level approach of the GMARA strategy casts as wide an opportunity net as possible among developed and emerging markets, benchmark and off-benchmark issues. They are all analyzed with an eye toward where the value may lie among sovereign credit, interest-rate levels and currency, and positions are determined by their potential for delivering attractive returns for the expected risk.

Exhibit F is an example of how GMARA's investment process generated its aggregate risk factor exposures as of 30 June 2017.

Tomorrow's tougher performance picture

Stocks and bonds are widely viewed as fully valued, and not likely to replicate their strong performance of recent years. Such considerations underscore the potential value GMARA can add to your portfolio by pursuing steady returns, with low correlation to stocks and bonds, and low volatility.

Index Definitions

Bloomberg Barclays Global Aggregate Index is an unmanaged index of investment-grade bonds, including corporate, government and mortgage-backed securities.

ICE BofAML Global High Yield Index is an unmanaged index of below-investment-grade corporate bonds.

S&P 500 and S&P 90 Indexes are unmanaged indexes of large-cap stocks commonly used as a measure of US stock market performance.

Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance.

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Eaton Vance Management
Global Macro Absolute Return Advantage Composite
Schedule of Performance Returns
Reported in: USD

Period	Gross Returns	Net Returns	Benchmark Return	Number of Accounts	Internal Dispersion High	Internal Dispersion Low	Composite Assets (000)	Total Firm Assets (000)	Composite Assets as % of Firm Assets	Composite 3-Yr External Dispersion	Benchmark 3-Yr External Dispersion
2010^	1.50	1.17	0.05	≤ 5	NA	NA	330,410	150,907,196	0.22		
2011	-0.19	-1.19	0.10	≤ 5	NA	NA	799,635	142,155,060	0.56	NA	NA
2012	8.20	7.13	0.11	≤ 5	NA	NA	810,664	152,207,484	0.53	NA	NA
2013	0.42	-0.57	0.07	≤ 5	NA	NA	1,090,107	172,036,715	0.63	4.99	0.03
2014	7.60	6.54	0.03	≤ 5	NA	NA	1,293,957	164,420,664	0.79	4.27	0.02
2015	5.58	4.54	0.05	≤ 5	NA	NA	1,486,264	156,199,594	0.95	3.99	0.02
2016	7.21	6.16	0.33	≤ 5	NA	NA	1,803,318	166,832,375	1.08	3.92	0.05

Represents data from 31/8/2010 through 31/12/2010

Eaton Vance Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. The Firm has been independently verified for the period 1 January 1996 through 31 December 2016. A copy of the verification report is available upon request. Verification assesses whether (1) the Firm has complied with all composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

Please see Notes to Schedule accompanying these returns

Global Macro Absolute Return Advantage Composite
Eaton Vance Management
Notes To Schedule

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Eaton Vance Management (EVM or the Company) is an SEC registered investment adviser with its headquarters located in Boston, Massachusetts. Since 1924, the Company has provided a full range of investment products to corporations, public agencies, labour unions, hospitals, charitable and educational organisations, individuals and various qualified investment plans. It supplies investment advisory services through several SEC registered investment advisers and a trust company - EVM, Boston Management and Research (BMR), Eaton Vance Investment Counsel (EVIC), Eaton Vance Trust Company (EVTC) and Eaton Vance Management International (EVMI). The Company is defined as all five entities operating under the Eaton Vance brand. Effective 1 May 2011, EVM's Real Estate Investment Group, a constituent of EVM, is operating as a separate division of EVM, and its assets are no longer represented in EVM's total assets under management.

Performance Returns

Unless otherwise stated, composite returns and market values are reported in US dollars. All performance returns are presented as total returns, which include the reinvestment of all income and distributions. Returns for periods less than one year are not annualised. Information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

Composite Dispersion

Annual internal return dispersion is represented by the highest and lowest returns of all portfolios within a composite. Internal dispersion is shown only for composites that held at least six accounts for the full year. Internal dispersion is shown as not applicable, "N/A", for composites that held five or fewer accounts for the full year. External composite and benchmark dispersion are shown to demonstrate the variability of returns over time, and is represented by the three-year ex-post standard deviation of monthly returns. External composite and benchmark dispersion are shown as not applicable, "N/A", for composites with less than 3 years of monthly history, as of the most current quarter-end. External dispersion is not shown for composite inception through December 2010, as it is not required for periods prior to 2011.

Other Matters

A complete list of all composites maintained by EVM with descriptions and related performance results for each is available upon request. To receive a complete list and description of the Company's composites and/or a presentation that adheres to the GIPS®, contact the Performance Department at (800) 225-6265 ext. 26733 or write to Eaton Vance Management, Two International Place, Boston, MA 02110, Attention GIPS Performance Department, 3rd floor.

Composite Definition

The investment objective of this style is total return. Portfolios seek this objective by investing in securities, derivatives and other instruments to establish long and short investment exposures around the world. Under normal market conditions portfolio investments will consist primarily of positions in debt, currencies and interest rates of sovereign nations. Portfolios invest at least 40% of net assets in foreign investments and may have significant exposure to foreign currencies. Investments may be highly concentrated in a particular geographic region or country, including less-developed countries. Portfolios may engage in repurchase agreements, reverse repurchase agreements, forward commitments, short sales and securities lending, and are authorised to borrow on a non-recourse basis for investment purposes. Investments may also be made in corporate debt and equity, municipal obligations and commodities-related securities. Portfolios expect to achieve certain exposures primarily through derivative transactions, including (but not limited to) forward foreign currency exchange contracts and credit default swaps, which may create substantial economic leverage in the portfolios. Portfolios may engage in derivative transactions to enhance total return, to hedge against fluctuations in securities prices, interest rates or currency exchange rates, to change a portfolio's effective duration, to manage certain investment risks and/or as a substitute for the purchase or sale of securities, currencies or commodities. A portfolio's use of derivatives may be extensive.An account is included in the composite at the beginning of the first full month that the portfolio manager deems it fully invested, and a closed account is included through the last full month under management. No selective periods of performance have been used.

Benchmark

The Composite's benchmark is the ICE BofAML 3-Month US Treasury Bill Index. It is an unmanaged index of US Treasury securities maturing in 90 days.

Gross and Net Returns

Composite gross returns are after transaction costs, any foreign withholding taxes and other direct expenses, but before management fees, custody charges and other indirect expenses. Composite net returns are calculated by deducting the maximum management fee, 1.00% charged by EVM for a separately managed, institutional account of this style from the gross performance returns. The complete fee schedule is as follows: 1.00% on total net assets.

Notes to Composite

The creation date of this composite is September 2010, and the inception date is September 2010. Clients or prospective clients should not assume that they will have an investment experience similar to that indicated by past performance results, as shown on the Schedule.

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