

Eaton Vance Management (International) Limited

125 Old Broad Street
London, UK EC2N 1AR

www.eatonvance.com

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This brochure provides information about the qualifications and business practices of Eaton Vance Management (International) Limited. If you have any questions about the contents of this brochure, please contact us at (800) 225-6265 or (617) 482-8260. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Eaton Vance Management (International) Limited is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training. Additional information about Eaton Vance Management (International) Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

Summary of Material Changes

The following material changes have been made to this brochure since its last annual update on January 31, 2017:

- The Fees and Compensation section was revised to reflect the current investment strategies and fee schedules offered to institutional clients.

Table of Contents

| | |
|---|----|
| Summary of Material Changes | 2 |
| Table of Contents | 3 |
| Advisory Business | 4 |
| Fees and Compensation | 5 |
| Performance Based Fees and Side-by-Side Management | 10 |
| Types of Clients | 11 |
| Methods of Analysis, Investment Strategies and Risk of Loss..... | 12 |
| Disciplinary Information..... | 27 |
| Other Financial Industry Activities and Affiliations | 28 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 29 |
| Brokerage Practices | 30 |
| Review of Accounts..... | 36 |
| Client Referrals and Other Compensation | 37 |
| Custody | 38 |
| Investment Discretion | 39 |
| Voting Client Securities..... | 40 |
| Financial Information..... | 42 |
| Requirements for State-Registered Advisers | 43 |
| Privacy Notice..... | 44 |

Advisory Business

Eaton Vance Management (International) Limited (“EVM”) provides investment advice to institutional clients and pooled investment vehicles. EVM was originally organized in 2001. EVM’s affiliated organizations have been providing investment advice since 1924. As of October 31, 2016, EVM and its affiliates manage a total of \$336.4 billion in client assets. Of this amount, EVM manages \$8.0 billion in client assets, all of which is managed on a discretionary basis.

EVM is an indirect, wholly owned subsidiary of Eaton Vance Corp., a publicly held corporation, the shares of which are listed on the New York Stock Exchange. Publicly held shares of Eaton Vance Corp. common stock are all nonvoting. All outstanding shares of Eaton Vance Corp.’s voting common stock are beneficially owned by certain officers of Eaton Vance Corp. and are deposited in a voting trust. The trustees of the voting trust are all officers of Eaton Vance Corp. As of October 31, 2016, no individual shareholder owned or had the right to vote 25% or more of the voting or nonvoting shares of Eaton Vance Corp.

EVM offers advisory services in a variety of equity, income, mixed-asset and alternative strategies. In-depth fundamental analysis is the primary basis for EVM’s investment decision making.

EVM provides investment advisory services to institutional clients through separately managed accounts and by subadvising pooled investment vehicles sponsored by unaffiliated investment advisers (“Institutional Accounts”). The advisory services for these accounts are tailored to each client based on its individual investment objectives. Before establishing an Institutional Account, EVM and the client discuss the available investment strategies and the client’s investment objectives. Investment in certain securities or types of securities may be restricted at the request of the client.

EVM provides investment advisory services to certain clients of Eaton Vance Management (“EVM”) and Boston Management and Research (“BMR”) under a services agreement. These clients include registered investment companies sponsored by EVM (the “EV Funds” or “Funds”). EVM may also serve as investment sub-adviser to certain EV Funds. Each Fund is managed in accordance with its respective investment objectives, strategies and restrictions as approved by the Fund’s Board of Trustees or other governing body, as applicable. Certain Funds are master portfolios in which the only investors are other EV Funds. Retail investors access EVM’s advisory services indirectly by investing in the Funds.

Fees and Compensation

Below are the standard fee schedules for various clients of EVMI. Existing clients of EVMI may have different fee arrangements from those stated below. The fees EVMI receives when it serves as investment sub-adviser to a client account are typically lower than the fees listed below.

Institutional Clients

Fee rates for Institutional Accounts are quoted on an annual basis. However, fees are generally paid monthly or quarterly in arrears based upon (1) the value of the assets subject to a fee in the client's account on the last business day of the month and/or quarter, (2) the average daily net assets during the period or (3) the average net assets in the client's account at the end of each month during the quarter. Fees are generally quoted to prospective Institutional Account clients in accordance with the following schedules:

| Investment Strategy | Fee Schedule | Minimum Institutional Account Initial Balance |
|---|--|--|
| Large Cap Value Equity Large Cap Core Research | 0.60% First \$25 million 0.50% Next \$25 million 0.42% Next \$50 million 0.35% Next \$100 million 0.30% Next \$300 million 0.25% Over \$500 million | Generally \$25 million |
| Focused Value Opportunities | 0.80% First \$25 million 0.70% Next \$25 million 0.60% Next \$50 million 0.50% Next \$100 million 0.40% Next \$300 million 0.35% Over \$500 million | Generally \$25 million |
| Large Cap Growth Equity Focused Growth Opportunities | 0.45% First \$50 million 0.40% Next \$50 million 0.30% Next \$400 million 0.25% Over \$500 million | Generally \$25 million |
| Small Cap Core Equity | 1.00% First \$50 million 0.85% Over \$50 million | Generally \$25 million |
| Small/Mid Cap Core Equity | 0.90% All Assets | Generally \$25 million |
| Mid Cap Core Equity | 0.85% All Assets | Generally \$25 million |
| Global Small Cap International Small Cap | 0.90% First \$100 million 0.80% Next \$150 million 0.70% Over \$250 million | Generally \$25 million |
| Parametric Emerging Markets | 0.80% First \$150 million 0.70% Next \$150 million 0.65% Over \$300 million | Generally \$75 million |

| Investment Strategy | Fee Schedule | Minimum Institutional Account Initial Balance |
|--|---|--|
| Parametric Emerging Markets Core | 0.50% First \$150 million 0.45% Next \$150 million 0.40% Over \$300 million | Generally \$50 million |
| Parametric Commodity | 0.50% First \$25 million 0.45% Next \$25 million 0.40% Next \$50 million 0.35% Over \$100 million | Generally \$25 million |
| High Yield Bond | 0.50% First \$50 million 0.45% Next \$50 million 0.40% Next \$100 million 0.35% Over \$200 million | Generally \$25 million |
| Global High Yield | 0.50% First \$100 million 0.47% Next \$150 million Negotiable Thereafter | Generally \$25 million |
| Emerging Markets Debt Opportunities | 0.65% First \$150 million 0.55% Next \$150 million 0.50% Over \$300 million | Generally \$50 million |
| Emerging Markets Local Income | 0.65% First \$150 million 0.55% Next \$150 million 0.50% Over \$300 million | Generally \$50 million |
| Global Macro Absolute Return Advantage | 1.00% on all Assets | Generally \$250 million |
| Global Macro Absolute Return | 0.85% on all Assets | Generally \$250 million |
| Core Bond/Intermediate Core Bond | 0.25% First \$100 million 0.20% Next \$150 million 0.10% Over \$250 million | Generally \$50 million |
| Core Plus | 0.30% First \$50 million 0.25% Next \$50 million 0.20% Over \$100 million | Generally \$50 million |
| Cash & Short Duration | 0.10% on all Assets | Generally \$50 million |
| Floating Rate Bank Loan | 0.475% First \$100 million 0.40% Next \$100 million 0.35% Over \$200 million | Generally \$150 million |
| Multi-Sector | 0.45% First \$25 million 0.375% Next \$25 million 0.30% Over \$50 million | Generally \$50 million |
| Multi-Asset Credit | 0.50% First \$100 million 0.47% Next \$150 million Negotiable Thereafter | Generally \$50 million |
| Municipal Bond | 0.30% First \$25 million 0.25% Next \$25 million 0.20% Over \$50 million | Generally \$25 million |

| Investment Strategy | Fee Schedule | Minimum Institutional Account Initial Balance |
|--|--|--|
| Taxable Municipal | 0.30% First \$100 million 0.25% Next \$100 million 0.22% Next \$100 million 0.20% Over \$300 million | Generally \$25 million |
| Tax Advantaged Bond Strategies (Actively Managed Accounts) | Accounts up to \$10 million: <ul style="list-style-type: none"> • 0.35% on all Assets Accounts over \$10 million and up to \$25 million: <ul style="list-style-type: none"> • 0.30% on all Assets Accounts over \$25 million and up to \$50 million: <ul style="list-style-type: none"> • 0.25% First \$25 million • 0.20% Next \$25 million Accounts over \$50 million: <ul style="list-style-type: none"> • 0.20% on all Assets | Generally \$250 thousand |
| Tax Advantaged Bond Strategies (Laddered Portfolios) | 0.16% First \$10 million 0.10% Over \$10 million | Generally \$250 thousand |
| Corporate Ladders | 0.16% First \$10 million 0.10% Over \$10 million | Generally \$100 thousand |
| Eaton Vance Real Estate Investment Strategy | 0.70% First \$25 million 0.60% Next \$25 million 0.50% Over \$50 million | Generally \$10 million |
| Liability Driven Investments | 0.30% First \$50 million 0.25% Next \$50 million 0.20% Next \$50 million 0.18% Over \$150 million | Generally \$5 million |
| Collateralized Loan Obligations (CLOs) | 0.15% on AAA 0.20% on AA 0.30% on A 0.40% on BBB 0.50% on BB | Generally \$10 million |
| Parametric Absolute Return Strategy | -5% Drawdown 0.45% of the notional value | Generally \$3 million |
| Parametric DeltaShift | 0.45% First \$20 million 0.375% Next \$20 million 0.30% Next \$20 million 0.2625% Next \$40 million 0.225% Next \$100 million 0.1875% Over \$200 million | Generally \$3 million |

EV Fund Clients

Generally, the annual investment advisory fee for a Fund is computed as a percentage of the value of the assets in the portfolio and may differ among individual portfolios. Funds with a master-feeder or fund-of-funds structure may incur an advisory fee on the portion of Fund assets invested directly in securities. In addition, certain portfolios may be charged a percentage of the gross income of the portfolio (income other than gains from the sale of portfolio securities). Fees charged to Funds may be subject to a breakpoint schedule (as disclosed in each Fund's registration statement) whereby the percentage fee rate charged generally decreases as portfolio assets increase. Fees generally are paid monthly in arrears based upon the average daily net assets of the Fund during the month. Set forth below are the fee rates (or range of fee rates) that may be charged to Funds by EVMI. As noted above, the fee rate may be subject to reductions at higher asset levels.

| Investment Strategy | Fee Schedule |
|-------------------------------|--|
| Tax-Managed Equity Portfolios | 0.60% to 1.00% of average net assets |
| Domestic Equity Portfolios | 0.60% to 1.00% of average net assets |
| Global Equity Portfolios | 0.75% to 1.00% of average daily net assets |
| Taxable Income Portfolios | 0.275% to 0.3% of average net assets plus 2.75% to 3% of gross income; or 0.50% to 0.75% of average net assets; or 0.50% of average gross assets; or 0.85% of average weekly gross assets |
| Municipal Income Portfolios | 0.10% to 0.35% of average net assets plus 1% to 3.5% of gross income; or 0.45% or 0.60% of average net assets |
| Commodities Portfolios | 1.05% of average net assets |
| Tax-Advantaged Bond Strategy | 0.54% to 0.60% of average daily net assets |
| Privately Offered Portfolios | 0.60% to 0.70% of average gross assets or a net sum calculated pursuant to the respective private placement offering memorandum for certain portfolios |

All Clients

Special requirements or circumstances may result in different fee arrangements than those stated above for certain clients. For example, additional reporting, investment policy or risk management consulting, legal research, or additional investment administrative services required or requested by some clients may lead to higher fees. Individual fee arrangements are negotiated with each client separately (including board review and approval, if applicable). Subject to applicable laws and regulations, EVMI retains complete discretion over the fees that it charges to clients and may change the foregoing fee schedules at any time. A fee schedule may vary in different geographic regions for certain investment approaches.

Fees may be negotiated or modified in light of a client's special circumstances, asset levels, service requirements or other factors in EVMI's sole discretion. EVMI may agree to offer certain clients a fee schedule that is lower than that of comparable clients in the same investment style. EVMI may also choose to waive all or a portion of negotiated fees for a given period. Also, for fee calculation purposes, EVMI may agree to aggregate the assets of related client accounts and such accounts may receive the benefit of a lower effective fee rate due to such aggregation.

In addition to asset-based investment advisory fees, EVMI may agree to provide investment advisory services to be compensated in whole or in part based on a percentage of portfolio income or on a comparative performance or incentive basis. Any applicable performance or incentive fee arrangement will comply with the requirements of Section 205 and Rule 205-3 of the Investment Advisers Act of 1940, as amended.

The termination provision of EVMI's standard form of investment advisory agreement with Institutional Account clients varies, depending on the terms of the contract, and may provide for termination (i) at any time by the client or EVMI upon written notice or (ii) at any time upon written notice by the client or upon 60 days' written notice by EVMI. If a client has paid any advisory fees in advance for the period in which the investment advisory agreement is terminated, EVMI will pro rate the advisory fees for the period and return any unearned portion to the client by check or wire transfer. Typically, the standard form investment subadvisory contract between EVMI and the EV Funds will provide for automatic termination upon assignment or termination after 60 days prior written notice.

In addition to advisory fees charged by EVMI, clients may pay other expenses related to the management of their accounts, such as qualified custodian fees or brokerage charges and transaction costs incurred in connection with portfolio transactions. In most cases, these additional expenses are paid to unaffiliated third parties and are not retained by EVMI or any of its affiliates. For more information about EVMI's brokerage practices, see *Brokerage Practices* below.

Performance Based Fees and Side-by-Side Management

In addition to the asset-based fees described above, EVMI may charge certain qualified clients a performance based fee. The amount of a performance based fee can vary depending on the performance of the applicable Fund or account relative to a particular benchmark return.

Performance based fees have the potential to generate significant advisory fees for EVMI. While they are intended to reward EVMI for successful management of a client account, they may create an incentive for EVMI to take additional risks in the management of the account portfolio. EVMI may manage multiple accounts with similar investment strategies. If some of these accounts charge performance based fees, this creates a conflict of interest with respect to the management of these accounts. For example, a portfolio manager may have an incentive to allocate attractive or limited investments to the accounts that charge performance based fees. A portfolio manager may also have an incentive to favor the performance based fee accounts with respect to trade timing and/or execution price. In addition, a portfolio manager may have an incentive to engage in front running so that the trading activity of other accounts benefits the performance based fee accounts.

To address these and other conflicts of interest, EVMI has adopted various policies and procedures designed to ensure that all client accounts are treated equitably and that no account receives favorable treatment. For example, EVMI has adopted procedures governing the allocation of securities transactions among clients and the aggregation of trades by multiple clients. For more information about how EVMI addresses certain conflicts of interest, see *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* below. See also *Brokerage Practices* below for more information about conflicts of interest related to portfolio transactions.

Types of Clients

EVMI provides investment advisory services to institutional clients and to pooled investment vehicles, including registered investment companies, managed by its affiliates EVM and BMR.

EVMI requires its clients to enter into a written investment advisory agreement with EVMI. Generally, EVMI's minimum account size is \$25 million for separate institutional client accounts. Certain investment strategies require a substantially higher minimum account size while other investment strategies may be available to smaller accounts. See *Fees and Compensation* above for information about the minimum account size required for each investment strategy. Otherwise, EVMI generally imposes no conditions on the establishment or maintenance of clients' accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

EVMI's evaluation of investment alternatives places primary emphasis and reliance upon fundamental analysis of issuers of equity and debt securities; political, economic, and industry developments; money and capital market conditions, with attention to interest rate patterns; and any other factors that, in EVMI's judgment, may have an impact on the value of an investment.

In developing information for use in making investment decisions and recommendations for clients, EVMI places considerable importance on personal visits with company management by members of its research staff, in the case of issuers of equity and corporate debt securities, and with industry representatives and governmental officials where appropriate. EVMI also uses various standard databases available to institutional investors. EVMI may utilize other sources of information, such as on-line services and financial database services. Ultimately, primary attention and reliance is placed upon evaluations and recommendations generated internally by the EVMI research and investment staff.

Although EVMI considers ratings issued by rating agencies, it also may perform its own credit and investment analysis and may not rely primarily on the ratings assigned by the rating services. Credit ratings are based largely on the issuer's historical financial condition and the rating agency's investment analysis at the time of rating, and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. In general, the rating assigned to a security by a rating agency does not reflect assessment of the volatility of the security's market value or of the liquidity of an investment in the security.

With regard to evaluation of interests in bank loans, EVMI considers various criteria relating to the creditworthiness of the borrower. EVMI may perform its own independent credit analysis of the borrower in addition to utilizing information prepared and supplied to the investors in the loans. Such analysis includes an evaluation of the industry and business of the borrower, the management and financial statements of the borrower, if available, and the particular terms of the loan and interest which might be acquired. Such analysis continues on an ongoing basis for any loan interest purchased and held on behalf of a client.

Subject to and consistent with the individual investment objectives of clients, EVMI generally seeks to achieve above-average long-term investment results for its clients through emphasis on equity or debt instruments judged by EVMI to have unrecognized value or investment potential. Although EVMI always attempts to retain sufficient portfolio flexibility to react to abrupt changes in securities markets, investment decisions and recommendations for clients are generally made with a long-term outlook and with a perspective for capital preservation. In managing investment portfolios, EVMI directs considerable attention to the overall composition of the portfolio in order to seek to provide proper portfolio balance and diversification, and thus reduce risk.

EVMI does not generally engage in short-term trading for accounts, although the length of time a security has been held in a client's account will not be a limiting factor if EVMI determines that the holding should no longer be retained by the account. When appropriate, EVMI may employ

a dividend capture trading strategy for certain accounts where a stock is sold on or shortly after its ex-dividend date with the sale proceeds used to purchase one or more other stocks before the next dividend payment on the stock sold.

EVM I may employ a tax-managed strategy for tax-efficient management of accounts, which would include some or all of the following: generally maintaining low portfolio turnover of securities with appreciated capital gains; investing in primarily lower yielding securities and/or securities paying dividends that qualify for federal income taxation at long-term capital gain rates; attempting to avoid net realized short-term capital gains and fully taxable investment income in excess of Fund expenses; when appropriate, selling securities trading at below tax cost to realize losses; in selling securities, selecting the most tax-favored share lots; and selectively using tax-advantaged hedging techniques as an alternative to taxable sales. EVM I may enter into derivative transactions to help manage security specific and/or overall risk or to gain or reduce investment exposure on behalf of clients. The derivative instruments typically used by EVM I include listed, FLEX and over-the-counter options, over-the-counter prepaid forward sale agreements, futures contracts, swaps, structured notes, and other structured derivative transactions.

Investment Strategies

EVM I offers a variety of investment strategies to address the particular investment objectives of its clients. In pursuing these strategies, EVM I may invest in a wide range of financial instruments and asset classes. Listed below are four broad categories of investment strategies offered by EVM I and a general description of the investment approaches and material risks associated with each.

The lines between these categories are not distinct; while a particular investment strategy may fall primarily into one of the categories listed below, it may also involve some of the investment approaches or exhibit some of the risks associated with other categories. In addition, certain investment strategies involve a combination of multiple other strategies. EVM I recognizes that no single type of investment strategy will ensure rewarding investment results in every political, economic and market environment. Investing in securities and other financial instruments involves a risk of loss (which may be substantial) that clients should be prepared to bear.

The investment approaches and material risks described below for each investment strategy are not comprehensive. A particular investment strategy may involve additional investment selection criteria and be subject to additional risks not described below. The principal investment strategies and associated risks for each Fund are described in the prospectus and SAI or other offering documents for such Fund.

Equity Strategies. EVM I offers a wide range of equity strategies, which may focus on equity securities of a particular style, market capitalization, geographic region and/or market sector. Many equity strategies involve a combination of these approaches. Some equity strategies also feature a tax-management focus, in which EVM I seeks to maximize the tax efficiency of the portfolio. Other equity strategies concentrate investments in the securities of a limited number of issuers.

Style focused equity strategies include growth, value, core (or style-neutral) and dividend income. Growth strategies seek companies with earnings growth potential, while value strategies seek companies whose securities are trading at below market valuations. Core strategies invest in a blend of growth and value securities. Dividend income strategies seek companies that provide attractive dividend payments to shareholders.

Market capitalization equity strategies focus on securities of large-cap, mid-cap or small-cap companies, or a combination of small-cap and mid-cap companies (smid-cap). A large-cap approach typically invests in securities of companies that are among the 500 largest companies by market capitalization in a particular market. A mid-cap approach typically invests in securities of the 1,000 largest companies by market capitalization, excluding the 200 largest companies. A small-cap (or smid-cap) approach typically invests in securities of companies that are among the 3,000 largest companies by market capitalization, excluding the 500-1,000 largest companies. The exact capitalization range for each approach may vary depending on the particular strategy.

Geographic equity strategies focus on companies located in a particular country, such as the United States, China or India, or a particular region, such as Asia. Geographic equity strategies may also focus on companies located in countries with either developed economies or developing economies (also known as emerging markets).

Sector equity strategies focus on companies operating in a particular industry (such as public utilities) or engaged in similar or related businesses (such as health sciences).

Focused equity strategies typically follow one or more of the equity approaches described above, but hold larger positions in a smaller number of companies than most other equity strategies.

Equity strategies may employ derivative strategies to achieve exposures, to enhance returns or for hedging purposes.

Equity investment strategies involve a number of material risks, including one or more of the following: Equity Investing Risk; Foreign and Emerging Market Investment Risk; Securities Lending Risk; Risks Associated with Active Management; General Investing Risks; Small Companies Risk; Growth Risk; Real Estate Risk; Derivatives Risk; ETF Risk; Risk of Commodity-Related Investments; Income Risk; Borrowing Risk; Concentration Risk; Issuer Diversification Risk; Dividend Capture Trading Risk; Convertible and Preferred Securities Risk; Short Sale Risk; and Tax-Managed Investing Risk. Not all of these risks apply to each equity strategy. The specific risks associated with a particular equity strategy depend on the approaches used and the extent to which the strategy employs certain portfolio management techniques or invests in financial instruments other than equity securities. For a summary of each risk, see *Descriptions of Material Risks* below.

Income Strategies. Income strategies may focus on maintaining a portfolio of debt securities or other instruments that pay either a fixed or a floating rate of interest. Other income strategies focus on debt securities that provide tax-advantaged interest payments, such as municipal bonds.

Some income strategies focus on debt securities of either short or long duration or on debt securities of a particular credit quality, such as investment grade or below investment grade bonds. Other income strategies are designed to seek preservation of principal while providing sufficient liquidity and maximizing current income. Income strategies may also focus on debt securities issued by the United States government or debt securities issued by foreign governments or denominated and paying interest in foreign currencies. Income strategies may employ derivative strategies to achieve exposures, to enhance returns or for hedging purposes.

Income investment strategies involve a number of material risks, including one or more of the following: Income Market Risk; Interest Rate Risk; Credit Risk; Securities Lending Risk; Derivatives Risk; Risk of U.S. Government-Sponsored Agencies; Commercial Mortgage-Backed Securities Risk; ETF Risk; ETN Risk; Risk of Lower Rated Investments; Municipal Bond Market Risk; Issuer Diversification Risk; Risks Associated with Active Management; General Investing Risks; Real Estate Risk; Foreign and Emerging Market Investment Risk; Short Sale Risk; Risk of Repurchase Agreements and Reverse Repurchase Agreements; Risk of Commodity-Related Investments; Borrowing Risk; Duration Risk; Inflation-Linked Security Risk; Maturity Risk; Risk of Leveraged Transactions; Risk of Residual Interest Bonds; Risk of Principal Only Investments; Sector Risk; Fixed-Income, Convertible Securities and Preferred Stock Risk; Convertible and Preferred Securities Risk; Tax Risk; and Risks Associated with Quantitative Management. Not all of these risks apply to each income strategy. The specific risks associated with a particular income strategy depend on the approaches used and the extent to which the strategy employs certain portfolio management techniques or invests in financial instruments other than debt securities. For a summary of each risk, see *Descriptions of Material Risks* below.

Mixed-Asset Strategies. Mixed-asset strategies typically have broad discretion to invest in many of the equity or income strategies described above. A mixed-asset strategy may change its allocation between equity and debt securities, or among particular equity or income approaches, depending on economic and market conditions. Mixed-asset strategies may employ derivative strategies to achieve exposures, to enhance returns or for hedging purposes.

Because mixed-asset strategies invest in a variety of equity and debt securities, they may be subject to any of the material risks listed above for equity and income strategies. Not all of these risks apply to each mixed-asset strategy. The specific risks associated with a mixed-asset strategy may change over time and depend on its allocation among particular equity and income investment approaches. The specific risks associated with a mixed-asset strategy also depend on the extent to which the strategy employs certain portfolio management techniques or invests in financial instruments other than equity and debt securities. For a summary of each risk, see *Descriptions of Material Risks* below.

Alternative Strategies. Alternative strategies encompass a broad range of investment approaches, including absolute return strategies, real estate strategies, commodity strategies and option strategies. Unlike relative investment strategies, which typically seek to outperform a particular securities benchmark, absolute return strategies typically seek to maintain a target portfolio duration and annualized volatility or to generate a return in excess of short-term cash instruments. Absolute return strategies are generally unconstrained by a benchmark and their

return is substantially independent of longer term movements in the stock and bond markets. Absolute return strategies may invest in a wide range of instruments, including equities, debt, commodities, currencies and derivatives. Real estate strategies may invest in physical real estate, real estate investment trusts and equity securities of operating companies engaged in the real estate industry. Commodity strategies invest primarily in instruments that provide exposure to commodities or the commodities market (including commodity based derivatives and/or companies involved in the mining or production of commodities). Commodity strategies typically are backed by a portfolio of fixed income securities. Option strategies involve the use of equity options in conjunction with an actively managed equity portfolio in order to reduce the volatility and risk associated with the equity markets.

Alternative investment strategies involve a number of material risks, including: Income Market Risk; Interest Rate Risk; Credit Risk; Equity Investing Risk; Securities Lending Risk; Derivatives Risk; Risk of U.S. Government-Sponsored Agencies; Risk of Lower Rated Investments; Issuer Diversification Risk; Risks Associated with Active Management; General Investing Risks; Short Sale Risk; Risk of Repurchase Agreements and Reverse Repurchase Agreements; Risk of Commodity-Related Investments; Foreign and Emerging Market Investment Risk; Concentration Risk; Risk of Loans; S&P 500 Index and SPDR Risk; ETF Risk; Inflation-Linked Security Risk; Duration Risk; Risks of Zero-Coupon and Deep Discount Bonds and PIK Securities; Municipal Bond Market Risk; Real Estate Risk; Small Companies Risk; Securities Lending Risk; Structured Management Risks; Option Strategy Risk; Hedge Correlation Risk; Currency Risk; and Tracking Error Risk. Not all of these risks apply to each alternative strategy. The specific risks associated with a particular alternative strategy depend on the asset classes and portfolio management techniques involved. For a summary of each risk, see *Descriptions of Material Risks* below.

Summary of Material Risks

Equity Investing Risk. The strategy may be sensitive to stock market volatility and the stocks in which it invests may be more volatile than the stock market as a whole. The value of stocks and related instruments may decline in response to conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations, as well as issuer or sector specific events. Market conditions may affect certain types of stocks to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and although stock values can rebound, there is no assurance that values will return to previous levels. Preferred stocks may also be sensitive to changes in interest rates. When interest rates rise, the value of preferred stocks will generally fall.

Foreign and Emerging Market Investment Risk. The value of a client portfolio can be adversely affected by changes in currency exchange rates and political and economic developments abroad, including the imposition of economic and other sanctions by the United States or another country. Investment markets in emerging market countries are typically smaller, less liquid and more volatile than developed markets, and emerging market stocks often involve higher risk than developed market stocks. Emerging market countries may have relatively unstable governments and economies. Emerging market investments often are subject to speculative trading, which

typically contributes to volatility. Trading in foreign and emerging markets often involves higher expense than trading in the United States. A client portfolio investing in these markets may have difficulties enforcing its legal or contractual rights in a foreign country. The value of investments denominated in foreign currencies can be adversely affected by changes in foreign currency exchange rates. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities, including political, economic and market risks.

Securities Lending Risk. Securities lending involves possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. As a result, the value of a client portfolio may fall and there may be a delay in recovering the loaned securities. The value of a client portfolio could also fall if a loan is called and the portfolio is required to liquidate reinvested collateral at a loss or is unable to reinvest cash collateral at rates that exceed the costs involved.

Risks Associated with Active Management. The success of a client's account that is actively managed depends upon the investment skills and analytical abilities of EVMI to develop and effectively implement strategies that achieve the client's investment objective. Subjective decisions made by EVMI may cause a client portfolio to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

General Investing Risks. Most investment strategies are not intended to be a complete investment program. All investments carry a certain amount of risk and there is no guarantee that a client portfolio will be able to achieve its investment objective. Clients generally should have a long-term investment perspective and be able to tolerate potentially sharp declines in value. An investment in a client portfolio is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Smaller Company Equity Risk. Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk. Such companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group, or lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies.

Real Estate Risk. Real estate investments, including real estate investment trusts ("REITs"), are subject to special risks associated with real estate. Real estate investments are sensitive to factors such as changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use, and rents, and the management skill and creditworthiness of the issuer. Real estate investments may also be subject to liabilities under environmental and hazardous waste laws, among others. Changes in underlying real estate values may have an exaggerated effect to the extent that REITs concentrate investments in particular geographic regions or property types.

Derivatives Risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative, due to failure of a

counterparty or due to tax or regulatory constraints. Derivatives may create economic leverage in a client portfolio, which magnifies the portfolio's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a cash investment position, rather than solely to hedge the risk of a position held by a client portfolio. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and a client's portfolio may lose more than the principal amount invested. Derivative instruments traded in over-the-counter markets may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative counterparty is unable to honor its commitments, the value of a client portfolio may decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may substantially exceed the initial investment. Certain strategies may use derivatives extensively.

Income Risk. A portfolio's ability to generate income will depend on the yield available on the securities held by the portfolio. Changes in the dividend policies of companies held by a client portfolio could make it difficult for the portfolio to generate a predictable level of income.

Concentration Risk. A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be affected by events that adversely affect that sector or area and the value of a portfolio using such a strategy may fluctuate more than that of a less concentrated portfolio.

Issuer Diversification Risk. Strategies that focus their investments in a small number of issuers are generally more susceptible to risks affecting such issuers than a more diversified strategy might be.

Short Sale Risk. Short sale risk includes, among other things, the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the client portfolio.

Tax-Managed Investing Risk. Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax-treatment or to sell a security in order to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation or regulation.

Debt Market Risk. Economic and other events (whether real or perceived) can reduce the demand for certain income securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities and other investments can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties

and greater volatility, less liquidity, wider trading spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which may impair the ability of EVMI to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded investments.

Interest Rate Risk. In general, the value of income securities will fluctuate based on changes in interest rates. The value of these securities is likely to increase when interest rates fall and decline when interest rates rise. Generally, securities with longer durations are more sensitive to changes in interest rates than shorter duration securities. Because the client portfolio is managed toward an income objective, it may hold more longer duration obligations and thereby be more exposed to interest rate risk than municipal income funds that are managed with a greater emphasis on total return. In a rising interest rate environment, the duration of income securities that have the ability to be prepaid or called by the issuer may be extended. In a declining interest rate environment, the proceeds from prepaid or maturing instruments may have to be reinvested at a lower interest rate.

Credit Risk. Investments in debt obligations are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the value of, or income distributions from, a client portfolio. The value of a fixed income security also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. In addition, the credit ratings of debt obligations may be lowered if the financial condition of the party obligated to make payments with respect to such instruments changes. Credit ratings assigned by rating agencies are based on a number of factors and do not necessarily reflect the issuer's current financial condition or the volatility or liquidity of the security. In the event of bankruptcy of the issuer of debt obligations, a client portfolio could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the instrument. In order to enforce its rights in the event of a default, bankruptcy or similar situation, a client may be required to retain legal or similar counsel at its own expense. Municipal obligations may be insured as to principal and interest payments. If the claims-paying ability or other rating of the insurer is downgraded by a rating agency, the value of such obligations may be negatively affected. In the case of an insured bond, the bond's rating will be deemed to be the higher of the rating assigned to the bond's issuer or the insurer.

Risk of U.S. Government-Sponsored Agencies. Although certain U.S. Government-sponsored agencies (such as the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association) may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury.

ETF Risk. Investing in an ETF exposes a client portfolio to all of the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the cost of investing in ETF shares may exceed the costs of investing directly in its underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their

underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on the demand in the market for them, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track, and a client account may not be able to liquidate ETF holdings at the time and price desired, which may impact its performance.

ETN Risk. ETNs are debt obligations and their payments of interest or principal are linked to the performance of a reference investment (typically an index). ETNs are subject to the performance of their issuer and may lose all or a portion of their entire value if the issuer fails or its credit rating changes. An ETN that is tied to a specific index may not be able to replicate and maintain exactly the composition and weighting of the components of that index. ETNs also incur certain expenses not incurred by the reference investment and the cost of owning an ETN may exceed the cost of investing directly in the reference investment. The market trading price of an ETN may be more volatile than the reference investment it is designed to track. ETNs may be purchased at prices that exceed net asset value and may be sold at prices below such value. A client account may not be able to liquidate ETN holdings at the time and price desired, which may impact its performance.

Risk of Lower Rated Investments. Investments rated below investment grade and comparable unrated investments (“junk bonds”) have speculative characteristics because of the credit risk associated with their issuers. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower rated investments to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn generally leads to a higher non-payment rate, and a lower rated investment may lose significant value before a default occurs. Lower rated investments generally are subject to greater price volatility and illiquidity than higher rated investments.

Municipal Bond Risk. The amount of public information available about municipal bonds is generally less than for corporate equities or bonds, meaning that the investment performance of municipal bond investments may be more dependent on the analytical abilities of EVMI than stock or corporate bond investments. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which may limit an owner’s ability to sell its municipal bonds at attractive prices. The spread between the price at which an obligation can be purchased and the price at which it can be sold may widen during periods of market distress. Less liquid obligations can become more difficult to value and be subject to erratic price movements. The increased presence of non-traditional participants or the absence of traditional participants in the municipal markets may lead to greater volatility in the markets.

Risk of Repurchase Agreements and Reverse Repurchase Agreements. In the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to a client portfolio or, in the case of a reverse repurchase agreement, the securities sold by a client portfolio, may be delayed. In a repurchase agreement, such an insolvency may result in a loss to the extent that the value of the purchased securities decreases during the delay or that value has otherwise not been maintained at an amount equal to the repurchase price. In a reverse repurchase agreement, the counterparty’s insolvency may

result in a loss equal to the amount by which the value of the securities sold by a client portfolio exceeds the repurchase price payable by the client portfolio; if the value of the purchased securities increases during such a delay, that loss may also be increased. When a client portfolio enters into a reverse repurchase agreement, any fluctuations in the market value of either the securities transferred to another party or the securities in which the proceeds may be invested would affect the market value of the client portfolio. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If EVMI reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower the rate of return on the investment.

Risk of Commodity-Related Investments. The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, which may include weather, embargoes, tariffs, and health, political, international and regulatory developments. Economic and other events (whether real or perceived) can reduce the demand for commodities, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Exposure to commodities and commodities markets may subject a client portfolio to greater volatility than investments in traditional securities. No active trading market may exist for certain commodities investments, which may impair the ability to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions may impair the liquidity of actively traded commodities investments. Certain types of commodities instruments (such as total return swaps and commodity-linked notes) are subject to the risk that the counterparty to the instrument will not perform or will be unable to perform in accordance with the terms of the instrument.

Borrowing Risk. Borrowing cash to increase investments may exaggerate the effect on the value of a client portfolio of any increase or decrease in the value of the security or other instrument purchased with the borrowings. Successful use of a borrowing strategy depends on EVMI's ability to correctly predict interest rates and market movements. There can be no assurance that the use of borrowings will be successful. A borrower typically is required to maintain specified asset coverage with respect to borrowings and also may be subject to regulatory requirements relating to asset coverage. The borrower may be required to dispose of portfolio investments on unfavorable terms in order to maintain any required asset coverage. Borrowings involve additional expense.

Duration Risk. Duration measures the expected life of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. A portfolio with a longer dollar-weighted average duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter dollar-weighted average duration. Duration differs from maturity in that it considers a security's coupon payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration.

Inflation-Linked Security Risk. Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities may vary widely and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be taxable ordinary income, even though the portfolio will not receive the principal until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A portfolio's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

Maturity Risk. Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a client portfolio's investments will affect the volatility of the portfolio's rate of return.

Risk of Leveraged Transactions. Certain types of investment transactions may give rise to a form of leverage. Such transactions may include, among others, the use of when-issued, delayed delivery or forward commitment transactions, residual interest bonds, short sales and certain derivative transactions. A client portfolio may be required to segregate liquid assets or otherwise cover the portfolio's obligation created by a transaction that may give rise to leverage. To satisfy the portfolio's obligations or to meet segregation requirements, portfolio positions may be required to be liquidated when it may not be advantageous to do so. Leverage may cause the value of a client portfolio to be more volatile than if it had not been leveraged, as certain types of leverage may exaggerate the effect of any increase or decrease in the value of securities in a client portfolio. The loss on leveraged investments may substantially exceed the initial investment.

Risk of Residual Interest Bonds. A client portfolio may enter into residual interest bond transactions, which expose the client portfolio to leverage and greater risk than an investment in a fixed-rate municipal bond. The interest payments that a client portfolio receives on the residual interest bonds acquired in such transactions vary inversely with short-term interest rates, normally decreasing when short-term rates increase. The value and market for residual interest bonds are volatile and such bonds may have limited liquidity.

Risk of Principal Only Investments. Principal only investments are municipal obligations which entitle the holder to receive par value of such investment if held to maturity. The values of principal only investments are subject to greater fluctuation in response to changes in market interest rates than bonds which pay interest currently. Client portfolios that are required to make annual distributions will accrue income on these investments and may be required to sell securities to obtain cash to meet such distribution obligations.

Tax Risk. The tax treatment of investments held in a client portfolio may be adversely affected by future tax legislation, Treasury Regulations and/or guidance issued by the Internal Revenue Service that could affect the character, timing, and/or amount of taxable income or gains attributable to an account. Income from tax-exempt municipal obligations could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities or non-compliant conduct of a bond issuer. A portion of a client portfolio's income may be taxable to shareholders subject to the federal alternative minimum tax.

Risks Associated with Active and Quantitative Management. Quantitative investment techniques and analyses may be used in whole or in part in making investment decisions for a client portfolio, but there can be no assurance that these will achieve the desired results. Client portfolios that use quantitative management are highly dependent on quantitatively-based pricing theories and valuation models that generally have not been independently tested or otherwise reviewed.

Risk of Senior and Junior Loans. Risks of investments in senior loans are similar to the risks of lower rated securities, although interest rate risk may be reduced because senior loan rates generally are adjusted for changes in short-term interest rates. Junior loans are subject to the same general risks. Due to their lower place in the borrower's capital structure and possible unsecured status, junior loans may involve a higher degree of overall risk than senior loans of the same borrower.

S&P 500 Index and SPDR Risk. Call and put spreads employed by certain strategies may be based on the S&P 500 Index or on SPDRs. In the case of the S&P 500 Index, returns realized on call and put spread positions over each roll cycle will be determined by the performance of the S&P 500 Index. If the S&P 500 Index appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options, and the notional value of the positions. SPDRs represent share interests in an exchange-traded fund that seeks to replicate the performance of the S&P 500 Index. The value of SPDRs is subject to change as the values of the component securities fluctuate. SPDRs may not exactly match the performance of the S&P 500 Index. SPDRs reflect the underlying risks of the S&P 500 Index and SPDR options are subject to the same risks as S&P 500 Index options.

Risks of Zero-Coupon and Deep Discount Bonds and PIK Securities. Zero-coupon and deep discount bonds may experience volatility in market value due to changes in interest rates. Securities purchased on a when-issued or forward commitment basis are subject to the risk that when delivered they will be worth less than the agreed upon payment price. Bonds and preferred stocks that make "in-kind" payments and other securities that do not pay regular income distributions may experience greater volatility in response to interest rate changes and issuer developments. Client portfolios that are required to make annual income distributions under the Internal Revenue Code will accrue income on certain of these instruments and may be required to sell securities to obtain cash to meet such requirement. PIK securities generally carry higher interest rates compared to bonds that make cash payments of interest to reflect the increased risks

associated with the deferral of interest payments. PIK securities may involve additional risk because the client portfolio receives no cash payments until the maturity date or specified cash payment date. If the issuer of a PIK security defaults the client portfolio may lose its entire investment.

Rules-Based Management Risks. Parametric Portfolio Associates LLC (“PPA”), an affiliate of Eaton Vance (see *Other Financial Industry Activities and Affiliations* below), acts as sub-adviser for certain equity and alternative investment strategies. For these strategies PPA uses proprietary investment techniques and analyses in making investment decisions, seeking to achieve total return while minimizing exposure to market risk. These strategies seek to take advantage of certain quantitative and behavioral market characteristics identified by PPA, utilizing a rules-based country, sector and commodity weighting process, a structured allocation methodology and a disciplined rebalancing model. These investment strategies have not been independently tested or validated, and there can be no assurance that they will achieve the desired results.

Option Strategy Risk. A client portfolio may employ an option strategy that seeks to take advantage of a general excess of option price-implied volatilities for the S&P 500 over realized index volatilities. This market observation is often attributed to an excess of natural buyers over natural sellers of S&P 500 index options. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which could have an adverse effect on the client portfolio’s ability to achieve its investment objective.

Correlation Risk. Changes in the value of a hedging instrument may not match those of the investment being hedged. Commodity-linked structured notes may be structured in a way that results in the Fund’s performance significantly diverging from the index.

Currency Risk. In general, the value of investments in, or denominated in, foreign currencies increase when the U.S. dollar is weak (*i.e.*, is losing value relative to foreign currencies) or when foreign currencies are strong (*i.e.*, are gaining value relative to the U.S. dollar). When foreign currencies are weak or the U.S. dollar is strong, such investments generally will decrease in value. The value of foreign currencies as measured in U.S. dollars may be unpredictably affected by changes in foreign currency rates and exchange control regulations, application of foreign tax laws (including withholding tax), governmental administration of economic or monetary policies (in the U.S. or abroad), intervention (or the failure to intervene) by U.S. or foreign governments or central banks, and relations between nations. A devaluation of a currency by a country’s government or banking authority will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets and currency transactions are subject to settlement, custodial and other operational risks. Exposure to foreign currencies through derivative instruments will be subject to *Derivatives Risks* described above.

Tracking Error Risk. Tracking error risk refers to the risk that the performance of a client portfolio may not match or correlate to that of the index it attempts to track, either on a daily or aggregate basis. Factors such as fees and trading expenses, imperfect correlation between the

portfolio's investments and the index, changes to the composition of the index, regulatory policies, high portfolio turnover rate and the use of leverage all contribute to tracking error. Tracking error risk may cause the performance of a client portfolio to be less or more than expected.

Sector Risk. Because a client's portfolio may invest a significant portion of its assets in a state and/or U.S. territory and in certain types of municipal obligations and/or in certain sectors, the value of a client portfolio may be affected by events that adversely affect that U.S. territory, sector or type of obligation and may fluctuate more than that of a more broadly diversified client portfolio. General obligation bonds issued by municipalities are adversely affected by economic downturns and the resulting decline in tax revenues.

Dividend Capture Trading Risk. The use of dividend capture strategies will expose a client portfolio to higher portfolio turnover, increased trading costs and potential for capital loss or gain, particularly in the event of significant short-term price movements of stocks subject to dividend capture trading.

Fixed-Income, Convertible Securities and Preferred Stock Risk. If a client portfolio invests in fixed-income securities, convertible securities or preferred stocks, the value of the portfolio may be sensitive to increases in prevailing interest rates and the creditworthiness of issuers. An imbalance in supply and demand in the fixed-income market may result in valuation uncertainties and greater price volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. Fixed-income securities, convertible securities and preferred stocks rated below investment grade and comparable unrated securities have speculative characteristics because of the credit risk associated with their issuers. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower rated investments to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn generally leads to a higher non-payment rate, and a lower rated investment may lose significant value before a default occurs. Lower rated investments generally are subject to greater price volatility and illiquidity than higher rated investments. Fixed-income markets have recently experienced a period of relatively high volatility. As a result of the Federal Reserve's action to end its quantitative easing stimulus program as well as the possibility that it may unwind the program and/or initiate a policy to raise short term interest rates, fixed-income markets could experience continued high volatility.

Convertible and Preferred Securities Risk. Convertible and preferred securities are subject to the usual risks associated with income securities, such as interest rate risk and credit risk. Convertible securities may also react to changes in the value of the common stock into which they convert, and are thus subject to equity market risk. A convertible security may be converted at an inopportune time, which may decrease a client portfolio's return.

Growth Risk. Strategies which invest primarily in stocks of growth companies are subject to the risk of underperforming the overall stock market during periods in which stocks of growth companies are out of favor and generate lower returns than the market as a whole.

Commercial Mortgage-Backed Securities Risk. Commercial mortgage-backed securities (“CMBS”) are subject to credit, interest rate, prepayment and extension risk. CMBS may not be backed by the full faith and credit of the U.S. Government and are subject to risk of default on the underlying mortgage. CMBS issued by non-government entities may offer higher yields than those issued by government entities, but also may be subject to greater volatility than government issues. CMBS react differently to changes in interest rates than other bonds and the prices of CMBS may reflect adverse economic and market conditions. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of CMBS.

Disciplinary Information

EVMI has not been involved in any material legal or disciplinary events required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

Eaton Vance Corp., the ultimate parent company of EVMI, owns all of the outstanding stock of Eaton Vance Distributors, Inc. (“EVD”), a broker-dealer registered with the Securities and Exchange Commission. EVD serves as principal underwriter and distributor for the EV Funds and for certain registered investment companies advised by an affiliate (the “Calvert Funds”). Certain officers and directors of EVMI are registered representatives of EVD.

EVMI is a majority owned subsidiary of EVM, which serves as investment adviser and/or administrator to the EV Funds. EVM is registered as an investment adviser with the SEC. EVM is also registered with the Commodity Futures Trading Commission as a commodity pool operator and a commodity trading advisor. EVM owns BMR, which serves as investment adviser to certain private funds and registered investment companies sponsored by EVM. EVMI has entered into a services agreement with each of EVM and BMR (the “Advisory Affiliates”) under which the Advisory Affiliates may use the research, investment advisory and trading resources of EVMI to provide services to their clients. Prior to registering as an investment adviser in the U.S., EVMI provided these services to EVM and BMR as a participating affiliate. EVMI may recommend to its clients, or invest on behalf of its clients in, securities that are the subject of recommendations to, or discretionary trading on behalf of, an Advisory Affiliate’s clients.

EVM also owns Eaton Vance Advisers (Ireland) Limited, which serves as investment adviser to investment companies domiciled and distributed outside the United States (the “Offshore Funds”). EVMI acts as distributor for the Offshore Funds. EVM also owns Calvert Research and Management (“Calvert”), which serves as investment adviser to the Calvert Funds and to institutional clients. Calvert is registered as an investment adviser with the SEC.

Eaton Vance Investment Counsel (“EVIC”), a wholly owned subsidiary of Eaton Vance Corp., is registered as an investment adviser with the SEC. EVIC serves as an investment adviser to high net worth individuals, trusts, pension plans and institutions on both a discretionary and non-discretionary basis. Eaton Vance Corp., through subsidiaries, owns 100% of Atlanta Capital Management Company, LLC (“Atlanta Capital”). Atlanta Capital is registered as an investment adviser with the SEC and serves as sub-adviser to certain EV Funds and Calvert Funds. Eaton Vance Corp., through subsidiaries, owns approximately 98% of Parametric Portfolio Associates LLC (“PPA”). PPA is registered as an investment adviser with the SEC and serves as sub-adviser to certain EV Funds. PPA is a commodity trading advisor and a commodity pool operator registered with the Commodity Futures Trading Commission. Eaton Vance Corp., through a subsidiary, owns approximately 49% of Hexavest Inc. Hexavest Inc. is registered as an investment adviser with the SEC and serves as sub-adviser to certain EV Funds.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

EVMI has adopted various policies, including a Code of Ethics (the “Code”), to address the potential for self-dealing and conflicts of interest which may arise with respect to personal securities trading by employees, officers and other affiliated persons (“Designated Individuals”). The Code applies not only to Designated Individuals, but also to members of their “immediate family” (as defined in the Code), which includes most relatives living in the Designated Individual’s principal residence. The Code and other policies cover, among other things, portfolio management and trading practices, personal investment transactions and insider trading. These policies are meant to avoid actual and apparent conflicts of interest and to ensure that clients’ interests are put first. For example, the Code restricts the timing and other circumstances under which certain Designated Individuals may purchase or sell a security which to their knowledge is being purchased or sold or being considered for purchase or sale by a client. The Code further restricts or discourages certain investment activities, such as participation in IPOs or limited offerings, frequent securities trading and the use of short sales and naked options. Designated Individuals are also prohibited from purchasing or selling any security for their own account or for that of a client while in possession of material, non-public information concerning the security or its issuer. The Code also requires certain Designated Individuals to obtain pre-clearance before trading in securities for their own account and to periodically report their securities holdings, including any interests held in registered investment companies advised by EVMI or its affiliates. To facilitate this reporting, these Designated Individuals are generally required to maintain personal brokerage accounts only at certain designated broker-dealers and to disclose these accounts to the Eaton Vance Management Compliance Department.

EVMI may impose sanctions for violations of the Code. Possible sanctions include a ban on personal securities trading, disgorgement of trading profits, monetary fines and suspension or termination of employment.

In addition, each registered investment company advised or subadvised by EVMI and certain affiliates has adopted the Code, which governs personal securities transactions of Fund directors, trustees, officers and employees. The Code is available online at www.eatonvance.com. You may also obtain a copy of the Code by writing: Eaton Vance Management, Attn: Legal Dept. – Code of Ethics, Two International Place, Boston, MA 02110.

Additional Conflicts of Interest

Certain EV Funds may invest in a money market fund managed by Eaton Vance or an affiliate with the management fees charged by such money market fund credited against the investing EV Fund’s management fee.

EVMI may combine transaction orders placed on behalf of clients, including accounts in which affiliated persons of EVMI have an investment interest. Available investment opportunities will be allocated among clients in a manner deemed equitable by EVMI. See *Brokerage Practices* below for more information.

Brokerage Practices

EVMI uses the trading desks of its U.S. affiliate, EVM, to effect some client portfolio transactions. The trading desks of EVMI and EVM generally follow similar brokerage practices. Unless otherwise noted, the brokerage practices described below apply to transactions effected by the trading desks of both EVMI and EVM.

Selection of Broker-Dealers

EVMI seeks to achieve best overall execution when selecting broker-dealers for client portfolio transactions.

In seeking best overall execution, EVMI will use its best judgment in evaluating the terms of a transaction, and will give consideration to various relevant factors, which may include but are not limited to the price, costs, the size and type of the transaction, the nature and character of the market for the security, the confidentiality, speed and certainty of effective execution required for the transaction, the general execution and operational capabilities of the broker-dealer, the reputation, reliability, experience and financial condition of the broker-dealer, the value and quality of services rendered by the broker-dealer in other transactions, the amount of the spread, as defined below, or commission, if any, and any other factors deemed relevant to the best interests of its client generally, having regard to the characteristics of the trade.

Brokerage Commissions

In general, for all discretionary accounts and for non-discretionary accounts where the client has so authorized, EVMI will place portfolio transaction orders on behalf of such accounts with one or more broker-dealer firms which EVMI selects to execute the transactions. Transactions on stock exchanges and other agency transactions involve the payment by the client of negotiated brokerage commissions. Such commissions vary among different broker-dealer firms, and a particular broker-dealer may charge different commissions according to such factors as the difficulty and size of the transaction and the volume of business done with such broker-dealer. Transactions in non-U.S. equity securities often involve the payment of brokerage commissions that are higher than those in the United States. There may be no stated commission in the case of equity securities traded in the over-the-counter markets. In such cases, the price paid or received by the client usually includes an undisclosed dealer markup or markdown (the “spread”). In an underwritten offering of equity securities, the price paid by the client includes a disclosed fixed commission or discount retained by the underwriter or dealer.

Fixed income securities purchased and sold for clients are traded in the over-the-counter market through broker-dealers. Such firms attempt to profit from such transactions by buying at the bid and selling at the higher asked price of the market for such obligations, and the difference between the bid and asked price is the spread. EVMI uses its best efforts to obtain execution at prices that are advantageous to the client and at reasonably competitive spreads. Fixed income securities may also be purchased from underwriters and dealers in fixed-price offerings, the cost of which may include undisclosed fees and concessions received by the underwriters.

Soft Dollar Practices

Investment advisers commonly receive brokerage and research services from broker-dealers that effect client portfolio transactions. These brokerage and research services may benefit clients directly or indirectly and are paid for with the commissions charged by the broker-dealers for effecting portfolio transactions. The practice of paying for brokerage and research services with commissions generated by client portfolio transaction is known as using soft dollars.

As a firm subject to rules in both the United States and the United Kingdom, EVMI is required to ensure that any soft dollar services received from broker-dealers fall within a safe harbor from restrictions on such services imposed in both countries, where applicable.

From a U.S. perspective, Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a safe harbor for the use of soft dollars by investment advisers. From a UK perspective, there is a similar (though not identical) safe harbor contained in the Financial Conduct Authority (“FCA”) rules on inducements and the use of dealing commissions (in particular, those contained in Chapter 11.6 of the Conduct of Business Sourcebook (“COBS”).

Under the safe harbors, EVMI may pay a broker or dealer who executes a portfolio transaction on behalf of a client a commission that is greater than the amount of commission another broker or dealer would have charged for effecting the same transaction provided that EVMI determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided. This determination may be made on the basis of either that particular transaction or the overall responsibility that EVMI and its affiliates have for accounts over which they exercise investment discretion. Additionally, where the UK rules apply (a) EVMI must be satisfied on reasonable grounds that the services will reasonably assist EVMI in servicing clients on whose behalf orders are executed; (b) acceptance of the services must be consistent with EVMI’s duties to act in its clients’ best interests; and (c) the services must (i) be directly related to the execution of trades (and be provided between the point at which EVMI takes a trading decision and the conclusion of the transaction) or (ii) amount to the provision of substantive research. Costs passed on to clients should also not be higher than the cost charged by the broker or other person for providing the brokerage or research service.

Brokerage and research services may include advice as to the advisability of investing in, purchasing or selling securities; furnishing analyses and reports concerning issuers, industries, securities and economic factors and trends; effecting securities transactions and performing functions incidental thereto (such as clearance and settlement); and the “Research Services” discussed below. EVMI may also receive brokerage and research services from underwriters and dealers in fixed-price offerings.

Research Services. Research Services include any and all brokerage and research services to the extent permitted by, where applicable, Section 28(e) of the Securities and Exchange Act of 1934, as amended, and by the FCA COBS rules on inducements and the use of dealing commissions. Generally, Research Services may include, but are not limited to, such matters as industry and company reviews, evaluations of securities and portfolio strategies and transactions,

recommendations as to the purchase and sale of securities and other portfolio transactions and technical analysis of various aspects of the securities markets.

Where the UK rules are applicable, research must also meet the test of being “substantive”, meaning that the research must (a) be capable of adding value to investment/trading decisions, (b) represent original thought, in the critical and careful consideration and assessment of new and existing facts, and do not merely repeat or repackage what has been presented before, (c) have intellectual rigour and not merely state what is commonplace or self-evident and (d) present EVMI with meaningful conclusions based on analysis or manipulation of data. This means that where EVMI is subject to the UK rules it will not, for example, receive market information services, price feeds, software, or data that has not been analyzed or manipulated in order to present EVMI with meaningful conclusions.

Proprietary Research. Research Services provided by (and produced by) broker-dealers that execute portfolio transactions or from affiliates of executing broker-dealers are referred to as “Proprietary Research”.

Third Party Research. Investment advisers also commonly receive Research Services from research providers that are not affiliated with an executing broker-dealer, but which have entered into payment arrangements involving an executing broker-dealer (“Third Party Research Services”).

Under a typical Third Party Research Services arrangement, the research provider agrees to provide research services to an investment adviser in exchange for a payment to the research provider by a broker-dealer that executes portfolio transactions for clients of the investment adviser. The investment adviser and the executing broker-dealer enter into a related agreement specifying the terms under which the executing broker-dealer will pay for Third Party Research Services received by the investment adviser. Third Party Research Services arrangements typically involve execution of portfolio transactions in equity securities, but may arise in other contexts as well. For example, with respect to municipal obligations, an executing broker-dealer enters into an arrangement with an investment adviser to provide “research credits” typically generated as a result of acquisition of new issuances of municipal obligations in fixed price offerings. The amount of the research credit generated as a result of a particular transaction is a percentage of the offering price of the municipal obligations.

Client Commission Arrangements. EVMI may receive Research Services under so called “client commission arrangements” or “commission sharing arrangements” (both referred to as “CCAs”). Under a CCA, EVMI may cause client accounts to effect transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions paid on those transactions to a pool of commission credits that are paid to other firms that provide Research Services to EVMI. Under a CCA, the broker-dealer that provides the Research Services need not execute the trade.

Participating in CCAs may enable EVMI to consolidate payments for research using accumulated client commission credits from transactions executed through a particular broker-dealer to periodically pay for Research Services obtained from and provided by other firms,

including other broker-dealers that supply Research Services. EVMI believes that CCAs offer the potential to optimize the execution of trades and the acquisition of a variety of high quality Research Services that EVMI might not be provided access to absent CCAs.

EVMI will only enter into and utilize CCAs to the extent permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended, and by the FCA rules on inducements and the use of dealing commissions. As required by interpretive guidance issued by the SEC, any CCAs entered into by EVMI will provide that: (1) the broker-dealer pays the research preparer directly; and (2) the broker-dealer takes steps to assure itself that the client commissions that EVMI directs it to use to pay for Research Services are only for eligible research under Section 28(e). EVMI will also ensure consistency with the requirements of the FCA's COBS rules described above.

Client Referrals

In selecting broker-dealers for client portfolio transactions, EVMI does not consider whether it or an affiliate receives client referrals from potential broker-dealers. Nevertheless, EVMI may engage in portfolio brokerage transactions with a broker-dealer firm that sells shares of EV Funds, provided that such transactions are not directed to that firm as compensation for the promotion or sale of such shares. Client portfolio transactions may also be effected through broker-dealer firms that have introduced prospective clients to EVMI or its affiliates. Such brokerage transactions are subject to EVMI's obligation to seek best execution and its duty to act in the best interests of its clients and may not be directed to broker-dealers as compensation for the introduction of prospective clients.

Trade Aggregation

Investment decisions to buy or sell securities for any account are the product of many factors, including, but not limited to, the particular client's investment objectives, available cash resources, the relative size of the client's portfolio holdings of the same or similar securities, the size of investment commitments generally held by the client and the opinions of the persons responsible for making investments for such account. Thus, a particular security may be bought or sold for certain clients even though it could have been bought or sold for other clients at the same time. In some cases, a particular security may be bought for certain clients when other clients are selling that security. EVMI may also buy (or sell) a particular security for some clients at the same time one of its affiliates is selling (or buying) that security for other clients. In certain instances, in accordance with any applicable legal requirements, a client may sell a particular security to another client. At other times, two or more clients may participate in an aggregated order, where they are simultaneously engaged in the purchase or sale of the same security. In such cases, EVMI will allocate the security transactions (including so-called "IPOs" or "new issues") among the participating clients pursuant to its trading policies and procedures as follows: (1) aggregation is allowed only when it is consistent with a client's advisory agreement, with this Form ADV and applicable registration statements, and with the duty to execute securities transactions at advantageous prices and at reasonably competitive commission rates; (2) generally, aggregated orders will be executed only after written order tickets, which may be in an electronic format, have been received by the trading desk specifying the participating

accounts and the number or percentage of shares to be allocated among the various accounts; (3) if an aggregated order cannot be filled completely, allocation among orders will be made pro rata based on the number or percentage of shares specified in the order tickets, which may be in an electronic format, provided that the following exceptions may apply: consideration in allocation may be given to (i) portfolio managers who have been instrumental in developing or negotiating a particular investment, (ii) a client with specialized investment policies or instructions that coincide with the particulars of a specific offering; (iii) the relative size of a client's portfolio holdings in the same or similar investments; (iv) the percentage of uninvested cash per account; (v) for certain fixed income securities, the size of offering; (vi) for fixed income accounts, the variation of account duration from target duration; (vii) whether the portfolio manager has specified an alternative allocation on the order ticket; and (viii) whether the allocation would be so *de minimis* that it would provide no material benefit to the client and / or present difficulty in effecting an advantageous disposition; and (4) EVMI will receive no additional compensation or remuneration of any kind as a result of aggregating orders. As a result of such allocations, there may be instances when a client's account does not participate in a transaction (including an IPO) that is allocated among other clients. EVMI believes that aggregated transactions can, in many instances, produce better executions for clients, but, in certain instances, they could have a negative effect on the size of the position obtained for or disposed of or the price paid or received by a particular client. Nevertheless, EVMI will not aggregate orders unless it appears unlikely that aggregation will work to the disadvantage of any client whose order is to be aggregated and provided that the possibility of disadvantage has been disclosed to the client.

Depending on such factors as the size of the order and the type and availability of a security, orders may be executed throughout the day rather than being aggregated. When these orders are placed they may experience sequencing delays and market impact costs, which EVMI will attempt to minimize. The trading desk may depart from the above procedures if, in the exercise of its reasonable judgment, it determines that such a departure is advisable.

Directed Brokerage

A client may instruct EVMI to execute orders for its account through a specific broker-dealer firm or firms (referred to as "directed brokerage"), to restrict or prohibit trading through a specific broker-dealer firm or firms, to include or exclude a specific broker-dealer firm or firms in a competitive bidding process, or to institute a similar limitation with respect to orders executed for its account (which restrictions are collectively referred to in this section as "restricted brokerage"). Restricted brokerage may affect (1) EVMI's ability to negotiate favorable commission rates or volume discounts, (2) the availability of certain spreads, and (3) the timeliness of execution, and as a consequence, may result in a less advantageous price being realized by the account. EVMI normally will not include orders for restricted brokerage accounts in larger simultaneous aggregated transactions but rather it normally will place orders for restricted brokerage accounts after the completion of non-restricted brokerage orders so as to avoid conflicts in the trading marketplace. For directed brokerage accounts, the client will be responsible for negotiating the commission rates with such firms or firms, and that negotiation may result in higher commissions than would have been paid if EVMI had full discretion in the selection of broker-dealer firms. In addition, client directed brokerage on behalf of employee

benefit plan clients may be subject to special requirements under the Employee Retirement Income Security Act of 1974 (“ERISA”).

Trade Errors

On occasion, EVMI may make an error in executing securities transactions for a client account. For example, a security may be erroneously purchased for the account instead of sold, or a trade may be entered for an incorrect number of shares. In these situations, EVMI generally seeks to rectify the error by placing the fund or account in a similar position as it would have been if there had been no error. Depending on the circumstances, and subject to applicable legal and contractual requirements, various corrective steps may be taken, including canceling the trade or correcting an allocation.

Review of Accounts

Institutional Clients

The frequency of the review of such accounts, the nature of the review and the factors which may trigger reviews can vary widely among particular accounts, depending on the client's investment objectives and circumstances and the complexity, portfolio structure and size of an account. The portfolio manager of each account (or his or her designated representative) is responsible for reviewing all accounts for which he or she is the principal account manager. The responsible portfolio managers conduct regular reviews at or prior to the time quarterly written appraisal reports are sent to clients. Interim reviews may be triggered by numerous factors, such as: significant equity price or interest rate changes; new economic forecasts; investment policy changes of EVMI; asset additions to the account by the client; and/or changes in a client's objectives, instructions, or circumstances. The report also may include other data, including (among other things) investment commentary.

The number of accounts assigned to individual EVMI portfolio managers may vary depending upon an individual's committee or other responsibilities within EVMI or upon the complexity, size, discretion level or other circumstances of the particular accounts involved.

EV Funds

The portfolios of the EV Funds are regularly reviewed by the responsible portfolio manager(s) for each such Fund. The performance of an EV Fund and its portfolio manager(s) is also reviewed periodically by such portfolio manager's supervisor. The portfolios of EV Funds are formally reviewed at least annually at meetings of the EV Funds' Board of Trustees or by a Committee of the Board of Trustees.

Client Referrals and Other Compensation

EVMI may enter into written agreements with certain broker-dealer firms and other financial intermediaries or other entities or individuals permitted by law to compensate such firms or individuals for having referred certain investment advisory clients to EVMI. Each firm or individual with whom an agreement exists is typically compensated in cash based upon a percentage of the investment advisory fee actually received by EVMI from each referred client and/or by a flat fee. Such compensation typically continues as long as such client continues to employ EVMI as the client's investment adviser and, in some cases, only if the representative of the firm who introduced the client to EVMI remains an employee of the firm. Generally, the clients referred pay an advisory fee that is no higher as a result of this arrangement than EVMI's regular advisory fee as set forth in *Fees and Compensation* above. Notwithstanding the foregoing, however, EVMI may at times enter into a referral agreement whereby the annual advisory fee paid by the client is higher than the customary advisory fee charged by EVMI by reason of the compensation paid to the firm or individual referring such client. In such cases, EVMI would notify the client and obtain a written disclosure statement executed by the client which acknowledges the higher fee payment.

EVMI may also enter into written agreements with certain broker-dealer firms and other financial intermediaries to compensate such firms for distributing shares of Offshore Funds. Each firm with whom an agreement exists is typically compensated in cash based upon a percentage of the net asset value of the shares of the Offshore Funds distributed by such firm.

Custody

EVMI does not maintain custody of client funds and securities; client assets are maintained with unaffiliated qualified custodians.

Investment Discretion

EVMI ordinarily manages client accounts on a discretionary basis. Institutional Account clients may impose limitations or restrictions regarding the management of their portfolios. These limitations or restrictions are negotiated individually with each client at the time the investment advisory agreement is signed, and may be modified by the client by notifying EVMI in writing. EVMI may be unable to accommodate certain investment limitations or restrictions sought by an Institutional Account client.

An Institutional Account client must authorize EVMI in writing in order for EVMI to trade and manage the client's account with an outside custodian. This authorization is included in the investment advisory agreement. EVMI does not typically require Institutional Account clients to assign a power of attorney for EVMI to manage their assets. For accounts that include certain types of derivative instruments, EVMI generally requests that Institutional Account clients execute some investment documentation directly (for example, when the documents require specific confirmations about the client's tax status or other detailed information). In addition, EVMI may occasionally request that Institutional Account clients execute a limited power of attorney or trading authorization when additional evidence of EVMI's authority to act on behalf of the client is required (for example, in dealing with the bankruptcy of the issuer of a portfolio security or a counterparty or when trading in derivative instruments under the client's investment documentation).

In managing the EV Funds, EVMI is subject to any applicable investment restrictions adopted by the Funds, as well as the ongoing oversight of each Fund's Board of Trustees. EVMI consults with the Board of Trustees on a variety of significant matters relating to the Funds, including some strategic investment matters.

Voting Client Securities

General Policy. EVMI has adopted proxy voting policies and procedures (the “Policies”) with respect to the voting of proxies on behalf of all clients, including mutual funds advised or subadvised by EVMI, for which EVMI has voting responsibility. EVMI manages its clients’ assets with the overriding goal of seeking to provide the greatest possible return to clients consistent with governing laws and the investment policies of each client. Each client is generally permitted to instruct EVMI on how to vote proxy solicitations received in connection with securities held in the client’s account. Unless EVMI receives instructions from a client on how to vote a particular solicitation, EVMI will vote in accordance with the Policies. When charged with the responsibility to vote proxies on behalf of its clients, EVMI seeks to exercise its clients’ rights as shareholders of voting securities to support sound corporate governance of the companies issuing those securities with the principal aim of maintaining or enhancing the companies’ economic value.

Voting and Use of Proxy Voting Service. The Policies are designed to promote accountability of a company’s management to its shareholders and to align the interests of management with those shareholders. When charged with the responsibility to vote proxies on behalf of its clients, EVMI will generally vote such proxies through an independent, unaffiliated third-party voting service (“Proxy Voting Service”) in accordance with customized policies (“Guidelines”), and with respect to proxies referred back to EVMI by the Proxy Voting Service pursuant to the Policies, in a manner that is reasonably designed to eliminate any potential conflicts of interest. The Proxy Voting Service currently is Institutional Shareholder Services; The Proxy Voting Service is responsible for coordinating with the clients’ custodians to ensure that all proxy materials received by the custodians relating to the clients’ portfolio securities are processed in a timely fashion. In addition, the Proxy Voting Service is responsible for maintaining copies of all proxy statements received by issuers and to promptly provide such materials to EVMI upon request.

The Proxy Voting Service is required to establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services to EVMI, including methods to reasonably ensure that its analysis and recommendations are not influenced by a conflict of interest. The Guidelines include voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. EVMI may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweigh the benefits derived from exercising the right to vote. The Proxy Voting Service will refer proxies to EVMI for instructions under circumstances where: (1) the application of the Guidelines is unclear; (2) a particular proxy question is not covered by the Guidelines; or (3) the Guidelines require input from EVMI. When a proxy voting issue has been referred to EVMI, the analyst covering the company subject to the proxy proposal determines the final vote (or decision not to vote) and the Proxy Administrator instructs the Proxy Voting Service to vote accordingly for securities held in client accounts. Where more than one analyst covers a particular company and the recommendations of such analysts voting a proposal conflict, the Global Proxy Group will review such recommendations and any other available information related to the proposal and determine the manner in which it should be voted, which may result in different recommendations for different clients.

Proxy Voting Administrator and Global Proxy Group. EVMI has appointed a Proxy Administrator to assist in the coordination of the voting of each client's proxy in accordance with the Guidelines and the Policies. EVMI and its affiliates have also established a Global Proxy Group. The Global Proxy Group develops EVMI's positions on all major corporate issues, creates the Guidelines and oversees the proxy voting process.

The Proxy Administrator maintains a record of all proxy questions that have been referred by the Proxy Voting Service, all applicable recommendations, analysis and research received and any resolution of the matter. Before instructing the Proxy Voting Service to vote contrary to the Guidelines or the recommendation of the Proxy Voting Service, the Proxy Administrator will provide the Global Proxy Group with the Proxy Voting Service's recommendation for the proposal along with any other relevant materials, including the basis for the analyst's recommendation. The Proxy Administrator will then instruct the Proxy Voting Service to vote the proxy in the manner determined by the Global Proxy Group. A similar process will be followed if the Proxy Voting Service has a conflict of interest with respect to a proxy. With respect to mutual fund clients advised or subadvised by EVMI, the Board of Trustees of the mutual fund will receive a report from EVMI reflecting any votes cast contrary to the Guidelines or Proxy Voting Service recommendations, as applicable, no less than annually.

Conflicts of Interest. The Global Proxy Group is responsible for monitoring and resolving possible material conflicts with respect to proxy voting. Because the Guidelines are predetermined and designed to be in the best interests of shareholders, application of the Guidelines to vote client proxies should, in most cases, adequately address any possible conflict of interest. EVMI will monitor situations that may result in a conflict of interest between any of its clients and EVMI or any of its affiliates by maintaining a list of significant existing and prospective corporate clients. The Proxy Administrator will compare such list with the names of companies of which he or she has been referred a proxy statement (the "Proxy Companies"). If a company on the list is also a Proxy Company, the Proxy Administrator will report that fact to the Global Proxy Group. If the Proxy Administrator intends to instruct the Proxy Voting Service to vote in a manner inconsistent with the Guidelines, the Global Proxy Group will first determine, in consultation with legal counsel if necessary, whether a material conflict exists. If it is determined that a material conflict exists, EVMI will seek instruction on how the proxy should be voted from (1) the client, in the case of an individual or corporate client; (2) in the case of a mutual fund, its board of directors, or any committee or subcommittee identified by the board; or (3) the adviser, in situations where EVMI acts as sub-adviser to such adviser. If a matter is referred to the Global Proxy Group, the decision made and basis for the decision will be documented by the Proxy Administrator and/or Global Proxy Group.

Clients may obtain a complete copy of the Policies and/or Guidelines and/or information on how EVMI voted on proxies related to securities held in the accounts by contacting EVMI at +44 (0) 203 207 1900 (UK) or at (800) 225-6265 (U.S.).

Financial Information

EVMI does not require or solicit prepayments of more than \$1,200 from clients six months or more in advance. EVMI does, however, have discretionary authority over client funds and securities. EVMI currently does not know of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

Requirements for State-Registered Advisers

EVMI is not currently registered with any state securities authority.

Privacy Notice

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, Eaton Vance Trust Company, Eaton Vance Advisers International Limited, Eaton Vance Management’s Real Estate Investment Group, Eaton Vance Distributors, Inc. and Eaton Vance Management (International) Limited.

In addition, our Privacy Policy applies only 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.