

# Eaton Vance Total Return Bond ETF

## Macro Themes

In December, fixed income markets closed the year with a broad repricing of rate expectations, as central bank actions and communication reinforced a more cautious policy outlook. Across developed markets, yields moved higher and curves steepened as investors pushed out expectations for future rate cuts and assigned greater weight to rising term premia. In the U.S., the Federal Reserve delivered a 25 basis point rate cut, but guidance emphasized data dependence, anchoring front-end yields while higher global yields pushed longer maturities higher. In Europe, the European Central Bank held rates steady but struck a more hawkish tone, while policy divergence remained evident elsewhere, including a rate hike by the Bank of Japan and a hawkishly interpreted cut by the Bank of England. In foreign exchange, the U.S. dollar weakened modestly on the month, with the Swedish krona and Canadian dollar outperforming and the Japanese yen lagging.

Despite higher government bond yields, credit markets ended the year on a constructive note. Investment grade spreads tightened modestly, supported by strong year-end inflows, limited primary issuance, and continued demand for carry, with European credit outperforming the U.S. High yield posted its strongest month of the fourth quarter, benefiting from improving risk appetite, supportive technicals, and a benign default backdrop, while convertible bonds underperformed amid renewed volatility in crypto-linked equities despite robust primary issuance.

Securitized markets were among the strongest performers in December. Agency Mortgage-Backed Securities (MBS) spreads tightened meaningfully as the yield curve steepened and valuations remained attractive relative to other core fixed income sectors. Demand from money managers remained strong, and early signs of stabilization emerged in bank balance sheet participation as the Fed's balance sheet runoff continued at a measured pace. Issuance across securitized credit was steady, capping a solid year of supply and reinforcing the sector's role as a high-carry, shorter-duration alternative within fixed income portfolios.

## Performance

### Net Returns vs. Bloomberg U.S. Aggregate Index (basis points)

	1M	3M	YTD	1 Year	3 Years
<b>Fund (NAV %)</b>	<b>-5</b>	<b>125</b>	<b>823</b>	<b>823</b>	<b>646</b>
Index	-15	110	730	730	466
<b>Net Active Return</b>	<b>10</b>	<b>15</b>	<b>93</b>	<b>93</b>	<b>180</b>
<b>Duration/Curve</b>	<b>-5</b>	<b>4</b>	<b>15</b>	<b>15</b>	<b>-23</b>
<b>Sector/Security</b>	<b>15</b>	<b>20</b>	<b>101</b>	<b>101</b>	<b>229</b>
Corporates	7	2	39	39	71
Securitized	8	15	60	60	149
Fees/Other	0	-9	-23	-23	-26

**Past performance is no guarantee of future results.** Returns greater than a year have been annualized. See next page for standardized performance.

- Over the past 12 months, the Fund delivered 93 basis points of alpha over the U.S. Aggregate, driven by strong security selection in securitized credit, agency MBS, and Investment Grade (IG) corporates, and a positive contribution from an allocation to high yield corporates.
- In December, the Fund outperformed the U.S. Aggregate by 10 basis points, mainly from its allocation to high yield corporates and positive security selection in both IG corporates and securitized credit.

## Positioning/Best Ideas

**Macro:** We maintained a neutral duration stance and continued to express our views through U.S. yield-curve steepeners, which we believe offer attractive risk-reward in an environment where carry is likely to remain the primary driver of returns. In foreign exchange, we modified our basket of higher-beta currencies versus the U.S. dollar, rotating from the Hungarian forint into the Polish zloty based on relative central bank dynamics.

**Credit:** During the month, we increased our overweight to agency MBS, adding floating-rate Collateralized Mortgage Obligations (CMOs) where valuations were particularly attractive relative to corporates. Within securitized credit, we modestly increased exposure to non-agency MBS and Commercial Mortgage-Backed Securities (CMBS). We further trimmed IG corporates across both industrials and financials amid rising Mergers and Acquisitions (M&A) activity and an expanding new-issue calendar. We also took advantage of new-issue concessions, participating in four corporate and four securitized transactions.

We maintain meaningful exposure to U.S. Treasuries and other high-quality assets, providing ballast and downside protection while preserving flexibility to capitalize on any spread widening.

## Outlook

**Corporate Credit:** We remain underweight IG credit as valuations remain tight, fundamentals are peaking, and we expect technicals to weaken. Balance sheets are healthy, but spreads leave little margin for error. Long-dated issuance for Artificial Intelligence capex and an active M&A pipeline could worsen technicals and a modest widening could erase carry. We prefer Europe over the U.S. on better supply dynamics and favor financials, especially banks, given strong capital and limited net supply. We underweight single-A non-financials where M&A risk is higher. We hold a modest overweight to select U.S. and European high yield as higher carry, shorter spread duration, and issuer dispersion support security selection. High yield defaults may rise modestly but should stay contained.

**Securitized:** Agency MBS and non-agency MBS are our highest conviction overweights for 2026. After strong 2025 performance, agency MBS still offer attractive spread pickup versus history, IG corporates and cash, with demand likely to rise as regulations ease, rates fall, and banks and asset managers add. A measured Fed runoff should limit supply pressure. Non-agency MBS look compelling on stable home prices, low delinquencies, limited issuance and minimal refinance risk. In CMBS, we are selective, favoring higher-quality exposure (hospitality, logistics, storage and multifamily, with opportunistic office). We also favor Danish covered bonds for defensive quality and attractive USD-hedged yields.

## ETF Statistics

Market Price (\$)	51.50
Average Premium (%)	0.03
Average Bid/Ask Spread (\$)	0.01
Market Cap (\$M)	4,198
Market Cap Change (\$M)	179
Flows (\$M)	198
Average Volume (k)	449
Number of Primary Activity Days	10
Expense Ratio (%)	0.32

Source: Bloomberg. Expenses are based on the fund's current prospectus, in effect as of the date of this fact sheet. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus.

## Investment Performance in USD

As of December 31, 2025

Ticker	Cumulative (%)		Annualized (% P.A.)			Inception (11/14/1984)
	YTD	1 Year	3 Years	5 Years	10 Years	
EVTR NAV	8.23	8.23	6.46	0.62	3.84	6.36
EVTR Market Price	8.10	8.10	6.47	0.63	3.84	6.36
Bloomberg U.S. Aggregate Index	7.30	7.30	4.66	-0.36	2.01	5.96

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please call 1-800-836-2414, or visit [eatonvance.com](http://eatonvance.com). Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 p.m. net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

Prior to listing date, the ETF operated as a mutual fund. The ETF has the same investment goal and uses a substantively similar investment strategy as the predecessor mutual fund. The NAV and market price performance of the ETF use the predecessor mutual fund's NAV from inception to listing. The ETF's returns reflect the higher expenses of the predecessor mutual fund and have not been adjusted. Predecessor fund performance may have been different if it had an ETF structure. The market price return is calculated from closing prices as calculated by the fund's listing exchange for the ETF. The market price return is calculated from closing prices as calculated by the fund's listing exchange for the ETF. If shares are traded at another time, returns may differ. Returns for the period from inception to listing date use the Fund's NAV as a market price proxy.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

**INDEX INFORMATION:** Bloomberg U.S. Aggregate Index is an unmanaged index of domestic investment-grade bonds, including corporate, government and mortgage-backed securities. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor.

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### DEFINITIONS

**Alpha** is the excess return or value added (positive or negative) of the portfolio's return relative to the return of the benchmark. A **basis point** is a unit of measure, equal to one hundredth of a percentage point, used in finance to describe the percentage change in the value or rate of a financial instrument. **Asset-backed securities (ABS)** are financial investments collateralized by an underlying pool of assets—usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, or receivables.

**Commercial Mortgage-Backed Securities (CMBS)** are subject to credit risk and prepayment risk. Although prepayment risk is present, it is of a lesser degree in CMBS than in the residential mortgage market; commercial real estate property loans often contain provisions which substantially reduce the likelihood that such securities will be prepaid. **Residential Mortgage-Backed Securities (RMBS)** are subject to credit risk and prepayment risk. **Mortgage-backed securities (MBS)** are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (liquidity risk). They are also subject to credit, market and interest rate risks. **5s30s Segment** refers to the yield curve spread between 5-year U.S. Treasury notes and 30-year U.S. Treasury bonds.

**RISK CONSIDERATIONS:** Diversification does not eliminate the risk of loss. There is no assurance that a portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the portfolio will decline. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this portfolio. Please be aware that this portfolio may be subject to certain additional risks. **Fixed-income securities** are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest-rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. Longer-term securities may be more sensitive to interest rate changes. **Mortgage and asset-backed securities** are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (liquidity risk). They are also subject to credit, market and interest rate risks. **Collateralized loan obligations** carry additional risks such as the Fund may invest in CLOs that are subordinate to other classes and the complex structure may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results. **When-Issued Securities, Delayed Delivery Securities, TBAs and Forward Commitments.** These investments may result in a form of leverage and may increase volatility in the Fund's share price. They are subject to risks such as failure of the counterparty to perform its obligation to deliver the security, the characteristics of a security delivered to the Fund may be less favorable than expected and the security the Fund buys will lose value prior to its delivery. **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks. Due to the possibility that prepayments will alter the cash flows on **Collateralized mortgage obligations (CMOs)**, it is not possible to determine in advance their final maturity date or average life. In addition, if the collateral securing the CMOs or any third party guarantees are insufficient to make payments, the strategy could sustain a loss. Certain **U.S. government securities** purchased by the portfolio, such as those issued by Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. It is possible that these issuers will not have the funds to meet their payment obligations in the future. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **High yield securities (junk bonds)** are lower rated securities that may have a higher degree of credit and liquidity risk. Foreign securities are subject to currency, political, economic and market risks. Investments in **foreign markets** entail special risks such as currency, political, economic, market and liquidity risks. In emerging countries, these risks may be more significant. The portfolio may engage in active and frequent trading of its portfolio securities. A high **portfolio turnover** rate could result in high brokerage costs and an increase in taxable capital gains distributions. **Preferred securities** are subject to interest rate risk and generally decreases in value if interest rates rise and increase in value if interest rates fall. **Active Management Risk.** In pursuing the Fund's investment objective, the Adviser has considerable leeway in deciding which investments to buy, hold or sell on a day-to-day basis, and which trading strategies to use. For example, the Adviser, in its discretion, may determine to use some permitted trading strategies while not using others. The success or failure of such decisions will affect the Fund's performance. **Participant Concentration Risk.** The Portfolio has a limited number of intermediaries that act as authorized participants and none of these authorized participants is or will be obligated to engage in creation or redemption transactions. As a result, shares may trade at a discount to net asset value (NAV) and possibly face trading halts and/or delisting. **Trading Risk.** The market prices of Shares are expected to fluctuate, in some cases materially, in response to changes in the Portfolio's NAV, the intra-day value of holdings, and supply and demand for Shares. The Adviser cannot predict whether Shares will trade above, below or at their NAV. Buying

or selling Shares in the secondary market may require paying brokerage commissions or other charges imposed by brokers.

**Morgan Stanley Investment Management Inc. is the adviser to the Eaton Vance ETFs. Eaton Vance ETFs are distributed by Foreside Fund Services, LLC.**

Eaton Vance, is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

Before investing in any Eaton Vance ETF, prospective investors should consider carefully the investment objective(s), risks, and charges and

expenses. The current prospectus contains this and other information. To obtain a prospectus or summary prospectus (which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this material), download a copy at [eatonvance.com](http://eatonvance.com) or call 1-800-548-7786. Prospective investors should read the prospectus carefully before investing.

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