Eaton Vance

TICKER	MONTHLY REVIEW
EVTR	March 31, 2025

Eaton Vance Total Return Bond ETF

Macro Themes

Uncertainty surrounding fiscal and trade policy remains front and center. Risk assets were weaker in March on more tariffs, deterioration in sentiment and first signs of weaker hard data as well. After initially rising, developed market interest rates declined as growth downside worries dominated. As rates dropped, investment grade (IG) corporates could not keep up given that credit spreads started off the year near generational tights. Meanwhile the cheapening of high yield is justified, it's a reminder they encapsulate risk. Economic data – particularly soft data – showed a weakening in sentiment among both consumers and corporations, alongside slightly higher inflation expectations. At the March Federal Open Market Committee (FOMC) meeting the Fed lowered its projections for growth and raised those for inflation and unemployment, but also stressed that economic uncertainty has increased due to policy unknowns. Hard data, including February payrolls and retail sales were less downbeat. However, markets remained focused on the downside risks to growth posed by policy uncertainty, a fall in public sector employment, and deteriorating confidence.

The U.S. Treasury yield curve bull steepened at the front-end with the 2-year falling 11 basis points while the 10-year ended the month unchanged at 4.21%, reflecting the market's struggle to reconcile inflation expectations with the looming economic slowdown. Equities experienced further negative pressure, with the S&P 500 and Dow Industrials down 5.6% and 4.1%, respectively, as investors shifted towards safer assets. The Bloomberg U.S. Aggregate Index returned 0.4% for the month.

Credit markets reflected the heightened risk aversion with U.S. investment-grade corporate spreads widened further, as investors sought to mitigate potential losses. High-yield corporate bonds also faced negative excess returns, reflecting the increased perceived risk of defaults in a slowing economy. Securitized credit spreads widened in sympathy with agency MBS and with the broader market turmoil.

Overall, March was characterized by significant market volatility and a clear shift towards risk-off positioning. The implementation of key tariffs, coupled with persistent concerns about economic growth and the U.S. debt ceiling situation, created a challenging environment for investors. While the Fed's policy remained stable, fluctuating bond yields and the equity market's decline underscored the prevailing uncertainty and the growing anticipation of potential future policy adjustments.

Performance

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

	1M	3M	YTD	1 Year	3 Years
Fund (NAV %)	**-9**	**276**	**276**	**652**	**151**
Index	4	278	278	488	52

Net Active Return	**-13**	**-2**	**-2**	**164**	**99**
Duration/Curve	**10**	**3**	**3**	**8**	**-12**
Sector/Security	**-22**	**-4**	**-4**	**166**	**147**
Corporates	-18	-8	-8	53	33
Securitized	-4	4	4	105	105
Other	-1	-1	-1	-10	-36

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

- Over the past 12 months, the Fund delivered 164 basis points of alpha over the U.S. Agg, driven by strong security selection in both securitized credit and IG corporates.
- In March, the Fund trailed by 13 basis points largely driven by its allocation to below-IG corporates as spreads widened.

Positioning/Best Ideas

Macro: The Fund has continued to maintain a steepener bias, specifically the 5s30s part of the curve.

Corporates: Considering the ongoing uncertainty and valuations below their long-term average, we continue to maintain an underweight to investment grade corporates as measured by active spread duration, opportunistically reducing BBB non-financial cyclicals that could under-perform in a sustained economic downtrend. We modestly added to our small allocation to high yield corporates as spreads widened. We took advantage of the new issue premium, participating in 10 primary deals.

Securitized: Securitized credit remains our favorite sector. However, we don't intend to increase our overweight as valuations have remained resilient in the face of volatility. We remain overweight to agency RMBS primarily in the higher coupons (5.5s and 6s).

The Fund has a sizable exposure to U.S. Treasuries and other high-quality assets, providing a ballast that can be used to take advantage of spread widening as opportunities become available.

Outlook

We believe tariffs as currently envisioned will be a significant blow to U.S. and global growth and inflation, increasing the probability of a stagflationary outcome and significantly increasing the probability of a recession. This will likely bring forth policy actions regarding monetary and fiscal policy easing, retaliatory trade actions, negotiating down tariffs, and appeasement. Volatility will remain high and most likely increase in the coming months. We believe bonds will continue to provide a critical hedge to risk asset in client portfolios.

Corporate Credit: We will remain patient with our underweight in corporate credit. All-in yields on U.S. IG corporate bonds are still in the 5-5.5% area, an attractive nominal and real yield if inflation returns, even if slowly, back to the current levels. Fundamentally strong starting point and more conservative behavior during this tumultuous period usually benefits creditors, suggesting that spreads will not widen to the extremes we have seen in previous recessionary periods, and at some point, with some differentiation among sectors, corporate bonds will warrant an increase in allocation. The high yield corporate market is more vulnerable, but we do not foresee a widening to usual recessionary levels.

Securitized Credit: Agency MBS has been one of the best performing sectors YTD and securitized credit has also performed well. Returns will likely come from carry versus spread tightening in the coming months. Current rate levels remain stressful for many borrowers and will continue to erode household balance sheets, causing stress for some consumer ABS, particularly involving lower income borrowers. Commercial real estate also remains challenged by current financing rates. Residential mortgage credit opportunities remain our favorite sector. We remain positive on Agency MBS valuations as they continue to remain attractive versus investment-grade corporate spreads and versus historical agency MBS spreads.

ETF Statistics

Market Price ($)	50.63
Average Premium (%)	0.11
Average Bid/Ask Spread ($)	0.03
Market Cap ($M)	1,683
Market Cap Change ($M)	151
Flows ($M)	158
Average Volume (k)	256
Number of Primary Activity Days	11
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 March 31, 2025

	Cumulative (%)		Annualized (% P.A)			
Ticker	**YTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**	**Inception (11/14/1984)**
EVTR NAV	2.76	6.52	1.51	1.56	3.12	6.34
EVTR Market Price	2.69	6.82	1.54	1.57	3.13	6.34
Bloomberg U.S. Aggregate Index	2.78	4.88	0.52	-0.40	1.46	5.96

As of December 31, 2024

	Cumulative (%)		Annualized (% P.A)			
Ticker	**YTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**	**Inception (11/14/1984)**
EVTR NAV	4.00	4.00	-1.44	0.55	2.99	6.31
EVTR Market Price	4.14	4.14	-1.40	0.57	3.01	6.31
Bloomberg U.S. Aggregate Index	1.25	1.25	-2.41	-0.33	1.35	5.93

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. 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.

DEFINITIONS

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.

The **S&P 500® Index** measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded Blue-Chip Stocks. **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. **Residential Mortgage-Backed Securities (RMBS)** are subject to credit risk and prepayment risk. **Mortgage-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. **Staflation** combines persistent high inflation with high unemployment and stagnant economic demand.

The indexes do not include any expenses, fees or sales charges. 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. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

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 **US 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.

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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 or call 1-800-548-7786. Prospective investors should read the prospectus carefully before investing.

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