

# Eaton Vance Ultra-Short Income ETF

## Macro Themes

On October 1, the U.S. government shut down, remaining closed through month-end and into November. Beyond the immediate drag on activity, the bigger loss was data — the lifeblood markets and policymakers use to gauge the economy. Of the three core indicators investors track — employment, inflation, and business sentiment — only about half the usual reports appeared. Nonfarm payrolls and unemployment data were not released, while the Consumer Price Index (CPI) arrived only because a small Bureau of Labor Statistics (BLS) team had finished pre-shutdown work for the Social Security Administration. The Producer Price Index (PPI), Personal Consumption Expenditures (PCE), and Gross Domestic Product (GDP) figures from the Bureau of Economic Analysis were all delayed, leaving the privately compiled Institute for Supply Management (ISM) business surveys as the only major indicators published on time.

Despite the data blackout, markets and the Federal Reserve carried on in the same information vacuum. The Fed delivered a second 25-basis-point rate cut, lowering the federal funds target range to 3.75%–4.00%. Chair Jerome Powell's cautious tone dampened hopes for further near-term easing and briefly reversed part of the Treasury rally ahead of the October 29 Federal Open Market Committee (FOMC) meeting. Even so, 10-year yields ended the month 7 basis points lower, and the curve flattened modestly. With the shutdown ongoing, the outlook has grown murkier. The Fed's rationale for cutting rates rests on a softer labor market, yet without official jobs data, that case remains speculative. Inflation, though slightly softer in the limited CPI release, stays above target, while private indicators such as Automatic Data Processing (ADP) employment and Challenger job cuts provide partial insight.

October's CPI now appears unlikely to be released in November, suggesting deeper data gaps ahead. If October was a "50% data month," November may fall closer to 40%, leaving investors and policymakers with even less visibility. Elsewhere, data scarcity wasn't an issue: most developed bond markets traded with a dovish bias, echoing the U.S. tone except Japan, which remains on a tightening path. The United Kingdom outperformed as softer data and renewed fiscal credibility drove 10-year government bond yields down 29 basis points. Across the euro area, yields fell between 8 basis points in Germany and 15 basis points in Italy, while Canada matched the U.S. with a 25-basis point cut but signaled its easing cycle may be complete.

## Performance

### Net Returns vs. Bloomberg 9-12 Months Short Treasury Index (basis points)

	1M	3M	YTD	1 Year
<b>Fund (NAV %)</b>	<b>36</b>	<b>136</b>	<b>427</b>	<b>519</b>
Index	30	130	362	445
<b>Net Active Return</b>	<b>6</b>	<b>6</b>	<b>65</b>	<b>74</b>
<b>Duration/Curve</b>	<b>3</b>	<b>-7</b>	<b>14</b>	<b>8</b>
<b>Sector/Security</b>	<b>4</b>	<b>18</b>	<b>68</b>	<b>85</b>
Corporates	3	11	45	50
Securitized	1	7	20	31
Other	-1	-5	-17	-19

**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 generated 74 basis points of alpha relative to the index, primarily driven by strong performance in both Investment Grade (IG) corporates and securitized credit.
- In October, the Fund outperformed the benchmark by 6 basis points, driven primarily by positive contributions from IG corporates.

## Positioning/Best Ideas

**Macro:** We remained underweight duration versus the benchmark but positioned toward the longer end of our historical range to balance downside protection with flexibility amid shifting rate dynamics.

**Credit:** We increased exposure to collateralized mortgage obligations (CMO) floaters, seeking lower beta exposure within Agency Mortgage-Backed Securities (MBS). We modestly added to IG corporates, mainly industrials, while staying selective with spreads still near historic tights. In the primary market, we took advantage of new-issue concessions, participating in six corporate and five securitized credit offerings.

The Fund maintains significant exposure to U.S. Treasuries and other high-quality assets, providing ballast to capture opportunities from potential spread widening while offering downside protection across market conditions.

## Outlook

**Corporate Credit:** We remain cautiously constructive on IG credit, expecting moderate growth with limited downgrade or default risk. Corporate fundamentals are sound, supported by strong balance sheets and disciplined leverage, while technicals stay favorable despite heavy issuance and renewed Mergers and Acquisitions (M&A)—especially in the technology and Artificial Intelligence (AI) sectors. With carry still the main return driver, tight spreads and potential policy-driven volatility warrant selectivity. We prefer issuers with resilient cash flows and low cyclicity, particularly in sectors benefiting from supportive domestic policy and stable fiscal conditions.

**Securitized:** We expect agency MBS spreads to tighten as attractive valuations draw inflows from banks and relative-value investors, with most compression likely as the Fed nears the end of its easing cycle. Credit securitized spreads should stay steady amid a flat curve. Carry remains the key return driver as high rates strain consumers and commercial real estate. We favor residential mortgage credit, especially non-agency Residential Mortgage-Backed Securities (RMBS), while remaining cautious on lower-rated Asset-backed Securities (ABS) and Commercial Mortgage-Backed Securities (CMBS). Sector stance: positive on agency MBS, selective on ABS, and opportunistic in CMBS tied to multifamily, logistics, and high-quality hotels and offices.

## ETF Statistics

Market Price (\$)	50.93
Average Premium (%)	0.01
Average Bid/Ask Spread (\$)	0.04
Market Cap (\$M)	250
Market Cap Change (\$M)	10
Flows (\$M)	10
Average Volume (k)	25
Number of Primary Activity Days	3
Expense Ratio (%)	0.17

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 October 31, 2025

Ticker	Cumulative (%)				Annualized (% P.A.)			
	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception (10/16/2023)
EVSB Market Price (%)	—	—	4.27	5.12	—	—	—	6.03
EVSB NAV (%)	0.36	1.36	4.27	5.19	—	—	—	6.02
Bloomberg 9-12 Months Short Treasury Index	0.30	1.30	3.62	4.45	—	—	—	5.02

As of September 30, 2025

Ticker	Cumulative (%)				Annualized (% P.A.)			
	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception (10/16/2023)
EVSB Market Price (%)	—	—	3.96	5.09	—	—	—	6.14
EVSB NAV (%)	0.45	1.32	3.90	5.13	—	—	—	6.11
Bloomberg 9-12 Months Short Treasury Index	0.42	1.20	3.31	4.22	—	—	—	5.09

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.

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: The Bloomberg 9-12 Months Short Treasury Index** measures the performance of U.S. Treasury bills, notes and bonds with a maturity between nine and 12 months. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance of the Fund.

**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. **Beta** refers to a bond's sensitivity to interest rate movements or broader market risk. **ICE BofA MOVE Index** measures U.S. bond market volatility by tracking a basket of OTC options on U.S. interest rate swaps. The index tracks implied normal yield volatility of a yield curve weighted basket of at-the-money one month options on the 2-year, 5-year, 10-year, and 30-year constant maturity interest rate swaps.

**Consumer Price Index (CPI)** is a measure that examines the average change over time in the prices paid by consumers for a basket of goods and

services. **Producer Price Index (PPI)** measures the average change over time in the selling prices received by domestic producers for their output. **Personal Consumption Expenditures (PCE)** is a measure of consumer spending on goods and services, including durable goods, nondurable goods, and services.

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.

**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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