

EATON VANCE EMERGING AND FRONTIER COUNTRIES EQUITY FUND  
EATON VANCE EMERGING MARKETS LOCAL INCOME FUND  
EATON VANCE GLOBAL INCOME BUILDER FUND  
EATON VANCE GLOBAL MACRO ABSOLUTE RETURN ADVANTAGE FUND  
EATON VANCE GLOBAL MACRO ABSOLUTE RETURN FUND  
EATON VANCE GLOBAL SOVEREIGN OPPORTUNITIES FUND  
EATON VANCE GOVERNMENT OPPORTUNITIES FUND  
EATON VANCE HIGH INCOME OPPORTUNITIES FUND  
EATON VANCE INCOME FUND OF BOSTON  
EATON VANCE MULTI-ASSET CREDIT FUND  
EATON VANCE SHORT DURATION GOVERNMENT INCOME FUND  
EATON VANCE SHORT DURATION HIGH INCOME FUND  
EATON VANCE SHORT DURATION INFLATION-PROTECTED INCOME FUND  
EATON VANCE SHORT DURATION STRATEGIC INCOME FUND  
EATON VANCE TAX-MANAGED EQUITY ASSET ALLOCATION FUND  
EATON VANCE TAX-MANAGED GLOBAL DIVIDEND INCOME FUND  
EATON VANCE TAX-MANAGED MULTI-CAP GROWTH FUND  
EATON VANCE TAX-MANAGED SMALL-CAP FUND  
EATON VANCE TAX-MANAGED VALUE FUND  
PARAMETRIC TAX-MANAGED INTERNATIONAL EQUITY FUND  
Supplement to Prospectuses and Statements of Additional Information (“SAIs”) dated March 1, 2023

EATON VANCE INTERNATIONAL SMALL-CAP FUND  
Supplement to Prospectus and SAI dated April 1, 2023

EATON VANCE FLOATING-RATE & HIGH INCOME FUND  
EATON VANCE FLOATING-RATE ADVANTAGE FUND  
EATON VANCE FLOATING-RATE FUND  
Supplement to Prospectus and SAI dated March 1, 2023 as revised April 19, 2023

EATON VANCE BALANCED FUND  
EATON VANCE CORE BOND FUND  
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EATON VANCE GREATER INDIA FUND  
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EATON VANCE VT FLOATING-RATE INCOME FUND  
PARAMETRIC COMMODITY STRATEGY FUND  
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EATON VANCE HIGH YIELD MUNICIPAL INCOME FUND  
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PARAMETRIC TABS INTERMEDIATE-TERM MUNICIPAL BOND FUND  
PARAMETRIC TABS SHORT-TERM MUNICIPAL BOND FUND  
PARAMETRIC VOLATILITY RISK PREMIUM-DEFENSIVE FUND  
Supplement to Prospectuses and SAIs dated June 1, 2023

EATON VANCE HIGH INCOME OPPORTUNITIES FUND  
Supplement to Prospectus and SAI dated June 30, 2023

EATON VANCE FOCUSED GROWTH OPPORTUNITIES FUND  
EATON VANCE FOCUSED VALUE OPPORTUNITIES FUND  
PARAMETRIC DIVIDEND INCOME FUND  
Supplement to Prospectuses and SAIs dated July 1, 2023

EATON VANCE NATIONAL LIMITED MATURITY MUNICIPAL INCOME FUND  
EATON VANCE NATIONAL ULTRA-SHORT MUNICIPAL INCOME FUND  
EATON VANCE NEW YORK MUNICIPAL OPPORTUNITIES FUND  
EATON VANCE SHORT DURATION MUNICIPAL OPPORTUNITIES FUND  
Supplement to Prospectuses and SAIs dated August 1, 2023

PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND  
Supplement to Prospectus and SAI dated November 1, 2023

EATON VANCE ARIZONA MUNICIPAL INCOME FUND  
EATON VANCE CONNECTICUT MUNICIPAL INCOME FUND  
EATON VANCE EMERGING MARKETS DEBT OPPORTUNITIES FUND  
EATON VANCE MINNESOTA MUNICIPAL INCOME FUND  
EATON VANCE MUNICIPAL OPPORTUNITIES FUND  
EATON VANCE NEW JERSEY MUNICIPAL INCOME FUND  
EATON VANCE PENNSYLVANIA MUNICIPAL INCOME FUND  
Supplement to Prospectuses and SAIs dated December 1, 2023

EATON VANCE GEORGIA MUNICIPAL INCOME FUND  
EATON VANCE GREATER CHINA GROWTH FUND  
EATON VANCE MARYLAND MUNICIPAL INCOME FUND  
EATON VANCE MISSOURI MUNICIPAL INCOME FUND  
EATON VANCE NORTH CAROLINA MUNICIPAL INCOME FUND  
EATON VANCE OREGON MUNICIPAL INCOME FUND  
EATON VANCE RICHARD BERNSTEIN ALL ASSET STRATEGY FUND  
EATON VANCE RICHARD BERNSTEIN EQUITY STRATEGY FUND  
EATON VANCE SOUTH CAROLINA MUNICIPAL INCOME FUND  
EATON VANCE VIRGINIA MUNICIPAL INCOME FUND  
EATON VANCE WORLDWIDE HEALTH SCIENCES FUND  
Supplement to Prospectuses and SAIs dated January 1, 2024

EATON VANCE AMT-FREE MUNICIPAL INCOME FUND  
EATON VANCE ATLANTA CAPITAL FOCUSED GROWTH FUND  
EATON VANCE ATLANTA CAPITAL SELECT EQUITY FUND  
EATON VANCE ATLANTA CAPITAL SMID-CAP FUND  
EATON VANCE CALIFORNIA MUNICIPAL OPPORTUNITIES FUND  
EATON VANCE MASSACHUSETTS MUNICIPAL INCOME FUND  
EATON VANCE NATIONAL MUNICIPAL INCOME FUND  
EATON VANCE NEW YORK MUNICIPAL INCOME FUND  
EATON VANCE OHIO MUNICIPAL INCOME FUND  
EATON VANCE TOTAL RETURN BOND FUND  
Supplement to Prospectuses and SAIs dated February 1, 2024  
(collectively the “Funds”)

Effective March 3, 2024, the Funds, Eaton Vance Management and Boston Management and Research, the Funds’ investment advisers, and Eaton Vance Distributors, Inc., the Funds’ distributor will change the location of their principal offices. Accordingly, effective on that date, all references to “Two International Place, Boston, Massachusetts 02110” are deleted from the Funds’ Prospectuses and Statements of Additional Information and replaced with “One Post Office Square, Boston, Massachusetts 02109.”

EATON VANCE AMT-FREE MUNICIPAL INCOME FUND  
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Supplement to SAI dated April 1, 2023

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EATON VANCE PENNSYLVANIA MUNICIPAL INCOME FUND  
Supplement to SAIs dated December 1, 2023**

**Effective January 1, 2024:**

- 1. The following replaces the “Principal Officers who are not Trustees” table under “Fund Management.” in “Management and Organization”:**

**Principal Officers who are not Trustees**

Name and Year of Birth	Trust/Portfolio Position(s)	Length of Service	Principal Occupation(s) During Past Five Years
KENNETH A. TOPPING 1966	President	Since 2023	Vice President and Chief Administrative Officer of Eaton Vance and BMR and Chief Operating Officer for Public Markets at MSIM. Officer of 107 registered investment companies managed by Eaton Vance or BMR. Also Vice President of Calvert Research and Management (“CRM”) since 2021. Formerly, Chief Operating Officer for Goldman Sachs Asset Management ‘Classic’ (2009-2020).
DEIDRE E. WALSH 1971	Vice President and Chief Legal Officer	Since 2021	Vice President of Eaton Vance and BMR. Officer of 127 registered investment companies managed by Eaton Vance or BMR. Also Vice President of CRM and officer of 46 registered investment companies advised or administered by CRM since 2021.
JAMES F. KIRCHNER 1967	Treasurer	Since 2013	Vice President of Eaton Vance and BMR. Officer of 127 registered investment companies managed by Eaton Vance or BMR. Also Vice President of CRM and officer of 46 registered investment companies advised or administered by CRM since 2016.
NICHOLAS DI LORENZO 1987	Secretary	Since 2022	Officer of 127 registered investment companies managed by Eaton Vance or BMR. Formerly, associate (2012-2021) and counsel (2022) at Dechert LLP.
LAURA T. DONOVAN 1976	Chief Compliance Officer	Since 2024	Vice President of Eaton Vance and BMR. Officer of 127 registered investment companies managed by Eaton Vance or BMR.

December 22, 2023

**Eaton Vance Arizona Municipal Income Fund**

Class A Shares - ETAZX Class C Shares - ECAZX Class I Shares - EIAZX

**Eaton Vance Connecticut Municipal Income Fund**

Class A Shares - ETCTX Class C Shares - ECCTX Class I Shares - EICTX

**Eaton Vance Minnesota Municipal Income Fund**

Class A Shares - ETMNX Class C Shares - ECMNX Class I Shares - EIMNX

**Eaton Vance Municipal Opportunities Fund**

Class A Shares - EMOAX Class C Shares - EMOCX Class I Shares - EMOIX

**Eaton Vance New Jersey Municipal Income Fund**

Class A Shares - ETNJX Class C Shares - ECNJX Class I Shares - EINJX

**Eaton Vance Pennsylvania Municipal Income Fund**

Class A Shares - ETPAX Class C Shares - ECPAX Class I Shares - EIPAX

Two International Place  
Boston, Massachusetts 02110  
1-800-262-1122

This Statement of Additional Information ("SAI") provides general information about the Funds. The Funds (except for New Jersey Municipal Income Fund) are diversified, open-end management investment companies. Eaton Vance New Jersey Municipal Income Fund is a non-diversified open-end management investment company. Each Fund is a series of Eaton Vance Municipals Trust. Capitalized terms used in this SAI and not otherwise defined have the meanings given to them in the Prospectus.

This SAI contains additional information about:

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*Although each Fund offers only its shares of beneficial interest, it is possible that a Fund might become liable for a misstatement or omission in this SAI regarding another Fund because the Funds use this combined SAI.*

This SAI is NOT a prospectus and is authorized for distribution to prospective investors only if preceded or accompanied by the Fund Prospectus dated December 1, 2023, as supplemented from time to time, which is incorporated herein by reference. This SAI should be read in conjunction with the Prospectus, which may be obtained by calling 1-800-262-1122.

## Definitions

The following terms that may be used in this SAI have the meaning set forth below:

“1940 Act” means the Investment Company Act of 1940, as amended;

“1933 Act” means the Securities Act of 1933, as amended;

“Board” means Board of Trustees or Board of Directors, as applicable;

“CEA” means Commodity Exchange Act;

“CFTC” means the Commodity Futures Trading Commission;

“Code” means the Internal Revenue Code of 1986, as amended;

“Eaton Vance family of funds” means all registered investment companies advised or administered by Eaton Vance Management (“Eaton Vance”) or Boston Management and Research (“BMR”);

“Eaton Vance funds” means the mutual funds advised by Eaton Vance or BMR;

“FINRA” means the Financial Industry Regulatory Authority, Inc.;

“Fund” means the Fund or Funds listed on the cover of this SAI unless stated otherwise;

“investment adviser” means the investment adviser identified in the prospectus and, with respect to the implementation of the Fund’s investment strategies (including as described under “Taxes”) and portfolio securities transactions, any sub-adviser identified in the prospectus to the extent that the sub-adviser has discretion to perform the particular duties;

“IRS” means the Internal Revenue Service;

“NYSE” means the New York Stock Exchange;

“Portfolio” means a registered investment company (other than the Fund) sponsored by the Eaton Vance organization in which one or more Funds and other investors may invest substantially all or any portion of their assets as described in the prospectus, if applicable;

“Subsidiary” means a wholly owned subsidiary that certain funds may have established to pursue their investment objective. No Fund described in this SAI has established a Subsidiary;

“SEC” means the U.S. Securities and Exchange Commission; and

“Trust” means Eaton Vance Municipals Trust, of which each Fund is a series.

## STRATEGIES AND RISKS

The Fund prospectus identifies the types of investments in which the Fund will principally invest in seeking its investment objective(s) and the principal risks associated therewith. The categories checked in the table below are all of the investments the Fund is permitted to make, including its principal investments and the investment practices the Fund (either directly or through one or more Portfolios as may be described in the prospectus) is permitted to engage in. To the extent that an investment type or practice listed below is not identified in the Fund prospectus as a principal investment strategy, the Fund generally expects to invest less than 5% of its total assets in such investment type. The Fund may hold a security or other instrument that is not otherwise identified as permissible if it is received through a corporate action. If a particular investment type or practice that is checked and listed below but not referred to in the prospectus becomes a more significant part of the Fund’s strategy, the prospectus may be amended to disclose that investment type or practice. Information about the various investment types and practices and the associated risks checked below is included in alphabetical order in this SAI under “Additional Information about Investment Strategies and Risks.

Investment Type	Permitted for or Relevant to the Funds
Asset-Backed Securities (“ABS”)	
Auction Rate Securities	√
Build America Bonds	√
Call and Put Features on Securities	√
Collateralized Mortgage Obligations (“CMOs”)	
Commercial Mortgage-Backed Securities (“CMBS”)	
Commodity-Related Investments	
Common Stocks	

Investment Type	Permitted for or Relevant to the Funds
Contingent Convertible Securities	
Convertible Securities	
Credit Linked Securities	√
Derivative Instruments and Related Risks	√
Derivative-Linked and Commodity-Linked Hybrid Instruments	
Direct Investments	
Emerging Market Investments	
Equity Investments	
Equity-Linked Securities	
Event-Linked Instruments	
Exchange-Traded Funds (“ETFs”)	√
Exchange-Traded Notes (“ETNs”)	
Fixed-Income Securities	√
Foreign Currency Transactions	
Foreign Investments	
Forward Foreign Currency Exchange Contracts	
Forward Rate Agreements	√
Futures Contracts	√
Hybrid Securities	
Illiquid Investments	√
Indexed Securities	
Inflation-Indexed (or Inflation-Linked) Bonds	√
Junior Loans	
Liquidity or Protective Put Agreements	√
Loans	
Lower Rated Investments	√
Master Limited Partnerships (“MLPs”)	
Money Market Instruments	√
Mortgage-Backed Securities (“MBS”)	
Mortgage Dollar Rolls	
Municipal Lease Obligations (“MLOs”)	√
Municipal Obligations	√ <sup>(1)</sup> (2)
Option Contracts	√
Pooled Investment Vehicles	√
Preferred Stock	
Real Estate Investments	
Repurchase Agreements	
Residual Interest Bonds	√
Reverse Repurchase Agreements	
Rights and Warrants	
Royalty Bonds	
Senior Loans	
Short Sales	
Stripped Mortgage-Backed Securities (“SMBS”)	
Structured Notes	

Investment Type	Permitted for or Relevant to the Funds
Swap Agreements	√
Swaptions	
Trust Certificates	
U.S. Government Securities	√
Unlisted Securities	√
Variable Rate Instruments	√
When-Issued Securities, Delayed Delivery and Forward Commitments	√
Zero Coupon Bonds, Deep Discount Bonds and Payment-In-Kind ("PIK") Securities	√

Other Disclosures Regarding Investment Practices	Permitted for or Relevant to the Funds
Average Effective Maturity	√
Borrowing for Investment Purposes	√
Borrowing for Temporary Purposes	√
Cybersecurity Risk	√
Diversified Status	√ <sup>(3)</sup>
Dividend Capture Trading	
Duration	√
ESG Investment Risk	
Investing in a Portfolio	
Investments in the Subsidiary	
LIBOR Transition and Associated Risk	√
Operational Risk	√
Option Strategy	
Participation in the ReFlow Liquidity Program	√
Portfolio Turnover <sup>(4)</sup>	√
Restricted Securities	√
Securities Lending	√
Short-Term Trading	√
Significant Exposure to Health Sciences Companies	
Significant Exposure to Smaller Companies	
Significant Exposure to Utilities and Financial Service Sectors	
Tax-Managed Investing	

<sup>(1)</sup> Funds that seek to avoid state income taxes invest a significant portion of their assets in obligations issued by issuers in a particular state. Each Fund, except Eaton Vance Municipal Opportunities Fund, also may invest a total of up to 35% of its net assets in the obligations of Puerto Rico, the U.S. Virgin Islands and Guam and invest to a more limited extent in obligations issued by the N. Mariana Territories and American Samoa. The risks associated with investing in municipal obligations of issuers of a particular state or U.S. territory are described under "State Specific Information" and "U.S. Territory Municipal Obligations" in an appendix to this SAI.

<sup>(2)</sup> As stated in the prospectus, the Fund has policies relating to the investment of securities in certain credit rating categories. The Fund may retain an obligation whose rating drops after its acquisition, including defaulted obligations, if such retention is considered desirable by the investment adviser.

<sup>(3)</sup> Applies to Arizona Municipal Income Fund, Connecticut Municipal Income Fund, Minnesota Municipal Income Fund, Municipal Opportunities Fund and Pennsylvania Municipal Income Fund.

<sup>(4)</sup> Pennsylvania Municipal Income Fund and Municipal Opportunities Fund experienced an increase in portfolio turnover rate during the fiscal year ended July 31, 2023 compared to the fiscal year ended July 31, 2022. The higher ratio is a result of increased trading activity due to fund flows and market opportunities over the period.

## INVESTMENT RESTRICTIONS

The following investment restrictions of each Fund are designated as fundamental policies and as such cannot be changed without the approval of the holders of a majority of a Fund's outstanding voting securities, which as used in this SAI means the lesser of: (a) 67% of the shares of a Fund present or represented by proxy at a meeting if the holders of more than 50% of the outstanding shares are present or represented at the meeting; or (b) more than 50% of the outstanding shares of a Fund. Accordingly, each Fund may not:

The following applies to all Funds except Municipal Opportunities Fund:



- (1) Borrow money or issue senior securities except as permitted by the 1940 Act;
- (2) Purchase securities on margin (but the Fund may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities). The deposit or payment by the Fund of initial or maintenance margin in connection with futures contracts or related options transactions is not considered the purchase of a security on margin;
- (3) Underwrite or participate in the marketing of securities of others, except insofar as it may technically be deemed to be an underwriter in selling a portfolio security under circumstances which may require the registration of the same under the 1933 Act;
- (4) Purchase or sell real estate (including limited partnership interests in real estate but excluding readily marketable interests in real estate investment trusts or readily marketable securities of companies which invest or deal in real estate or securities which are secured by real estate);
- (5) Purchase or sell physical commodities or contracts for the purchase or sale of physical commodities;
- (6) Make loans to any person except by (a) the acquisition of debt instruments and making portfolio investments, (b) entering into repurchase agreements and (c) lending portfolio securities; or
- (7) Invest 25% or more of its total assets in any one industry.

The following applies to Municipal Opportunities Fund only:

- (1) Borrow money or issue senior securities except as permitted by the 1940 Act;
- (2) Purchase any securities on margin (but the Fund and the Portfolio may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities). The deposit or payment by the Fund of initial, maintenance or variation margin in connection with all types of options and futures contract transactions is not considered the purchase of a security on margin;
- (3) Underwrite or participate in the marketing of securities of others, except insofar as it may technically be deemed to be an underwriter in selling a portfolio security under circumstances which may require the registration of the same under the Securities Act of 1933;
- (4) Purchase or sell real estate, although it may purchase and sell securities which are secured by real estate and securities of companies which invest or deal in real estate;
- (5) Make loans to other persons, except by (a) the acquisition of debt securities and making portfolio investments, (b) entering into repurchase agreements (c) lending portfolio securities and (d) lending cash consistent with applicable law; or
- (6) Concentrate its investments in any particular industry, but, if deemed appropriate for the Fund's objective, up to (but less than) 25% of the value of its assets may be invested in securities of companies in any one industry (although more than 25% may be invested in securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities).

The following applies to all Funds except New Jersey Municipal Income Fund:

- (7) With respect to 75% of its total assets, invest more than 5% of its total assets (taken at current value) in the securities of any one issuer, or invest in more than 10% of the outstanding voting securities of any one issuer, except obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities and except securities of other investment companies.

In addition, the Municipal Opportunities Fund may:

- (8) Purchase and sell commodities and commodities contracts of all types and kinds (including without limitation futures contracts, options on futures contracts and other commodities-related investments) to the extent permitted by law.

Each Fund's borrowing policy is consistent with the 1940 Act and guidance of the SEC or its staff, and will comply with any applicable SEC exemptive order.

Notwithstanding its investment policies and restrictions, each Fund may, in compliance with the requirements of the 1940 Act, invest: (i) all of its assets in an open-end management investment company with substantially the same investment objective(s), policies and restrictions as the Fund; or (ii) in more than one open-end management investment company sponsored by Eaton Vance or its affiliates, provided any such company has investment objective(s), policies and restrictions that are consistent with those of the Fund.

In addition, to the extent a registered open-end investment company acquires securities of a fund in reliance on Section 12(d)(1)(G) under the 1940 Act, such acquired fund shall not acquire any securities of a registered open-end investment company in reliance on Sections 12(d)(1)(F) or 12(d)(1)(G) under the 1940 Act.

For purposes of each Fund's policy not to invest 25% or more of its total assets in any one industry, securities of the U.S. Government, its agencies, or instrumentalities are not considered to represent industries. Municipal obligations backed by the credit of a governmental entity are also not considered to represent industries. However, municipal obligations backed only by the assets and revenues of non-governmental users may for this purpose be deemed to be issued by such non-governmental users. The foregoing 25% limitation would apply to these issuers. As discussed in the Prospectus and SAI, a Fund may invest more than 25% of its total assets in certain types of bonds, such as revenue bonds, and certain economic sectors, such as housing, hospitals and other health care facilities, utilities and industrial development bonds.

A Fund's investments in residual interest bonds and similar securities described in the Prospectus and this SAI will not be considered borrowing for the purposes of a Fund's restrictions on borrowing described herein and in the Prospectus.

Whenever an investment policy or investment restriction set forth in the Prospectus or this SAI states a requirement with respect to the percentage of assets that may be invested in any security or other asset, or describes a policy regarding quality standards, such percentage limitation or standard shall be determined immediately after and as a result of the acquisition by a Fund of such security or asset. Accordingly, unless otherwise noted, any later increase or decrease resulting from a change in values, assets or other circumstances or any subsequent rating change made by a rating service (or as determined by the investment adviser if the security is not rated by a rating agency), will not compel a Fund to dispose of such security or other asset. However, a Fund must always be in compliance with the borrowing policy set forth above. If a Fund is required to reduce borrowings, it will do so in a manner that is consistent with the 1940 Act and guidance of the SEC or its staff, and that complies with any applicable SEC exemptive order.

## MANAGEMENT AND ORGANIZATION

**Fund Management.** The Trustees of the Trust are responsible for the overall management and supervision of the affairs of the Trust. The Board members and officers of the Trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. Board members hold indefinite terms of office. Each Trustee holds office until his or her successor is elected and qualified, subject to a prior death, resignation, retirement, disqualification or removal. Under the terms of each Funds' current Trustee retirement policy, an Independent Trustee must retire and resign as a Trustee on the earlier of: (i) the first day of July following his or her 74th birthday; or (ii), with limited exception, December 31st of the 20th year in which he or she has served as a Trustee. However, if such retirement and resignation would cause each Fund to be out of compliance with Section 16 of the 1940 Act or any other regulations or guidance of the SEC, then such retirement and resignation will not become effective until such time as action has been taken for each Fund to be in compliance therewith. The "noninterested Trustees" consist of those Trustees who are not "interested persons" of the Trust, as that term is defined under the 1940 Act. The business address of each Board member and officer is Two International Place, Boston, Massachusetts 02110. As used in this SAI, "EV" refers to EV LLC, "Eaton Vance" refers to Eaton Vance Management, "MSIM" refers to Morgan Stanley Investment Management, Inc., and "EVD" refers to Eaton Vance Distributors, Inc. (see "Principal Underwriter" under "Other Service Providers"). EV is the trustee of Eaton Vance and BMR. Each of Eaton Vance, BMR, EVD and EV are indirect wholly owned subsidiaries of Morgan Stanley. Each officer affiliated with Eaton Vance may hold a position with other Eaton Vance affiliates that is comparable to his or her position with Eaton Vance listed below.

<u>Name and Year of Birth</u>	<u>Trust Position(s)</u>	<u>Length of Service</u>	<u>Principal Occupation(s) During Past Five Years and Other Relevant Experience</u>	<u>Number of Portfolios in Fund Complex Overseen By Trustee<sup>(1)</sup></u>	<u>Other Directorships Held During Last Five Years</u>
<b>Interested Trustee</b>					
ANCHAL PACHNANDA 1980	Trustee	Since 2023	Co-Head of Strategy of MSIM (since 2019). Formerly, Head of Strategy of MSIM (2017-2019). Ms. Pachnanda is an interested person because of her position with MSIM, which is an affiliate of the Trust..	127	None
<b>Noninterested Trustees</b>					
ALAN C. BOWSER 1962	Trustee	Since 2022	Private investor. Formerly, Chief Diversity Officer, Partner and a member of the Operating Committee, and formerly served as Senior Advisor on Diversity and Inclusion for the firm's chief executive officer, Co-Head of the Americas Region, and Senior Client Advisor of Bridgewater Associates, an asset management firm (2011-2023).	127	Independent Director of Stout Risius Ross (a middle market professional services advisory firm) (since 2021).

<u>Name and Year of Birth</u>	<u>Trust Position(s)</u>	<u>Length of Service</u>	<u>Principal Occupation(s) During Past Five Years and Other Relevant Experience</u>	<u>Number of Portfolios in Fund Complex Overseen By Trustee<sup>(1)</sup></u>	<u>Other Directorships Held During Last Five Years</u>
MARK R. FETTING 1954	Trustee	Since 2016	Private investor. Formerly held various positions at Legg Mason, Inc. (investment management firm) (2000-2012), including President, Chief Executive Officer, Director and Chairman (2008-2012), Senior Executive Vice President (2004-2008) and Executive Vice President (2001-2004). Formerly, President of Legg Mason family of funds (2001-2008). Formerly, Division President and Senior Officer of Prudential Financial Group, Inc. and related companies (investment management firm) (1991-2000).	127	None
CYNTHIA E. FROST 1961	Trustee	Since 2014	Private investor. Formerly, Chief Investment Officer of Brown University (university endowment) (2000-2012). Formerly, Portfolio Strategist for Duke Management Company (university endowment manager) (1995-2000). Formerly, Managing Director, Cambridge Associates (investment consulting company) (1989-1995). Formerly, Consultant, Bain and Company (management consulting firm) (1987-1989). Formerly, Senior Equity Analyst, BA Investment Management Company (1983-1985).	127	None
GEORGE J. GORMAN 1952	Chairperson of the Board and Trustee	Chairperson of the Board since 2021 and Trustee since 2014	Principal at George J. Gorman LLC (consulting firm). Formerly, Senior Partner at Ernst & Young LLP (a registered public accounting firm) (1974-2009).	127	None
VALERIE A. MOSLEY 1960	Trustee	Since 2014	Chairwoman and Chief Executive Officer of Valmo Ventures (a consulting and investment firm). Founder of Upward Wealth, Inc., dba BrightUp, a fintech platform. Formerly, Partner and Senior Vice President, Portfolio Manager and Investment Strategist at Wellington Management Company, LLP (investment management firm) (1992-2012). Formerly, Chief Investment Officer, PG Corbin Asset Management (1990-1992). Formerly worked in institutional corporate bond sales at Kidder Peabody (1986-1990).	127	Director of DraftKings, Inc. (digital sports entertainment and gaming company) (since September 2020). Director of Envestnet, Inc. (provider of intelligent systems for wealth management and financial wellness) (since 2018). Formerly, Director of Dynex Capital, Inc. (mortgage REIT) (2013-2020) and Director of Groupon, Inc. (e-commerce provider) (2020-2022).
KEITH QUINTON 1958	Trustee	Since 2018	Private investor, researcher and lecturer. Formerly, Independent Investment Committee Member at New Hampshire Retirement System (2017-2021). Formerly, Portfolio Manager and Senior Quantitative Analyst at Fidelity Investments (investment management firm) (2001-2014).	127	Formerly, Director (2016-2021) and Chairman (2019-2021) of New Hampshire Municipal Bond Bank.
MARCUS L. SMITH 1966	Trustee	Since 2018	Private investor and independent corporate director. Formerly, Chief Investment Officer, Canada (2012-2017), Chief Investment Officer, Asia (2010-2012), Director of Asian Research (2004-2010) and portfolio manager (2001-2017) at MFS Investment Management (investment management firm).	127	Director of First Industrial Realty Trust, Inc. (an industrial REIT) (since 2021). Director of MSCI Inc. (global provider of investment decision support tools) (since 2017). Formerly, Director of DCT Industrial Trust Inc. (logistics real estate company) (2017-2018).
SUSAN J. SUTHERLAND 1957	Trustee	Since 2015	Private investor. Director of Ascot Group Limited and certain of its subsidiaries (insurance and reinsurance) (since 2017). Formerly, Director of Hagerly Holding Corp. (insurance) (2015-2018) and Montpelier Re Holdings Ltd. (insurance and reinsurance) (2013-2015). Formerly, Associate, Counsel and Partner at Skadden, Arps, Slate, Meagher & Flom LLP (law firm) (1982-2013).	127	Formerly, Director of Kairos Acquisition Corp. (insurance/InsurTech acquisition company) (2021-2023).

<u>Name and Year of Birth</u>	<u>Trust Position(s)</u>	<u>Length of Service</u>	<u>Principal Occupation(s) During Past Five Years and Other Relevant Experience</u>	<u>Number of Portfolios in Fund Complex Overseen By Trustee<sup>(1)</sup></u>	<u>Other Directorships Held During Last Five Years</u>
SCOTT E. WENNERHOLM 1959	Trustee	Since 2016	Private investor. Formerly, Trustee at Wheelock College (postsecondary institution) (2012-2018). Formerly, Consultant at GF Parish Group (executive recruiting firm) (2016-2017). Formerly, Chief Operating Officer and Executive Vice President at BNY Mellon Asset Management (investment management firm) (2005-2011). Formerly, Chief Operating Officer and Chief Financial Officer at Natixis Global Asset Management (investment management firm) (1997-2004). Formerly, Vice President at Fidelity Investments Institutional Services (investment management firm) (1994-1997).	127	None
NANCY A. WISER 1967	Trustee	Since 2022	Formerly, Executive Vice President and the Global Head of Operations at Wells Fargo Asset Management (2011-2021).	127	None

<sup>(1)</sup> Includes both funds and portfolios in a hub and spoke structure.

#### Principal Officers who are not Trustees

<u>Name and Year of Birth</u>	<u>Trust Position(s)</u>	<u>Length of Service</u>	<u>Principal Occupation(s) During Past Five Years</u>
KENNETH A. TOPPING 1966	President	Since 2023	Vice President and Chief Administrative Officer of Eaton Vance and BMR and Chief Operating Officer for Public Markets at MSIM. Officer of 107 registered investment companies managed by Eaton Vance or BMR. Also Vice President of Calvert Research and Management (“CRM”) since 2021. Formerly, Chief Operating Officer for Goldman Sachs Asset Management ‘Classic’ (2009-2020).
DEIDRE E. WALSH 1971	Vice President and Chief Legal Officer	Since 2021	Vice President of Eaton Vance and BMR. Officer of 127 registered investment companies managed by Eaton Vance or BMR. Also Vice President of CRM and officer of 46 registered investment companies advised or administered by CRM since 2021.
JAMES F. KIRCHNER 1967	Treasurer	Since 2013	Vice President of Eaton Vance and BMR. Officer of 127 registered investment companies managed by Eaton Vance or BMR. Also Vice President of CRM and officer of 46 registered investment companies advised or administered by CRM since 2016.
NICHOLAS S. DI LORENZO 1987	Secretary	Since 2022	Officer of 127 registered investment companies managed by Eaton Vance or BMR. Formerly, associate (2012-2021) and counsel (2022) at Dechert LLP.
RICHARD F. FROID 1968	Chief Compliance Officer	Since 2017	Vice President of Eaton Vance and BMR since 2017. Officer of 127 registered investment companies managed by Eaton Vance or BMR. Formerly, Deputy Chief Compliance Officer (Adviser/Funds) and Chief Compliance Officer (Distribution) at PIMCO (2012-2017) and Managing Director at BlackRock/Barclays Global Investors (2009-2012).

The Board has general oversight responsibility with respect to the business and affairs of the Trust and each Fund. The Board has engaged an investment adviser and (if applicable) a sub-adviser(s) (collectively the “adviser”) to manage each Fund and an administrator to administer each Fund and is responsible for overseeing such adviser and administrator and other service providers to the Trust and each Fund. The Board is currently composed of eleven Trustees, including ten Trustees who are not “interested persons” of a Fund, as that term is defined in the 1940 Act (each a “noninterested Trustee”). In addition to six regularly scheduled meetings per year, the Board holds special meetings or informal conference calls to discuss specific matters that may require action prior to the next regular meeting. As discussed below, the Board has established five committees to assist the Board in performing its oversight responsibilities.

The Board has appointed a noninterested Trustee to serve in the role of Chairperson. The Chairperson’s primary role is to participate in the preparation of the agenda for meetings of the Board and the identification of information to be presented to the Board with respect to matters to be acted upon by the Board. The Chairperson also presides at all meetings of the Board and acts as a liaison with service providers, officers, attorneys, and other Board members generally between meetings. The Chairperson may perform such other functions as may be requested by the Board from time to time. In addition, the Board may appoint a noninterested Trustee to serve in the role of Vice-Chairperson. The Vice-Chairperson has the power and authority to perform any or all of the duties and

responsibilities of the Chairperson in the absence of the Chairperson and/or as requested by the Chairperson. Except for any duties specified herein or pursuant to the Trust's Declaration of Trust or By-laws, the designation of Chairperson or Vice-Chairperson does not impose on such noninterested Trustee any duties, obligations or liability that is greater than the duties, obligations or liability imposed on such person as a member of the Board, generally.

Each Fund and the Trust are subject to a number of risks, including, among others, investment, compliance, operational, and valuation risks. Risk oversight is part of the Board's general oversight of each Fund and the Trust and is addressed as part of various activities of the Board and its Committees. As part of its oversight of each Fund and the Trust, the Board directly, or through a Committee, relies on and reviews reports from, among others, Fund management, the adviser, the administrator, the principal underwriter, the Chief Compliance Officer (the "CCO"), and other Fund service providers responsible for day-to-day oversight of Fund investments, operations and compliance to assist the Board in identifying and understanding the nature and extent of risks and determining whether, and to what extent, such risks can or should be mitigated. The Board also interacts with the CCO and with senior personnel of the adviser, administrator, principal underwriter and other Fund service providers and provides input on risk management issues during meetings of the Board and its Committees. Each of the adviser, administrator, principal underwriter and the other Fund service providers has its own, independent interest and responsibilities in risk management, and its policies and methods for carrying out risk management functions will depend, in part, on its individual priorities, resources and controls. It is not possible to identify all of the risks that may affect a Fund or to develop processes and controls to eliminate or mitigate their occurrence or effects. Moreover, it is necessary to bear certain risks (such as investment-related risks) to achieve each Fund's goals.

The Board, with the assistance of management and with input from the Board's various committees, reviews investment policies and risks in connection with its review of Fund performance. The Board has appointed a Fund CCO who oversees the implementation and testing of the Fund compliance program and reports to the Board regarding compliance matters for the Funds and their principal service providers. In addition, as part of the Board's periodic review of the advisory, subadvisory (if applicable), distribution and other service provider agreements, the Board may consider risk management aspects of their operations and the functions for which they are responsible. With respect to valuation, the Board approves and periodically reviews valuation policies and procedures applicable to valuing each Fund's shares. The administrator, the investment adviser and the sub-adviser (if applicable) are responsible for the implementation and day-to-day administration of these valuation policies and procedures and provides reports to the Audit Committee of the Board and the Board regarding these and related matters. In addition, the Audit Committee of the Board or the Board receives reports periodically from the independent public accounting firm for the Funds regarding tests performed by such firm on the valuation of all securities, as well as with respect to other risks associated with mutual funds. Reports received from service providers, legal counsel and the independent public accounting firm assist the Board in performing its oversight function.

The Trust's Declaration of Trust does not set forth any specific qualifications to serve as a Trustee. The Charter of the Governance Committee also does not set forth any specific qualifications, but does set forth certain factors that the Committee may take into account in considering noninterested Trustee candidates. In general, no one factor is decisive in the selection of an individual to join the Board. Among the factors the Board considers when concluding that an individual should serve on the Board are the following: (i) knowledge in matters relating to the mutual fund industry; (ii) experience as a director or senior officer of public companies; (iii) educational background; (iv) reputation for high ethical standards and professional integrity; (v) specific financial, technical or other expertise, and the extent to which such expertise would complement the Board members' existing mix of skills, core competencies and qualifications; (vi) perceived ability to contribute to the ongoing functions of the Board, including the ability and commitment to attend meetings regularly and work collaboratively with other members of the Board; (vii) the ability to qualify as a noninterested Trustee for purposes of the 1940 Act and any other actual or potential conflicts of interest involving the individual and the Fund; and (viii) such other factors as the Board determines to be relevant in light of the existing composition of the Board.

Among the attributes or skills common to all Board members are their ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the other members of the Board, management, sub-advisers, other service providers, counsel and independent registered public accounting firms, and to exercise effective and independent business judgment in the performance of their duties as members of the Board. Each Board member's ability to perform his or her duties effectively has been attained through the Board member's business, consulting, public service and/or academic positions and through experience from service as a member of the Boards of the Eaton Vance family of funds ("Eaton Vance Fund Boards") (and/or in other capacities, including for any predecessor funds), public companies, or non-profit entities or other organizations as set forth below. Each Board member's ability to perform his or her duties effectively also has been enhanced by his or her educational background, professional training, and/or other life experiences.

In respect of each current member of the Board, the individual's substantial professional accomplishments and experience, including in fields related to the operations of registered investment companies, were a significant factor in the determination that the individual should serve as a member of the Board. The following is a summary of each Board member's particular professional experience and additional considerations that contributed to the Board's conclusion that he or she should serve as a member of the Board:

*Alan C. Bowser.* Mr. Bowser has served as a Board member of the Eaton Vance open-end funds since 2022 and of the Eaton Vance closed-end funds since 2023. Mr. Bowser has over 25 years of experience in the financial services industry, most of which has been dedicated to leading investment advisory teams serving institutions, family offices, and ultra-high net worth individuals in the U.S. and Latin America. From 2011-2023, Mr. Bowser served in several capacities at Bridgewater Associates, an asset management firm, including most recently serving as Chief Diversity Officer and Co-Head of the Americas Region in addition to being a Partner and a member of the Operating Committee. Prior to joining Bridgewater Associates, he was Managing Director and Head of Investment Services at UBS Wealth Management Americas from 2007 to 2010 and, before that, Managing Director and Head of Client Solutions for the Latin America Division at the Citibank Private Bank from 1999 to 2007. Mr. Bowser has been an Independent Director of Stout Risius Ross since 2021, a founding Board Member and current Board Chair of the Black Hedge Fund Professionals Network and has served on the Boards of the Robert Toigo Foundation, the New York Urban League, the University of Pennsylvania, and as Vice Chairman of the Greater Miami Chamber of Commerce Task Force on Ethics. In 2020, he was recognized as one of the top 100 “EMPower Ethnic Minority Executive Role Models” and in 2022 he was recognized by Insider Business magazine as one of 14 “Diversity Trailblazers” making corporate America more inclusive.

*Mark R. Fetting.* Mr. Fetting has served as a member of the Eaton Vance Fund Boards since 2016 and is the Chairperson of the Contract Review Committee. He has over 30 years of experience in the investment management industry as an executive and in various leadership roles. From 2000 through 2012, Mr. Fetting served in several capacities at Legg Mason, Inc., including most recently serving as President, Chief Executive Officer, Director and Chairman from 2008 to his retirement in 2012. He also served as a Director/Trustee and Chairman of the Legg Mason family of funds from 2008-2012 and Director/Trustee of the Royce family of funds from 2001-2012. From 2001 through 2008, Mr. Fetting also served as President of the Legg Mason family of funds. From 1991 through 2000, Mr. Fetting served as Division President and Senior Officer of Prudential Financial Group, Inc. and related companies. Early in his professional career, Mr. Fetting was a Vice President at T. Rowe Price and served in leadership roles within the firm’s mutual fund division from 1981-1987.

*Cynthia E. Frost.* Ms. Frost has served as a member of the Eaton Vance Fund Boards since 2014. From 2000 through 2012, Ms. Frost was the Chief Investment Officer of Brown University, where she oversaw the evaluation, selection and monitoring of the third party investment managers who managed the university’s endowment. From 1995 through 2000, Ms. Frost was a Portfolio Strategist for Duke Management Company, which oversaw Duke University’s endowment. Ms. Frost also served in various investment and consulting roles at Cambridge Associates from 1989-1995, Bain and Company from 1987-1989 and BA Investment Management Company from 1983-1985. She serves as a member of the investment committee of The MCNC Endowment.

*George J. Gorman.* Mr. Gorman has served as a member of the Eaton Vance Fund Boards since 2014 and is the Independent Chairperson of the Board. From 1974 through 2009, Mr. Gorman served in various capacities at Ernst & Young LLP, including as a Senior Partner in the Asset Management Group (from 1988) specializing in managing engagement teams responsible for auditing mutual funds registered with the SEC, hedge funds and private equity funds. Mr. Gorman also has experience serving as an independent trustee of other mutual fund complexes, including the Bank of America Money Market Funds Series Trust from 2011-2014 and the Ashmore Funds from 2010-2014.

*Valerie A. Mosley.* Ms. Mosley has served as a member of the Eaton Vance Fund Boards since 2014 and is the Chairperson of the Governance Committee. In 2020, she founded Upward Wealth, Inc., doing business as BrightUp, a fintech platform focused on helping everyday workers grow their net worth and reinforce their self-worth. From 1992 through 2012, Ms. Mosley served in several capacities at Wellington Management Company, LLP, an investment management firm, including as a Partner, Senior Vice President, Portfolio Manager and Investment Strategist. Ms. Mosley also served as Chief Investment Officer at PG Corbin Asset Management from 1990-1992 and worked in institutional corporate bond sales at Kidder Peabody from 1986-1990. She is a Director of Envestnet, Inc., a provider of intelligent systems for wealth management and financial wellness and DraftKings, Inc., a digital sports entertainment and gaming company. In addition, she is also a board member of Caribou Financial, Inc., an auto loan refinancing company. Ms. Mosley previously served as a Director of Dynex Capital, Inc., a mortgage REIT, from 2013-2020, a Director of Progress Investment Management Company, a manager of emerging managers, until 2020, and a Director of Groupon, Inc., an e-commerce platform from 2020-2022. She serves as a trustee or board member of several major non-profit organizations and endowments.

*Anchal Pachnanda.* Ms. Pachnanda has served as a member of the Eaton Vance Funds Board since 2023. Ms. Pachnanda has been the Co-Head of Strategy of MSIM since 2019. From 2017-2019, Ms. Pachnanda served as Head of Strategy of MSIM. Ms. Pachnanda began her career at Morgan Stanley as an intern in 2000 and has held various roles during her tenure.

*Keith Quinton.* Mr. Quinton has served as a member of the Eaton Vance Fund Boards since 2018. He had over thirty years of experience in the investment industry before retiring from Fidelity Investments in 2014. Prior to joining Fidelity, Mr. Quinton was a vice president and quantitative analyst at MFS Investment Management from 2000-2001. From 1997 through 2000, he was a senior quantitative analyst at Santander Global Advisors and, from 1995 through 1997, Mr. Quinton was senior vice president in the quantitative equity research department at Putnam Investments. Prior to joining Putnam Investments, Mr. Quinton served in various investment roles at Eberstadt Fleming, Falconwood Securities Corporation and Drexel Burnham Lambert, where he began

his career in the investment industry as a senior quantitative analyst in 1983. Mr. Quinton served as an Independent Investment Committee Member of the New Hampshire Retirement System, a five member committee that manages investments based on the investment policy and asset allocation approved by the board of trustees (2017-2021), and as a Director (2016-2021) and Chairman (2019-2021) of the New Hampshire Municipal Bond Bank.

*Marcus L. Smith.* Mr. Smith has served as a member of the Eaton Vance Fund Boards since 2018 and is the Chairperson of the Portfolio Management Committee. Mr. Smith has been a Director of First Industrial Realty Trust, Inc., a fully integrated owner, operator and developer of industrial real estate, since 2021, where he serves on the Investment and Nominating/Corporate Governance Committees. Since 2017, Mr. Smith has been a Director of MSCI Inc., a leading provider of investment decision support tools worldwide, where he serves on the Compensation and Talent Management Committee and Strategy & Finance Committee. From 2017 through 2018, he served as a Director of DCT Industrial Trust Inc., a leading logistics real estate company, where he served as a member of the Nominating and Corporate Governance and Audit Committees. From 1994 through 2017, Mr. Smith served in several capacities at MFS Investment Management, an investment management firm, where he managed the MFS Institutional International Fund for 17 years and the MFS Concentrated International Fund for 10 years. In addition to his portfolio management duties, Mr. Smith served as Chief Investment Officer, Canada from 2012-2017, Chief Investment Officer, Asia from 2010-2012, and Director of Asian Research from 2005-2010. Prior to joining MFS, Mr. Smith was a senior consultant at Andersen Consulting (now known as Accenture) from 1988-1992. Mr. Smith served as a United States Army Reserve Officer from 1987-1992. He was also a trustee of the University of Mount Union from 2008-2020 and served on the Boston advisory board of the Posse Foundation from 2015-2021. Mr. Smith currently sits on the Harvard Medical School Advisory Council on Education, the Board of Directors for Facing History and Ourselves and is a Trustee of the Core Knowledge Foundation.

*Susan J. Sutherland.* Ms. Sutherland has served as a member of the Eaton Vance Fund Boards since 2015 and is the Chairperson of the Compliance Reports and Regulatory Matters Committee. She is also a Director of Ascot Group Limited and certain of its subsidiaries. Ascot Group Limited, through its related businesses including Syndicate 1414 at Lloyd's of London, is a leading global underwriter of specialty property and casualty insurance and reinsurance. In addition, Ms. Sutherland was a Director of Kairos Acquisition Corp. from 2021 until its dissolution in 2023, which had concentrated on acquisition and business combination efforts within the insurance and insurance technology (also known as "InsurTech") sectors. Ms. Sutherland was also a Director of Montpelier Re Holdings Ltd., a global provider of customized reinsurance and insurance products, from 2013 until its sale in 2015 and of Hagerty Holding Corp., a leading provider of specialized automobile and marine insurance from 2015-2018. From 1982 through 2013, Ms. Sutherland was an associate, counsel and then a partner in the Financial Institutions Group of Skadden, Arps, Slate, Meagher & Flom LLP, where she primarily represented U.S. and international insurance and reinsurance companies, investment banks and private equity firms in insurance-related corporate transactions. In addition, Ms. Sutherland has also served as a board member of prominent non-profit organizations.

*Scott E. Wennerholm.* Mr. Wennerholm has served as a member of the Eaton Vance Fund Boards since 2016 and is the Chairperson of the Audit Committee. He has over 30 years of experience in the financial services industry in various leadership and executive roles. Mr. Wennerholm served as Chief Operating Officer and Executive Vice President at BNY Mellon Asset Management from 2005-2011. He also served as Chief Operating Officer and Chief Financial Officer at Natixis Global Asset Management from 1997-2004 and was a Vice President at Fidelity Investments Institutional Services from 1994-1997. In addition, Mr. Wennerholm served as a Trustee at Wheelock College, a postsecondary institution from 2012-2018.

*Nancy A. Wiser.* Ms. Wiser has served as a member of the Eaton Vance Fund Boards since 2022. She also serves as a corporate Director for Rimes Technologies, a data management company based in London (since 2022). Ms. Wiser has over 30 years of experience in the investment management and financial services industry. From 2011-2021, Ms. Wiser served as an Executive Vice President and the Global Head of Operations at Wells Fargo Asset Management, where she oversaw operations and governance matters. In the role of governance, Ms. Wiser served as chairman of the board for the Wells Fargo Asset Management United Kingdom and Luxembourg legal entities as well as the Luxembourg funds. Additionally, Ms. Wiser served as the Treasurer for the Wells Fargo Funds from 2012-2021. Prior to joining Wells Fargo Asset Management, Ms. Wiser served as Chief Operating Officer and Chief Compliance Officer for two registered asset management companies where she oversaw all non-investment activities. She currently serves on the University of Minnesota Foundation Board of Trustees (since 2022) and previously served on several other non-profit boards including her alma mater Providence College Business Advisory board, Boston Scores and the National Black MBA Advisory board.

The Board(s) of the Trust has several standing Committees, including the Governance Committee, the Audit Committee, the Portfolio Management Committee, the Compliance Reports and Regulatory Matters Committee and the Contract Review Committee. Each of the Committees are comprised of only noninterested Trustees.

Mses. Mosley (Chairperson), Frost, Sutherland and Wiser, and Messrs. Bowser, Fetting, Gorman, Quinton, Smith and Wennerholm are members of the Governance Committee. The purpose of the Governance Committee is to consider, evaluate and make recommendations to the Board with respect to the structure, membership and operation of the Board and the Committees thereof, including the nomination and selection of noninterested Trustees and a Chairperson of the Board and the compensation of such persons. During the fiscal year ended July 31, 2023, the Governance Committee convened five times.

The Governance Committee will, when a vacancy exists, consider a nominee for Trustee recommended by a shareholder, provided that such recommendation is submitted in writing to the Trust's Secretary at the principal executive office of the Trust. Such recommendations must be accompanied by biographical and occupational data on the candidate (including whether the candidate would be an "interested person" of the Trust), a written consent by the candidate to be named as a nominee and to serve as Trustee if elected, record and ownership information for the recommending shareholder with respect to the Trust, and a description of any arrangements or understandings regarding recommendation of the candidate for consideration.

Messrs. Wennerholm (Chairperson), Gorman and Quinton and Ms. Wiser are members of the Audit Committee. The Board has designated Messrs. Gorman and Wennerholm, each a noninterested Trustee, as "audit committee financial experts" as that term is defined in the applicable SEC rules. The Audit Committee's purposes are to (i) oversee each Fund's accounting and financial reporting processes, its internal control over financial reporting, and, as appropriate, the internal control over financial reporting of certain service providers; (ii) oversee or, as appropriate, assist Board oversight of the quality and integrity of each Fund's financial statements and the independent audit thereof; (iii) oversee, or, as appropriate, assist Board oversight of, each Fund's compliance with legal and regulatory requirements that relate to each Fund's accounting and financial reporting, internal control over financial reporting and independent audits; (iv) approve prior to appointment the engagement and, when appropriate, replacement of the independent registered public accounting firm, and, if applicable, nominate the independent registered public accounting firm to be proposed for shareholder ratification in any proxy statement of a Fund; (v) evaluate the qualifications, independence and performance of the independent registered public accounting firm and the audit partner in charge of leading the audit; and (vi) prepare, as necessary, audit committee reports consistent with the requirements of applicable SEC and stock exchange rules for inclusion in the proxy statement of a Fund. During the fiscal year ended July 31, 2023, the Audit Committee convened nine times.

Messrs. Fetting (Chairperson), Bowser, Gorman, Quinton, Smith and Wennerholm, and Mses. Frost, Mosley, Sutherland and Wiser are members of the Contract Review Committee. The purposes of the Contract Review Committee are to consider, evaluate and make recommendations to the Board concerning the following matters: (i) contractual arrangements with each service provider to the Funds, including advisory, sub-advisory, transfer agency, custodial and fund accounting, distribution services and administrative services; (ii) any and all other matters in which any service provider (including Eaton Vance or any affiliated entity thereof) has an actual or potential conflict of interest with the interests of the Funds or investors therein; and (iii) any other matter appropriate for review by the noninterested Trustees, unless the matter is within the responsibilities of the other Committees of the Board. During the fiscal year ended July 31, 2023, the Contract Review Committee convened ten times.

Messrs. Smith (Chairperson), Bowser and Wennerholm and Mses. Frost and Mosley are members of the Portfolio Management Committee. The purposes of the Portfolio Management Committee are to: (i) assist the Board in its oversight of the portfolio management process employed by the Funds and their investment adviser and sub-adviser(s), if applicable, relative to the Funds' stated objective(s), strategies and restrictions; (ii) assist the Board in its oversight of the trading policies and procedures and risk management techniques applicable to the Funds; and (iii) assist the Board in its monitoring of the performance results of all funds and portfolios, giving special attention to the performance of certain funds and portfolios that it or the Board identifies from time to time. During the fiscal year ended July 31, 2023, the Portfolio Management Committee convened eight times.

Mses. Sutherland (Chairperson) and Wiser and Messrs. Fetting and Quinton are members of the Compliance Reports and Regulatory Matters Committee. The purposes of the Compliance Reports and Regulatory Matters Committee are to: (i) assist the Board in its oversight role with respect to compliance issues and certain other regulatory matters affecting the Funds; (ii) serve as a liaison between the Board and the Funds' CCO; and (iii) serve as a "qualified legal compliance committee" within the rules promulgated by the SEC. During the fiscal year ended July 31, 2023, the Compliance Reports and Regulatory Matters Committee convened nine times.

**Share Ownership.** The following table shows the dollar range of equity securities beneficially owned by each Trustee in each Fund and in the Eaton Vance family of funds overseen by the Trustee, which may include shares, if any, deferred to be beneficially owned by a noninterested Trustee through a deferred compensation plan, as of December 31, 2022.



Dollar Range of  
Equity Securities  
Beneficially Owned by

Fund Name	Alan C. Bowser <sup>(1)(4)</sup>	Mark R. Fetting <sup>(1)</sup>	Cynthia E. Frost <sup>(1)</sup>	George J. Gorman <sup>(1)</sup>	Valerie A. Mosley <sup>(1)</sup>	Anchal Pachnanda <sup>(2)(3)</sup>	Keith Quinton <sup>(1)</sup>	Marcus L. Smith <sup>(1)</sup>	Susan J. Sutherland <sup>(1)</sup>	Scott E. Wennerholm <sup>(1)</sup>	Nancy A. Wisner <sup>(1)(4)</sup>
Arizona Fund	None	None	None	None	None	None	None	None	None	None	None
Connecticut Fund	None	None	None	None	None	None	None	None	None	None	None
Minnesota Fund	None	None	None	None	None	None	None	None	None	None	None
Municipal Opportunities Fund	None	None	None	None	None	None	None	None	\$1-10,000	None	None
New Jersey Fund	None	None	None	None	None	None	None	None	None	None	None
Pennsylvania Fund	None	None	None	None	None	None	None	None	None	None	None
Aggregate Dollar Range of Equity Securities Beneficially Owned in all Registered Funds Overseen by Trustee in the Eaton Vance Family of Funds	None	Over \$100,000	Over \$100,000	Over \$100,000	Over \$100,000	None	Over \$100,000	Over \$100,000	Over \$100,000	Over \$100,000	Over \$100,000

<sup>(1)</sup> Noninterested Trustee.

<sup>(2)</sup> Interested Trustee.

<sup>(3)</sup> Ms. Pachnanda began serving as a Trustee effective April 1, 2023.

<sup>(4)</sup> Mr. Bowser and Ms. Wisner began serving as Directors effective April 4, 2022.

As of December 31, 2022, no noninterested Trustee or any of their immediate family members owned beneficially or of record any class of securities of Morgan Stanley, EVD, any sub-adviser, if applicable, or any person controlling, controlled by or under common control with Morgan Stanley or EVD or any sub-adviser, if applicable, collectively ("Affiliated Entity").

During the calendar years ended December 31, 2021 and December 31, 2022, no noninterested Trustee (or their immediate family members) had:

- (1) Any direct or indirect interest in any Affiliated Entity;
- (2) Any direct or indirect material interest in any transaction or series of similar transactions with (i) the Trust or any fund; (ii) another fund managed or distributed by any Affiliated Entity; (iii) any Affiliated Entity; or (iv) an officer of any of the above; or
- (3) Any direct or indirect relationship with (i) the Trust or any fund; (ii) another fund managed or distributed by any Affiliated Entity; (iii) any Affiliated Entity; or (iv) an officer of any of the above.

During the calendar years ended December 31, 2021 and December 31, 2022, no officer of any Affiliated Entity served on the Board of Directors of a company where a noninterested Trustee of the Trust or any of their immediate family members served as an officer.

Noninterested Trustees may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of a Trustees Deferred Compensation Plan (the "Deferred Compensation Plan"). Under the Deferred Compensation Plan, an eligible Board member may elect to have all or a portion of his or her deferred fees invested in the shares of one or more funds in the Eaton Vance family of funds, and the amount paid to the Board members under the Deferred Compensation Plan will be determined based upon the performance of such investments. Deferral of Board members' fees in accordance with the Deferred Compensation Plan will have a negligible effect on the assets, liabilities, and net income of a participating fund or portfolio, and do not require that a participating Board member be retained. There is no retirement plan for Board members.

The fees and expenses of the Trustees of the Trust are paid by the Funds (and other series of the Trust). A Board member who is a member of the Eaton Vance organization receives no compensation from the Trust. During the fiscal year ended July 31, 2023, the Trustees of the Trust earned the following compensation in their capacities as Board members from the Trust. For the year ended December 31, 2022, the Board members earned the following compensation in their capacities as members of the Eaton Vance Fund Boards<sup>(1)</sup>:

Source of Compensation	Alan C. Bowser	Mark R. Fetting	Cynthia E. Frost	George J. Gorman	Valerie A. Mosley	Keith Quinton	Marcus L. Smith	Susan J. Sutherland	Scott E. Wennerholm	Nancy A. Wiser
Trust <sup>(2)</sup>	\$29,848	\$33,621	\$31,523	\$42,773	\$33,621	\$32,433	\$33,327	\$33,621	\$34,815	\$32,030
Trust and Fund Complex <sup>(1)</sup>	\$350,124	\$414,118	\$414,118	\$529,302	\$414,118 <sup>(3)</sup>	\$391,051	\$384,061	\$414,118 <sup>(4)</sup>	\$429,142	\$382,811

<sup>(1)</sup> As of December 1, 2023, the Eaton Vance fund complex consists of 127 registered investment companies or series thereof. Mr. Bowser and Ms. Wiser began serving as Trustees effective April 4, 2022, and thus the compensation figures listed for the Trust and the Trust and Fund Complex are estimated based on amounts each would have received if they had been Trustees for the full calendar year ended December 31, 2022. William H. Park and Helen Frame Peters each retired as a Trustee effective July 1, 2022. For the calendar year ended December 31, 2022, Mr. Park and Ms. Peters each received \$293,460 from the Trust and Fund Complex.

<sup>(2)</sup> The Trust consisted of 18 Funds as of July 31, 2023.

<sup>(3)</sup> Includes \$30,000 of deferred compensation.

<sup>(4)</sup> Includes \$164,118 of deferred compensation.

## Fund Organization

**Trust.** Each Fund is a series of the Trust, which was organized under Massachusetts law on September 30, 1985 as a trust with transferable shares, commonly referred to as a “Massachusetts business trust” and is operated as an open-end management investment company. The Trust may issue an unlimited number of shares of beneficial interest (no par value per share) in one or more series (such as a Fund). The Trustees of the Trust have divided the shares of a Fund into multiple classes. Each class represents an interest in a Fund, but is subject to different expenses, rights and privileges. The Trustees have the authority under the Declaration of Trust to create additional classes of shares with differing rights and privileges. When issued and outstanding, shares are fully paid and nonassessable by the Trust. Shareholders of the Trust are entitled to one vote for each full share held. Fractional shares may be voted proportionately. Shares of all Funds in the Trust will be voted together with respect to the election or removal of Trustees and on other matters affecting all Funds similarly. On matters affecting only a particular Fund, all shareholders of the affected Fund will vote together as a single class, except that only shareholders of a particular class may vote on matters affecting only that class. Shares have no preemptive or conversion rights and are freely transferable. In the event of the liquidation of a Fund, shareholders of each class are entitled to share pro rata in the net assets attributable to that class available for distribution to shareholders.

As permitted by Massachusetts law, there will normally be no meetings of shareholders for the purpose of electing Trustees unless and until such time as less than a majority of the Trustees of the Trust holding office have been elected by shareholders. In such an event the Trustees then in office will call a shareholders’ meeting for the election of Trustees. Except for the foregoing circumstances and unless removed by action of the shareholders in accordance with the Trust’s By-laws, the Trustees shall continue to hold office and may appoint successor Trustees. The Trust’s By-laws provide that any Trustee may be removed with or without cause, by (i) the affirmative vote of holders of two-thirds of the shares or, (ii) the affirmative vote of, or written instrument, signed by at least two-thirds of the remaining Trustees, provided however, that the removal of any noninterested Trustee shall additionally require the affirmative vote of, or a written instrument executed by, at least two-thirds of the remaining noninterested Trustees. No person shall serve as a Trustee if shareholders holding two-thirds of the outstanding shares have removed him or her from that office either by a written declaration filed with the Trust’s custodian or by votes cast at a meeting called for that purpose. The By-laws further provide that under certain circumstances the shareholders may call a meeting to remove a Trustee and that the Trust is required to provide assistance in communication with shareholders about such a meeting.

The Trust’s Declaration of Trust may be amended by the Trustees when authorized by vote of a majority of the outstanding voting securities of the Trust, the financial interests of which are affected by the amendment. The Trustees may also amend the Declaration of Trust without the vote or consent of shareholders to change the name of the Trust or any series, if they deem it necessary to conform it to applicable federal or state laws or regulations, or to make such other changes (such as reclassifying series or classes of shares or restructuring the Trust) provided such changes do not have a materially adverse effect on the financial interests of shareholders. The Trust’s By-laws provide that the Trust will indemnify its Trustees and officers against liabilities and expenses incurred in connection with any litigation or proceeding in which they may be involved because of their offices with the Trust. However, no indemnification is required to be provided to any Trustee or officer for any liability to the Trust or shareholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

The Trust’s Declaration of Trust provides that any legal proceeding brought by or on behalf of a shareholder seeking to enforce any provision of, or based upon any matter arising out of, related to or in connection with, the Declaration of Trust, the Trust, any Fund or Class or the shares of any Fund must be brought exclusively in the United States District Court for the District of Massachusetts or, if such court does not have jurisdiction for the matter, then in the Superior Court of Suffolk County for the Commonwealth of Massachusetts. If a shareholder brings a claim in another venue and the venue is subsequently changed through legal process to the foregoing Federal or state court, then the shareholder will be required to reimburse the Trust and other persons for the expenses incurred in effecting the change in venue.

The Trust's Declaration of Trust also provides that, except to the extent explicitly permitted by Federal law, a shareholder may not bring or maintain a court action on behalf of the Trust or any Fund or class of shares (commonly referred to as a derivative claim) without first making demand on the Trustees requesting the Trustees to bring the action. Within 90 days of receipt of the demand, the Trustees will consider the merits of the claim and determine whether commencing or maintaining an action would be in the best interests of the Trust or the affected Fund or Class. Any decision by the Trustees to bring, maintain or settle, or to not bring, maintain or settle the action, will be final and binding upon shareholders and therefore no action may be brought or maintained after a decision is made to reject a demand. In addition, the Trust's Declaration of Trust provides that, to the maximum extent permitted by law, each shareholder acknowledges and agrees that any alleged injury to the Trust's property, any diminution in the value of a shareholder's shares and any other claim arising out of or relating to an allegation regarding the actions, inaction or omissions of or by the Trustees, the officers of the Trust or the investment adviser of a Fund is a legal claim belonging only to the Trust and not to the shareholders individually and, therefore, that any such claim is subject to the demand requirement for derivative claims referenced above.

The Trust or any series or class thereof may be terminated by: (1) the affirmative vote of the holders of not less than two-thirds of the shares outstanding and entitled to vote at any meeting of shareholders of the Trust or the appropriate series or class thereof, or by an instrument or instruments in writing without a meeting, consented to by the holders of two-thirds of the shares of the Trust or a series or class thereof, provided, however, that, if such termination is recommended by the Trustees, the vote of a majority of the outstanding voting securities of the Trust or a series or class thereof entitled to vote thereon shall be sufficient authorization; or (2) by the approval of a majority of the Trustees then in office, to be followed by a written notice to shareholders.

Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust (such as the Trust) could be deemed to have personal liability for the obligations of the Trust. Numerous investment companies registered under the 1940 Act have been formed as Massachusetts business trusts, and management is not aware of an instance where such liability has been imposed. The Trust's Declaration of Trust contains an express disclaimer of liability on the part of Fund shareholders and the Trust's By-laws provide that the Trust, upon request by the shareholder, shall assume the defense on behalf of any Fund shareholders. The Declaration of Trust also contains provisions limiting the liability of a series or class to that series or class. Moreover, the Trust's By-laws also provide for indemnification out of Fund property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. The assets of each Fund are readily marketable and will ordinarily substantially exceed its liabilities. In light of the nature of each Fund's business and the nature of its assets, management believes that the possibility of the Fund's liabilities exceeding its assets, and therefore the shareholder's risk of personal liability, is remote.

**Proxy Voting Policy.** The Board adopted a proxy voting policy and procedures (the "Fund Policy"), pursuant to which the Board has delegated proxy voting responsibility to the investment adviser and adopted the proxy voting policies and procedures of the investment adviser (the "Adviser Policies"). An independent proxy voting service has been retained to assist in the voting of Fund proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services. The members of the Board will review a Fund's proxy voting records from time to time and will review annually the Adviser Policies. For a copy of the Fund Policy and Adviser Policies, see Appendix F and Appendix G, respectively. Pursuant to certain provisions of the 1940 Act relating to funds investing in other funds, a Fund may be required or may elect to vote its interest in another fund in the same proportion as the holders of all other shares of that fund. Information on how a Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling 1-800-262-1122 and (2) on the SEC's website at <http://www.sec.gov>.

## INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES

**Investment Advisory Services.** As described in the Prospectus, BMR is the investment adviser to each Fund except Municipal Opportunities Fund. Eaton Vance is the investment adviser to Municipal Opportunities Fund. Eaton Vance and BMR, and their predecessor organizations have been managing assets since 1924 and managing mutual funds since 1931. Eaton Vance and BMR are indirect wholly owned subsidiaries of Morgan Stanley (NYSE: MS), a preeminent global financial services firm engaged in securities trading and brokerage activities, as well as providing investment banking, research and analysis, financing and financial advisory services.

The investment adviser manages the investments and affairs of each Fund and provides related office facilities and personnel subject to the supervision of the Trust. The investment adviser furnishes investment research, advice and supervision, furnishes an investment program and determines what securities will be purchased, held or sold by each Fund and what portion, if any, of each Fund's assets will be held uninvested. The investment advisory and administrative agreement on behalf of the Municipal Opportunities Fund (the "Investment Advisory and Administrative Agreement") and each investment advisory agreement on behalf of the other Funds (the "Investment Advisory Agreement") requires the investment adviser to pay the compensation and expenses of all officers and Trustees of the Trust who are members of the investment adviser's organization and all personnel of the investment adviser performing services relating to research and investment activities.

For a description of the compensation that each Fund pays the investment adviser, see the Prospectus. The following table sets forth the net assets of each Fund for the most recent fiscal year and the advisory fees for the last the three fiscal years.

Fund	Net Assets at 7/31/23	Advisory Fee for Fiscal Years Ended		
		7/31/23	7/31/22	7/31/21
Arizona	\$ 77,312,875	\$ 211,842	\$ 203,575	\$ 203,476
Connecticut	\$102,752,136	\$ 295,486	\$ 238,103	\$ 239,103
Minnesota	\$235,500,565	\$ 749,021	\$ 649,974	\$ 631,006
Municipal Opportunities	\$566,782,620	\$3,497,944	\$6,693,043	\$7,916,583
New Jersey	\$151,595,192	\$ 520,692	\$ 630,821	\$ 644,766
Pennsylvania	\$158,953,268	\$ 563,066	\$ 606,881	\$ 689,287

Each Investment Advisory Agreement or Investment Advisory and Administrative Agreement continues in effect through and including the second anniversary of its execution and shall continue in full force and effect indefinitely thereafter, but only so long as such continuance after such second anniversary is specifically approved at least annually (i) by the vote of a majority of the noninterested Trustees of the Trust cast at a meeting specifically called for the purpose of voting on such approval pursuant to the requirements of the 1940 Act and (ii) by the Board of the Trust or by vote of a majority of the outstanding voting securities of the Fund. Each Agreement may be terminated at any time without penalty on sixty (60) days' written notice by either party, or by vote of the majority of the outstanding voting securities of the Fund, and each Agreement will terminate automatically in the event of its assignment. Each Agreement provides that the investment adviser may render services to others. Each Agreement also provides that the investment adviser shall not be liable for any loss incurred in connection with the performance of its duties, or action taken or omitted under the Agreement, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties thereunder, or for any losses sustained in the acquisition, holding or disposition of any security or other investment. Each Agreement is not intended to, and does not, confer upon any person not a party to it any right, benefit or remedy of any nature.

**Information About BMR and Eaton Vance.** BMR and Eaton Vance are business trusts organized under the laws of the Commonwealth of Massachusetts. EV serves as trustee of BMR and Eaton Vance. EV, Eaton Vance and BMR are indirect wholly owned subsidiaries of Morgan Stanley (NYSE: MS), a preeminent global financial services firm engaged in securities trading and brokerage activities, as well as providing investment banking, research and analysis, financing and financial advisory services.

**Code of Ethics.** The investment adviser, principal underwriter, and each Fund have adopted Codes of Ethics governing personal securities transactions pursuant to Rule 17j-1 under the 1940 Act. Under the Codes, employees of the investment adviser and the principal underwriter may purchase and sell securities (including securities held or eligible for purchase by a Fund) subject to the provisions of the Codes and certain employees are also subject to pre-clearance, reporting requirements and/or other procedures.

**Portfolio Managers.** The portfolio managers (each referred to as a "portfolio manager") of each Fund are listed below. The following table shows, as of the Funds' most recent fiscal year end, the number of accounts each portfolio manager managed in each of the listed categories and the total assets (in millions of dollars) in the accounts managed within each category. The table also shows the number of accounts with respect to which the advisory fee is based on the performance of the account, if any, and the total assets (in millions of dollars) in those accounts.

	Number of All Accounts	Total Assets of All Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
Craig R. Brandon				
Registered Investment Companies <sup>(1)</sup>	9	\$7,273.0	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0
Other Accounts	8	\$ 790.0	0	\$0
Julie P. Callahan				
Registered Investment Companies <sup>(1)</sup>	9	\$2,530.7	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0
Other Accounts	0	\$ 0	0	\$0
Cynthia J. Clemson				
Registered Investment Companies <sup>(1)</sup>	8	\$3,974.5	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0

Other Accounts	8	\$ 790.0	0	\$0
Christopher J. Eustance				
Registered Investment Companies <sup>(1)</sup>	11	\$6,179.1	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0
Other Accounts	0	\$ 0	0	\$0
Paul Metheny				
Registered Investment Companies <sup>(1)</sup>	0	\$ 0	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0
Other Accounts	3	\$ 552	0	\$0
Trevor G. Smith				
Registered Investment Companies <sup>(1)</sup>	12	\$3,580.5	0	\$0
Other Pooled Investment Vehicles	2	\$ 164.2	0	\$0
Other Accounts	2	\$ 25.6	0	\$0
Carl A. Thompson				
Registered Investment Companies <sup>(1)</sup>	0	\$ 0	0	\$0
Other Pooled Investment Vehicles	0	\$ 0	0	\$0
Other Accounts	0	\$ 0	0	\$0

<sup>(1)</sup> Includes the Fund, as applicable.

The following table shows the dollar range of equity securities beneficially owned in a Fund by its portfolio manager(s) as of the Funds' most recent fiscal year ended July 31, 2023 and in the Eaton Vance family of funds as of December 31, 2022. The purpose of each state Fund is to provide tax-exempt income to persons subject to taxation in a particular state. In most cases, a Fund's portfolio manager is not subject to such taxation. In addition, in most cases, each state Fund's shares are not registered for sale in the state of the portfolio manager's residence.

<u>Fund Name and Portfolio Managers</u>	<u>Dollar Range of Equity Securities Beneficially Owned in the Fund</u>	<u>Aggregate Dollar Range of Equity Securities Beneficially Owned in the Eaton Vance Family of Funds</u>
Arizona Fund		
Trevor G. Smith	None	\$100,001 - \$500,000
Carl A. Thompson	None	\$10,001 - \$50,000
Connecticut Fund		
Trevor G. Smith	None	\$100,001 - \$500,000
Carl A. Thompson	None	\$10,001 - \$50,000
Minnesota Fund		
Julie P. Callahan	None	\$10,001 - \$50,000
Christopher J. Eustance	None	\$100,001 - \$500,000
Municipal Opportunities Fund		
Craig R. Brandon	None	Over \$1,000,000
Trevor G. Smith	\$10,001 - \$50,000	\$100,001 - \$500,000
New Jersey Fund		
Julie P. Callahan	None	\$10,001 - \$50,000
Cynthia J. Clemson	None	\$500,001-\$1,000,000
Christopher J. Eustance	None	\$100,001 - \$500,000
Pennsylvania Fund		
Christopher J. Eustance	None	\$100,001 - \$500,000
Paul Metheny	None	\$1 - \$10,000

It is possible that conflicts of interest may arise in connection with a portfolio manager's management of a Fund's investments on the one hand and the investments of other accounts for which a portfolio manager is responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among a Fund and other accounts he or she advises. In addition, due to differences in the investment strategies or restrictions between a Fund and the other accounts, the portfolio manager may take action with respect to another account that differs from the action taken with respect to a Fund. In some cases, another account managed by a portfolio manager may compensate the investment adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities. Whenever conflicts of interest arise, the portfolio manager will endeavor to exercise his or her discretion in a manner that he or she believes is equitable to all interested persons. The investment adviser has adopted several policies and procedures designed to address these potential conflicts including a code of ethics and policies that govern the investment adviser's trading practices, including among other things the aggregation and allocation of trades among clients, brokerage allocations, cross trades and best execution.

*Compensation Structure for Eaton Vance and BMR.* The compensation structure of Eaton Vance and its affiliates that are investment advisers (for purposes of this section "Eaton Vance") is based on a total reward system of base salary and incentive compensation, which is paid either in the form of cash bonus, or for employees meeting the specified deferred compensation eligibility threshold, partially as a cash bonus and partially as mandatory deferred compensation. Deferred compensation granted to Eaton Vance employees is generally granted as a mix of deferred cash awards under the Investment Management Alignment Plan (IMAP) and equity-based awards in the form of stock units. The portion of incentive compensation granted in the form of a deferred compensation award and the terms of such awards are determined annually by the Compensation, Management Development and Succession Committee of Morgan Stanley.

*Base salary compensation.* Generally, portfolio managers receive base salary compensation based on the level of their position with the adviser.

*Incentive compensation.* In addition to base compensation, portfolio managers may receive discretionary year-end compensation. Incentive compensation may include:

- Cash bonus
- Deferred compensation:
  - A mandatory program that defers a portion of incentive compensation into restricted stock units or other awards based on Morgan Stanley common stock or other plans that are subject to vesting and other conditions.
  - IMAP is a cash-based deferred compensation plan designed to increase the alignment of participants' interests with the interests of clients. For eligible employees, a portion of their deferred compensation is mandatorily deferred into IMAP on an annual basis. Awards granted under IMAP are notionally invested in referenced funds available pursuant to the plan, which are funds advised by MSIM and its affiliates that are investment advisers. Portfolio managers are required to notionally invest a minimum of 40% of their account balance in the designated funds that they manage and are included in the IMAP notional investment fund menu.
  - Deferred compensation awards are typically subject to vesting over a multi-year period and are subject to cancellation through the payment date for competition, cause (i.e., any act or omission that constitutes a breach of obligation to the Funds, including failure to comply with internal compliance, ethics or risk management standards, and failure or refusal to perform duties satisfactorily, including supervisory and management duties), disclosure of proprietary information, and solicitation of employees or clients. Awards are also subject to clawback through the payment date if an employee's act or omission (including with respect to direct supervisory responsibilities) causes a restatement of the firm's consolidated financial results, constitutes a violation of the firm's global risk management principles, policies and standards, or causes a loss of revenue associated with a position on which the employee was paid and the employee operated outside of internal control policies.

Eaton Vance compensates employees based on principles of pay-for-performance, market competitiveness and risk management. Eligibility for, and the amount of any, discretionary compensation is subject to a multi-dimensional process. Specifically, consideration is given to one or more of the following factors, which can vary by portfolio management team and circumstances:

- Revenue and profitability of the business and/or each fund/account managed by the portfolio manager
- Revenue and profitability of the Firm
- Return on equity and risk factors of both the business units and Morgan Stanley
- Assets managed by the portfolio manager
- External market conditions

- New business development and business sustainability
- Contribution to client objectives
- Team, product and/or MSIM and its affiliates that are investment advisers (including Eaton Vance) performance
- The pre-tax investment performance of the funds/accounts managed by the portfolio manager (which may, in certain cases, be measured against the applicable benchmark(s) and/or peer group(s) over one, three and five-year periods)
- Individual contribution and performance

Further, the firm’s Global Incentive Compensation Discretion Policy requires compensation managers to consider only legitimate, business related factors when exercising discretion in determining variable incentive compensation, including adherence to Morgan Stanley’s core values, conduct, disciplinary actions in the current performance year, risk management and risk outcomes.

**Commodity Futures Trading Commission Registration.** The CFTC has adopted certain regulations that subject registered investment companies and advisers to regulation by the CFTC if a fund invests more than a prescribed level of its assets in certain CFTC-regulated instruments (including futures, certain options and swaps agreements) or markets itself as providing investment exposure to such instruments. The investment adviser has claimed an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act with respect to its management of each Fund. Accordingly, neither the Funds nor the investment adviser with respect to the operation of the Funds is subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act. Because of their management of other strategies, Eaton Vance and BMR are registered with the CFTC as commodity pool operators. Eaton Vance is also registered as a commodity trading advisor. BMR claims an exemption of “commodity trading advisor.” The CFTC has neither reviewed nor approved each Fund’s investment strategies or this SAI.

**Administrative Services.** As indicated in the Prospectus, for each Fund except Municipal Opportunities Fund, Eaton Vance serves as administrator of each such Fund under an Administrative Services Agreement, but currently receives no compensation for providing administrative services to the Fund. Eaton Vance also provides administrative services to the Municipal Opportunities Fund under its Investment Advisory and Administrative Agreement. Under the applicable Agreement, Eaton Vance has been engaged to administer each Fund’s affairs, subject to the supervision of the Board, and shall furnish office space and all necessary office facilities, equipment and personnel for administering the affairs of each Fund.

**Sub-Transfer Agency Support Services.** Eaton Vance provides sub-transfer agency and related services to Eaton Vance mutual funds pursuant to a Sub-Transfer Agency Support Services Agreement. Under the agreement, Eaton Vance provides: (1) specified sub-transfer agency services; (2) compliance monitoring services; and (3) intermediary oversight services. For the services it provides, Eaton Vance receives an aggregate annual fee equal to the actual expenses incurred by Eaton Vance in the performance of such services. Each Fund pays a pro rata share of such fee. For the fiscal year ended July 31, 2023, Eaton Vance earned the following pursuant to the agreement:

<u>Arizona Fund</u>	<u>Connecticut Fund</u>	<u>Minnesota Fund</u>	<u>Municipal Opportunities Fund</u>	<u>New Jersey Fund</u>	<u>Pennsylvania Fund</u>
\$5,081	\$12,746	\$21,672	\$11,625	\$18,610	\$24,944

**Expenses.** Each Fund is responsible for all expenses not expressly stated to be payable by another party (such as expenses required to be paid pursuant to an agreement with the investment adviser, the principal underwriter or the administrator). In the case of expenses incurred by the Trust, each Fund is responsible for its pro rata share of those expenses. Pursuant to the Amended and Restated Multiple Class Plan for Eaton Vance Funds, Fund expenses are allocated to each class on a pro rata basis, except that distribution and service fees are allocated exclusively to the class that incurs them.

#### OTHER SERVICE PROVIDERS

**Principal Underwriter.** Eaton Vance Distributors, Inc. (“EVD”), Two International Place, Boston, MA 02110 is the principal underwriter of each Fund. The principal underwriter acts as principal in selling shares under a Distribution Agreement with the Trust. The expenses of printing copies of prospectuses used to offer shares and other selling literature and of advertising are borne by the principal underwriter. The fees and expenses of qualifying and registering and maintaining qualifications and registrations of a Fund and its shares under federal and state securities laws are borne by the Fund. The Distribution Agreement is renewable annually by the members of the Board (including a majority of the noninterested Trustees who have no direct or indirect financial interest in the operation of the Distribution Agreement or any applicable Distribution Plan), may be terminated on sixty days’ notice either by such Trustees or by vote of a majority of the outstanding Fund shares or on six months’ notice by the principal underwriter and is automatically terminated upon assignment. The principal underwriter distributes shares on a “best efforts” basis under which it is required to take and pay for only such shares as may be sold. EVD is an indirect wholly owned subsidiary of Morgan Stanley.

**Custodian.** State Street Bank and Trust Company ("State Street"), One Congress Street, Boston, MA 02114-2016, serves as custodian to each Fund. State Street has custody of all cash and securities of each Fund, maintains the general ledger of each Fund and computes the daily net asset value of shares of each Fund. In such capacity it attends to details in connection with the sale, exchange, substitution, transfer or other dealings with each Fund's investments, receives and disburses all funds and performs various other ministerial duties upon receipt of proper instructions from the Trust. State Street also provides services in connection with the preparation of shareholder reports and the electronic filing of such reports with the SEC.

**Independent Registered Public Accounting Firm.** Deloitte & Touche LLP ("Deloitte"), 200 Berkeley Street, Boston, MA 02116, independent registered public accounting firm, audits each Fund's financial statements. Deloitte and/or its affiliates provide other audit, tax and related services to each Fund.

**Transfer Agent.** BNY Mellon Investment Servicing (US) Inc., P.O. Box 534439, Pittsburgh, PA 15253-4439, serves as transfer and dividend disbursing agent for each Fund.

### CALCULATION OF NET ASSET VALUE

The net asset value of the Fund is determined by State Street (as agent and custodian) by subtracting the liabilities of the Fund from the value of its total assets. The Fund is closed for business and will not issue a net asset value on the following business holidays and any other business day that the NYSE is closed: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Fund's net asset value per share is readily accessible on the Eaton Vance website ([www.eatonvance.com](http://www.eatonvance.com)).

The Board has approved procedures pursuant to which investments are valued for purposes of determining the Fund's net asset value. Listed below is a summary of the methods generally used to value investments (some or all of which may be held by the Fund) under the procedures.

- Equity securities (including common stock, exchange-traded funds, closed-end funds, preferred equity securities, exchange-traded notes and other instruments that trade on recognized stock exchanges) are valued at the last sale, official close or, if there are no reported sales, at the mean between the bid and asked price on the primary exchange on which they are traded.
- Most debt obligations are valued on the basis of market valuations furnished by a pricing service or at the mean of the bid and asked prices provided by recognized broker/dealers of such securities. The pricing service may use a pricing matrix to determine valuation.
- Short-term instruments with remaining maturities of less than 397 days are valued on the basis of market valuations furnished by a pricing service or based on dealer quotations.
- Foreign securities and currencies are valued in U.S. dollars based on foreign currency exchange quotations supplied by a pricing service.
- Senior and Junior Loans (as defined in the "Additional Information About Investment Strategies and Risks" section of this SAI) are valued on the basis of prices furnished by a pricing service. The pricing service uses transactions and market quotations from brokers in determining values.
- Futures contracts are valued at the settlement or closing price on the primary exchange or board of trade on which they are traded.
- Exchange-traded options are valued at the mean of the bid and asked prices. Over-the-counter options are valued based on quotations obtained from a pricing service or from a broker (typically the counterparty to the option).
- Non-exchange traded derivatives (including swap agreements, forward contracts and equity participation notes) are generally valued on the basis of valuations provided by a pricing service or using quotes provided by a broker/dealer (typically the counterparty) or, for total return swaps, based on market index data.
- Precious metals are valued at the New York Composite mean quotation.
- Liabilities with a payment or maturity date of 364 days or less are stated at their principal value and longer dated liabilities generally will be carried at their fair value.
- Valuations of foreign equity securities and total return swaps and exchange-traded futures contracts on non-North American equity indices are generally based on fair valuation provided by a pricing service.

Investments which are unable to be valued in accordance with the foregoing methodologies are valued using fair value methods by the investment adviser as the Fund's "valuation designee" pursuant to Rule 2a-5 of the 1940 Act. The investment adviser, as valuation designee, is responsible for establishing fair valuation methodologies and making fair value determinations on behalf of the Funds for those portfolio securities for which no readily available market quotations exist (or for which market quotations are not reliable) and for other Fund investments that are not securities. Such fair value methodologies may include consideration of relevant



factors, including but not limited to (i) the type of security and the existence of any contractual restrictions on the security's disposition; (ii) the price and extent of public trading in similar securities of the issuer or of comparable companies or entities; (iii) quotations or relevant information obtained from broker-dealers or other market participants; (iv) information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); (v) an analysis of the company's or entity's financial statements; (vi) an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; (vii) any transaction involving the issuer of such securities; and (viii) any other factors deemed relevant by the investment adviser. For purposes of fair valuation, the portfolio managers of one fund managed by the investment adviser that invests in Senior and Junior Loans may not possess the same information about a Senior or Junior Loan as the portfolio managers of another fund managed by the investment adviser. As such, at times the fair value of a Loan determined by certain portfolio managers of the investment adviser may vary from the fair value of the same Loan determined by other portfolio managers.

## PURCHASING AND REDEEMING SHARES

**Additional Information About Purchases.** Fund shares are offered for sale only in states where they are registered. The U.S. registered Eaton Vance funds generally do not accept investments from residents of the European Union, the United Kingdom or Switzerland, although may do so to the extent that the Eaton Vance funds may be lawfully offered in a relevant jurisdiction (including at the initiative of the investor). Fund shares are continuously offered through financial intermediaries which have entered into agreements with the principal underwriter. Fund shares are sold at the public offering price, which is the net asset value next computed after receipt of an order plus the initial sales charge, if any. The Fund receives the net asset value. The principal underwriter receives the sales charge, all or a portion of which may be reallocated to the financial intermediaries responsible for selling Fund shares. The sales charge table for Class A shares in the Prospectus is applicable to purchases of Class A shares of a Fund alone or in combination with purchases of certain other funds offered by the principal underwriter, made at a single time by (i) an individual, or an individual, his or her spouse and their children under the age of twenty-one, purchasing shares for his or their own account, and (ii) a trustee or other fiduciary purchasing shares for a single trust estate or a single fiduciary account. The table is also presently applicable to (1) purchases of Class A shares pursuant to a written Statement of Intention; or (2) purchases of Class A shares pursuant to the Right of Accumulation and declared as such at the time of purchase. See "Sales Charges."

**Class I Share Purchases.** Class I shares are available for purchase by clients of financial intermediaries who (i) charge such clients an ongoing fee for advisory, investment, consulting or similar services, or (ii) have entered into an agreement with the principal underwriter to offer Class I shares through a no-load network or platform. Such clients may include individuals, corporations, endowments, foundations and employer sponsored retirement plans. Class I shares may also be available through brokerage platforms of broker-dealer firms that have agreements with a Fund's principal underwriter to offer Class I shares solely when acting as an agent for the investor. An investor acquiring Class I shares through such platforms may be required to pay a commission and/or other forms of compensation to the broker. Class I shares also are offered to investment and institutional clients of Eaton Vance and its affiliates; certain persons affiliated with Eaton Vance and its affiliates; current and retired members of Eaton Vance Fund Boards; employees of Eaton Vance and its affiliates and such persons' spouses, parents, siblings and lineal descendants and their beneficial accounts.

**Waiver of Investment Minimums.** In addition to waivers described in the Prospectus, minimum investment amounts are waived for individual plan participants in an employer sponsored retirement plan; current and retired members of Eaton Vance Fund Boards; clients (including custodial, agency, advisory and trust accounts) and current and retired officers and employees of Eaton Vance, its affiliates and other investment advisers and sub-advisers to the Eaton Vance family of funds; and for such persons' spouses, parents, siblings and lineal descendants and their beneficial accounts. The minimum initial investment amount is also waived for officers and employees of a Fund's custodian and transfer agent and in connection with the merger (or similar transaction) of an investment company (or series or class thereof) or personal holding company with a Fund (or class thereof). Investments in a Fund by ReFlow in connection with the ReFlow liquidity program are also not subject to the minimum investment amount.

**Suspension of Sales.** The Trust may, in its absolute discretion, suspend, discontinue or limit the offering of one or more of its classes of shares at any time. In determining whether any such action should be taken, the Trust's management intends to consider all relevant factors, including (without limitation) the size of a Fund or class, the investment climate and market conditions and the volume of sales and redemptions of shares. The Class A and Class C Distribution Plans may continue in effect and payments may be made under the Plans following any such suspension, discontinuance or limitation of the offering of shares; however, there is no obligation to continue any Plan for any particular period of time. Suspension of the offering of shares would not, of course, affect a shareholder's ability to redeem shares.

**Additional Information About Redemptions.** The right to redeem shares of a Fund can be suspended and the payment of the redemption price deferred when the NYSE is closed (other than for customary weekend and holiday closings), during periods when trading on the NYSE is restricted as determined by the SEC, or during any emergency as determined by the SEC which makes it impracticable for a Fund to dispose of its securities or value its assets, or during any other period permitted by order of the SEC for the protection of investors.

Due to the high cost of maintaining small accounts, the Trust reserves the right to redeem accounts with balances of less than \$750. Prior to such a redemption, shareholders will be given 60 days' written notice to make an additional purchase. No contingent deferred sales charge ("CDSC") or redemption fees, if applicable, will be imposed with respect to such involuntary redemptions.

As disclosed in the Prospectus, each Fund typically expects to meet redemption requests by (i) distributing any cash holdings, (ii) selling portfolio investments and/or (iii) borrowing from a bank under a line of credit. In addition to the foregoing, each Fund also may distribute securities as payment (a so-called "redemption in-kind"), in which case the redeeming shareholder may pay fees and commissions to convert the securities to cash. Unless requested by a shareholder, each Fund generally expects to limit use of redemption in-kind to stressed market conditions, but reserves the right to do so at any time. The Fund may decline a shareholder's request to receive redemption proceeds in-kind. Any redemption in-kind would be made in accordance with policies adopted by each Fund, which allow the Fund to distribute securities pro rata or as selected by the investment adviser.

Each Fund participates with other funds managed by Eaton Vance and its affiliates, including BMR and CRM, in a \$650 million unsecured revolving line of credit agreement and may borrow amounts available thereunder for temporary purposes, such as meeting redemptions. See "Additional Information about Investment Strategies and Risks - Borrowing for Temporary Purposes" herein. Each Fund also has exemptive relief to participate in an interfund lending program with other Eaton Vance funds. Such program is not operational as of the date of this SAI.

In connection with requests to re-issue uncashed checks representing redemption proceeds, each Fund reserves the right to require the redeeming shareholder to provide Medallion signature guaranteed wire instructions for delivery of redemption proceeds. Redemption proceeds represented by an uncashed check will not earn interest or other return during such time.

As noted above, each Fund may pay the redemption price of shares of a Fund, either totally or partially, by a distribution in-kind of securities. All requests for redemptions in-kind must be in good order. Provided the redemption request is received by the Fund not later than 12:00 p.m. (Eastern Time) on the day of the redemption, the Fund may in its discretion, if requested by a redeeming shareholder, provide the redeeming shareholders with an estimate of the securities to be distributed. Any difference between the redemption value of the distributed securities and the value of the Fund shares redeemed will be settled in cash. Securities distributed in a redemption in-kind would be valued pursuant to a Fund's valuation procedures and selected by the investment adviser. If a shareholder receives securities in a redemption in-kind, the shareholder could incur brokerage or other charges in converting the securities to cash and the value of such securities would be subject to price fluctuations until sold.

Pursuant to its Distribution Agreement with the Trust, the principal underwriter is authorized to repurchase shares offered for redemption to each Fund from time to time and each Fund is authorized to pay to the principal underwriter the purchase price for such repurchased shares, which shall be the net asset value next determined after the repurchase order, subject to any applicable CDSC payable to the principal underwriter.

**Systematic Withdrawal Plan.** The transfer agent will send to the shareholder regular monthly or quarterly payments of any permitted amount designated by the shareholder based upon the value of the shares held. The checks will be drawn from share redemptions and hence, may require the recognition of taxable gain or loss. Income dividends and capital gains distributions in connection with withdrawal plan accounts will be credited at net asset value as of the ex-dividend date for each distribution. Continued withdrawals in excess of current income will eventually use up principal, particularly in a period of declining market prices. A shareholder may not have a withdrawal plan in effect at the same time he or she has authorized Bank Automated Investing or is otherwise making regular purchases of Fund shares. The shareholder, the transfer agent or the principal underwriter may terminate the withdrawal plan at any time without penalty.

**Other Information.** A Fund's net asset value per share is normally rounded to two decimal places. In certain situations (such as a merger, share split or a purchase or sale of shares that represents a significant portion of a share class), the administrator may determine to extend the calculation of the net asset value per share to additional decimal places to ensure that neither the value of the Fund nor a shareholder's shares is diluted materially as the result of a purchase or sale or other transaction.

## SALES CHARGES

**Dealer Commissions.** The principal underwriter may, from time to time, at its own expense, provide additional incentives to financial intermediaries which employ registered representatives who sell Fund shares and/or shares of other funds distributed by the principal underwriter. In some instances, such additional incentives may be offered only to certain financial intermediaries whose representatives sell or are expected to sell significant amounts of shares. In addition, the principal underwriter may from time to time increase or decrease the sales commissions payable to financial intermediaries. The principal underwriter may allow, upon notice to all financial intermediaries with whom it has agreements, discounts up to the full sales charge during the periods specified in the notice. During periods when the discount includes the full sales charge, such financial intermediaries may be deemed to be underwriters as that term is defined in the 1933 Act.

**Purchases at Net Asset Value.** Class A shares may be sold at net asset value (without a sales charge) to clients of financial intermediaries who (i) charge such clients an ongoing fee for advisory, investment, consulting or similar services, or (ii) have entered into an agreement with the principal underwriter to offer Class A shares through a no-load network or platform; current and retired members of Eaton Vance Fund Boards; to clients (including custodial, agency, advisory and trust accounts) and current and former Directors, officers and employees of Eaton Vance, its affiliates and other investment advisers and sub-advisers of Eaton Vance sponsored funds; and to such persons' spouses, parents, siblings and lineal descendants and their beneficial accounts. Such shares may also be issued at net asset value (1) in connection with the merger (or similar transaction) of an investment company (or series or class thereof) or personal holding company with a Fund (or class thereof), (2) to HSAs (Health Savings Accounts), (3) to officers and employees of a Fund's custodian and transfer agent, (4) in connection with the ReFlow liquidity program and (5) direct purchases of shares by accounts where no financial intermediary is specified. Class A shares may also be sold at net asset value to registered representatives and employees of financial intermediaries. Class A shares are also offered at net asset value to shareholders who make a permitted direct transfer or roll-over to an Eaton Vance prototype individual retirement account ("IRA") from an employer-sponsored retirement plan previously invested in Eaton Vance funds (applicable only to the portion previously invested in Eaton Vance funds), provided that sufficient documentation is provided to the transfer agent of such transfer or roll-over at the time of the account opening. Sales charges generally are waived because either (i) there is no sales effort involved in the sale of shares or (ii) the investor is paying a fee (other than the sales charge) to the financial intermediary involved in the sale. Any new or revised sales charge or CDSC waiver will be prospective only. A financial intermediary may not, in accordance with its policies and procedures, offer one or more of the waiver categories described above and shareholders should consult their financial intermediary for more information.

**CDSC Waiver.** CDSCs will be waived in connection with redemptions from employer sponsored retirement plans or IRAs to satisfy required minimum distributions by applying the rate required to be withdrawn under the applicable rules and regulations of the IRS to the balance of shares in your account. CDSCs will also be waived in connection with returning excess contributions made to IRAs.

**Statement of Intention.** If it is anticipated that \$100,000 or more of Class A shares and shares of other funds exchangeable for Class A shares of another Eaton Vance fund will be purchased within a 13-month period, the Statement of Intention section of the account application should be completed so that shares may be obtained at the same reduced sales charge as though the total quantity were invested in one lump sum. Shares eligible for the right of accumulation (see below) as of the date of the statement and purchased during the 13-month period will be included toward the completion of the statement. If you make a statement of intention, the transfer agent is authorized to hold in escrow sufficient shares (5% of the dollar amount specified in the statement) which can be redeemed to make up any difference in sales charge on the amount intended to be invested and the amount actually invested. A statement of intention does not obligate the shareholder to purchase or the Fund to sell the full amount indicated in the statement.

If the amount actually purchased during the 13-month period is less than that indicated in the statement, the shareholder will be requested to pay the difference between the sales charge applicable to the shares purchased and the sales charge paid under the statement of intention. If the payment is not received in 20 days, the appropriate number of escrowed shares will be redeemed in order to realize such difference. Shareholders will not receive a lower sales charge if total purchases during the 13-month period are large enough to qualify for a lower sales charge than that applicable to the amount specified in the statement. If the sales charge rate changes during the 13-month period, all shares purchased or charges assessed after the date of such change will be subject to the then applicable sales charge.

**Right of Accumulation.** Under the right of accumulation, the applicable sales charge level is calculated by aggregating the dollar amount of the current purchase and the value (calculated at the maximum current offering price) of Fund shares owned by the shareholder. The sales charge on the Fund shares being purchased will then be applied at the rate applicable to the aggregate. Share purchases eligible for the right of accumulation are described under "Sales Charges" in the Prospectus. For any such discount to be made available at the time of purchase a purchaser or his or her financial intermediary must provide the principal underwriter (in the case of a purchase made through a financial intermediary) or the transfer agent (in the case of an investment made by mail) with sufficient information to permit verification that the purchase order qualifies for the accumulation privilege. Confirmation of the order is subject to such verification. The right of accumulation privilege may be amended or terminated at any time as to purchases occurring thereafter.

**Conversion Feature.** Effective November 5, 2020 (the "Effective Date"), Class C shares automatically convert to Class A shares during the month following the eight year anniversary of the purchase of such Class C shares. If the financial intermediary that maintains a Class C shareholder's account has not tracked the holding period for Class C shares, Class C shares held as of the Effective Date will automatically convert to Class A shares eight years after the Effective Date. Such conversion shall be effected on the basis of the relative NAVs per share of the two classes without the imposition of any sales charge, fee or other charge. For purposes of this conversion, all distributions paid on such Class C shares which the shareholder elects to reinvest in Class C shares will be

considered to be held in a separate sub-account. Upon the conversion of Class C shares not acquired through the reinvestment of distributions, a pro rata portion of the Class C shares held in the sub-account will also convert to such Class A shares. This portion will be determined by the ratio that such Class C shares being converted bears to the total of Class C shares (excluding shares acquired through reinvestment) in the account.

### **Distribution Plans**

The Trust has in effect a compensation-type Distribution Plan for Class A shares (the “Class A Plan”) adopted pursuant to Rule 12b-1 under the 1940 Act. The Class A Plan is designed to (i) finance activities which are primarily intended to result in the distribution and sales of Class A shares and to make payments in connection with the distribution of such shares and (ii) pay service fees for personal services and/or the maintenance of shareholder accounts to the principal underwriter, financial intermediaries and other persons. The distribution and service fees payable under the Class A Plan shall not exceed 0.25% of the average daily net assets attributable to Class A shares for any fiscal year. Class A distribution and service fees are paid monthly in arrears. For the distribution and service fees paid by Class A shares, see Appendix A.

The Trust also has in effect a compensation-type Distribution Plan for Class C shares (the “Class C Plan”) adopted pursuant to Rule 12b-1 under the 1940 Act. Pursuant to the Class C Plan, Class C pays the principal underwriter a distribution fee, accrued daily and paid monthly, at an annual rate not exceeding 0.75% of its average daily net assets to finance the distribution of its shares. Such fees compensate the principal underwriter for the sales commissions paid by it to financial intermediaries on the sale of shares, for other distribution expenses (such as personnel, overhead, travel, printing and postage) and for interest expense. The principal underwriter is entitled to receive all distribution fees and CDSCs paid or payable with respect to Class C shares, provided that no such payments will be made that would cause Class C shares to exceed the maximum sales charge permitted by FINRA Rule 2341(d).

The Class C Plan also authorizes the payment of service fees to the principal underwriter, financial intermediaries and other persons in amounts not exceeding an annual rate of 0.25% of its average daily net assets for personal services, and/or the maintenance of shareholder accounts. For Class C, financial intermediaries currently generally receive (a) a service fee (except on exchange transactions and reinvestments) at the time of sale equal to 0.20% (0.25% for Municipal Opportunities Fund) of the purchase price of Class C shares sold by such intermediaries, and (b) monthly service fees approximately equivalent to 1/12 of 0.20% (0.25% for Municipal Opportunities Fund) of the value of Class C shares sold by such intermediaries. During the first year after a purchase of Class C shares, the principal underwriter will retain the service fee as reimbursement for the service fee payment made to financial intermediaries at the time of sale (if applicable). For the service fees paid, see Appendix B.

The Board believes that each Plan will be a significant factor in the expected growth of each Fund’s assets, and will result in increased investment flexibility and advantages which have benefitted and will continue to benefit the Fund and its shareholders. The Eaton Vance organization may profit by reason of the operation of a Plan through an increase in Fund assets and if at any point in time the aggregate amounts received by the principal underwriter pursuant to a Plan exceeds the total expenses incurred in distributing Fund shares. For sales commissions and CDSCs, if applicable, see Appendix A and Appendix B.

A Plan continues in effect from year to year so long as such continuance is approved at least annually by the vote of both a majority of (i) the noninterested Trustees of the Trust who have no direct or indirect financial interest in the operation of the Plan or any agreements related to the Plan (the “Plan Trustees”) and (ii) all of the Trustees then in office. A Plan may be terminated at any time by vote of a majority of the Plan Trustees or by a vote of a majority of the outstanding voting securities of the applicable Class. Quarterly Board member review of a written report of the amount expended under the Plan and the purposes for which such expenditures were made is required. A Plan may not be amended to increase materially the payments described therein without approval of the shareholders of the affected Class and the Board. So long as a Plan is in effect, the selection and nomination of the noninterested Trustees shall be committed to the discretion of such Trustees. The Trustees, including the Plan Trustees, initially approved the current Plan(s) on April 22, 2013 for each Fund. Any Board member who is an “interested” person of the Trust has an indirect financial interest in a Plan because his or her employer (or affiliates thereof) receives distribution and/or service fees under the Plan or agreements related thereto.

### **DISCLOSURE OF PORTFOLIO HOLDINGS AND RELATED INFORMATION**

The Board has adopted policies and procedures (the “Policies”) with respect to the disclosure of information about portfolio holdings of each Fund. See the Funds’ Prospectus for information on disclosure made in filings with the SEC and/or posted on the Eaton Vance website ([www.eatonvance.com](http://www.eatonvance.com)) and disclosure of certain portfolio characteristics. As a general matter, portfolio holdings information does not include statistics derived from a Fund’s holdings in the aggregate or information about only a portion of a Fund’s holdings. Portfolio holdings information generally may be disclosed to any person following public disclosure, including the filing of the portfolio holdings information with the SEC or the posting of the information to the Eaton Vance website. Pursuant to the Policies, information about portfolio holdings of a Fund may also be disclosed as follows:

- Confidential disclosure for a legitimate Fund purpose:* Portfolio holdings information may be disclosed, from time to time as necessary, for a legitimate business purpose of a Fund, believed to be in the best interests of the Fund and its shareholders, provided there is a duty or an agreement that the information be kept confidential. Any such confidentiality agreement includes provisions intended to impose a duty not to trade on the non-public information. The Policies permit disclosure of portfolio holdings information to the following: 1) affiliated and unaffiliated service providers that have a legal or contractual duty to keep such information confidential, such as employees of the investment adviser (including portfolio managers and, in the case of a Portfolio, the portfolio manager of any account that invests in the Portfolio), the administrator, custodian, transfer agent, principal underwriter, etc. described herein and in the Prospectus; 2) a Fund's investment adviser or its affiliates in connection with a seed investment in the Fund, provided such information is made available to the seed investor for the purpose of satisfying reporting obligations and/or the seed investor's risk management purposes; 3) other persons who owe a fiduciary or other duty of trust or confidence to the Fund (such as Fund legal counsel and independent registered public accounting firm); or 4) persons to whom the disclosure is made in advancement of a legitimate business purpose of a Fund and who have expressly agreed in writing to maintain the disclosed information in confidence and to use it only in connection with the legitimate business purpose underlying the arrangement. To the extent applicable to an Eaton Vance fund, such persons may include securities lending agents which may receive information from time to time regarding selected holdings which may be loaned by a Fund; in the event a Fund is rated, credit rating agencies (Moody's Investor Services, Inc. and S&P Global Ratings); analytical service providers engaged by the investment adviser (SS&C Advent, Bloomberg L.P., Evare, FactSet, McMunn Associates, Inc., MSCI/Barra and The Yield Book, Inc.); proxy evaluation vendors (Institutional Shareholder Services Inc.); pricing services (Refinitiv Evaluated Pricing Service, WM/Reuters Information Services and Non-Deliverable Forward Rates Service, IHS Markit, FT Interactive Data Corp., Securities Evaluations, Inc., SuperDerivatives and StatPro.), which receive information as needed to price a particular holding; translation services; third-party reconciliation services; lenders under Fund credit facilities (Citibank, N.A. and its affiliates); consultants and other product evaluators (Morgan Stanley Smith Barney LLC); other service providers (Morgan Stanley Investment Management); and, for purposes of facilitating portfolio transactions, financial intermediaries and other intermediaries (national and regional municipal bond dealers and mortgage-backed securities dealers). These entities receive portfolio information on an as needed basis in order to perform the service for which they are being engaged. If required in order to perform their duties, this information will be provided in real time or as soon as practical thereafter. As described above, information about only a portion of a Fund's holdings is generally not considered portfolio holdings information and, to the extent that information about only a portion of a Fund's holdings is disclosed to investment dealers or other intermediaries for the purpose of facilitating the purchase or sale of portfolio securities, the Fund may not require the recipient of such information to enter into a confidentiality agreement. The Fund may also provide a shareholder receiving redemption proceeds in-kind with information concerning the securities to be distributed. To the extent the redeeming shareholder receives information regarding only a relatively limited portion of the securities owned by the Fund, this information is not expected to constitute portfolio holdings information. To the extent the redeeming shareholder receives information regarding a significant portion of the securities held by the Fund, the redeeming shareholder may be required to agree to keep the information confidential, except to the extent necessary to dispose of the securities. Additional categories of permitted disclosures involving a legitimate business purpose of a Fund may be approved by the Fund's Board from time to time.
- Historical portfolio holdings information:* From time to time, each Fund may be requested to provide historic portfolio holdings information or certain characteristics of portfolio holdings that have not been made public previously. In such case, the requested information may be provided if: the information is requested for due diligence or another legitimate purpose; the requested portfolio holdings or portfolio characteristics are for a period that is no more recent than the date of the portfolio holdings or portfolio characteristics posted to the Eaton Vance website; and the dissemination of the requested information is reviewed and approved in accordance with the Policies.

The Funds, the investment adviser and principal underwriter will not receive any monetary or other consideration in connection with the disclosure of a Fund's portfolio holdings information.

The Policies may not be waived, or exceptions made, without the consent of the CCO of the Funds. The CCO may not waive or make exception to the Policies unless such waiver or exception is consistent with the intent of the Policies, which is to ensure that disclosure of portfolio information is in the best interest of Fund shareholders. In determining whether to permit a waiver of or exception to the Policies, the CCO will consider whether the proposed disclosure serves a legitimate purpose of a Fund, whether it could provide the recipient with an advantage over Fund shareholders or whether the proposed disclosure gives rise to a conflict of interest between a Fund's shareholders and its investment adviser, principal underwriter or other affiliated person. The CCO will report all waivers of or exceptions to the Policies to the Board at their next meeting. The Board may impose additional restrictions on the disclosure of portfolio holdings information at any time.

The Policies are designed to provide useful information concerning a Fund to existing and prospective Fund shareholders while at the same time inhibiting the improper use of portfolio holdings information in trading Fund shares and/or portfolio securities held by a Fund. However, there can be no assurance that the provision of any portfolio holdings information is not susceptible to inappropriate uses (such as the development of “market timing” models), particularly in the hands of highly sophisticated investors, or that it will not in fact be used in such ways beyond the control of the Funds.

## TAXES

The following is a summary of some of the tax consequences affecting a Fund and its shareholders. As used below, “the Fund” refers to the Fund(s) listed on the cover of this SAI, except as otherwise noted. The summary does not address all of the special tax rules applicable to certain classes of investors, such as individual retirement accounts and employer sponsored retirement plans, tax-exempt entities, foreign investors, insurance companies and financial institutions. Shareholders should consult their own tax advisors with respect to special tax rules that may apply in their particular situations, as well as the federal, state, local, and, where applicable, foreign tax consequences of investing in the Fund.

**Taxation of the Fund.** The Fund, as a series of the Trust, is treated as a separate entity for federal income tax purposes. The Fund has elected to be treated and intends to qualify each year as a regulated investment company (“RIC”) under Subchapter M of the Code. Accordingly, the Fund intends to satisfy certain requirements relating to sources of its income and diversification of its assets and to distribute substantially all of its net investment income (including tax-exempt income, if any) and net short-term and long-term capital gains (after reduction by any available capital loss carryforwards) in accordance with the timing requirements imposed by the Code, so as to maintain its RIC status and to avoid paying any federal income tax. Based on advice of counsel, the Fund generally will not recognize gain or loss on its distribution of appreciated securities in shareholder-initiated redemptions of its shares. If the Fund qualifies for treatment as a RIC and satisfies the above-mentioned distribution requirements, it will not be subject to federal income tax on income paid to its shareholders in the form of dividends or capital gain distributions. The Fund qualified as a RIC for its most recent taxable year.

The Fund also seeks to avoid the imposition of a federal excise tax on its ordinary income and capital gain net income. However, if the Fund fails to distribute in a calendar year substantially all of its ordinary income for such year and substantially all of its capital gain net income for the one-year period ending October 31 (or later if the Fund is permitted to so elect and so elects), plus any retained amount from the prior year, the Fund will be subject to a 4% excise tax on the undistributed amounts. In order to avoid incurring a federal excise tax obligation, the Code requires that the Fund distribute (or be deemed to have distributed) by December 31 of each calendar year (i) at least 98% of its ordinary income (excluding tax-exempt income, if any) for such year, (ii) at least 98.2% of its capital gain net income (which is the excess of its realized capital gains over its realized capital losses), generally computed on the basis of the one-year period ending on October 31 of such year (or November 30 or December 31, if the Fund makes the election referred to above), after reduction by any available capital loss carryforwards, and (iii) 100% of any income and capital gains from the prior year (as previously computed) that were not distributed out during such year and on which the Fund paid no federal income tax. If the Fund fails to meet these requirements it will be subject to a nondeductible 4% excise tax on the undistributed amounts. Under current law, provided that the Fund qualifies as a RIC (and, where applicable, the Portfolio is treated as a partnership for Massachusetts and federal tax purposes), the Fund should not be liable for any applicable state income, corporate, excise, or franchise tax.

If the Fund does not qualify as a RIC for any taxable year, the Fund’s taxable income will be subject to corporate income taxes, and all distributions from earnings and profits, including distributions of tax-exempt income and net capital gain (if any), will be taxable to the shareholder as dividend income. However, such distributions may be eligible (i) to be treated as qualified dividend income in the case of shareholders taxed as individuals and (ii) for the dividends-received deduction in the case of corporate shareholders, provided, in both cases, the shareholder meets certain holding period and other requirements in respect of the Fund’s shares. In addition, in order to re-qualify for taxation as a RIC, the Fund may be required to recognize unrealized gains, pay substantial taxes and interest, and make substantial distributions.

In certain situations, the Fund may, for a taxable year, elect to defer all or a portion of its net capital losses (or if there is no net capital loss, then any net long-term or short-term capital loss) realized after October and its late-year ordinary losses (generally, the sum of its (i) net ordinary loss from the sale, exchange or other taxable disposition of property, attributable to the portion of the taxable year after October 31, and its (ii) other net ordinary loss attributable to the portion of the taxable year after December 31) until the next taxable year in computing its investment company taxable income and net capital gain, which will defer the recognition of such realized losses. Such deferrals and other rules regarding gains and losses realized after October (or December) may affect the tax character of shareholder distributions.

**Taxation of the Portfolio.** If the Fund invests its assets in the Portfolio, the Portfolio normally must satisfy the applicable source of income and asset diversification requirements under Subchapter M of the Code in order for the Fund to also satisfy these requirements. For federal income tax purposes, the Portfolio intends to be treated as a partnership that is not a “publicly traded partnership” and, as a result, will not be subject to federal income tax. The Fund, as an investor in the Portfolio, will be required to take into

account in determining its federal income tax liability its allocable share of such Portfolio's income, gains, losses, deductions and credits, without regard to whether it has received any distributions from such Portfolio. The Portfolio will allocate at least annually among its investors, including the Fund, the Portfolio's net investment income, net realized capital gains and losses, and any other items of income, gain, loss, deduction or credit. For purposes of applying the requirements of the Code regarding qualification as a RIC, the Fund (i) will be deemed to own its proportionate share of each of the assets of the Portfolio and (ii) will be entitled to the gross income of the Portfolio attributable to such share. Under current law, provided that the Portfolio is treated as a partnership for Massachusetts and federal tax purposes, the Portfolio should not be liable for any income, corporate, excise, or franchise tax in the Commonwealth of Massachusetts.

**Taxation of the Subsidiary.** See the definition of "Subsidiary" under "Definitions" at the front of this SAI for information about whether any Fund and/or Portfolio (if applicable) described herein has established a Subsidiary. The Subsidiary is classified as a corporation for U.S. federal income tax purposes. The Fund intends to take the position that income from its investments in the Subsidiary will constitute qualifying income for purposes of qualifying as a RIC. Under Treasury regulations, "subpart F income" included in the Fund's annual income for U.S. federal income purposes will constitute qualifying income to the extent it is either (i) timely and currently repatriated or (ii) derived with respect to the Fund's business of investing in stock, securities or currencies. If the Fund were to earn non-qualifying income from any source including the Subsidiary in excess of 10% of its gross income for any taxable year, it would fail to qualify as a RIC for that year, unless the Fund were eligible to cure and cured such failure by paying a Fund-level tax equal to the full amount of such excess.

Foreign corporations, such as the Subsidiary, will generally not be subject to U.S. federal income taxation unless they are deemed to be engaged in a U.S. trade or business. It is expected that the Subsidiary will conduct its activities in a manner so as to meet the requirements of a safe harbor under Section 864(b)(2) of the Code under which the Subsidiary may engage in trading in stocks or securities or certain commodities without being deemed to be engaged in a U.S. trade or business. However, if certain of the Subsidiary's activities were determined not to be of the type described in the safe harbor (which is not expected), then the activities of the Subsidiary may constitute a U.S. trade or business, and would be taxed as such.

The Subsidiary is treated as a controlled foreign corporation ("CFC") for tax purposes and the Fund is treated as a "U.S. shareholder" of the Subsidiary. As a result, the Fund is required to include in gross income for U.S. federal income tax purposes all of the Subsidiary's "subpart F income," whether or not such income is distributed by the Subsidiary. It is expected that all of the Subsidiary's income will be "subpart F income." The Fund's recognition of the Subsidiary's "subpart F income" will increase the Fund's tax basis in the Subsidiary. Distributions by the Subsidiary to the Fund will be tax-free to the extent of its previously undistributed "subpart F income," and will correspondingly reduce the Fund's tax basis in the Subsidiary. "Subpart F income" is generally treated as ordinary income, regardless of the character of the Subsidiary's underlying income. If a net loss is realized by the Subsidiary, such loss is not generally available to offset the income earned by the Fund.

**Tax Consequences of Certain Investments.** The following summary of the tax consequences of certain types of investments applies to the Fund and the Portfolio, as appropriate. References below to "the Fund" are to any Fund or Portfolio that can engage in the particular practice as described in the prospectus or SAI.

**Securities Acquired at Market Discount or with Original Issue Discount.** Investment in securities acquired in zero coupon, deferred interest, payment-in-kind and certain other securities with original issue discount, generally may cause the Fund to realize income prior to the receipt of cash payments with respect to these securities. Such income will be accrued daily by the Fund and, in order to avoid a tax payable by the Fund, the Fund may be required to liquidate securities that it might otherwise have continued to hold in order to generate cash so that the Fund may make required distributions to its shareholders. Generally any gain recognized on the disposition of, and any partial payment of principal on, a debt security having market discount is treated as ordinary income to the extent the gain, or principal payment, does not exceed the "accrued market discount" on such debt security; alternatively, the Fund may elect to accrue market discount currently, in which case the Fund will be required to include the accrued market discount in the Fund's income (as ordinary income) and thus distribute it over the term of the debt security, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt security; and the rate at which the market discount accrues, and thus is included in the Fund's income, will depend upon which of the permitted accrual methods the Fund elects.

**Lower Rated or Defaulted Securities.** Investments in securities that are at risk of, or are in, default present special tax issues for the Fund. Tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities and how payments received on obligations in default should be allocated between principal and income.

**Municipal Obligations.** Any recognized gain or income attributable to market discount on long-term tax-exempt municipal obligations (i.e., obligations with a term of more than one year) purchased after April 30, 1993 (except to the extent of a portion of the discount on the obligations attributable to original issue discount) is taxable as ordinary income. A long-term debt obligation is generally treated as acquired at a market discount if purchased after its original issue at a price less than (i) the stated principal amount payable at maturity, in the case of an obligation that does not have original issue discount or (ii) in the case of an obligation that does have original issue discount, the sum of the issue price and any original issue discount that accrued before the obligation was purchased, subject to a *de minimis* exclusion.

From time to time proposals have been introduced before Congress for the purpose of restricting or eliminating the federal income tax exemption for interest on certain types of municipal obligations, and it can be expected that similar proposals may be introduced in the future. As a result of any such future legislation, the availability of municipal obligations for investment by the Fund and the value of the securities held by it may be affected. It is possible that events occurring after the date of issuance of municipal obligations, or after the Fund's acquisition of such an obligation, may result in a determination that the interest paid on that obligation is taxable, even retroactively.

If the Fund seeks income exempt from state and/or local taxes, information about such taxes is contained in an appendix to this SAI (see the table of contents on the cover page of this SAI).

**Tax Credit Bonds.** If the Fund holds, directly or indirectly, one or more tax credit bonds issued on or before December 31, 2017 (including Build America Bonds, clean renewable energy bonds and other qualified tax credit bonds) on one or more applicable dates during a taxable year, the Fund may elect to permit its shareholders to claim a tax credit on their income tax returns equal to each shareholder's proportionate share of tax credits from the applicable bonds that otherwise would be allowed to the Fund. In such a case, shareholders must include in gross income (as interest) their proportionate share of the income attributable to their proportionate share of those offsetting tax credits. A shareholder's ability to claim a tax credit associated with one or more tax credit bonds may be subject to certain limitations imposed by the Code. Even if the Fund is eligible to pass through tax credits to shareholders, the Fund may choose not to do so.

**Derivatives.** The Fund's investments in options, futures contracts, hedging transactions, forward contracts (to the extent permitted) and certain other transactions may be subject to special tax rules (including mark-to-market, constructive sale, straddle, wash sale, short sale and other rules), the effect of which may be to accelerate income to the Fund, defer Fund losses, cause adjustments in the holding periods of Fund securities, convert capital gain into ordinary income and convert short-term capital losses into long-term capital losses. These rules could therefore affect the amount, timing and character of Fund distributions.

Investments in "section 1256 contracts," such as regulated futures contracts, most foreign currency forward contracts traded in the interbank market and options on most stock indices, are subject to special tax rules. All "section 1256 contracts" held by the Fund at the end of its taxable year are required to be marked to their market value, and any unrealized gain or loss on those positions will be included in the Fund's income as if each position had been sold for its fair market value at the end of the taxable year. The resulting gain or loss will be combined with any gain or loss realized by the Fund from positions in "section 1256 contracts" closed during the taxable year. Provided such positions were held as capital assets and were not part of a "hedging transaction" nor part of a "straddle," 60% of the resulting net gain or loss will be treated as long-term capital gain or loss, and 40% of such net gain or loss will be treated as short-term capital gain or loss, regardless of the period of time the positions were actually held by the Fund. Unless an election is made, net section 1256 gain or loss on forward currency contracts will be treated as ordinary income or loss.

Fund positions in index options that do not qualify as "section 1256 contracts" under the Code generally will be treated as equity options governed by Code Section 1234. Pursuant to Code Section 1234, if a written option expires unexercised, the premium received by the Fund is short-term capital gain to the Fund. If the Fund enters into a closing transaction with respect to a written option, the difference between the premium received and the amount paid to close out its position is short-term capital gain or loss. If an option written by the Fund that is not a "section 1256 contract" is cash settled, any resulting gain or loss will be short-term capital gain. For an option purchased by the Fund that is not a "section 1256 contract", any gain or loss resulting from sale of the option will be a capital gain or loss, and will be short-term or long-term, depending upon the holding period for the option. If the option expires, the resulting loss is a capital loss and is short-term or long-term, depending upon the holding period for the option. If a put option written by the Fund is exercised and physically settled, the premium received is treated as a reduction in the amount paid to acquire the underlying securities, increasing the gain or decreasing the loss to be realized by the Fund upon sale of the securities. If a call option written by the Fund is exercised and physically settled, the premium received is included in the sale proceeds, increasing the gain or decreasing the loss realized by the Fund at the time of option exercise.



As a result of entering into swap contracts, the Fund may make or receive periodic net payments. The Fund may also make or receive a payment when a swap is terminated prior to maturity through an assignment of the swap or other closing transaction. Periodic net payments will generally constitute ordinary income or deductions, while termination of a swap will generally result in capital gain or loss (which will be a long-term capital gain or loss if the Fund has been a party to a swap for more than one year). With respect to certain types of swaps, the Fund may be required to currently recognize income or loss with respect to future payments on such swaps or may elect under certain circumstances to mark such swaps to market annually for tax purposes as ordinary income or loss.

**Short Sales.** In general, gain or loss on a short sale is recognized when the Fund closes the sale by delivering the borrowed property to the lender, not when the borrowed property is sold. Gain or loss from a short sale is generally considered to be capital gain or loss to the extent that the property used to close the short sale constitutes a capital asset in the Fund's hands. Except with respect to certain situations where the property used to close a short sale has a long-term holding period on the date of the short sale, special rules generally treat the gains on short sales as short-term capital gains. These rules may also terminate the running of the holding period of "substantially identical property" held by the Fund. Moreover, a loss on a short sale will be treated as a long-term capital loss if, on the date of the short sale, "substantially identical property" has been held by the Fund for more than one year. In general, the Fund will not be permitted to deduct payments made to reimburse the lender of securities for dividends paid on borrowed stock if the short sale is closed on or before the 45th day after the short sale is entered.

**Constructive Sales.** The Fund may recognize gain (but not loss) from a constructive sale of certain "appreciated financial positions" if the Fund enters into a short sale, offsetting notional principal contract, or forward contract transaction with respect to the appreciated position or substantially identical property. Appreciated financial positions subject to this constructive sale treatment include interests (including options and forward contracts and short sales) in stock and certain other instruments. Constructive sale treatment does not apply if the transaction is closed out not later than thirty days after the end of the taxable year in which the transaction was initiated, and the underlying appreciated securities position is held unhedged for at least the next sixty days after the hedging transaction is closed.

Gain or loss on a short sale will generally not be realized until such time as the short sale is closed. However, as described above in the discussion of constructive sales, if the Fund holds a short sale position with respect to securities that has appreciated in value, and it then acquires property that is the same as or substantially identical to the property sold short, the Fund generally will recognize gain on the date it acquires such property as if the short sale were closed on such date with such property. Similarly, if the Fund holds an appreciated financial position with respect to securities and then enters into a short sale with respect to the same or substantially identical property, the Fund generally will recognize gain as if the appreciated financial position were sold at its fair market value on the date it enters into the short sale. The subsequent holding period for any appreciated financial position that is subject to these constructive sale rules will be determined as if such position were acquired on the date of the constructive sale.

**Foreign Investments and Currencies.** The Fund's investments in foreign securities may be subject to foreign withholding taxes or other foreign taxes with respect to income (possibly including, in some cases, capital gains), which would decrease the Fund's income on such securities. These taxes may be reduced or eliminated under the terms of an applicable U.S. income tax treaty. If more than 50% of Fund assets at year end consists of the debt and equity securities of foreign corporations, the Fund may elect to permit shareholders to claim a credit or deduction on their income tax returns for their pro rata portion of qualified taxes paid by the Fund to foreign countries. If the election is made, shareholders will include in gross income from foreign sources their pro rata share of such taxes. A shareholder's ability to claim a foreign tax credit or deduction in respect of foreign taxes paid by the Fund may be subject to certain limitations imposed by the Code (including a holding period requirement applied at the Fund level, shareholder level and, if applicable, Portfolio level), as a result of which a shareholder may not get a full credit or deduction for the amount of such taxes. In particular, the Fund or Portfolio, if applicable, must own a dividend-paying stock for more than 15 days during the 31-day period beginning 15 days prior to the ex-dividend date in order to pass through to shareholders a credit or deduction for any foreign withholding tax on a dividend paid with respect to such stock. Likewise, shareholders must hold their Fund shares (without protection from risk or loss) on the ex-dividend date and for at least 15 additional days during the 31-day period beginning 15 days prior to the ex-dividend date to be eligible to claim the foreign tax credit or deduction with respect to a given dividend. Shareholders who do not itemize deductions on their federal income tax returns may claim a credit (but no deduction) for such taxes. Individual shareholders subject to the alternative minimum tax ("AMT") may not deduct such taxes for AMT purposes.

Transactions in foreign currencies, foreign currency-denominated debt securities and certain foreign currency options, futures contracts, forward contracts and similar instruments (to the extent permitted) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency. Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time the Fund accrues income or receivables or expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects such income or pays such liabilities are generally treated as ordinary income or ordinary loss.

Investments in PFICs could subject the Fund to U.S. federal income tax or other charges on certain distributions from such companies and on disposition of investments in such companies; however, the tax effects of such investments may be mitigated by making an election to mark such investments to market annually or treat the PFIC as a “qualified electing fund”. If the Fund were to invest in a PFIC and elect to treat the PFIC as a “qualified electing fund” under the Code, the Fund might be required to include in income each year a portion of the ordinary earnings and net capital gains of the qualified electing fund, even if not distributed to the Fund, and such amounts would be subject to the distribution requirements described above. In order to make this election, the Fund would be required to obtain certain annual information from the PFICs in which it invests, which may be difficult or impossible to obtain. Alternatively, if the Fund were to make a mark-to-market election with respect to a PFIC, the Fund would be treated as if it had sold and repurchased the PFIC stock at the end of each year. In such case, the Fund would report any such gains as ordinary income and would deduct any such losses as ordinary losses to the extent of previously recognized gains. This election must be made separately for each PFIC, and once made, would be effective for all subsequent taxable years unless revoked with the consent of the IRS. The Fund may be required to recognize income in excess of the distributions it receives from PFICs and its proceeds from dispositions of PFIC stock in any particular year. As a result, the Fund may have to distribute this “phantom” income and gain to satisfy the distribution requirement and to avoid imposition of the 4% excise tax.

**U.S. Government Securities.** Distributions paid by the Fund that are derived from interest on obligations of the U.S. Government and certain of its agencies and instrumentalities (but generally not distributions of capital gains realized upon the disposition of such obligations) may be exempt from state and local income taxes. The Fund generally intends to advise shareholders of the extent, if any, to which its distributions consist of such interest. Shareholders are urged to consult their tax advisers regarding the possible exclusion of such portion of their dividends for state and local income tax purposes.

**Real Estate Investment Trusts (“REITs”).** Any investment by the Fund in equity securities of a REIT qualifying as such under Subchapter M of the Code may result in the Fund’s receipt of cash in excess of the REIT’s earnings; if the Fund distributes these amounts, these distributions could constitute a return of capital to Fund shareholders for U.S. federal income tax purposes. Dividends received by the Fund from a REIT will not qualify for the corporate dividends-received deduction and generally will not constitute qualified dividend income.

Distributions by the Fund to its shareholders that the Fund properly reports as “section 199A dividends,” as defined and subject to certain conditions described below, are treated as qualified REIT dividends in the hands of non-corporate shareholders. Non-corporate shareholders are permitted a federal income tax deduction equal to 20% of qualified REIT dividends received by them, subject to certain limitations. Very generally, a “section 199A dividend” is any dividend or portion thereof that is attributable to certain dividends received by a RIC from REITs, to the extent such dividends are properly reported as such by the RIC in a written notice to its shareholders. A section 199A dividend is treated as a qualified REIT dividend only if the shareholder receiving such dividend holds the dividend-paying RIC shares for at least 46 days of the 91-day period beginning 45 days before the shares become ex-dividend, and is not under an obligation to make related payments with respect to a position in substantially similar or related property. The Fund is permitted to report such part of its dividends as section 199A dividends as are eligible, but is not required to do so.

Subject to any future regulatory guidance to the contrary, any distribution of income attributable to qualified publicly traded partnership income from the Fund’s investment in a qualified publicly traded partnership will not qualify for the deduction that would be available to a non-corporate shareholder were the shareholder to own such qualified publicly traded partnership interest directly.

**Inflation-Indexed Bonds.** Periodic adjustments for inflation to the principal amount of an inflation-indexed bond may give rise to original issue discount, which will be includable in the Fund’s gross income (see “Securities Acquired at Market Discount or with Original Issue Discount” above). Also, if the principal value of an inflation-indexed bond is adjusted downward due to deflation, amounts previously distributed in the taxable year may be characterized in some circumstances as a return of capital (see “Taxation of Fund Shareholders” below).

**Taxation of Fund Shareholders.** Subject to the discussion of distributions of tax-exempt income below, Fund distributions of investment income and net gains from investments held for one year or less will be taxable as ordinary income. Fund distributions of net gains from investments held for more than one year and that are properly reported by the Fund as capital gain dividends are generally taxable as long-term capital gains. The IRS and the Department of Treasury have issued regulations that impose special rules in respect of capital gain dividends received through partnership interests constituting “applicable partnership interests” under Section 1061 of the Code. Taxes on distributions of capital gains are determined by how long the Fund or, if applicable, the Portfolio owned (or is treated as having owned) the investments that generated the gains, rather than how long a shareholder has owned his or her shares in the Fund. Dividends and distributions on the Fund’s shares are generally subject to federal income tax as described herein to the extent they are made out of the Fund’s earnings and profits, even though such dividends and distributions may economically represent a return of a particular shareholder’s investment. Such distributions are likely to occur in respect of shares purchased at a time when the Fund’s net asset value reflects gains that are either unrealized, or realized but not distributed. Such realized gains may be required to be distributed even when the Fund’s net asset value also reflects unrealized losses.

Distributions paid by the Fund during any period may be more or less than the amount of net investment income and capital gains actually earned during the period. If the Fund makes a distribution to a shareholder in excess of the Fund's current and accumulated earnings and profits in any taxable year, the excess distribution will be treated as a return of capital. A return of capital is not taxable, but it reduces a shareholder's tax basis in its shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its shares. A shareholder's tax basis cannot go below zero and any return of capital in excess of a shareholder's tax basis will be treated as capital gain.

Ordinarily, shareholders are required to take taxable distributions by the Fund into account in the year in which the distributions are made. However, for federal income tax purposes, dividends that are declared by the Fund in October, November or December as of a record date in such month and actually paid in January of the following year will be treated as if they were paid on December 31 of the year declared. Therefore, such dividends will generally be taxable to a shareholder in the year declared rather than in the year paid.

The amount of distributions payable by the Fund may vary depending on general economic and market conditions, the composition of investments, current management strategy and Fund operating expenses. The Fund will inform shareholders of the tax character of distributions annually to facilitate shareholder tax reporting.

The Fund may elect to retain its net capital gain, in which case the Fund will be taxed thereon (except to the extent of any available capital loss carryovers) at regular corporate tax rates. In such a case, it is expected that the Fund also will elect to have shareholders of record on the last day of its taxable year treated as if each received a distribution of its pro rata share of such gain, with the result that each shareholder will be required to report its pro rata share of such gain on its tax return as long-term capital gain, will receive a refundable tax credit for its pro rata share of tax paid by the Fund on the gain, and will increase the tax basis for its shares by an amount equal to the deemed distribution less the tax credit. The Fund is not required to, and there can be no assurance the Fund will, make this designation if it retains all or a portion of its net capital gain in a taxable year.

Any Fund distribution, other than dividends that are declared by the Fund on a daily basis, will have the effect of reducing the per share net asset value of Fund shares by the amount of the distribution. If a shareholder buys shares when the Fund has unrealized or realized but not yet distributed ordinary income or capital gains, the shareholder will pay full price for the shares and then may receive a portion back as a taxable distribution even though such distribution may economically represent a return of the shareholder's investment.

**Tax-Exempt Income.** Distributions by the Fund of net tax-exempt interest income that are properly reported as "exempt-interest dividends" may be treated by shareholders as interest excludable from gross income for federal income tax purposes under Section 103(a) of the Code. In order for the Fund to be entitled to pay the tax-exempt interest income as exempt-interest dividends to its shareholders, the Fund must satisfy certain requirements, including the requirement that, at the close of each quarter of its taxable year, at least 50% of the value of its total assets consists of obligations the interest on which is exempt from regular federal income tax under Code Section 103(a). Interest on certain municipal obligations may be taxable for purposes of the federal AMT for non-corporate taxpayers and for state and local purposes. Fund shareholders are required to report tax-exempt interest on their federal income tax returns.

Exempt-interest dividends received from the Fund are taken into account in determining, and may increase, the portion of social security and certain railroad retirement benefits that may be subject to federal income tax. Interest on indebtedness incurred by a shareholder to purchase or carry Fund shares that distributes exempt-interest dividends will not be deductible for U.S. federal income tax purposes in proportion to the percentage that the Fund's distributions of exempt-interest dividends bears to all of the Fund's distributions, excluding properly reported capital gain dividends. If a shareholder receives exempt-interest dividends with respect to any Fund share and if the share is held by the shareholder for six months or less, then any loss on the sale or exchange of the share may, to the extent of the exempt-interest dividends, be disallowed. Furthermore, a portion of any exempt-interest dividend paid by the Fund that represents income derived from certain revenue or private activity bonds held by the Fund may not retain its tax-exempt status in the hands of a shareholder who is a "substantial user" of a facility financed by such bonds, or a "related person" thereof. In addition, the receipt of exempt-interest dividends from the Fund may affect a foreign corporate shareholder's federal "branch profits" tax liability and the federal "excess net passive income" tax liability of a shareholder of a Subchapter S corporation. Shareholders should consult their own tax advisors as to whether they are (i) "substantial users" with respect to a facility or "related" to such users within the meaning of the Code or (ii) subject to a federal AMT, the federal "branch profits" tax, or the federal "excess net passive income" tax.

**Qualified Dividend Income.** "Qualified dividend income" received by an individual is generally taxed at the rates applicable to long-term capital gain. In order for a dividend received by Fund shareholders to be qualified dividend income, the Fund or, if applicable, the Portfolio must meet holding period and other requirements with respect to the dividend-paying stock in its portfolio and the shareholder must meet holding period and other requirements with respect to the Fund's shares. A dividend will not be treated as qualified dividend income (at either the Fund or shareholder level) (1) if the dividend is received with respect to any share of stock held for fewer than 61 days during the 121-day period beginning at the date which is 60 days before the date on which such

share becomes ex-dividend with respect to such dividend (or, in the case of certain preferred stock, 91 days during the 181-day period beginning 90 days before such date), (2) to the extent that the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (3) if the recipient elects to have the dividend income treated as investment income for purposes of the limitation on deductibility of investment interest, or (4) if the dividend is received from a foreign corporation that is (a) not eligible for the benefits of a comprehensive income tax treaty with the U.S. (with the exception of dividends paid on stock of such a foreign corporation readily tradable on an established securities market in the U.S.) or (b) treated as a PFIC. Payments in lieu of dividends, such as payments pursuant to securities lending arrangements, also do not qualify to be treated as qualified dividend income. In general, distributions of investment income properly reported by the Fund as derived from qualified dividend income will be treated as qualified dividend income by a shareholder taxed as an individual provided the shareholder meets the holding period and other requirements described above with respect to the Fund's shares. In any event, if the aggregate qualified dividends received by the Fund during any taxable year are 95% or more of its gross income (excluding net long-term capital gain over net short-term capital loss), then 100% of the Fund's dividends (other than properly reported capital gain dividends) will be eligible to be treated as qualified dividend income. For this purpose, the only gain with respect to the sale of stocks and securities included in the term "gross income" is the excess of net short-term capital gain over net long-term capital loss.

***Dividends-Received Deduction for Corporations.*** A portion of distributions made by the Fund which are derived from dividends from U.S. corporations may qualify for the dividends-received deduction ("DRD") for corporations. The DRD is reduced to the extent the Fund shares with respect to which the dividends are received are treated as debt-financed under the Code and is eliminated if the shares are deemed to have been held for less than a minimum period, generally more than 45 days (more than 90 days in the case of certain preferred stock) during the 91-day period beginning 45 days before the ex-dividend date (during the 181-day period beginning 90 days before such date in the case of certain preferred stock) or if the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Receipt of certain distributions qualifying for the DRD may result in reduction of the tax basis of the corporate shareholder's shares. Payments in lieu of dividends, such as payments pursuant to securities lending arrangements, also do not qualify for the DRD.

***Recognition of Unrelated Business Taxable Income by Tax-Exempt Shareholders.*** Under current law, tax-exempt investors generally will not recognize unrelated business taxable income ("UBTI") from distributions from the Fund. Notwithstanding the foregoing, a tax-exempt shareholder could recognize UBTI if shares in the Fund constitute debt-financed property in the hands of a tax-exempt shareholder within the meaning of Code section 514(b). In addition, certain types of income received by the Fund from REITs, real estate mortgage investment conduits ("REMICs"), taxable mortgage pools or other investments may cause the Fund to designate some or all of its distributions as "excess inclusion income." To Fund shareholders such excess inclusion income may: (1) constitute income taxable as UBTI for those shareholders who would otherwise be tax-exempt such as individual retirement accounts, employer sponsored retirement plans and certain charitable entities; (2) not be offset by otherwise allowable deductions for tax purposes; (3) not be eligible for reduced U.S. withholding for non-U.S. shareholders even from certain tax treaty countries; and (4) cause the Fund to be subject to tax if certain "disqualified organizations" as defined by the Code are Fund shareholders.

***Sale, Redemption or Exchange of Fund Shares.*** Generally, upon the sale, redemption or (if permitted) exchange of Fund shares, a shareholder will realize a taxable gain or loss equal to the difference between the amount realized and the shareholder's basis in the shares. Such gain or loss will be treated as capital gain or loss if the shares are capital assets in the shareholder's hands, and generally will be long-term capital gain or loss if the shares are held for more than one year, and short-term capital gain or loss if the shares are held for one year or less.

Any loss realized upon the sale or other disposition of Fund shares with a tax holding period of six months or less will be treated as a long-term capital loss to the extent of any Fund distributions of capital gain dividends with respect to such shares. In addition, all or a portion of a loss realized on a sale or other disposition of Fund shares may be disallowed under "wash sale" rules to the extent the shareholder acquired other shares of the same Fund (whether through the reinvestment of distributions or otherwise) within the period beginning 30 days before the date of sale or other disposition of the loss shares and ending 30 days after such date. Any disallowed loss will result in an adjustment to the shareholder's tax basis in some or all of the other shares acquired. See the prospectus for information regarding any permitted exchange of Fund shares.

Sales charges paid upon a purchase of shares subject to a front-end sales charge cannot be taken into account for purposes of determining gain or loss on a redemption or exchange of the shares before the 91st day after their purchase to the extent a sales charge is reduced or eliminated in a subsequent acquisition of Fund shares (or shares of another fund) on or before January 31 of the following calendar year pursuant to the reinvestment or exchange privilege. Any disregarded amounts will result in an adjustment to the shareholder's tax basis in some or all of any other shares acquired.

**Applicability of Medicare Contribution Tax.** The Code imposes a 3.8% Medicare contribution tax on the net investment income of certain U.S. individuals, estates and trusts. For individuals, the tax is on the lesser of the “net investment income” and the excess of modified adjusted gross income over \$200,000 (or \$250,000 if married filing jointly). Net investment income includes, among other things, interest, dividends, gross income and capital gains derived from passive activities and trading in securities or commodities. Net investment income is reduced by deductions “properly allocable” to this income.

**Back-Up Withholding for U.S. Shareholders.** Amounts paid by the Fund to individuals and certain other shareholders who have not provided the Fund with their correct taxpayer identification number (“TIN”) and certain certifications required by the IRS as well as shareholders with respect to whom the Fund has received certain information from the IRS or a broker, may be subject to “backup” withholding of federal income tax arising from the Fund’s taxable dividends and other distributions as well as the proceeds of redemption transactions (including repurchases and exchanges). An individual’s TIN is generally his or her social security number. Backup withholding is not an additional tax and any amount withheld may be credited against a shareholder’s U.S. federal income tax liability.

**Taxation of Foreign Shareholders.** In general, dividends (other than capital gain dividends, interest-related dividends, short-term capital gain dividends and exempt-interest dividends) paid to a shareholder that is not a “U.S. person” within the meaning of the Code (a “foreign person” or “foreign shareholder”) are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). The withholding tax does not apply to regular dividends paid to a foreign person who provides an IRS Form W-8ECI, certifying that the dividends are effectively connected with the foreign person’s conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax as if the foreign person were a U.S. shareholder. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional “branch profits tax” imposed at a rate of 30% (or lower treaty rate). A foreign person who fails to provide an IRS Form W-8BEN, IRS Form W-8BEN-E, or other applicable form may be subject to backup withholding at the appropriate rate. A foreign shareholder would generally be exempt from U.S. federal income tax, including withholding tax, on gains realized on the sale of shares of the Fund, capital gain dividends, short-term capital gain dividends, interest-related dividends, exempt-interest dividends and amounts retained by the Fund that are reported as undistributed capital gains.

Properly reported dividends are generally exempt from U.S. federal withholding tax where they (i) are paid in respect of the Fund’s “qualified net interest income” (generally, the Fund’s U.S. source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which the Fund is at least a 10% shareholder, reduced by expenses that are allocable to such income) or (ii) are paid in respect of the Fund’s “qualified short-term capital gains” (generally, the excess of the Fund’s net short-term capital gain over the Fund’s net long-term capital loss for such taxable year). However, depending on its circumstances, the Fund may report all, some or none of its potentially eligible dividends as such qualified net interest income or as qualified short-term capital gains and/or treat such dividends, in whole or in part, as ineligible for this exemption from withholding. In order to qualify for this exemption from withholding, a non-U.S. shareholder would need to comply with applicable certification requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN, IRS Form W-8BEN-E, or substitute Form). In the case of shares held through an intermediary, the intermediary could withhold even if the Fund designates the payment as qualified net interest income or qualified short-term capital gain. Non-U.S. shareholders should contact their intermediaries with respect to the application of these rules to their accounts.

Distributions that the Fund reports as “short-term capital gain dividends” or “long-term capital gain dividends” will not be treated as such to a recipient foreign shareholder if the distribution is attributable to gain from the sale or exchange of U.S. real property or an interest in a U.S. real property holding corporation and the Fund’s direct or indirect interests in U.S. real property exceeded certain levels. Instead, if the foreign shareholder has not owned more than 5% of the outstanding shares of the Fund at any time during the one year period ending on the date of distribution, such distributions will be subject to 30% (or lower applicable treaty rate) withholding by the Fund and will be treated as ordinary dividends to the foreign shareholder; if the foreign shareholder owned more than 5% of the outstanding shares of the Fund at any time during the one year period ending on the date of the distribution, such distribution will be treated as real property gain subject to 21% withholding tax and could subject the foreign shareholder to U.S. filing requirements. The rules described in this paragraph, other than the withholding rules, will apply notwithstanding the Fund’s participation or a foreign shareholder’s participation in a wash sale transaction or the payment of a substitute dividend.

Additionally, if the Fund’s direct or indirect interests in U.S. real property were to exceed certain levels, a foreign shareholder realizing gains upon redemption from the Fund could be subject to the 21% withholding tax and U.S. filing requirements unless the foreign person had not held more than 5% of the Fund’s outstanding shares at any time during the one year period ending on the date of the redemption.

The same rules apply with respect to distributions to a foreign shareholder from the Fund and redemptions of a foreign shareholder’s interest in the Fund attributable to a REIT’s distribution to the Fund of gain from the sale or exchange of U.S. real property or an interest in a U.S. real property holding corporation, if the Fund’s direct or indirect interests in U.S. real property were to exceed certain levels.

Provided that 50% or more of the value of the Fund's stock is held by U.S. shareholders, distributions of U.S. real property interests (including securities in a U.S. real property holding corporation, unless such corporation is regularly traded on an established securities market and the Fund has held 5% or less of the outstanding shares of the corporation during the five-year period ending on the date of distribution), in redemption of a foreign shareholder's shares of the Fund will cause the Fund to recognize gain. If the Fund is required to recognize gain, the amount of gain recognized will be equal to the fair market value of such interests over the Fund's adjusted basis to the extent of the greatest foreign ownership percentage of the Fund during the five-year period ending on the date of redemption.

In the case of foreign non-corporate shareholders, the Fund may be required to backup withhold U.S. federal income tax on distributions that are otherwise exempt from withholding tax unless such shareholders furnish the Fund with proper notification of their foreign status.

Shares of the Fund held by a non-U.S. shareholder at death will be considered situated within the United States and subject to the U.S. estate tax.

**Compliance with FATCA.** A 30% withholding tax is imposed on U.S.-source dividends, interest and other income items, including those paid by the Fund, paid to (i) foreign financial institutions including non-U.S. investment funds unless they agree to collect and disclose to the IRS information regarding their direct and indirect U.S. account holders and (ii) certain other foreign entities, unless they certify certain information regarding their direct and indirect U.S. owners. If a payment by the Fund is subject to withholding under FATCA, the Fund is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign shareholders described above (e.g., dividends attributable to qualified net interest income and dividends attributable to tax-exempt interest income). The IRS and the Department of the Treasury have issued proposed regulations providing that these withholding rules will not be applicable to the gross proceeds of share redemptions or capital gain dividends the Funds pays. To avoid withholding, foreign financial institutions will need to either enter into agreements with the IRS that state that they will provide the IRS information, including the names, addresses and taxpayer identification numbers of direct and indirect U.S. account holders, comply with due diligence procedures with respect to the identification of U.S. accounts, report to the IRS certain information with respect to U.S. accounts maintained, agree to withhold tax on certain payments made to non-compliant foreign financial institutions or to account holders who fail to provide the required information, and determine certain other information as to their account holders or, in the event that an applicable intergovernmental agreement and implementing legislation are adopted, agree to provide certain information to other revenue authorities for transmittal to the IRS. Other foreign entities will need to either provide the name, address, and taxpayer identification number of each substantial U.S. owner or certifications of no substantial U.S. ownership unless certain exceptions apply or agree to provide certain information to other revenue authorities for transmittal to the IRS. Non-U.S. shareholders should consult their own tax advisors regarding the possible implications of these requirements on their investment in the Fund.

**Requirements of Form 8886.** Under Treasury Regulations, if a shareholder realizes a loss on disposition of the Fund's shares of at least \$2 million in any single taxable year or \$4 million in any combination of taxable years for an individual shareholder or at least \$10 million in any single taxable year or \$20 million in any combination of taxable years for a corporate shareholder, the shareholder must file with the IRS a disclosure statement on Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances. Under certain circumstances, certain tax-exempt entities and their managers may be subject to excise tax if they are parties to certain reportable transactions.

**Tax Treatment of Variable Annuity/Variable Life Insurance Funding Vehicles.** Special rules apply to insurance company separate accounts and the Funds (the "Variable Funds") in which such insurance company separate accounts invest. For federal income tax purposes, the insurance company separate accounts that invest in a Variable Fund will be treated as receiving the income from the Variable Fund's distributions to such accounts, and holders of variable annuity contracts or variable life insurance policies (together, "Variable Contracts") generally will not be taxed currently on income or gains realized with respect to such contracts, provided that certain diversification and "investor control" requirements are met. In order for owners of Variable Contracts to receive such favorable tax treatment, diversification requirements in Section 817(h) of the Code ("Section 817(h)") must be satisfied. To determine whether such diversification requirements are satisfied, an insurance company that offers Variable Contracts generally may "look through" to the assets of a RIC in which it owns shares (the "Underlying Fund") if, among other requirements, (1) all the shares of the Underlying Fund are held by segregated asset accounts of insurance companies and (2) public access to such shares is only available through the purchase of a variable contract, in each case subject to certain limited exceptions. This provision permits a segregated asset account to invest all of its assets in shares of a single Underlying Fund without being considered nondiversified, provided that the Underlying Fund meets the Section 817(h) diversification requirements. This "look through" treatment typically increases the diversification of the account, because a portion of each of the assets of the Underlying Fund is considered to be held by the segregated asset account. Because each Variable Fund expects that this look-through rule will apply

in determining whether the Section 817(h) diversification requirements are satisfied with respect to the variable contracts invested in the insurance company separate accounts that own shares in the Underlying Fund, each Variable Fund intends to comply with the Section 817(h) diversification requirements. If a Variable Fund failed to qualify as a RIC, the insurance company separate accounts investing in the Variable Fund would no longer be permitted to look through to the Variable Fund's investments and, thus, would likely fail to satisfy the Section 817(h) diversification requirements.

A Variable Fund can generally satisfy the Section 817(h) diversification requirements in one of two ways. First, the requirements will be satisfied if each Variable Fund invests not more than 55 percent of the total value of its assets in the securities of a single issuer; not more than 70 percent of the value of its total assets in the securities of any two issuers; not more than 80 percent of the value of its total assets in the securities of any three issuers; and not more than 90 percent of the value of its total assets in the securities of any four issuers. Alternatively, the diversification requirements will be satisfied with respect to Variable Fund shares owned by insurance companies as investments for variable contracts if (i) no more than 55 percent of the value of the Variable Fund's total assets consists of cash, cash items (including receivables), U.S. Government securities, and securities of other RICs, and (ii) the Variable Fund satisfies the additional diversification requirements for qualification as a RIC under Subchapter M of the Code discussed above. For purposes of the Section 817(h) diversification rule, all securities of the same issuer are considered a single investment. In the case of government securities, each United States government agency or instrumentality is generally treated as a separate issuer. In addition, to the extent any security is guaranteed or insured by the U.S. or an instrumentality of the U.S., it will be treated as having been issued by the U.S. or the instrumentality, as applicable.

A Variable Fund will be considered to be in compliance with the Section 817(h) diversification requirements if it is adequately diversified on the last day of each calendar quarter. A Variable Fund that meets the diversification requirements as of the close of a calendar quarter will not be considered nondiversified in a subsequent quarter because of a discrepancy between the value of its assets and the diversification requirements unless the discrepancy exists immediately after the acquisition of any asset and is attributable, in whole or in part, to such acquisition.

If the segregated asset account investing in the Variable Fund is not adequately diversified at the required time and the correction procedure described below is not available, a Variable Contract based on the account during the specified time will not be treated as an annuity or life insurance contract within the meaning of the Code and all income accrued on the Variable Contract for the current and all prior taxable years will be subject to current federal taxation at ordinary income rates to the holders of such contracts. The Variable Contract will also remain subject to current taxation for all subsequent tax periods regardless of whether the Fund or separate account becomes adequately diversified in future periods.

In certain circumstances, an inadvertent failure to satisfy the Section 817(h) diversification requirements can be corrected, but generally will require the payment of a penalty to the IRS. The amount of such penalty will be based on the tax the contract holders would have incurred if they were treated as receiving the income on the contract for the period during which the diversification requirements were not satisfied. Any such failure also could result in adverse tax consequences for the insurance company issuing the contracts.

In addition to the Section 817(h) diversification requirements, "investor control" limitations also are imposed on owners of Variable Contracts. The IRS has issued rulings addressing the circumstances in which a Variable Contract holder's control of the investments of the insurance company separate account may cause the holder, rather than the insurance company, to be treated as the owner of the assets held by the separate account. If the holder is considered the owner of the securities underlying the separate account, income, and gains produced by those securities would be included currently in the holder's gross income. In determining whether an impermissible level of investor control is present, one factor the IRS considers is whether a Variable Fund's investment strategies are sufficiently broad to prevent a Variable Contract holder from being deemed to be making particular investment decisions through its investment in the separate account. For this purpose, current IRS guidance indicates that typical fund investment strategies, even those with a specific sector or geographical focus, are generally considered sufficiently broad. Most, although not necessarily all, of the Variable Funds have objectives and strategies that are not materially narrower than the investment strategies held not to constitute an impermissible level of investor control in recent IRS rulings (such as large company stocks, international stocks, small company stocks, mortgage-backed securities, money market securities, telecommunications stocks, and financial services stocks).

The above discussion addresses only one of several factors that the IRS considers in determining whether a Variable Contract holder has an impermissible level of investor control over a separate account. Variable Contract holders should consult with their own tax advisors, as well as the prospectus relating to their particular Variable Contract, for more information concerning this investor control issue.

In the event that there is a legislative change or the IRS or Treasury Department issues rulings, regulations, or other guidance, there can be no assurance that a Variable Fund will be able to operate as currently described, or that a Variable Fund will not have to change its investment objective or investment policies. While a Variable Fund's investment objective is fundamental and may be changed only by a vote of a majority of its outstanding shares, the investment policies of the Variable Funds may be modified as necessary to prevent any prospective rulings, regulations, or legislative change from causing Variable Contract owners to be considered the owners of the shares of a Variable Fund.

For a discussion of the tax consequences to owners of Variable Contracts of Variable Fund distributions to insurance company separate accounts, please see the prospectus provided by the insurance company for your Variable Contract. Because of the unique tax status of Variable Contracts, you also should consult your tax advisor regarding the tax consequences of owning Variable Contracts under the federal, state, and local tax rules that apply to you.

**Other Taxes.** Dividends, distributions and redemption proceeds may also be subject to additional state, local and foreign taxes depending on each shareholder's particular situation.

**Changes in Taxation.** The taxation of the Fund, the Portfolio, the Subsidiary and shareholders may be adversely affected by future legislation, Treasury Regulations, IRS revenue procedures and/or guidance issued by the IRS.

### PORTFOLIO SECURITIES TRANSACTIONS

Decisions concerning the execution of portfolio security transactions, including the selection of the market and the broker-dealer firm, or other financial intermediary (each an "intermediary"), are made by the investment adviser. Each Fund is responsible for the expenses associated with its portfolio transactions. The investment adviser is also responsible for the execution of transactions for all other accounts managed by it. The investment adviser places the portfolio security transactions for execution with one or more intermediaries. The investment adviser uses its best efforts to obtain execution of portfolio security transactions at prices that in the investment adviser's judgment are advantageous to the client and at a reasonably competitive spread or (when a disclosed commission is being charged) at reasonably competitive commission rates. In seeking such execution, the investment adviser will use its best judgment in evaluating the terms of a transaction, and will give consideration to various relevant factors, which may include, without limitation, the full range and quality of the intermediary's services, responsiveness of the intermediary to the investment adviser, 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 intermediary, the reputation, reliability, experience and financial condition of the intermediary, the value and quality of the services rendered by the intermediary in this and other transactions, and the amount of the spread or commission, if any. In addition, the investment adviser may consider the receipt of Research Services (as defined below), provided it does not compromise the investment adviser's obligation to seek best overall execution for each Fund and is otherwise in compliance with applicable law. The investment adviser may engage in portfolio transactions with an intermediary that sells shares of Eaton Vance funds, provided such transactions are not directed to that intermediary as compensation for the promotion or sale of such shares.

The investment adviser is an "affiliated person," as defined in the 1940 Act, of Morgan Stanley and its affiliates, including certain intermediaries (as previously defined). As a result, the investment adviser is subject to certain restrictions regarding transactions with Morgan Stanley-affiliated intermediaries, as set forth in the 1940 Act. Under certain circumstances, such restrictions may limit the investment adviser's ability to place portfolio transactions on behalf of each Fund at the desired time or price. Any transaction the investment adviser enters into with a Morgan Stanley-affiliated intermediary on behalf of each Fund will be done in compliance with applicable laws, rules, and regulations; will be subject to any restrictions contained in each Fund's investment advisory agreement; will be subject to the investment adviser's duty to seek best execution; and, will comply with any applicable policies and procedures of the investment adviser, as described below.

Subject to the overriding objective of obtaining the best execution of orders and applicable rules and regulations, as described above, each Fund may use an affiliated intermediary, including a Morgan Stanley-affiliated intermediary, to effect Fund portfolio transactions, including transactions in futures contracts and options on futures contracts, under procedures adopted by the Board. In order to use such affiliated intermediaries, each Fund's Board must approve and periodically review procedures reasonably designed to ensure that commission rates and other remuneration paid to the affiliated intermediaries are fair and reasonable in comparison to those of other intermediaries for comparable transactions involving similar securities being purchased or sold during a comparable time period.

Pursuant to an order issued by the SEC, each Fund is permitted to engage in principal transactions in money market instruments, subject to certain conditions, with Morgan Stanley & Co. LLC, a broker-dealer affiliated with Morgan Stanley. Since March 1, 2021 (the date Morgan Stanley acquired Eaton Vance), each Fund did not effect any principal transactions with any broker-dealer affiliated with Morgan Stanley.



Municipal obligations, including state obligations, purchased and sold by each Fund are generally traded in the over-the-counter market on a net basis (i.e., without commission) through intermediaries acting for their own account rather than as brokers, or otherwise involve transactions directly with the issuer of such obligations. Such intermediaries attempt to profit from such transactions by buying at the bid price and selling at the higher asked price of the market for such obligations, and the difference between the bid and asked price is customarily referred to as the spread. Each Fund may also purchase municipal obligations from underwriters, and dealers in fixed-price offerings, the cost of which may include undisclosed fees and concessions to the underwriters. On occasion it may be necessary or appropriate to purchase or sell a security through a broker on an agency basis, in which case the Fund will incur a brokerage commission. Although spreads or commissions on portfolio security transactions will, in the judgment of the investment adviser, be reasonable in relation to the value of the services provided, spreads or commissions exceeding those which another firm might charge may be paid to intermediaries who were selected to execute transactions on behalf of each Fund and the investment adviser's other clients for providing brokerage and research services to the investment adviser as permitted by applicable law.

Pursuant to the safe harbor provided in Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)") and to the extent permitted by other applicable law, a broker or dealer who executes a portfolio transaction may receive a commission that is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the investment adviser determines in good faith that such compensation 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 on the basis of the overall responsibility which the investment adviser and its affiliates have for accounts over which they exercise investment discretion. "Research Services" as used herein includes any and all brokerage and research services to the extent permitted by Section 28(e) and other applicable law. Generally, Research Services may include, but are not limited to, such matters as research, analytical and quotation services, data, information and other services products and materials which assist the investment adviser in the performance of its investment responsibilities. More specifically, Research Services may include general economic, political, business and market information, industry and company reviews, evaluations of securities and portfolio strategies and transactions, technical analysis of various aspects of the securities markets, recommendations as to the purchase and sale of securities and other portfolio transactions, certain financial, industry and trade publications, certain news and information services, and certain research oriented computer software, data bases and services. Any particular Research Service obtained through a broker-dealer may be used by the investment adviser in connection with client accounts other than those accounts which pay commissions to such broker-dealer, to the extent permitted by applicable law. Any such Research Service may be broadly useful and of value to the investment adviser in rendering investment advisory services to all or a significant portion of its clients, or may be relevant and useful for the management of only one client's account or of a few clients' accounts, or may be useful for the management of merely a segment of certain clients' accounts, regardless of whether any such account or accounts paid commissions to the broker-dealer through which such Research Service was obtained. The investment adviser evaluates the nature and quality of the various Research Services obtained through broker-dealer firms and, to the extent permitted by applicable law, may attempt to allocate sufficient portfolio security transactions to such firms to ensure the continued receipt of Research Services which the investment adviser believes are useful or of value to it in rendering investment advisory services to its clients. The investment adviser may also receive brokerage and Research Services from underwriters and dealers in fixed-price offerings, when permitted under applicable law.

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." Except for trades executed in jurisdictions where such consideration is not permissible, the investment adviser may and does consider the receipt of Proprietary Research Services as a factor in selecting broker dealers to execute client portfolio transactions, provided it does not compromise the investment adviser's obligation to seek best overall execution. In jurisdictions where permissible, the investment adviser also may consider the receipt of Research Services under so called "client commission arrangements" or "commission sharing arrangements" (both referred to as "CCAs") as a factor in selecting broker dealers to execute transactions, provided it does not compromise the investment adviser's obligation to seek best overall execution. Under a CCA arrangement, the investment adviser 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 the investment adviser. Under a CCA, the broker-dealer that provides the Research Services need not execute the trade. Participating in CCAs may enable the investment adviser 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. The investment adviser believes that CCAs offer the potential to optimize the execution of trades and the acquisition of a variety of high quality Research Services that the investment adviser might not be provided access to absent CCAs. The investment adviser may enter into CCA arrangements with a number of broker-dealers and other firms, including certain affiliates of the investment adviser. The investment adviser will only enter into and utilize CCAs to the extent permitted by Section 28(e) and other applicable law.

The EU’s Markets in Financial Instruments Directive II (“MiFID II”), which became effective January 3, 2018, requires investment advisers regulated under MiFID II to pay for research services separately from trade execution services, either through their own resources or a research payment account funded by a specific charge to a client. Following its withdrawal from the EU, the United Kingdom adopted many of the provisions of MiFID II, and investment managers in the United Kingdom are required to comply with certain MiFID II equivalent requirements in accordance with rules and guidance issued by the Financial Conduct Authority.

Although the Adviser is not directly subject to the provisions of MiFID II, certain of its affiliated advisers are subject to MiFID II or equivalent requirements under the law of the United Kingdom, such as Morgan Stanley Investment Management Limited and Eaton Vance Advisers International Ltd (collectively, the “Affiliated Advisers”); accordingly, as applicable, the Adviser makes a reasonable valuation and allocation of the cost of research services as between MiFID II client accounts and other accounts that are able to participate in CCAs, and the Affiliated Adviser will pay for research services received with respect to MiFID II client accounts from its own resources.

The investment companies sponsored by the investment adviser or certain of its affiliates also may allocate trades in such offerings to acquire information relating to the performance, fees and expenses of such companies and other investment companies, which information is used by the members of the Board of such companies to fulfill their responsibility to oversee the quality of the services provided to various entities, including the investment adviser, to such companies. Such companies may also pay cash for such information.

Municipal obligations considered as investments for each Fund may also be appropriate for other investment accounts managed by the investment adviser or certain of its affiliates. Whenever decisions are made to buy or sell securities by each Fund and one or more of such other accounts simultaneously, the investment adviser will allocate the security transactions (including “new” issues) in a manner which it believes to be equitable under the circumstances. As a result of such allocations, there may be instances where each Fund will not participate in a transaction that is allocated among other accounts. If an aggregated order cannot be filled completely, allocations will generally be made on a pro rata basis. An order may not be allocated on a pro rata basis where, for example: (i) consideration is given to portfolio managers who have been instrumental in developing or negotiating a particular investment; (ii) consideration is given to an account with specialized investment policies that coincide with the particulars of a specific investment; (iii) pro rata allocation would result in odd-lot or de minimis amounts being allocated to a portfolio or other client; or (iv) where the investment adviser reasonably determines that departure from a pro rata allocation is advisable. While these aggregation and allocation policies could have a detrimental effect on the price or amount of the securities available to each Fund from time to time, it is the opinion of the members of the Board that the benefits from the investment adviser organization outweigh any disadvantage that may arise from exposure to simultaneous transactions.

The following table shows brokerage commissions paid during the last three fiscal years, as well as the amount of Fund security transactions for the most recent fiscal year (if any) that were directed to firms that provided some Research Services to the investment adviser or its affiliates (see above), and the commissions paid in connection therewith. Each Fund did not pay any brokerage commissions to affiliated brokers during the past three fiscal years.

Fund	Brokerage Commissions Paid for the Fiscal Year Ended			Amount of Transactions	Commissions Paid on
	7/31/23	7/31/22	7/31/21	Directed to Firms Providing Research	Transactions Directed to Firms Providing Research
Arizona	\$0	\$0	\$ 0	7/31/23 \$0	7/31/23 \$0
Connecticut	\$0	\$0	\$ 0	\$0	\$0
Minnesota	\$0	\$0	\$ 0	\$0	\$0
Municipal Opportunities <sup>(1)</sup>	\$0	\$0	\$5,551	\$0	\$0
New Jersey	\$0	\$0	\$ 0	\$0	\$0
Pennsylvania	\$0	\$0	\$ 0	\$0	\$0

<sup>(1)</sup> The decrease in brokerage commissions for the periods shown was due to an increase in net outflows.

During the fiscal year ended July 31, 2023, each Fund held no securities of its “regular brokers or dealers,” as that term is defined in Rule 10b-1 of the 1940 Act.

### POTENTIAL CONFLICTS OF INTEREST

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities, including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. In the ordinary course of its business, Morgan Stanley is a full-service investment banking and financial

services firm and therefore engages in activities where Morgan Stanley's interests or the interests of its clients may conflict with the interests of a Fund or Portfolio, if applicable, (collectively for the purposes of this section, "Fund" or "Funds"). Morgan Stanley advises clients and sponsors, manages or advises other investment funds and investment programs, accounts and businesses (collectively, together with the Morgan Stanley funds, any new or successor funds, programs, accounts or businesses, (other than funds, programs, accounts or businesses sponsored, managed, or advised by former direct or indirect subsidiaries of Eaton Vance Corp. ("Eaton Vance Investment Accounts")), the "MS Investment Accounts," and, together with the Eaton Vance Investment Accounts, the "Affiliated Investment Accounts") with a wide variety of investment objectives that in some instances may overlap or conflict with a Fund's investment objectives and present conflicts of interest. In addition, Morgan Stanley or the investment adviser may also from time to time create new or successor Affiliated Investment Accounts that may compete with a Fund and present similar conflicts of interest. The discussion below enumerates certain actual, apparent and potential conflicts of interest. There is no assurance that conflicts of interest will be resolved in favor of Fund shareholders and, in fact, they may not be. Conflicts of interest not described below may also exist. The discussions below with respect to actual, apparent and potential conflicts of interest also may be applicable to or arise from the MS Investment Accounts whether or not specifically identified.

**Material Non-Public and Other Information.** It is expected that confidential or material non-public information regarding an investment or potential investment opportunity may become available to the investment adviser. If such information becomes available, the investment adviser may be precluded (including by applicable law or internal policies or procedures) from pursuing an investment or disposition opportunity with respect to such investment or investment opportunity.

The investment adviser may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to trade in certain investments on a Fund's behalf. In addition, the investment adviser may be precluded from disclosing such information to an investment team, even in circumstances in which the information would be beneficial if disclosed. Therefore, the investment team may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made on behalf of a Fund, and the investment team may initiate a transaction or sell an investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the investment team may be recused from certain investment-related discussions so that such members do not receive information that would limit their ability to perform functions of their employment with the investment adviser or its affiliates unrelated to that of a Fund. Furthermore, access to certain parts of Morgan Stanley may be subject to third party confidentiality obligations and to information barriers established by Morgan Stanley in order to manage potential conflicts of interest and regulatory restrictions, including without limitation joint transaction restrictions pursuant to the 1940 Act. Accordingly, the investment adviser's ability to source investments from other business units within Morgan Stanley may be limited and there can be no assurance that the investment adviser will be able to source any investments from any one or more parts of the Morgan Stanley network.

The investment adviser may restrict its investment decisions and activities on behalf of the Funds in various circumstances, including because of applicable regulatory requirements or information held by the investment adviser or Morgan Stanley. The investment adviser might not engage in transactions or other activities for, or enforce certain rights in favor of, a Fund due to Morgan Stanley's activities outside the Funds. In instances where trading of an investment is restricted, the investment adviser may not be able to purchase or sell such investment on behalf of a Fund, resulting in the Fund's inability to participate in certain desirable transactions. This inability to buy or sell an investment could have an adverse effect on a Fund's portfolio due to, among other things, changes in an investment's value during the period its trading is restricted. Also, in situations where the investment adviser is required to aggregate its positions with those of other Morgan Stanley business units for position limit calculations, the investment adviser may have to refrain from making investments due to the positions held by other Morgan Stanley business units or their clients. There may be other situations where the investment adviser refrains from making an investment due to additional disclosure obligations, regulatory requirements, policies, and reputational risk, or the investment adviser may limit purchases or sales of securities in respect of which Morgan Stanley is engaged in an underwriting or other distribution capacity.

Morgan Stanley has established certain information barriers and other policies to address the sharing of information between different businesses within Morgan Stanley. As a result of information barriers, the investment adviser generally will not have access, or will have limited access, to certain information and personnel in other areas of Morgan Stanley relating to business transactions for clients (including transactions in investing, banking, prime brokerage and certain other areas), and generally will not manage the Funds with the benefit of the information held by such other areas. Morgan Stanley, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held (directly or indirectly) by the Funds in a manner that may be adverse to the Funds, and will not have any obligation or other duty to share information with the investment adviser.

In limited circumstances, however, including for purposes of managing business and reputational risk, and subject to policies and procedures and any applicable regulations, Morgan Stanley personnel, including personnel of the investment adviser, on one side of an information barrier may have access to information and personnel on the other side of the information barrier through "wall crossings." The investment adviser faces conflicts of interest in determining whether to engage in such wall crossings. Information obtained in connection with such wall crossings may limit or restrict the ability of the investment adviser to engage in or otherwise

effect transactions on behalf of the Funds (including purchasing or selling securities that the investment adviser may otherwise have purchased or sold for a Fund in the absence of a wall crossing). In managing conflicts of interest that arise because of the foregoing, the investment adviser generally will be subject to fiduciary requirements. The investment adviser may also implement internal information barriers or ethical walls, and the conflicts described herein with respect to information barriers and otherwise with respect to Morgan Stanley and the investment adviser will also apply internally within the investment adviser. As a result, a Fund may not be permitted to transact in (e.g., dispose of a security in whole or in part) during periods when it otherwise would have been able to do so, which could adversely affect a Fund. Other investors in the security that are not subject to such restrictions may be able to transact in the security during such periods. There may also be circumstances in which, as a result of information held by certain portfolio management teams in the investment adviser, the investment adviser limits an activity or transaction for a Fund, including if the Fund is managed by a portfolio management team other than the team holding such information.

**Investments by Morgan Stanley and its Affiliated Investment Accounts.** In serving in multiple capacities to Affiliated Investment Accounts, Morgan Stanley, including the investment adviser and its investment teams, may have obligations to other clients or investors in Affiliated Investment Accounts, the fulfillment of which may not be in the best interests of a Fund or its shareholders. A Fund's investment objectives may overlap with the investment objectives of certain Affiliated Investment Accounts. As a result, the members of an investment team may face conflicts in the allocation of investment opportunities among a Fund and other investment funds, programs, accounts and businesses advised by or affiliated with the investment adviser. Certain Affiliated Investment Accounts may provide for higher management or incentive fees or greater expense reimbursements or overhead allocations, all of which may contribute to this conflict of interest and create an incentive for the investment adviser to favor such other accounts.

Morgan Stanley currently invests and plans to continue to invest on its own behalf and on behalf of its Affiliated Investment Accounts in a wide variety of investment opportunities globally. Morgan Stanley and its Affiliated Investment Accounts, to the extent consistent with applicable law and policies and procedures, will be permitted to invest in investment opportunities without making such opportunities available to a Fund beforehand. Subject to the foregoing, Morgan Stanley may offer investments that fall into the investment objectives of an Affiliated Investment Account to such account or make such investment on its own behalf, even though such investment also falls within a Fund's investment objectives. A Fund may invest in opportunities that Morgan Stanley and/or one or more Affiliated Investment Accounts has declined, and vice versa. All of the foregoing may reduce the number of investment opportunities available to a Fund and may create conflicts of interest in allocating investment opportunities. Investors should note that the conflicts inherent in making such allocation decisions may not always be resolved to a Fund's advantage. There can be no assurance that a Fund will have an opportunity to participate in certain opportunities that fall within their investment objectives.

To seek to reduce potential conflicts of interest and to attempt to allocate such investment opportunities in a fair and equitable manner, the investment adviser has implemented allocation policies and procedures. These policies and procedures are intended to give all clients of the investment adviser, including the Funds, fair access to investment opportunities consistent with the requirements of organizational documents, investment strategies, applicable laws and regulations, and the fiduciary duties of the investment adviser. Each client of the investment adviser that is subject to the allocation policies and procedures, including each Fund, is assigned an investment team and portfolio manager(s) by the investment adviser. The investment team and portfolio managers review investment opportunities and will decide with respect to the allocation of each opportunity considering various factors and in accordance with the allocation policies and procedures. The allocation policies and procedures are subject to change. Investors should note that the conflicts inherent in making such allocation decisions may not always be resolved to the advantage of a Fund.

It is possible that Morgan Stanley or an Affiliated Investment Account, including another Eaton Vance fund, will invest in or advise a company that is or becomes a competitor of a company of which a Fund holds an investment. Such investment could create a conflict between the Fund, on the one hand, and Morgan Stanley or the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the portfolio investment. Furthermore, certain Affiliated Investment Accounts will be focused primarily on investing in other funds which may have strategies that overlap and/or directly conflict and compete with a Fund.

In addition, certain investment professionals who are involved in a Fund's activities remain responsible for the investment activities of other Affiliated Investment Accounts managed by the investment adviser and its affiliates, and they will devote time to the management of such investments and other newly created Affiliated Investment Accounts (whether in the form of funds, separate accounts or other vehicles), as well as their own investments. In addition, in connection with the management of investments for other Affiliated Investment Accounts, members of Morgan Stanley and its affiliates may serve on the boards of directors of or advise companies which may compete with a Fund's portfolio investments. Moreover, these Affiliated Investment Accounts managed by Morgan Stanley and its affiliates may pursue investment opportunities that may also be suitable for a Fund.

It should be noted that Morgan Stanley may, directly or indirectly, make large investments in certain of its Affiliated Investment Accounts, and accordingly Morgan Stanley's investment in a Fund may not be a determining factor in the outcome of any of the foregoing conflicts. Nothing herein restricts or in any way limits the activities of Morgan Stanley, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds or portfolio companies, for its own accounts or for the accounts of Affiliated Investment Accounts or other investment funds or clients in accordance with applicable law.

Different clients of the investment adviser, including a Fund, may invest in different classes of securities of the same issuer, depending on the respective clients' investment objectives and policies. As a result, the investment adviser and its affiliates, at times, will seek to satisfy fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities may have an adverse effect on another client which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, the investment adviser and its affiliates may seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities may benefit from a reorganization of the issuer. Thus, in such situations, the actions taken by the investment adviser or its affiliates on behalf of one client can negatively impact securities held by another client. These conflicts also exist as between the investment adviser's clients, including the Funds, and the Affiliated Investment Accounts managed by Morgan Stanley.

The investment adviser and its affiliates may give advice and recommend securities to other clients which may differ from advice given to, or securities recommended or bought for, a Fund even though such other clients' investment objectives may be similar to those of the Fund.

The investment adviser and its affiliates manage long and short portfolios. The simultaneous management of long and short portfolios creates conflicts of interest in portfolio management and trading in that opposite directional positions may be taken in client accounts, including client accounts managed by the same investment team, and creates risks such as: (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks associated with the trading desk receiving opposing orders in the same security simultaneously. The investment adviser and its affiliates have adopted policies and procedures that are reasonably designed to mitigate these conflicts. In certain circumstances, the investment adviser invests on behalf of itself in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of its clients, including a Fund. At times, the investment adviser may give advice or take action for its own accounts that differs from, conflicts with, or is adverse to advice given or action taken for any client.

From time to time, conflicts also arise due to the fact that certain securities or instruments may be held in some client accounts, including a Fund, but not in others, or that client accounts may have different levels of holdings in certain securities or instruments. In addition, due to differences in the investment strategies or restrictions among client accounts, the investment adviser may take action with respect to one account that differs from the action taken with respect to another account. In some cases, a client account may compensate the investment adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for the investment adviser in the allocation of management time, resources and investment opportunities. The investment adviser has adopted several policies and procedures designed to address these potential conflicts including a code of ethics and policies that govern the investment adviser's trading practices, including, among other things, the aggregation and allocation of trades among clients, brokerage allocations, cross trades and best execution.

In addition, at times an investment adviser investment team will give advice or take action with respect to the investments of one or more clients that is not given or taken with respect to other clients with similar investment programs, objectives, and strategies. Accordingly, clients with similar strategies will not always hold the same securities or instruments or achieve the same performance. The investment adviser's investment teams also advise clients with conflicting programs, objectives or strategies. These conflicts also exist as between the investment adviser's clients, including the Funds, and the Affiliated Investment Accounts managed by Morgan Stanley.

The investment adviser maintains separate trading desks by investment team and generally based on asset class, including two trading desks trading equity securities. These trading desks operate independently of one another. The two equity trading desks do not share information. The separate equity trading desks may result in one desk competing against the other desk when implementing buy and sell transactions, possibly causing certain accounts to pay more or receive less for a security than other accounts. In addition, Morgan Stanley and its affiliates maintain separate trading desks that operate independently of each other and do not share trading information with the investment adviser. These trading desks may compete against the investment adviser trading desks when implementing buy and sell transactions, possibly causing certain Affiliated Investment Accounts to pay more or receive less for a security than other Affiliated Investment Accounts.

**Investments by Separate Investment Departments.** The entities and individuals that provide investment-related services for each Fund and certain other Eaton Vance Investment Accounts (the “Eaton Vance Investment Department”) may be different from the entities and individuals that provide investment-related services to MS Investment Accounts (the “MS Investment Department and, together with the Eaton Vance Investment Department, the “Investment Departments”). Although Morgan Stanley has implemented information barriers between the Investment Departments in accordance with internal policies and procedures, each Investment Department may engage in discussions and share information and resources with the other Investment Department on certain investment-related matters. The sharing of information and resources between the Investment Departments is designed to further increase the knowledge and effectiveness of each Investment Department. Because each Investment Department generally makes investment decisions and executes trades independently of the other, the quality and price of execution, and the performance of investments and accounts, can be expected to vary. In addition, each Investment Department may use different trading systems and technology and may employ differing investment and trading strategies. As a result, a MS Investment Account could trade in advance of the Fund (and vice versa), might complete trades more quickly and efficiently than the Fund, and/or achieve different execution than the Fund on the same or similar investments made contemporaneously, even when the Investment Departments shared research and viewpoints that led to that investment decision. Any sharing of information or resources between the Investment Department servicing the Fund and the MS Investment Department may result, from time to time, in the Fund simultaneously or contemporaneously seeking to engage in the same or similar transactions as an account serviced by the other Investment Department and for which there are limited buyers or sellers on specific securities, which could result in less favorable execution for the Fund than such account. The Eaton Vance Investment Department will not knowingly or intentionally cause the Fund to engage in a cross trade with an account serviced by the MS Investment Department, however, subject to applicable law and internal policies and procedures, the Fund may conduct cross trades with other accounts serviced by the Eaton Vance Investment Department. Although the Eaton Vance Investment Department may aggregate the Fund’s trades with trades of other accounts serviced by the Eaton Vance Investment Department, subject to applicable law and internal policies and procedures, there will be no aggregation or coordination of trades with accounts serviced by the MS Investment Department, even when both Investment Departments are seeking to acquire or dispose of the same investments contemporaneously.

**Payments to Broker-Dealers and Other Financial Intermediaries.** The investment adviser and/or EVD may pay compensation, out of their own funds and not as an expense of the Funds, to certain financial intermediaries (which may include affiliates of the investment adviser and EVD), including recordkeepers and administrators of various deferred compensation plans, in connection with the sale, distribution, marketing and retention of shares of the Funds and/or shareholder servicing. For example, the investment adviser or EVD may pay additional compensation to a financial intermediary for, among other things, promoting the sale and distribution of Fund shares, providing access to various programs, mutual fund platforms or preferred or recommended mutual fund lists that may be offered by a financial intermediary, granting EVD access to a financial intermediary’s financial advisors and consultants, providing assistance in the ongoing education and training of a financial intermediary’s financial personnel, furnishing marketing support, maintaining share balances and/or for sub-accounting, recordkeeping, administrative, shareholder or transaction processing services. Such payments are in addition to any distribution fees, shareholder servicing fees and/or transfer agency fees that may be payable by the Funds. The additional payments may be based on various factors, including level of sales (based on gross or net sales or some specified minimum sales or some other similar criteria related to sales of the Funds and/or some or all other Eaton Vance funds), amount of assets invested by the financial intermediary’s customers (which could include current or aged assets of the Funds and/or some or all other Eaton Vance funds), a Fund’s advisory fee, some other agreed upon amount or other measures as determined from time to time by the investment adviser and/or EVD. The amount of these payments may be different for different financial intermediaries.

The prospect of receiving, or the receipt of, additional compensation, as described above, by financial intermediaries may provide such financial intermediaries and their financial advisors and other salespersons with an incentive to favor sales of shares of the Funds over other investment options with respect to which these financial intermediaries do not receive additional compensation (or receive lower levels of additional compensation). These payment arrangements, however, will not change the price that an investor pays for shares of the Funds or the amount that the Funds receive to invest on behalf of an investor. Investors may wish to take such payment arrangements into account when considering and evaluating any recommendations relating to Fund shares and should review carefully any disclosures provided by financial intermediaries as to their compensation. In addition, in certain circumstances, the investment adviser may restrict, limit or reduce the amount of a Fund’s investment, or restrict the type of governance or voting rights it acquires or exercises, where the Fund (potentially together with Morgan Stanley) exceeds a certain ownership interest, or possesses certain degrees of voting or control or has other interests.

**Morgan Stanley Trading and Principal Investing Activities.** Notwithstanding anything to the contrary herein, Morgan Stanley will generally conduct its sales and trading businesses, publish research and analysis, and render investment advice without regard for a Fund’s holdings, although these activities could have an adverse impact on the value of one or more of the Fund’s investments, or could cause Morgan Stanley to have an interest in one or more portfolio investments that is different from, and potentially adverse to that of a Fund. Furthermore, from time to time, the investment adviser or its affiliates may invest “seed” capital in a Fund,

typically to enable the Fund to commence investment operations and/or achieve sufficient scale. The investment adviser and its affiliates may hedge such seed capital exposure by investing in derivatives or other instruments expected to produce offsetting exposure. Such hedging transactions, if any, would occur outside of a Fund.

Morgan Stanley's sales and trading, financing and principal investing businesses (whether or not specifically identified as such, and including Morgan Stanley's trading and principal investing businesses) will not be required to offer any investment opportunities to a Fund. These businesses may encompass, among other things, principal trading activities as well as principal investing.

Morgan Stanley's sales and trading, financing and principal investing businesses have acquired or invested in, and in the future may acquire or invest in, minority and/or majority control positions in equity or debt instruments of diverse public and/or private companies. Such activities may put Morgan Stanley in a position to exercise contractual, voting or creditor rights, or management or other control with respect to securities or loans of portfolio investments or other issuers, and in these instances Morgan Stanley may, in its discretion and subject to applicable law, act to protect its own interests or interests of clients, and not a Fund's interests.

Subject to the limitations of applicable law, a Fund may purchase from or sell assets to, or make investments in, companies in which Morgan Stanley has or may acquire an interest, including as an owner, creditor or counterparty.

**Morgan Stanley's Investment Banking and Other Commercial Activities.** Morgan Stanley advises clients on a variety of mergers, acquisitions, restructuring, bankruptcy and financing transactions. Morgan Stanley may act as an advisor to clients, including other investment funds that may compete with a Fund and with respect to investments that a Fund may hold. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts that may differ from the advice given, or may involve an action of a different timing or nature than the action taken, by a Fund. Morgan Stanley may give advice and provide recommendations to persons competing with a Fund and/or any of a Fund's investments that are contrary to the Fund's best interests and/or the best interests of any of its investments.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that could result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit a Fund's ability to transact with respect to one or more existing or potential investments. Morgan Stanley may have relationships with third-party funds, companies or investors who may have invested in or may look to invest in portfolio companies, and there could be conflicts between a Fund's best interests, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand.

To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under Chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the investment adviser's flexibility in making investments in such restructurings on a Fund's behalf may be limited. Morgan Stanley could provide investment banking services to competitors of portfolio companies, as well as to private equity and/or private credit funds; such activities may present Morgan Stanley with a conflict of interest vis-a-vis a Fund's investment and may also result in a conflict in respect of the allocation of investment banking resources to portfolio companies.

To the extent permitted by applicable law, Morgan Stanley may provide a broad range of financial services to companies in which a Fund invests, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that may include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by the investment adviser) with a Fund, and any advisory fees payable will not be reduced thereby.

Morgan Stanley may be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities and may provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually contingent, in substantial part, upon the closing of the transaction. Under these circumstances, a Fund may be precluded from participating in a transaction with or relating to the company being sold or participating in any financing activity related to merger or acquisition.

The involvement or presence of Morgan Stanley in the investment banking and other commercial activities described above (or the financial markets more broadly) may restrict or otherwise limit investment opportunities that may otherwise be available to the Funds. For example, issuers may hire and compensate Morgan Stanley to provide underwriting, financial advisory, placement agency, brokerage services or other services and, because of limitations imposed by applicable law and regulation, a Fund may be prohibited from buying or selling securities issued by those issuers or participating in related transactions or otherwise limited in its ability to engage in such investments.

The investment adviser believes that the nature and range of clients to whom Morgan Stanley and its subsidiaries render investment banking and other services is such that it would be inadvisable to exclude these companies from the Fund's portfolio.

**Morgan Stanley's Marketing Activities.** Morgan Stanley is engaged in the business of underwriting, syndicating, brokering, administering, servicing, arranging and advising on the distribution of a wide variety of securities and other investments in which a Fund may invest. Subject to the restrictions of the 1940 Act, including Sections 10(f) and 17(e) thereof, a Fund may invest in transactions in which Morgan Stanley acts as underwriter, placement agent, syndicator, broker, administrative agent, servicer, advisor, arranger or structuring agent and receives fees or other compensation from the sponsors of such products or securities. Any fees earned by Morgan Stanley in such capacity will not be shared with the investment adviser or the Funds. Certain conflicts of interest, in addition to the receipt of fees or other compensation, would be inherent in these transactions. Moreover, the interests of one of Morgan Stanley's clients with respect to an issuer of securities in which a Fund has an investment may be adverse to the investment adviser's or a Fund's best interests. In conducting the foregoing activities, Morgan Stanley will be acting for its other clients and will have no obligation to act in the investment adviser's or a Fund's best interests.

**Client Relationships.** Morgan Stanley has existing and potential relationships with a significant number of corporations, institutions and individuals. In providing services to its clients, Morgan Stanley may face conflicts of interest with respect to activities recommended to or performed for such clients, on the one hand, and a Fund, its shareholders or the entities in which the Fund invests, on the other hand. In addition, these client relationships may present conflicts of interest in determining whether to offer certain investment opportunities to a Fund.

In acting as principal or in providing advisory and other services to its other clients, Morgan Stanley may engage in or recommend activities with respect to a particular matter that conflict with or are different from activities engaged in or recommended by the investment adviser on a Fund's behalf.

**Principal Investments.** To the extent permitted by applicable law, there may be situations in which a Fund's interests may conflict with the interests of one or more general accounts of Morgan Stanley and its affiliates or accounts managed by Morgan Stanley or its affiliates. This may occur because these accounts hold public and private debt and equity securities of many issuers which may be or become portfolio companies, or from whom portfolio companies may be acquired.

**Transactions with Portfolio Companies of Affiliated Investment Accounts.** The companies in which a Fund may invest may be counterparties to or participants in agreements, transactions or other arrangements with portfolio companies or other entities of portfolio investments of Affiliated Investment Accounts (for example, a company in which a Fund invests may retain a company in which an Affiliated Investment Account invests to provide services or may acquire an asset from such company or vice versa). Certain of these agreements, transactions and arrangements involve fees, servicing payments, rebates and/or other benefits to Morgan Stanley or its affiliates. For example, portfolio entities may, including at the encouragement of Morgan Stanley, enter into agreements regarding group procurement and/or vendor discounts. Morgan Stanley and its affiliates may also participate in these agreements and may realize better pricing or discounts as a result of the participation of portfolio entities. To the extent permitted by applicable law, certain of these agreements may provide for commissions or similar payments and/or discounts or rebates to be paid to a portfolio entity of an Affiliated Investment Account, and such payments or discounts or rebates may also be made directly to Morgan Stanley or its affiliates. Under these arrangements, a particular portfolio company or other entity may benefit to a greater degree than the other participants, and the funds, investment vehicles and accounts (which may or may not include a Fund) that own an interest in such entity will receive a greater relative benefit from the arrangements than the Eaton Vance funds, investment vehicles or accounts that do not own an interest therein. Fees and compensation received by portfolio companies of Affiliated Investment Accounts in relation to the foregoing will not be shared with a Fund or offset advisory fees payable.

**Investments in Portfolio Investments of Other Funds.** To the extent permitted by applicable law, when a Fund invests in certain companies or other entities, other funds affiliated with the investment adviser may have made or may be making an investment in such companies or other entities. Other funds that have been or may be managed by the investment adviser may invest in the companies or other entities in which a Fund has made an investment. Under such circumstances, a Fund and such other funds may have conflicts of interest (e.g., over the terms, exit strategies and related matters, including the exercise of remedies of their respective investments). If the interests held by a Fund are different from (or take priority over) those held by such other funds, the investment adviser may be required to make a selection at the time of conflicts between the interests held by such other funds and the interests held by a Fund.

**Allocation of Expenses.** Expenses may be incurred that are attributable to a Fund and one or more other Affiliated Investment Accounts (including in connection with issuers in which a Fund and such other Affiliated Investment Accounts have overlapping investments). The allocation of such expenses among such entities raises potential conflicts of interest. The investment adviser and its affiliates intend to allocate such common expenses among a Fund and any such other Affiliated Investment Accounts on a pro rata basis or in such other manner as the investment adviser deems to be fair and equitable or in such other manner as may be required by applicable law.



**Temporary Investments.** To more efficiently invest short-term cash balances held by a Fund, the investment adviser may invest such balances on an overnight “sweep” basis in shares of one or more money market funds or other short-term vehicles. It is anticipated that the investment adviser to these money market funds or other short-term vehicles may be the investment adviser (or an affiliate) to the extent permitted by applicable law, including Rule 12d1-1 under the 1940 Act.

**Transactions with Affiliates.** The investment adviser and any investment sub-adviser might purchase securities from underwriters or placement agents in which a Morgan Stanley affiliate is a member of a syndicate or selling group, as a result of which an affiliate might benefit from the purchase through receipt of a fee or otherwise. Neither the investment adviser nor any investment sub-adviser will purchase securities on behalf of a Fund from an affiliate that is acting as a manager of a syndicate or selling group. Purchases by the investment adviser on behalf of a Fund from an affiliate acting as a placement agent must meet the requirements of applicable law. Furthermore, Morgan Stanley may face conflicts of interest when the Funds use service providers affiliated with Morgan Stanley because Morgan Stanley receives greater overall fees when they are used.

**General Process for Potential Conflicts.** All of the transactions described above involve the potential for conflicts of interest between the investment adviser, related persons of the investment adviser and/or their clients. The Advisers Act, the 1940 Act and ERISA impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. In addition, the investment adviser has instituted policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. The investment adviser seeks to ensure that potential or actual conflicts of interest are appropriately resolved taking into consideration the overriding best interests of the client.

## FINANCIAL STATEMENTS

The audited financial statements of, and the report of the independent registered public accounting firm for each Fund appear in its annual report to shareholders and are incorporated by reference into this SAI. A copy of each annual report accompanies this SAI.

**Householding.** Consistent with applicable law, duplicate mailings of shareholder reports and certain other Fund information to shareholders residing at the same address may be eliminated.

## ADDITIONAL INFORMATION ABOUT INVESTMENT STRATEGIES AND RISKS

<p><b>Asset-Backed Securities (“ABS”)</b></p>	<p>ABS are collateralized by pools of automobile loans, educational loans, home equity loans, credit card receivables, equipment or automobile leases, commercial mortgage-backed securities (“MBS”), utilities receivables, secured or unsecured bonds issued by corporate or sovereign obligors, unsecured loans made to a variety of corporate commercial and industrial loan customers of one or more lending banks, or a combination of these bonds and loans. ABS are “pass through” securities, meaning that principal and interest payments made by the borrower on the underlying assets are passed through to the ABS holder. ABS are issued through special purpose vehicles that are bankruptcy remote from the issuer of the collateral. ABS are subject to interest rate risk and prepayment risk. Some ABS may receive prepayments that can change their effective maturities. Issuers of ABS may have limited ability to enforce the security interest in the underlying assets or may have no security in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. In addition, ABS may experience losses on the underlying assets as a result of certain rights provided to consumer debtors under federal and state law. The value of ABS may be affected by the factors described above and other factors, such as the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the underlying assets or the entities providing credit enhancements and the ability of the servicer to service the underlying collateral. The value of ABS representing interests in a pool of utilities receivables may be adversely affected by changes in government regulations. While certain ABS may be insured as to the payment of principal and interest, this insurance does not protect the market value of such obligations or the Fund’s net asset value. The value of an insured security will be affected by the credit standing of its insurer.</p> <p>Collateralized debt obligations (“CDOs”) and collateralized loan obligations (“CLOs”) are types of ABS that are backed solely by a pool of other debt securities. CDOs and CLOs are typically issued in various classes with varying priorities. The risks of an investment in a CDO or CLO depend largely on the type of the collateral securities and the class of the CDO or CLO in which the Fund invests. In addition to interest rate, prepayment, default and other risks of ABS and fixed income securities, in general, CDOs and CLOs are subject to additional risks, including the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the Fund may invest in CDOs or CLOs that are subordinate to other classes, and the complex structure may produce disputes with the issuer or unexpected investment results. The Fund’s investment in CDOs and CLOs may decrease in market value if they experience loan defaults or credit impairment, the disappearance of a subordinate tranche or class of debt, or due to market anticipation of defaults and investor aversion to the securities as a class. The liquidity of ABS (particularly below investment grade ABS) may change over time. During periods of deteriorating economic conditions, such as recessions, or periods of rising unemployment, delinquencies and losses generally increase, sometimes dramatically, with respect to securitizations involving loans, sales contracts, receivables and other obligations underlying asset-backed securities.</p>
<p><b>Auction Rate Securities</b></p>	<p>Auction rate securities, such as auction preferred shares of closed-end investment companies, are preferred securities and debt securities with dividends/coupons based on a rate set at auction. The auction is usually held weekly for each series of a security, but may be held less frequently. The auction sets the rate, and securities may be bought and sold at the auction. Provided that the auction mechanism is successful, auction rate securities normally permit the holder to sell the securities in an auction at par value at specified intervals. The dividend is reset by a “Dutch” auction in which bids are made by broker-dealers and other institutions for a certain amount of securities at a specified minimum yield. The dividend rate set by the auction is the lowest interest or dividend rate that covers all securities offered for sale. While this process is designed to permit auction rate securities to be traded at par value, there is the risk that an auction will fail due to insufficient demand for the securities. Security holders that submit sell orders in a failed auction may not be able to sell any or all of the shares for which they have submitted sell orders. Security holders may sell their shares at the next scheduled auction, subject to the same risk that the subsequent auction will not attract sufficient demand for a successful auction to occur. Broker-dealers may also try to facilitate secondary trading in the auction rate securities, although such secondary trading may be limited and may only be available for shareholders willing to sell at a discount. Since mid-February 2008, existing markets for certain auction rate securities have become generally illiquid and investors have not been able to sell their securities through the regular auction process. It is uncertain when or whether there will be a revival of investor interest in purchasing securities sold through auctions. There may be limited or no active secondary markets for many auction rate securities. Auction rate securities that do trade in a secondary market may trade at a significant discount from their liquidation preference. There have been a number of governmental investigations and regulatory settlements involving certain broker-dealers with respect to their prior activities involving auction rate securities.</p> <p>Valuations of such securities are highly speculative, however, dividends on auction rate preferred securities issued by a closed-end fund may be reported, generally on Form 1099, as exempt from federal income tax to the extent they are attributable to tax-exempt interest income earned by the Fund on the securities and distributed to holders of the preferred securities, provided that the preferred securities are treated as equity securities for federal income tax purposes, and the closed-end fund complies with certain requirements under the Code. Investments in auction rate preferred securities of closed-end funds are subject to limitations on investments in other U.S. registered investment companies, which limitations are prescribed by the 1940 Act.</p>

<b>Average Effective Maturity</b>	Average effective maturity is a weighted average of all the maturities of bonds owned by the Fund. Average effective maturity takes into consideration all mortgage payments, puts and adjustable coupons. In the event the Fund invests in multiple Portfolios, its average weighted maturity is the sum of its allocable share of the average weighted maturity of each of the Portfolios in which it invests, which is determined by multiplying the Portfolio's average weighted maturity by the Fund's percentage ownership of that Portfolio.
<b>Borrowing for Investment Purposes</b>	Successful use of a borrowing strategy depends on the investment adviser's ability to predict correctly interest rates and market movements. There is no assurance that a borrowing strategy will be successful. Upon the expiration of the term of the Fund's existing credit arrangement, the lender may not be willing to extend further credit to the Fund or may be willing to do so at an increased cost to the Fund. If the Fund is not able to extend its credit arrangement, it may be required to liquidate holdings to repay amounts borrowed from the lender. Borrowing to increase investments generally will magnify the effect on the Fund's net asset value of any increase or decrease in the value of the security purchased with the borrowings. Successful use of a borrowing strategy depends on the investment adviser's ability to predict correctly interest rates and market movements. There can be no assurance that the use of borrowings will be successful. In connection with its borrowings, the Fund will be required to maintain specified asset coverage with respect to such borrowings by both the 1940 Act and the terms of its credit facility with the lender. The Fund may be required to dispose of portfolio investments on unfavorable terms if market fluctuations or other factors reduce the required asset coverage to less than the prescribed amount. Borrowings involve additional expense to the Fund.
<b>Borrowing for Temporary Purposes</b>	The Fund may borrow for temporary purposes (such as to satisfy redemption requests, to remain fully invested in advance of the settlement of share purchases, and to settle transactions). The Fund's ability to borrow is subject to its terms and conditions of its credit arrangements, which in some cases may limit the Fund's ability to borrow under the arrangement. The Fund will be required to maintain a specified level of asset coverage with respect to all borrowings and may be required to sell some of its holdings to reduce debt and restore coverage at times when it may not be advantageous to do so. The rights of the lender to receive payments of interest and repayments of principal of any borrowings made by the Fund under a credit arrangement are senior to the rights of holders of shares with respect to the payment of dividends or upon liquidation. In the event of a default under a credit arrangement, the lenders may have the right to cause a liquidation of the collateral (i.e., sell Fund assets) and, if any such default is not cured, the lenders may be able to control the liquidation as well. Credit arrangements are subject to annual renewal, which cannot be assured. If the Fund does not have the ability to borrow for temporary purposes, it may be required to sell securities at inopportune times to meet short-term liquidity needs. Because the Fund is a party to a joint credit arrangement, it may be unable to borrow some or all of its requested amounts at any particular time. Borrowings involve additional expense to the Fund.
<b>Build America Bonds</b>	Build America Bonds are taxable municipal obligations issued pursuant to the American Recovery and Reinvestment Act of 2009 (the "Act") or other legislation providing for the issuance of taxable municipal debt on which the issuer receives federal support. Enacted in February 2009, the Act authorizes state and local governments to issue taxable bonds on which, assuming certain specified conditions are satisfied, issuers may either (i) receive reimbursement from the U.S. Treasury with respect to its interest payments on the bonds ("direct pay" Build America Bonds); or (ii) provide tax credits to investors in the bonds ("tax credit" Build America Bonds). Unlike most other municipal obligations, interest received on Build America Bonds is subject to federal income tax and may be subject to state income tax. Under the terms of the Act, issuers of direct pay Build America Bonds are entitled to receive reimbursement from the U.S. Treasury currently equal to 35% (or 45% in the case of Recovery Zone Economic Development Bonds) of the interest paid. Holders of tax credit Build America Bonds can receive a federal tax credit currently equal to 35% of the coupon interest received. The Fund may invest in "principal only" strips of tax credit Build America Bonds, which entitle the holder to receive par value of such bonds if held to maturity. The Fund does not expect to receive (or pass through to shareholders) tax credits as a result of its investments. The federal interest subsidy or tax credit continues for the life of the bonds. Build America Bonds are an alternative form of financing to state and local governments whose primary means for accessing the capital markets has been through issuance of tax-free municipal bonds. Build America Bonds can appeal to a broader array of investors than the high income U.S. taxpayers that have traditionally provided the market for municipal bonds. Build America Bonds may provide a lower net cost of funds to issuers. Pursuant to the terms of the Act, the issuance of Build America Bonds ceased on December 31, 2010. As a result, the availability of such bonds is limited and the market for the bonds and/or their liquidity may be affected.
<b>Call and Put Features on Securities</b>	Issuers of securities may reserve the right to call (redeem) the securities. If an issuer redeems a security with a call right during a time of declining interest rates, the holder of the security may not be able to reinvest the proceeds in securities providing the same investment return as provided by the securities redeemed. Some securities may have "put" or "demand" features that allow early redemption by the holder. Longer term fixed-rate securities may give the holder a right to request redemption at certain times (often annually after the lapse of an intermediate term). This "put" or "demand" feature enhances a security's liquidity by shortening its effective maturity and enables the security to trade at a price equal to or very close to par. If a demand feature terminates prior to being exercised, the holder of the security would be subject to the longer maturity of the security, which could experience substantially more volatility. Securities with a "put" or "demand" feature are more defensive than conventional long term securities (protecting to some degree against a rise in interest rates) while providing greater opportunity than comparable intermediate term securities, because they can be retained if interest rates decline.

<b>Collateralized Mortgage Obligations (“CMOs”)</b>	<p>CMOs are backed by a pool of mortgages or mortgage loans. The key feature of the CMO structure is the prioritization of the cash flows from the pool of mortgages among the several classes, or tranches, of the CMO, thereby creating a series of obligations with varying rates and maturities. Senior CMO classes will typically have priority over residual CMOs as to the receipt of principal and or interest payments on the underlying mortgages. CMOs also issue sequential and parallel pay classes, including planned amortization and target amortization classes, and fixed and floating rate CMO tranches. CMOs issued by U.S. government agencies are backed by agency mortgages, while privately issued CMOs may be backed by either government agency mortgages or private mortgages. Payments of principal and interest are passed through to each CMO tranche at varying schedules resulting in bonds with different coupons, effective maturities and sensitivities to interest rates. Parallel pay CMOs are structured to provide payments of principal on each payment date to more than one class, concurrently on a proportionate or disproportionate basis. Sequential pay CMOs generally pay principal to only one class at a time while paying interest to several classes. CMOs generally are secured by an assignment to a trustee under the indenture pursuant to which the bonds are issued as collateral consisting of a pool of mortgages. Payments with respect to the underlying mortgages generally are made to the trustee under the indenture. CMOs are designed to be retired as the underlying mortgages are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMO first to mature generally will be retired prior to maturity. Therefore, although in most cases the issuer of CMOs will not supply additional collateral in the event of such prepayments, there will be sufficient collateral to secure CMOs that remain outstanding. Floating rate CMO tranches carry interest rates that are tied in a fixed relationship to an index subject to an upper limit, or “cap,” and sometimes to a lower limit, or “floor.” CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage- or asset-backed securities.</p>
<b>Commercial Mortgage-Backed Securities (“CMBS”)</b>	<p>CMBS include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property, such as hotels, office buildings, retail stores, hospitals and other commercial buildings. CMBS may have a lower repayment uncertainty than other mortgage-related securities because commercial mortgage loans generally prohibit or impose penalties on prepayment of principal. The risks of investing in CMBS reflect the risks of investing in the real estate securing the underlying mortgage loans, including the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payment, and the ability of a property to attract and retain tenants. CMBS may be less liquid and may exhibit greater price volatility than other types of mortgage- or asset-backed securities.</p>
<b>Commodity-Related Investments</b>	<p>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 Fund shares to fall. The frequency and magnitude of such changes cannot be predicted. Exposure to commodities and commodities markets may subject the Fund to greater volatility than investments in traditional securities. No active trading market may exist for certain commodities investments, which may impair the ability of the Fund 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. To the extent commodity-related investments are held through the Subsidiary, the Subsidiary is not subject to U.S. laws (including securities laws) and their protections. The Subsidiary is subject to the laws of the Cayman Islands, a foreign jurisdiction, and can be affected by developments in that jurisdiction.</p> <p>Certain commodities are subject to limited pricing flexibility because of supply and demand factors. Others are subject to broad price fluctuations as a result of the volatility of the prices for certain raw materials and the instability of supplies of other materials. These additional variables may create additional investment risks and result in greater volatility than investments in traditional securities. The commodities that underlie commodity futures contracts and commodity swaps may be subject to additional economic and non-economic variables, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. Unlike the financial futures markets, in the commodity futures markets there are costs of physical storage associated with purchasing the underlying commodity. The price of the commodity futures contract will reflect the storage costs of purchasing the physical commodity, including the time value of money invested in the physical commodity. To the extent that the storage costs for an underlying commodity change while the Fund is invested in futures contracts on that commodity, the value of the futures contract may change proportionately.</p> <p>In the commodity futures markets, producers of the underlying commodity may decide to hedge the price risk of selling the commodity by selling futures contracts today to lock in the price of the commodity at delivery tomorrow. In order to induce speculators to purchase the other side of the same futures contract, the commodity producer generally must sell the futures contract at a lower price than the expected future spot price. Conversely, if most hedgers in the futures market are purchasing futures contracts to hedge against a rise in prices, then speculators will only sell the other side of the futures contract at a higher futures price than the expected future spot price of the commodity. The changing nature of the hedgers and speculators in the commodity markets will influence whether futures prices are above or below the expected future spot price, which can have significant implications for the Fund. If the nature of hedgers and speculators in futures markets has shifted when it is time for the Fund to reinvest the proceeds of a maturing contract in a new futures contract, the Fund might reinvest at higher or lower futures prices, or choose to pursue other investments.</p>

<p><b>Common Stocks</b></p>	<p>Common stock represents an equity ownership interest in the issuing corporation. Holders of common stock generally have voting rights in the issuer and are entitled to receive common stock dividends when, as and if declared by the corporation's board of directors. Common stock normally occupies the most subordinated position in an issuer's capital structure. Returns on common stock investments consist of any dividends received plus the amount of appreciation or depreciation in the value of the stock.</p> <p>Although common stocks have historically generated higher average returns than fixed-income securities over the long term and particularly during periods of high or rising concerns about inflation, common stocks also have experienced significantly more volatility in returns and may not maintain their real value during inflationary periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock. Also, the prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks. Common stock prices fluctuate for many reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuer occur. In addition, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.</p>
<p><b>Contingent Convertible Securities</b></p>	<p>Contingent convertible securities (sometimes referred to as "CoCos") are convertible securities with loss absorption characteristics. These securities provide for mandatory conversion into common stock of the issuer under certain circumstances. The mandatory conversion may be automatically triggered, for instance, if a company fails to meet the capital minimum with respect to the security, the company's regulator makes a determination that the security should convert or the company receives specified levels of extraordinary public support. Since the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero; and conversion would deepen the subordination of the investor, hence worsening standing in a bankruptcy. In addition, some such instruments have a set stock conversion rate that would cause an automatic write-down of capital if the price of the stock is below the conversion price on the conversion date. Under similar circumstances, the liquidation value of certain types of contingent convertible securities may be adjusted downward to below the original par value. The write down of the par value would occur automatically and would not entitle the holders to seek bankruptcy of the company. In certain circumstances, contingent convertible securities may write down to zero and investors could lose the entire value of the investment, even as the issuer remains in business. CoCos may be subject to redemption at the option of the issuer at a predetermined price. See also "Hybrid Securities."</p>
<p><b>Convertible Securities</b></p>	<p>A convertible security is a bond, debenture, note, preferred security, or other security that entitles the holder to acquire common stock or other equity securities of the same or a different issuer. A convertible security entitles the holder to receive interest paid or accrued or the dividend paid on such security until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to nonconvertible income securities in that they ordinarily provide a stable stream of income with generally higher yields than those of common stocks of the same or similar issuers, but lower interest or dividend yields than comparable nonconvertible securities. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. A convertible security ranks senior to common stock in a corporation's capital structure but is usually subordinated to comparable nonconvertible securities. Convertible securities may be purchased for their appreciation potential when they yield more than the underlying securities at the time of purchase or when they are considered to present less risk of principal loss than the underlying securities. Generally speaking, the interest or dividend yield of a convertible security is somewhat less than that of a non-convertible security of similar quality issued by the same company. A convertible security may be subject to redemption or conversion at the option of the issuer after a particular date and under certain circumstances (including at a specified price) established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.</p> <p>Convertible securities are issued and traded in a number of securities markets. Even in cases where a substantial portion of the convertible securities held by the Fund are denominated in U.S. dollars, the underlying equity securities may be quoted in the currency of the country where the issuer is domiciled. As a result, fluctuations in the exchange rate between the currency in which the debt security is denominated and the currency in which the share price is quoted will affect the value of the convertible security. With respect to convertible securities denominated in a currency different from that of the underlying equity securities, the conversion price may be based on a fixed exchange rate established at the time the securities are issued, which may increase the effects of currency risk.</p> <p> Holders of convertible securities generally have a claim on the assets of the issuer prior to the common stockholders but may be subordinated to other debt securities of the same issuer. Certain convertible debt securities may provide a put option to the holder, which entitles the holder to cause the securities to be redeemed by the issuer at a premium over the stated principal amount of the debt securities under certain circumstances. Certain convertible securities may include loss absorption characteristics that make the securities more equity-like. This is particularly true of convertible securities issued by companies in the financial services sector. See "Contingent Convertible Securities."</p>

	<p>Synthetic convertible securities may include either cash-settled convertibles or manufactured convertibles. Cash-settled convertibles are instruments that are created by the issuer and have the economic characteristics of traditional convertible securities but may not actually permit conversion into the underlying equity securities in all circumstances. As an example, a private company may issue a cash-settled convertible that is convertible into common stock only if the company successfully completes a public offering of its common stock prior to maturity and otherwise pays a cash amount to reflect any equity appreciation. Manufactured convertibles are created by the investment adviser or another party by combining separate securities that possess one of the two principal characteristics of a convertible security, <i>i.e.</i>, fixed-income (“fixed-income component”) or a right to acquire equity securities (“convertibility component”). The fixed-income component is achieved by investing in nonconvertible fixed-income securities, such as nonconvertible bonds, preferred securities and money market instruments. The convertibility component is achieved by investing in call options, warrants, or other securities with equity conversion features (“equity features”) granting the holder the right to purchase a specified quantity of the underlying stocks within a specified period of time at a specified price or, in the case of a stock index option, the right to receive a cash payment based on the value of the underlying stock index. A manufactured convertible differs from traditional convertible securities in several respects. Unlike a traditional convertible security, which is a single security that has a unitary market value, a manufactured convertible is comprised of two or more separate securities, each with its own market value. Therefore, the total “market value” of such a manufactured convertible is the sum of the values of its fixed-income component and its convertibility component. More flexibility is possible in the creation of a manufactured convertible than in the purchase of a traditional convertible security. Because many corporations have not issued convertible securities, the investment adviser may combine a fixed-income instrument and an equity feature with respect to the stock of the issuer of the fixed-income instrument to create a synthetic convertible security otherwise unavailable in the market. The investment adviser may also combine a fixed-income instrument of an issuer with an equity feature with respect to the stock of a different issuer when the investment adviser believes such a manufactured convertible would better promote the Fund’s objective than alternative investments. For example, the investment adviser may combine an equity feature with respect to an issuer’s stock with a fixed-income security of a different issuer in the same industry to diversify the Fund’s credit exposure, or with a U.S. Treasury instrument to create a manufactured convertible with a higher credit profile than a traditional convertible security issued by that issuer. A manufactured convertible also is a more flexible investment in that its two components may be purchased separately and, upon purchasing the separate securities, “combined” to create a manufactured convertible. For example, the Fund may purchase a warrant for eventual inclusion in a manufactured convertible while postponing the purchase of a suitable bond to pair with the warrant pending development of more favorable market conditions. The value of a manufactured convertible may respond to certain market fluctuations differently from a traditional convertible security with similar characteristics. For example, in the event the Fund created a manufactured convertible by combining a short-term U.S. Treasury instrument and a call option on a stock, the manufactured convertible would be expected to outperform a traditional convertible of similar maturity that is convertible into that stock during periods when Treasury instruments outperform corporate fixed-income securities and underperform during periods when corporate fixed-income securities outperform Treasury instruments.</p>
<p><b>Credit Linked Securities</b></p>	<p>See also “Derivative Instruments and Related Risks” herein. Credit linked securities are issued by a limited purpose trust or other vehicle that, in turn, invests in a derivative instrument or basket of derivative instruments, such as credit default swaps, interest rate swaps, and other securities in order to provide exposure to certain fixed-income markets. Credit linked securities may be used as a cash management tool in order to gain exposure to a certain market and to remain fully invested when more traditional income producing securities are not available. Like an investment in a bond, investments in credit linked securities represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the security. However, these payments are conditioned on the issuer’s receipt of payments from, and the issuer’s potential obligations to, the counterparties to the derivative instruments and other securities in which the issuer invests. An issuer may sell one or more credit default swaps under which the issuer would receive a stream of payments over the term of the swap agreements provided that no event of default has occurred with respect to the reference instrument (in this case a debt obligation) upon which the swap is based. If a default occurs, the stream of payments may stop and the issuer would be obligated to pay the counterparty the par (or other agreed upon value) of the reference instrument. This, in turn, would reduce the amount of income and principal that the holder of the credit linked security would receive. Credit linked securities generally will be exempt from registration under the 1933 Act. Accordingly, there may be no established trading market for the securities and they may constitute illiquid investments.</p>
<p><b>Cybersecurity Risk</b></p>	<p>With the increased use of technologies by Fund service providers to conduct business, such as the Internet, the Fund is susceptible to operational, information security and related risks. The Fund relies on communications technology, systems, and networks to engage with clients, employees, accounts, shareholders, and service providers, and a cyber incident may inhibit the Fund’s ability to use these technologies. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites or via “ransomware” that renders the systems inoperable until appropriate actions are taken. A denial-of-service attack is an effort to make network services unavailable to intended users, which could cause shareholders to lose access to their electronic accounts, potentially</p>

	<p>indefinitely. Employees and service providers also may not be able to access electronic systems to perform critical duties for the Fund, such as trading, NAV calculation, shareholder accounting or fulfillment of Fund share purchases and redemptions, during a denial-of-service attack. There is also the possibility for systems failures due to malfunctions, user error and misconduct by employees and agents, natural disasters, or other foreseeable and unforeseeable events.</p> <p>Because technology is consistently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Similar types of cybersecurity risks also are present for issuers of securities in which the Fund invests, which could have material adverse consequences for those issuers and result in a decline in the market price of their securities. Furthermore, as a result of cyber attacks, technological disruptions, malfunctions or failures, an exchange or market may close or suspend trading in specific securities or the entire market, which could prevent the Fund from, among other things, buying or selling the Fund or accurately pricing its securities. Like other funds and business enterprises, the Fund and its service providers have experienced, and will continue to experience, cyber incidents consistently. In addition to deliberate cyber attacks, unintentional cyber incidents can occur, such as the inadvertent release of confidential information by the Fund or its service providers.</p> <p>The Fund uses third party service providers who are also heavily dependent on computers and technology for their operations. Cybersecurity failures or breaches by the Fund's investment adviser or administrator and other service providers (including, but not limited to, the custodian or transfer agent), and the issuers of securities in which the Fund invests, may disrupt and otherwise adversely affect their business operations. This may result in financial losses to the Fund, impede Fund trading, interfere with the Fund's ability to calculate its NAV, limit a shareholder's ability to purchase or redeem shares of the Fund or cause violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, litigation costs or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While many of the Fund's service providers have established business continuity plans and risk management systems intended to identify and mitigate cyber attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. The Fund cannot control the cybersecurity plans and systems put in place by service providers to the Fund and issuers in which the Fund invests. The Fund and its shareholders could be negatively impacted as a result.</p>
<p><b>Derivative Instruments and Related Risks</b></p>	<p>Generally, derivatives can be characterized as financial instruments whose performance is derived at least in part from the performance of an underlying reference instrument. Derivative instruments may be acquired in the United States or abroad and include the various types of exchange-traded and over-the-counter ("OTC") instruments described herein and other instruments with substantially similar characteristics and risks. Depending on the type of derivative instrument and the Fund's investment strategy, a derivative instrument may be based on a security, instrument, index, currency, commodity, economic indicator or event (referred to as "reference instruments").</p> <p>Derivative instruments are subject to a number of risks, including adverse or unexpected movements in the price of the reference instrument, and counterparty, credit, interest rate, leverage, liquidity, market and tax risks. Use of derivative instruments may cause the realization of higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if such instruments had not been used. Success in using derivative instruments to hedge portfolio assets depends on the degree of price correlation between the derivative instruments and the hedged asset. Derivatives also involve the risk that changes in their value may not correlate perfectly with the assets, rates or indices they are designed to hedge or closely track. Imperfect correlation may be caused by several factors, including temporary price disparities among the trading markets for the derivative instrument, the reference instrument and the Fund's assets. To the extent that a derivative instrument is intended to hedge against an event that does not occur, the Fund may realize losses.</p> <p>OTC derivative instruments involve an additional risk in that the issuer or counterparty may fail to perform its contractual obligations. Some derivative instruments are not readily marketable or may become illiquid under adverse market conditions. In addition, during periods of market volatility, an option or commodity exchange or swap execution facility or clearinghouse may suspend or limit trading in an exchange-traded derivative instrument, which may make the contract temporarily illiquid and difficult to price. Commodity exchanges may also establish daily limits on the amount that the price of a futures contract or futures option can vary from the previous day's settlement price. Once the daily limit is reached, no trades may be made that day at a price beyond the limit. This may prevent the closing out of positions to limit losses. The ability to terminate OTC derivative instruments may depend on the cooperation of the counterparties to such contracts. For thinly traded derivative instruments, the only source of price quotations may be the selling dealer or counterparty. In addition, certain provisions of the Code limit the use of derivative instruments. Derivatives permit the Fund to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Fund can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities. There can be no assurance that the use of derivative instruments will benefit the Fund.</p> <p>The regulation of derivatives has undergone substantial change in recent years. In particular, although many provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") have yet to be fully implemented or are subject to phase-in periods, it is possible that upon implementation these provisions, or any future regulatory or legislative activity, could limit or restrict the ability of a Fund to use derivative instruments, including futures, options on futures and swap agreements as a part of its investment strategy, increase the costs of using these instruments or make them less effective. The CFTC and various exchanges have imposed (and continue to evaluate and monitor) limits on the number of speculative positions that any person, or group of persons acting in concert, may hold or control in certain futures</p>

	<p>and options on futures contracts. Additionally, starting January 1, 2023, federal position limits will apply to swaps that are economically equivalent to futures contracts that are subject to CFTC set speculative limits. All positions owned or controlled by the same person or entity, even if in different accounts, must be aggregated for purposes of determining whether the applicable position limits have been exceeded, unless an exemption applies. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that positions of different clients managed by the investment adviser and its affiliates may be aggregated for this purpose. It is possible that the trading decisions of the investment adviser may have to be modified and that positions held by the Fund may have to be liquidated in order to avoid exceeding such limits. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the profitability of the Fund. A violation of position limits could also lead to regulatory action materially adverse to the Fund's investment strategy.</p> <p>The SEC adopted Rule 18f-4 under the 1940 Act, which applies to the Fund's use of derivative investments and certain financing transactions. Among other things, Rule 18f-4 requires certain funds that invest in derivative instruments beyond a specified limited amount (generally greater than 10% of a Fund's net assets) to apply a value-at-risk based limit to their use of certain derivative instruments and financing transactions and to adopt and implement a derivatives risk management program. To the extent a Fund uses derivative instruments (excluding certain currency and interest rate hedging transactions) in a limited amount (up to 10% of a Fund's net assets), it will not be subject to the full requirements of Rule 18f-4. In addition, to the extent that the Fund enters into reverse repurchase agreements or similar financing transactions, the Fund may elect to either treat all of its reverse repurchase agreements or similar financing transactions as derivatives transactions for purposes of Rule 18f-4 or comply (with respect to reverse repurchase agreements or similar financing transactions) with the asset coverage requirements under Section 18 of the 1940 Act. Limits or restrictions applicable to the counterparties with which a Fund engages in derivative transactions also could prevent the Fund from using these instruments or affect the pricing or other factors relating to these instruments, or may change the availability of certain investments.</p> <p>Legislation may be enacted that could negatively affect the assets of the Fund. Legislation or regulation may also change the way in which the Fund itself is regulated. The effects of any new governmental regulation cannot be predicted and there can be no assurance that any new governmental regulation will not adversely affect the Fund's performance or ability to achieve its investment objective(s).</p>
<p><b>Derivative-Linked and Commodity-Linked Hybrid Instruments</b></p>	<p>A derivative-linked or commodity-linked hybrid instrument (referred to herein as a "hybrid instrument") is a type of potentially high-risk derivative that combines a traditional stock, bond, or commodity with an option or forward contract. Generally, the principal amount, amount payable upon maturity or redemption, or interest rate of a hybrid instrument is tied (positively or negatively) to the price of some commodity, currency or securities index or another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed-income securities) the principal amount payable at maturity of a hybrid instrument may be increased or decreased, depending on changes in the value of the benchmark. An example of a hybrid instrument is a bond issued by an oil company that pays a small base level of interest with additional interest that accrues in correlation to the extent to which oil prices exceed a certain predetermined level. Such a hybrid instrument would be a combination of a bond and a call option on oil.</p> <p>The risks of investing in hybrid instruments reflect a combination of the risks of investing in securities, options, futures and currencies. An investment in a hybrid instrument may entail significant risks that are not associated with a similar investment in a traditional debt instrument that has a fixed principal amount, is denominated in U.S. dollars or bears interest either at a fixed rate or a floating rate determined by reference to a common, nationally published benchmark. The risks of a particular hybrid instrument will depend upon the terms of the instrument, but may include the possibility of significant changes in the benchmark(s) or the prices of the underlying assets to which the instrument is linked. Such risks generally depend upon factors unrelated to the operations or credit quality of the issuer of the hybrid instrument, which may not be foreseen by the purchaser, such as economic and political events, the supply and demand of the underlying assets and interest rate movements. Hybrid instruments may be highly volatile and their use by the Fund may not be successful. Hybrid instruments may also carry liquidity risk since the instruments are often "customized" to meet the portfolio needs of a particular investor, and therefore, the number of investors that are willing and able to buy such instruments in the secondary market may be smaller than that for more traditional debt securities.</p> <p>Hybrid instruments may bear interest or pay preferred dividends at below market (or even relatively nominal) rates. Alternatively, hybrid instruments may bear interest at above market rates but bear an increased risk of principal loss (or gain). The latter scenario may result if "leverage" is used to structure the hybrid instrument. Leverage risk occurs when the hybrid instrument is structured so that a given change in a benchmark or underlying asset is multiplied to produce a greater value change in the hybrid instrument, thereby magnifying the risk of loss as well as the potential for gain.</p> <p>Hybrid instruments are potentially more volatile and carry greater market risks than traditional debt instruments. Depending on the structure of the particular hybrid instrument, changes in a benchmark may be magnified by the terms of the hybrid instrument and have an even more dramatic and substantial effect upon the value of the hybrid instrument. Also, the prices of the hybrid instrument and the benchmark or underlying asset may not move in the same direction or at the same time.</p>



	<p>Hybrid instruments can be used as an efficient means of pursuing a variety of investment goals, including currency hedging, duration management, and increased total return and creating exposure to a particular market or segment of that market. The value of a hybrid instrument or its interest rate may be a multiple of a benchmark and, as a result, may be leveraged and move (up or down) more steeply and rapidly than the benchmark. These benchmarks may be sensitive to economic and political events, such as commodity shortages and currency devaluations, which cannot be readily foreseen by the purchaser of a hybrid instrument. Under certain conditions, the redemption value of a hybrid instrument could be zero. The purchase of hybrid instruments also exposes the Fund to the credit risk of the issuer of the hybrids. These risks may cause significant fluctuations in the net asset value of the Fund.</p> <p>Certain hybrid instruments may provide exposure to the commodities markets. These are derivative securities with one or more commodity-linked components that have payment features similar to commodity futures contracts, commodity options, or similar instruments. Commodity-linked hybrid instruments may be either equity or debt securities, leveraged or unleveraged, and are considered hybrid instruments because they have both security and commodity-like characteristics. A portion of the value of these instruments may be derived from the value of a commodity, futures contract, index or other economic variable. The Fund will invest only in commodity-linked hybrid instruments that qualify under applicable rules of the CFTC for an exemption from the provisions of the CEA. Certain issuers of structured products such as hybrid instruments may be deemed to be investment companies as defined in the 1940 Act. As a result, the Fund's investments in these products may be subject to limits applicable to investments in investment companies and restrictions contained in the 1940 Act.</p>
<b>Direct Investments</b>	<p>Direct investments include (i) the private purchase from an enterprise of an equity interest in the enterprise in the form of shares of common stock or equity interests in trusts, partnerships, joint ventures or similar enterprises, and (ii) the purchase of such an equity interest in an enterprise from a principal investor in the enterprise. At the time of making a direct investment, the Fund will enter into a shareholder or similar agreement with the enterprise and one or more other holders of equity interests in the enterprise. These agreements may, in appropriate circumstances, provide the ability to appoint a representative to the board of directors or similar body of the enterprise and for eventual disposition of the investment in the enterprise. Such a representative would be expected to monitor the investment and protect the Fund's rights in the investment and would not be appointed for the purpose of exercising management or control of the enterprise.</p>
<b>Diversified Status</b>	<p>With respect to 75% of its total assets, an investment company that is registered with the SEC as a "diversified" fund: (1) may not invest more than 5% of its total assets in the securities of any one issuer (except obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities and securities of other investment companies); and (2) may not own more than 10% of the outstanding voting securities of any one issuer.</p>
<b>Dividend Capture Trading</b>	<p>In a typical dividend capture trade, the Fund would buy a stock prior to its ex-dividend date and sell the stock at a point either on or after the ex-dividend date. The use of a dividend capture trading strategy exposes the Fund 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.</p>
<b>Duration</b>	<p>Duration measures the time-weighted expected cash flows of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A mutual fund with a longer dollar-weighted average duration generally can be expected to be more sensitive to interest rate changes than a fund 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. Various techniques may be used to shorten or lengthen Fund duration. As the value of a security changes over time, so will its duration. The duration of a Fund that invests in underlying funds is the sum of its allocable share of the duration of each of the underlying funds in which it invests, which is determined by multiplying the underlying fund's duration by the Fund's percentage ownership of that underlying fund.</p>
<b>Emerging Market Investments</b>	<p>The risks described under "Foreign Investments" herein generally are heightened in connection with investments in emerging markets. Also, investments in securities of issuers domiciled in countries with emerging capital markets may involve certain additional risks that do not generally apply to investments in securities of issuers in more developed capital markets, such as (i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets; (ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments; (iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. governmental laws or restrictions applicable to such investments; (iv) governmental actions or policies that may limit investment opportunities, such as restrictions on investment in, or required divestment of, certain issuers or industries; (v) the lack or relatively early development of legal structures governing private and foreign investments and private property; (vi) delays in settling portfolio transactions and heightened risk of loss from custody practices; (vii) greater debt burdens relative to the size of the economy; and (viii) investments through complex structures that may lack transparency. Governmental actions may effectively restrict or eliminate the Fund's ability to purchase or sell investments in</p>

	<p>emerging market countries, and thus may make them less liquid or more difficult to value, or may force the Fund to sell or otherwise dispose of such investments at inopportune times or prices. Trading practices in emerging markets also may be less developed, resulting in inefficiencies relative to trading in more developed markets, which may result in increased transaction costs.</p> <p>Repatriation of investment income, capital and proceeds of sales by foreign investors may require governmental registration and/or approval in emerging market countries. There can be no assurance that repatriation of income, gain or initial capital from these countries will occur. In addition to withholding taxes on investment income, some countries with emerging markets may impose differential capital gains taxes on foreign investors. Also, lending money and trading loans, for instance, may be considered a regulated activity in some foreign jurisdictions, which may result in licensing and certain other requirements. The Fund could be adversely affected by delays in, or a refusal to grant, required licenses, governmental approval, as well as by the application to the Fund of any restrictions on its investments.</p> <p>Political and economic structures in emerging market countries may undergo significant evolution and rapid development, and these countries may lack the social, political and economic stability characteristic of more developed countries. In such a dynamic environment, there can be no assurance that any or all of these capital markets will continue to present viable investment opportunities. In the past, governments of such nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. There is no assurance that such expropriations will not reoccur. In such an event, it is possible that the entire value of an investment in the affected market could be lost. In addition, unanticipated political or social developments may affect the value of investments in these countries and the availability of additional investments. The small size and inexperience of the securities markets in certain of these countries and the limited volume of trading in securities in these countries may make investments in the countries illiquid and more volatile than investments in developed markets.</p> <p>Also, there may be less publicly available information about issuers in emerging markets than would be available about issuers in more developed capital markets, and such issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. companies are subject. In certain countries with emerging capital markets, reporting standards vary widely. As a result, traditional investment measurements used in the United States, such as price/earnings ratios, may not be applicable. Certain emerging market securities may be held by a limited number of persons. This may adversely affect the timing and pricing of the acquisition or disposal of securities. The prices at which investments may be acquired may be affected by trading by persons with material non-public information and by securities transactions by brokers in anticipation of transactions in particular securities.</p> <p>Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because brokers and counterparties in such markets may be less well capitalized, and custody and registration of assets in some countries may be unreliable. The Fund seeks, where possible, to use counterparties whose financial status reduces this risk. However, there can be no certainty that the Fund will be successful in eliminating or reducing this risk, particularly as counterparties operating in emerging market countries frequently lack the substance, capitalization and/or financial resources of those in developed countries. There may be risks that settlement may be delayed and that cash or instruments belonging to the Fund may be in jeopardy because of failures of or defects in the settlement systems. In some cases, this may make it difficult to conduct transactions and may result in additional costs and delays in trading and settlement. The inability of a Fund to make intended investments or dispose of a portfolio investment due to settlement problems or the risk of intermediary or counterparty failures could cause a Fund to miss attractive investment opportunities and/or result either in losses to the Fund due to subsequent declines in the value of such portfolio investment or, if the Fund has entered into a contract to sell the investment, could result in possible liability. In addition, if a Fund sells investments with extended settlement times, the settlement proceeds from the sales may not be available to meet a Fund's redemption obligations, or for reinvestment in other instruments, for a substantial period of time.</p> <p>The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognize ownership exists in some emerging markets. As an alternative to investing directly in emerging markets, exposure may be obtained through derivative investments.</p> <p>Additionally, some countries also may have different legal systems that may make it difficult or expensive for the Fund to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to its foreign investments. For instance, there may be difficulties in obtaining and/or enforcing legal judgements against non-U.S. companies and non-U.S. persons, including company directors or officers, in foreign jurisdictions. Shareholders of emerging market issuers often have limited rights and few practical remedies in jurisdictions located in emerging markets. In addition, due to jurisdictional limitations, U.S. authorities (e.g., the SEC and the U.S. Department of Justice) may be limited in their ability to enforce regulatory or legal obligations in emerging market countries. Such risks vary from jurisdiction to jurisdiction and company to company. In addition, issuers of certain instruments may include special purpose vehicles ("SPVs") that hold underlying assets to which a Fund seeks to gain exposure. A Fund may have the right to receive payments only from the SPV and may not have direct rights against the issuer of the underlying assets. Investors in such SPVs generally pay their share of the SPV's administrative and other expenses, including management fees. In some cases, the terms on which the Fund may be permitted to participate in an investment may be different than those afforded to local investors.</p>
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Also, the Fund may invest in sovereign debt instruments, which are issued or guaranteed by foreign governmental entities. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the relative size of the debt service burden to the economy as a whole, and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrears on their debts and such disbursements may be conditioned, for instance, on a governmental entity's implementation of economic reforms and/or economic performance. Failure to implement such reforms and/or achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity and result in default.

Investments in China may involve a high risk of currency fluctuations, currency non-convertibility, interest rate fluctuations and higher rates of inflation as a result of internal social unrest or conflicts with other countries. Increasing trade tensions, particularly regarding trading arrangements between the U.S. and China, may result in additional tariffs or other actions that could have an adverse impact on an investment in the China region, including but not limited to restrictions on investments in certain Chinese companies or industries considered important to national interests, restrictions on monetary repatriation, intervention in the financial markets, such as by imposing trading restrictions, or banning or curtailing short selling, or other adverse government actions. Accounting, auditing, financial, and other reporting standards, practices and disclosure requirements in China are different, sometimes in fundamental ways, from those in the United States and certain western European countries. For example, there is less regulatory oversight of financial reporting by companies domiciled in China than for companies in the United States.

To the extent the Fund invests in securities of Chinese issuers, it may be subject to certain risks associated with variable interest entities ("VIEs"). VIEs are widely used by China-based companies where China restricts or prohibits foreign ownership in certain sectors, including telecommunications, technology, media, and education. In a typical VIE structure, a shell company is set up in an offshore jurisdiction and enters into contractual arrangements with a China-based operating company. The VIE lists on a U.S. exchange and investors then purchase the stock issued by a VIE. The VIE structure is designed to provide investors with economic exposure to the Chinese company that replicates equity ownership, without providing actual equity ownership.

VIE structures do not offer the same level of investor protections as direct ownership and investors may experience losses if VIE structures are altered, contractual disputes emerge, or the legal status of the VIE structure is prohibited under Chinese law. Additionally, significant portions of the Chinese securities markets may also become rapidly illiquid, as Chinese issuers have the ability to suspend the trading of their equity securities, and have shown a willingness to exercise that option in response to market volatility and other events. The legal status of the VIE structure remains uncertain under Chinese law. There is risk that the Chinese government may cease to tolerate such VIE structures at any time or impose new restrictions on the structure, in each case either generally or with respect to specific issuers. If new laws, rules or regulations relating to VIE structures are adopted, investors, including the Fund, could suffer substantial, detrimental, and possibly permanent losses with little or no recourse available. In addition, VIEs may be delisted if they do not meet U.S. accounting standards and auditor oversight requirements. Delisting would significantly decrease the liquidity and value of the securities of these companies, decrease the ability of the Fund to invest in such securities and may increase the expenses of the Fund if it is required to seek alternative markets in which to invest in such securities.

The foregoing risks may be even greater in frontier markets. Frontier markets are countries with investable stock markets that are less established than those in the emerging markets. The economies of frontier market countries generally are smaller than those of traditional emerging market countries, and frontier capital markets and legal systems are typically less developed.

*Sukuk.* The Fund may invest in Sukuk, which are foreign or emerging market securities based on Islamic principles. Sukuk are securities with cash flows similar to conventional bonds, issued by an issuer, which is usually an SPV incorporated by the sovereign or corporate entity seeking financing, to obtain an upfront payment in exchange for an income stream and a future promise to return capital. Sukuk are designed to comply with Islamic religious law, commonly known as Sharia and, accordingly, do not pay interest. Instead, Sukuk securities represent a contractual obligation of the issuer or issuing vehicle to make periodic distributions (such as income or other periodic payments) to the investor on pre-defined distribution dates and to return capital on a specified date, and such contractual payment obligation is linked to the issuer or issuing vehicle and not from interest on the investor's money for Sukuk. Sukuk may be linked to income streams relating to tangible assets, but even in respect of such Sukuk, the Fund will not have a direct interest in, or recourse to, the underlying asset or pool of assets.

	<p>In the event of a default or the insolvency of the issuer, the resolution process can be expected to take longer than for conventional bonds. Sukuk remain relatively new instruments, and evolving interpretations of Islamic law by courts, regulators and prominent scholars may affect liquidity, prices, free transferability and the ability and willingness of issuers of Sukuk to make payments in ways that cannot now be foreseen. In addition, issuers have, in the past, challenged the Islamic compliance of certificates. If any such or analogous events should occur, the Fund may be required to hold its Sukuk for longer than intended, even if their value or other condition is deteriorating. In such circumstances, the Fund may not be able to achieve expected returns on its investment in Sukuk or any returns at all.</p> <p>Issuers of Sukuk may include SPVs established by corporations and financial institutions, foreign governments and agencies of foreign governments. Underlying assets may include, without limitation, real estate (developed and undeveloped), lease contracts, forward-sale commodity contracts and machinery and equipment. Although the Sukuk market has grown significantly in recent years, there may be times when the market is illiquid and where it is difficult for the Fund to make an investment in or dispose of Sukuk at the desired time. Sukuk involve many of the same risks that conventional bonds incur, such as credit risk and interest rate risk, as well as the risks associated with foreign or emerging market securities. In addition to these risks, there are certain risks specific to Sukuk, such as those relating to their structures. Furthermore, the global Sukuk market is significantly smaller than conventional bond markets, which may impact liquidity and the ability for the Fund to sell Sukuk at a desired time.</p> <p>The unique characteristics of Sukuk may lead to uncertainties regarding their tax treatment within the Fund. In light of tax requirements applicable to the Fund, it may be necessary or advisable for the Fund to sell one or more Sukuk (or another investment) sooner than otherwise anticipated. As a result, the Fund may incur taxable gains or investment losses, as well as costs associated with such transaction.</p>
<b>Equity Investments</b>	Equity investments include common stocks; preferred stocks; depositary receipts; equity interests in trusts, partnerships, joint ventures and other unincorporated entities or enterprises; convertible and contingent convertible preferred stocks; rights and warrants and other securities that are treated as equity for U.S. federal income tax purposes (see “Preferred Stock” and “Hybrid Securities”). Market conditions may affect certain types of stocks to a greater extent than other types of stocks.
<b>Equity-Linked Securities</b>	See also “Derivative Instruments and Related Risks” herein. Equity-linked securities are privately issued securities whose investment results are designed to correspond generally to the performance of a specified stock index or “basket” of securities, or sometimes a single stock. These securities are used for many of the same purposes as derivative instruments and share many of the same risks. Equity-linked securities may be considered illiquid and thus subject to the Fund’s restrictions on investments in illiquid securities.
<b>ESG Investment Risk</b>	To the extent that the investment adviser considers environmental, social and/or governance (“ESG”) issues, the Fund’s performance may be impacted. Additionally, the investment adviser’s consideration of ESG issues may require subjective analysis based on qualitative assessments and the ability of the investment adviser to consider ESG issues may be impacted by data availability for a particular company or issuer (or obligor), including if the data is inaccurate, incomplete, unavailable or based on estimates. The investment adviser’s consideration of ESG issues may contribute to the investment adviser’s decision to forgo opportunities to buy certain securities. ESG issues with respect to an issuer (or obligor) or the investment adviser’s assessment of such may change over time. The consideration of ESG issues within the investment adviser’s investment decision-making process for a Fund may vary across asset classes, industries and sectors. When deemed by the investment adviser to be relevant to its evaluation of creditworthiness and when applicable information is available, the investment adviser considers ESG issues which may impact the prospects of an issuer (or obligor) or financial performance of an obligation. When considered, one or more ESG issues are taken into account alongside other factors in the investment decision-making process and are not the sole determinant of whether an investment can be made or will remain in the Fund’s portfolio.
<b>Event-Linked Instruments</b>	<p>The Fund may obtain event-linked exposure by investing in “event-linked bonds”, “event-linked swaps” or other “event-linked instruments”. Event-linked instruments are obligations for which the return of capital and dividend/interest payments are contingent on, or formulaically related to, the non-occurrence of a pre-defined “trigger” event. For some event-linked instruments, the trigger event’s magnitude may be based on losses to a company or industry, industry indexes or readings of scientific instruments rather than specified actual losses. Examples of trigger events include hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events.</p> <p>Some event-linked instruments are referred to as “catastrophe bonds.” Catastrophe bonds entitle a Fund to receive principal and interest payments so long as no trigger event occurs of the description and magnitude specified by the instrument. If a trigger event occurs, the Fund may lose a portion of its entire principal invested in the bond.</p> <p>Event-linked instruments may be sponsored by government agencies, insurance companies or reinsurers and issued by special purpose corporations or other off-shore or on-shore entities (such special purpose entities are created to accomplish a narrow and well-defined objective, such as the issuance of a note in connection with a specific reinsurance transaction). Typically, event-linked instruments are issued by off-shore entities and may be non-dollar denominated. As a result, the Fund may be subject to currency risk.</p>

	<p>Often, event-linked instruments provide for extensions of maturity that are mandatory or optional at the discretion of the issuer or sponsor, in order to process and audit loss claims in those cases where a trigger event has, or possibly has, occurred. An extension of maturity may increase the instrument's volatility and potentially make it more difficult to value. In addition, pricing of event-linked instruments is subject to the added uncertainty caused by the inability to generally predict whether, when or where a natural disaster or other triggering event will occur. If a trigger event occurs, the Fund may lose all or a portion of its investment in an event-linked instrument or the notional amount of an event-linked swap. Such losses may be substantial. Event-linked instruments carry large uncertainties and major risk exposures to adverse conditions. In addition to the specified trigger events, event-linked instruments also may expose the Fund to issuer, credit, counterparty, restricted securities, liquidity, and valuation risks as well as exposures to specific geographic areas, adverse regulatory or jurisdictional interpretations, and adverse tax consequences. Event-linked instruments are generally rated below investment grade or the unrated equivalent and have the same or similar risks as high yield debt securities (also known as junk bonds) and are subject to the risk that the Fund may lose some or all of its investment in such instruments if the particular trigger occurs. Event-linked instruments may be rated by a nationally recognized statistical rating agency, but are often unrated. Frequently, the issuer of an event-linked instrument will use an independent risk model to calculate the probability and economic consequences of a trigger event.</p> <p>The Fund may invest in event-linked instruments in one or more of three ways: may purchase event-linked instruments when initially offered; may purchase event-linked instruments in the secondary, over-the-counter market; or may gain indirect exposure to event-linked instruments using derivatives. As the market for event-linked instruments evolves, the Fund may invest in new types of event-linked instruments. However, there can be no assurance that a liquid market in these instruments will develop. Lack of a liquid market may impose the risk of higher transaction costs and the possibility that the Fund may be forced to liquidate positions when it would not be advantageous to do so.</p> <p>Event-linked instruments typically are restricted to qualified institutional buyers and, therefore, are not subject to registration with the SEC or any state securities commission and are not always listed on any national securities exchange. The amount of public information available with respect to event-linked instruments is generally less extensive than that which is available for issuers of registered or exchange listed securities. There can be no assurance that future regulatory determinations will not adversely affect the overall market for event-linked instruments.</p>
<p><b>Exchange-Traded Funds ("ETFs")</b></p>	<p>ETFs are pooled investment vehicles that trade their shares on stock exchanges at market prices (rather than net asset value) and are only redeemable from the ETF itself in large increments or in exchange for baskets of securities. As an exchange traded security, an ETF's shares are priced continuously and trade throughout the day. ETFs may track a securities index, a particular market sector, a particular segment of a securities index or market sector ("Passive ETFs"), or they may be actively managed ("Active ETFs"). An investment in an ETF generally involves the same primary risks as an investment in a fund that is not exchange-traded that has the same investment objectives, strategies and policies of the ETF, such as liquidity risk, sector risk and foreign and emerging market risk, as well as risks associated with equity securities, fixed income securities, real estate investments and commodities, as applicable. In addition, a Passive ETF may fail to accurately track the market segment or index that underlies its investment objective or may fail to fully replicate its underlying index, in which case the Passive ETF's investment strategy may not produce the intended results. The way in which shares of ETFs are traded, purchased and redeemed involves certain risks. An ETF may trade at a price that is lower than its net asset value. Secondary market trading of an ETF may result in frequent price fluctuations, which in turn may result in a loss to a Fund. Additionally, there is no guarantee that an active market for the ETF's shares will develop or be maintained. An ETF may fail to meet the listing requirements of any applicable exchanges on which it is listed. Further, trading in an ETF may be halted if the trading in one or more of the securities held by an ETF is halted. The existence of extreme market volatility or potential lack of an active trading market for an ETF's shares could result in such shares trading at a significant premium or discount to their NAV and/or being more volatile than an ETF's underlying securities.</p> <p>A Fund will indirectly bear its proportionate share of any management fees and other operating expenses of an ETF in which it invests. A Fund may pay brokerage commissions in connection with the purchase and sale of shares of ETFs.</p>
<p><b>Exchange-Traded Notes ("ETNs")</b></p>	<p>ETNs are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs are traded on an exchange during normal trading hours. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's market benchmark or strategy factor.</p> <p>ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. When the Fund invests in ETNs it will bear its proportionate share of any fees and expenses borne by the ETN. The Fund's decision to sell its ETN holdings may be limited by the availability of a secondary market. In addition, although an ETN may be listed on an exchange, the issuer may not be required to maintain the listing and there can be no assurance that a secondary market will exist for an ETN.</p>

	<p>ETNs are subject to tax risk. No assurance can be given that the IRS will accept, or a court will uphold, how the Fund characterizes and treats ETNs for tax purposes. Further, the IRS and Congress are considering proposals that would change the timing and character of income and gains from ETNs.</p> <p>An ETN that is tied to a specific market benchmark or strategy may not be able to replicate and maintain exactly the composition and relative weighting of securities, commodities or other components in the applicable market benchmark or strategy. Some ETNs that use leverage can, at times, be relatively illiquid and, thus, they may be difficult to purchase or sell at a fair price. Leveraged ETNs are subject to the same risk as other instruments that use leverage in any form.</p> <p>The market value of ETN shares may differ from that of their market benchmark or strategy. This difference in price may be due to the fact that the supply and demand in the market for ETN shares at any point in time is not always identical to the supply and demand in the market for the securities, commodities or other components underlying the market benchmark or strategy that the ETN seeks to track. As a result, there may be times when an ETN share trades at a premium or discount to its market benchmark or strategy.</p>
<p><b>Fixed-Income Securities</b></p>	<p>Fixed-income securities include bonds, preferred, preference and convertible securities, notes, debentures, asset-backed securities (including those backed by mortgages), loan participations and assignments, equipment lease certificates, equipment trust certificates and conditional sales contracts. Generally, issuers of fixed-income securities pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Some fixed-income securities, such as zero coupon bonds, do not pay current interest, but are purchased at a discount from their face values, and values accumulate over time to face value at maturity. The market prices of fixed-income securities fluctuate depending on such factors as interest rates, credit quality and maturity. In general, market prices of fixed-income securities decline when interest rates rise and increase when interest rates fall. Fixed-income securities are subject to risk factors such as sensitivity to interest rate and real or perceived changes in economic conditions, payment expectations, credit quality, liquidity and valuation. Fixed-income securities with longer maturities (for example, over ten years) are more affected by changes in interest rates and provide less price stability than securities with short-term maturities (for example, one to ten years). Fixed-income securities bear the risk of principal and interest default by the issuer, which will be greater with higher yielding, lower grade securities. During an economic downturn, the ability of issuers to service their debt may be impaired. The rating assigned to a fixed-income 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 securities. Credit ratings are based largely on the issuer's historical financial condition and a 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. Credit quality can change from time to time, and recently issued credit ratings may not fully reflect the actual risks posed by a particular high yield security. If relevant to the Fund(s) in this SAI, corporate bond ratings are described in an appendix to the SAI (see the table of contents). Preferred stock and certain other hybrid securities may pay a fixed-dividend rate, but may be considered equity securities for purposes of a Fund's investment restrictions (see "Preferred Stock" and "Hybrid Securities").</p> <p>The fixed-income securities market has been and may continue to be negatively affected by the COVID-19 pandemic. As with other serious economic disruptions, governmental authorities and regulators initially responded to this crisis with significant fiscal and monetary policy changes, including considerably lowering interest rates, which, in some cases resulted in negative interest rates. These actions, including their possible unexpected or sudden reversal or potential ineffectiveness, could further increase volatility in securities and other financial markets and reduce market liquidity. To the extent the Fund has a bank deposit or holds a debt instrument with a negative interest rate to maturity, the Fund would generate a negative return on that investment. Similarly, negative rates on investments by money market funds and similar cash management products could lead to losses on investments, including on investments of the Fund's uninvested cash. In 2022, the U.S. Federal Reserve began increasing interest rates and has signaled the potential for further increases, which could expose fixed-income and related markets to heightened volatility and could cause the value of the Fund's investments, and the Fund's net asset value to decline, potentially suddenly and significantly, which may negatively impact the Fund's performance. It is difficult to accurately predict the pace at which the Federal Reserve will increase interest rates any further, or the timing, frequency or magnitude of any such increases, and the evaluation of macro-economic and other conditions could cause a change in approach in the future. During periods of rising inflation, debt securities have historically tended to decline in value due to the general increase in prevailing interest rates.</p>
<p><b>Foreign Currency Transactions</b></p>	<p>As measured in U.S. dollars, the value of assets denominated in foreign currencies may be affected favorably or unfavorably by changes in foreign currency rates and exchange control regulations. Currency exchange rates can also be affected unpredictably by intervention by U.S. or foreign governments or central banks, or the failure to intervene, or by currency controls or political developments in the United States or abroad. If the U.S. dollar rises in value relative to a foreign currency, a security denominated in that foreign currency will be worth less in U.S. dollars. If the U.S. dollar decreases in value relative to a foreign currency, a security denominated in that foreign currency will be worth more in U.S. dollars. 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. Foreign currency exchange transactions may be conducted on a spot (<i>i.e.</i>, cash) basis at the spot rate prevailing in the foreign currency exchange market or through entering into derivative currency transactions (see "Forward Foreign Currency Exchange Contracts," "Option Contracts," "Futures Contracts" and "Swap Agreements – Currency Swaps" herein). Currency transactions are subject to the risk of a number of complex political and</p>

	<p>economic factors applicable to the countries issuing the underlying currencies. Furthermore, unlike trading in most other types of instruments, there is no systematic reporting of last sale information with respect to the foreign currencies underlying the derivative currency transactions. As a result, available information may not be complete. In an over-the-counter trading environment, there are no daily price fluctuation limits.</p>
<p><b>Foreign Investments</b></p>	<p>Investing in securities issued by companies whose principal business activities are outside the United States may involve significant risks not present in domestic investments. For example, because foreign companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements and regulatory measures comparable to those applicable to U.S. companies, there may be less publicly available information about a foreign company than about a domestic company. Volume and liquidity in most foreign debt markets is less than in the United States and securities of some foreign companies are less liquid and more volatile than securities of comparable U.S. companies. There is generally less government supervision and regulation of securities exchanges, broker-dealers and listed companies than in the United States. In addition, with respect to certain foreign countries, there is the possibility of nationalization, expropriation or confiscatory taxation, currency blockage, political or social instability, or diplomatic developments, which could affect investments in those countries. If a deterioration occurs in a country's balance of payments, the country could impose temporary restrictions on foreign capital remittances. The Fund could also be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation. Any of these actions could adversely affect securities prices, impair the Fund's ability to purchase or sell foreign securities, or transfer the Fund's assets or income back to the United States, or otherwise adversely affect Fund operations. In the event of nationalization, expropriation or confiscation, the Fund could lose its entire investment in that country. The risks posed by such actions with respect to a particular foreign country, its nationals or industries or businesses within the country may be heightened to the extent the Fund invests significantly in the affected country or region or in issuers from the affected country that depend on global markets.</p> <p>Other potential foreign market risks include exchange controls, difficulties in valuing securities, defaults on foreign government securities, and difficulties of enforcing favorable legal judgments in foreign courts. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, reinvestment of capital, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Certain economies may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. Foreign securities markets, while growing in volume and sophistication, are generally not as developed as those in the United States. Foreign countries may not have the infrastructure or resources to respond to natural and other disasters that interfere with economic activities, which may adversely affect issuers located in such countries. Foreign investment in the securities markets of certain foreign countries is restricted or controlled to varying degrees. In addition, to the extent that a Fund holds such a security, one or more Fund intermediaries may decline to process customer orders with respect to such Fund unless and until certain representations are made by the Fund or the prohibited holdings are divested. As a result of forced sales of a security, or inability to participate in an investment the manager otherwise believes is attractive, a Fund may incur losses.</p> <p>The U.S. is also renegotiating many of its global trade relationships and has imposed or threatened to impose significant import tariffs. These actions could lead to price volatility and overall declines in U.S. and global investment markets.</p> <p>Settlement and clearance procedures in certain foreign markets differ significantly from those in the United States. Payment for securities before delivery may be required and in some countries delayed settlements are customary, which increases the Fund's risk of loss. The Fund generally holds its foreign securities and related cash in foreign banks and securities depositories. Some foreign banks and securities depositories may be recently organized or new to the foreign custody business. In addition, there may be limited or no regulatory oversight over their operations. Also, the laws of certain countries may put limits on the Fund's ability to recover its assets if a foreign bank, depository or issuer of a security or any of their agents goes bankrupt. Certain countries may require withholding on dividends paid on portfolio securities and on realized capital gains.</p> <p>In addition, it is often more expensive to buy, sell and hold securities in certain foreign markets than in the United States. Foreign brokerage commissions are generally higher than commissions on securities traded in the United States and may be non-negotiable. The fees paid to foreign banks and securities depositories generally are higher than those charged by U.S. banks and depositories. The increased expense of investing in foreign markets reduces the amount earned on investments and typically results in a higher operating expense ratio for the Fund as compared to investment companies that invest only in the United States.</p> <p>Depository receipts (including American Depositary Receipts ("ADRs") sponsored or unsponsored and Global Depository Receipts ("GDRs")) are certificates evidencing ownership of shares of a foreign issuer and are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies. However, they continue to be subject to many of the risks associated with investing directly in foreign securities. These risks include the political and economic risks of the underlying issuer's country, as well as in the case of depository receipts traded on foreign markets, exchange risk. Depository receipts may be sponsored or unsponsored. Unsponsored depository receipts are established without the</p>

	<p>participation of the issuer. As a result, available information concerning the issuer of an unsponsored depository receipt may not be as current as for sponsored depository receipts, and the prices of unsponsored depository receipts may be more volatile than if such instruments were sponsored by the issuer. Unsponsored depository receipts may involve higher expenses, may not pass through voting or other shareholder rights and they may be less liquid.</p> <p>Unless otherwise provided in the Prospectus, in determining the domicile of an issuer, the investment adviser may consider the domicile determination of the Fund's benchmark index or a leading provider of global indexes and may take into account such factors as where the company's securities are listed, and where the company is legally organized, maintains principal corporate offices and/or conducts its principal operations.</p> <p>In June 2016, the United Kingdom ("UK") voted in a referendum to leave the European Union ("EU") ("Brexit"). Effective January 31, 2020, the UK ceased to be a member of the EU and following a transition period, during which the EU and the UK Government engaged in a series of negotiations regarding the terms of the UK's future relationship with the EU, the EU and the UK Government signed an agreement regarding the economic relationship between the UK and the EU. Market uncertainty remains regarding Brexit's ramifications, and the range and potential implications of possible political, regulatory, economic, and market outcomes are difficult to predict. Moreover, the uncertainty about the ramifications of Brexit may cause significant volatility and/or declines in the value of the Euro and the British pound. Brexit may create additional substantial economic stresses for the UK, including price volatility in UK stocks, capital outflows, wider corporate bond spreads due to uncertainty and declines in business and consumer spending as well as foreign direct investment. Brexit may also adversely affect UK-based financial firms that have counterparties in the EU or participate in market infrastructure (trading venues, clearing houses, settlement facilities) based in the EU. Political events, including nationalist unrest in Europe, uncertainties surrounding the sovereign debt of a number of EU countries and the viability of the EU (or the euro) itself, also may cause market disruptions. If one or more countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted.</p>
<p><b>Forward Foreign Currency Exchange Contracts</b></p>	<p>See also "Derivative Instruments and Related Risks" herein. A forward foreign currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts may be bought or sold to protect against an adverse change in the relationship between currencies or to increase exposure to a particular foreign currency. Cross-hedging may be done by using forward contracts in one currency (or basket of currencies) to hedge against fluctuations in the value of instruments denominated in a different currency (or the basket of currencies and the underlying currency). Use of a different foreign currency (for hedging or non-hedging purposes) magnifies exposure to foreign currency exchange rate fluctuations. Forward foreign currency exchange contracts are individually negotiated and privately traded so they are dependent upon the creditworthiness of the counterparty. The precise matching of the forward contract amounts and the value of the instruments denominated in the corresponding currencies will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date on which the contract is entered into and the date it matures. There is additional risk that the use of currency forwards may reduce or preclude the opportunity for gain if the value of the currency should move in the direction opposite to the position taken and that currency forwards may create exposure to currencies in which the Fund's securities are not denominated. In addition, it may not be possible to hedge against long-term currency changes.</p> <p>When a currency is difficult to hedge or to hedge against the U.S. dollar, the Fund may enter into a forward contract to sell a currency whose changes in value are generally considered to be linked to such currency. Currency transactions can result in losses if the currency being hedged fluctuates in value to a degree or in a direction that is not anticipated. In addition, there is the risk that the perceived linkage between various currencies may not be present or may not be present during the particular time the hedge is in place. If the Fund purchases a bond denominated in a foreign currency with a higher interest rate than is available on U.S. bonds of a similar maturity, the additional yield on the foreign bond could be substantially reduced or lost if the Fund were to enter into a direct hedge by selling the foreign currency and purchasing the U.S. dollar.</p> <p>Some of the forward foreign currency exchange contracts may be classified as non-deliverable forwards ("NDFs"). NDFs are cash-settled, forward contracts that may be thinly traded. NDFs are commonly quoted for time periods of one month up to two years, and are normally quoted and settled in U.S. dollars, but may be settled in other currencies. They are often used to gain exposure to or hedge exposure to foreign currencies that are not internationally traded. NDFs may also be used to gain or hedge exposure to gold.</p>
<p><b>Forward Rate Agreements</b></p>	<p>See also "Derivative Instruments and Related Risks" herein. Under a forward rate agreement, the buyer locks in an interest rate at a future settlement date. If the interest rate on the settlement date exceeds the lock rate, the buyer pays the seller the difference between the two rates. If the lock rate exceeds the interest rate on the settlement date, the seller pays the buyer the difference between the two rates. Any such gain received by the Fund would be taxable. These instruments are traded in the OTC market.</p>
<p><b>Futures Contracts</b></p>	<p>See also "Derivative Instruments and Related Risks" herein. Futures contracts are standardized contracts that obligate a purchaser to take delivery, and a seller to make delivery, of a specific amount of the underlying reference instrument at a specified future date at a specified price. These contracts are traded on exchanges, so that, in most cases, either party can close out its position on the exchange for cash, without delivering the underlying asset. Upon purchasing or selling a futures contract, a purchaser or seller is required to deposit collateral (initial margin). Each day thereafter until the futures position is closed, the purchaser or seller will pay additional margin (variation margin) representing any loss experienced as a result</p>



	<p>of the futures position the prior day or be entitled to a payment representing any profit experienced as a result of the futures position the prior day. A public market exists in futures contracts covering a number of indexes as well as financial instruments and foreign currencies. It is expected that other futures contracts will be developed and traded in the future. In computing daily net asset value, the Fund will mark to market its open futures positions. The Fund is also required to deposit and maintain margin with respect to put and call options on futures contracts written by it. Futures contracts are traded on exchanges or boards of trade that are licensed by the CFTC and must be executed through a futures commission merchant or brokerage firm that is a member of the relevant exchange or board.</p> <p>Although some futures contracts call for making or taking delivery of the underlying reference instrument, generally these obligations are closed out prior to delivery by offsetting purchases or sales of matching futures contracts (same exchange, underlying security or index, and delivery month). Closing a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument or commodity with the same delivery date. If an offsetting purchase price is less than the original sale price, the Fund realizes a capital gain, or if it is more, the Fund realizes a capital loss. Conversely, if an offsetting sale price is more than the original purchase price, the Fund realizes a capital gain, or if it is less, the Fund realizes a capital loss.</p>
<b>Hybrid Securities</b>	<p>Hybrid securities generally possess certain characteristics of both equity and debt securities. These securities may at times behave more like equity than debt, or vice versa. Preferred stocks, convertible securities, trust preferred securities and certain debt obligations are types of hybrid securities. The investment adviser has sole discretion to determine whether an investment has hybrid characteristics and generally will consider the instrument's preference over the issuer's common shares, the term of the instrument at the time of issuance and/or the tax character of the instrument's distributions. Debt instruments with a preference over common shares and a perpetual term or a term at issuance of thirty years or more generally are considered by the investment adviser to be hybrid securities. Hybrid securities generally do not have voting rights or have limited voting rights. Because hybrid securities have both debt and equity characteristics, their values vary in response to many factors, including general market and economic conditions, issuer-specific events, changes in interest rates, credit spreads and the credit quality of the issuer, and, for convertible securities, factors affecting the securities into which they convert. Hybrid securities may be subject to redemption at the option of the issuer at a predetermined price. Hybrid securities may pay a fixed or variable rate of interest or dividends. The prices and yields of nonconvertible hybrid securities generally move with changes in interest rates and the issuer's credit quality, similar to the factors affecting debt securities. If the issuer of a hybrid security experiences financial difficulties, the value of such security may be adversely affected similar to the issuer's outstanding common stock or subordinated debt instruments. Trust preferred securities are issued by a special purpose trust that holds the subordinated debt of a company and, as such, are subject to the risks associated with such debt obligation. See also "Preferred Stock," "Convertible Securities" and "Contingent Convertible Securities."</p>
<b>Illiquid Investments</b>	<p>Certain investments are considered illiquid or restricted due to a limited trading market or legal or contractual restrictions on resale or transfer, or are otherwise illiquid because they cannot be sold or disposed of in seven calendar days or less under then-current market conditions without the sale or disposition significantly changing the market value of the investment. Such illiquid investments may include commercial paper issued pursuant to Section 4(a)(2) of the 1933 Act and securities eligible for resale pursuant to Rule 144A thereunder. Rule 144A securities may increase the level of portfolio illiquidity if eligible buyers become uninterested in purchasing such securities.</p> <p>It may be difficult to sell illiquid investments at a price representing fair value until such time as the investments may be sold publicly. It also may be more difficult to determine the fair value of such investments for purposes of computing the Fund's net asset value. Where registration is required, a considerable period of time may elapse between a decision to sell the investments and the time when the Fund would be permitted to sell. Thus, the Fund may not be able to obtain as favorable a price as that prevailing at the time of the decision to sell. The Fund may incur additional expense when disposing of illiquid investments, including all or a portion of the cost to register the investments. The Fund also may acquire investments through private placements under which it may agree to contractual restrictions on the resale of such investments that are in addition to applicable legal restrictions. Such restrictions might prevent the sale of such investments at a time when such sale would otherwise be desirable.</p> <p>At times, a portion of the Fund's assets may be invested in investments as to which the Fund, by itself or together with other accounts managed by the investment adviser and its affiliates, holds a major portion or all of such investments. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Fund could find it more difficult to sell such investments when the investment adviser believes it advisable to do so or may be able to sell such investments only at prices lower than if such investments were more widely held. It may also be more difficult to determine the fair value of such investments for purposes of computing the Fund's net asset value. The SEC has recently proposed amendments to Rule 22e-4 under the 1940 Act (the liquidity rule) that, if adopted as proposed, would result in changes to the Fund's liquidity classification framework and could potentially increase the percentage of the Fund's investments deemed to be illiquid. See also "Restricted Securities." In addition, the Fund's operations and investment strategies may be adversely impacted if the proposed amendments are adopted.</p>
<b>Indexed Securities</b>	<p>See also "Derivative Instruments and Related Risks" herein. Indexed securities are securities that fluctuate in value with an index. The interest rate or, in some cases, the principal payable at the maturity of an indexed security may change positively or inversely in relation to one or more interest rates, financial indices, securities prices or other financial indicators ("reference prices"). An indexed security may be leveraged to the extent that the magnitude of any change in the interest</p>

	<p>rate or principal payable on an indexed security is a multiple of the change in the reference price. Thus, indexed securities may decline in value due to adverse market changes in reference prices. Because indexed securities derive their value from another instrument, security or index, they are considered derivative debt securities, and are subject to different combinations of prepayment, extension, interest rate and/or other market risks. Indexed securities may include interest only (“IO”) and principal only (“PO”) securities, floating rate securities linked to the Cost of Funds Index (“COFI floaters”), other “lagging rate” floating securities, floating rate securities that are subject to a maximum interest rate (“capped floaters”), leveraged floating rate securities (“super floaters”), leveraged inverse floating rate securities (“inverse floaters”), dual index floaters, range floaters, index amortizing notes and various currency indexed notes. Indexed securities may be issued by the U.S. Government or one of its agencies or instrumentalities or, if privately issued, collateralized by mortgages that are insured, guaranteed or otherwise backed by the U.S. Government, its agencies or instrumentalities.</p>
<b>Inflation-Indexed (or Inflation-Linked) Bonds</b>	<p>Inflation-indexed bonds are fixed-income securities the principal value of which is periodically adjusted according to the rate of inflation. Inflation-indexed bonds are issued by governments, their agencies or instrumentalities and corporations. Two structures are common: The U.S. Treasury and some other issuers use a structure that accrues inflation into the principal value of the bond. Most other issuers pay out the inflation accruals as part of a semiannual coupon. The principal amount of an inflation-indexed bond is adjusted in response to changes in the level of inflation. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds, and therefore, the principal amount of such bonds cannot be reduced below par even during a period of deflation. However, the current market value of these bonds is not guaranteed and will fluctuate, reflecting the risk of changes in their yields. In certain jurisdictions outside the United States, the repayment of the original bond principal upon the maturity of an inflation-indexed bond is not guaranteed, allowing for the amount of the bond repaid at maturity to be less than par. The interest rate for inflation-indexed bonds is fixed at issuance as a percentage of this adjustable principal. Accordingly, the actual interest income may both rise and fall as the principal amount of the bonds adjusts in response to movements in the Consumer Price Index.</p> <p>The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates in turn are tied to the relationship between nominal interest rates and the rate of inflation. Therefore, if inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in value of inflation-indexed bonds. In contrast, if nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-indexed bonds. While these securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in value. If interest rates rise due to reasons other than inflation (for example, due to changes in currency exchange rates), investors in these securities may not be protected to the extent that the increase is not reflected in the bond’s inflation measure.</p>
<b>Investing in a Portfolio</b>	<p>The Board may discontinue the Fund’s investment in one or more Portfolios if it determines that it is in the best interest of the Fund and its shareholders to do so. In such an event, the Board would consider what action might be taken, including investing Fund assets in another pooled investment entity, instructing the investment adviser to invest Fund assets directly or retaining an investment adviser to manage Fund assets in accordance with its investment objective(s). The Fund’s investment performance and expense ratio may be affected if its investment structure is changed or if another Portfolio investor withdraws all or a portion of its investment in the Portfolio.</p>
<b>Investments in the Subsidiary</b>	<p>The Subsidiary is organized under the laws of the Cayman Islands, and is overseen by a sole director affiliated with Eaton Vance. The Fund is the sole shareholder of the Subsidiary, and it is not currently expected that shares of the Subsidiary will be sold or offered to other investors. The Subsidiary expects to invest primarily in commodity-linked derivative instruments, including swap agreements, commodity options, futures and options on futures, backed by a portfolio of inflation-indexed securities and other fixed-income securities and is also permitted to invest in any other investments permitted by the Fund. To the extent that the Fund invests in the Subsidiary, the Fund will be subject to the risks associated with those derivative instruments and other securities, which are discussed elsewhere in the Prospectus and this SAI.</p> <p>While the Subsidiary may be operated similarly to the Fund, it is not registered under the 1940 Act and, unless otherwise noted in the Prospectus and this SAI, is not subject to the investor protections of the 1940 Act and other U.S. regulations. Changes in the laws of the U.S. and/or the Cayman Islands could result in the inability of the Fund and/or the Subsidiary to operate as described in the Prospectus and this SAI and could negatively affect the Fund and its shareholders.</p>
<b>Junior Loans</b>	<p>Due to their lower place in the borrower’s capital structure and possible unsecured status, certain loans (“Junior Loans”) involve a higher degree of overall risk than Senior Loans (described below) of the same borrower. Junior Loans may be direct loans or purchased either in the form of an assignment or a loan participation. Junior Loans are subject to the same general risks inherent in any loan investment (see “Loans” below). Junior Loans include secured and unsecured subordinated loans, as well as second lien loans and subordinated bridge loans. A second lien loan is generally second in line in terms of repayment priority and may have a claim on the same collateral pool as the first lien, or it may be secured by a separate set of assets. Second lien loans generally give investors priority over general unsecured creditors in the event of an asset sale.</p> <p>Bridge loans or bridge facilities are short-term loan arrangements (e.g., 12 to 18 months) typically made by a borrower in anticipation of intermediate-term or long-term permanent financing. Most bridge loans are structured as floating-rate debt with step-up provisions under which the interest rate on the bridge loan rises the longer the loan remains outstanding and may be converted into senior exchange notes if the loan has not been prepaid in full on or prior to its maturity date. Bridge</p>

	<p>loans may be subordinate to other debt and may be secured or unsecured. Bridge loans are generally made with the expectation that the borrower will be able to obtain permanent financing in the near future. Any delay in obtaining permanent financing subjects the bridge loan investor to increased risk. A borrower with an outstanding bridge loan may be unable to locate permanent financing to replace the bridge loan, which may impair the borrower's perceived creditworthiness. From time to time, the Fund may make a commitment to participate in a bridge loan facility, obligating itself to participate in the facility if it funds. In return for this commitment, the Fund receives a fee.</p> <p><i>For additional disclosure relating to investing in loans (including Junior Loans), see "Loans" below.</i></p>
<p><b>LIBOR Transition and Associated Risk</b></p>	<p>The London Interbank Offered Rate ("LIBOR") was the average offered rate for various maturities of short-term loans between major international banks who were members of the British Bankers Association. It historically was used throughout global banking and financial industries to determine interest rates for a variety of financial instruments (such as debt instruments and derivatives) and borrowing arrangements. In July 2017, the Financial Conduct Authority (the "FCA"), the United Kingdom financial regulatory body, announced a desire to phase out the use of LIBOR. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing certain LIBOR settings on December 31, 2021, and ceased publishing the remaining LIBOR settings on June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Market participants have transitioned or are in the process of transitioning to the use of alternative reference or benchmark rates.</p> <p>The FCA has compelled the ICE Benchmark Administration Limited (the "IBA") to publish a subset of U.S. and non-U.S. LIBOR maturities using a "synthetic" methodology that is not based on panel bank contributions. However, regulators have advised that, as these synthetic publications are expected to be published for a limited period of time and would be considered non-representative of the underlying market, they should be used only in limited circumstances.</p> <p>The impact of the transition process away from LIBOR on certain debt securities, derivatives and other financial instruments that utilize LIBOR remains uncertain. The transition away from LIBOR and the use of replacement rates may adversely affect transactions that used LIBOR as a reference rate, financial institutions, funds and other market participants that engaged in such transactions, and the financial markets generally. The transition may result in changes in (i) the value of certain instruments held by the Fund, (ii) the cost of temporary or other borrowing for the Fund (if applicable), or (iii) the effectiveness of related Fund transactions such as hedges, as applicable.</p> <p>In planning for the transition away from LIBOR, various financial industry groups encountered obstacles to converting certain longer-term securities and transactions to a new benchmark. In June 2017, the Alternative Reference Rates Committee, a group of large U.S. banks working with the Federal Reserve, announced its selection of a new Secured Overnight Financing Rate ("SOFR"), which is intended to be a broad measure of secured overnight U.S. Treasury repo rates, as an appropriate replacement for LIBOR. Bank working groups and regulators in other countries have suggested other alternatives for their markets, including the Sterling Overnight Interbank Average Rate ("SONIA") in England. Both SOFR and SONIA, as well as certain other proposed replacement rates, are materially different from LIBOR, and changes in the applicable spread for financial instruments transitioning away from LIBOR need to be made to accommodate the differences. Liquid markets for newly-issued instruments that use an alternative reference rate are still developing. Consequently, there may be challenges for a Fund to enter into hedging transactions against instruments tied to alternative reference rates until a market for such hedging transactions develops.</p> <p>Additionally, while many LIBOR-based instruments contemplated a scenario where LIBOR is no longer available by providing for an alternative or "fallback" rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all LIBOR-based instruments had such fallback provisions. In March 2022, the U.S. government enacted legislation (the Adjustable Rate Interest Rate (LIBOR) Act) to establish a process for replacing LIBOR in certain existing contracts governed by U.S. law that do not already provide for the use of a clearly defined or practicable replacement benchmark rate as described in the legislation. Generally speaking, for contracts that did not contain a fallback provision as described in the legislation, a benchmark replacement, based on SOFR, including certain spread adjustments and benchmark replacement conforming changes, would effectively automatically replace the USD LIBOR benchmark in the contract after June 30, 2023. Despite ongoing efforts among global government entities and other organizations to address transition-related uncertainties, the ultimate effectiveness of such efforts and the impact of the transition is not yet known.</p> <p>Any effects of the transition away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could result in losses to the Fund. Furthermore, the risks associated with the discontinuation of LIBOR and transition to replacement rates may be exacerbated if an orderly transition to an alternative reference rate is not completed in a timely manner.</p>
<p><b>Liquidity or Protective Put Agreements</b></p>	<p>See also "Derivative Instruments and Related Risks" herein. The Fund may enter into a separate agreement with the seller of an instrument or some other person granting the Fund the right to put the instrument to the seller thereof or the other person at an agreed upon price. Interest income generated by certain municipal bonds with put or demand features may be taxable.</p>

<p><b>Loans</b></p>	<p>Loans may be primary, direct investments or investments in loan assignments or participation interests. A loan assignment represents a portion or the entirety of a loan and a portion of the entirety of a position previously attributable to a different lender. The purchaser of an assignment typically succeeds to all the rights and obligations under the loan agreement and has the same rights and obligations as the assigning investor. However, assignments through private negotiations may cause the purchaser of an assignment to have different and more limited rights than those held by the assigning investor. Loan participation interests are interests issued by a lender or other entity and represent a fractional interest in a loan. The Fund typically will have a contractual relationship only with the financial institution that issued the participation interest. As a result, the Fund may have the right to receive payments of principal, interest and any fees to which it is entitled only from the financial institution and only upon receipt by such entity of such payments from the borrower. In connection with purchasing a participation interest, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights with respect to any funds acquired by other investors through set-off against the borrower and the Fund may not directly benefit from the collateral supporting the loan in which it has purchased the participation interest. As a result, the Fund may assume the credit risk of both the borrower and the financial institution issuing the participation interest. In the event of the insolvency of the entity issuing a participation interest, the Fund may be treated as a general creditor of such entity.</p> <p>Loans may be originated by a lending agent, such as a financial institution or other entity, on behalf of a group or “syndicate” of loan investors (the “Loan Investors”). In such a case, the agent administers the terms of the loan agreement and is responsible for the collection of principal, and interest payments from the borrower and the apportionment of these payments to the Loan Investors. Failure by the agent to fulfill its obligations may delay or adversely affect receipt of payment by the Fund. Furthermore, unless under the terms of a loan agreement or participation (as applicable) the Fund has direct recourse against the borrower, the Fund must rely on the Agent and the other Loan Investors to pursue appropriate remedies against the borrower.</p> <p>Loan investments may be made at par or at a discount or premium to par. The interest payable on a loan may be fixed or floating rate, and paid in cash or in-kind. In connection with transactions in loans, the Fund may be subject to facility or other fees. Loans may be secured by specific collateral or other assets of the borrower, guaranteed by a third party, unsecured or subordinated. During the term of a loan, the value of any collateral securing the loan may decline in value, causing the loan to be under collateralized. Collateral may consist of assets that may not be readily liquidated, and there is no assurance that the liquidation of such assets would satisfy fully a borrower’s obligations under the loan. In addition, if a loan is foreclosed, the Fund could become part owner of the collateral and would bear the costs and liabilities associated with owning and disposing of such collateral.</p> <p>A lender’s repayment and other rights primarily are determined by governing loan, assignment or participation documents, which (among other things) typically establish the priority of payment on the loan relative to other indebtedness and obligations of the borrower. A borrower typically is required to comply with certain covenants contained in a loan agreement between the borrower and the holders of the loan. The types of covenants included in loan agreements generally vary depending on market conditions, the creditworthiness of the issuer, and the nature of the collateral securing the loan. Loans with fewer covenants that restrict activities of the borrower may provide the borrower with more flexibility to take actions that may be detrimental to the loan holders and provide fewer investor protections in the event covenants are breached. The Fund may experience relatively greater realized or unrealized losses or delays and expense in enforcing its rights with respect to loans with fewer restrictive covenants. Loans to entities located outside of the U.S. (including to sovereign entities) may have substantially different lender protections and covenants as compared to loans to U.S. entities and may involve greater risks. In the event of bankruptcy, applicable law may impact a lender’s ability to enforce its rights. The Fund may have difficulties and incur expense enforcing its rights with respect to non-U.S. loans and such loans could be subject to bankruptcy laws that are materially different than in the U.S. Sovereign entities may be unable or unwilling to meet their obligations under a loan due to budgetary limitations or economic or political changes within the country.</p> <p>Investing in loans involves the risk of default by the borrower or other party obligated to repay the loan. In the event of insolvency of the borrower or other obligated party, the Fund may be treated as a general creditor of such entity unless it has rights that are senior to that of other creditors or secured by specific collateral or assets of the borrower. Fixed-rate loans are also subject to the risk that their value will decline in a rising interest rate environment. This risk is mitigated for floating-rate loans, where the interest rate payable on the loan resets periodically by reference to a base lending rate. The base lending rate historically was the London Interbank Offered Rate (“LIBOR”), the Federal Reserve federal funds rate, the prime rate or other base lending rates used by commercial lenders.</p> <p>Many financial instruments used a floating rate based on LIBOR, which was the offered rate for short-term Eurodollar deposits between major international banks. On July 27, 2017, the head of the United Kingdom’s Financial Conduct Authority announced a desire to phase out the use of LIBOR beginning at the end of 2021. Upon a determination by regulators to phase out the use of LIBOR, market participants have been transitioning to the use of alternative reference rates over the past few years. As of June 30, 2023, the administrator of LIBOR ceased publishing LIBOR settings. The impact of the transition away from LIBOR on financial instruments that utilize LIBOR remains uncertain. See “LIBOR Transition and Associated Risk” herein.</p>
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	<p>The Fund will take whatever action it considers appropriate in the event of anticipated financial difficulties, default or bankruptcy of the borrower or other entity obligated to repay a loan. Such action may include: (i) retaining the services of various persons or firms (including affiliates of the investment adviser) to evaluate or protect any collateral or other assets securing the loan or acquired as a result of any such event; (ii) managing (or engaging other persons to manage) or otherwise dealing with any collateral or other assets so acquired; and (iii) taking such other actions (including, but not limited to, payment of operating or similar expenses relating to the collateral) as the investment adviser may deem appropriate to reduce the likelihood or severity of loss on the Fund's investment and/or maximize the return on such investment. The Fund will incur additional expenditures in taking protective action with respect to loans in (or anticipated to be in) default and assets securing such loans. In certain circumstances, the Fund may receive equity or equity-like securities from a borrower to settle the loan or may acquire an equity interest in the borrower. Representatives of the Fund also may join creditor or similar committees relating to loans.</p> <p>Lenders can be sued by other creditors and the debtor and its shareholders. Losses could be greater than the original loan amount and occur years after the loan's recovery. If a borrower becomes involved in bankruptcy proceedings, a court may invalidate the Fund's security interest in any loan collateral or subordinate the Fund's rights under the loan agreement to the interests of the borrower's unsecured creditors or cause interest previously paid to be refunded to the borrower. There are also other events, such as the failure to perfect a security interest due to faulty documentation or faulty official filings, which could lead to the invalidation of the Fund's security interest in loan collateral. If any of these events occur, the Fund's performance could be negatively affected.</p> <p>Interests in loans generally are not listed on any national securities exchange or automated quotation system and no active market may exist for many loans. As described below, a secondary market exists for many Senior Loans, but it may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.</p> <p>From time to time the investment adviser and its affiliates may borrow money from various banks in connection with their business activities. Such banks may also sell interests in loans to or acquire them from the Fund or may be intermediate participants with respect to loans in which the Fund owns interests. Such banks may also act as agents for loans held by the Fund.</p> <p>To the extent that legislation or state or federal regulators that regulate certain financial institutions impose additional requirements or restrictions with respect to the ability of such institutions to make loans, particularly in connection with highly leveraged transactions, the availability of loans for investment may be adversely affected. Further, such legislation or regulation could depress the market value of loans.</p> <p><b><i>For additional disclosures relating to Junior and Senior Loans, see "Junior Loans" and "Senior Loans" herein.</i></b></p>
<p><b>Lower Rated Investments</b></p>	<p>Lower rated investments (commonly referred to as "junk") are of below investment grade quality and generally provide greater income potential and/or increased opportunity for capital appreciation than higher quality investments but they also typically entail greater potential price volatility and principal and income risk. Lower rated investments are regarded as predominantly speculative with respect to the entity's continuing ability to make timely principal and interest payments. Also, their yields and market values may fluctuate more than higher rated investments. Fluctuations in value do not affect the cash income from lower rated investments, but are reflected in the Fund's net asset value. The greater risks and fluctuations in yield and value occur, in part, because investors generally perceive issuers of lower rated and unrated investments to be less creditworthy. The secondary market for lower rated investments may be less liquid than the market for higher grade investments and may be more severely affected than other financial markets by economic recession or substantial interest rate increases, changing public perceptions, or legislation that limits the ability of certain categories of financial institutions to invest in lower rated investments.</p>
<p><b>Master Limited Partnerships ("MLPs")</b></p>	<p>MLPs are publicly-traded limited partnership interests or units. An MLP that invests in a particular industry (e.g., oil and gas) will be harmed by detrimental economic events within that industry. As partnerships, MLPs may be subject to less regulation (and less protection for investors) under state laws than corporations. In addition, MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income paid by an MLP to its investors. Effective for taxable years beginning after December 31, 2017 and before January 1, 2026, the Tax Cuts and Jobs Act generally allows individuals and certain other non-corporate entities, such as partnerships, a deduction for 20% of "qualified publicly traded partnership income" such as income from MLPs. However, the law does not include any provision for a regulated investment company to pass the character of its qualified publicly traded partnership income through to its shareholders. As a result, an investor who invests directly in MLPs will be able to receive the benefit of that deduction, while a shareholder of the Fund will not.</p>
<p><b>Money Market Instruments</b></p>	<p>Money market instruments include short term, high quality, U.S. dollar denominated instruments such as commercial paper, certificates of deposit and bankers' acceptances issued by U.S. or foreign banks, and Treasury bills and other obligations with a maturity of one year or less, including those issued or guaranteed by U.S. Government agencies and instrumentalities. See "U.S. Government Securities" below. Certificates of deposit or time deposits are certificates issued against funds deposited in a commercial bank, are for a definite period of time, earn a specified rate of return, and are normally negotiable. Bankers' acceptances are short-term credit instruments used to finance the import, export, transfer or storage of goods. They are termed "accepted" when a bank guarantees their payment at maturity.</p>

	<p>The obligations of foreign branches of U.S. banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by governmental regulation. Payment of interest and principal upon these obligations may also be affected by governmental action in the country of domicile of the branch (generally referred to as sovereign risk). In addition, evidence of ownership of portfolio securities may be held outside of the U.S. and generally will be subject to the risks associated with the holding of such property overseas. Various provisions of U.S. law governing the establishment and operation of domestic branches do not apply to foreign branches of domestic banks. The obligations of U.S. branches of foreign banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by federal and state regulation as well as by governmental action in the country in which the foreign bank has its head office.</p> <p>Money market instruments are often acquired directly from the issuers thereof or otherwise are normally traded on a net basis (without commission) through broker-dealers and banks acting for their own account. Such firms attempt to profit from such transactions by buying at the bid price and selling at the higher asked price of the market, and the difference is customarily referred to as the spread. Money market instruments may be adversely affected by market and economic events, such as a sharp rise in prevailing short-term interest rates; adverse developments in the banking industry, which issues or guarantees many money market securities; adverse economic, political or other developments affecting domestic issuers of money market securities; changes in the credit quality of issuers; and default by a counterparty. These securities may be subject to federal income, state income and/or other taxes. Instead of investing in money market instruments directly, the Fund may invest in an affiliated or unaffiliated money market fund. A low or negative interest rate environment could, and a prolonged low or negative interest rate environment is likely to, result in negative rates on investments in money market funds and similar cash management products. During unusual market conditions, the Fund may invest up to 100% of its assets in cash or cash equivalents temporarily, which may be inconsistent with its investment objective(s) and other policies.</p>
<p><b>Mortgage-Backed Securities (“MBS”)</b></p>	<p>MBS are “pass through” securities, meaning that a pro rata share of regular interest and principal payments, as well as unscheduled early prepayments, on the underlying mortgage pool is passed through monthly to the holder. MBS may include conventional mortgage pass through securities, participation interests in pools of adjustable and fixed rate mortgage loans, stripped securities (described herein), floating rate mortgage-backed securities and certain classes of multiple class CMOs. MBS pay principal to the holder over their term, which differs from other forms of debt securities that normally provide for principal payment at maturity or specified call dates. MBS are subject to the general risks associated with investing in real estate securities; that is, they may lose value if the value of the underlying real estate to which a pool of mortgages relates declines. In addition, investments in MBS involve certain specific risks, including the failure of a party to meet its commitments under the related operative documents, adverse interest rate changes, and the effects of prepayments on mortgage cash flows and that any guarantee or other structural feature, if present, is insufficient to enable the timely payment of interest and principal on the MBS. Although certain MBS are guaranteed as to timely payment of interest and principal by a government-sponsored enterprise, the market price for such securities is not guaranteed and will fluctuate. Certain MBS may be purchased on a when-issued basis subject to certain limitations and requirements.</p> <p>There are currently four types of MBS: (1) those issued by the U.S. Government or one of its agencies or instrumentalities, such as the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FHLMC”); (2) those issued by private issuers that represent an interest in or are collateralized by pass through securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities; (3) those issued by the U.S. Government or one of its agencies or instrumentalities without a government guarantee, such as credit risk transfer bonds; and (4) those issued by private issuers that represent an interest in or are collateralized by whole mortgage loans or pass through securities without a government guarantee but that usually have some form of private credit enhancement. Privately issued MBS are structured similar to GNMA, FNMA and FHLMC MBS, and are issued by originators of, or investors in, mortgage loans, including depository institutions, mortgage banks and special purpose subsidiaries of the foregoing.</p> <p>GNMA Certificates and FNMA Mortgage-Backed Certificates are MBS representing part ownership of a pool of mortgage loans. GNMA loans (issued by lenders such as mortgage bankers, commercial banks and savings and loan associations) are either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. A pool of such mortgages is assembled and, after being approved by GNMA, is offered to investors through securities dealers. Once such pool is approved by GNMA, the timely payment of interest and principal on the Certificates issued representing such pool is guaranteed by the full faith and credit of the U.S. Government. GNMA is a wholly owned U.S. Government corporation within the Department of Housing and Urban Development. FNMA, a federally chartered corporation owned entirely by private stockholders, purchases both conventional and federally insured or guaranteed residential mortgages from various entities, including savings and loan associations, savings banks, commercial banks, credit unions and mortgage bankers, and packages pools of such mortgages in the form of pass-through securities generally called FNMA Mortgage-Backed Certificates, which are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the U.S. Government; however, they are supported by the right of FNMA to borrow from the U.S. Treasury Department.</p>

	<p>FHLMC, a corporate instrumentality of the U.S. Government created by Congress for the purposes of increasing the availability of mortgage credit for residential housing, issues participation certificates (“PCs”) representing undivided interest in FHLMC’S mortgage portfolio. While FHLMC guarantees the timely payment of interest and ultimate collection of the principal of its PCs, its PCs are not backed by the full faith and credit of the U.S. Government. FHLMC PCs differ from GNMA Certificates in that the mortgages underlying the PCs are monthly “conventional” mortgages rather than mortgages insured or guaranteed by a federal agency or instrumentality. However, in several other respects, such as the monthly pass-through of interest and principal (including unscheduled prepayments) and the unpredictability of future unscheduled prepayments on the underlying mortgage pools, FHLMC PCs are similar to GNMA Certificates.</p> <p>While it is not possible to accurately predict the life of a particular issue of MBS, the actual life of any such security is likely to be substantially less than the final maturities of the mortgage loans underlying the security. This is because unscheduled early prepayments of principal on MBS will result from the prepayment, refinancings or foreclosure of the underlying mortgage loans in the mortgage pool. Prepayments of MBS may not be able to be reinvested at the same interest rate. Because of the regular scheduled payments of principal and the early unscheduled prepayments of principal, MBS are less effective than other types of obligations as a means of “locking-in” attractive long-term interest rates. As a result, this type of security may have less potential for capital appreciation during periods of declining interest rates than other U.S. Government securities of comparable maturities, although many issues of MBS may have a comparable risk of decline in market value during periods of rising interest rates. If MBS are purchased at a premium above their par value, a scheduled payment of principal and an unscheduled prepayment of principal, which would be made at par, will accelerate the realization of a loss equal to that portion of the premium applicable to the payment or prepayment. If MBS have been purchased at a discount from their par value, both a scheduled payment of principal and an unscheduled prepayment of principal will increase current returns and will accelerate the recognition of income, which, when distributed to Fund shareholders, will be taxable as ordinary income.</p>
<p><b>Mortgage Dollar Rolls</b></p>	<p>In a mortgage dollar roll, the Fund sells MBS for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) MBS on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the MBS. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the “drop”) as well as by the interest earned on the cash proceeds of the initial sales. Cash proceeds may be invested in instruments that are permissible investments for the Fund. The use of mortgage dollar rolls is a speculative technique involving leverage. A “covered roll” is a specific type of dollar roll for which there is an offsetting cash position or permissible liquid assets earmarked or in a segregated account to secure the obligation for the forward commitment to buy MBS, or a cash equivalent security position that matures on or before the forward settlement date of the dollar roll transaction.</p>
<p><b>Municipal Lease Obligations (“MLOs”)</b></p>	<p>An MLO is a bond that is secured by lease payments made by the party, typically a state or municipality, leasing the facilities (e.g., schools or office buildings) that were financed by the bond. Such lease payments may be subject to annual appropriation or may be made only from revenues associated with the facility financed. In other cases, the leasing state or municipality is obligated to appropriate funds from its general tax revenues to make lease payments as long as it utilizes the leased property. MLOs, like other municipal debt obligations, are subject to the risk of non-payment. Although MLOs do not constitute general obligations of the issuer for which the issuer’s unlimited taxing power is pledged, a lease obligation is frequently backed by the issuer’s covenant to budget for, appropriate and make the payments due under the lease obligation. However, certain lease obligations contain “non-appropriation” clauses, which provide that the issuer has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. Although “non-appropriation” lease obligations may be secured by the leased property, disposition of the property in the event of foreclosure might prove difficult. A certificate of participation (also referred to as a “participation”) in a municipal lease is an instrument evidencing a pro rata share in a specific pledged revenue stream, usually lease payments by the issuer that are typically subject to annual appropriation. The certificate generally entitles the holder to receive a share, or participation, in the payments from a particular project.</p> <p>MLOs and participations therein represent a type of financing that may not have the depth of marketability associated with more conventional securities and, as such, they may be less liquid than conventional securities. Certain MLOs may be deemed illiquid for the purpose of the Fund’s limitation on investments in illiquid investments.</p> <p>The ability of issuers of MLOs to make timely lease payments may be adversely impacted in general economic downturns and as relative governmental cost burdens are allocated and reallocated among federal, state and local governmental units. Such non-payment would result in a reduction of income from and value of the obligation. Issuers of MLOs might seek protection under the bankruptcy laws. In the event of bankruptcy of such an issuer, holders of MLOs could experience delays and limitations with respect to the collection of principal and interest on such MLOs and may not, in all circumstances, be able to collect all principal and interest to which it is entitled. To enforce its rights in the event of a default in lease payments, the Fund might take possession of and manage the assets securing the issuer’s obligations on such securities or otherwise incur costs to protect its rights, which may increase the Fund’s operating expenses and adversely affect the net asset value of the Fund. When the lease contains a non-appropriation clause, however, the failure to pay would not be a default and the Fund would not have the right to take possession of the assets. Any income derived from the Fund’s ownership or operation of such assets may not be tax-exempt.</p>

<p><b>Municipal Obligations</b></p>	<p>Municipal obligations include debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of public facilities, refunding of outstanding obligations and obtaining funds for general operating expenses and loans to other public institutions and facilities. Certain types of bonds are issued by or on behalf of public authorities to finance various privately owned or operated facilities, including certain facilities for the local furnishing of electric energy or gas, sewage facilities, solid waste disposal facilities and other specialized facilities. Municipal obligations include bonds as well as tax-exempt commercial paper, project notes and municipal notes such as tax, revenue and bond anticipation notes of short maturity, generally less than three years. While most municipal bonds pay a fixed rate of interest semiannually in cash, there are exceptions. Some bonds pay no periodic cash interest, but rather make a single payment at maturity representing both principal and interest. Some bonds may pay interest at a variable or floating rate. Bonds may be issued or subsequently offered with interest coupons materially greater or less than those then prevailing, with price adjustments reflecting such deviation. Municipal obligations also include trust certificates representing interests in municipal securities held by a trustee. The trust certificates may evidence ownership of future interest payments, principal payments or both on the underlying securities.</p> <p>In general, there are three categories of municipal obligations, the interest on which is exempt from federal income tax and is not a tax preference item for purposes of the AMT: (i) certain “public purpose” obligations (whenever issued), which include obligations issued directly by state and local governments or their agencies to fulfill essential governmental functions; (ii) certain obligations issued before August 8, 1986 for the benefit of non-governmental persons or entities; and (iii) certain “private activity bonds” issued after August 7, 1986, which include “qualified Section 501(c)(3) bonds” or refundings of certain obligations included in the second category. Opinions relating to the validity of municipal bonds, exclusion of municipal bond interest from an investor’s gross income for federal income tax purposes and, where applicable, state and local income tax, are rendered by bond counsel to the issuing authorities at the time of issuance.</p> <p>Interest on certain “private activity bonds” issued after August 7, 1986 is exempt from regular federal income tax, but such interest (including a distribution by the Fund derived from such interest) is treated as a tax preference item that could subject the recipient to or increase the recipient’s liability for the AMT.</p> <p>The two principal classifications of municipal bonds are “general obligation” and “revenue” bonds. Issuers of general obligation bonds include states, counties, cities, towns and regional districts. The proceeds of these obligations are used to fund a wide range of public projects, including the construction or improvement of schools, highways and roads, water and sewer systems and a variety of other public purposes. The basic security of general obligation bonds is the issuer’s pledge of its faith, credit, and taxing power for the payment of principal and interest. The taxes that can be levied for the payment of debt service may be limited or unlimited as to rate and amount.</p> <p>Typically, the only security for a limited obligation or revenue bond is the net revenue derived from a particular facility or class of facilities financed thereby or, in some cases, from the proceeds of a special tax or other special revenues. Revenue bonds have been issued to fund a wide variety of revenue-producing public capital projects including: electric, gas, water and sewer systems; highways, bridges and tunnels; port and airport facilities; colleges and universities; hospitals; and convention, recreational, tribal gaming and housing facilities. Although the security behind these bonds varies widely, many lower rated bonds provide additional security in the form of a debt service reserve fund that may also be used to make principal and interest payments on the issuer’s obligations. In addition, some revenue obligations (as well as general obligations) are insured by a bond insurance company or backed by a letter of credit issued by a banking institution. Revenue bonds also include, for example, pollution control, health care and housing bonds, which, although nominally issued by municipal authorities, are generally not secured by the taxing power of the municipality but by the revenues of the authority derived from payments by the private entity that owns or operates the facility financed with the proceeds of the bonds. Obligations of housing finance authorities have a wide range of security features, including reserve funds and insured or subsidized mortgages, as well as the net revenues from housing or other public projects. Many of these bonds do not generally constitute the pledge of the credit of the issuer of such bonds. The credit quality of such revenue bonds is usually directly related to the credit standing of the user of the facility being financed or of an institution which provides a guarantee, letter of credit or other credit enhancement for the bond issue. The Fund may on occasion acquire revenue bonds that carry warrants or similar rights covering equity securities. Such warrants or rights may be held indefinitely, but if exercised, the Fund anticipates that it would, under normal circumstances, dispose of any equity securities so acquired within a reasonable period of time. Investing in revenue bonds may involve (without limitation) the following risks.</p> <p>Hospital bond ratings are often based on feasibility studies that contain projections of expenses, revenues and occupancy levels. A hospital’s income available to service its debt may be influenced by demand for hospital services, management capabilities, the service area economy, efforts by insurers and government agencies to limit rates and expenses, competition, availability and expense of malpractice insurance, and Medicaid and Medicare funding.</p> <p>Education-related bonds are comprised of two types: (i) those issued to finance projects for public and private colleges and universities, charter schools and private schools, and (ii) those representing pooled interests in student loans. Bonds issued to supply educational institutions with funding are subject to many risks, including the risks of unanticipated revenue decline, primarily the result of decreasing student enrollment, decreasing state and federal funding, or changes in general economic conditions. Additionally, higher than anticipated costs associated with salaries, utilities, insurance or other general expenses could impair the ability of a borrower to make annual debt service payments. Student loan revenue bonds are generally offered by state (or sub-state) authorities or commissions and are backed by pools of student loans.</p>
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Underlying student loans may be guaranteed by state guarantee agencies and may be subject to reimbursement by the United States Department of Education through its guaranteed student loan program. Others may be private, uninsured loans made to parents or students that may be supported by reserves or other forms of credit enhancement. Cash flows supporting student loan revenue bonds are impacted by numerous factors, including the rate of student loan defaults, seasoning of the loan portfolio, and student repayment deferral periods of forbearance. Other risks associated with student loan revenue bonds include potential changes in federal legislation regarding student loan revenue bonds, state guarantee agency reimbursement and continued federal interest and other program subsidies currently in effect.

Transportation debt may be issued to finance the construction of airports, toll roads, highways, or other transit facilities. Airport bonds are dependent on the economic conditions of the airport's service area and may be affected by the business strategies and fortunes of specific airlines. They may also be subject to competition from other airports and modes of transportation. Air traffic generally follows broader economic trends and is also affected by the price and availability of fuel. Toll road bonds are also affected by the cost and availability of fuel as well as toll levels, the presence of competing roads and the general economic health of an area. Fuel costs, transportation taxes and fees, and availability of fuel also affect other transportation-related securities, as do the presence of alternate forms of transportation, such as public transportation.

Industrial development bonds ("IDBs") are normally secured only by the revenues from the project and not by state or local government tax payments, they are subject to a wide variety of risks, many of which relate to the nature of the specific project. Generally, IDBs are sensitive to the risk of a slowdown in the economy.

Electric utilities face problems in financing large construction programs in an inflationary period, cost increases and delay occasioned by safety and environmental considerations (particularly with respect to nuclear facilities), difficulty in obtaining fuel at reasonable prices, and in achieving timely and adequate rate relief from regulatory commissions, effects of energy conservation and limitations on the capacity of the capital market to absorb utility debt.

Water and sewer revenue bonds are generally secured by the fees charged to each user of the service. The issuers of water and sewer revenue bonds generally enjoy a monopoly status and latitude in their ability to raise rates. However, lack of water supply due to insufficient rain, run-off, or snow pack can be a concern and has led to past defaults. Further, public resistance to rate increases, declining numbers of customers in a particular locale, costly environmental litigation, and federal environmental mandates are challenges faced by issuers of water and sewer bonds.

The obligations of any person or entity to pay the principal of and interest on a municipal obligation are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Act, and laws, if any, that may be enacted by Congress or state legislatures extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations. Certain bond structures may be subject to the risk that a taxing authority may issue an adverse ruling regarding tax-exempt status. There is also the possibility that as a result of adverse economic conditions (including unforeseen financial events, natural disasters and other conditions that may affect an issuer's ability to pay its obligations), litigation or other conditions, the power or ability of any person or entity to pay when due principal of and interest on a municipal obligation may be materially affected or interest and principal previously paid may be required to be refunded. There have been instances of defaults and bankruptcies involving municipal obligations that were not foreseen by the financial and investment communities. The Fund will take whatever action it considers appropriate in the event of anticipated financial difficulties, default or bankruptcy of either the issuer of any municipal obligation or of the underlying source of funds for debt service. Such action may include: (i) retaining the services of various persons or firms (including affiliates of the investment adviser) to evaluate or protect any real estate, facilities or other assets securing any such obligation or acquired by the Fund as a result of any such event; (ii) managing (or engaging other persons to manage) or otherwise dealing with any real estate, facilities or other assets so acquired; and (iii) taking such other actions as the adviser (including, but not limited to, payment of operating or similar expenses of the underlying project) may deem appropriate to reduce the likelihood or severity of loss on the fund's investment. The Fund will incur additional expenditures in taking protective action with respect to portfolio obligations in (or anticipated to be in) default and assets securing such obligations.

Historically, municipal bankruptcies have been rare and certain provisions of the U.S. Bankruptcy Code governing such bankruptcy are unclear. Further, the application of state law to municipal obligation issuers could produce varying results among the states or among municipal obligation issuers within a state. These uncertainties could have a significant impact on the prices of the municipal obligations in which the Fund invests. There could be economic, business or political developments or court decisions that adversely affect all municipal obligations in the same sector. Developments such as changes in healthcare regulations, environmental considerations related to construction, construction cost increases and labor problems, failure of healthcare facilities to maintain adequate occupancy levels, and inflation can affect municipal obligations in the same sector. As the similarity in issuers of municipal obligations held by the Fund increases, the potential for fluctuations in the Fund's share price also may increase.

The Commonwealth of Puerto Rico and its related issuers have faced and are currently experiencing financial difficulties, including persistent government budget deficits, underfunded public pension benefit obligations, underfunded government retirement systems, sizable debt service obligations and a high unemployment rate. Several rating agencies have downgraded a number of securities issued in Puerto Rico to below investment-grade, and Puerto Rico has previously missed payments on its general obligation debt. As a result of Puerto Rico's fiscal challenges, it entered into a process

	<p>analogous to a bankruptcy proceeding in U.S. courts. Recently, Puerto Rico received court approval to be released from bankruptcy through a large restructuring of its U.S. municipal debt. The restructuring was recommended by an oversight board, an unelected body that shares power with elected officials, that is federally mandated to oversee Puerto Rico's finances. Pursuant to federal law, the oversight board will remain intact and can only disband after Puerto Rico experiences four consecutive years of balanced budgets. Further legislation by the U.S. Congress, or actions by the oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act, among other factors, could have a negative impact on the marketability, liquidity, or value of certain investments held by the Fund and could reduce the Fund's performance.</p> <p>In addition, Puerto Rico has faced significant out-migration relating to its economic difficulties, eroding the Commonwealth's economic base and creating additional further uncertainty regarding its ability to meet its future repayment obligations. The Puerto Rican constitution prioritizes general obligation bonds over revenue bonds, so that all tax revenues, even those pledged to revenue bondholders, can be applied first to general obligation bonds and other Commonwealth-guaranteed debt if other revenues are insufficient to satisfy such obligations.</p> <p>The secondary market for some municipal obligations issued within a state (including issues that are privately placed with the Fund) is less liquid than that for taxable debt obligations or other more widely traded municipal obligations. No established resale market exists for certain of the municipal obligations in which the Fund may invest. The market for obligations rated below investment grade is also likely to be less liquid than the market for higher rated obligations. As a result, the Fund may be unable to dispose of these municipal obligations at times when it would otherwise wish to do so at the prices at which they are valued.</p> <p>Municipal obligations that are rated below investment grade but that, subsequent to the assignment of such rating, are backed by escrow accounts containing U.S. Government obligations may be determined by the investment adviser to be of investment grade quality for purposes of the Fund's investment policies. In the case of a defaulted obligation, the Fund may incur additional expense seeking recovery of its investment. Defaulted obligations are denoted in the "Portfolio of Investments" in the "Financial Statements" included in the Fund's reports to shareholders.</p> <p>The yields on municipal obligations depend on a variety of factors, including purposes of the issue and source of funds for repayment, general money market conditions, general conditions of the municipal bond market, size of a particular offering, maturity of the obligation and rating of the issue. The ratings of Moody's, S&amp;P and Fitch represent their opinions as to the quality of the municipal obligations which they undertake to rate, and in the case of insurers, other factors including the claims-paying ability of such insurer. It should be emphasized, however, that ratings are based on judgment and are not absolute standards of quality. Consequently, municipal obligations with the same maturity, coupon and rating may have different yields while obligations of the same maturity and coupon with different ratings may have the same yield. In addition, the market price of such obligations will normally fluctuate with changes in interest rates, and therefore the net asset value of the Fund will be affected by such changes.</p>
<b>Operational Risk</b>	<p>The Fund's service providers, including the investment adviser, may experience disruptions or operating errors that could negatively impact the Fund. Disruptive events, including (but not limited to) natural disasters and public health crises, may adversely affect the Fund's ability to conduct business, in particular if the Fund's employees or the employees of its service providers are unable or unwilling to perform their responsibilities as a result of any such event. While service providers are expected to have appropriate operational risk management policies and procedures, their methods of operational risk management may differ from the Fund's in the setting of priorities, the personnel and resources available or the effectiveness of relevant controls. It also is not possible for Fund service providers to identify all of the operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.</p>
<b>Option Contracts</b>	<p>See also "Derivative Instruments and Related Risks" herein. An option contract is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the reference instrument underlying the option (or the cash value of the index) at a specified exercise price at any time during the term of the option. The writer of an option on a security has the obligation upon exercise of the option to deliver the reference instrument (or the cash) upon payment of the exercise price or to pay the exercise price upon delivery of the reference instrument (or the cash). Upon exercise of an index option, the writer of an option on an index is obligated to pay the difference between the cash value of the index and the exercise price multiplied by the specified multiplier for the index option. Options may be "covered," meaning that the party required to deliver the reference instrument if the option is exercised owns that instrument (or has set aside sufficient assets to meet its obligation to deliver the instrument). Options may be listed on an exchange or traded in the OTC market. In general, exchange-traded options have standardized exercise prices and expiration dates and may require the parties to post margin against their obligations, and the performance of the parties' obligations in connection with such options is guaranteed by the exchange or a related clearing corporation. OTC options have more flexible terms negotiated between the buyer and the seller, but generally do not require the parties to post margin and are subject to counterparty risk. The ability of the Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Fund. OTC options also involve greater liquidity risk. This risk may be increased in times of financial stress, if the trading market for OTC derivative contracts becomes limited. The staff of the SEC takes the position that certain purchased OTC options, and assets used as cover for written OTC options, are illiquid. Derivatives on economic indicators generally are offered in an auction format and are booked and settled as OTC options. Options on futures contracts are discussed herein under "Futures Contracts."</p>

	<p>If a written option expires unexercised, the Fund realizes a capital gain equal to the premium received at the time the option was written. If a purchased option expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, exchange, reference instrument, exercise price, and expiration). A capital gain will be realized from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if it is more, a capital loss will be realized. If the premium received from a closing sale transaction is more than the premium paid to purchase the option, the Fund will realize a capital gain or, if it is less, the Fund will realize a capital loss. The principal factors affecting the market value of a put or a call option include supply and demand, the current market price of the reference instrument in relation to the exercise price of the option, the volatility of the reference instrument, and the time remaining until the expiration date. There can be no assurance that a closing purchase or sale transaction can be consummated when desired.</p> <p>Straddles are a combination of a call and a put written on the same reference instrument. Because such combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open or close. In an equity collar, the Fund simultaneously writes a call option and purchases a put option on the same instrument.</p> <p>The writer of an option has no control over the time when it may be required to fulfill its obligation under the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying reference instrument at the exercise price. If a put or call option purchased by the Fund is not sold when it has remaining value, and if the market price of the underlying security remains equal to or greater than the exercise price (in the case of a put), or remains less than or equal to the exercise price (in the case of a call), the Fund will lose the premium it paid for the option. Furthermore, if trading restrictions or suspensions are imposed on options markets, the Fund may be unable to close out a position.</p> <p>Options positions are marked to market daily. The value of options is affected by changes in the value and dividend rates of the securities underlying the option or represented in the index underlying the option, changes in interest rates, changes in the actual or perceived volatility of the relevant index or market and the remaining time to the options' expiration, as well as trading conditions in the options market. The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that would not be reflected concurrently in the options markets.</p>
<b>Option Strategy</b>	<p>The Fund implements the Option Strategy or Enhancement Strategy, as further described under "Investment Objective &amp; Principal Policies and Risks" in the Prospectus, whereby it writes a series of call and put option spread combinations on the S&amp;P 500<sup>®</sup> Composite Stock Price Index (S&amp;P 500<sup>®</sup> Index) and/or a proxy for the S&amp;P 500<sup>®</sup> Index (such as SPDR Trust Series I units (SPDRs)).</p>
<b>Participation in the ReFlow Liquidity Program</b>	<p>The Fund may participate in the ReFlow liquidity program, which is designed to provide an alternative liquidity source for mutual funds experiencing net redemptions of their shares. Pursuant to the program, ReFlow Fund, LLC ("ReFlow") provides participating mutual funds with a source of cash to meet net shareholder redemptions by standing ready each business day to purchase fund shares up to the value of the net shares redeemed by other shareholders that are to settle the next business day. Following purchases of fund shares, ReFlow then generally redeems those shares when the fund experiences net sales, at the end of a maximum holding period determined by ReFlow (currently 8 days) or at other times at ReFlow's discretion. While ReFlow holds fund shares, it will have the same rights and privileges with respect to those shares as any other shareholder. For use of the ReFlow service, a fund pays a fee to ReFlow each time it purchases fund shares, calculated by applying to the purchase amount a fee rate determined through an automated daily auction among participating mutual funds. Such fee is allocated among a fund's share classes based on relative net assets. ReFlow's purchases of fund shares through the liquidity program are made on an investment-blind basis without regard to the fund's investment objective, policies or anticipated performance. In accordance with federal securities laws, ReFlow is prohibited from acquiring more than 3% of the outstanding voting securities of a fund. ReFlow will purchase Class I shares (or, if applicable Class A shares) at net asset value and will not be subject to any sales charge (in the case of Class A shares), investment minimum or redemption fee applicable to such shares. ReFlow will periodically redeem its entire share position in the Fund and request that such redemption be met in kind in accordance with the Fund's redemption-in-kind policies described under "Redeeming Shares" in the Prospectus. Investments in a fund by ReFlow in connection with the ReFlow liquidity program are not subject to the two round-trips within 90 days limitation described in "Restrictions on Excessive Trading and Market Timing" under "Purchasing Shares" in the Prospectus. The investment adviser believes that the program assists in stabilizing the Fund's net assets to the benefit of the Fund and its shareholders. To the extent the Fund's net assets do not decline, the investment adviser may also benefit. From time to time ReFlow may pledge fund shares as collateral in connection with its borrowings from third-party lenders.</p>
<b>Pooled Investment Vehicles</b>	<p>The Fund may invest in pooled investment vehicles including other open-end or closed-end investment companies affiliated or unaffiliated with the investment adviser, exchange-traded funds (described herein) and other collective investment pools in accordance with the requirements of the 1940 Act, and the rules, regulations and interpretations thereunder. Closed-end investment company securities are usually traded on an exchange. The demand for an exchange-</p>

	traded closed-end fund's securities is independent of the demand for the underlying portfolio assets, and accordingly, such securities can trade at a discount from, or a premium over, their net asset value. The Fund generally will indirectly bear its proportionate share of any management fees paid by a pooled investment vehicle in which it invests in addition to the investment advisory fee paid by the Fund.
<b>Portfolio Turnover</b>	A change in the securities held by the Fund is known as "portfolio turnover" and generally involves expense to the Fund, including brokerage commissions or dealer markups and other transaction costs on both the sale of securities and the reinvestment of the proceeds in other securities. If sales of portfolio securities cause the Fund to realize net short-term capital gains, such gains will be taxable as ordinary income to taxable shareholders. The Fund's portfolio turnover rate for a fiscal year is the ratio of the lesser of purchases or sales of portfolio securities to the monthly average of the value of portfolio securities — excluding securities whose maturities at acquisition were one year or less. The Fund's portfolio turnover rate is not a limiting factor when the investment adviser considers a change in the Fund's portfolio holdings. The portfolio turnover rate(s) of the Fund for recent fiscal periods is included in the Financial Highlights in the Prospectus.
<b>Preferred Stock</b>	Preferred stock represents an equity interest in a corporation, company or trust that has a higher claim on the assets and earnings than common stock. Preferred stock usually has limited voting rights. Preferred stock involves credit risk, which is the risk that a preferred stock will decline in price, or fail to pay dividends when expected, because the issuer experiences a decline in its financial status. A company's preferred stock generally pays dividends after the company makes the required payments to holders of its bonds and other debt instruments but before dividend payments are made to common stockholders. However, preferred stock may not pay scheduled dividends or dividends payments may be in arrears. The value of preferred stock may react more strongly than bonds and other debt instruments to actual or perceived changes in the company's financial condition or prospects. Certain preferred stocks may be convertible to common stock. See "Convertible Securities" and "Contingent Convertible Securities." Preferred stock may be subject to redemption at the option of the issuer at a predetermined price. In the event of redemption, a Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities, and U.S. government securities. Because they may make regular income payments, preferred stocks may be considered fixed-income securities for purposes of a Fund's investment restrictions.
<b>Real Estate Investments</b>	<p>Real estate investments, including real estate investment trusts ("REITs"), 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. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws, among others. Changes in underlying real estate values may have a magnified effect to the extent that investments concentrate in particular geographic regions or property types. Investments in REITs may also be adversely affected by rising interest rates. By investing in REITs, the Fund indirectly will bear REIT expenses in addition to its own expenses.</p> <p>Private REITs are unlisted, which may make them difficult to value and less liquid. Moreover, private REITs are generally exempt from 1933 Act registration and, as such, the amount of public information available with respect to private REITs may be less extensive than that available for publicly traded REITs. Shares of REITs may trade less frequently and, therefore, are subject to more erratic price movements than securities of larger issuers. REITs are also subject to credit, market, liquidity and interest rate risks.</p> <p>Effective for taxable years beginning after December 31, 2017 and before January 1, 2026, the Tax Cuts and Jobs Act generally allows individuals and certain other non-corporate entities, such as partnerships, a deduction for 20% of qualified REIT dividends. Proposed regulations on which the Fund may rely allow a regulated investment company to pass the character of its qualified REIT dividends through to its shareholders provided certain holding period requirements are met. See "Taxes" for additional information.</p> <p>REITs may issue debt securities to fund their activities. The value of these debt securities may be affected by changes in the value of the underlying property owned by the REIT, the creditworthiness of the REIT, interest rates, and tax and regulatory requirements, among other things.</p>
<b>Repurchase Agreements</b>	<p>Repurchase agreements involve the purchase of a security coupled with an agreement to resell at a specified date and price. In the event of the bankruptcy of the counterparty to a repurchase agreement, recovery of cash may be delayed. To the extent that, in the meantime, the value of the purchased securities may have decreased, a loss could result. The Fund bears the risk of a counterparty's failure to meet its obligation to pay the repurchase price when it is required to do so. Such a default may subject the Fund to expenses, delays, and risks of loss including: (i) possible declines in the value of the underlying security while the Fund seeks to enforce its rights thereto; (ii) possible reduced levels of income and lack of access to income during this period; and (iii) the inability to enforce its rights and the expenses involved in attempted enforcement. Entering into repurchase agreements entails additional risks, which include the risk that the parties may disagree as to the meaning or application of contractual terms, or that the instrument may not perform as expected.</p> <p>Repurchase agreements maturing in more than seven days that the investment adviser believes may not be terminated within seven days at approximately the amount at which the Fund has valued the agreements are considered illiquid securities. Unless the Prospectus states otherwise, the terms of a repurchase agreement will provide that the value of the collateral underlying the repurchase agreement will always be at least equal to the repurchase price, including any accrued interest earned on the agreement, and will be marked to market daily.</p>

<p><b>Residual Interest Bonds</b></p>	<p>The Fund may invest in residual interest bonds in a trust that holds municipal securities (a “Tender Option Bond trust” or “TOB trust”). The interest rate payable on a residual interest bond (which may be reset periodically by a Dutch auction, a remarketing agent, or by reference to a short-term tax-exempt interest rate index) bears an inverse relationship to the interest rate on another security issued by the TOB trust. Because changes in the interest rate on the other security inversely affect the interest paid on the residual interest bond, the value and income of a residual interest bond is generally more volatile than that of a fixed rate bond. Residual interest bonds have interest rate adjustment formulas that generally reduce or, in the extreme, eliminate the interest paid to the Fund when short-term interest rates rise, and increase the interest paid to the Fund when short-term interest rates fall. Residual interest bonds have varying degrees of liquidity, and the market for these securities is relatively volatile. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. Although volatile, residual interest bonds typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities usually permit the investor to convert the floating rate to a fixed rate (normally adjusted downward), and this optional conversion feature may provide a partial hedge against rising rates if exercised at an opportune time. While residual interest bonds expose the Fund to leverage risk because they provide two or more dollars of bond market exposure for every dollar invested, they are not subject to the Fund’s restrictions on borrowings.</p> <p>Under certain circumstances, the Fund may enter into a so-called shortfall and forbearance agreement relating to a residual interest bond held by the Fund. Such agreements commit the Fund to reimburse the difference between the liquidation value of the underlying security (which is the basis of the residual interest bond) and the principal amount due to the holders of the floating rate security issued in conjunction with the residual interest bond upon the termination of the TOB trust issuing the residual interest bond. Absent a shortfall and forbearance agreement, the Fund would not be required to make such a reimbursement. If the Fund chooses not to enter into such an agreement, the residual interest bond could be terminated and the Fund could incur a loss. The Fund’s investments in residual interest bonds and similar securities described in the Prospectus and this SAI will not be considered borrowing for purposes of the Fund’s restrictions on borrowing described herein and in the Prospectus.</p> <p>On December 10, 2013, five U.S. federal agencies published final rules implementing section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Volcker Rule”). The Volcker Rule prohibits banking entities from engaging in proprietary trading of certain instruments and limits such entities’ investments in, and relationships with, covered funds, as defined in the rules. The Volcker Rule precludes banking entities and their affiliates from (i) sponsoring residual interest bond programs as such programs were commonly structured prior to the effective date of the Volcker Rule and (ii) continuing relationships with or services for existing residual interest bond programs. In response to the Volcker Rule, industry participants developed alternative structures for residual interest bond programs in which service providers may be engaged to assist with establishing, structuring and sponsoring the programs. The service providers, such as administrators, liquidity providers, trustees and remarketing agents act at the direction of, and as agent of, the Fund holding the residual interests. In addition, the Fund, rather than a bank entity, may act as the sponsor of the TOB trust and undertake certain responsibilities that previously belonged to the sponsor bank. Although the Fund may use third-party service providers to complete some of these additional responsibilities, sponsoring a TOB trust may give rise to certain additional risks, including compliance, securities law and operational risks.</p>
<p><b>Restricted Securities</b></p>	<p>Restricted securities cannot be sold to the public without registration under the 1933 Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration. Restricted securities may be considered illiquid and subject to the Fund’s limitation on illiquid securities.</p> <p>Restricted securities may involve a high degree of business and financial risk which may result in substantial losses. The securities may be less liquid than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Fund. The Fund may invest in restricted securities, including securities initially offered and sold without registration pursuant to Rule 144A (“Rule 144A Securities”) and securities of U.S. and non-U.S. issuers initially offered and sold outside the United States without registration with the SEC pursuant to Regulation S (“Regulation S Securities”) under the 1933 Act. Rule 144A Securities and Regulation S Securities generally may be traded freely among certain qualified institutional investors, such as the Fund, and non-U.S. persons, but resale to a broader base of investors in the United States may be permitted only in much more limited circumstances.</p> <p>The Fund also may purchase restricted securities that are not eligible for resale pursuant to Rule 144A or Regulation S. The Fund may acquire such securities through private placement transactions, directly from the issuer or from security holders, generally at higher yields or on terms more favorable to investors than comparable publicly traded securities. However, the restrictions on resale of such securities may make it difficult for the Fund to dispose of them at the time considered most advantageous and/or may involve expenses that would not be incurred in the sale of securities that were freely marketable. Risks associated with restricted securities include the potential obligation to pay all or part of the registration expenses in order to sell certain restricted securities. A considerable period of time may elapse between the time of the decision to sell a security and the time the Fund may be permitted to sell it under an effective registration statement and/or after an applicable waiting period. If adverse conditions were to develop during this period, the Fund might obtain a price that is less favorable than the price that was prevailing at the time it decided to sell. See also “Illiquid Investments.”</p>

<p><b>Reverse Repurchase Agreements</b></p>	<p>Under a reverse repurchase agreement, the Fund temporarily transfers possession of a portfolio instrument to another party, such as a bank or broker-dealer, in return for cash. At the same time, the Fund agrees to repurchase the instrument at an agreed upon time and price, which reflects an interest payment. The Fund may enter into a reverse repurchase agreement for various purposes, including, but not limited to, when it is able to invest the cash acquired at a rate higher than the cost of the agreement or as a means of raising cash to satisfy redemption requests without the necessity of selling portfolio assets. In 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 Fund's assets. As a result, such transactions may increase fluctuations in the value of the Fund. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If the Fund 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 Fund's yield.</p>
<p><b>Rights and Warrants</b></p>	<p>See also "Derivative Instruments and Related Risks" herein. A right is a privilege granted to existing shareholders of a corporation to subscribe for shares of a new issue of common stock before it is issued. Rights normally have a short life, usually two to four weeks, are freely transferable and entitle the holder to buy the new common stock at a lower price than the public offering price. Warrants are securities that are typically issued together with a debt security or preferred stock and that give the holder the right to buy a proportionate amount of common stock at a specified price. Warrants are freely transferable and are often traded on major exchanges. Unlike rights, warrants normally have a life that is measured in years and entitle the holder to buy common stock of a company at a price that is usually higher than the market price at the time the warrant is issued. Corporations often issue warrants to make the accompanying debt security more attractive.</p> <p>Warrants and rights may entail greater risks than certain other types of investments. Generally, rights and warrants do not carry the right to receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. If the market price of the underlying stock does not exceed the exercise price during the life of the warrant or right, the warrant or right will expire worthless. (Canadian special warrants issued in private placements prior to a public offering are not considered warrants.)</p>
<p><b>Royalty Bonds</b></p>	<p>Royalty bonds include debt securities collateralized by pharmaceutical royalty interests ("Royalty Bonds"). Pharmaceutical royalty streams are created when the owner of a patent on a pharmaceutical product licenses the discovery to a larger commercial entity for further development, while maintaining a royalty interest on future sales of the product. Royalty Bonds are created when the royalty owner borrows against the royalty stream by issuing debt collateralized by the royalty. Royalty Bond investors receive interest and principal payments collateralized and funded by the stream of royalty payments. Royalty Bonds are typically offered in a private placement pursuant to Section 4(a)(2) of the 1933 Act and are restricted as to resale.</p> <p>Because Royalty Bonds are restricted securities and because of the proprietary nature of the underlying pharmaceutical product licenses, it may take longer to liquidate Royalty Bond positions than would be the case for other securities. Royalty Bonds are also subject to the industry risks associated with health sciences companies.</p>
<p><b>Securities Lending</b></p>	<p>The Fund may lend its portfolio securities to major banks, broker-dealers and other financial institutions in compliance with the 1940 Act. No lending may be made with any companies affiliated with the investment adviser. These loans earn income and are collateralized by cash, securities or letters of credit. The Fund may realize a loss if it is not able to invest cash collateral at rates higher than the costs to enter into the loan. The Fund invests cash collateral in an unaffiliated money market fund that operates in compliance with the requirements of Rule 2a-7 under the 1940 Act and seeks to maintain a stable \$1.00 net asset value per share. When the loan is closed, the lender is obligated to return the collateral to the borrower. The lender could suffer a loss if the value of the collateral is below the market value of the borrowed securities or if the borrower defaults on the loan. The lender may pay reasonable finder's, lending agent, administrative and custodial fees in connection with its loans. The investment adviser will use its reasonable efforts to instruct the securities lending agent to terminate loans and recall securities with voting rights so that the securities may be voted in accordance with the Fund's proxy voting policy and procedures. See "Taxes" for information on the tax treatment of payments in lieu of dividends received pursuant to securities lending arrangements.</p>
<p><b>Senior Loans</b></p>	<p>Senior Loans are loans that are senior in repayment priority to other debt of the borrower. Senior Loans generally pay interest that floats, adjusts or varies periodically based on benchmark indicators, specified adjustment schedules or prevailing interest rates. Senior Loans are often secured by specific assets or "collateral," although they may not be secured by collateral. A Senior Loan is typically originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a group of loan investors ("Loan Investors"), generally referred to as a "syndicate." The Agent typically administers and enforces the Senior Loan on behalf of the Loan Investors in the syndicate. In addition, an institution, typically but not always the Agent, holds any collateral on behalf of the Loan Investors. Loan interests primarily take the form of assignments purchased in the primary or secondary market. Loan interests may also take the form of participation interests in, or novations of, a Senior Loan. Senior Loans primarily include senior floating rate loans and secondarily senior floating rate debt obligations (including those issued by an asset-backed pool), and interests therein.</p>

*Loan Collateral.* Borrowers generally will, for the term of the Senior Loan, pledge collateral to secure their obligation. In addition, Senior Loans may be guaranteed by or secured by assets of the borrower's owners or affiliates. During the term of the Senior Loan, the value of collateral securing the Loan may decline in value, causing the Loan to be under-collateralized. Collateral may consist of assets that may not be readily liquidated, and there is no assurance that the liquidation of such assets would satisfy fully a borrower's obligations under a Senior Loan. In addition, if a Senior Loan is foreclosed, the Fund could become part owner of the collateral and would bear the costs and liabilities associated with owning and disposing of such collateral.

*Fees.* The Fund may receive a facility fee when it buys a Senior Loan, and pay a facility fee when it sells a Senior Loan. On an ongoing basis, the Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a Senior Loan. In certain circumstances, the Fund may receive a prepayment penalty fee upon the prepayment of a Senior Loan by a borrower or an amendment fee.

*Loan Administration.* In a typical Senior Loan, the Agent administers the terms of the loan agreement and is responsible for the collection of principal, and interest payments from the borrower and the apportionment of these payments to the Loan Investors. Failure by the Agent to fulfill its obligations may delay or adversely affect receipt of payment by the Fund. Furthermore, unless under the terms of a loan agreement or participation (as applicable) the Fund has direct recourse against the borrower, the Fund must rely on the Agent and the other Loan Investors to use appropriate remedies against the borrower. The Agent is typically responsible for monitoring compliance with covenants contained in the loan agreement based upon reports prepared by the borrower. The typical practice of an Agent or a Loan Investor in relying exclusively or primarily on reports from the borrower may involve the risk of fraud by the borrower. It is unclear whether an investment in a Senior Loan offers the securities law protections against fraud and misrepresentation.

A financial institution's appointment as Agent may usually be terminated in the event that it fails to observe the requisite standard of care or becomes insolvent. A successor Agent would generally be appointed to replace the terminated Agent, and assets held by the Agent under the Loan Agreement should remain available to holders of Senior Loans. However, if assets held by the Agent for the benefit of the Fund were determined to be subject to the claims of the Agent's general creditors, the Fund might incur certain costs and delays in realizing payment on a Senior Loan, or suffer a loss of principal and/or interest. In situations involving other Interposed Persons (as defined below), similar risks may arise.

*Additional Information.* The Fund may purchase and retain in its portfolio a Senior Loan where the borrower has experienced, or may be perceived to be likely to experience, credit problems, including involvement in or recent emergence from bankruptcy reorganization proceedings or other forms of debt restructuring. While such investments may provide opportunities for enhanced income as well as capital appreciation, they generally involve greater risk and may be considered speculative. The Fund may from time to time participate in ad-hoc committees formed by creditors to negotiate with the management of financially troubled borrowers. The Fund may incur legal fees as a result of such participation. In addition, such participation may restrict the Fund's ability to trade in or acquire additional positions in a particular security when it might otherwise desire to do so. Participation by the Fund also may expose the Fund to potential liabilities under bankruptcy or other laws governing the rights of creditors and debtors. The Fund will participate in such committees only when the investment adviser believes that such participation is necessary or desirable to enforce the Fund's rights as a creditor or to protect the value of a Senior Loan held by the Fund.

In some instances, other accounts managed by the investment adviser may hold other securities issued by borrowers the Senior Loans of which may be held by the Fund. These other securities may include, for example, debt securities that are subordinate to the Senior Loans held by the Fund, convertible debt or common or preferred equity securities. In certain circumstances, such as if the credit quality of the borrower deteriorates, the interests of holders of these other securities may conflict with the interests of the holders of the borrower's Senior Loans. In such cases, the investment adviser may owe conflicting fiduciary duties to the Fund and other client accounts. The investment adviser will endeavor to carry out its obligations to all of its clients to the fullest extent possible, recognizing that in some cases, certain clients may achieve a lower economic return, as a result of these conflicting client interests, than if the investment adviser's client accounts collectively held only a single category of the issuer's securities. See "Potential Conflicts of Interest."

The Fund may acquire warrants and other equity securities as part of a unit combining a Senior Loan and equity securities of a borrower or its affiliates. The Fund may also acquire equity securities or debt securities (including non-dollar denominated debt securities) issued in exchange for a Senior Loan or issued in connection with the debt restructuring or reorganization of a borrower, or if such acquisition, in the judgment of the investment adviser, may enhance the value of a Senior Loan or would otherwise be consistent with the Fund's investment policies.

The Fund will generally acquire participations only if the Loan Investor selling the participation, and any other persons interpositioned between the Fund and the Loan Investor (an "Interposed Person"), at the time of investment, has outstanding debt or deposit obligations rated investment grade (BBB or A-3 or higher by S&P or Baa or P- 3 or higher by Moody's or comparably rated by another nationally recognized statistical ratings organization) or determined by the investment adviser to be of comparable quality.

*For additional disclosure relating to investing in loans (including Senior Loans), see "Loans" above.*

<p><b>Short Sales</b></p>	<p>Short sales are transactions in which a party sells a security it does not own in anticipation of a decline in the market value of that security. To complete such a transaction, the party must borrow the security to make delivery to the buyer. When the party is required to return the borrowed security, it typically will purchase the security in the open market. The price at such time may be more or less than the price at which the party sold the security. Until the security is replaced, the party is required to repay the lender any dividends or interest, which accrues during the period of the loan. To borrow the security, it also may be required to pay a premium, which would increase the cost of the security sold. The net proceeds of the short sale will be retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out. Transaction costs are incurred in effecting short sales. A short seller will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which it replaces the borrowed security. A gain will be realized if the price of the security declines in price between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends or interest the short seller may be required to pay, if any, in connection with a short sale. Short sales may be “against the box” or uncovered. In a short sale “against the box,” at the time of the sale, the short seller owns or has the immediate and unconditional right to acquire the identical security at no additional cost. In an uncovered short sale, the short seller does not own the underlying security and, as such, losses from uncovered short sales may be significant. Further, if other short positions of the same security are closed out at the same time, a “short squeeze” can occur where demand exceeds the supply for the security sold short. A short squeeze makes it more likely that the Fund will need to replace the borrowed security at an unfavorable price. The Fund may sell short securities representing an index or basket of securities whose constituents the Fund holds in whole or in part. A short sale of an index or basket of securities will be a covered short sale if the underlying index or basket of securities is the same or substantially identical to securities held by the Fund.</p>
<p><b>Short-Term Trading</b></p>	<p>Fixed-income securities may be sold in anticipation of market decline (a rise in interest rates) or purchased in anticipation of a market rise (a decline in interest rates) and later sold. In addition, such a security may be sold and another purchased at approximately the same time to take advantage of what is believed to be a temporary disparity in the normal yield relationship between the two securities. Yield disparities may occur for reasons not directly related to the investment quality of particular issues or the general movement of interest rates, such as changes in the overall demand for or supply of various types of fixed-income securities or changes in the investment objectives of investors.</p>
<p><b>Significant Exposure to Health Sciences Companies</b></p>	<p>Because the Fund may invest a significant portion of its assets in pharmaceutical, biotechnology, life sciences, and health care equipment and services companies, the value of Fund shares may be affected by developments that adversely affect such companies and may fluctuate more than that of a fund that invests more broadly. Many health sciences companies are subject to substantial governmental regulations that can affect their prospects. Changes in governmental policies, such as reductions in the funding of third-party payment programs, may have a material effect on the demand for particular health care products and services. Regulatory approvals (often entailing lengthy application and testing procedures) are also generally required before new drugs and certain medical devices and procedures may be introduced. Many of the products and services of companies engaged in medical research and health care are also subject to relatively high risks of rapid obsolescence caused by progressive scientific and technological advances. Additionally, such products are subject to risks such as the appearance of toxic effects following commercial introduction and manufacturing difficulties. The enforcement of patent, trademark and other intellectual property laws will affect the value of many such companies. Health sciences companies include companies that offer limited products or services or that are at the research and developmental stage with no marketable or approved products or technologies.</p>
<p><b>Significant Exposure to Smaller Companies</b></p>	<p>The investment risk associated with smaller companies is higher than that normally associated with larger, more established companies due to the greater business risks associated with small size, the relative age of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger companies. The securities of small companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on a national securities exchange. As a result, stocks of smaller companies are often more volatile than those of larger companies, which are often traded on a national securities exchange, may be more difficult and may take longer to liquidate at fair value than would be the case for the publicly traded securities of a large company.</p>
<p><b>Significant Exposure to Utilities and Financial Services Sectors</b></p>	<p>Because the Fund may invest a significant portion of its assets in the utilities and financial services sectors, the value of Fund shares may be affected by events that adversely affect those sectors and may fluctuate more than that of a fund with broader exposure. The utilities sector includes companies engaged in the manufacture, production, generation, transmission, sale and distribution of water, gas and electric energy. Companies in the financial services sector include, for example, commercial banks, savings and loan associations, brokerage and investment companies, insurance companies, and consumer and industrial finance companies. Companies in the utilities sector may be sensitive to changes in interest rates and other economic conditions, governmental regulation, uncertainties created by deregulation, power shortages and surpluses, the price and availability of fuel, environmental protection or energy conservation practices, the level and demand for services, and the cost and potential business disruption of technological developments. Companies in the financial services sector are also subject to extensive government regulation and can be significantly affected by the availability and cost of capital funds, changes in interest rates, the rate of corporate and consumer debt defaults, and price competition.</p>



<p><b>Stripped Securities</b></p>	<p>Stripped Securities (“Strips”) may be issued by the U.S. Government, its agencies or instrumentalities, and may also be issued by private originators or investors, including depository institutions, banks, investment banks and special purpose subsidiaries of these entities. Strips are usually structured with classes that receive different proportions of the interest and principal distributions from an underlying asset or pool of underlying assets. Strips are particularly sensitive to changes in interest rates, which may impact the frequency of principal payments (including prepayments) on the underlying assets or pool of underlying assets. Some structures may have a class that receives only interest from the underlying assets, an interest-only (“IO”) class, while another class may receive only principal, a principal-only (“PO”) class. IO and PO Strips may be purchased for their return and/or hedging characteristics. Because of their structure, IO Strips may move differently than typical fixed-income securities in relation to changes in interest rates. IO Strips tend to decrease in value if prepayments are greater than anticipated and increase in value if prepayments are less than anticipated. Conversely, PO Strips tend to increase in value if prepayments are greater than anticipated and decline if prepayments are less than anticipated. While the U.S. Government or its agencies or instrumentalities may guarantee the full repayment of principal on Strips they issue, repayment of interest is guaranteed only while the underlying assets or pools of assets are outstanding. To the extent the Fund invests in Strips, rapid changes in the rate of prepayments may have an adverse effect on the Fund’s performance. In addition, the secondary market for Strips may be less liquid than that for other securities. Certain Strips may also present certain operational and/or valuation risks.</p>
<p><b>Structured Notes</b></p>	<p>See also “Derivative Instruments and Related Risks” herein. Structured notes are derivative debt instruments, the interest rate or principal of which is determined by an unrelated indicator (for example, a currency, security, commodity or index thereof). The terms of the instrument may be “structured” by the purchaser and the borrower issuing the note. Indexed securities may include structured notes as well as securities other than debt securities, the interest rate or principal of which is determined by an unrelated indicator. Indexed securities may include a multiplier that multiplies the indexed element by a specified factor and, therefore, the value of such securities may be very volatile. The terms of structured notes and indexed securities may provide that in certain circumstances no principal is due at maturity, which may result in a loss of invested capital. Structured notes and indexed securities may be positively or negatively indexed, so that appreciation of the unrelated indicator may produce an increase or a decrease in the interest rate or the value of the structured note or indexed security at maturity may be calculated as a specified multiple of the change in the value of the unrelated indicator. Structured notes and indexed securities may entail a greater degree of market risk than other types of investments because the investor bears the risk of the unrelated indicator. Structured notes or indexed securities also may be more volatile, less liquid, and more difficult to accurately price than less complex securities and instruments or more traditional debt securities.</p>
<p><b>Swap Agreements</b></p>	<p>See also “Derivative Instruments and Related Risks” herein. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on a particular predetermined reference instrument or instruments, which can be adjusted for an interest rate factor. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount” (<i>i.e.</i>, the return on or increase in value of a particular dollar amount invested at a particular interest rate or in a “basket” of securities representing a particular index). Other types of swap agreements may calculate the obligations of the parties to the agreement on a “net basis.” Consequently, a party’s current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”).</p> <p>Whether the use of swap agreements will be successful will depend on the investment adviser’s ability to predict correctly whether certain types of reference instruments are likely to produce greater returns than other instruments. Swap agreements may be subject to contractual restrictions on transferability and termination and they may have terms of greater than seven days. The Fund’s obligations under a swap agreement will be accrued daily (offset against any amounts owed to the Fund under the swap). Developments in the swaps market, including government regulation, could adversely affect the Fund’s ability to terminate existing swap agreements or to realize amounts to be received under such agreements, as well as to participate in swap agreements in the future. If there is a default by the counterparty to a swap, the Fund will have contractual remedies pursuant to the swap agreement, but any recovery may be delayed depending on the circumstances of the default. To limit the counterparty risk involved in swap agreements, the Fund will only enter into swap agreements with counterparties that meet certain criteria. Although there can be no assurance that the Fund will be able to do so, the Fund may be able to reduce or eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or another creditworthy party. The Fund may have limited ability to eliminate its exposure under a credit default swap if the credit of the reference instrument has declined.</p> <p>The swaps market was largely unregulated prior to the enactment of the Dodd-Frank Act, which was enacted in 2010 in response to turmoil in the financial markets and other market events. Among other things, the Dodd-Frank Act sets forth a new regulatory framework for certain OTC derivatives, such as swaps, in which the Fund may invest. The Dodd-Frank Act requires many swap transactions to be executed on registered exchanges or through swap execution facilities, cleared through a regulated clearinghouse, and publicly reported. In addition, many market participants are now regulated as swap dealers or major swap participants and are subject to certain minimum capital and margin requirements and business</p>

conduct standards. The statutory requirements of the Dodd-Frank Act are being implemented primarily through rules and regulations adopted by the SEC and/or the CFTC. There is a prescribed phase-in period during which most of the mandated rulemaking and regulations are being implemented, and temporary exemptions from certain rules and regulations have been granted so that current trading practices will not be unduly disrupted during the transition period.

Currently, central clearing is only required for certain market participants trading certain instruments, although central clearing for additional instruments is expected to be implemented by the CFTC until the majority of the swaps market is ultimately subject to central clearing. In addition, uncleared OTC swaps are subject to regulatory collateral requirements that may adversely affect the Fund's ability to enter into swaps in the OTC market. These developments may cause the Fund to terminate new or existing swap agreements or to realize amounts to be received under such instruments at an inopportune time. Until the mandated rulemaking and regulations are implemented completely, it will not be possible to determine the complete impact of the Dodd-Frank Act and related regulations on the Fund, and the establishment of a centralized exchange or market for swap transactions may not result in swaps being easier to value or trade. However, it is expected that swap dealers, major market participants, and swap counterparties will experience other new and/or additional regulations, requirements, compliance burdens, and associated costs. The Dodd-Frank Act and rules promulgated thereunder may exert a negative effect on the Fund's ability to meet its investment objective, either through limits or requirements imposed on the Fund or its counterparties. The swap market could be disrupted or limited as a result of this legislation, and the new requirements may increase the cost of the Fund's investments and of doing business, which could adversely affect the ability of the Fund to buy or sell OTC derivatives.

Regulatory bodies outside the U.S. have also passed, proposed, or may propose in the future, legislation similar to Dodd-Frank Act or other legislation that could increase the costs of participating in, or otherwise adversely impact the liquidity of, participating in the swaps markets. Global prudential regulators issued final rules that will require banks subject to their supervision to exchange variation and initial margin in respect of their obligations arising under uncleared swap agreements. The CFTC adopted similar rules that apply to CFTC-registered swap dealers that are not banks. Such rules generally require a Fund to provide variation margin and (in some cases) initial margin when it enters into uncleared swap agreements. In addition, regulations adopted by global prudential regulators that are now in effect require certain prudentially regulated entities and certain of their affiliates and subsidiaries (including swap dealers) to include in their derivatives contracts, terms that delay or restrict the rights of counterparties (such as the Fund) to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the prudentially regulated entity and/or its affiliates are subject to certain types of resolution or insolvency proceedings. Similar regulations and laws have been adopted in non-U.S. jurisdictions that may apply to the Fund's counterparties located in those jurisdictions. It is possible that these requirements, as well as potential additional related government regulation, could adversely affect the Fund's ability to terminate existing derivatives contracts, exercise default rights or satisfy obligations owed to it with collateral received under such contracts.

Swap agreements include (but are not limited to):

*Currency Swaps.* Currency swaps involve the exchange of the rights of the parties to make or receive payments in specified currencies. Because currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations. If the investment adviser is incorrect in its forecasts of market value and currency exchange rates, performance may be adversely affected.

*Equity Swaps.* An equity swap is an agreement in which at least one party's payments are based on the rate of return of an equity security or equity index, such as the S&P 500<sup>®</sup>. The other party's payments can be based on a fixed rate, a non-equity variable rate, or even a different equity index. The Fund may enter into equity index swaps on a net basis pursuant to which the future cash flows from two reference instruments are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two.

*Credit Default Swaps.* Under a credit default swap agreement, the protection "buyer" in a credit default contract is generally obligated to pay the protection "seller" an upfront or a periodic stream of payments over the term of the contract, provided that no credit event, such as a default, on a reference instrument has occurred. If a credit event occurs, the seller generally must pay the buyer the "par value" (full notional value) of the reference instrument in exchange for an equal face amount of the reference instrument described in the swap, or the seller may be required to deliver the related net cash amount, if the swap is cash settled. If the Fund is a buyer and no credit event occurs, the Fund may recover nothing if the swap is held through its termination date. As a seller, the Fund generally receives an upfront payment or a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap. The determination of a credit event under the swap agreement will depend on the terms of the agreement and may rely on the decision of persons that are not a party to the agreement. The Fund's obligations under a credit default swap agreement will be accrued daily (offset against any amounts owed to the Fund).

	<p><i>Inflation Swaps.</i> Inflation swaps involve the exchange by the Fund with another party of their respective commitments to pay or receive interest, e.g., an exchange of fixed rate payments for floating rate payments or an exchange of floating rate payments based on two different reference indices. By design, one of the reference indices is an inflation index, such as the Consumer Price Index. Inflation swaps can be designated as zero coupon, where both sides of the swap compound interest over the life of the swap and then the accrued interest is paid out only at the swap's maturity.</p> <p><i>Total Return Swaps.</i> Total return swap agreements are contracts in which one party agrees to make periodic payments to another party based on the change in market value of the assets underlying the contract, which may include a specified security, basket of securities or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. Total return swap agreements may be used to obtain exposure to a security or market without owning or taking physical custody of such security or investing directly in such market. Total return swap agreements may effectively add leverage to the Fund's portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap. Generally, the Fund will enter into total return swaps on a net basis (i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments). The net amount of the excess, if any, of the Fund's obligations over its entitlements with respect to each total return swap will be accrued on a daily basis.</p> <p><i>Interest Rate Swaps, Caps and Floors.</i> Interest rate swaps are OTC contracts in which each party agrees to make a periodic interest payment based on an index or the value of an asset in return for a periodic payment from the other party based on a different index or asset. The purchase of an interest rate floor entitles the purchaser, to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a notional principal amount from the party selling such interest rate floor. The purchase of an interest rate cap entitles the purchaser, to the extent that a specified index rises above a predetermined interest rate, to receive payments of interest on a notional principal amount from the party selling such interest rate cap. The Fund usually will enter into interest rate swap transactions on a net basis (i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments). The net amount of the excess, if any, of the Fund's obligations over its entitlements with respect to each interest rate swap will be accrued on a daily basis. If the interest rate swap transaction is entered into on other than a net basis, the full amount of the Fund's obligations will be accrued on a daily basis. Certain federal income tax requirements may limit the Fund's ability to engage in certain interest rate transactions.</p> <p><i>Commodity Index-Linked Swaps.</i> Commodity index-linked swap agreements involve the exchange by the Fund with another party of payments dependent upon the price of the underlying commodity index. Commodity index-linked swaps may be used to obtain exposure to a particular commodity or commodity index without owning or taking physical custody of such commodity.</p>
<b>Swaptions</b>	<p>See also "Derivative Instruments and Related Risks" herein. A swaption is a contract that gives a counterparty the right (but not the obligation) in return for payment of a premium, to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms. The Fund may write (sell) and purchase put and call swaptions. Depending on the terms of the particular option agreement, the Fund will generally incur a greater degree of risk when it writes a swaption than it will incur when it purchases a swaption. When the Fund purchases a swaption, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised. However, when the Fund writes a swaption, upon exercise of the option the Fund will become obligated according to the terms of the underlying agreement.</p>
<b>Tax-Managed Investing</b>	<p>Taxes are a major influence on the net returns that individual investors receive on their taxable investments. There are four components of the returns of a mutual fund that invests in equities that are treated differently for federal income tax purposes: price appreciation, distributions of qualified dividend income, distributions of other investment income, and distributions of realized short-term and long-term capital gains. Distributions of income other than qualified dividend income and distributions of net realized short-term gains (on stocks held for one year or less) are taxed as ordinary income. Distributions of qualified dividend income (subject to individual investors meeting certain holding period requirements with respect to their fund shares) and net realized long-term gains (on stocks held for more than one year) are currently taxed at rates up to 20%. The Fund's investment program and the tax treatment of Fund distributions may be affected by IRS interpretations of the Code and future changes in tax laws and regulations. Returns derived from price appreciation are untaxed until the shareholder disposes of his or her shares. Upon disposition, a capital gain (short-term, if the shareholder has held his or her shares for one year or less, otherwise long-term) equal to the difference between the net proceeds of the disposition and the shareholder's adjusted tax basis is realized.</p>
<b>Trust Certificates</b>	<p>Trust certificates are investments in a limited purpose trust or other vehicle formed under state law. Trust certificates in turn invest in instruments, such as credit default swaps, interest rate swaps, preferred securities and other securities, in order to customize the risk/return profile of a particular security. Like an investment in a bond, investments in trust certificates represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the certificate. However, these payments are conditioned on the trust's receipt of payments from, and the trust's potential obligations to, the counterparties to the derivative instruments and other securities in which the trust invests. Investments in these instruments are indirectly subject to the risks associated with derivative instruments, including, among others, credit risk, default or similar event risk, counterparty risk, interest rate risk, leverage risk and management</p>

	<p>risk. It is expected that the trusts that issue credit-linked trust certificates will constitute “private” investment companies, exempt from registration under the 1940 Act. Although the trusts are typically private investment companies, they are generally not actively managed. It is also expected that the certificates will be exempt from registration under the 1933 Act. Accordingly, there may be no established trading market for the certificates and they may constitute illiquid investments.</p>
<b>U.S. Government Securities</b>	<p>U.S. Government securities include: (1) U.S. Treasury obligations, which differ in their interest rates, maturities and times of issuance, including: U.S. Treasury bills (maturities of one year or less); U.S. Treasury notes (maturities of one year to ten years); and U.S. Treasury bonds (generally maturities of greater than ten years); and (2) obligations issued or guaranteed by U.S. Government agencies and instrumentalities, which are supported by any of the following: (a) the full faith and credit of the U.S. Treasury; (b) the right of the issuer to borrow an amount limited to a specific line of credit from the U.S. Treasury; (c) discretionary authority of the U.S. Government to purchase certain obligations of the U.S. Government agency or instrumentality; or (d) the credit of the agency or instrumentality. U.S. Government securities also include any other security or agreement collateralized or otherwise secured by U.S. Government securities. Agencies and instrumentalities of the U.S. Government include but are not limited to: Farmers Home Administration, Export-Import Bank of the United States, Federal Housing Administration, Federal Land Banks, Federal Financing Bank, Central Bank for Cooperatives, Federal Intermediate Credit Banks, Farm Credit Bank System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, General Services Administration, Government National Mortgage Association, Student Loan Marketing Association, United States Postal Service, Maritime Administration, Small Business Administration, Tennessee Valley Authority, Washington D.C. Armory Board and any other enterprise established or sponsored by the U.S. Government. Not all obligations of the U.S. Government, its agencies and instrumentalities are backed by the full faith and credit of the United States. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Even if a security is backed by the U.S. Treasury or the full faith and credit of the United States, such guarantee applies only to the timely payment of interest and principal. The U.S. Government generally is not obligated to provide support to its instrumentalities. Interest rate changes, prepayments and other factors may affect the value of U.S. Government securities. The principal of and/or interest on certain U.S. Government securities could be: (a) payable in foreign currencies rather than U.S. dollars; or (b) increased or diminished as a result of changes in the value of the U.S. dollar relative to the value of foreign currencies. The value of such portfolio securities denominated in foreign currencies may be affected favorably by changes in the exchange rate between foreign currencies and the U.S. dollar.</p>
<b>Unlisted Securities</b>	<p>Unlisted securities are neither listed on a stock exchange nor traded over-the-counter. Unlisted securities may include investments in new and early stage companies, which may involve a high degree of business and financial risk that can result in substantial losses and may be considered speculative. Such securities may be deemed to be illiquid. Because of the absence of any public trading market for these investments, it may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid or less than what may be considered the fair value of such securities. Furthermore, issuers whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. If such securities are required to be registered under the securities laws of one or more jurisdictions before being resold, the Fund may be required to bear the expenses of registration. In addition, in foreign jurisdictions any capital gains realized on the sale of such securities may be subject to higher rates of foreign taxation than taxes payable on the sale of listed securities.</p>
<b>Variable Rate Instruments</b>	<p>Variable rate instruments provide for adjustments in the interest or dividend rate payable on the instrument at specified intervals (daily, weekly, monthly, semiannually, etc.) based on market conditions, credit ratings or interest rates and the investor may have the right to “put” the security back to the issuer or its agent. Variable rate instruments normally provide that the holder can demand payment of the instrument on short notice at par with accrued interest. These instruments may be secured by letters of credit or other support arrangements provided by banks. To the extent that such letters of credit or other arrangements constitute an unconditional guarantee of the issuer’s obligations, a bank may be treated as the issuer of a security for the purposes of complying with the diversification requirements set forth in Section 5(b) of the 1940 Act and Rule 5b-2 thereunder. The Fund may use these instruments as cash equivalents pending longer term investment of its funds. The rate adjustment features may limit the extent to which the market value of the instruments will fluctuate.</p>
<b>When-Issued Securities, Delayed Delivery and Forward Commitments</b>	<p>Securities may be purchased on a “forward commitment,” “when-issued” or “delayed delivery” basis (meaning securities are purchased or sold with payment and delivery taking place in the future beyond normal settlement times) in order to secure what is considered to be an advantageous price and yield at the time of entering into the transaction. When the Fund agrees to purchase such securities, it assumes the risk of any decline in value of the security from the date of the agreement to purchase. The Fund does not earn interest on the securities it has committed to purchase until they are paid for and delivered on the settlement date.</p> <p>From the time of entering into the transaction until delivery and payment is made at a later date, the securities that are the subject of the transaction are subject to market fluctuations. In forward commitment, when-issued or delayed delivery transactions, if the seller or buyer, as the case may be, fails to consummate the transaction, the counterparty may miss the opportunity of obtaining a price or yield considered to be advantageous. However, no payment or delivery is made until payment is received or delivery is made from the other party to the transaction.</p>

<p><b>Zero Coupon Bonds, Deep Discount Bonds and Payment-In-Kind (“PIK”) Securities</b></p>	<p>Zero coupon bonds are debt obligations that do not require the periodic payment of interest and are issued at a significant discount from face value. The discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity at a rate of interest reflecting the market rate of the security at the time of purchase. The effect of owning debt obligations that do not make current interest payments is that a fixed yield is earned not only on the original investment but also, in effect, on all discount accretion during the life of the debt obligation. This implicit reinvestment of earnings at a fixed rate eliminates the risk of being unable to invest distributions at a rate as high as the implicit yield on the zero coupon bond, but at the same time eliminates the holder’s ability to reinvest at higher rates in the future. The Fund is required to accrue income from zero coupon bonds on a current basis, even though it does not receive that income currently in cash, and the Fund is required to distribute that income for each taxable year. Thus, the Fund may have to sell other investments to obtain cash needed to make income distributions.</p> <p>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. PIK securities generally carry higher interest rates compared to bonds that make cash payments of interest to reflect their payment deferral and increased credit risk. PIK securities generally involve significantly greater credit risk than coupon loans because the Fund receives no cash payments until the maturity date or a specified cash payment date. Even if accounting conditions are met for accruing income payable at a future date under a PIK bond, the issuer could still default when the collection date occurs at the maturity of or payment date for the PIK bond. PIK bonds may be difficult to value accurately because they involve ongoing judgments as to the collectability of the deferred payments and the value of any associated collateral. If the issuer of a PIK security defaults, the Fund may lose its entire investment. PIK interest has the effect of generating investment income and increasing the incentive fees, if any, payable at a compounding rate. Generally, the deferral of PIK interest increases the loan to value ratio.</p>
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## Class A Fees and Ownership

**Sales Charges and Distribution and Service Fees.** For the fiscal year ended July 31, 2023, the following table shows (1) total sales charges paid by Class A, (2) sales charges paid to financial intermediaries, (3) sales charges paid to the principal underwriter, (4) approximate CDSC payments to the principal underwriter, (5) total distribution and service fees paid by Class A, and (6) distribution and service fees paid to financial intermediaries. Distribution and service fees that were not paid to financial intermediaries were retained by the principal underwriter.

Fund	Total Sales Charges Paid	Sales Charges to Financial Intermediaries	Sales Charges to Principal Underwriter	CDSC to Principal Underwriter	Total Distribution and Service Fees Paid	Distribution and Service Fees Paid to Financial Intermediaries
Arizona	\$18,238	\$16,432	\$1,806	\$ 0	\$ 60,500	\$ 56,379
Connecticut	\$16,865	\$16,007	\$ 858	\$5,000	\$ 92,461	\$ 88,591
Minnesota	\$ 7,408	\$ 6,772	\$ 636	\$ 0	\$103,811	\$100,984
Municipal Opportunities	\$43,699	\$40,851	\$2,848	\$ 0	\$160,236	\$158,678
New Jersey	\$50,659	\$44,759	\$5,900	\$ 0	\$163,067	\$153,162
Pennsylvania	\$41,173	\$33,742	\$7,431	\$ 200	\$173,140	\$168,918

For the fiscal years ended July 31, 2022 and July 31, 2021, the following total sales charges were paid on sales of Class A, of which the principal underwriter received the following amounts. The balance of such amounts were paid to financial intermediaries.

Fund	July 31, 2022 Total Sales Charges Paid	July 31, 2022 Sales Charges to Principal Underwriter	July 31, 2021 Total Sales Charges Paid	July 31, 2021 Sales Charges to Principal Underwriter
Arizona	\$41,017	\$2,940	\$ 89,893	\$ 3,746
Connecticut	\$48,970	\$6,556	\$ 35,745	\$ 5,715
Minnesota	\$10,560	\$1,904	\$ 13,048	\$ 2,209
Municipal Opportunities	\$29,146	\$4,505	\$ 72,650	\$11,647
New Jersey	\$47,437	\$5,955	\$147,651	\$23,638
Pennsylvania	\$51,301	\$5,812	\$123,852	\$21,752

**Control Persons and Principal Holders of Securities.** At November 1, 2023, the Trustees and officers of the Trust, as a group, owned in the aggregate less than 1% of the outstanding shares of this Class of any Fund. In addition, as of the same date, the following person(s) held the share percentage indicated below, which was owned either (i) beneficially by such person(s) or (ii) of record by such person(s) on behalf of customers who are the beneficial owners of such shares and as to which such record owner(s) may exercise voting rights under certain limited circumstances:

Arizona	Raymond James	St. Petersburg, FL	14.55%
	Wells Fargo Clearing Services LLC	St. Louis, MO	14.22%
	American Enterprise Investment Service	Minneapolis, MN	13.98%
	Charles Schwab & Co., Inc.	San Francisco, CA	7.37%
	Edward D. Jones & Co.	St. Louis, MO	6.46%
	LPL Financial	San Diego, CA	5.94%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	5.26%
Connecticut	Pershing LLC	Jersey City, NJ	14.33%
	Wells Fargo Clearing Services LLC	St. Louis, MO	13.00%
	Charles Schwab & Co., Inc.	San Francisco, CA	9.73%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	8.99%
	National Financial Services LLC	Jersey City, NJ	8.40%
	Morgan Stanley Smith Barney LLC	New York, NY	5.42%

Minnesota	Charles Schwab & Co., Inc.	San Francisco, CA	55.16%
	Pershing LLC	Jersey City, NJ	8.09%
	National Financial Services LLC	Jersey City, NJ	5.92%
	American Enterprise Investment Service	Minneapolis, MN	5.35%
Municipal Opportunities	National Financial Services LLC	Jersey City, NJ	18.98%
	Morgan Stanley Smith Barney LLC	New York, NY	12.84%
	American Enterprise Investment Service	Minneapolis, MN	10.75%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	9.57%
	UBS WM USA	Weehawken, NJ	9.10%
	Edward D. Jones & Co.	St. Louis, MO	7.32%
	Wells Fargo Clearing Services LLC	St. Louis, MO	6.37%
	LPL Financial	San Diego, CA	5.92%
	New Jersey	Morgan Stanley Smith Barney LLC	New York, NY
Merrill Lynch, Pierce, Fenner & Smith, Inc.		Jacksonville, FL	13.23%
Wells Fargo Clearing Services LLC		St. Louis, MO	10.97%
Pershing LLC		Jersey City, NJ	7.55%
LPL Financial		San Diego, CA	5.46%
National Financial Services LLC		Jersey City, NJ	5.32%
Pennsylvania	Wells Fargo Clearing Services LLC	St. Louis, MO	16.54%
	Morgan Stanley Smith Barney LLC	New York, NY	12.70%
	National Financial Services LLC	Jersey City, NJ	8.24%
	LPL Financial	San Diego, CA	8.21%
	Pershing LLC	Jersey City, NJ	8.20%
	Charles Schwab & Co. Inc.	San Francisco, CA	5.09%

Beneficial owners of 25% or more of this Class are presumed to be in control of this Class of a Fund for purposes of voting on certain matters submitted to shareholders.

To the knowledge of the Trust, no other person owned of record or beneficially 5% or more of the outstanding shares of this Class of any Fund as of such date.

## Class C Fees and Ownership

**Distribution and Service Fees.** For the fiscal year ended July 31, 2023, the following table shows (1) distribution fees paid to the principal underwriter under the Distribution Plan, (2) distribution fees paid by the principal underwriter to financial intermediaries on sales of Class C shares, (3) approximate CDSC payments to the principal underwriter, (4) service fees paid under the Distribution Plan, and (5) service fees paid to financial intermediaries. The distribution fees and service fees paid by the Funds that were not paid to financial intermediaries were retained by the principal underwriter.

<u>Fund</u>	<u>Distribution Fees Paid to Principal Underwriter</u>	<u>Distribution Fees Paid by Principal Underwriter to Financial Intermediaries</u>	<u>CDSC Paid to Principal Underwriter</u>	<u>Service Fees</u>	<u>Service Fees Paid to Financial Intermediaries</u>
Arizona	\$ 15,297	\$ 13,843	\$ 900	\$ 4,079	\$ 3,691
Connecticut	\$ 20,516	\$ 17,918	\$ 26	\$ 5,471	\$ 4,778
Minnesota	\$ 16,563	\$ 15,275	\$ 300	\$ 4,417	\$ 4,073
Municipal Opportunities	\$142,997	\$130,389	\$3,300	\$47,666	\$43,219
New Jersey	\$ 47,029	\$ 42,730	\$ 0	\$12,541	\$11,384
Pennsylvania	\$ 34,312	\$ 30,701	\$ 200	\$ 9,150	\$ 8,097

**Control Persons and Principal Holders of Securities.** At November 1, 2023, the Trustees and officers of the Trust, as a group, owned in the aggregate less than 1% of the outstanding shares of this Class of any Fund. In addition, as of the same date, the following person(s) held the share percentage indicated below, which was owned either (i) beneficially by such person(s) or (ii) of record by such person(s) on behalf of customers who are the beneficial owners of such shares and as to which such record owner(s) may exercise voting rights under certain limited circumstances:

Arizona	Wells Fargo Clearing Services LLC	St. Louis, MO	67.58%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	8.04%
	Pershing LLC	Jersey City, NJ	7.95%
	Charles Schwab & Co. Inc.	San Francisco, CA	5.01%
Connecticut	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	22.89%
	Morgan Stanley Smith Barney LLC	New York, NY	18.41%
	LPL Financial	San Diego, CA	16.62%
	RBC Capital Markets LLC	Minneapolis, MN	9.96%
	Pershing LLC	Jersey City, NJ	8.99%
	Charles Schwab & Co. Inc.	San Francisco, CA	8.81%
	National Financial Services LLC	Jersey City, NJ	5.51%
Minnesota	American Enterprise Investment Service	Minneapolis, MN	43.43%
	Pershing LLC	Jersey City, NJ	22.98%
	LPL Financial	San Diego, CA	11.15%
	Wells Fargo Clearing Services LLC	St. Louis, MO	6.35%
Municipal Opportunities	American Enterprise Investment Service	Minneapolis, MN	19.47%
	Wells Fargo Clearing Services LLC	St. Louis, MO	17.40%
	Morgan Stanley Smith Barney LLC	New York, NY	10.16%
	LPL Financial	San Diego, CA	9.82%
	Raymond James	St. Petersburg, FL	8.10%
	National Financial Services LLC	Jersey City, NJ	7.71%
	UBS WM USA	Weehawken, NJ	6.50%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	5.81%
New Jersey	Wells Fargo Clearing Services LLC	St. Louis, MO	24.24%
	Morgan Stanley Smith Barney LLC	New York, NY	20.13%



	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	11.91%
	UBS WM USA	Weehawken, NJ	10.31%
	American Enterprise Investment Service	Minneapolis, MN	8.87%
	JP Morgan Securities LLC	Brooklyn, NY	6.51%
	Pershing LLC	Jersey City, NJ	5.68%
	LPL Financial	San Diego, CA	5.04%
Pennsylvania	Wells Fargo Clearing Services LLC	St. Louis, MO	42.78%
	American Enterprise Investment Service	Minneapolis, MN	12.36%
	LPL Financial	San Diego, CA	10.74%
	Morgan Stanley Smith Barney LLC	New York, NY	8.18%
	Pershing LLC	Jersey City, NJ	6.62%

Beneficial owners of 25% or more of this Class are presumed to be in control of this Class of a Fund for purposes of voting on certain matters submitted to shareholders.

To the knowledge of the Trust, no other person owned of record or beneficially 5% or more of the outstanding shares of this Class of any Fund as of such date.

## Class I Ownership

**Control Persons and Principal Holders of Securities.** At November 1, 2023, the Trustees and officers of the Trust, as a group, owned in the aggregate less than 1% of the outstanding shares of this Class of any Fund. In addition, as of the same date, the following person(s) held the share percentage indicated below, which was owned either (i) beneficially by such person(s) or (ii) of record by such person(s) on behalf of customers who are the beneficial owners of such shares and as to which such record owner(s) may exercise voting rights under certain limited circumstances:

Arizona	Charles Schwab & Co. Inc.	San Francisco, CA	45.02%
	American Enterprise Investment Service	Minneapolis, MN	13.56%
	Wells Fargo Clearing Services LLC	St. Louis, MO	8.26%
	National Financial Services LLC	Jersey City, NJ	7.21%
	LPL Financial	San Diego, CA	6.58%
Connecticut	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	30.43%
	National Financial Services LLC	Jersey City, NJ	14.69%
	Pershing LLC	Jersey City, NJ	10.33%
	American Enterprise Investment Service	Minneapolis, MN	8.42%
	Morgan Stanley Smith Barney LLC	New York, NY	8.05%
	Charles Schwab & Co. Inc.	San Francisco, CA	7.34%
	LPL Financial	San Diego, CA	6.94%
	UBS WM USA	Weehawken, NJ	5.85%
Minnesota	Charles Schwab & Co. Inc.	San Francisco, CA	23.01%
	American Enterprise Investment Service	Minneapolis, MN	8.21%
	Wells Fargo Clearing Services LLC	St. Louis, MO	7.80%
	LPL Financial	San Diego, CA	6.70%
	Pershing LLC	Jersey City, NJ	6.23%
	RBC Capital Markets LLC	Minneapolis, MN	6.00%
	National Financial Services LLC	Jersey City, NJ	5.13%
Municipal Opportunities	American Enterprise Investment Service	Minneapolis, MN	27.16%
	National Financial Services LLC	Jersey City, NJ	11.95%
	Wells Fargo Clearing Services LLC	St. Louis, MO	11.56%
	Morgan Stanley Smith Barney LLC	New York, NY	11.01%
	LPL Financial	San Diego, CA	7.45%
New Jersey	National Financial Services LLC	Jersey City, NJ	20.00%
	Charles Schwab & Co. Inc.	San Francisco, CA	15.79%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Jacksonville, FL	10.53%
	American Enterprise Investment Service	Minneapolis, MN	10.40%
	LPL Financial	San Diego, CA	9.14%
	Pershing LLC	Jersey City, NJ	7.97%
	Morgan Stanley Smith Barney LLC	New York, NY	6.91%
Pennsylvania	National Financial Services LLC	Jersey City, NJ	15.05%
	Wells Fargo Clearing Services LLC	St. Louis, MO	14.66%
	Charles Schwab & Co. Inc.	San Francisco, CA	12.17%
	Wells Fargo Bank NA	Minneapolis, MN	9.65%
	Morgan Stanley Smith Barney LLC	New York, NY	5.32%

Beneficial owners of 25% or more of this Class are presumed to be in control of this Class of a Fund for purposes of voting on certain matters submitted to shareholders.

To the knowledge of the Trust, no other person owned of record or beneficially 5% or more of the outstanding shares of this Class of any Fund as of such date.

## STATE SPECIFIC INFORMATION

**Risks of State-Specific Investments.** The following information as to certain state specific considerations is given to investors in view of a Fund's policy of focusing its investments in particular state issuers. Such information supplements the information in the prospectus. Information is also included below about U.S. territories in which a Fund may invest. It is derived from sources that are generally available to investors and is believed to be accurate. Such information constitutes only a brief summary, does not purport to be a complete description and is based on information from official statements relating to securities offerings of issuers of each particular state. The Trust has not independently verified this information.

The bond ratings provided in this SAI are current as of the date of the SAI. The following describes economic conditions which may not continue and could change materially. There can be no assurance that particular bond issues may not be adversely affected by changes in economic, political or other conditions. Unless stated otherwise, the ratings indicated are for obligations of the state. A state's political subdivisions may have different ratings which are unrelated to the ratings assigned to state obligations.

**Arizona.** Under its Constitution, Arizona (referred to herein as the "State" or "Arizona") is not permitted to issue general obligation bonds secured by the State's full faith and credit. However, agencies and instrumentalities of the State are authorized under specified circumstances to issue bonds secured by revenues. The State enters into certain lease transactions that are subject to annual renewal at its option. Local governmental units in the State are also authorized to incur indebtedness. A major source of financing for such local government indebtedness is an ad valorem property tax. A secondary source of financing for local governments (and a major source for the State) is the sales tax.

In addition, to finance public projects, local governments may issue revenue bonds to be paid from the revenues of an enterprise or the proceeds of an excise tax, and assessment bonds payable from special proceeds of an excise tax or from special assessments. Arizona local governments have also financed public projects through leases that are subject to annual appropriation at the option of the local government. Any of these obligations may be purchased and held by the Arizona Fund.

Arizona is required by law to maintain a balanced budget for each fiscal year. (The fiscal year begins on July 1 of each year and ends on June 30 of the following year.) To achieve this objective, the State has in the past utilized a combination of spending reductions and tax increases. In 1992, voters passed a measure that requires a two-thirds vote of the legislature to increase State taxes.

There are periodic attempts in the form of voter initiatives and legislative proposals to further limit the amount of annual increases in taxes that can be levied by the various taxing jurisdictions without voter approval. It is possible that if such a proposal were enacted, there would be an adverse impact on State or local government financing. In addition, at various times, proposals are made to reduce State revenue sharing with local governments to solve the State's budget shortfall, which would further weaken the financial position of local governments. It is not possible to predict whether any such proposals will be enacted in the future or what would be their possible impact on State or local government financing.

For several decades, Arizona's population grew at a substantially higher rate than the population of the United States. According to the United States Census Bureau, the population of the State increased by 11.9 percent from 2010 to 2020 compared to a nationwide increase in population of 7.4 percent during the same period. However, population growth in Arizona has slowed dramatically since the 2008 recession hit. Indeed, the Arizona Commerce Authority, Arizona Office of Economic Opportunity, estimates that the State population only grew from approximately 6,398,985 in 2010 to 7,176,401 as of July 1, 2020. According to the April 1, 2020 United States Census, the State's population was 7,151,502, as compared to 6,392,017 in April 1, 2010. The Arizona Office of Economic Opportunity reported a population of 7,409,189 as of July 1, 2022, an increase of 1.7 percent year over year.

As of August 2022, fiscal year 2023 revenues were anticipated to be \$16.83 billion. As of July 2023, revenue projections for fiscal year 2023 were adjusted upward to \$18.12 billion based on a projected 8.8 percent base revenue growth; an estimated \$700 million one-time revenue loss associated with a reduction in individual income tax withholding rates; and a one-time revenue gain of \$75.5 million associated with depositing a portion of an Arizona Attorney General litigation settlement into the General Fund. As of August 2022, fiscal year 2023 total spending was anticipated to total \$15.76 billion. As of July 2023, total spending was adjusted downward to \$15.59 billion, primarily based on \$482 million in additional Medicaid revertments; \$180.6 million for a supplemental appropriation to fund Arizona Department of Education formula costs; and \$28.2 million in various other supplemental appropriations and ex-appropriations. Based on these changes, the fiscal year 2023 ending balance is expected to be \$2.53 billion.

On May 11, 2023, the Governor signed into law the fiscal year 2024 General Appropriation Act for the year beginning July 1, 2023. The entire fiscal year 2024 state budget, including both appropriated and non-appropriated funds, is projected to be approximately \$64.75 billion (the "Enacted Budget"). The Enacted Budget provides for spending from total appropriated and non-appropriated funds of \$64.75 billion. This includes \$17.8 billion in General Fund spending, a 14.3 percent increase over fiscal year 2023 enacted levels, which includes \$14.9 billion in ongoing spending (a 3.4 percent increase over fiscal year 2023 enacted levels) and \$2.9 billion in one-time expenditures. The increase in ongoing spending is primarily due to increases in funding

formula requirements. The Enacted Budget assumes base revenue growth (before Urban Revenue Sharing and tax changes) of 2.1 percent. After adjusting for Urban Revenue Sharing as well as previously and newly enacted tax reductions, net ongoing General Fund revenues are projected to be \$15.6 billion, a 5.0 percent decline compared to fiscal year 2023.

The General Fund ending balance is expected to be \$10 million and the projected balance in the Budget Stabilization Fund is \$1.48 billion, for a total balance of \$1.49 billion. The Enacted Budget increases General Fund spending on K-12 education by \$656.6 million, or 9.2 percent above the fiscal year 2023 appropriation. The Enacted Budget includes a supplemental appropriation of \$180.6 million in fiscal year 2023 to cover higher-than-budgeted expenses for Basic State Aid. The enacted fiscal year 2023 budget did not include adjustments to Basic State Aid to account for enrollment increases associated with universal eligibility for the Empowerment Scholarship Account program, as required by law. The Enacted Budget includes Arizona Health Care Cost Containment System General Fund spending increases of \$219.4 million, a 9.6 percent increase over fiscal year 2023 enacted levels; Department of Economic Security General Fund spending increases of \$132.4 million, a 12.3 percent increase over fiscal year 2023 enacted levels; Department of Housing General Fund spending increases of \$106.9 million, a 118.8 percent increase over fiscal year 2023 enacted levels; Water Infrastructure Finance Authority (WIFA) General Fund spending increases of \$244.2 million; and State Treasurer General Fund spending increases of \$92.7 million. The Enacted Budget also includes \$620.2 million from the General Fund in fiscal year 2024 for 51 transportation initiatives, primarily road improvements.

In October 2023, General Fund revenues totaled \$1.04 billion, which was a 22.0 percent decrease from October 2022. The level of collections during October 2023 generated a forecast loss of \$130 million below the fiscal year 2023 enacted budget revenue forecast. The October 2023 forecast loss was concentrated in the Individual Income Tax (IIT) category. In total, IIT collections during October 2023 were 39 percent below October 2022 and \$125 million below the fiscal year 2023 enacted budget revenue forecast. The largest contributor to the IIT forecast loss was tax refunds – the dollar amount of refunds issued to taxpayers during October 2023 grew by 85 percent over October 2022. October 2023 Sales Tax collections generated \$5 million above forecast, representing a 6 percent increase compared to October 2022, or 7.7 percent growth after adjusting for a technical correction by the Department of Revenue. Corporate Income Tax revenue during October 2023 increased by 9.9 percent and was essentially at forecast. Year-to-date through October 2023, excluding Urban Revenue Sharing and fund transfers, fiscal year 2024 revenues are 9.1 percent below the prior year and \$331 million below the Enacted Budget forecast.

According to the latest employment report released by the Arizona Office of Economic Opportunity, the State had 17,200 more nonfarm jobs in October 2023 compared to September 2023. Compared to October 2022, the State had 51,100 more jobs in October 2023, an increase of 1.6 percent. The State's seasonally adjusted unemployment rate was 4.2 percent in October 2023, as compared to the U.S. seasonally adjusted unemployment rate of 3.9 percent in October 2023. The number of pending foreclosures in Maricopa County was 982 in October 2023, a decrease of 1.6 percent over October 2022. In Maricopa County, the median price of a single family home was \$468,645 in October 2023 (a 0.8 percent increase as compared to October 2022). In addition, in September 2023, Arizona's 12-month total of single-family building permits was 30,521 (representing a 27.4 percent decrease from September 2022's 12-month total), and multi-family building permits was 23,460 (a 2.6 percent increase above the level for the period ending in September 2022).

There can be no assurance that the State economy will not experience worse-than-predicted results in fiscal year 2024 or subsequent fiscal years, with corresponding material and adverse effects on the State's projections of receipts and disbursements.

On November 19, 2019, Moody's raised the State's overall credit rating from Aa2 to Aa1. In September 2021, following a periodic review of the appropriateness of the rating, Moody's affirmed the State of Arizona's Aa1 credit position, reflecting Arizona's steady economic growth, the rebuilding of its reserves, and the reduction of its debt levels in the years preceding the current COVID-19 pandemic.

**Connecticut. Population and Economy:** The State of Connecticut (sometimes referred to herein as the "State" or "Connecticut") is a highly developed and urbanized state. It is situated directly between the financial centers of Boston and New York. Connecticut's population, estimated at approximately 3.611 million, remained relatively flat from 2013 to 2022 versus an increase of 2.4 percent in New England and 5.0 percent for the nation.

Connecticut has a high level of personal income. Historically, the State's average per capita income has been among the highest in the nation. The high per capita income is due to the State's concentration of relatively high paying manufacturing jobs along with a higher portion of residents working in the non-manufacturing sector in such areas as finance, insurance, and real estate, as well as educational services. A high concentration of major corporate headquarters located within the State also contributes to the high level of income. In calendar year 2021, per capita personal income in Connecticut equaled \$83,280, the second highest of any state in the nation. With the exception of 2013, per capita personal income of the State's residents increased in every year from 2012 to 2021, rising from \$64,113 to \$83,278.

In 2021, the State produced \$298.4 billion worth of goods and services, with production concentrated in four areas: finance, insurance, and real estate (“FIRE”), services, manufacturing, and government. Production in these four industries accounted for 76.9 percent of total production in Connecticut in 2021, identical to 2014, and compared to 70.4 percent for the nation in 2021. This demonstrates that Connecticut’s economy has a similar concentration as the nation as a whole, and this concentration has changed little in recent years.

Just before the COVID-19 pandemic struck the state, Connecticut was experiencing low unemployment rates. In March 2020, Connecticut experienced an unemployment rate of 3.4 percent, which was the lowest rate since January 2002 when the rate was also at 3.4 percent. Likewise, both New England and the nation were also experiencing low unemployment rates. New England saw a rate of 3.0 percent in January 2020 and the United States was experiencing a low unemployment rate of 3.5 percent in December 2019. At the height of unemployment during the pandemic, Connecticut’s peak unemployment rate reached 11.4 percent in May and June of 2020, New England reached 14.1 percent in April 2020, and the nation reached 14.7 percent in April 2020. As of December 2022, Connecticut’s unemployment rate was 4.2 percent, whereas it was 3.3 percent in New England and 3.5 percent for the United States.

COVID-19: The impact of COVID-19 caused a significant pullback in consumption and significant increases in unemployment. As a result, on March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (“CARES Act”) that provides aid to industries and entities throughout the country, including state and local governments. The State received \$1.382 billion to cover statewide costs associated with the response to the outbreak of COVID-19. These resources were not counted toward revenues in the General Fund (described below). Consistent with the State’s practice in using federal grant funds, expenditures are not authorized through the General Fund.

Additionally, on March 11, 2021, the United States Congress enacted the American Rescue Plan Act of 2021 (the “ARP Act”) that provides additional relief to individuals, grants to businesses, and support to state and local governments. The State of Connecticut received approximately \$2.8 billion to respond to the impacts of the COVID-19 pandemic. The adopted budget for the Fiscal Year 2022-2023 biennium programmed the use of ARP Act funds for the State for the 2022-2023 biennium. The Governor’s February 8, 2023 budget proposal makes adjustments to the programmed uses of some of those funds, which is subject to the approval of the legislature.

The State’s expenditures of these federal funds are subject to audit and review by the federal government to ensure they were and are spent in accordance with the CARES Act and ARP Act.

State General Fund: Connecticut finances most of its operations through its General Fund. Certain State functions, such as the State’s transportation budget, are financed through other State funds. For budgetary purposes, the State’s General Fund has been accounted for in accordance with accounting standards prescribed by statutes. State General Fund expenditures are categorized for budget and appropriation purposes under ten functional headings, with expenditures by agency generally shown as subheadings in the following functional categories: Human Services; Education, Libraries and Museums; Non-Functional (debt service and miscellaneous expenditures including fringe benefits); Health and Hospitals; Corrections; General Government; Judicial; Regulation and Protection; Conservation and Development; and Legislative. State expenditures for Department of Transportation functions are generally paid from the Special Transportation Fund, although minor expenditures for transportation related expenditures are occasionally paid from the General Fund.

The General Fund ended Fiscal Year 2022 with a surplus of \$1,261,300,893. In a typical year, once the audit is completed, the surplus would be transferred to the Budget Reserve Fund. However, the balance in the Budget Reserve Fund has reached the statutory limit of 15 percent of current year net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes will apply. At year-end, a volatility transfer of \$3.05 billion was made to the Budget Reserve Fund. Prior to the close of Fiscal Year 2022, the balance in the Budget Reserve Fund was just over \$3.11 billion. Adding the \$3.05 billion volatility transfer brought the Budget Reserve Fund to \$6.2 billion, or 27.9 percent of net General Fund appropriations for Fiscal Year 2023. As a result, the Budget Reserve Fund was \$2.85 billion above the statutory 15% cap. According to the Connecticut General Statute, no further transfers will be made to the Budget Reserve Fund. In September, the State Treasurer elected to transfer \$903.6 million to the Teachers’ Retirement Fund, with the remaining balance of \$1,942.4 million going to the State Employees’ Retirement Fund.

#### Budget for Fiscal Years 2024 and 2025:

The General Assembly passed a biennial budget bill, which the Governor signed into law on June 12, 2023 (the “2023 Budget Act”). Per the Office of Fiscal Analysis’ fiscal note, the 2023 Budget Act projects revenue of \$22,505.3 million in Fiscal Year 2024 and \$23,103.7 million in Fiscal Year 2025. The budget makes net General Fund appropriations of \$22,105.6 million in Fiscal Year 2024, which represents 0.1 percent growth over Fiscal Year 2023 appropriations, and \$22,805.9 million in Fiscal Year 2025, which represents 3.2 percent growth over Fiscal Year 2024 appropriations. The projected surplus is \$118.4 million in Fiscal Year 2024 and \$9.0 million in Fiscal Year 2025. The projected surplus does not take into account the revenue cap deduction which limits Fiscal Year 2024 and Fiscal Year 2025 appropriations to 98.75% of projected revenues. Taking into account the revenue

cap deduction results in an additional \$281.3 million in surplus funds in Fiscal Year 2024 and an additional \$288.8 million of surplus funds in Fiscal Year 2025. The 2023 Budget Act also contained revisions to the Fiscal Year 2023 budget, which would result in the Fiscal Year 2023 surplus being reduced by \$866.6 million. The 2023 Budget Act includes a net \$285.5 million in revenue reductions in Fiscal Year 2024 and a net \$320.2 million of revenue reductions in Fiscal Year 2025. The adopted budget is \$10.4 million below the statutory expenditure cap for Fiscal Year 2024 and \$11.6 million below the expenditure cap for Fiscal Year 2025.

#### Fiscal Year 2023 Operations:

In the monthly estimates provided by the Office of Policy and Management (“OPM”) on May 22, 2023 for the General Fund for Fiscal Year 23 as of the period ending April 30, 2023, the General Fund was estimated to have a surplus of \$1,599.9 million. No assurances can be given that estimates in future reports of the Comptroller will match the Comptroller’s prior estimates or the estimates of OPM.

State General Obligation Bonds: The State issues general obligation bonds pursuant to specific bond acts and Section 3-20 of the General Statutes (the “General Obligation Bond Procedure Act”). The General Obligation Bond Procedure Act provides that such bonds shall be general obligations of the State and that the full faith and credit of the State are pledged for the payment of the principal of and interest on such bonds as the same become due.

As of February 1, 2023, the State had authorized direct general obligation bond indebtedness totaling approximately \$53,380.144 million, of which approximately \$49,463.745 million had been approved for issuance by the State Bond Commission and approximately \$46,410.548 million had been issued, leaving an authorized but unissued balance of \$6,969.596 million and \$3,053.197 million bonds available for authorization. As of February 1, 2023, net State direct general obligation indebtedness outstanding was approximately \$18,265.775 million.

State General Obligation Bond Ratings: The State’s general obligation bonds are rated Aa3 by Moody’s Investors Service, Inc. (“Moody’s”), AA- by Standard & Poor’s Global Ratings (“S&P”), AA- by Fitch Ratings, Inc. (“Fitch”), and AA+ by Kroll Bond Rating Agency, Inc. (“Kroll”). Moody’s, S&P, Fitch and Kroll have each assigned a “stable” credit outlook on the State’s general obligation debt. Each such rating and credit outlook reflects only the views of the respective rating agency, and an explanation of the significance of such rating and credit outlook may be obtained from such rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant.

State Special Tax Obligation Bonds: The Transportation Infrastructure Program was created in 1984 and included the authorization of special tax obligation (“STO”) bonds to finance the program. The cost of the transportation infrastructure program Fiscal Years 2018-2027, which will be met from federal, State, and local funds, is currently estimated at \$19.4 billion. The State’s share of the cost, estimated at \$10.3 billion, is to be partially financed by STO bonds. The portion of State program costs not financed by STO bonds is estimated at \$173 million and includes the expenses of the transportation infrastructure program that either are not sufficiently large or do not have a long enough life expectancy to justify the issuance of long-term bonds. It is estimated that an additional \$3.1 billion of STO bonds will be issued to fund the estimated \$10.3 billion State’s share of the cost of the infrastructure program for Fiscal Years 2018-2027. There are currently \$6.4 billion of authorized but unissued STO bonds.

State Revolving Fund Revenue Bonds: The General Assembly has authorized the issue of revenue bonds for the purpose of funding various State and federally mandated water pollution control and drinking water projects for up to \$4,486.1 million, of which \$2,466.6 million had been issued. The proceeds of the revenue bonds are loaned primarily to Connecticut municipalities and public water systems to finance water pollution control and drinking water improvements, and the loan repayments by the municipalities and public water systems secure the revenue bonds. The loan obligations of the municipalities and public water systems are secured by either the full faith and credit of each such entity, or the revenues and other funds of a municipal sewer or public water system. As of February 1, 2023, \$833.6 million revenue bonds will be outstanding (including refunding bonds).

Pension and Retirement Systems: The State sponsors several public employee retirement systems and also provides other post-employment benefits. It should be noted that the characteristics of the pension plan systems, where significant assets are available to meet the State’s obligations, are different than the characteristics of the systems providing other post-employment benefits, which have not accumulated significant assets. Both types of plans have unfunded liability that represent significant financial obligations of the State, both now and in the future. In round numbers, the unfunded actuarial accrued liability (“UAAL”) of the major pension systems aggregate approximately \$38.1 billion and the net social security and other post-employment benefits liability of the other major post-employment benefits systems aggregate approximately \$17.1 billion, based on the most recent actuarial valuations.

Litigation: The State and its officers and employees are parties to numerous legal proceedings, many of which normally occur in government operations. There are several legal proceedings which, if decided adversely against the State, either individually or in the aggregate may require the State to make material future expenditures or may impair revenue sources. It is not possible to determine the impact that the outcomes of these proceedings, either individually or in the aggregate, could have on the State's financial position.

**Minnesota.** The State of Minnesota (referred to herein as the "State" or "Minnesota") operates on a biennial budget basis, and Minnesota's constitutionally prescribed fiscal period is a biennium. Legislative appropriations for each biennium are prepared and adopted during the final legislative session of the immediately preceding biennium. Prior to each fiscal year of a biennium, Minnesota's Department of Management and Budget (the "Department") allots a portion of the applicable biennial appropriation to each agency or other entity for which an appropriation has been made. An agency or other entity may not expend moneys in excess of its allotment, and Minnesota's Constitution prohibits borrowing for operating purposes beyond the end of a biennium. Within the State's General Fund, a cash flow account was established to provide sufficient cash balances to cover monthly revenue and expenditure imbalances, a budget reserve account was established to be available to offset budget shortfalls during economic downturns, and a stadium reserve account was established as a reserve for the State's stadium-related debt and expenses. Minnesota's Commissioner of Management and Budget (the "Commissioner"), with the consent of the Governor and after consultation with the Legislative Advisory Commission, has statutory authority in the event of a projected deficit for the then current biennium to release funds from the budget reserve account and, if a balanced budget had been enacted and there are insufficient funds in the reserve account, to reduce ("unallot") unexpended allotments of prior transfers and appropriations. In 2010, the Minnesota Supreme Court held in *Brayton v. Pawlenty* that the Commissioner's statutory authority did not extend to unallotments for a biennium in which a balanced budget had not already been enacted. The Governor may seek legislative action when a large reduction in expenditures appears necessary, and if Minnesota's legislature is not in session the Governor is empowered to convene a special session.

Diversity and a significant natural resource base are two important characteristics of the Minnesota economy. Historically, the structure of the State's economy generally has paralleled the structure of the United States economy as a whole. The State's average annual unemployment rate has consistently been less than the national unemployment rate during recent years. For March 2020, Minnesota's unemployment rate (seasonally adjusted) was 2.9%, compared to a national rate of 4.4%. Unemployment increased significantly with the COVID-19 outbreak, and in May 2020, Minnesota's unemployment rate (seasonally adjusted) was 9.9%, compared to a national rate of 13.3%. By October 2020, Minnesota's seasonally adjusted unemployment rate had decreased to 4.4%, though the State attributed some of this decrease to Minnesotans leaving the workforce rather than unemployed workers finding jobs. Unemployment rates generally continued to decrease, and in September 2023 Minnesota's seasonally adjusted rate was 3.1%, compared to a national rate of 3.8%. Since 1980, Minnesota per capita income generally has remained above the national average. In 2022, Minnesota per capita personal income was approximately 104% of its U.S. counterpart.

The State relies heavily on a progressive individual income tax and a retail sales tax for revenue, which results in a fiscal system that is sensitive to economic conditions. Capital gains tax realizations are an important, but volatile, share of Minnesota's income tax base.

In a 2017 special session, after negotiations with the Governor, the Minnesota legislature passed tax and spending bills for the biennium ending in 2019 that were signed by the Governor, except the Governor made a line-item veto of appropriations for the legislature and asked the legislature to revise certain of the bills that he had signed before he would approve an appropriation for the legislature. The Minnesota Supreme Court held that the veto did not violate the Constitution and found that the legislature had access to sufficient funds to sustain its operations until it reconvened. The legislature ultimately passed and the Governor signed a bill appropriating funds to the legislature.

The Department's February 2020 Budget and Economic Forecast projected a General Fund balance of \$1.513 billion at June 30, 2021, plus a budget reserve of \$2.359 billion, a \$350 million cash flow account, and a \$130 million stadium reserve. On March 13, 2020, however, the Governor declared a peacetime emergency, which was followed by a series of related executive orders, including a Peacetime Emergency and a statewide "Stay at Home" order, in response to the coronavirus pandemic. Amidst the coronavirus pandemic and deteriorating economic conditions, the Department updated its February Forecast in its May 2020 Interim Budget Projection. The May projections revised the projected General Fund balance downward from a positive balance of \$1.513 billion to a deficit of \$2.426 billion at June 30, 2021, primarily resulting from a \$3.611 billion (7.4%) decrease in projected revenues. As required by state law, the projected budget reserve and cash flow account remained unchanged from the February Forecast, while the projected stadium reserve was reduced to \$66 million. Given the continued volatility and uncertainty associated with the coronavirus pandemic, the Department's interim projections did not include a forecast for the next biennium. On August 3, 2020, the Department updated the May projections to include a projected \$6.682 billion deficit for the biennium ending June 30, 2023 (as compared to a projected \$2.337 billion surplus in the February Forecast). Because the due date for final income tax payments for the 2019 tax year was postponed until July 15, 2020, the Department's July 10, 2020 Revenue and



Economic Update, the Department estimated revenues excluded these amounts. The Department updated these estimates in a July 31, 2020 Revenue Update following the receipt and processing of payments for the 2019 tax year, revising the estimated receipts downward to \$58 million (0.3%) below the amount projected in May.

Following the end of the regular 2020 legislative session, the Governor convened a series of five special legislative sessions, citing the need for police reform, the continued burden on the State's economic resources as a result of the coronavirus pandemic, economic damage to local communities in the State resulting from the pandemic and civil unrest, repeated extensions the Governor's declaration of Peacetime Emergency, and to consider a bonding bill. In its November 2020 Budget and Economic Forecast, the Department revised its projections upwards, from a deficit to a positive General Fund balance of \$636 million at June 30, 2021. The November projections reflect tax revenues that were higher than expected. In addition to corporate franchise tax revenues, an increase in general sales tax revenues contributed to the improved outlook. The Department attributed this increase to consumers shifting their spending during the pandemic away from many types of services that are not taxable in Minnesota toward taxable goods. Following a seventh special legislative session convened on December 14, the Department adjusted its November forecast to reflect appropriations made for pandemic response and business relief. The November forecast, as adjusted, projected a lower balance of \$394 million at June 30, 2021, with a budget reserve of \$2.377 billion, a \$350 million cash flow account, and an \$81 million stadium reserve. The Department's February 2021 Budget and Economic Forecast included increased revenue projections and slightly lower spending estimates, resulting in an estimated surplus of \$940 million, an improvement of \$546 million over the prior projections, with no change to the budget reserve, cash flow account, or stadium reserve.

The regular 2021 legislative session adjourned on May 17, as required by the Minnesota Constitution, without a budget for the next biennium but with an agreement between the legislature and the Governor as to broad budget targets and general principles. The Governor convened a special legislative session on June 14, during which several budget bills were passed; the Governor signed these bills into law prior to July 1, averting a government shutdown. Following the end of the special session, the Department released its General Fund Balance Analysis dated August 6, 2021, which revised the projected General Fund Balance to \$1.112 billion at June 30, 2021. In its November 2021 Budget and Economic Forecast, the Department indicated that the closing balance of the General Fund was \$4.052 billion, \$2.941 billion more than estimated in the General Fund Balance Analysis. This increase reflected higher-than-estimated revenues, including reallocation of prior COVID-19 response spending to federal sources.

For the 2022-23 biennium, the July 2021 General Fund Analysis projected a smaller General Fund balance at June 30, 2023 of \$127 million, after deducting a budget reserve of \$1.786 billion, a \$350 million cash flow account, and a \$200 million stadium reserve, with projected expenditures for the biennium in the amount of \$52.363 billion. The February Forecast, however, had estimated that inflation would increase expenditures by \$1.042 billion that is not reflected in the official estimates. Resulting primarily from increased projected tax revenues, driven in part by strong projected wage growth, the Department's November 2021 Budget and Economic Forecast revised the projected General Fund balance upward to \$7.746 billion, with an additional \$2.656 billion budget reserve, a \$350 million cash flow account, and a \$312 million stadium reserve. Projected revenues for the biennium were increased to \$56.037 billion (from \$50.907 billion end-of-session) and projected expenses for the biennium were decreased to \$51.999 billion (from \$52.363 billion end-of-session). The Department's February 2022 Budget and Economic Forecast further increased the projected General Fund balance to \$9.253 billion, reflecting a \$1.252 billion (2.2%) increase in projected revenue based on higher forecasts for all major tax types and a \$270 million (0.5%) decrease in projected expenses compared to the November 2021 Forecast. The Department noted, however, that the omission of inflation in the spending estimates in the February Forecast understated the cost of maintaining current service levels as provided by law in FY 2024-25 by roughly \$1.090 billion. In addition, inflation that had already occurred in 2021 and was forecast for 2022 put cost pressure on the enacted budget for FY 2022-23.

As part of the American Rescue Plan Act, the State was allocated \$2.833 billion from the State Fiscal Recovery Fund, \$3.189 billion in program specific funds, and an additional \$2.132 billion in funds distributed to local governments. During the regular 2022 legislative session the legislature repealed a 2021 law that had scheduled transfers from the ARPA State Fiscal Recovery Fund to the General Fund. These funds were allocated entirely to replenish the state unemployment insurance trust fund. No changes to tax revenues were enacted. Legislation impacting projected expenditures included the extension of funding for reimbursing health insurers for individuals with costly medical claims in a single year and a replenishment of the State's unemployment insurance trust fund from the General Fund (in addition to amounts from the State Fiscal Recovery Fund) and allocating funds for direct payments to frontline pandemic workers and ongoing COVID-19 response needs. The General Fund Balance Analysis dated July 14, 2022, updated the February Forecast to reflect changes made during the legislative session, resulting in a reduced expected June 30, 2023 General Fund balance of \$7.049 billion.

In its October 10, 2022 Revenue and Economic Update, the Department estimated net General Fund receipts for the first quarter of the 2023 fiscal year to total \$7.024 billion, \$289 million (4.3%) more than forecast in the February Forecast. As a result of large amounts of pass-through entity tax payments for the 2021 tax year being made during the 2022 fiscal year, the Department expected higher than forecast individual income tax refunds and indicated that it would lower expectations for estimated tax payments in the last two quarters of the 2023 fiscal year.

The Department's February 2023 Budget and Economic Forecast projected a General Fund balance of \$12.484 billion at June 30, 2023, plus a budget reserve of \$2.852 billion, a \$350 million cash flow account, and a \$366 million stadium reserve. Following the 2023 legislative session, the Department's General Fund Balance Analysis dated July 7, 2023 decreased the projected General Fund balance to \$12.283 billion at June 30, 2023, with no change to the budget reserve or cash flow account based on a \$567 million increase in projected expenditures. The full stadium reserve balance of \$366 million, together with a \$12.2 million general fund appropriation, was used in June 2023 to pay off the State's bonds issued for the development of U.S. Bank Stadium in Minneapolis. According to the Department's October 16, 2023 FY2022-2023 Biennium Budget Close Report, the biennium ended with a General Fund balance of \$13.103 billion, \$820 million higher than estimated at the end of the 2023 legislative session.

The planning estimate from the July 2023 analysis also showed a General Fund balance of \$1.583 billion at June 30, 2025, plus a budget reserve of \$2.852 billion and a \$350 million cash flow account. The smaller estimated General Fund balance is based on \$74.303 billion of projected revenues (\$2.526 billion less than projected in February prior to the end of the legislative session) and \$69.518 billion of projected expenditures (\$14.024 billion more than projected in February prior to the end of the legislative session) and reflects tax cuts as well as increased spending on education, human services, and housing. This estimate does not reflect inflation, which the February Forecast estimated would increase expenditures by \$1.423 billion.

Forecasts and estimates do not include spending changes beyond those in current law and do not reflect changes made or to be made in the current legislative session or future sessions. While wage and price inflation is included in revenue projections and estimates, state law prohibits including a general inflation adjustment for projected expenditures, so there may be spending pressures beyond those reflected in the forecasts. Current law projections are adjusted only to reflect enrollment and caseload growth in entitlement programs and areas where specific statutory formulae exist. Minnesota's Council of Economic Advisors has recommended that budget planning estimates for future bienniums include expected inflation in both the spending and revenue projections.

The National Governors' Association and the National Association of State Budget Officers have recommended that states have budget reserves of at least 5% of annual spending. The Department issued a Budget Reserve Report on October 13, 2023, recommending an increase in budget reserve target from 4.8% to 4.9% of the current biennium's General Fund non-dedicated revenues (a \$2.873 billion budget reserve for the biennium ending June 30, 2025), based on an assessment of increased volatility in the State's revenue system. State policy provides that 33% of any increase in the General Fund balance is transferred to the budget reserve until the target is reached.

The State is a party to a variety of civil actions that could adversely and materially affect the State's General Fund. In addition, substantial portions of State and local revenues are derived from federal expenditures, and reductions in federal aid to the State and its political subdivisions and other federal spending cuts might have substantial adverse effects on the economic and fiscal condition of the State and its local governmental units. Risks are inherent in making revenue and expenditure forecasts. Economic or fiscal conditions less favorable than those reflected in State budget forecasts may create additional budgetary pressures. Possible future changes in federal and state income tax laws, including rate reductions, could adversely affect the value and marketability of Minnesota tax-exempt obligations that are held by the Minnesota Fund.

State grants and aids represent a large percentage of the total revenues of cities, towns, counties and school districts in Minnesota, so State budgetary difficulties might have substantial adverse effects on such local government units. Generally, the State has no obligation to make payments on local obligations in the event of a default. Accordingly, factors in addition to the State's financial and economic condition will affect the creditworthiness of Minnesota tax-exempt obligations that are not backed by the full faith and credit of the State. Even with respect to revenue obligations, no assurance can be given that economic or other fiscal difficulties and the resultant impact on State and local government finances will not adversely affect the ability of the respective obligors to make timely payment of the principal of and interest on Minnesota tax-exempt obligations that are held by the Minnesota Fund or the value or marketability of such obligations.

**New Jersey.** New Jersey (referred to herein as the "State" or "New Jersey") benefits from a diverse economic base. Centrally located in the Northeast, New Jersey is near many major cities such as New York, Boston, Washington D.C., and Philadelphia.

The State's favorable location is bolstered by an extensive highway system, as well as air, land and water transportation systems and facilities. Various commercial and industrial businesses have headquarters or regional offices within New Jersey's borders, including substantial construction, pharmaceutical, manufacturing, chemical, financial and service industries.

According to the latest data from the US Bureau of the Census on housing units authorized by building permits, New Jersey had a total of 25,831 housing units approved by building permits through September 2023.

According to the preliminary estimates produced by the U.S. Bureau of Labor Statistics, the unemployment rate in New Jersey for September 2023 (seasonally adjusted) was 4.4%, which is up 1.1 percentage points from September 2022. The estimates also indicate that total nonfarm wage and salary employment for September 2023 in New Jersey increased and had a twelve-month percent change of 1.5% to reach a seasonally adjusted level of 4,347,400. Over the past 12 months, New Jersey has added 67,300

nonfarm jobs. These gains were distributed across several industries, with seven out of nine private sector industries recording gains between July 2022 and July 2023: Education and health services (+45,600), leisure and hospitality (+13,600), trade, transportation, and utilities (+4,100), construction (+3,100), other services (+2,900), manufacturing (+1,200) and information (+700). Losses were recorded in professional and business services (-14,000) and financial activities (-1,700). The public sector saw an increase in 11,700 jobs. This marks the 3<sup>rd</sup> consecutive month of gains in New Jersey's total nonfarm job level.

Personal income in New Jersey increased 5.5 percent, at an annual rate, in the first quarter of 2022. The Personal Income by State report prepared by the Bureau of Economic Analysis for the 2023 second-quarter estimates of personal income reflect that professional, scientific and technical services, health care and social assistance; and finance and insurance were the leading contributors to the overall growth in earnings.

For the year ended June 30, 2022, New Jersey's long-term debt obligations decreased to 14.8% to \$212.5 billion, which includes a net decrease in bonded obligations of \$4.3 billion. During the fiscal year, the State issued \$1.6 billion in bonds. New money issuances represented \$0.7 billion primarily for transportation program improvements, while \$0.9 billion represented refunding transactions that were included in the State amount of \$189.3 million in net present value savings based on the defeased debt service. During fiscal year 2022, the State paid \$7.0 billion in debt service on its long-term obligations; this amount also includes \$2.5 billion expended from the New Jersey Debt Defeasance and Prevention Fund to defease certain outstanding long-term obligations.

Non-bonded portions of the State's governmental long-term obligations total \$168.6 billion. This amount represents a \$32.7 billion decrease from the prior fiscal year and is mainly attributable to decreases in the Net Pension Liability and Other Postemployment Benefits (OPEB) Liability of \$20.2 billion and \$12.8 billion, respectively, resulting from changes in actuarial assumptions relating to the pensions and OPEB plans.

The State Constitution has a balanced budget measure which provides that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor.

In addition, the State Constitution has a debt limitation clause which provides that the State Legislature shall not, in any manner, create in any fiscal year a debt or liability of the State, which, together with any previous debts or liabilities, shall exceed at any time 1% of the total amount appropriated by the general appropriation law for such year, unless the same shall be authorized by a law for some single object or work distinctly specified therein. The debt limitation clause does not apply to the creation of any debts or liabilities for purposes of war, or to repel invasion, or to suppress insurrection or to meet an emergency caused by disaster or act of God (the "Exception").

The New Jersey Local Bond Law (N.J.S.A. Section 40A:2-1 et seq.) governs the issuance of bonds and notes by local units (including counties) for financing improvements. The statute provides that (i) the power and obligation of a local unit to pay any and all bonds and notes issued by it pursuant to the Local Bond Law shall be unlimited, (ii) the county or municipality shall levy ad valorem taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes, without limitation as to rate or amount, (iii) no local unit shall authorize obligations for any improvement or purpose having a period of usefulness of less than five years, and (iv) after issuance, all obligations shall be conclusively presumed to be fully authorized and issued under all of the laws of the State, and any person shall be estopped from questioning their sale, execution or delivery by the local unit.

No bond ordinance will be finally adopted if it appears from the supplemental debt Statement required by the Local Bond Law that the percentage of net debt as stated therein exceeds 2%, in the case of a county, or 3½%, in the case of a municipality. The Local Bond Law sets forth certain exceptions to the foregoing debt limitation.

A local government may seek a waiver from the debt limitation for a bond ordinance authorizing obligations solely for the exceptions set forth in the Local Bond Law. The application must be submitted to the Local Finance Board within the established filing schedule on a form approved by such Board. Approval of bond and note financing in excess of the debt limit in certain instances require the applicant to justify and demonstrate the existence of extraordinary conditions.

The Local Finance Board is a functional area within the Division of Local Government Services. It is statutorily responsible for promulgating rules and regulations on the fiscal obligations, fiscal reporting and overseeing the fiscal condition of all New Jersey municipalities, counties, local authorities and special district.

**Pennsylvania.** The General Fund, the Commonwealth of Pennsylvania's (referred to herein as the "Commonwealth," the "state" or "Pennsylvania") largest operating fund, receives all tax revenues, non-tax revenues, and federal grants and entitlements that are not specified by law to be deposited elsewhere. The majority of the Commonwealth's operating and administrative expenses are payable from the General Fund. Debt service on all bond indebtedness of the Commonwealth, except that issued for highway purposes or for the benefit of other special revenue funds, is payable from the General Fund.

Certain financial and operating data as well as demographic information provided below include data, information, projections and estimates for periods before, during, and after the outbreak of the novel strain of corona virus (“COVID-19”) pandemic, and the measures and executive orders issued to mitigate the spread of COVID-19. The COVID-19 pandemic has disrupted and is expected to continue to disrupt the state and national economy. Accordingly, such financial, operating data and other information are not necessarily indicative of the long-term impacts of COVID-19 pandemic on the Commonwealth. The GAAP-basis financial data provided herein are unaudited but are derived from the Commonwealth’s Annual Comprehensive Financial Report (“ACFR”) for the relevant fiscal year. The discussion of financial performance on a budgetary basis for prior fiscal years is based on the Commonwealth’s publicly available analysis of budget numbers and not on numbers prepared in accordance with GAAP.

The Commonwealth continues to monitor and assess the effects of the COVID-19 pandemic and its impact on the Commonwealth’s financial position and results of operations. The complete fiscal impact of COVID-19 on the Commonwealth is likely to change as the situation further develops and cannot be fully quantified at this time.

The most recent ACFR available for the Commonwealth is for the fiscal year ended June 30, 2022. On a GAAP basis, at June 30, 2022, the General Fund reported a fund balance of \$5,537 million, an increase of \$5,533 million from the revised \$4 million fund balance at June 30, 2021.

During fiscal year 2022, General Fund revenues of the Commonwealth were above the certified estimate by \$5,598 million or 13.2 percent on an actual budgetary basis. Final Commonwealth General Fund revenues for fiscal year 2022 totaled \$48,134.2 million, and total expenditures, net of appropriation lapses and including public health and human services assessments and expenditures from additional sources, were \$39,351.2 million. After accounting for a positive fiscal year 2021 beginning balance of \$4.4 million, and a transfer to the Budget Stabilization Fund, the Commonwealth ended fiscal year 2022 with a surplus of \$5,537.4 million. Also on an actual budgetary basis, General Fund revenues increased \$7,742.2 million during fiscal year 2022 when measured on a year-over-year basis as compared to fiscal year 2021.

Governor Shapiro signed the fiscal year 2024 budget into law on August 3, 2023, just over a month into the start of the fiscal year. The adopted fiscal year 2024 budget appropriates \$45.5 billion in total expenditures. As of November 15, 2023, the General Assembly had adopted some, but not all of the requisite fiscal code bills to authorize the spending pursuant to the enacted budget.

The Constitution permits the Commonwealth to incur the following types of debt: (i) debt to suppress insurrection or rehabilitate areas affected by disaster, (ii) electorate-approved debt, (iii) debt for capital projects subject to the Constitutional Debt Limit, and (iv) tax anticipation notes payable in the fiscal year of issuance. All debt, except debt incurred through the issuance of tax anticipation notes, must be amortized in substantial and regular amounts.

Debt service on Commonwealth general obligation debt is paid from appropriations out of the General Fund except for debt issued for highway purposes, which is paid from Motor License Fund appropriations. Net outstanding general obligation debt totaled \$10,084.7 million at June 30, 2022, a decrease of \$854.7 million over June 30, 2021. Over the 10-year period ending June 30, 2022, total net outstanding general obligation debt increased at an annual rate of 0.6 percent. General obligation debt for non-highway purposes of \$9,179.5 million was outstanding on June 30, 2022. Outstanding debt for these purposes decreased by a net \$792.3 million since June 30, 2021. For the period ending June 30, 2022, the 10-year and 5-year average annual compound growth rate for total outstanding debt for non-highway purposes has been -0.9 percent and -3.3 percent, respectively.

Certain state-created organizations have statutory authorization to issue debt for which state appropriations to pay debt service thereon are not required. The debt of these organizations is funded by assets of, or revenues derived from, the various projects financed and is not an obligation of the state. Some of these organizations, however, are indirectly dependent upon Commonwealth operating appropriations. These organizations and their outstanding debt as of June 30, 2022 include the Delaware River Joint Toll Bridge Commission (\$676.3 million), the Delaware River Port Authority (\$1,145.9 million), the Pennsylvania Economic Development Financing Authority (\$5,867.6 million), the Pennsylvania Higher Education Assistance Agency (\$2,630.8 million), the Pennsylvania Higher Education Facilities Authority (\$5,432.7 million), the Pennsylvania Industrial Development Authority (\$45.4 million), the Pennsylvania Infrastructure Investment Authority (\$81.6 million), the Pennsylvania Turnpike Commission (\$15,442.4 million) and the State Public School Building Authority (\$2,271.5 million).

The only obligations of state-created agencies in Pennsylvania that bear a moral obligation of the state are those issued by the Pennsylvania Housing Finance Agency, a state-created agency that provides financing for housing for lower and moderate income families in the Commonwealth, which had \$3,657.5 million in bonds outstanding at June 30, 2022.

The Commonwealth Financing Authority (“CFA”) was established with the enactment of legislation establishing the CFA as an independent authority and an instrumentality of the Commonwealth. The CFA is authorized to issue limited obligation revenue bonds and other types of limited obligation revenue financing for the purposes of promoting the health, safety, employment, business opportunities, economic activity and general welfare of the Commonwealth and its citizens through loans, grants, guarantees, leases,

lines and letters of credit and other financing arrangements to benefit both for-profit and non-profit entities. The CFA's bonds and financing are to be secured by revenues and accounts of the CFA, including funds appropriated to CFA from general revenues of the Commonwealth for repayment of CFA obligations. The obligations of the CFA do not constitute a debt or liability of the Commonwealth.

The CFA has completed multiple bond issues to fund programs established by its original economic stimulus mission. In Act 85 of 2016, the General Assembly enacted a new Section 1753.1-E of its Fiscal Code that obligates the State Treasurer, in consultation with the Commonwealth's Secretary of the Budget, to transfer the monies necessary for payment of CFA's debt service each fiscal year, beginning July 1, 2016, from sales tax receipts deposited in the General Fund to a restricted revenue account within the General Fund that may only be used to pay that debt service. Section 1753.1-E is a continuing appropriation of those monies from the State Treasury for payment of the CFA's debt service each fiscal year.

The General Assembly also enacted Act 63 of 2008 ("Act 63") and Act 1 of Special Session 1 of 2008 ("Act 1"). Combined, these two acts provide the CFA with additional bond indebtedness authority of up to \$1,300 million. Act 63 of 2008 provides the CFA with authority to issue up to \$800 million in limited obligation revenue bonds in order to fund water or sewer projects, storm water projects, flood control projects and high hazard unsafe dam projects. Act 63 also provides for the use of Pennsylvania Gaming and Economic Development and Tourism Fund revenues to support debt service costs associated with the \$800 million in additional CFA debt authority. Act 1 provides the CFA with authority to issue up to \$500 million in limited obligation revenue bonds to fund the development of alternative sources of energy. As of 2021, the CFA had issued \$473 million in limited obligation revenue bonds authorized by Act 1 and \$757 million in limited obligation revenue bonds authorized by Act 63. As of June 30, 2022, the CFA had \$4,356.9 million in outstanding bond debt. With respect thereto, a restricted revenue account is funded annually through a Sales and Use Tax Transfer as the source used to service approximately \$3,653.6 million of outstanding debt and the Pennsylvania Gaming and Economic Development and Tourism Fund has been the source used to service approximately \$597.6 million of such outstanding debt.

Pennsylvania is currently involved in certain litigation where adverse decisions could have an adverse impact on its ability to pay debt service. In 1978, the General Assembly approved a limited waiver of sovereign immunity with respect to lawsuits against the Commonwealth. Damages for any loss are limited to \$250,000 for each person and \$1,000,000 for each accident. The Supreme Court of Pennsylvania has held that this limitation is constitutional. This cap does not apply to tax appeals such as Nextel Communications as detailed below. There are also no caps on damages in civil rights actions. As of June 30, 2022, approximately 1,423 suits against the Commonwealth remain open. Tort claim payments for the departments and agencies, other than the Department of Transportation, are paid from departmental and agency operating and program appropriations. Tort claim payments for the Department of Transportation are paid from an appropriation from the Motor License Fund. The Commonwealth's self-insurance program covers damages in these civil cases up to \$250,000 per incident. Damages in excess of \$250,000 are paid from departmental and agency operating and program appropriations. The specific litigation matters described below are provided as examples only and do not comprise a complete listing of material ongoing or pending litigation involving the Commonwealth of Pennsylvania, its agencies, subdivisions and instrumentalities.

*Pennsylvania Professional Liability Joint Underwriting Association v. Wolf, Nos. 18-2297, 18-2323, 19-1057 & 19-1058 (Third Cir. Ct. of Appeals).* The Pennsylvania Professional Liability Joint Underwriting Association ("JUA") first initiated an action against Governor Wolf on May 18, 2017, case no. 1:17-cv-00886-CCC (M.D. Pa.). The JUA challenged, on various federal constitutional grounds, a provision of Act 85 of 2016 that directed (1) the transfer of \$200.0 million from the JUA to the General Fund and (2) repayment of the transferred sum over a five-year period commencing July 1, 2018. The contemplated transfer did not take place. During the pendency of case no. 1:17-cv-00886-CCC, Act 44 of 2017 became law. Act 44 of 2017 again mandated the transfer of \$200.0 million from the JUA to the General Fund and, if such transfer was not made by December 1, 2017, mandated the abolishment of the JUA. The JUA challenged Act 44 of 2017 at case no. 1:17-cv-02041-CCC (M.D. Pa.). To date, no transfer of funds from the JUA to the General Fund has taken place. On November 30, 2017, the Court stayed case no. 1:17-cv-00886-CCC pending the outcome of 1:17-cv-02041-CCC. On May 17, 2018, the Court held that the sections of Act 44 of 2017 pertaining to the JUA are an unconstitutional taking of private property under the 5th and 14th Amendments to the U.S. Constitution. Act 41 of 2018 folded the JUA into the Department of Insurance and shifted control of the JUA and its assets to that Department. The JUA challenged Act 41 of 2018 at case no. 1:18-cv-01308-CCC (M.D. Pa.). On December 18, 2018, the Court held that Act 41 of 2018 also violated the 5th and 14th Amendments to the U.S. Constitution. Governor Wolf and the other defendants have appealed the trial court orders to the Third Circuit Court of Appeals, which has consolidated the cases for appeal. The appellate briefing is finished and the Third Circuit scheduled argument. During the pendency of the appeal, the General Assembly enacted Act 15 of 2019. This act, among other things, places the JUA under the purview of the Right-To-Know Law, the Commonwealth Attorneys Act, the Pennsylvania Web Accountability and Transparency Act, and the Commonwealth Procurement Code. Act 15 of 2019 also newly requires the JUA to submit annual budget requests to the Secretary of the Budget and to be funded via appropriations from the General Assembly. Aside from these requirements, Act 15 of 2019 does not implicate any transfer of funds to or from the JUA or the General Fund. The JUA brought a new action challenging the constitutionality of the law, case no. 1:19-cv-1121 (U.S.D.C., M.D. Pa.), seeking, in part, a preliminary injunction. On July 17, 2019, the district court denied the request for injunctive relief, finding that the JUA had failed to establish irreparable harm. Because of the enactment of Act 15 and initiation of case no. 1:19-cv-1121,

the Third Circuit canceled oral argument and placed the appeal on its curia advisor vult (CAV) list, requiring the parties to inform the Court every 120 days of the status of case no. 1:19-cv-1121, and any additional legislative enactments. The appeal is stayed pending adjudication of the challenge to Act 15 in the district court. The Court issued a ruling on December 22, 2020, holding Act 15 unconstitutional in part. Particularly, the Court ruled that Act 15 is unconstitutional insofar as it resources the entity, and requires it to comply with the budgetary process, because it restricts the use of its private funds. It ruled that it is unconstitutional as a violation of the First Amendment and procedural due process insofar as it applies the Commonwealth Attorneys Act, because it restricts JUA's choice of counsel. The Court did grant summary judgment with respect to JUA's claims against the application of the Sunshine Act, and Right-to-Know Law, holding that these provisions are constitutional as rational. All parties appealed the District Court's order on Act 15 to the Third Circuit, which consolidated the three appeals. On March 8, 2023, the Pennsylvania Supreme Court granted a Petition for Certification of Question of State Law from the Third Circuit on the question of whether, under Pennsylvania law, the Commonwealth's Joint Underwriting Association is a public or private entity. Briefing has concluded and oral arguments before the Pennsylvania Supreme Court have been scheduled.

*Nextel Communications of the Mid-Atlantic, Inc. v. Commonwealth of Pennsylvania (Pennsylvania Supreme Court)*. On September 16, 2015, the Commonwealth Court of Pennsylvania held that the Pennsylvania net operating loss deduction ("NOL Deduction"), violated the Uniformity Clause of the Constitution. Pennsylvania law allows corporate taxpayers to deduct losses incurred in prior tax years to reduce the taxable income in subsequent years, and this deduction is referred as the NOL Deduction. The NOL Deduction is, however, limited. For example, in the tax year at issue in Nextel, the amount of the NOL Deduction was limited to the greater of: (i) 12.5% of the taxpayer's taxable income or (ii) \$3 million. Originally, the Court held the \$3 million fixed dollar cap, as applied to this taxpayer, violated the Uniformity Clause. The Court declined to delete the entire NOL Deduction and thus disallow all NOL Deductions (both for this taxpayer and all other taxpayers for this year (2007) and all years thereafter). The Commonwealth appealed the decision to the Pennsylvania Supreme Court. The Supreme Court issued a decision on October 18, 2017 holding that the net operating loss carryover is unconstitutional as written because of its inclusion of the \$3 million flat deduction. But the Supreme Court reversed the Commonwealth Court's order directing the Department of Revenue to issue a refund to Nextel. The Supreme Court severed the \$3 million flat deduction from the net operating loss carryover, limiting Nextel to the deduction it had claimed, consisting of 12.5% of taxable income. The effect of this decision is that the Commonwealth will likely realize additional tax revenues collected from small corporations who previously benefited from the \$3 million flat deduction because it was greater than a deduction of 12.5% of taxable income. By now being limited to the percentage deduction, these small corporations will have lower net loss carryover deductions, and as a result will likely pay more tax. Nextel filed a petition for a writ of certiorari with the United States Supreme Court on May 3, 2018, docketed at No. 17-1506. On June 11, 2018, the United States Supreme Court denied the petition for a writ of certiorari. Although this matter has concluded, it remains relevant to the RB Alden Corp., General Motors, and Alcatel matters, referenced below.

*RB Alden Corp. v. Commonwealth of PA (Pennsylvania Supreme Court)*. This matter raises the same NOL Deduction issue that was raised in Nextel Communications of the Mid-Atlantic, except that the statutory provision in RB Alden limits the deduction to \$2 million (rather than \$3 million in Nextel), and does not allow for an alternative deduction amount based on a percentage (12.5%) of taxable income. On June 15, 2016, a panel of the Commonwealth Court of Pennsylvania held that, in accordance with its decision in Nextel, the cap on the NOL Deduction was unconstitutional and should be eliminated in its entirety. On Exceptions, the decision was affirmed by the Commonwealth Court sitting en banc. Both decisions were handed down by the Commonwealth Court before the Pennsylvania Supreme Court decided in Nextel to sever the \$3 million flat deduction, leaving intact the deduction consisting of 12.5% of taxable income. The Commonwealth appealed to the Pennsylvania Supreme Court. RB Alden filed a cross appeal because Commonwealth Court rejected RB Alden's argument that the Tax Benefit Rule applied to remove all caps on the NOL Deduction. This Rule provides that recovery of a previously deducted loss is not included in taxable income to the extent that the earlier deduction did not reduce the amount of tax owed in the year the initial deduction was taken. Commonwealth Court determined that the Tax Benefit Rule, operating to remove all caps on the NOL Deduction, is contrary to the statute that expressly limited the NOL Deduction to \$2 million. On September 21, 2018, the Supreme Court vacated the Commonwealth Court's order and remanded the case to Commonwealth Court for reconsideration in light of the Supreme Court's decision in Nextel v. Commonwealth, 171 A.3d 682 (Pa. 2017). This matter was argued before a panel in Commonwealth Court on September 10, 2019. On November 21, 2019, the Commonwealth Court issued its opinion in 73 F.R. 2011. The parties agreed, and the Court held, that the \$2,000,000 NOL cap violated the Uniformity Clause of the Pennsylvania Constitution. The Court concluded that the NOL cap could be severed and retroactively applied that remedy. The Commonwealth filed exceptions on December 20, 2019 and, as part of those exceptions, asked that Commonwealth Court's order be deemed final. An appeal to the Pennsylvania Supreme Court was filed on February 20, 2020. On February 23, 2022, the Pennsylvania Supreme Court vacated the Commonwealth Court's order and the matter was remanded to Commonwealth Court for ruling consistent with the Court's decision in General Motors v. Commonwealth permitting an unlimited NOL deduction. On November 29, 2022, the parties filed a Stipulation for Judgment closing the case. No action is anticipated in this matter. *Alcatel-Lucent USA, Inc. v. Commonwealth of Pennsylvania (Commonwealth Court)*. Following the Nextel decision, the Department of Revenue issued Corporation Tax Bulletins 2017-10 and 2018-02 to announce that the flat-dollar cap on the net loss deduction would no longer be available for tax years beginning in 2017 and thereafter. Alcatel-Lucent challenges those Bulletins and argues that the Department of Revenue has violated the uniformity, equal protection, due process, and remedies

clauses in its failure to retroactively apply Nextel and assess taxpayers who took the flat-dollar net loss deduction beginning with the 2014 tax year. On September 13, 2021, a unanimous Commonwealth Court panel held that Nextel applied prospectively and denied the request for a retroactive refund. On June 22, 2022, the matter was argued on exceptions before the Commonwealth Court sitting en banc. The en banc Court issued its decision on December 28, 2022 holding that, in light of the Pennsylvania Supreme Court's decision in the General Motors case, Nextel applies retroactively and granting Alcatel-Lucent's request to remand to the Board of Finance and Revenue for the issuance of a refund. This could result in tax refunds of approximately \$150 million for the 2014 – 2016 tax years and tax refunds of approximately \$208 million for the 2007 – 2013 tax years.

*General Motors Corporation (Commonwealth Court)*. This matter raises the same issue as R.B. Alden Corp. The Supreme Court in Nextel held that the statutory dollar cap on the NOL Deduction is unconstitutional. With the elimination of the dollar cap, the issue now is whether the NOL Deduction is unlimited or if there is no deduction at all for a tax year in which the statute does not provide for an alternative deduction amount based on a percentage of taxable income. In addition, this case raises the issue of whether the Due Process and Equal Protection Clauses of the U.S. Constitution and the Remedies Clause of the Pennsylvania Constitution require backward-looking relief that might result in a refund granted to General Motors. On November 21, 2019, the Commonwealth Court issued its opinion in 869 F.R. 2012. As with RB Alden Corp., no. 73 F.R. 2011, the Court held that the NOL cap violated the Uniformity Clause of the Pennsylvania Constitution. The Court concluded that the NOL cap could be severed and retroactively applied that remedy. The Commonwealth filed exceptions on December 20, 2019 and, as part of those exceptions, asked that Commonwealth Court's order be deemed final. An appeal to the Pennsylvania Supreme Court was filed on February 27, 2020. On December 21, 2021, the Pennsylvania Supreme Court issued a 5-2 decision and held that General Motors was entitled to an unlimited NOL Deductions and ordered Revenue to calculate a refund based upon that recalculation. The matter was remanded to the Board, a hearing was held and after consultation with DOR's Bureau of Audits (and any necessary adjustment to the existing NOL's was made), DOR consented to the refund amount. BF&R issued an Order approving the refund and Treasury has been directed to issue the refund requested. No further action is anticipated on this matter.

*Synthes USA HQ, Inc. v. Commonwealth of Pennsylvania (Commonwealth Court)*. Synthes filed its tax return using the statutory method for reporting service receipts and now seeks a refund based on the Department of Revenue's historical interpretation of the statute, which sources service receipts to the customer location. Synthes argues that the Department of Revenue is violating the Uniformity Clause by unequally enforcing the statute. The Office of Attorney General argues that Synthes is required to report its sales in accordance with the statutory method, which is inconsistent with the requested methodology of sourcing to the customer location, and that the Department of Revenue has been uniform in its enforcement of the statute. Initial briefing was completed on February 4, 2020. On February 11, 2020, the Department of Revenue filed an Application to Intervene. Oral argument before the Commonwealth Court occurred on June 11, 2020. On July 24, 2020, the Commonwealth Court ruled in favor of Synthes. The Commonwealth filed exceptions to the Commonwealth Court's decision on August 24, 2020. The Commonwealth Court's July 24, 2020 order was entered as final on January 21, 2021. The Commonwealth filed an appeal to the Pennsylvania Supreme Court on February 16, 2021. On February 22, 2023, the Pennsylvania Supreme Court affirmed the Commonwealth Court's decision and remanded to the Board of Finance and Revenue for calculation and issuance of a tax refund to Synthes for the 2011 tax year.

*Pennsylvania Environmental Defense Foundation (PEDF) v. Commonwealth of PA, No. 228MD2012 (Pennsylvania Commonwealth Court); 64 MAP 2019 (Pennsylvania Supreme Court)*. PEDF filed a petition for review involving Article I, § 27 of the Pennsylvania Constitution ("the environmental rights amendment"), the Conservation and Natural Resources Act, and the Oil and Gas Lease Fund Act. PEDF argues that rentals and bonus bid payments for oil and gas leases constitute corpus of the trust under the environmental rights amendment. On June 20, 2017, the Supreme Court held that the Commonwealth owes a fiduciary duty to the people of Pennsylvania to preserve natural resources. The Court ruled that proceeds from the sale of oil and gas must remain in the corpus of the trust and cannot be used on general budgetary items, but remanded to Commonwealth Court regarding the nature of rentals and bonus bid payments. Commonwealth Court held that (1) rents and bonuses were not received in consideration for permanent severance of natural resources; (2) two-thirds of the proceeds of rents and bonuses constitute trust principal, with one-third of the proceeds constituting income; and (3) the income portion may be used for non-conservation purposes. On August 12, 2019, PEDF appealed the ruling to the Pennsylvania Supreme Court. Oral argument was held before the Court on September 17, 2020. On July 21, 2021, the Supreme Court issued a decision reversing Commonwealth Court and holding that income generated from bonus payments, rentals, and penalty interest must be returned to the trust corpus as a matter of trust law. This case is now closed.

*William Penn Sch. Dist. v. Commonwealth, (Pa Cmwlth. Ct.)*. The Petitioners (including School Districts, parents, and other interested parties) filed a Petition for Review in the Nature of an Action for Declaratory and Injunctive Relief in Commonwealth Court against, inter alia, the Department of Education, the Governor, and members of the General Assembly, seeking to mandate that the Respondents provide adequate funding that would result in equal opportunity for children throughout the Commonwealth to obtain an adequate education. Petitioners asked the Court to enter permanent injunctions compelling the Respondents to establish, fund, and maintain a thorough and efficient system of public education that provides all students in Pennsylvania with an equal opportunity to obtain an adequate education. This matter was previously dismissed by the Commonwealth Court, which found that it presented a nonjusticiable political question. Petitioners filed an appeal with the Pennsylvania Supreme Court, which reversed the Commonwealth Court and ordered the Commonwealth Court to address Petitioners' claims. On February 7, 2023,

the Commonwealth Court issued its decision holding Pennsylvania's school funding system to be unconstitutional. The Executive Branch will not be solely responsible for funding and relief, and neither Petitioners nor the Court have articulated an amount that they would consider to be adequate funding. Previous studies, however, indicate that Petitioners may seek education investments totaling up to \$4.6 billion annually.

## U.S. TERRITORY MUNICIPAL OBLIGATIONS

### PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM AND AMERICAN SAMOA

**Puerto Rico.** The Commonwealth of Puerto Rico differs from the states in its relationship with the federal government. Most federal taxes, except those such as social security taxes that are imposed by mutual consent, are not levied in Puerto Rico. Puerto Rico has a relatively diversified economy and according to the Bureau of Labor Statistics, the largest employment sectors are government, trade, transportation, utilities, education, and health services. Puerto Rico entered into a recession in the fourth quarter of 2006 and experienced a continuous economic decline through 2018. The Government Development Bank Economic Activity Index reported a 20% cumulative economic decline from 2006 – June 2016 and an 8% decline during the 2018 fiscal year resulting from Hurricanes Irma and Maria. According to the International Monetary Fund, real GDP growth for Puerto Rico was 1.2% in 2019, reflecting continued disaster relief spending and structural reforms, however GDP contracted by 7.5% in 2020 due to the COVID-19 impact. The United States Census Bureau reports that Puerto Rico's median household income is just \$19,606, or 35% of the \$55,322 United States average, and 45% of Puerto Rico's population lives below the poverty line. Puerto Rico's population has declined by roughly 11% since 2010, and the Financial Oversight and Management Board for Puerto Rico (Oversight Board) is currently projecting population to decline further by 2% by FY2027, and that by FY2052, the drop will grow to 24%.

Due to its ongoing financial difficulties, the Commonwealth found itself unable to structurally balance its budget and fund essential services. On June 30th, 2016 President Obama signed the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) which provides for 1) a seven-member Federal Oversight Board with control over Puerto Rico's finances, 2) a debt adjustment provision patterned after federal Chapter 9 bankruptcy rules, and 3) an automatic stay on litigation through May 1, 2017. Since the expiration of the automatic stay on May 1, 2017, the Commonwealth has faced numerous lawsuits, resulting in five Puerto Rico entities filing for Title III protection under PROMESA, which is similar to Chapter 9 municipal bankruptcy. Prior to filing for Title III, the Oversight Board certified the Commonwealth's 10-year financial plan. Given the constrained liquidity position, the plan called for fiscal and austerity measures to reduce the \$68 billion cumulative deficit.

The Commonwealth has been in Title III bankruptcy proceedings for roughly five years. This delay in exiting bankruptcy proceedings has been driven by uncertainties related to various natural disasters (including hurricanes such as Irma and Maria in 2017, and a series of earthquakes in 2020) as well as the impact of the COVID-19 pandemic. At the height of the pandemic, the island's fiscal and economic outlooks were largely negative. However, multiple rounds of U.S. federal stimulus contributed to faster than expected economic recovery at the national level as well as for the Commonwealth. The Commonwealth's Fiscal Plan assumes \$43.5 billion of federal funding related to the COVID-19 stimulus packages passed in 2020 and early 2021 (equal to approximately 50% of the island's Gross National Product). Across the federal aid packages, key provisions include direct aid to the government of the Commonwealth, funds to reopen schools and support a national vaccination program, as well as economic support to residents of the Island. The unprecedented levels of federal aid related to the recent natural disasters and COVID-19 pandemic are key to stimulating Puerto Rico's economy in the next several years.

After roughly five years in bankruptcy, on January 18, 2022, Judge Laura Taylor Swain of the US Bankruptcy Court for the District of Puerto Rico confirmed the Commonwealth's Plan of Adjustment, which reduced outstanding debt and other claims by almost 80%, from \$33 billion to \$7.4 billion. Taken together with the already completed Puerto Rico Sales Tax Financing Corporation (COFINA) debt restructuring, the Plan is expected to save the Commonwealth almost \$60 billion in debt service payments. The General Obligation (GO) and Public Building Authority (PBA) claims received a combination of cash, new GO bonds, and Contingent Value Instrument (CVI) payments (sales tax outperformance). Estimated GO/PBA recovery rates range from 67.7% - 80.3% depending on bond class, excluding CVI payments. Other claims such as ERS, various Clawback, and various other non-bond claims were settled mainly via cash and CVI, with fixed recoveries ranging in the 14%-30%, not including any potential CVI payments where applicable.

To date, eleven Puerto Rico issuers have defaulted on their debt, with the total amount of missed principal payments approximately \$5.8 billion. Three borrowers have restructured their debt under PROMESA, COFINA (93% senior bondholder recovery, and 56% junior bondholder recovery), and the Government Bank of Puerto Rico (55% bondholder recovery), and most recently the Commonwealth. On February 12th 2019, the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF) and the Puerto Rico Sales Tax Financing Corporation (COFINA) announced the effectiveness of COFINA's Title III Plan of Adjustment (POA). In accordance with the POA, \$12.02 billion in new sales tax revenue bonds were issued, providing the Commonwealth with \$17 billion in debt service savings (34%) and access to \$425 million in annual sales tax receipts formerly pledged to COFINA. Furthermore, the Government Development Bank received federal approval for the Title VI restructuring of their \$4 billion in debt which was finalized on November 29th 2018. In addition, in August 2019, the Puerto Rico Aqueduct and Sewer Authority (PRASA) and the Government



of Puerto Rico reached an agreement with the US. Environmental Protection Agency (EPA) and the U.S. Department of Agriculture (USDA) to a consensual modification of about \$1 billion of outstanding loans under PROMESA's section 207, which lowered PRASA's debt service payments by about \$380 million over the next ten years, while also eliminating the guaranty claims against the Puerto Rico Government. The Commonwealth and related public corporations cumulatively had over \$68 billion in debt outstanding, and while related, each credit and bond security should be evaluated separately.

**The U.S. Virgin Islands.** The United States Virgin Islands ("USVI") is an unincorporated territory of the US, with a population of 107,268. Its economy is heavily reliant on the tourism industry, oil refining, and rum production. In September 2017, the USVI was also hit with Hurricanes Irma and Maria within a 14 day period. The two hurricanes caused widespread devastation to the islands, and while the territory has benefitted from disaster relief funding, these storms have worsened the already weak financial position of the government. For the period 2008-2018, annual GDP growth was positive for five years and negative for six years. In 2018 and 2019, the economy was in recovery (largely fueled by federal disaster assistance spending), and a similar level of growth was anticipated for 2020. But the COVID-19 pandemic drove the USVI economy into a sharp contraction in the first half of 2020 (with the tourism industry estimated to be roughly 30% of GDP), however GDP decline was ultimately shallower at an annualized rate of negative 2.2% in 2020.

Limetree Bay Energy, the territory's largest employer, closed in the second half of 2021 because it was unable to secure capital in order to meet EPA requirements. Refinery shutdown is expected to cause a \$20 million drop in budget revenues, however, the shortfall is anticipated to be covered by a portion of the American Rescue Plan Act (ARPA) stimulus money. Positively, the central government received roughly \$629M in ARPA federal stimulus money which will be a budget tailwind in the near term. In April 2022, the US VSVI closed on a transaction to issue roughly \$950 million in bonds to refinance existing matching fund bonds through a special purpose corporation in order to realize present value debt service savings with a stated goal of freeing up funds to provide financial stability and liquidity to the Government Employee Retirement System (GERS). The GERS was on track to become insolvent by fiscal year 2024, however, this securitization deal is expected to boost GERS liquidity and solvency over the next few years. Historically, USVI budgets have been structurally imbalanced, with recurring large deficits resulting in mounting public debt. For the past decade, the government has largely relied on borrowing to close its annual deficits. In early 2017, the island was unable to access the capital markets in order to provide budgetary relief due to the growing concerns about the territory's weak financial position.

An important component of the USVI revenue base is the federal excise tax on rum exports. Tax revenues rebated by the federal government to the USVI provide the primary security of many outstanding USVI bonds; however, there can be no assurance that rum exports to the United States and the rebate of tax revenues to the USVI will continue at their present levels. The USVI receives a \$10.50 per proof gallon base rate from the \$13.50 federal excise tax; this base rate has periodically been increased to a higher \$13.50 but requires approval from the US Senate Finance Committee. Moody's rates the USVI general obligations Caa3, while Fitch had maintained an implied general obligation rating of CCC negative until its recent rating withdrawal. S&P does not rate the USVI general obligations. The new Matching Fund Special Purpose Securitization Corporation bonds are rated by Kroll only at BBB stable.

**Guam.** Guam is a United States territory located 3,810 miles west of Hawaii and 1,500 miles southeast of Japan and its economy is based primarily on Japanese and Korean tourism and the United States military due to its strategic position as the western most territory/state in the United States. The territory has a population of 164,229, with an additional 13,000 active military personal and military dependents. On February 16, 2021, the Bureau of Economic Analysis of the U.S. Department of Commerce (BEA) estimates that Guam's gross domestic product grew from \$5.8 billion in 2015 to \$6.3 billion in 2019. However, Guam's economy has been and is expected to continue to be negatively impacted by the ongoing Covid-19 pandemic.

It is estimated that 35% of Guam's tax revenue is directly or indirectly generated via tourism and 86% of its tourists come from Japan and South Korea. The COVID-19 pandemic is negatively impacting the sector with tourist arrivals to the island down 96% and down 54%, respectively in FY2021 and FY2020 relative to FY19. Despite this, the American Rescue Plan Act which provides roughly \$600 million in direct stimulus aid to the Government will be a budget tailwind in the short term.

The Government of Guam had a history of persistent operating deficits. Operating deficits have been caused by a number of issues including the global recession of 2008-2009, natural disasters, the SARS epidemic, retiree settlement liabilities, and past administrations and legislatures that were unwilling to control expenses. The island is fiscally distressed with weak fund balances and thin liquidity. Despite surpluses in 2016-2021, Guam ended FY2021 with a weak general fund balance of \$30 million, or positive 4% of revenues and an unassigned general fund balance deficit of \$74 million, or negative 10% of revenues. That said, the recent positive performance was inflated due to federal stimulus money.

According to recent disclosure, the island has roughly \$4 billion in debt, unfunded pension liabilities, and other post-employment benefits (OPEB) liabilities compared with \$6.3 billion in GDP. The history of large negative general fund balances and limited liquidity has constrained the territory's rating. Recently, Moody's has affirmed its Guam general obligation ratings of Ba1 but revised its outlook to positive from stable to reflect Guam's improved financial position resulting from strong general revenue performance,

which was boosted by federal pandemic aid over the last two years. The Government of Guam has also issued bonds backed by Section 30 revenue (federal income taxes derived from military personnel and federal civil service employees on Guam) which are rated BB Stable by S&P. Additionally, the Government of Guam established a new credit in 2011, creating a lien on Business Privilege Taxes. This was Guam's highest rated credit at A stable by S&P until credit was downgraded to BB stable by S&P and Fitch removed its rating.

**American Samoa.** American Samoa (for purposes of this section, the "Territory") is a self-governing United States territory, covering seven South Pacific islands and atolls, 2,700 miles southwest of Hawaii. The Territory, population 56,400, has a small economy concentrated in tuna packing and government, with wealth levels well below the U.S. average. As an unincorporated and unorganized territory of the United States, not all provisions of the U.S. Constitution apply to the Territory, and residents are U.S nationals but are not U.S citizens. According to the American Samoa Department of Commerce, the island's GDP has been very volatile, with GDP declines of 1.7% and 7% in 2016 and 2017, respectively; then GDP increased by 3.3% in 2018 driven by tuna canning exports and post-disaster construction activity, but then declined again by 1.4% in 2019. 2020 was a successful year for the tuna business on the island as the Covid-19 pandemic increase demand for the canned tuna products.

The Territory receives, and is reliant on, both operational and capital infrastructure aid from the U.S. Government. The Territory's primary revenue sources are income taxes and excise taxes. For FY2022, the territory finished with another surplus, which increased the general fund balance to 36% of revenues; on a positive trend since FY2014 when the General Fund balance was negative 13%. The American Rescue Plan Act provided roughly \$479 million in direct funding to the Government, which will be a budget tailwind in the short term. According to recent disclosure, the island has roughly \$400 million in debt and unfunded pension liabilities compared with roughly \$638 million in GDP. The Territory currently issues debt backed by their full faith general revenue pledge, and is rated Ba3 stable by Moody's. Moody's recently revised the territory's outlook to stable from negative in order to reflect the improved financial position and the significant federal government support received in response to the coronavirus pandemic, which may enable the territory to weather economic swings that may occur in the next two years.

## RATINGS

The ratings indicated herein are believed to be the most recent ratings available at the date of this SAI for the securities listed. Ratings are generally given to securities at the time of issuance. While the rating agencies may from time to time revise such ratings, they undertake no obligation to do so, and the ratings indicated do not necessarily represent ratings which would be given to these securities on a particular date.

### MOODY'S INVESTORS SERVICE, INC. ("Moody's")

Ratings assigned on Moody's global long-term and short-term rating scales are forward-looking opinions of the relative credit risks of financial obligations issued by non-financial corporates, financial institutions, structured finance vehicles, project finance vehicles, and public sector entities. Long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Short-term ratings are assigned to obligations with an original maturity of thirteen months or less and reflect the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of a default or impairment.

#### GLOBAL LONG-TERM RATINGS SCALE

**Aaa:** Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

**Aa:** Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

**A:** Obligations rated A are considered upper-medium grade and are subject to low credit risk.

**Baa:** Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics

**Ba:** Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

**B:** Obligations rated B are considered speculative and are subject to high credit risk.

**Caa:** Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

**Ca:** Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

**C:** Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

**Note:** Moody's appends numerical modifiers, 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

#### GLOBAL SHORT-TERM RATING SCALE

Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs or to individual short-term debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

**P-1:** Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

**P-2:** Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

**P-3:** Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

**NP:** Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime ratings categories.

#### ISSUER RATINGS

Issuer Ratings are opinions of the ability of entities to honor senior unsecured debt and debt like obligations. As such, Issuer Ratings incorporate any external support that is expected to apply to all current and future issuance of senior unsecured financial obligations and contracts, such as explicit support stemming from a guarantee of all senior unsecured financial obligations and contracts, and/or implicit support for issuers subject to joint default analysis (e.g. banks and government-related issuers). Issuer Ratings do not incorporate support arrangements, such as guarantees, that apply only to specific (but not to all) senior unsecured financial obligations and contracts.

## US MUNICIPAL SHORT-TERM OBLIGATION RATINGS AND DEMAND OBLIGATION RATINGS

### SHORT-TERM OBLIGATION RATINGS

The global short-term 'prime' rating scale is applied to commercial paper issued by U.S. municipalities and nonprofits. These commercial paper programs may be backed by external letters of credit or liquidity facilities, or by an issuer's self-liquidity.

For other short-term municipal obligations, Moody's uses one of two other short-term rating scales, the Municipal Investment Grade (MIG) and Variable Municipal Investment Grade (VMIG) scales discussed below.

The MIG scale is used for U.S. municipal cash flow notes, bond anticipation notes and certain other short-term obligations, which typically mature in three years or less. Under certain circumstances, the MIG scale is used for bond anticipation notes with maturities of up to five years.

**MIG 1** This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

**MIG 2** This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

**MIG 3** This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

**SG** This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

### Demand Obligation Ratings

In the case of variable rate demand obligations (VRDOs), a two-component rating is assigned. The components are a long-term rating and a short-term demand obligation rating. The long-term rating addresses the issuer's ability to meet scheduled principal and interest payments. The short-term demand obligation rating addresses the ability of the issuer or the liquidity provider to make payments associated with the purchase-price-upon demand feature ("demand feature") of the VRDO. The short-term demand obligation rating uses the VMIG scale. VMIG ratings with liquidity support use as an input the short-term counterparty risk assessment of the support provider, or the long-term rating of the underlying obligor in the absence of third party liquidity support. Transitions of VMIG ratings of demand obligations with conditional liquidity support differ from transitions on the Prime scale to reflect the risk that external liquidity support will terminate if the issuer's long-term rating drops below investment grade.

**VMIG 1:** This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**VMIG 2:** This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**VMIG 3:** This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**SG:** This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have a sufficiently strong short-term rating or may lack the structural or legal protections necessary to ensure the timely payment of purchase price upon demand.

### S&P GLOBAL RATINGS ("S&P")

#### ISSUE CREDIT RATINGS DEFINITIONS

An S&P issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

Issue credit ratings can be either long-term or short-term. Short-term issue credit ratings are generally assigned to those obligations considered short-term in the relevant market. Short-term issue credit ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. Medium-term notes are assigned long-term ratings.

#### LONG-TERM ISSUE CREDIT RATINGS:

Issue credit ratings are based, in varying degrees, on S&P's analysis of the following considerations:

- Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
- Nature of and provisions of the financial obligation and the promise that it is imputed; and
- Protection afforded by, and relative position of, the financial obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation may apply when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.)

**AAA:** An obligation rated 'AAA' has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

**AA:** An obligation rated 'AA' differs from the highest-rated obligors only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.

**A:** An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

**BBB:** An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

#### **BB, B, CCC, CC and C**

Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**BB:** An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

**B:** An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

**CCC:** An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial or, economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

**CC:** An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred, but S&P expects default to be a virtual certainty, regardless of the anticipated time to default.

**C:** An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared to obligations that are rated higher.

**D:** An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

**NR:** This indicates that a rating has not been assigned or is no longer assigned.

**Plus (+) or Minus (-):** The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

#### **SHORT-TERM ISSUE CREDIT RATINGS**

**A-1:** A short-term obligation rated 'A-1' is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on the obligation is extremely strong.

**A-2:** A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

**A-3:** A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor's capacity to meet its financial commitment on the obligation.

**B:** A short-term obligation rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

**C:** A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation.

**D:** A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to 'D' if it is subject to a distressed exchange offer.

### ISSUER CREDIT RATINGS DEFINITIONS

S&P's issuer credit rating is a forward-looking opinion about an obligor's overall creditworthiness. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation.

Sovereign credit ratings are forms of issuer credit ratings.

Issuer credit ratings can be either long-term or short-term.

### LONG-TERM ISSUER CREDIT RATINGS

**AAA:** An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P.

**AA:** An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

**A:** An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

**BBB:** An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.

### BB, B, CCC and CC

Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.

**BB:** An obligor 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments.

**B:** An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

**CCC:** An obligor rated 'CCC' is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

**CC:** An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred, but S&P expects default to be a virtual certainty, regardless of the anticipated time to default.

**SD and D:** An obligor is rated 'SD' (selective default) or 'D' if S&P considers there to be a default on one or more of its financial obligations, whether long- or short-term, including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms. A 'D' rating is assigned when S&P believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. A rating on an obligor is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

**NR:** Indicates that a rating has not been assigned or is no longer assigned.

**Plus (+) or Minus (-):** The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

### **SHORT-TERM ISSUER CREDIT RATINGS**

**A-1:** An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by S&P. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

**A-2:** An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

**A-3:** An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.

**B:** An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

**C:** An obligor rated 'C' is currently vulnerable to nonpayment that would result in a 'SD' or 'D' issuer rating, and is dependent upon favorable business, financial, and economic conditions for it to meet its financial commitments.

**SD and D:** An obligor is rated 'SD' (selective default) or 'D' if S&P considers there to be a default on one or more of its financial obligations, whether long- or short-term, including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in nonpayment according to term. An obligor is considered in default unless S&P believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' rating is assigned when S&P believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

**NR:** Indicates that a rating has not been assigned or is no longer assigned.

## MUNICIPAL SHORT-TERM NOTE RATINGS

**SHORT-TERM NOTES:** An S&P U.S. municipal note rating reflects S&P opinions about the liquidity factors and market access risks unique to notes. Notes due in three years or less will likely receive a note rating. Notes with an original maturity of more than three years will most likely receive a long-term debt rating. In determining which type of rating, if any, to assign, S&P's analysis will review the following considerations: Amortization schedule--the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and Source of payment--the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note.

Municipal Short-Term Note rating symbols are as follows:

**SP-1:** Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt will be given a plus (+) designation.

**SP-2:** Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

**SP-3:** Speculative capacity to pay principal and interest.

**D:** 'D' is assigned upon failure to pay the note when due, completion of a distressed exchange offer, or the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions.

## FITCH RATINGS

### LONG-TERM CREDIT RATINGS

#### Issuer Default Ratings

**AAA: Highest credit quality.** 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. The capacity is highly unlikely to be adversely affected by foreseeable events.

**AA: Very high credit quality.** 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A: High credit quality.** 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. The capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

**BBB: Good credit quality.** 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

**BB: Speculative.** 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exist that supports the servicing of financial commitments.

**B: Highly speculative.** 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

**CCC: Substantial credit risk.** Default is a real possibility.

**CC: Very high levels of credit risk.** Default of some kind appears probable.

**C: Near default.** A default or default-like process has begun, or the issuer is in standstill, or for a closed funding vehicle, payment capacity is irrevocably impaired. Conditions that are indicative of a 'C' category rating for an issuer include:

- The issuer has entered into a grace or cure period following non-payment of a material financial obligation;
- The issuer had entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation;
- The formal announcement by the issuer or their agent of distressed debt exchange;
- A closed financing vehicle where payment capacity is irrevocably impaired such that it is not expected to pay interest and/or principal in full during the life of the transaction, but where no payment default is imminent.

**RD: Restricted Default.** 'RD' ratings indicate an issuer that in Fitch's opinion has experienced:



- An unsecured payment default or distressed debt exchange on a bond, loan or other material financial obligation, but
- Has not entered into bankruptcy filings, administration, receivership, liquidation, or other formal winding-up procedure, and
- Has not otherwise ceased operating.

This would include:

- The selective payment default on specific class or currency of debt;
- The uncured expiry of any applicable grace period, cure period or default forbearance period following a payment default on a bank loan, capital markets security or other material financial obligation;
- The extension of multiple waivers of forbearance periods upon a payment default on one or more material financial obligations, either in series or in parallel; ordinary execution of a distressed debt exchange on one or more material financial obligations.

**D: Default.** 'D' ratings indicate an issuer that in Fitch's opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or that has otherwise ceased business.

- Default ratings are not assigned prospectively to entities or their obligations; within this context, non-payment on an instrument that contains a deferral feature or grace period will generally not be considered a default until after the expiration of the deferral or grace period, unless a default is otherwise driven by bankruptcy or other similar circumstance, or by a distressed debt exchange.
- In all cases, the assignment of default rating reflects the agency's opinion as to the most appropriate rating category consistent with the rest of its universe of ratings and may differ from the definition of default under the terms of an issuer's financial obligations or local commercial practice.

#### Notes to Long-Term ratings:

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.

#### Short-Term Credit Ratings Assigned to Issuers and Obligations

A short-term issuer or obligation rating is based in all cases on the short-term vulnerability to default of the rated entity and relates to the capacity to meet financial obligations in accordance with the documentation governing the relevant obligation. Short-Term Ratings are assigned to obligations whose initial maturity is viewed as "short term" based on market convention. Typically, this means up to 13 months for corporate, sovereign, and structured obligations, and up to 36 months for obligations in U.S. public finance markets.

**F1: Highest short-term credit quality.** Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

**F2: Good short-term credit quality.** Good intrinsic capacity for timely payment of financial commitments.

**F3: Fair short-term credit quality.** The intrinsic capacity for timely payment of financial commitments is adequate.

**B: Speculative short-term credit quality.** Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

**C: High short-term default risk.** Default is a real possibility.

**RD: Restricted default.** Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Typically applicable to entity ratings only.

**D:** Indicates a broad-based default event for an entity, or the default of a short-term obligation.

#### DESCRIPTION OF INSURANCE FINANCIAL STRENGTH RATINGS

##### Moody's Investors Service, Inc. Insurance Financial Strength Ratings

Moody's Insurance Financial Strength Ratings are opinions of the ability of insurance companies to repay punctually senior policyholder claims and obligations and also reflect the expected financial loss suffered in the event of default.

##### S&P Insurer Financial Strength Ratings

An S&P insurer financial strength rating is a forward-looking opinion about the financial security characteristics of an insurance organization with respect to its ability to pay under its insurance policies and contracts in accordance with their terms. Insurer financial strength ratings are also assigned to health maintenance organizations and similar health plans with respect to their ability to pay under their policies and contracts in accordance with their terms.

This opinion is not specific to any particular policy or contract, nor does it address the suitability of a particular policy or contract for a specific purpose or purchaser. Furthermore, the opinion does not take into account deductibles, surrender or cancellation penalties, timeliness of payment, nor the likelihood of the use of a defense such as fraud to deny claims.

Insurer financial strength ratings do not refer to an organization's ability to meet nonpolicy (i.e., debt) obligations. Assignment of ratings to debt issued by insurers or to debt issues that are fully or partially supported by insurance policies, contracts, or guarantees is a separate process from the determination of insurer financial strength ratings, and it follows procedures consistent with those used to assign an issue credit rating. An insurer financial strength rating is not a recommendation to purchase or discontinue any policy or contract issued by an insurer.

## **Long-Term Insurer Financial Strength Ratings**

### **Category Definition**

#### **AAA**

An insurer rated 'AAA' has extremely strong financial security characteristics. 'AAA' is the highest insurer financial strength rating assigned by S&P.

#### **AA**

An insurer rated 'AA' has very strong financial security characteristics, differing only slightly from those rated higher.

#### **A**

An insurer rated 'A' has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.

#### **BBB**

An insurer rated 'BBB' has good financial security characteristics, but is more likely to be affected by adverse business conditions than are higher-rated insurers.

#### **BB, B, CCC and CC**

An insurer rated 'BB' or lower is regarded as having vulnerable characteristics that may outweigh its strengths. 'BB' indicates the least degree of vulnerability within the range and 'CC' the highest.

#### **BB**

An insurer rated 'BB' has marginal financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.

#### **B**

An insurer rated 'B' has weak financial security characteristics. Adverse business conditions will likely impair its ability to meet financial commitments.

#### **CCC**

An insurer rated 'CCC' has very weak financial security characteristics, and is dependent on favorable business conditions to meet financial commitments.

#### **CC**

An insurer rated 'CC' has extremely weak financial security characteristics and is likely not to meet some of its financial commitments.

#### **SD or D**

An insurer rated 'SD' (selective default) or 'D' is in default on one or more of its insurance policy obligations. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action if payments on a policy obligation are at risk. A 'D' rating is assigned when S&P believes that the default will be a general default and that the obligor will fail to pay substantially all of its obligations in full in accordance with the policy terms. An 'SD' rating is assigned when S&P believes that the insurer has selectively defaulted on a specific class of policies but it will continue to meet its payment obligations on other classes of obligations. A selective default includes the completion of a distressed exchange offer. Claim denials due to lack of coverage or other legally permitted defenses are not considered defaults.

**NR:** Indicates that a rating has not been assigned or is no longer assigned.

**Plus (+) or Minus (-):** The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

### **Fitch Insurer Financial Strength Rating**

The Insurer Financial Strength (IFS) Rating provides an assessment of the financial strength of an insurance organization. The IFS Rating is assigned to the insurance company's policyholder obligations, including assumed reinsurance obligations and contract holder obligations, such as guaranteed investment contracts. The IFS Rating reflects both the ability of the insurer to meet these obligations on a timely basis, and expected recoveries received by claimants in the event the insurer stops making payments or payments are interrupted, due to either the failure of the insurer or some form of regulatory intervention. In the context of the IFS Rating, the timeliness of payments is considered relative to both contract and/or policy terms but also recognizes the possibility of reasonable delays caused by circumstances common to the insurance industry, including claims reviews, fraud investigations and coverage disputes.

The IFS Rating does not encompass policyholder obligations residing in separate accounts, unit-linked products or segregated funds, for which the policyholder bears investment or other risks. However, any guarantees provided to the policyholder with respect to such obligations are included in the IFS Rating.

Expected recoveries are based on the agency's assessments of the sufficiency of an insurance company's assets to fund policyholder obligations, in a scenario in which payments have ceased or been interrupted. Accordingly, expected recoveries exclude the impact of recoveries obtained from any government sponsored guaranty or policyholder protection funds. Expected recoveries also exclude the impact of collateralization or security, such as letters of credit or trustee assets, supporting select reinsurance obligations.

IFS Ratings can be assigned to insurance and reinsurance companies in any insurance sector, including the life & annuity, non-life, property/casualty, health, mortgage, financial guaranty, residual value and title insurance sectors, as well as to managed care companies such as health maintenance organizations.

The IFS Rating uses the same symbols used by the agency for its International and National credit ratings of long-term or short-term debt issues. However, the definitions associated with the ratings reflect the unique aspects of the IFS Rating within an insurance industry context.

Obligations for which a payment interruption has occurred due to either the insolvency or failure of the insurer or some form of regulatory intervention will generally be rated between 'B' and 'C' on the Long-Term IFS Rating scales (both International and National). International Short-Term IFS Ratings assigned under the same circumstances will align with the insurer's International Long-Term IFS Ratings.

**Eaton Vance Funds**  
**Proxy Voting Policy and Procedures**

**I. Overview**

The Boards of Trustees (the “Board”) of the Eaton Vance Funds<sup>1</sup> have determined that it is in the interests of the Funds’ shareholders to adopt these written proxy voting policy and procedures (the “Policy”). For purposes of this Policy:

- “Fund” means each registered investment company sponsored by the Eaton Vance organization; and
- “Adviser” means the investment adviser or sub-adviser responsible for the day-to-day management of all or a portion of the Fund’s assets.

**II. Delegation of Proxy Voting Responsibilities**

The Board hereby delegates to the Adviser responsibility for voting the Fund’s proxies as described in this Policy. In this connection, the Adviser is required to provide the Board with a copy of its proxy voting policies and procedures (“Adviser Procedures”) and all Fund proxies will be voted in accordance with the Adviser Procedures, provided that in the event a material conflict of interest arises with respect to a proxy to be voted for the Fund (as described in Section IV below) the Adviser shall follow the process for voting such proxy as described in Section IV below.

The Adviser is required to report any material change to the Adviser Procedures to the Board in the manner set forth in Section V below. In addition, the Board will review the Adviser Procedures annually.

**III. Delegation of Proxy Voting Disclosure Responsibilities**

Pursuant to Rule 30b1-4 promulgated under the Investment Company Act of 1940, as amended (the “1940 Act”), the Fund is required to file Form N-PX no later than August 31st of each year. On Form N-PX, the Fund is required to disclose, among other things, information concerning proxies relating to the Fund’s portfolio investments, whether or not the Fund (or its Adviser) voted the proxies relating to securities held by the Fund and how it voted on the matter and whether it voted for or against management.

To facilitate the filing of Form N-PX for the Fund:

- The Adviser is required to record, compile and transmit in a timely manner all data required to be filed on Form N-PX for the Fund that it manages. Such data shall be transmitted to Eaton Vance Management, which acts as administrator to the Fund (the “Administrator”) or the third party service provider designated by the Administrator; and
- the Administrator is required to file Form N-PX on behalf of the Fund with the Securities and Exchange Commission (the “Commission”) as required by the 1940 Act. The Administrator may delegate the filing to a third party service provider provided each such filing is reviewed and approved by the Administrator.

**IV. Conflicts of Interest**

The Board expects the Adviser, as a fiduciary to the Fund it manages, to put the interests of the Fund and its shareholders above those of the Adviser. When required to vote a proxy for the Fund, the Adviser may have material business relationships with the issuer soliciting the proxy that could give rise to a potential material conflict of interest for the Adviser.<sup>2</sup> In the event such a material conflict of interest arises, the Adviser, to the extent it is aware or reasonably should have been aware of the material conflict, will refrain from voting any proxies related to companies giving rise to such material conflict until it notifies and consults with the appropriate Board, or any committee, sub-committee or group of Independent Trustees identified by the Board (as long as such committee, sub-committee or group contains at least two or more Independent Trustees) (the “Board Members”), concerning the material conflict.<sup>3, 4</sup> For ease of communicating with the Board Members, the Adviser is required to provide the foregoing notice to the Fund’s Chief Legal Officer who will then notify and facilitate a consultation with the Board Members.

Once the Board Members have been notified of the material conflict:

- They shall convene a meeting to review and consider all relevant materials related to the proxies involved. This meeting shall be convened within 3 business days, provided that it an effort will be made to convene the meeting sooner if the proxy must be voted in less than 3 business days;
- In considering such proxies, the Adviser shall make available all materials requested by the Board Members and make reasonably available appropriate personnel to discuss the matter upon request; and
- The Board Members will then instruct the Adviser on the appropriate course of action with respect to the proxy at issue.

If the Board Members are unable to meet and the failure to vote a proxy would have a material adverse impact on the Fund(s) involved, the Adviser will have the right to vote such proxy, provided that it discloses the existence of the material conflict to the Chairperson of the Board as soon as practicable and to the Board at its next meeting. Any determination regarding the voting of proxies of the Fund that is made by the Board Members shall be deemed to be a good faith determination regarding the voting of proxies by the full Board.

## V. Reports and Review

The Administrator shall make copies of Form N-PX filed on behalf of the Fund available for the Board's review upon the Board's request. The Administrator (with input from the Adviser for the Fund) shall also provide any reports reasonably requested by the Board regarding the proxy voting records of the Fund.

The Adviser shall report any material changes to the Adviser Procedures to the Board as soon as practicable and the Boards will review the Adviser Procedures annually.

The Adviser also shall report any material changes to the Adviser Procedures to the Fund's Chief Legal Officer prior to implementing such changes in order to enable the Administrator to effectively coordinate the Fund's disclosure relating to the Adviser Procedures.

To the extent requested by the Commission, the Policy and the Adviser Procedures shall be appended to the Fund's statement of additional information included in its registration statement.

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<sup>1</sup> The Eaton Vance Funds may be organized as trusts or corporations. For ease of reference, the Funds may be referred to herein as Trusts and the Funds' Board of Trustees or Board of Directors may be referred to collectively herein as the Board.

<sup>2</sup> An Adviser is expected to maintain a process for identifying a potential material conflict of interest. As an example only, such potential conflicts may arise when the issuer is a client of the Adviser and generates a significant amount of fees to the Adviser or the issuer is a distributor of the Adviser's products.

<sup>3</sup> If a material conflict of interest exists with respect to a particular proxy and the proxy voting procedures of the relevant Adviser require that proxies are to be voted in accordance with the recommendation of a third party proxy voting vendor, the requirements of this Section IV shall only apply if the Adviser intends to vote such proxy in a manner inconsistent with such third party recommendation.

<sup>4</sup> Effective October 1, 2021, and to the extent that Morgan Stanley Investment Management Company is acting as sub-adviser to Eaton Vance Greater China Growth Fund, the requirements of this Section IV shall be waived, as approved by the Board of Trustees on October 12, 2021.

**EATON VANCE MANAGEMENT  
BOSTON MANAGEMENT AND RESEARCH  
EATON VANCE MANAGEMENT (INTERNATIONAL) LIMITED  
EATON VANCE ADVISERS INTERNATIONAL LTD.  
PROXY VOTING POLICIES AND PROCEDURES**

## **I. Introduction**

Eaton Vance Management, Boston Management and Research, Eaton Vance Management (International) Limited and Eaton Vance Advisers International Ltd. (each an “Adviser” and collectively the “Advisers”) have each adopted and implemented policies and procedures that each Adviser believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with its fiduciary duties and, to the extent applicable, Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Advisers’ authority to vote the proxies of their clients is established by their advisory contracts or similar documentation. These proxy policies and procedures are intended to reflect current requirements applicable to investment advisers registered with the U.S. Securities and Exchange Commission (“SEC”). These procedures may change from time to time.

## **II. Overview**

Each Adviser manages its clients’ assets with the overriding goal of seeking to provide the greatest possible return to such clients consistent with governing laws and the investment policies of each client. In pursuing that goal, each Adviser seeks to exercise its clients’ rights as shareholders of voting securities to support sound corporate governance of the companies issuing those securities with the principle aim of maintaining or enhancing the companies’ economic value.

The exercise of shareholder rights is generally done by casting votes by proxy at shareholder meetings on matters submitted to shareholders for approval (for example, the election of directors or the approval of a company’s stock option plans for directors, officers or employees). Each Adviser has established guidelines (“Guidelines”) as described below and generally will utilize such Guidelines in voting proxies on behalf of its clients. The Guidelines are largely based on those developed by the Agent (defined below) but also reflect input from the Global Proxy Group (defined below) and other Adviser investment professionals and are believed to be consistent with the views of the Adviser on the various types of proxy proposals. These Guidelines are designed to promote accountability of a company’s management and board of directors to its shareholders and to align the interests of management with those of shareholders. The Guidelines provide a framework for analysis and decision making but do not address all potential issues.

Except as noted below, each Adviser will vote any proxies received by a client for which it has sole investment discretion through a third-party proxy voting service (“Agent”) in accordance with the Guidelines in a manner that is reasonably designed to eliminate any potential conflicts of interest, as described more fully below. The Agent is currently Institutional Shareholder Services Inc. Where applicable, proxies will be voted in accordance with client-specific guidelines or, in the case of an Eaton Vance Fund that is sub-advised, pursuant to the sub-adviser’s proxy voting policies and procedures. Although an Adviser retains the services of the Agent for research and voting recommendations, the Adviser remains responsible for proxy voting decisions.

## **III. Roles and Responsibilities**

### **A. Proxy Administrator**

The Proxy Administrator and/or her designee coordinate the consideration of proxies referred back to the Adviser by the Agent, and otherwise administers these Procedures. In the Proxy Administrator’s absence, another employee of the Adviser may perform the Proxy Administrator’s responsibilities as deemed appropriate by the Global Proxy Group. The Proxy Administrator also may designate another employee to perform certain of the Proxy Administrator’s duties hereunder, subject to the oversight of the Proxy Administrator.

### **B. Agent**

The Agent is responsible for coordinating with the clients’ custodians and the Advisers to ensure that all proxy materials received by the custodians relating to the portfolio securities are processed in a timely fashion. Each Adviser shall instruct the custodian for its clients to deliver proxy ballots and related materials to the Agent. The Agent shall vote and/or refer all proxies in accordance with the Guidelines. The Agent shall retain a record of all proxy votes handled by the Agent. With respect to each Eaton Vance Fund memorialized therein, such record must reflect all of the information required to be disclosed in the Fund’s Form N-PX pursuant to Rule 30b1-4 under the Investment Company Act of 1940, to the extent applicable. In addition, the Agent is responsible for maintaining copies of all proxy statements received by issuers and to promptly provide such materials to an Adviser upon request.

Subject to the oversight of the Advisers, the Agent shall establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services to the Advisers, including methods to reasonably ensure that its analysis and recommendations are not influenced by a conflict of interest, and shall disclose such controls and policies to the Advisers when and as provided for herein. Unless otherwise specified, references herein to recommendations of the Agent shall refer to those in which no conflict of interest has been identified. The Advisers are responsible for the ongoing oversight of the Agent as contemplated by SEC Staff Legal Bulletin No. 20 (June 30, 2014) and interpretive guidance issued by the SEC in August 2019 regarding proxy voting responsibilities of investment advisers (Release Nos. IA-5325 and IC-33605). Such oversight currently may include one or more of the following and may change from time to time:

- periodic review of Agent's proxy voting platform and reporting capabilities (including recordkeeping);
- periodic review of a sample of ballots for accuracy and correct application of the Guidelines;
- periodic meetings with Agent's client services team;
- periodic in-person and/or web-based due diligence meetings;
- receipt and review of annual certifications received from the Agent;
- annual review of due diligence materials provided by the Agent, including review of procedures and practices regarding potential conflicts of interests;
- periodic review of relevant changes to Agent's business; and/or
- periodic review of the following to the extent not included in due diligence materials provided by the Agent: (i) Agent's staffing, personnel and/or technology; (ii) Agent's process for seeking timely input from issuers (e.g., with respect to proxy voting policies, methodologies and peer group construction); (iii) Agent's process for use of third-party information; (iv) the Agent's policies and procedures for obtaining current and accurate information relevant to matters in its research and on which it makes voting recommendations; and (v) Agent's business continuity program ("BCP") and any service/operational issues experienced due to the enacting of Agent's BCP.

### C. Global Proxy Group

The Adviser shall establish a Global Proxy Group which is responsible for establishing the Guidelines (described below) and reviewing such Guidelines at least annually. The Global Proxy Group shall also review recommendations to vote proxies in a manner that is contrary to the Guidelines and when the proxy relates to a conflicted company of the Adviser or the Agent as described below.

The members of the Global Proxy Group shall include the Chief Equity Investment Officer of Eaton Vance Management ("EVM") and selected members of the Equity Departments of EVM and Eaton Vance Advisers International Ltd. ("EVAL") and EVM's Global Income Department. The Proxy Administrator is not a voting member of the Global Proxy Group. Members of the Global Proxy Group may be changed from time to time at the Advisers' discretion. Matters that require the approval of the Global Proxy Group may be acted upon by its member(s) available to consider the matter.

## IV. Proxy Voting

### A. The Guidelines

The Global Proxy Group shall establish recommendations for the manner in which proxy proposals shall be voted (the "Guidelines"). The Guidelines shall identify when ballots for specific types of proxy proposals shall be voted<sup>(1)</sup> or referred to the Adviser. The Guidelines shall address a wide variety of individual topics, including, among other matters, shareholder voting rights, anti-takeover defenses, board structures, the election of directors, executive and director compensation, reorganizations, mergers, issues of corporate social responsibility and other proposals affecting shareholder rights. In determining the Guidelines, the Global Proxy Group considers the recommendations of the Agent as well as input from the Advisers' portfolio managers and analysts and/or other internally developed or third party research.

The Global Proxy Group shall review the Guidelines at least annually and, in connection with proxies to be voted on behalf of the Eaton Vance Funds, the Adviser will submit amendments to the Guidelines to the Fund Boards each year for approval.

With respect to the types of proxy proposals listed below, the Guidelines will generally provide as follows:

#### 1. Proposals Regarding Mergers and Corporate Restructurings/Disposition of Assets/Termination/Liquidation and Mergers

The Agent shall be directed to refer proxy proposals accompanied by its written analysis and voting recommendation to the Proxy Administrator and/or her designee for all proposals relating to Mergers and Corporate Restructurings.

## **2. Corporate Structure Matters/Anti-Takeover Defenses**

As a general matter, the Advisers will normally vote against anti-takeover measures and other proposals designed to limit the ability of shareholders to act on possible transactions (except in the case of closed-end management investment companies).

## **3. Proposals Regarding Proxy Contests**

The Agent shall be directed to refer contested proxy proposals accompanied by its written analysis and voting recommendation to the Proxy Administrator and/or her designee.

## **4. Social and Environmental Issues**

The Advisers will vote social and environmental proposals on a “case-by-case” basis taking into consideration industry best practices and existing management policies and practices.

Interpretation and application of the Guidelines is not intended to supersede any law, regulation, binding agreement or other legal requirement to which an issuer or the Adviser may be or become subject. The Guidelines generally relate to the types of proposals that are most frequently presented in proxy statements to shareholders. In certain circumstances, an Adviser may determine to vote contrary to the Guidelines subject to the voting procedures set forth below.

## **B. Voting Procedures**

Except as noted in Section V below, the Proxy Administrator and/or her designee shall instruct the Agent to vote proxies as follows:

### **1. Vote in Accordance with Guidelines**

If the Guidelines prescribe the manner in which the proxy is to be voted, the Agent shall vote in accordance with the Guidelines, which for certain types of proposals, are recommendations of the Agent made on a case-by-case basis.

### **2. Seek Guidance for a Referred Item or a Proposal for which there is No Guideline**

If (i) the Guidelines state that the proxy shall be referred to the Adviser to determine the manner in which it should be voted or (ii) a proxy is received for a proposal for which there is no Guideline, the Proxy Administrator and/or her designee shall consult with the analyst(s) covering the company subject to the proxy proposal and shall instruct the Agent to vote in accordance with the determination of the analyst. The Proxy Administrator and/or her designee will maintain a record of all proxy proposals that are referred by the Agent, as well as all applicable recommendations, analysis and research received and the resolution of the matter. Where more than one analyst covers a particular company and the recommendations of such analysts for voting a proposal subject to this Section IV.B.2 conflict, the Global Proxy Group shall 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 clients (including Funds).

### **3. Votes Contrary to the Guidelines or Where Agent is Conflicted**

In the event an analyst with respect to companies within his or her coverage area may recommend a vote contrary to the Guidelines, the Proxy Administrator and/or her designee will provide the Global Proxy Group with the Agent's recommendation for the proposal along with any other relevant materials, including a description of the basis for the analyst's recommendation via email and the Proxy Administrator and/or designee will then instruct the Agent to vote the proxy in the manner determined by the Global Proxy Group. Should the vote by the Global Proxy Group concerning one or more recommendations result in a tie, EVM's Chief Equity Investment Officer will determine the manner in which the proxy will be voted. The Adviser will provide a report to the Boards of Trustees of the Eaton Vance Funds reflecting any votes cast on behalf of the Eaton Vance Funds contrary to the Guidelines, and shall do so quarterly. A similar process will be followed if the Agent has a conflict of interest with respect to a proxy as described in Section VI.B.

### **4. Do Not Cast a Vote**

It shall generally be the policy of the Advisers to take no action on a proxy for which no client holds a position or otherwise maintains an economic interest in the relevant security at the time the vote is to be cast. In addition, the Advisers may determine not to vote (i) if the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant (e.g., proxies in connection with securities no longer held in the portfolio of a client or proxies being considered on behalf of a client that is no longer in existence); (ii) if the cost of voting a proxy outweighs the benefits (e.g., certain international proxies, particularly in cases in which share blocking practices may impose trading restrictions on the relevant portfolio security); or (iii) in markets in which shareholders' rights are limited; and (iv) the Adviser is unable to access or access timely ballots or other proxy information. Non-Votes may also result in certain cases in which the Agent's recommendation has been deemed to be conflicted, as provided for herein.



## C. Securities on Loan

When a fund client participates in the lending of its securities and the securities are on loan at the record date for a shareholder meeting, proxies related to such securities generally will not be forwarded to the relevant Adviser by the fund's custodian and therefore will not be voted. In the event that the Adviser determines that the matters involved would have a material effect on the applicable fund's investment in the loaned securities, the Adviser will make reasonable efforts to terminate the loan in time to be able to cast such vote or exercise such consent. The Adviser shall instruct the fund's security lending agent to refrain from lending the full position of any security held by a fund to ensure that the Adviser receives notice of proxy proposals impacting the loaned security.

## V. Recordkeeping

The Advisers will maintain records relating to the proxies they vote on behalf of their clients in accordance with Section 204-2 of the Investment Advisers Act of 1940, as amended. Those records will include:

- A copy of the Advisers' proxy voting policies and procedures;
- Proxy statements received regarding client securities. Such proxy statements received from issuers are either in the SEC's EDGAR database or are kept by the Agent and are available upon request;
- A record of each vote cast;
- A copy of any document created by the Advisers that was material to making a decision on how to vote a proxy for a client or that memorializes the basis for such a decision; and
- Each written client request for proxy voting records and the Advisers' written response to any client request (whether written or oral) for such records.

All records described above will be maintained in an easily accessible place for five years and will be maintained in the offices of the Advisers or their Agent for two years after they are created.

Notwithstanding anything contained in this Section V, Eaton Vance Trust Company shall maintain records relating to the proxies it votes on behalf of its clients in accordance with laws and regulations applicable to it and its activities. In addition, EVAIL shall maintain records relating to the proxies it votes on behalf of its clients in accordance with UK law.

## VI. Assessment of Agent and Identification and Resolution of Conflicts with Clients

### A. Assessment of Agent

The Advisers shall establish that the Agent (i) is independent from the Advisers, (ii) has resources that indicate it can competently provide analysis of proxy issues, and (iii) can make recommendations in an impartial manner and in the best interests of the clients and, where applicable, their beneficial owners. The Advisers shall utilize, and the Agent shall comply with, such methods for establishing the foregoing as the Advisers may deem reasonably appropriate and shall do so not less than annually as well as prior to engaging the services of any new proxy voting service. The Agent shall also notify the Advisers in writing within fifteen (15) calendar days of any material change to information previously provided to an Adviser in connection with establishing the Agent's independence, competence or impartiality.

### B. Conflicts of Interest

As fiduciaries to their clients, each Adviser puts the interests of its clients ahead of its own. In order to ensure that relevant personnel of the Advisers are able to identify potential material conflicts of interest, each Adviser will take the following steps:

- Quarterly, the Eaton Vance Legal and Compliance Department will seek information from the department heads of each department of the Advisers and of Eaton Vance Distributors, Inc. ("EVD") (an affiliate of the Advisers and principal underwriter of certain Eaton Vance Funds). Each department head will be asked to provide a list of significant clients or prospective clients of the Advisers or EVD.
- A representative of the Legal and Compliance Department will compile a list of the companies identified (the "Conflicted Companies") and provide that list to the Proxy Administrator.
- The Proxy Administrator will compare the list of Conflicted Companies with the names of companies for which he or she has been referred a proxy statement (the "Proxy Companies"). If a Conflicted Company is also a Proxy Company, the Proxy Administrator will report that fact to the Global Proxy Group.
- If the Proxy Administrator expects to instruct the Agent to vote the proxy of the Conflicted Company strictly according to the Guidelines contained in these Proxy Voting Policies and Procedures (the "Policies") or the recommendation of the Agent, as applicable, he or she will (i) inform the Global Proxy Group of that fact, (ii) instruct the Agent to vote the proxies and (iii) record the existence of the material conflict and the resolution of the matter.

- If the Proxy Administrator intends to instruct the Agent to vote in a manner inconsistent with the Guidelines, the Global Proxy Group will then determine if a material conflict of interest exists between the relevant Adviser and its clients (in consultation with the Legal and Compliance Department if needed). If the Global Proxy Group determines that a material conflict exists, prior to instructing the Agent to vote any proxies relating to these Conflicted Companies the Adviser will seek instruction on how the proxy should be voted from:
  - The client, in the case of an individual, corporate, institutional or benefit plan client;
  - In the case of a Fund, its board of directors, any committee, sub-committee or group of Independent Trustees (as long as such committee, sub-committee or group contains at least two or more Independent Trustees); or
  - The adviser, in situations where the Adviser acts as a sub-adviser to such adviser.

The Adviser will provide all reasonable assistance to each party to enable such party to make an informed decision.

If the client, Fund board or adviser, as the case may be, fails to instruct the Adviser on how to vote the proxy, the Adviser will generally instruct the Agent, through the Proxy Administrator, to abstain from voting in order to avoid the appearance of impropriety. If however, the failure of the Adviser to vote its clients' proxies would have a material adverse economic impact on the Advisers' clients' securities holdings in the Conflicted Company, the Adviser may instruct the Agent, through the Proxy Administrator, to vote such proxies in order to protect its clients' interests. In either case, the Proxy Administrator will record the existence of the material conflict and the resolution of the matter.

The Advisers shall also identify and address conflicts that may arise from time to time concerning the Agent. Upon the Advisers' request, which shall be not less than annually, and within fifteen (15) calendar days of any material change to such information previously provided to an Adviser, the Agent shall provide the Advisers with such information as the Advisers deem reasonable and appropriate for use in determining material relationships of the Agent that may pose a conflict of interest with respect to the Agent's proxy analysis or recommendations. Such information shall include, but is not limited to, a monthly report from the Agent detailing the Agent's Corporate Securities Division clients and related revenue data. The Advisers shall review such information on a monthly basis. The Proxy Administrator shall instruct the Agent to refer any proxies for which a material conflict of the Agent is deemed to be present to the Proxy Administrator. Any such proxy referred by the Agent shall be referred to the Global Proxy Group for consideration accompanied by the Agent's written analysis and voting recommendation. The Proxy Administrator will instruct the Agent to vote the proxy as recommended by the Global Proxy Group.

<sup>(1)</sup> The Guidelines will prescribe how a proposal shall be voted or provide factors to be considered on a case-by-case basis by the Agent in recommending a vote pursuant to the Guidelines.



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# Eaton Vance Municipals Trust

Annual Report

July 31, 2023

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Arizona • Connecticut • Minnesota • New Jersey • Pennsylvania

**Commodity Futures Trading Commission Registration.** The Commodity Futures Trading Commission (“CFTC”) has adopted regulations that subject registered investment companies and advisers to regulation by the CFTC if a fund invests more than a prescribed level of its assets in certain CFTC-regulated instruments (including futures, certain options and swap agreements) or markets itself as providing investment exposure to such instruments. The investment adviser has claimed an exclusion from the definition of “commodity pool operator” under the Commodity Exchange Act with respect to its management of each Fund. Accordingly, neither the Funds nor the adviser with respect to the operation of the Funds is subject to CFTC regulation. Because of its management of other strategies, the Funds’ adviser is registered with the CFTC as a commodity pool operator. The adviser is also registered as a commodity trading advisor.

**Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.**

**This report must be preceded or accompanied by a current summary prospectus or prospectus. Before investing, investors should consider carefully the investment objective, risks, and charges and expenses of a mutual fund. This and other important information is contained in the summary prospectus and prospectus, which can be obtained from a financial intermediary. Prospective investors should read the prospectus carefully before investing. For further information, please call 1-800-262-1122.**

# Eaton Vance

## Municipal Income Funds

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# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Management's Discussion of Fund Performance<sup>†</sup>

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#### Economic and Market Conditions

In the opening months of the 12-month period, from August through October 2022, municipal returns were negative. Municipal mutual funds experienced outflows as investors reacted to statements by U.S. Federal Reserve (Fed) officials that the central bank was not done with rate hikes and fighting inflation remained its top priority. After the Fed's third straight 0.75% federal funds rate hike, the Bloomberg Municipal Bond Index (the Index) fell 3.84% in September 2022 -- its worst one-month performance in 14 years.

However, in the final months of 2022, municipal performance rebounded. Despite the Fed's fourth 0.75% rate hike in November, the Index rose 4.68% -- its best monthly performance since 1986. Drivers of the rally included Fed signals that future rate hikes might be smaller, as well as growing investor demand amid lower supplies of new municipal bond issues.

The Fed did deliver a smaller 0.50% rate hike in December, but raised expectations of how high rates might go in 2023. The Index -- helped by attractive yields and limited supply -- nonetheless eked out positive performance in December 2022. As the new year began, municipal bonds delivered a third straight month of positive returns, driven by an ongoing supply-demand imbalance and the return of inflows into open-end mutual funds. In February 2023, however, the municipal rally stalled as robust economic reports -- including unexpectedly high job creation in January -- led investors to fear the Fed might keep rates higher for longer than previously expected.

In March 2023, municipal returns turned positive once again. The second- and third-largest bank failures in U.S. history triggered a "flight to quality" that drove municipal bonds to their strongest March performance since 2008, despite the Fed announcing its ninth consecutive rate hike that month.

But as the period came to a close in the spring and early summer of 2023, the municipal market experienced another sell-off. Although positive technical factors -- most importantly, demand that exceeded municipal bond supply -- produced brief periods of positive performance, the Fed's tenth and eleventh rate hikes in a little over a year overwhelmed the positive technical factors and caused municipal rates to rise and bond prices to fall in the final four months of the period.

For the 12-month period as a whole, the Index returned 0.93% as coupon payments slightly outpaced declining bond prices. While interest rates rose and bond prices fell across the municipal bond yield curve, the largest rate increases during the period occurred at the long and short ends of the curve. U.S. Treasuries, meanwhile, underperformed municipal bonds throughout the yield curve.

#### Fund Performance

For the 12-month period ended July 31, 2023, the Arizona, Connecticut, Minnesota, New Jersey, and Pennsylvania Funds' Class A shares at net asset value (NAV) underperformed the 0.93% return of the Funds' primary benchmark, the Index.

Generally speaking, in pursuing its investment objective, each Fund normally acquires municipal bonds with maturities of 10 years or more.

#### State-Specific Results

Eaton Vance Arizona Municipal Income Fund Class A shares at NAV returned 0.23%, underperforming the 0.93% return of the Index. Detractors from performance versus the Index included security selections in the education sector; security selections in AAA-rated bonds; and an allocation to taxable municipal bonds, which are not represented in the Index and underperformed tax-exempt municipal bonds during the period.

In contrast, contributors to performance versus the Index included security selections in bonds rated BBB and below, security selections in the health care sector, and security selections and an overweight position in AMT (alternative minimum tax) municipal bonds.

Eaton Vance Connecticut Municipal Income Fund Class A shares at NAV returned 0.41%, underperforming the 0.93% return of the Index. Key detractors from performance versus the Index included security selections in 4% coupon bonds; an allocation to taxable municipal bonds; and security selections and an underweight position in A-rated bonds.

Contributors to performance versus the Index included security selections in local general obligation (GO) bonds, an overweight position in Puerto Rico bonds, and security selections and an overweight position in variable-rate demand obligations, which benefited from rising interest rates during the period.

Eaton Vance Minnesota Municipal Income Fund Class A shares at NAV returned 0.05%, underperforming the 0.93% return of the Index. Security selections and an overweight position in AAA-rated bonds, along with security selections and overweight positions in the education sector and in local GO bonds, all detracted from Fund performance relative to the Index. Contributors to returns versus the Index included security selections in the health care sector, security selections in bonds with 22 years or more remaining to maturity, and security selections and an overweight position in Puerto Rico bonds.

See Endnotes and Additional Disclosures in this report.

*Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to [eatonvance.com](http://eatonvance.com).*

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Management's Discussion of Fund Performance<sup>†</sup> — continued

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Eaton Vance New Jersey Municipal Income Fund Class A shares at NAV returned 0.10%, underperforming the 0.93% return of the Index. Detractors from performance versus the Index included security selections and an overweight position in the health care sector, security selections and an overweight position in local GO bonds, and an allocation to taxable municipal bonds. In contrast, security selections and an overweight position in the transportation sector, security selections in 5% coupon bonds, and security selections in bonds with 17 years or more remaining to maturity all contributed to returns versus the Index.

Eaton Vance Pennsylvania Municipal Income Fund Class A shares at NAV returned 0.49%, underperforming the 0.93% return of the Index. Detractors from Fund performance relative to the Index included security selections and an overweight position in local GO bonds, as well as security selections within the Fund's leveraged investments. At period-end, however, the Fund no longer held leveraged investments.

In contrast, contributors to performance versus the Index included security selections in the transportation sector, security selections in AA-rated bonds, and security selections and an overweight position in bonds with 17 years or more remaining to maturity.

See Endnotes and Additional Disclosures in this report.

*Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to [eatonvance.com](http://eatonvance.com).*

# Eaton Vance

## Arizona Municipal Income Fund

July 31, 2023

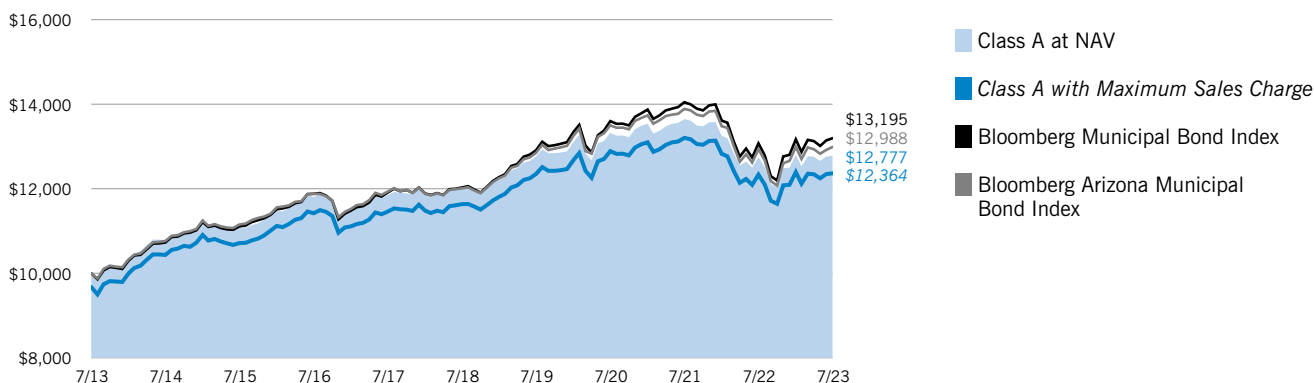
### Performance

Portfolio Manager(s) Trevor G. Smith

% Average Annual Total Returns <sup>1,2</sup>	Class	Performance	One Year	Five Years	Ten Years
	Inception Date	Inception Date			
Class A at NAV	12/13/1993	07/25/1991	0.23%	1.22%	2.48%
Class A with 3.25% Maximum Sales Charge	—	—	(3.08)	0.54	2.14
Class C at NAV	12/16/2005	07/25/1991	(0.57)	0.46	1.87
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.54)	0.46	1.87
Class I at NAV	08/03/2010	07/25/1991	0.43	1.42	2.68
<hr/>					
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%
Bloomberg Arizona Municipal Bond Index	—	—	0.41	1.58	2.65
<hr/>					
% Total Annual Operating Expense Ratios <sup>3</sup>			Class A	Class C	Class I
			0.69%	1.44%	0.49%
<hr/>					
% Distribution Rates/Yields <sup>4</sup>			Class A	Class C	Class I
Distribution Rate			2.74%	1.99%	2.94%
Taxable-Equivalent Distribution Rate			4.84	3.51	5.19
SEC 30-day Yield			2.81	2.16	3.11
Taxable-Equivalent SEC 30-day Yield			4.96	3.81	5.48

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$12,039	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2013	\$1,303,403	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.



# Eaton Vance

## Arizona Municipal Income Fund







July 31, 2023

### Fund Profile

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#### Credit Quality (% of total investments)<sup>1</sup>

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AAA		16.4%
AA		53.4
A		13.0
BBB		8.2
BB		3.1
Not Rated		5.9

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

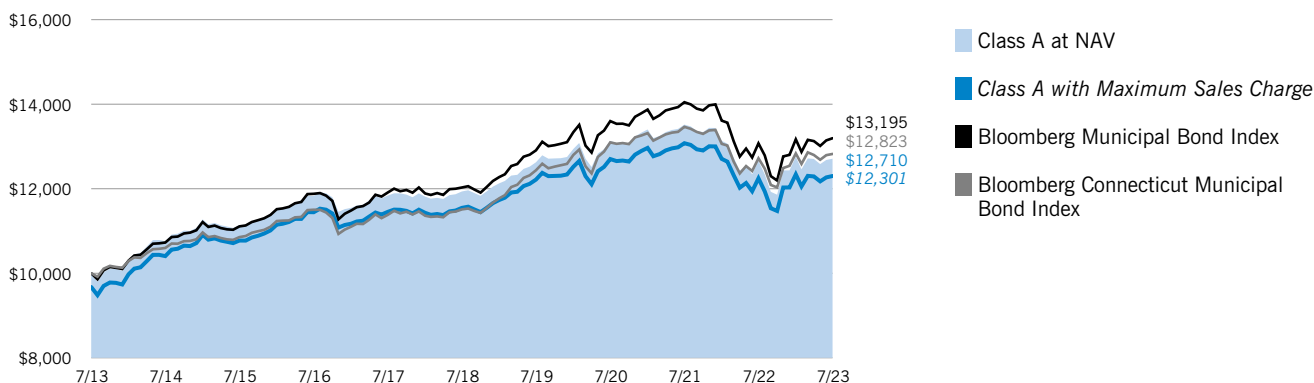
### Performance

**Portfolio Manager(s)** Trevor G. Smith

% Average Annual Total Returns <sup>1,2</sup>	Class	Performance	One Year	Five Years	Ten Years
	Inception Date	Inception Date			
Class A at NAV	04/19/1994	05/01/1992	0.41%	1.27%	2.43%
Class A with 3.25% Maximum Sales Charge	—	—	(2.84)	0.61	2.09
Class C at NAV	02/09/2006	05/01/1992	(0.34)	0.52	1.81
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.32)	0.52	1.81
Class I at NAV	03/03/2008	05/01/1992	0.62	1.47	2.63
.....					
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%
Bloomberg Connecticut Municipal Bond Index	—	—	0.81	2.18	2.52
.....					
% Total Annual Operating Expense Ratios <sup>3</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
			0.69%	1.44%	0.49%
.....					
% Distribution Rates/Yields <sup>4</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
Distribution Rate			2.80%	2.04%	3.00%
Taxable-Equivalent Distribution Rate			5.35	3.91	5.74
SEC 30-day Yield			2.89	2.24	3.19
Taxable-Equivalent SEC 30-day Yield			5.54	4.29	6.11

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$11,963	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2023	\$1,296,845	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

### Fund Profile

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#### Credit Quality (% of total investments)<sup>1</sup>

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AAA		22.9%
AA		46.5
A		14.8
BBB		6.8
BB		0.6
Not Rated		8.4

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

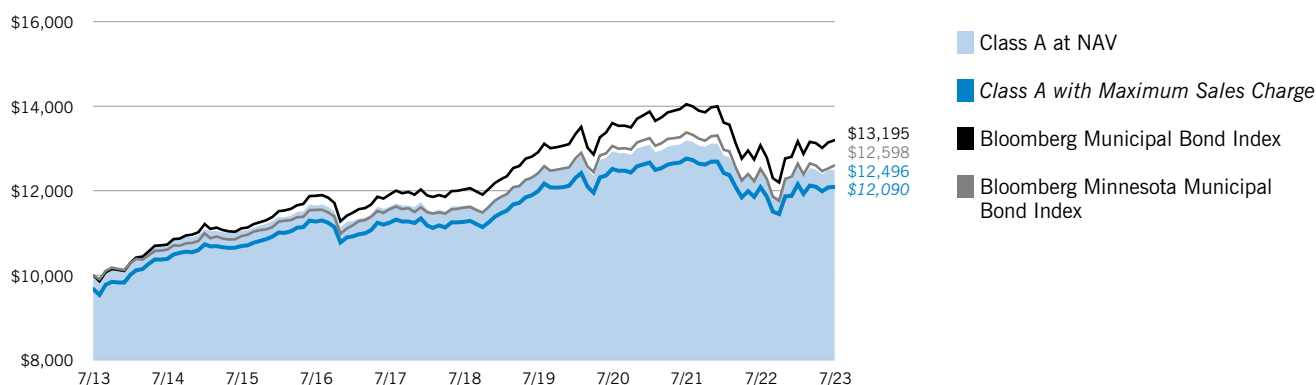
### Performance

**Portfolio Manager(s)** Christopher J. Eustance, CFA and Julie P. Callahan, CFA

% Average Annual Total Returns <sup>1,2</sup>	Class	Performance	One Year	Five Years	Ten Years
	Inception Date	Inception Date			
Class A at NAV	12/09/1993	07/29/1991	0.05%	1.43%	2.25%
Class A with 3.25% Maximum Sales Charge	—	—	(3.22)	0.76	1.92
Class C at NAV	12/21/2005	07/29/1991	(0.64)	0.67	1.65
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.62)	0.67	1.65
Class I at NAV	08/03/2010	07/29/1991	0.25	1.63	2.46
<hr/>					
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%
Bloomberg Minnesota Municipal Bond Index	—	—	0.63	1.66	2.33
<hr/>					
% Total Annual Operating Expense Ratios <sup>3</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
			0.66%	1.41%	0.46%
<hr/>					
% Distribution Rates/Yields <sup>4</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
Distribution Rate			2.30%	1.54%	2.49%
Taxable-Equivalent Distribution Rate			4.67	3.13	5.06
SEC 30-day Yield			2.47	1.80	2.75
Taxable-Equivalent SEC 30-day Yield			5.00	3.65	5.57

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$11,774	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2013	\$1,274,787	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.

# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

### Fund Profile

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#### Credit Quality (% of total investments)<sup>1</sup>

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AAA		29.6%
AA		39.2
A		19.2
BBB		6.4
BB		0.5
Not Rated		5.1

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

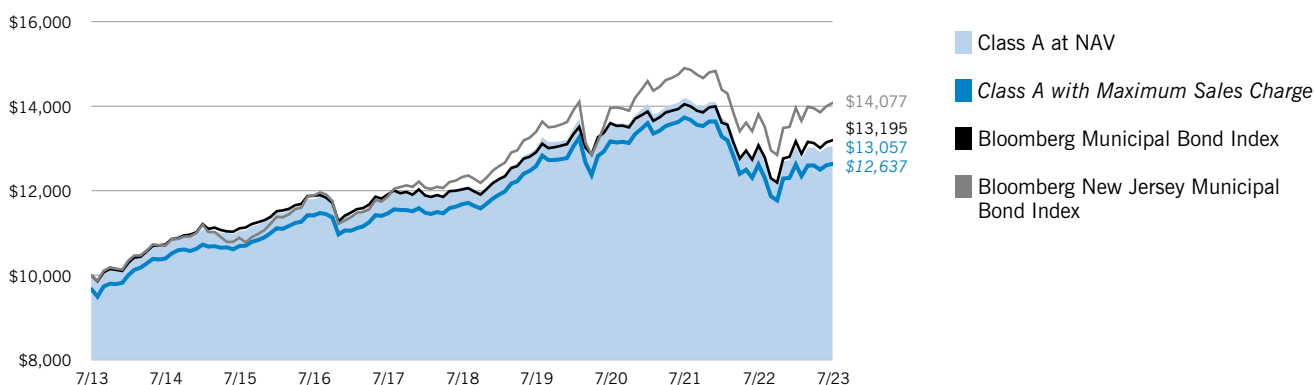
### Performance

**Portfolio Manager(s)** Cynthia J. Clemson, Christopher J. Eustance, CFA and Julie P. Callahan, CFA

% Average Annual Total Returns <sup>1,2</sup>	Class	Performance	One Year	Five Years	Ten Years
	Inception Date	Inception Date			
Class A at NAV	04/13/1994	01/08/1991	0.10%	1.58%	2.70%
Class A with 3.25% Maximum Sales Charge	—	—	(3.19)	0.90	2.37
Class C at NAV	12/14/2005	01/08/1991	(0.65)	0.83	2.08
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.62)	0.83	2.08
Class I at NAV	03/03/2008	01/08/1991	0.42	1.80	2.92
<hr/>					
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%
Bloomberg New Jersey Municipal Bond Index	—	—	1.94	2.70	3.48
<hr/>					
% Total Annual Operating Expense Ratios <sup>3</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
			0.69%	1.44%	0.49%
<hr/>					
% Distribution Rates/Yields <sup>4</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
Distribution Rate			2.82%	2.07%	3.02%
Taxable-Equivalent Distribution Rate			5.83	4.28	6.24
SEC 30-day Yield			2.79	2.14	3.09
Taxable-Equivalent SEC 30-day Yield			5.77	4.42	6.37

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$12,292	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2013	\$1,333,150	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

### Fund Profile

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#### Credit Quality (% of total investments)<sup>1</sup>

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AAA		8.8%
AA		50.4
A		25.9
BBB		10.2
BB		0.1
Not Rated		4.6

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

# Eaton Vance

## Pennsylvania Municipal Income Fund

July 31, 2023

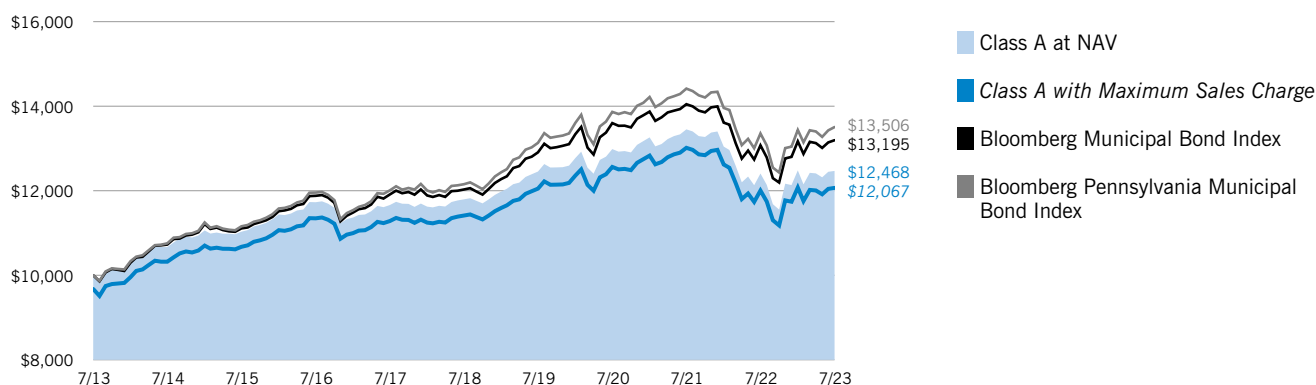
### Performance

**Portfolio Manager(s)** Christopher J. Eustance, CFA

% Average Annual Total Returns <sup>1,2</sup>	Class	Performance	One Year	Five Years	Ten Years
	Inception Date	Inception Date			
Class A at NAV	06/01/1994	01/08/1991	0.49%	1.11%	2.23%
Class A with 3.25% Maximum Sales Charge	—	—	(2.81)	0.44	1.90
Class C at NAV	01/13/2006	01/08/1991	(0.42)	0.35	1.62
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.39)	0.35	1.62
Class I at NAV	03/03/2008	01/08/1991	0.70	1.32	2.43
<hr/>					
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%
Bloomberg Pennsylvania Municipal Bond Index	—	—	1.14	2.13	3.05
<hr/>					
% Total Annual Operating Expense Ratios <sup>3</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
			0.74%	1.49%	0.54%
<hr/>					
% Distribution Rates/Yields <sup>4</sup>			<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
Distribution Rate			3.35%	2.60%	3.55%
Taxable-Equivalent Distribution Rate			5.97	4.63	6.33
SEC 30-day Yield			3.14	2.49	3.44
Taxable-Equivalent SEC 30-day Yield			5.59	4.44	6.13

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$11,739	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2013	\$1,270,976	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.



# Eaton Vance

## Pennsylvania Municipal Income Fund







July 31, 2023

### Fund Profile

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#### Credit Quality (% of total investments)<sup>1</sup>

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AAA		2.8%
AA		45.9
A		32.3
BBB		10.9
BB		2.5
Not Rated		5.6

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Endnotes and Additional Disclosures

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† The views expressed in this report are those of the portfolio manager(s) and are current only through the date stated at the top of this page. These views are subject to change at any time based upon market or other conditions, and Eaton Vance and the Fund(s) disclaim any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. This commentary may contain statements that are not historical facts, referred to as “forward-looking statements.” The Fund’s actual future results may differ significantly from those stated in any forward-looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of Fund shares, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in the Fund’s filings with the Securities and Exchange Commission.

<sup>1</sup> Bloomberg Municipal Bond Index is an unmanaged index of municipal bonds traded in the U.S. Bloomberg Arizona Municipal Bond Index is an unmanaged index of Arizona municipal bonds. Bloomberg Connecticut Municipal Bond Index is an unmanaged index of Connecticut municipal bonds. Bloomberg Minnesota Municipal Bond Index is an unmanaged index of Minnesota municipal bonds. Bloomberg New Jersey Municipal Bond Index is an unmanaged index of New Jersey municipal bonds. Bloomberg Pennsylvania Municipal Bond Index is an unmanaged index of Pennsylvania municipal bonds. 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.

<sup>2</sup> Total Returns at NAV do not include applicable sales charges. If sales charges were deducted, the returns would be lower. Total Returns shown with maximum sales charge reflect the stated maximum sales charge. Unless otherwise stated, performance does not reflect the deduction of taxes on Fund distributions or redemptions of Fund shares.

Effective November 5, 2020, Class C shares automatically convert to Class A shares eight years after purchase. The average annual total returns listed for Class C reflect conversion to Class A shares after eight years. Prior to November 5, 2020, Class C shares automatically converted to Class A shares ten years after purchase.

<sup>3</sup> Source: Fund prospectus. The expense ratios for the current reporting period can be found in the Financial Highlights section of this report.

<sup>4</sup> The Distribution Rate is based on the Fund’s last regular distribution per share in the period (annualized) divided by the Fund’s NAV at the end of the period. The Fund’s distributions may be comprised of amounts characterized for federal income tax purposes as tax-exempt income, qualified and non-qualified ordinary dividends, capital gains and nondividend distributions, also known as return of capital. The Fund will determine the federal income tax character of distributions paid to a shareholder after the end of the calendar year. This is reported on the IRS form 1099-DIV and provided to the shareholder shortly after each year-end. The Fund’s distributions are determined by the investment adviser based on its current assessment of the Fund’s long-term return potential. As portfolio and market conditions change, the rate of distributions paid by the Fund could change.

Taxable-equivalent performance is based on the highest combined federal and state income tax rates, where applicable. Lower tax rates would result in lower tax-equivalent performance. Actual tax rates will vary depending on your income, exemptions and deductions. Rates do not include local taxes. The SEC Yield is a standardized measure based on the estimated yield to maturity of a fund’s investments over a 30-day period and is based on the maximum offer price at the date specified. The SEC Yield is not based on the distributions made by the Fund, which may differ.

Fund profiles subject to change due to active management.

#### Additional Information

Yield curve is a graphical representation of the yields offered by bonds of various maturities. The yield curve flattens when long-term interest rates fall and/or short-term interest rates increase, and the yield curve steepens when long-term interest rates increase and/or short-term interest rates fall.

#### Important Notice to Shareholders

Effective August 17, 2023, the portfolio managers of Eaton Vance Arizona Municipal Income Fund and Eaton Vance Connecticut Municipal Income Fund are Trevor G. Smith and Carl A. Thompson and the portfolio managers of Eaton Vance Pennsylvania Municipal Income Fund are Christopher J. Eustance and Paul Metheny.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Fund Expenses

#### Example

As a Fund shareholder, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases; and (2) ongoing costs, including management fees; distribution and/or service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of Fund investing and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (February 1, 2023 to July 31, 2023).

#### Actual Expenses

The first section of each table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

#### Hypothetical Example for Comparison Purposes

The second section of each table below provides information about hypothetical account values and hypothetical expenses based on the actual Fund expense ratio and an assumed rate of return of 5% per year (before expenses), which is not the actual Fund return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in each table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads). Therefore, the second section of each table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would be higher.

### Eaton Vance Arizona Municipal Income Fund

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$ 997.40	\$3.66	0.74%
Class C	\$1,000.00	\$ 994.40	\$7.37	1.49%
Class I	\$1,000.00	\$ 998.40	\$2.68	0.54%
<b>Hypothetical</b>				
(5% return per year before expenses)				
Class A	\$1,000.00	\$1,021.13	\$3.71	0.74%
Class C	\$1,000.00	\$1,017.41	\$7.45	1.49%
Class I	\$1,000.00	\$1,022.12	\$2.71	0.54%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Fund Expenses — continued

#### Eaton Vance Connecticut Municipal Income Fund

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$ 996.50	\$3.42	0.69%
Class C	\$1,000.00	\$ 993.80	\$7.12	1.44%
Class I	\$1,000.00	\$ 997.50	\$2.43	0.49%

#### Hypothetical

(5% return per year before expenses)

Class A	\$1,000.00	\$1,021.37	\$3.46	0.69%
Class C	\$1,000.00	\$1,017.65	\$7.20	1.44%
Class I	\$1,000.00	\$1,022.37	\$2.46	0.49%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

#### Eaton Vance Minnesota Municipal Income Fund

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$ 994.80	\$3.51	0.71%
Class C	\$1,000.00	\$ 991.30	\$7.21	1.46%
Class I	\$1,000.00	\$ 995.80	\$2.52	0.51%

#### Hypothetical

(5% return per year before expenses)

Class A	\$1,000.00	\$1,021.27	\$3.56	0.71%
Class C	\$1,000.00	\$1,017.56	\$7.30	1.46%
Class I	\$1,000.00	\$1,022.27	\$2.56	0.51%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Fund Expenses — continued

#### Eaton Vance New Jersey Municipal Income Fund

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$1,000.80	\$3.52	0.71%
Class C	\$1,000.00	\$ 997.70	\$7.23	1.46%
Class I	\$1,000.00	\$1,003.00	\$2.53	0.51%

#### Hypothetical

(5% return per year before expenses)

Class A	\$1,000.00	\$1,021.27	\$3.56	0.71%
Class C	\$1,000.00	\$1,017.56	\$7.30	1.46%
Class I	\$1,000.00	\$1,022.27	\$2.56	0.51%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

#### Eaton Vance Pennsylvania Municipal Income Fund

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$ 998.90	\$4.11	0.83%
Class C	\$1,000.00	\$ 994.60	\$7.81	1.58%
Class I	\$1,000.00	\$1,000.00	\$3.12	0.63%

#### Hypothetical

(5% return per year before expenses)

Class A	\$1,000.00	\$1,020.68	\$4.16	0.83%
Class C	\$1,000.00	\$1,016.96	\$7.90	1.58%
Class I	\$1,000.00	\$1,021.67	\$3.16	0.63%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

# Eaton Vance

## Arizona Municipal Income Fund

July 31, 2023

### Portfolio of Investments

Tax-Exempt Municipal Obligations — 89.2%

Security	Principal Amount (000's omitted)	Value
<b>Education — 12.6%</b>		
Arizona Industrial Development Authority, (Academies of Math & Science), 5.00%, 7/1/39 <sup>(1)</sup>	\$ 250	\$ 242,515
Arizona Industrial Development Authority, (Doral Academy of Nevada):		
5.00%, 7/15/39	55	53,895
5.00%, 7/15/40 <sup>(1)</sup>	350	340,469
Arizona Industrial Development Authority, (Pinecrest Academy of Nevada), 4.00%, 7/15/50 <sup>(1)</sup>	60	45,233
Arizona Industrial Development Authority, (Somerset Academy of Las Vegas), 3.00%, 12/15/31 <sup>(1)</sup>	525	451,925
Arizona State University, 5.00%, 7/1/36	1,150	1,182,212
Glendale Industrial Development Authority, AZ, (Midwestern University Foundation), (AMT), 2.125%, 7/1/33	250	205,117
La Paz County Industrial Development Authority, AZ, (Harmony Public Schools), 4.00%, 2/15/41	430	373,696
Maricopa County Industrial Development Authority, AZ, (Legacy Traditional Schools), 4.00%, 7/1/41 <sup>(1)</sup>	500	413,705
Northern Arizona University, 5.00%, 6/1/38	1,000	1,033,620
Phoenix Industrial Development Authority, AZ, (Legacy Traditional Schools), 5.00%, 7/1/46 <sup>(1)</sup>	500	460,910
Pima County Community College District, AZ:		
5.00%, 7/1/33	300	328,734
5.00%, 7/1/35	720	784,685
University of Arizona:		
5.00%, 6/1/38	1,500	1,550,025
5.00%, 8/1/38	600	656,778
5.00%, 6/1/42	1,500	1,612,830
	<b>\$ 9,736,349</b>	

### Electric Utilities — 8.7%

Mesa, AZ, Utility Systems Revenue:		
4.00%, 7/1/31	\$ 1,160	\$ 1,185,091
5.00%, 7/1/36	1,000	1,167,440
Pinal County Electrical District No. 3, AZ, 5.00%, 7/1/33	1,000	1,051,620
Salt River Project Agricultural Improvement and Power District, AZ:		
5.00%, 1/1/45	1,000	1,090,900
5.00%, 1/1/50	2,000	2,195,980
	<b>\$ 6,691,031</b>	

### General Obligations — 9.9%

Chandler Unified School District No. 80, AZ, 4.00%, 7/1/33	\$ 225	\$ 231,964
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Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Paradise Valley Unified School District No. 69, AZ, 4.00%, 7/1/42	\$ 1,550	\$ 1,550,062
Phoenix Union High School District No. 210, AZ, 4.00%, 7/1/39	300	302,247
Puerto Rico:		
0.00%, 7/1/33	750	458,070
5.625%, 7/1/29	1,000	1,070,110
Scottsdale, AZ, 4.00%, 7/1/39	1,500	1,529,685
Tempe, AZ:		
5.00%, 7/1/24	1,000	1,016,300
5.00%, 7/1/43	1,000	1,122,690
Western Maricopa Education Center District No. 402, AZ, 4.50%, 7/1/34	350	350,983
	<b>\$ 7,632,111</b>	

### Hospital — 6.6%

Arizona Health Facilities Authority, (Scottsdale Lincoln Hospitals), 5.00%, 12/1/39	\$ 1,665	\$ 1,676,239
Maricopa County Industrial Development Authority, AZ, (Banner Health):		
4.00%, 1/1/44	500	485,710
Series 2019-E, 4.00%, 1/1/45	1,000	971,620
Maricopa County Industrial Development Authority, AZ, (HonorHealth), 5.00%, 9/1/32	400	432,380
Yavapai County Industrial Development Authority, AZ, (Yavapai Regional Medical Center), 5.25%, 8/1/33	500	500,235
Yuma Industrial Development Authority, AZ, (Yuma Regional Medical Center), 5.00%, 8/1/32	1,005	1,015,934
	<b>\$ 5,082,118</b>	

### Housing — 2.2%

Phoenix Industrial Development Authority, AZ, (Downtown Phoenix Student Housing II, LLC - Arizona State University):		
5.00%, 7/1/39	\$ 500	\$ 508,725
5.00%, 7/1/44	250	252,135
Phoenix Industrial Development Authority, AZ, (Downtown Phoenix Student Housing, LLC - Arizona State University):		
5.00%, 7/1/27	415	429,882
5.00%, 7/1/37	500	510,450
	<b>\$ 1,701,192</b>	

### Industrial Development Revenue — 7.1%

Chandler Industrial Development Authority, AZ, (Intel Corp.), (AMT), 5.00% to 9/1/27 (Put Date), 9/1/52	\$ 2,000	\$ 2,056,040
Maricopa County Industrial Development Authority, AZ, (Commercial Metals Co.), (AMT), 4.00%, 10/15/47 <sup>(1)</sup>	500	431,044

# Eaton Vance

## Arizona Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Industrial Development Revenue (continued)</b>		
Maricopa County Pollution Control Corp., AZ, (El Paso Electric Co.):		
3.60%, 2/1/40	\$ 250	\$ 218,306
4.50%, 8/1/42	850	814,453
Yavapai County Industrial Development Authority, AZ, (Republic Services, Inc.), 3.80% to 9/1/23 (Put Date), 4/1/29	2,000	2,000,000
	<b>\$ 5,519,843</b>	

#### Insured - Electric Utilities — 0.9%

Puerto Rico Electric Power Authority: (NPPG), 5.25%, 7/1/29	\$ 485	\$ 480,509
Series SS, (NPPG), 5.00%, 7/1/25	245	245,095
	<b>\$ 725,604</b>	

#### Insured - General Obligations — 12.0%

Apache Junction Unified School District No. 43, AZ, (AGM), 5.00%, 7/1/24	\$ 1,200	\$ 1,218,036
Cartwright Elementary School District No. 83, AZ, (AGM), 5.25%, 7/1/42	1,390	1,552,380
Maricopa County Elementary School District No. 2, AZ, (AGM), 5.00%, 7/1/34	1,000	1,155,030
Maricopa County Elementary School District No. 3, AZ, (AGM), 5.00%, 7/1/25	2,670	2,762,329
Maricopa County Elementary School District No. 25, AZ, (AGM), 4.375%, 7/1/42	2,120	2,195,281
Maricopa County Elementary School District No. 66, AZ, (BAM), 4.00%, 7/1/39	400	402,188
	<b>\$ 9,285,244</b>	

#### Insured - Lease Revenue/Certificates of Participation — 1.9%

Higley Unified School District No. 60, AZ, Certificates of Participation:		
(AGM), 4.125%, 6/1/42	\$ 500	\$ 502,745
(AGM), 4.25%, 6/1/47	1,000	1,002,100
	<b>\$ 1,504,845</b>	

#### Insured - Special Tax Revenue — 4.2%

Glendale, AZ, Transportation Excise Tax Revenue, (AGM), 5.00%, 7/1/30	\$ 1,250	\$ 1,288,525
Phoenix Civic Improvement Corp., AZ, (Civic Plaza), (NPPG), 5.50%, 7/1/41	1,635	1,995,632
	<b>\$ 3,284,157</b>	

Security	Principal Amount (000's omitted)	Value
<b>Other Revenue — 1.8%</b>		
Salt Verde Financial Corp., AZ, Senior Gas Revenue, 5.00%, 12/1/37	\$ 1,355	\$ 1,417,709
		<b>\$ 1,417,709</b>

#### Senior Living/Life Care — 1.9%

Glendale Industrial Development Authority, AZ, (Royal Oaks - Inspirata Pointe), 5.00%, 5/15/41	\$ 500	\$ 462,730
Glendale Industrial Development Authority, AZ, (Terraces of Phoenix), 4.00%, 7/1/28	225	207,434
Tempe Industrial Development Authority, AZ, (Friendship Village of Tempe):		
4.00%, 12/1/29	380	352,154
4.00%, 12/1/30	500	457,200
	<b>\$ 1,479,518</b>	

#### Special Tax Revenue — 6.0%

American Samoa Economic Development Authority, 5.00%, 9/1/38 <sup>(1)</sup>	\$ 200	\$ 197,382
Bullhead City, AZ, Excise Taxes Revenue:		
0.75%, 7/1/25	40	37,287
1.30%, 7/1/28	500	445,125
2.10%, 7/1/36	580	464,974
2.55%, 7/1/46	125	87,389
4.00%, 7/1/32	275	286,762
Phoenix Civic Improvement Corp., AZ, Excise Tax Revenue, 4.00%, 7/1/45	1,000	979,640
Pinal County, AZ, Pledged Revenue:		
4.00%, 8/1/33	600	622,140
4.00%, 8/1/36	500	510,680
Puerto Rico Sales Tax Financing Corp., 5.00%, 7/1/58	1,000	975,760
	<b>\$ 4,607,139</b>	

#### Transportation — 6.5%

Arizona Transportation Board, Highway Revenue, 5.00%, 7/1/33	\$ 1,000	\$ 1,013,680
Phoenix Civic Improvement Corp., AZ, Airport Revenue:		
(AMT), 4.00%, 7/1/37	1,500	1,488,795
(AMT), 4.00%, 7/1/38	1,000	988,320
(AMT), 5.00%, 7/1/49	1,455	1,500,964
	<b>\$ 4,991,759</b>	

#### Water and Sewer — 6.9%

Central Arizona Water Conservation District, 5.00%, 1/1/35	\$ 1,500	\$ 1,549,365
Gilbert Water Resources Municipal Property Corp., AZ, 4.00%, 7/1/36	750	764,280

# Eaton Vance

## Arizona Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Water and Sewer (continued)</b>		
Gilbert Water Resources Municipal Property Corp., AZ: (continued)		
Green Bonds, 4.00%, 7/15/47	\$ 1,000	\$ 991,660
Phoenix Civic Improvement Corp., AZ, Wastewater System Revenue, 5.00%, 7/1/28	860	873,003
Tucson, AZ, Water System Revenue:		
5.00%, 7/1/32	545	584,753
5.00%, 7/1/35	530	563,819
		<b>\$ 5,326,880</b>
<b>Total Tax-Exempt Municipal Obligations</b> (identified cost \$69,236,940)		<b>\$ 68,985,499</b>

### Taxable Municipal Obligations — 8.1%

Security	Principal Amount (000's omitted)	Value
<b>Education — 0.2%</b>		
Arizona Industrial Development Authority, (Doral Academy of Northern Nevada), 3.375%, 7/15/25 <sup>(1)</sup>	\$ 135	\$ 128,115
La Paz County Industrial Development Authority, AZ, (Harmony Public Schools), 3.00%, 2/15/24	45	44,271
		<b>\$ 172,386</b>
<b>General Obligations — 2.4%</b>		
Maricopa County Elementary School District No. 2, AZ, 4.50%, 7/1/24		
	\$ 655	\$ 645,804
Maricopa, AZ:		
5.09%, 7/1/25	500	498,910
5.45%, 7/1/24	710	709,602
		<b>\$ 1,854,316</b>
<b>Hospital — 2.6%</b>		
Maricopa County Industrial Development Authority, AZ, (Banner Health), 5.40%, 1/1/56 <sup>(2)</sup>		
	\$ 2,000	\$ 2,000,000
		<b>\$ 2,000,000</b>
<b>Special Tax Revenue — 2.9%</b>		
Cottonwood, AZ, Pledged Revenue, 2.625%, 7/1/35		
	\$ 850	\$ 646,833
Tempe, AZ, Transit Excise Tax Revenue:		
1.145%, 7/1/27	540	471,927

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
Tempe, AZ, Transit Excise Tax Revenue: (continued)		
1.345%, 7/1/28	\$ 1,330	\$ 1,139,185
		<b>\$ 2,257,945</b>
<b>Total Taxable Municipal Obligations</b> (identified cost \$6,764,123)		<b>\$ 6,284,647</b>

### Trust Units — 0.7%

Security	Notional Amount (000's omitted)	Value
<b>Transportation — 0.7%</b>		
HTA TRRB 2005L-745190UR7 Assured Custodial Trust, 5.25%, 7/1/41		
	\$ 500	\$ 501,940
<b>Total Trust Units</b> (identified cost \$497,285)		<b>\$ 501,940</b>
<b>Total Investments — 98.0%</b> (identified cost \$76,498,348)		<b>\$ 75,772,086</b>
<b>Other Assets, Less Liabilities — 2.0%</b>		<b>\$ 1,540,789</b>
<b>Net Assets — 100.0%</b>		<b>\$ 77,312,875</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

<sup>(1)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$2,711,298 or 3.5% of the Fund's net assets.

<sup>(2)</sup> Variable rate demand obligation that may be tendered at par on any day for payment the lesser of 5 business days or 7 calendar days. The stated interest rate, which generally resets weekly, is determined by the remarketing agent and represents the rate in effect at July 31, 2023.

The Fund invests primarily in debt securities issued by Arizona municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 19.5% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from 0.5% to 15.4% of total investments.



# Eaton Vance

## Arizona Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

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**Abbreviations:**

- AGM – Assured Guaranty Municipal Corp.
- AMT – Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
- BAM – Build America Mutual Assurance Co.
- NPFG – National Public Finance Guarantee Corp.

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

### Portfolio of Investments

#### Corporate Bonds — 0.9%

Security	Principal Amount (000's omitted)	Value
<b>Education — 0.9%</b>		
Yale University, 0.873%, 4/15/25	\$ 1,000	\$ 931,797
<b>Total Corporate Bonds</b> (identified cost \$965,107)		<b>\$ 931,797</b>

#### Tax-Exempt Municipal Obligations — 93.6%

Security	Principal Amount (000's omitted)	Value
<b>Bond Bank — 1.1%</b>		
Connecticut, (Revolving Fund), Green Bonds, 5.00%, 5/1/34	\$ 1,000	\$ 1,081,140
		<b>\$ 1,081,140</b>

#### Education — 20.0%

Connecticut Health and Educational Facilities Authority, (Avon Old Farms School):		
4.00%, 7/1/41	\$ 600	\$ 583,758
5.00%, 7/1/30	175	196,025
Connecticut Health and Educational Facilities Authority, (Connecticut College):		
4.00%, 7/1/36	255	256,744
4.00%, 7/1/37	270	267,983
5.00%, 7/1/26	270	280,878
Connecticut Health and Educational Facilities Authority, (Fairfield University), 4.00%, 7/1/42	2,500	2,356,775
Connecticut Health and Educational Facilities Authority, (Hopkins School), 5.25%, 7/1/47	1,725	1,880,595
Connecticut Health and Educational Facilities Authority, (Quinnipiac University):		
4.125%, 7/1/41	500	480,540
5.00%, 7/1/34	1,475	1,540,977
5.00%, 7/1/48	1,000	1,058,650
Connecticut Health and Educational Facilities Authority, (Sacred Heart University), 5.00%, 7/1/37	810	844,393
Connecticut Health and Educational Facilities Authority, (The Taft School):		
4.00%, 7/1/28	135	141,288
4.00%, 7/1/29	100	104,946
4.00%, 7/1/30	125	131,266
4.00%, 7/1/33	430	445,480
4.00%, 7/1/34	1,095	1,131,354
4.00%, 7/1/36	560	570,394

Security	Principal Amount (000's omitted)	Value
<b>Education (continued)</b>		
Connecticut Health and Educational Facilities Authority, (University of New Haven):		
5.00%, 7/1/34	\$ 810	\$ 826,062
5.00%, 7/1/35	850	857,378
Connecticut Health and Educational Facilities Authority, (Yale University):		
0.375% to 7/12/24 (Put Date), 7/1/35	1,000	967,900
2.00% to 7/1/26 (Put Date), 7/1/42	1,785	1,691,377
2.80% to 2/10/26 (Put Date), 7/1/48	2,000	1,958,660
4.28%, 7/1/42 <sup>(1)</sup>	2,000	2,000,000
		<b>\$ 20,573,423</b>

#### Escrowed/Prerefunded — 1.5%

Connecticut Higher Education Supplemental Loan Authority:		
(AMT), Prerefunded to 5/15/24, 4.00%, 11/15/30	\$ 415	\$ 416,942
(AMT), Prerefunded to 11/15/25, 4.125%, 11/15/33	150	152,033
Greater New Haven Water Pollution Control Authority, CT, Prerefunded to 8/15/24, 5.00%, 8/15/32	1,000	1,018,680
		<b>\$ 1,587,655</b>

#### General Obligations — 29.3%

Colchester, CT, 4.00%, 10/15/28	\$ 440	\$ 445,047
Connecticut:		
4.00%, 1/15/38	1,000	1,017,120
4.00%, 6/15/39	300	303,645
4.00%, 6/15/41	300	302,136
5.00%, 4/15/30	1,150	1,283,503
Social Bonds, 5.00%, 11/15/42	1,500	1,654,575
Darien, CT:		
4.00%, 4/25/24	1,000	1,005,440
4.00%, 8/1/37	1,310	1,345,750
4.00%, 4/15/48	1,125	1,113,142
East Haddam, CT:		
3.00%, 12/1/35	400	378,224
3.00%, 12/1/37	335	301,343
East Lyme, CT, 5.00%, 8/8/24 <sup>(2)</sup>	1,500	1,519,380
Ellington, CT:		
3.00%, 9/15/33	280	271,734
3.00%, 9/15/35	210	196,176
Enfield, CT, 4.00%, 8/1/29	500	522,520
Greenwich, CT:		
4.00%, 7/15/29	450	454,091
4.00%, 7/15/30	250	252,215
4.00%, 7/15/32	400	403,512

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Groton, CT:		
Green Bonds, 4.00%, 4/1/40	\$ 1,410	\$ 1,419,912
Green Bonds, 4.125%, 4/1/41	1,410	1,426,779
Guilford, CT, 3.00%, 8/1/34	500	491,795
Hartford, CT, Special Obligation Bonds, 5.00%, 4/1/24	750	757,740
North Haven, CT, 5.00%, 7/15/25	1,490	1,545,577
Norwalk, CT, 4.00%, 8/15/47	1,425	1,404,480
Puerto Rico:		
0.00%, 7/1/33	750	458,070
5.625%, 7/1/27	328	345,056
5.625%, 7/1/29	1,250	1,337,637
South Windsor, CT, 4.00%, 2/1/43	1,425	1,431,256
Thomaston, CT, 3.00%, 8/8/23	2,000	1,999,680
Waterbury, CT, 5.00%, 8/1/37	1,150	1,280,145
West Haven, CT, 4.00%, 9/15/36	1,500	1,472,865
Windsor Locks, CT:		
4.125%, 7/15/41	640	648,749
4.25%, 7/15/48	1,280	1,287,770
	<b>\$ 30,077,064</b>	

### Hospital — 8.2%

Connecticut Health and Educational Facilities Authority, (Connecticut Children's Medical Center), 4.00%, 7/15/43	\$ 1,535	\$ 1,475,166
Connecticut Health and Educational Facilities Authority, (Nuvance Health), 4.00%, 7/1/49	1,500	1,301,640
Connecticut Health and Educational Facilities Authority, (Stamford Hospital), 4.00%, 7/1/46	1,620	1,478,963
Connecticut Health and Educational Facilities Authority, (Trinity Health Corp.), 5.00%, 12/1/33	2,000	2,094,420
Connecticut Health and Educational Facilities Authority, (Yale-New Haven Health):		
5.00%, 7/1/31	500	506,670
5.00%, 7/1/34	1,520	1,539,395
	<b>\$ 8,396,254</b>	

### Housing — 7.1%

Connecticut Housing Finance Authority:		
4.00%, 11/15/38	\$ 750	\$ 742,747
(SPA: TD Bank, N.A.), 3.92%, 11/15/50 <sup>(3)</sup>	2,800	2,800,000
Social Bonds, (FHLMC), (FNMA), (GNMA), 4.00%, 5/15/35	700	707,196
Social Bonds, 4.20%, 11/15/38 <sup>(2)</sup>	1,000	1,005,410
Social Bonds, (FHLMC), (FNMA), (GNMA), 4.55%, 11/15/37	1,000	1,036,050

Security	Principal Amount (000's omitted)	Value
<b>Housing (continued)</b>		
Connecticut Housing Finance Authority: (continued)		
Sustainability Bonds, 4.05%, 11/15/42	\$ 1,000	\$ 970,070
		<b>\$ 7,261,473</b>

### Insured - Education — 4.4%

Connecticut Health and Educational Facilities Authority, (Loomis Chaffee School):		
(AMBAC), 5.25%, 7/1/30	\$ 1,950	\$ 2,209,252
(AMBAC), 5.25%, 7/1/31	2,050	2,358,648
		<b>\$ 4,567,900</b>

### Insured - General Obligations — 6.6%

Bridgeport, CT, (AGM), 5.00%, 8/15/32	\$ 1,120	\$ 1,183,952
Hamden, CT, (BAM), 5.00%, 8/15/32	1,375	1,565,864
New Britain, CT:		
(BAM), 4.00%, 3/1/47	2,000	1,986,580
(BAM), 5.00%, 3/1/47	1,000	1,058,240
New Haven, CT, (AGM), 5.00%, 8/1/25	1,000	1,014,940
		<b>\$ 6,809,576</b>

### Insured - Hospital — 1.0%

Connecticut Health and Educational Facilities Authority, (Hartford HealthCare Obligated Group), (AGM), 4.00%, 7/1/37	\$ 1,000	\$ 1,004,430
		<b>\$ 1,004,430</b>

### Insured - Water and Sewer — 3.4%

South Central Connecticut Regional Water Authority, (NPFPG), 5.25%, 8/1/24	\$ 3,420	\$ 3,488,195
		<b>\$ 3,488,195</b>

### Senior Living/Life Care — 1.6%

Connecticut Health and Educational Facilities Authority, (Covenant Home, Inc.), 5.00%, 12/1/34	\$ 1,000	\$ 1,022,060
Connecticut Health and Educational Facilities Authority, (Jerome Home), 4.00%, 7/1/31	235	218,595
Connecticut Health and Educational Facilities Authority, (McLean Affiliates, Inc.), 5.00%, 1/1/45 <sup>(4)</sup>	500	432,030
		<b>\$ 1,672,685</b>

### Special Tax Revenue — 4.5%

American Samoa Economic Development Authority, 5.00%, 9/1/38 <sup>(4)</sup>	\$ 200	\$ 197,382
Connecticut, Special Tax Obligation Bonds:		
4.00%, 8/1/35	2,000	2,011,880
5.00%, 7/1/39	1,000	1,129,960

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
Puerto Rico Sales Tax Financing Corp., 5.00%, 7/1/58	\$ 1,360	\$ 1,327,033
		<b>\$ 4,666,255</b>

#### Student Loan — 1.7%

Connecticut Higher Education Supplemental Loan Authority:		
(AMT), 4.00%, 11/15/36	\$ 600	\$ 573,786
(AMT), 4.25%, 11/15/38	695	666,602
(AMT), 5.00%, 11/15/28	250	266,535
(AMT), 5.00%, 11/15/29	240	258,545
		<b>\$ 1,765,468</b>

#### Transportation — 0.8%

Connecticut Airport Authority, (Ground Transportation Center), (AMT), 4.00%, 7/1/49		
	\$ 1,000	\$ 838,100
		<b>\$ 838,100</b>

#### Water and Sewer — 2.4%

South Central Connecticut Regional Water Authority:		
4.00%, 8/1/34	\$ 450	\$ 467,555
5.00%, 8/1/32	355	397,696
Stamford, CT, (Water Pollution Control System):		
4.00%, 4/1/44	1,000	998,580
5.00%, 9/15/29	200	207,722
5.00%, 9/15/30	125	129,696
5.00%, 4/1/33	100	111,655
5.00%, 4/1/34	100	111,926
		<b>\$ 2,424,830</b>

<b>Total Tax-Exempt Municipal Obligations</b> (identified cost \$97,026,257)		<b>\$ 96,214,448</b>
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#### Taxable Municipal Obligations — 5.1%

Security	Principal Amount (000's omitted)	Value
<b>Education — 0.3%</b>		
Connecticut Health and Educational Facilities Authority, (Avon Old Farms School), 1.65%, 7/1/24	\$ 300	\$ 288,462
		<b>\$ 288,462</b>

#### General Obligations — 3.0%

Connecticut, 3.136%, 4/15/25	\$ 770	\$ 742,488
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Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		

Naugatuck, CT:		
1.14%, 9/15/26	\$ 200	\$ 177,736
1.40%, 9/15/27	250	217,807
1.60%, 9/15/28	255	217,880
1.79%, 9/15/29	750	628,552
Norwalk, CT, 1.381%, 7/15/29	1,000	826,790
Watertown, CT, 2.25%, 10/15/33	290	227,540
		<b>\$ 3,038,793</b>

#### Housing — 1.8%

New York Housing Finance Agency, Social Bonds, (SPA: TD Bank, N.A.), 5.23%, 11/1/55 <sup>(3)</sup>		
	\$ 1,885	\$ 1,885,000
		<b>\$ 1,885,000</b>

<b>Total Taxable Municipal Obligations</b> (identified cost \$5,523,474)		<b>\$ 5,212,255</b>
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#### Trust Units — 0.7%

Security	Notional Amount (000's omitted)	Value
<b>Transportation — 0.7%</b>		
HTA TRRB 2005L-745190R75 Assured Custodial Trust, 5.25%, 7/1/41	\$ 670	\$ 672,600
<b>Total Trust Units</b> (identified cost \$674,943)		<b>\$ 672,600</b>

<b>Total Investments — 100.3%</b> (identified cost \$104,189,781)		<b>\$103,031,100</b>
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<b>Other Assets, Less Liabilities — (0.3)%</b>		<b>\$ (278,964)</b>
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<b>Net Assets — 100.0%</b>		<b>\$102,752,136</b>
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The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

(1) Variable rate demand obligation that may be tendered at par on any day for payment the same or next business day. The stated interest rate, which generally resets daily, is determined by the remarketing agent and represents the rate in effect at July 31, 2023.

(2) When-issued security.

(3) Variable rate demand obligation that may be tendered at par on any day for payment the lesser of 5 business days or 7 calendar days. The stated interest rate, which generally resets weekly, is determined by the remarketing agent and represents the rate in effect at July 31, 2023.

# Eaton Vance

## Connecticut Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

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<sup>(4)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$629,412 or 0.6% of the Fund's net assets.

The Fund invests primarily in debt securities issued by Connecticut municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 15.4% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from 3.1% to 4.5% of total investments.

#### Abbreviations:

AGM	– Assured Guaranty Municipal Corp.
AMBAC	– AMBAC Financial Group, Inc.
AMT	– Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
BAM	– Build America Mutual Assurance Co.
FHLMC	– Federal Home Loan Mortgage Corp.
FNMA	– Federal National Mortgage Association
GNMA	– Government National Mortgage Association
NPFG	– National Public Finance Guarantee Corp.
SPA	– Standby Bond Purchase Agreement

# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

### Portfolio of Investments

#### Tax-Exempt Municipal Obligations — 96.3%

Security	Principal Amount (000's omitted)	Value
<b>Bond Bank — 0.9%</b>		
Minnesota Public Facilities Authority, (Revolving Fund):		
5.00%, 3/1/29	\$ 1,000	\$ 1,053,450
5.00%, 3/1/30	1,000	1,052,430
		<b>\$ 2,105,880</b>
<b>Education — 11.1%</b>		
Minnesota Higher Education Facilities Authority, (Carleton College):		
5.00%, 3/1/29	\$ 2,250	\$ 2,406,712
5.00%, 3/1/31	1,000	1,071,160
5.00%, 3/1/34	500	534,750
Minnesota Higher Education Facilities Authority, (College of Saint Benedict):		
4.00%, 3/1/36	400	388,764
5.00%, 3/1/37	1,500	1,526,190
5.00%, 10/1/52	2,000	2,081,980
Minnesota Higher Education Facilities Authority, (College of St. Scholastica), 4.00%, 12/1/40		
	1,850	1,666,129
Minnesota Higher Education Facilities Authority, (Gustavus Adolphus College), 5.00%, 10/1/35		
	565	596,600
Minnesota Higher Education Facilities Authority, (Macalester College):		
5.00%, 3/1/27	500	512,225
5.00%, 3/1/28	1,010	1,034,220
Minnesota Higher Education Facilities Authority, (St. Catherine University), 5.00%, 10/1/32		
	500	531,765
Minnesota Higher Education Facilities Authority, (St. Olaf College):		
4.00%, 10/1/35	500	502,975
4.00%, 10/1/50	1,500	1,435,440
5.00%, 12/1/29	1,815	1,878,325
Minnesota Higher Education Facilities Authority, (University of St. Thomas):		
4.00%, 10/1/32	910	937,118
5.00%, 10/1/30	650	697,463
5.00%, 10/1/34	250	273,545
5.00%, 4/1/35	750	784,598
Series 2017A, 4.00%, 10/1/37	500	499,775
Series 2019, 4.00%, 10/1/37	500	499,775
St. Paul Housing and Redevelopment Authority, MN, (Hmong College Prep Academy), 5.00%, 9/1/43		
	1,000	924,740
University of Minnesota:		
5.00%, 4/1/27	500	524,840
5.00%, 8/1/27	625	645,713
5.00%, 4/1/41	2,000	2,059,500

Security	Principal Amount (000's omitted)	Value
<b>Education (continued)</b>		
University of Minnesota: (continued)		
5.00%, 4/1/44	\$ 2,000	\$ 2,151,780
		<b>\$ 26,166,082</b>
<b>Electric Utilities — 7.5%</b>		
Chaska, MN, Electric System Revenue, 5.00%, 10/1/30		
	\$ 550	\$ 570,108
Hutchinson, MN, Public Utility Revenue, 5.00%, 12/1/26		
	350	350,455
Minnesota Municipal Power Agency:		
4.00%, 10/1/41	3,415	3,395,910
5.00%, 10/1/33	250	254,170
5.00%, 10/1/34	250	254,170
5.00%, 10/1/35	200	203,268
5.00%, 10/1/47	1,210	1,250,051
Northern Municipal Power Agency, MN:		
5.00%, 1/1/30	460	488,695
5.00%, 1/1/31	670	697,249
5.00%, 1/1/41	240	247,486
Rochester, MN, Electric Utility Revenue:		
5.00%, 12/1/29	700	741,860
5.00%, 12/1/30	700	740,040
5.00%, 12/1/42	820	846,191
St. Paul Port Authority, MN, District Energy Revenue:		
4.00%, 10/1/42	1,250	1,192,437
Series 2017-4, (AMT), 4.00%, 10/1/40	1,000	958,440
Series 2021-2, (AMT), 4.00%, 10/1/40	1,100	1,055,571
Western Minnesota Municipal Power Agency:		
5.00%, 1/1/25	750	767,993
5.00%, 1/1/27	750	800,715
5.00%, 1/1/29	1,000	1,108,960
5.00%, 1/1/30	750	847,612
5.00%, 1/1/36	900	927,090
		<b>\$ 17,698,471</b>
<b>Escrowed/Prerefunded — 1.6%</b>		
Western Minnesota Municipal Power Agency, Prerefunded to 1/1/24, 5.00%, 1/1/34		
	\$ 3,700	\$ 3,725,752
		<b>\$ 3,725,752</b>
<b>General Obligations — 37.9%</b>		
Anoka-Hennepin Independent School District No. 11, MN:		
5.00%, 2/1/27	\$ 1,000	\$ 1,074,070
5.00%, 2/1/28	1,040	1,120,226
Brooklyn Center Independent School District No. 286, MN,		
4.00%, 2/1/40	2,000	2,015,220
Burnsville, MN, 3.00%, 12/20/32		
	620	617,973

# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Centennial Independent School District No. 12, MN:		
0.00%, 2/1/28	\$ 1,000	\$ 854,190
0.00%, 2/1/35	350	221,869
Cloquet Independent School District No. 94, MN, 5.00%, 2/1/30		
	2,000	2,043,760
Coon Rapids, MN, 5.00%, 2/1/33		
	1,525	1,793,415
Duluth, MN:		
5.00%, 2/1/34	1,000	1,033,870
Series 2016A, 5.00%, 2/1/31	1,000	1,041,160
Series 2019C, 5.00%, 2/1/31	500	555,060
Edina Independent School District No. 273, MN, 5.00%, 2/1/28		
	1,625	1,743,609
Elk River Area Independent School District No. 728, MN, 4.00%, 2/1/32		
	2,000	2,011,480
GFW Independent School District No. 2365, MN, 4.125%, 2/1/52		
	2,250	2,237,872
Hawley Independent School District No. 150, MN, 4.25%, 2/1/46		
	2,250	2,267,842
Hennepin County Independent School District No. 281, MN, 5.00%, 2/1/29		
	1,010	1,107,728
Hennepin County Regional Railroad Authority, MN, 5.00%, 12/1/32		
	675	757,282
Hennepin County, MN:		
5.00%, 12/1/32	1,000	1,179,540
5.00%, 12/15/33	2,280	2,549,952
5.00%, 12/1/35	2,000	2,111,820
5.00%, 12/1/39	2,000	2,294,140
(SPA: TD Bank, N.A.), 3.90%, 12/1/38 <sup>(1)</sup>	1,865	1,865,000
Jordan Independent School District No. 717, MN, 4.00%, 2/1/42 <sup>(2)</sup>		
	1,300	1,286,740
Mahtomedi Independent School District No. 832, MN, 5.00%, 2/1/31		
	1,000	1,022,030
Maple River Independent School District No. 2135, MN:		
4.00%, 2/1/45	1,200	1,206,000
4.00%, 2/1/50	1,500	1,465,410
Minneapolis Special School District No. 1, MN:		
4.00%, 2/1/33	1,500	1,564,965
5.00%, 2/1/32	1,500	1,644,615
Minneapolis, MN, 4.00%, 12/1/39		
	2,500	2,549,450
Minneapolis-St. Paul Metropolitan Council, MN:		
4.00%, 3/1/43	2,000	2,016,980
5.00%, 3/1/29	2,000	2,242,760
Series 2018C, 5.00%, 3/1/28	2,500	2,692,525
Series 2022B, 5.00%, 3/1/28	2,000	2,196,260
Minnesota:		
4.00%, 9/1/41	2,000	2,055,320

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Minnesota: (continued)		
5.00%, 8/1/34	\$ 500	\$ 552,730
5.00%, 10/1/34	1,000	1,081,850
5.00%, 8/1/38	1,135	1,294,070
Pipestone, Rock and Murray Counties Independent School District No. 2689, MN, 5.00%, 2/1/29		
	1,205	1,346,973
Puerto Rico:		
5.625%, 7/1/29	1,500	1,605,165
5.75%, 7/1/31	500	545,930
Ramsey County, MN, 4.00%, 2/1/43		
	2,940	2,960,521
Rice County, MN, 4.00%, 2/1/52		
	3,000	2,897,220
Rosemount, MN:		
4.00%, 2/1/44 <sup>(2)</sup>	2,480	2,476,602
4.00%, 2/1/48 <sup>(2)</sup>	1,885	1,848,111
Rosemount-Apple Valley-Eagan Independent School District No. 196, MN:		
4.00%, 2/1/28	2,000	2,048,740
5.00%, 2/1/27	1,000	1,048,020
Round Lake-Brewster Independent School District No. 2907, MN, 4.00%, 2/1/46		
	2,680	2,576,204
Sartell-St. Stephen Independent School District No. 748, MN:		
0.00%, 2/1/32	1,350	984,649
0.00%, 2/1/37	1,500	846,300
Scott County, MN, 4.00%, 12/1/34		
	2,000	2,121,260
Spring Lake Park Independent School District No. 16, MN, 4.00%, 2/1/29		
	1,075	1,103,133
St. Louis Park Independent School District No. 283, MN, 4.00%, 2/1/31		
	2,000	2,077,160
St. Louis Park, MN, 4.00%, 2/1/28		
	1,000	1,041,930
St. Paul, MN:		
5.00%, 12/1/27	750	797,055
5.00%, 5/1/28	1,200	1,324,836
Waseca Independent School District No. 829, MN, 4.00%, 2/1/28		
	1,575	1,613,383
Watertown-Mayer Independent School District No. 111, MN, 0.00%, 2/1/36		
	1,000	600,030
		<b>\$ 89,232,005</b>
<b>Hospital — 14.8%</b>		
Duluth Economic Development Authority, MN, (Essentia Health Obligated Group):		
5.00%, 2/15/37	\$ 1,000	\$ 1,039,760
5.00%, 2/15/48	3,000	3,030,480
Duluth Economic Development Authority, MN, (St. Luke's Hospital of Duluth Obligated Group):		
4.00%, 6/15/34	520	506,880

# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Hospital (continued)</b>		
Duluth Economic Development Authority, MN, (St. Luke's Hospital of Duluth Obligated Group): (continued)		
4.00%, 6/15/38	\$ 375	\$ 340,181
4.00%, 6/15/39	225	201,762
5.25%, 6/15/52	2,000	2,021,420
Maple Grove, MN, (Maple Grove Hospital Corp.):		
5.00%, 5/1/30	850	887,902
5.00%, 5/1/31	500	521,605
5.00%, 5/1/32	500	519,630
Minneapolis and St. Paul Housing and Redevelopment Authority, MN, (Allina Health System), 5.00%, 11/15/29	915	973,789
Minneapolis, MN, (Allina Health System):		
4.00%, 11/15/37	3,250	3,217,370
5.00% to 11/15/28 (Put Date), 11/15/52	2,000	2,152,220
Minneapolis, MN, (Fairview Health Services), 5.00%, 11/15/28	225	230,978
Rochester, MN, (Mayo Clinic):		
4.00%, 11/15/48	1,000	973,880
5.00%, 11/15/57	750	807,623
(SPA: Northern Trust Co.), 4.00%, 11/15/38 <sup>(1)</sup>	6,990	6,990,000
St. Cloud, MN, (CentraCare Health System), 5.00%, 5/1/46	2,650	2,691,923
St. Paul Housing and Redevelopment Authority, MN, (Fairview Health Services):		
5.00%, 11/15/31	1,000	1,050,020
5.00%, 11/15/34	500	523,635
5.00%, 11/15/47	500	507,185
St. Paul Housing and Redevelopment Authority, MN, (HealthPartners Obligated Group):		
5.00%, 7/1/29	2,500	2,561,025
5.00%, 7/1/30	1,000	1,024,920
5.00%, 7/1/32	1,995	2,040,725
		<b>\$ 34,814,913</b>
<b>Housing — 3.1%</b>		
Minnesota Housing Finance Agency:		
2.15%, 7/1/45	\$ 900	\$ 643,266
4.00%, 8/1/31	1,800	1,912,842
4.00%, 8/1/39	2,055	2,057,918
(FHLMC), (FNMA), (GNMA), 2.40%, 1/1/35	605	502,913
(FHLMC), (FNMA), (GNMA), 3.15%, 1/1/37	285	282,828
Social Bonds, (FHLMC), (FNMA), (GNMA), 4.50%, 7/1/43	2,000	1,973,340
		<b>\$ 7,373,107</b>

Security	Principal Amount (000's omitted)	Value
<b>Insured - Electric Utilities — 4.1%</b>		
Puerto Rico Electric Power Authority, (NPFPG), 5.25%, 7/1/32	\$ 1,150	\$ 1,132,784
Southern Minnesota Municipal Power Agency, (NPFPG), 0.00%, 1/1/25	9,000	8,555,130
		<b>\$ 9,687,914</b>
<b>Insured - Hospital — 0.9%</b>		
Minneapolis, MN, (Fairview Health Services), (AGM), 5.00%, 11/15/44	\$ 2,000	\$ 2,029,180
		<b>\$ 2,029,180</b>
<b>Lease Revenue/Certificates of Participation — 1.8%</b>		
Anoka-Hennepin Independent School District No. 11, MN, 5.00%, 2/1/34	\$ 1,000	\$ 1,006,740
Minnesota, 5.00%, 3/1/27	3,000	3,225,120
		<b>\$ 4,231,860</b>
<b>Other Revenue — 2.5%</b>		
Center City, MN, (Hazelden Betty Ford Foundation):		
4.00%, 11/1/28	\$ 825	\$ 820,322
4.00%, 11/1/34	500	477,665
5.00%, 11/1/27	400	403,968
5.00%, 11/1/29	300	302,610
Minnesota Municipal Gas Agency:		
(Liq: Royal Bank of Canada), 4.00% to 12/1/27 (Put Date), 12/1/52	2,045	2,041,074
(Liq: Royal Bank of Canada), 4.39%, (67% of SOFR + 1.00%), 12/1/27 (Put Date), 12/1/52 <sup>(3)</sup>	2,000	1,956,680
		<b>\$ 6,002,319</b>
<b>Senior Living/Life Care — 2.3%</b>		
Apple Valley, MN, (PHS Apple Valley Senior Housing, Inc.):		
4.50%, 9/1/53	\$ 940	\$ 803,690
5.00%, 9/1/43	1,000	959,570
North Oaks, MN, (Waverly Gardens):		
4.00%, 10/1/25	1,600	1,593,696
4.00%, 10/1/26	1,680	1,668,089
Wayzata, MN, (Folkestone Senior Living Community), 4.00%, 8/1/44	435	357,157
		<b>\$ 5,382,202</b>
<b>Special Tax Revenue — 1.7%</b>		
American Samoa Economic Development Authority, 5.00%, 9/1/38 <sup>(4)</sup>	\$ 200	\$ 197,382



# Eaton Vance

## Minnesota Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
Puerto Rico Sales Tax Financing Corp., 5.00%, 7/1/58	\$ 4,000	\$ 3,903,040
		<b>\$ 4,100,422</b>
<b>Student Loan — 0.9%</b>		
Minnesota Office of Higher Education, Supplemental Student Loan Program Revenue, (AMT), 4.00%, 11/1/42	\$ 2,250	\$ 2,148,165
		<b>\$ 2,148,165</b>
<b>Transportation — 3.9%</b>		
Minneapolis-St. Paul Metropolitan Airports Commission, MN:		
5.00%, 1/1/35	\$ 1,000	\$ 1,005,030
5.00%, 1/1/52	1,500	1,596,570
(AMT), 5.00%, 1/1/28	1,250	1,319,125
(AMT), 5.00%, 1/1/33	1,200	1,291,368
(AMT), 5.00%, 1/1/47	2,000	2,077,180
(AMT), 5.25%, 1/1/47	1,750	1,866,952
		<b>\$ 9,156,225</b>
<b>Water and Sewer — 1.3%</b>		
Saint Paul, MN, Water Revenue, 4.00%, 12/1/47	\$ 3,000	\$ 3,026,730
		<b>\$ 3,026,730</b>
<b>Total Tax-Exempt Municipal Obligations</b> (identified cost \$230,270,133)		<b>\$226,881,227</b>
<b>Total Investments — 96.3%</b> (identified cost \$230,270,133)		<b>\$226,881,227</b>
<b>Other Assets, Less Liabilities — 3.7%</b>		<b>\$ 8,619,338</b>
<b>Net Assets — 100.0%</b>		<b>\$235,500,565</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

<sup>(1)</sup> Variable rate demand obligation that may be tendered at par on any day for payment the lesser of 5 business days or 7 calendar days. The stated interest rate, which generally resets weekly, is determined by the remarketing agent and represents the rate in effect at July 31, 2023.

<sup>(2)</sup> When-issued security.

<sup>(3)</sup> Floating rate security. The stated interest rate represents the rate in effect at July 31, 2023.

<sup>(4)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$197,382 or 0.1% of the Fund's net assets.

The Fund invests primarily in debt securities issued by Minnesota municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 5.2% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from 0.9% to 4.3% of total investments.

#### Abbreviations:

AGM	– Assured Guaranty Municipal Corp.
AMT	– Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
FHLMC	– Federal Home Loan Mortgage Corp.
FNMA	– Federal National Mortgage Association
GNMA	– Government National Mortgage Association
Liq	– Liquidity Provider
NPFG	– National Public Finance Guarantee Corp.
SOFR	– Secured Overnight Financing Rate
SPA	– Standby Bond Purchase Agreement

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

### Portfolio of Investments

Tax-Exempt Municipal Obligations — 90.4%

Security	Principal Amount (000's omitted)	Value
<b>Bond Bank — 1.1%</b>		
New Jersey Infrastructure Bank:		
Green Bonds, 5.00%, 9/1/36	\$ 1,000	\$ 1,166,500
Green Bonds, 5.00%, 9/1/38	500	567,670
		<b>\$ 1,734,170</b>
<b>Education — 2.7%</b>		
Essex County Improvement Authority, NJ, (Friends of TEAM Charter Schools, Inc.), Social Bonds, 4.00%, 6/15/56	\$ 1,550	\$ 1,273,000
New Jersey Educational Facilities Authority, (Montclair State University), 5.00%, 7/1/30	1,765	1,790,963
New Jersey Educational Facilities Authority, (Princeton University), 5.00%, 7/1/42	1,000	1,062,700
		<b>\$ 4,126,663</b>
<b>Escrowed/Prerefunded — 2.4%</b>		
Delaware River Port Authority of Pennsylvania and New Jersey, Prerefunded to 1/1/24, 5.00%, 1/1/28	\$ 2,000	\$ 2,014,340
New Jersey Health Care Facilities Financing Authority, (Trinitas Regional Medical Center Obligated Group):		
Prerefunded to 7/1/26, 5.00%, 7/1/28	1,000	1,054,190
Prerefunded to 7/1/26, 5.00%, 7/1/29	500	527,095
		<b>\$ 3,595,625</b>
<b>General Obligations — 19.5%</b>		
Bergen County Improvement Authority, NJ, (Bergen New Bridge Medical Center), 5.00%, 8/1/42	\$ 2,575	\$ 2,883,768
Burlington County Bridge Commission, NJ:		
5.00%, 8/1/30	500	553,510
5.00%, 8/1/31	410	454,616
5.00%, 8/1/32	250	277,120
5.00%, 10/1/36	1,000	1,076,000
Chester Township, NJ:		
2.00%, 10/1/29	1,000	912,500
2.00%, 10/1/30	495	446,901
East Brunswick Board of Education, NJ, 4.00%, 8/1/34	1,200	1,266,900
East Brunswick, NJ, 2.00%, 7/15/30	2,375	2,149,375
Essex County, NJ:		
2.00%, 9/1/32	2,935	2,573,437
4.00%, 8/15/33	1,170	1,261,669
Gloucester County Improvement Authority, NJ, 4.00%, 4/1/35	2,000	2,031,500
Hudson County Improvement Authority, NJ, 4.25%, 4/5/24	2,000	2,010,000
Jersey City, NJ, 5.00%, 11/1/33	800	868,456

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Monmouth County Improvement Authority, NJ:		
3.00%, 12/1/36	\$ 100	\$ 93,680
5.00%, 12/1/37	925	1,065,110
5.00%, 12/1/38	645	737,132
Morris County Improvement Authority, NJ:		
3.00%, 3/1/35	145	139,029
3.00%, 3/1/36	150	140,932
3.00%, 3/1/37	260	236,582
3.00%, 3/1/39	275	239,616
3.00%, 3/1/41	290	246,256
3.00%, 3/1/44	930	772,644
New Jersey, 2.00%, 6/1/27	3,635	3,419,663
Passaic County Improvement Authority, NJ:		
3.00%, 8/15/36	110	102,292
3.00%, 8/15/38	150	133,253
Piscataway Township, NJ, 2.00%, 10/15/37	1,600	1,250,016
Puerto Rico, 5.625%, 7/1/29	1,000	1,070,110
Summit, NJ, 3.00%, 7/15/45	1,360	1,153,253
		<b>\$ 29,565,320</b>
<b>Hospital — 9.4%</b>		
Camden County Improvement Authority, NJ, (Cooper Health System):		
5.00%, 2/15/35	\$ 750	\$ 752,760
5.75%, 2/15/42	1,100	1,101,529
New Jersey Health Care Facilities Financing Authority, (AHS Hospital Corp.), 5.00%, 7/1/27	140	140,077
New Jersey Health Care Facilities Financing Authority, (AtlantiCare Health System Obligated Group), 4.00%, 7/1/37	710	718,122
New Jersey Health Care Facilities Financing Authority, (Princeton HealthCare System):		
5.00%, 7/1/32	590	620,721
5.00%, 7/1/39	2,750	2,825,103
New Jersey Health Care Facilities Financing Authority, (Robert Wood Johnson University Hospital):		
5.00%, 7/1/32	50	50,936
5.00%, 7/1/33	1,155	1,176,321
New Jersey Health Care Facilities Financing Authority, (RWJ Barnabas Health Obligated Group), 5.00%, 7/1/31		
	2,355	2,491,449
New Jersey Health Care Facilities Financing Authority, (St. Joseph's Healthcare System Obligated Group):		
3.00%, 7/1/32	1,100	979,484
3.125%, 7/1/33	835	745,204
4.00%, 7/1/48	3,000	2,564,610
		<b>\$ 14,166,316</b>

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Housing — 2.8%</b>		
New Jersey Housing and Mortgage Finance Agency, SFMR: (AMT), 3.80%, 10/1/32	\$ 2,350	\$ 2,285,587
Social Bonds, 4.50%, 10/1/42	1,975	1,975,000
	<b>\$ 4,260,587</b>	

<b>Industrial Development Revenue — 3.8%</b>		
New Jersey Economic Development Authority, (Middlesex Water Co.), (AMT), 5.00%, 8/1/59	\$ 3,000	\$ 3,078,000
New Jersey Economic Development Authority, (New Jersey Natural Gas Co.), 3.375%, 4/1/38	3,000	2,723,640
	<b>\$ 5,801,640</b>	

<b>Insured - Education — 0.1%</b>		
New Jersey Educational Facilities Authority, (William Paterson University), (AGM), 4.00%, 7/1/36	\$ 135	\$ 136,752
	<b>\$ 136,752</b>	

<b>Insured - Electric Utilities — 2.0%</b>		
Puerto Rico Electric Power Authority, (NPPFG), 5.25%, 7/1/34	\$ 3,020	\$ 2,972,616
	<b>\$ 2,972,616</b>	

<b>Insured - Escrowed/Prerefunded — 0.9%</b>		
Bayonne, NJ, (AGM), Prerefunded to 8/1/25, 5.00%, 8/1/26	\$ 865	\$ 896,719
New Jersey Economic Development Authority, (Motor Vehicle Surcharges), (NPPFG), Escrowed to Maturity, 5.25%, 7/1/26	380	403,222
	<b>\$ 1,299,941</b>	

<b>Insured - General Obligations — 5.5%</b>		
Atlantic City, NJ, (AGM), 5.00%, 3/1/37	\$ 1,500	\$ 1,572,645
Bayonne, NJ, (AGM), 5.00%, 8/1/25	615	634,298
Montclair Board of Education, NJ, (BAM), 4.00%, 1/15/43	4,200	4,267,914
Paterson, NJ, (BAM), 5.00%, 1/15/26	1,305	1,306,762
Trenton, NJ, (BAM), 5.00%, 12/1/26	500	519,975
	<b>\$ 8,301,594</b>	

<b>Insured - Lease Revenue/Certificates of Participation — 6.0%</b>		
New Jersey Economic Development Authority, (Motor Vehicle Surcharges): (AGC), 0.00%, 7/1/26	\$ 6,500	\$ 5,824,455
(AGC), 0.00%, 7/1/27	1,900	1,642,892
(NPPFG), 5.25%, 7/1/26	1,620	1,691,815
	<b>\$ 9,159,162</b>	

Security	Principal Amount (000's omitted)	Value
<b>Insured - Special Tax Revenue — 4.5%</b>		
Garden State Preservation Trust, NJ, (AGM), 0.00%, 11/1/24	\$ 6,000	\$ 5,743,080
Newark, NJ, (Mulberry Pedestrian Bridge Redevelopment), (AGM), 5.00%, 11/15/42	1,000	1,098,100
	<b>\$ 6,841,180</b>	

<b>Insured - Transportation — 1.3%</b>		
New Jersey Economic Development Authority, (The Goethals Bridge Replacement), (AGM), (AMT), 5.00%, 1/1/31	\$ 2,015	\$ 2,025,982
	<b>\$ 2,025,982</b>	

<b>Lease Revenue/Certificates of Participation — 6.9%</b>		
New Jersey Economic Development Authority, (Port Newark Container Terminal, LLC), (AMT), 5.00%, 10/1/37	\$ 1,500	\$ 1,542,420
New Jersey Economic Development Authority, (Portal North Bridge), 5.25%, 11/1/47	1,700	1,849,821
New Jersey Transportation Trust Fund Authority, (Transportation Program): 4.00%, 6/15/39	1,000	992,240
2019 Series AA, 5.00%, 6/15/38	3,220	3,397,100
2023 Series AA, 5.00%, 6/15/38	1,000	1,097,490
New Jersey Transportation Trust Fund Authority, (Transportation System), 4.00%, 6/15/36	1,500	1,519,965
	<b>\$ 10,399,036</b>	

<b>Other Revenue — 0.7%</b>		
New Jersey Economic Development Authority, (The Seeing Eye, Inc.), 5.00%, 6/1/32	\$ 1,000	\$ 1,055,450
	<b>\$ 1,055,450</b>	

<b>Special Tax Revenue — 1.4%</b>		
American Samoa Economic Development Authority, 5.00%, 9/1/38 <sup>(1)</sup>	\$ 200	\$ 197,382
Puerto Rico Sales Tax Financing Corp., 5.00%, 7/1/58	1,995	1,946,641
	<b>\$ 2,144,023</b>	

<b>Student Loan — 2.6%</b>		
New Jersey Higher Education Student Assistance Authority: (AMT), 3.25%, 12/1/29	\$ 530	\$ 514,985
(AMT), 4.00%, 12/1/34	345	343,496
(AMT), 5.00%, 12/1/29	1,565	1,673,079
(AMT), 6.446%, (3 mo. USD LIBOR + 0.95%), 6/1/36 <sup>(2)</sup>	1,450	1,450,652
	<b>\$ 3,982,212</b>	

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Transportation — 16.3%</b>		
Delaware River and Bay Authority of Delaware and New Jersey, 4.00%, 1/1/39	\$ 1,000	\$ 1,002,980
Delaware River Port Authority of Pennsylvania and New Jersey:		
5.00%, 1/1/33	1,000	1,110,300
5.00%, 1/1/35	2,270	2,511,006
5.00%, 1/1/36	1,250	1,375,513
New Jersey Economic Development Authority, (The Goethals Bridge Replacement), (AMT), 5.375%, 1/1/43	275	275,657
New Jersey Turnpike Authority:		
4.50%, 1/1/48	2,000	2,080,240
5.00%, 1/1/45	2,780	2,826,843
Newark Housing Authority, NJ, (Newark Marine Terminal), 4.00%, 1/1/37	1,500	1,515,495
Port Authority of New York and New Jersey:		
(AMT), 5.00%, 10/15/35	2,530	2,638,436
(AMT), 5.00%, 11/15/36	3,160	3,247,342
(AMT), 5.00%, 7/15/38	1,000	1,091,270
(AMT), 5.00%, 7/15/40	1,375	1,491,160
(AMT), 5.00%, 1/15/47	1,000	1,056,690
South Jersey Transportation Authority, NJ:		
4.625%, 11/1/47	1,500	1,523,655
5.00%, 11/1/31	1,000	1,013,030
		<b>\$ 24,759,617</b>

### Water and Sewer — 0.5%

New Jersey Economic Development Authority, (New Jersey-American Water Co., Inc.), (AMT), 3.75% to 6/1/28 (Put Date), 11/1/34	\$ 750	\$ 746,753
		<b>\$ 746,753</b>

**Total Tax-Exempt Municipal Obligations**  
(identified cost \$138,930,389) **\$137,074,639**

### Taxable Municipal Obligations — 5.0%

Security	Principal Amount (000's omitted)	Value
<b>General Obligations — 2.2%</b>		
Atlantic City, NJ, 7.50%, 3/1/40	\$ 455	\$ 506,802
Monroe Township Board of Education, NJ:		
1.126%, 3/1/26	585	529,126
1.357%, 3/1/27	500	442,235
1.547%, 3/1/28	500	433,765
2.729%, 8/1/33	700	581,574

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Monroe Township Board of Education, NJ: (continued)		
2.849%, 8/1/35	\$ 1,000	\$ 809,270
		<b>\$ 3,302,772</b>

### Lease Revenue/Certificates of Participation — 2.8%

New Jersey Transportation Trust Fund Authority, 5.754%, 12/15/28 <sup>(3)</sup>	\$ 4,250	\$ 4,310,903
		<b>\$ 4,310,903</b>

**Total Taxable Municipal Obligations**  
(identified cost \$8,253,015) **\$ 7,613,675**

**Total Investments — 95.4%**  
(identified cost \$147,183,404) **\$144,688,314**

**Other Assets, Less Liabilities — 4.6%** **\$ 6,906,878**

**Net Assets — 100.0%** **\$151,595,192**

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

<sup>(1)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$197,382 or 0.1% of the Fund's net assets.

<sup>(2)</sup> Floating rate security. The stated interest rate represents the rate in effect at July 31, 2023.

<sup>(3)</sup> Build America Bond. Represents taxable municipal obligation issued pursuant to the American Recovery and Reinvestment Act of 2009 or other legislation providing for the issuance of taxable municipal debt on which the issuer receives federal support.

The Fund invests primarily in debt securities issued by New Jersey municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 21.2% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from 3.5% to 8.4% of total investments.

# Eaton Vance

## New Jersey Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

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#### Abbreviations:

- AGC – Assured Guaranty Corp.
- AGM – Assured Guaranty Municipal Corp.
- AMT – Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
- BAM – Build America Mutual Assurance Co.
- LIBOR – London Interbank Offered Rate
- NPFG – National Public Finance Guarantee Corp.
- SFMR – Single Family Mortgage Revenue

#### Currency Abbreviations:

- USD – United States Dollar

# Eaton Vance

## Pennsylvania Municipal Income Fund

July 31, 2023

### Portfolio of Investments

Tax-Exempt Municipal Obligations — 94.7%

Security	Principal Amount (000's omitted)	Value
<b>Bond Bank — 3.5%</b>		
Delaware Valley Regional Finance Authority, PA, 5.75%, 7/1/32	\$ 4,500	\$ 5,506,650
		<b>\$ 5,506,650</b>

#### Cogeneration — 0.1%

Northampton County Industrial Development Authority, PA, (Northampton Generating), (AMT), 5.00%, 12/31/23 <sup>(1)</sup>	\$ 1,323	\$ 238,218
		<b>\$ 238,218</b>

#### Education — 10.4%

Allegheny County Higher Education Building Authority, PA, (Carnegie Mellon University), 4.00%, (70% of SOFR + 0.29%), 8/1/27 (Put Date), 2/1/33 <sup>(2)</sup>	\$ 1,600	\$ 1,555,328
Bethlehem Redevelopment Authority, PA, (Moravian University), 4.00%, 10/1/38	300	270,573
Delaware County Authority, PA, (Villanova University), 5.00%, 8/1/45	1,120	1,144,046
Lancaster Higher Education Authority, PA, (Elizabethtown College), 5.00%, 10/1/31	1,500	1,564,230
Lehigh County General Purpose Authority, PA, (Lehigh Valley Academy Regional Charter School), 4.00%, 6/1/52	2,000	1,659,660
Montgomery County Industrial Development Authority, PA, (Germantown Academy):		
4.00%, 10/1/41	450	386,429
4.00%, 10/1/46	625	513,706
Pennsylvania Higher Educational Facilities Authority, (Bryn Mawr College), 4.00%, 12/1/48	2,500	2,345,250
Pennsylvania Higher Educational Facilities Authority, (University of Pennsylvania), 4.00%, 2/15/43	2,000	1,935,960
Pennsylvania State University, 5.00%, 9/1/47	2,000	2,203,020
Philadelphia Authority for Industrial Development, (Temple University), 5.00%, 4/1/45	1,035	1,046,696
Swarthmore Borough Authority, PA, (Swarthmore College), 4.00%, 9/15/43	1,875	1,863,994
		<b>\$ 16,488,892</b>

#### Escrowed/Prerefunded — 1.7%

Chartiers Valley School District, PA, Prerefunded to 4/15/25, 5.00%, 10/15/35	\$ 1,000	\$ 1,031,480
Cumberland County Municipal Authority, PA, (Diakon Lutheran Social Ministries), Prerefunded to 1/1/29, 5.00%, 1/1/39	1,525	1,688,739
		<b>\$ 2,720,219</b>

Security	Principal Amount (000's omitted)	Value
<b>General Obligations — 5.5%</b>		
Allegheny County, PA, 5.00%, 11/1/43	\$ 1,000	\$ 1,061,790
Boyertown Area School District, PA:		
5.00%, 10/1/38	1,000	1,009,470
5.00%, 10/1/42	500	537,165
Cornwall-Lebanon School District, PA, 4.00%, 2/15/47	1,250	1,230,613
Lower Merion School District, PA, 1.50%, 11/15/25	2,660	2,506,491
North Allegheny School District, PA, 4.00%, 5/1/37	1,000	1,024,540
Puerto Rico:		
5.625%, 7/1/29	500	535,055
5.75%, 7/1/31	750	818,895
		<b>\$ 8,724,019</b>

#### Hospital — 13.8%

Allegheny County Hospital Development Authority, PA, (UPMC Health System), 4.00%, 7/15/37	\$ 2,000	\$ 1,998,720
Bucks County Industrial Development Authority, PA, (Grand View Hospital):		
5.00%, 7/1/27	300	294,462
5.00%, 7/1/35	500	479,665
Chester County Health and Education Facilities Authority, PA, (Main Line Health System), 4.00%, 10/1/42	1,265	1,220,687
Geisinger Authority, PA, (Geisinger Health System):		
4.00%, 4/1/39	2,000	1,980,020
5.00%, 2/15/45	3,150	3,223,426
Lancaster County Hospital Authority, PA, (Penn State Health):		
5.00%, 11/1/40	1,000	1,055,060
5.00%, 11/1/46	1,500	1,563,600
Lehigh County General Purpose Authority, PA, (Lehigh Valley Health Network), 4.00%, 7/1/49	2,000	1,854,520
Montgomery County Higher Education and Health Authority, PA, (Thomas Jefferson University Obligated Group), 5.00%, 5/1/57	2,000	2,055,420
Pennsylvania Economic Development Financing Authority, (UPMC), 4.40%, (SIFMA + 0.42%), 11/15/24 <sup>(2)</sup>	1,000	1,001,100
Pennsylvania Higher Educational Facilities Authority, (University of Pennsylvania Health System):		
4.00%, 8/15/38	2,225	2,227,893
4.00%, 8/15/42	150	147,462
Southcentral Pennsylvania General Authority, (WellSpan Health Obligated Group), 4.00%, 6/1/49	3,000	2,812,680
		<b>\$ 21,914,715</b>

#### Housing — 1.9%

Pennsylvania Housing Finance Agency, SFMR:		
2.50%, 10/1/45	\$ 1,350	\$ 968,841
Social Bonds, 4.40%, 10/1/38	1,000	1,009,320

# Eaton Vance

## Pennsylvania Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Housing (continued)</b>		
Pennsylvania Housing Finance Agency, SFMR: (continued)		
Social Bonds, 5.00%, 10/1/50	\$ 1,100	\$ 1,115,741
		<b>\$ 3,093,902</b>
<b>Industrial Development Revenue — 4.0%</b>		
Montgomery County Industrial Development Authority, PA, (Constellation Energy Generation, LLC), 4.10% to 4/3/28 (Put Date), 4/1/53		
	\$ 2,000	\$ 2,036,500
Pennsylvania Economic Development Financing Authority, (Republic Services, Inc.):		
3.625% to 10/2/23 (Put Date), 12/1/30	3,000	2,999,310
(AMT), 4.10% to 10/16/23 (Put Date), 4/1/49	1,250	1,249,625
		<b>\$ 6,285,435</b>
<b>Insured - Education — 3.3%</b>		
State Public School Building Authority, PA, (Delaware County Community College):		
(BAM), 4.00%, 10/1/40	\$ 1,000	\$ 942,750
(BAM), 4.00%, 10/1/41	1,000	947,630
(BAM), 4.00%, 10/1/42	1,000	946,150
(BAM), 4.125%, 10/1/48	1,250	1,181,975
(BAM), 5.25%, 10/1/44	1,100	1,179,860
		<b>\$ 5,198,365</b>
<b>Insured - Electric Utilities — 0.7%</b>		
Puerto Rico Electric Power Authority, (NPFG), 5.25%, 7/1/34		
	\$ 1,130	\$ 1,112,270
		<b>\$ 1,112,270</b>
<b>Insured - Escrowed/Prerefunded — 2.9%</b>		
Cambria County, PA, (BAM), Prerefunded to 8/1/24, 5.00%, 8/1/30		
	\$ 2,270	\$ 2,309,748
McKeesport Area School District, PA:		
(AGM), Prerefunded to 9/1/23, 5.00%, 3/1/38	60	60,077
(AMBAC), Escrowed to Maturity, 0.00%, 10/1/25	2,320	2,162,983
		<b>\$ 4,532,808</b>
<b>Insured - General Obligations — 9.1%</b>		
Allentown City School District, PA:		
(BAM), 5.00%, 6/1/32	\$ 1,000	\$ 1,041,540
(BAM), 5.00%, 6/1/33	1,000	1,040,440
Bethlehem Area School District, PA, (BAM), 5.00%, 8/1/32		
	1,500	1,541,220
Cambria County, PA, (BAM), 5.00%, 8/1/30		
	1,050	1,066,002
Cumberland Valley School District, PA, (AGM), 5.00%, 11/15/44 <sup>(3)</sup>		
	1,275	1,382,916

Security	Principal Amount (000's omitted)	Value
<b>Insured - General Obligations (continued)</b>		
Elizabeth Forward School District, PA, (NPFG), 0.00%, 9/1/23		
	\$ 2,170	\$ 2,163,164
Hopewell School District, PA, (AGM), 0.00%, 9/1/26		
	1,000	900,880
Lake-Lehman School District, PA, (NPFG), 0.00%, 4/1/26		
	1,315	1,187,274
Lancaster School District, PA, (AGM), 4.00%, 6/1/36		
	60	61,834
Luzerne County, PA, (AGM), 5.00%, 11/15/29		
	1,000	1,030,310
Montour School District, PA:		
(AGM), 5.00%, 4/1/32	1,000	1,029,580
(AGM), 5.00%, 4/1/33	1,960	2,013,861
		<b>\$ 14,459,021</b>
<b>Insured - Hospital — 1.3%</b>		
Allegheny County Hospital Development Authority, PA, (UPMC Health System), (NPFG), 6.00%, 7/1/24		
	\$ 2,000	\$ 2,044,080
		<b>\$ 2,044,080</b>
<b>Insured - Lease Revenue/Certificates of Participation — 1.2%</b>		
Commonwealth Financing Authority, PA, Tobacco Master Settlement Payment Revenue, (AGM), 4.00%, 6/1/39		
	\$ 2,000	\$ 1,973,000
		<b>\$ 1,973,000</b>
<b>Insured - Transportation — 2.5%</b>		
Pennsylvania Economic Development Financing Authority, (PennDOT Major Bridges Package One), (AGM), (AMT), 5.50%, 6/30/42		
	\$ 1,500	\$ 1,678,950
Pennsylvania Turnpike Commission, (AGM), 6.375%, 12/1/38		
	2,000	2,245,720
		<b>\$ 3,924,670</b>
<b>Insured - Water and Sewer — 5.3%</b>		
Allegheny County Sanitary Authority, PA, (BAM), 5.00%, 12/1/28		
	\$ 1,000	\$ 1,005,090
Bucks County Water and Sewer Authority, PA:		
(AGM), 4.25%, 12/1/47	1,200	1,208,928
(AGM), 5.25%, 12/1/47	1,250	1,387,613
Pittsburgh Water and Sewer Authority, PA, (AGM), 5.50%, 9/1/47		
	4,250	4,791,747
		<b>\$ 8,393,378</b>
<b>Lease Revenue/Certificates of Participation — 3.8%</b>		
Commonwealth Financing Authority, PA, 5.00%, 6/1/35		
	\$ 2,950	\$ 3,153,285

# Eaton Vance

## Pennsylvania Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Lease Revenue/Certificates of Participation (continued)</b>		
Pennsylvania Economic Development Financing Authority, (Pennsylvania Rapid Bridge Replacement), 5.00%, 12/31/29	\$ 1,375	\$ 1,413,115
Philadelphia Redevelopment Authority, PA, (Transformation Preservation Initiative), 5.00%, 4/15/24	1,500	1,518,000
	<b>\$ 6,084,400</b>	

### Senior Living/Life Care — 3.8%

Cumberland County Municipal Authority, PA, (Diakon Lutheran Social Ministries):		
5.00%, 1/1/31	\$ 500	\$ 509,465
5.00%, 1/1/39	575	570,095
Prerefunded to 1/1/29, 5.00%, 1/1/39	190	210,400
Franklin County Industrial Development Authority, PA, (Menno-Haven, Inc.):		
5.00%, 12/1/29	815	772,115
5.00%, 12/1/33	455	419,642
Lancaster County Hospital Authority, PA, (Brethren Village), 5.125%, 7/1/37	1,265	1,165,976
Montgomery County Industrial Development Authority, PA, (ACTS Retirement-Life Communities, Inc. Obligated Group):		
4.00%, 11/15/43	200	165,080
5.00%, 11/15/45	1,000	949,670
Montgomery County Industrial Development Authority, PA, (Whitemarsh Continuing Care Retirement Community), 5.00%, 1/1/33	1,000	953,690
West Cornwall Township Municipal Authority, PA, (Lebanon Valley Brethren Home), 4.00%, 11/15/46	525	401,189
	<b>\$ 6,117,322</b>	

### Special Tax Revenue — 5.0%

Allentown Neighborhood Improvement Zone Development Authority, PA, (City Center Project), 5.00%, 5/1/42 <sup>(4)</sup>	\$ 1,750	\$ 1,752,065
American Samoa Economic Development Authority, 5.00%, 9/1/38 <sup>(4)</sup>	200	197,382
Pennsylvania Turnpike Commission, 4.00%, 12/1/51	1,000	947,870
Puerto Rico Sales Tax Financing Corp.:		
0.00%, 7/1/24	20	19,315
0.00%, 7/1/27	34	29,062
0.00%, 7/1/29	34	26,590
0.00%, 7/1/31	43	30,707
0.00%, 7/1/33	49	31,858
0.00%, 7/1/46	463	132,645
0.00%, 7/1/51	377	80,527
4.50%, 7/1/34	74	73,556

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
Puerto Rico Sales Tax Financing Corp.: (continued)		
4.536%, 7/1/53	\$ 5	\$ 4,584
5.00%, 7/1/58	2,533	2,471,600
Southeastern Pennsylvania Transportation Authority, 5.25%, 6/1/47	2,000	2,222,900
	<b>\$ 8,020,661</b>	

### Transportation — 11.8%

Allegheny County Airport Authority, PA, (Pittsburgh International Airport):		
(AMT), 4.00%, 1/1/37	\$ 5,000	\$ 4,951,350
(AMT), 5.00%, 1/1/56	1,000	1,027,980
Pennsylvania Turnpike Commission:		
4.00%, 12/1/43	1,750	1,741,442
4.25%, 12/1/41	1,125	1,155,094
5.00%, 12/1/39	1,500	1,591,980
5.00%, 12/1/41	1,250	1,369,663
Philadelphia, PA, Airport Revenue:		
(AMT), 5.00%, 6/15/28	2,630	2,679,102
(AMT), 5.00%, 7/1/33	1,000	1,097,500
(AMT), 5.00%, 7/1/51	3,000	3,094,410
	<b>\$ 18,708,521</b>	

### Water and Sewer — 3.1%

Allegheny County Sanitary Authority, PA, 5.00%, 6/1/43	\$ 1,425	\$ 1,515,730
Luzerne County Industrial Development Authority, PA, (Pennsylvania-American Water Co.), (AMT), 2.45% to 12/3/29 (Put Date), 12/1/39	750	689,542
Pennsylvania Economic Development Financing Authority, (Pennsylvania-American Water Co.), 3.00%, 4/1/39	2,000	1,670,380
Philadelphia, PA, Water and Wastewater Revenue, 5.00%, 10/1/43	1,000	1,054,650
	<b>\$ 4,930,302</b>	

### Total Tax-Exempt Municipal Obligations (identified cost \$150,692,423)

**\$150,470,848**

### Taxable Municipal Obligations — 2.9%

Security	Principal Amount (000's omitted)	Value
<b>Cogeneration — 0.1%</b>		
Northampton County Industrial Development Authority, PA, (Northampton Generating), 5.00%, 12/31/23 <sup>(1)</sup>	\$ 679	\$ 122,204
	<b>\$ 122,204</b>	



# Eaton Vance

## Pennsylvania Municipal Income Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>General Obligations — 0.9%</b>		
Pennsylvania, 4.65%, 2/15/26	\$ 1,455	\$ 1,437,962
		<b>\$ 1,437,962</b>
<b>Insured - General Obligations — 0.1%</b>		
Valley View School District, PA, (BAM), 2.875%, 5/15/31	\$ 250	\$ 211,770
		<b>\$ 211,770</b>
<b>Lease Revenue/Certificates of Participation — 0.8%</b>		
Commonwealth Financing Authority, PA, 3.864%, 6/1/38	\$ 1,500	\$ 1,320,015
		<b>\$ 1,320,015</b>
<b>Other Revenue — 1.0%</b>		
Philadelphia Industrial Development Authority, PA, City Service Agreement Revenue, 3.964%, 4/15/26	\$ 1,585	\$ 1,535,992
		<b>\$ 1,535,992</b>
<b>Total Taxable Municipal Obligations</b> (identified cost \$5,271,307)		<b>\$ 4,627,943</b>
<b>Total Investments — 97.6%</b> (identified cost \$155,963,730)		<b>\$155,098,791</b>
<b>Other Assets, Less Liabilities — 2.4%</b>		<b>\$ 3,854,477</b>
<b>Net Assets — 100.0%</b>		<b>\$158,953,268</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

<sup>(1)</sup> Represents a payment-in-kind security which may pay interest in additional principal at the issuer's discretion.

<sup>(2)</sup> Floating rate security. The stated interest rate represents the rate in effect at July 31, 2023.

<sup>(3)</sup> When-issued security.

<sup>(4)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$1,949,447 or 1.2% of the Fund's net assets.

The Fund invests primarily in debt securities issued by Pennsylvania municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 25.6% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from 4.2% to 12.7% of total investments.

#### Abbreviations:

AGM	– Assured Guaranty Municipal Corp.
AMBAC	– AMBAC Financial Group, Inc.
AMT	– Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
BAM	– Build America Mutual Assurance Co.
NPFG	– National Public Finance Guarantee Corp.
SFMR	– Single Family Mortgage Revenue
SIFMA	– Securities Industry and Financial Markets Association Municipal Swap Index
SOFR	– Secured Overnight Financing Rate

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Assets and Liabilities

Assets	July 31, 2023		
	Arizona Fund	Connecticut Fund	Minnesota Fund
Investments:			
Identified cost	\$76,498,348	\$104,189,781	\$230,270,133
Unrealized depreciation	(726,262)	(1,158,681)	(3,388,906)
<b>Investments, at value</b>	<b>\$75,772,086</b>	<b>\$103,031,100</b>	<b>\$226,881,227</b>
Cash	\$ 1,335,815	\$ 1,368,363	\$ 11,954,889
Interest receivable	469,234	993,589	2,726,748
Receivable for Fund shares sold	133,893	251,825	136,957
<b>Total assets</b>	<b>\$77,711,028</b>	<b>\$105,644,877</b>	<b>\$241,699,821</b>

### Liabilities

Payable for when-issued securities	\$ —	\$ 2,521,615	\$ 5,616,926
Payable for Fund shares redeemed	267,859	177,928	242,957
Distributions payable	10,763	56,777	112,562
Payable to affiliates:			
Investment adviser fee	19,948	27,809	71,044
Distribution and service fees	6,699	9,972	13,019
Accrued expenses	92,884	98,640	142,748
<b>Total liabilities</b>	<b>\$ 398,153</b>	<b>\$ 2,892,741</b>	<b>\$ 6,199,256</b>
<b>Net Assets</b>	<b>\$77,312,875</b>	<b>\$102,752,136</b>	<b>\$235,500,565</b>

### Sources of Net Assets

Paid-in capital	\$79,604,990	\$106,312,902	\$243,406,320
Accumulated loss	(2,292,115)	(3,560,766)	(7,905,755)
<b>Net Assets</b>	<b>\$77,312,875</b>	<b>\$102,752,136</b>	<b>\$235,500,565</b>

### Class A Shares

<b>Net Assets</b>	\$29,664,070	\$ 46,054,538	\$ 66,795,554
<b>Shares Outstanding</b>	3,346,442	4,935,565	7,445,705
<b>Net Asset Value and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 8.86	\$ 9.33	\$ 8.97
<b>Maximum Offering Price Per Share</b> (100 ÷ 96.75 of net asset value per share)	\$ 9.16	\$ 9.64	\$ 9.27

### Class C Shares

<b>Net Assets</b>	\$ 2,012,151	\$ 2,663,269	\$ 2,313,606
<b>Shares Outstanding</b>	204,213	286,502	239,785
<b>Net Asset Value and Offering Price Per Share*</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 9.85	\$ 9.30	\$ 9.65

### Class I Shares

<b>Net Assets</b>	\$45,636,654	\$ 54,034,329	\$166,391,405
<b>Shares Outstanding</b>	5,148,403	5,789,602	18,548,324
<b>Net Asset Value, Offering Price and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 8.86	\$ 9.33	\$ 8.97

On sales of \$100,000 or more, the offering price of Class A shares is reduced.

\* Redemption price per share is equal to the net asset value less any applicable contingent deferred sales charge.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Assets and Liabilities — continued

Assets	July 31, 2023	
	New Jersey Fund	Pennsylvania Fund
Investments:		
Identified cost	\$ 147,183,404	\$ 155,963,730
Unrealized depreciation	(2,495,090)	(864,939)
<b>Investments, at value</b>	<b>\$144,688,314</b>	<b>\$155,098,791</b>
Cash	\$ 5,853,561	\$ 940,183
Interest receivable	1,200,935	1,522,851
Receivable for investments sold	201,262	3,250,000
Receivable for Fund shares sold	46,736	66,072
<b>Total assets</b>	<b>\$151,990,808</b>	<b>\$160,877,897</b>

### Liabilities

Payable for when-issued securities	\$ —	\$ 1,372,639
Payable for Fund shares redeemed	140,851	249,974
Distributions payable	55,245	92,787
Payable to affiliates:		
Investment adviser fee	45,035	50,273
Distribution and service fees	18,323	18,188
Accrued expenses	136,162	140,768
<b>Total liabilities</b>	<b>\$ 395,616</b>	<b>\$ 1,924,629</b>
<b>Net Assets</b>	<b>\$151,595,192</b>	<b>\$158,953,268</b>

### Sources of Net Assets

Paid-in capital	\$ 161,344,165	\$ 177,882,784
Accumulated loss	(9,748,973)	(18,929,516)
<b>Net Assets</b>	<b>\$151,595,192</b>	<b>\$158,953,268</b>

### Class A Shares

<b>Net Assets</b>	\$ 79,904,819	\$ 86,460,594
<b>Shares Outstanding</b>	9,311,035	11,188,000
<b>Net Asset Value and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 8.58	\$ 7.73
<b>Maximum Offering Price Per Share</b> (100 ÷ 96.75 of net asset value per share)	\$ 8.87	\$ 7.99

### Class C Shares

<b>Net Assets</b>	\$ 6,057,948	\$ 4,188,313
<b>Shares Outstanding</b>	677,310	523,330
<b>Net Asset Value and Offering Price Per Share*</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 8.94	\$ 8.00

### Class I Shares

<b>Net Assets</b>	\$ 65,632,425	\$ 68,304,361
<b>Shares Outstanding</b>	7,633,109	8,805,333
<b>Net Asset Value, Offering Price and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 8.60	\$ 7.76

On sales of \$100,000 or more, the offering price of Class A shares is reduced.

\* Redemption price per share is equal to the net asset value less any applicable contingent deferred sales charge.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Operations

	Year Ended July 31, 2023		
	Arizona Fund	Connecticut Fund	Minnesota Fund
<b>Investment Income</b>			
Interest income	\$ 2,503,973	\$ 3,172,570	\$ 6,463,513
<b>Total investment income</b>	<b>\$ 2,503,973</b>	<b>\$ 3,172,570</b>	<b>\$ 6,463,513</b>
<b>Expenses</b>			
Investment adviser fee	\$ 211,842	\$ 295,486	\$ 749,021
Distribution and service fees:			
Class A	60,500	92,461	103,811
Class C	19,376	25,987	20,980
Trustees' fees and expenses	5,321	6,752	14,494
Custodian fee	24,559	29,300	50,673
Transfer and dividend disbursing agent fees	23,668	42,122	79,491
Legal and accounting services	59,660	54,025	61,181
Printing and postage	5,752	5,816	17,290
Registration fees	28,756	5,160	31,293
Miscellaneous	28,931	34,785	51,087
<b>Total expenses</b>	<b>\$ 468,365</b>	<b>\$ 591,894</b>	<b>\$ 1,179,321</b>
<b>Net investment income</b>	<b>\$ 2,035,608</b>	<b>\$ 2,580,676</b>	<b>\$ 5,284,192</b>
<b>Realized and Unrealized Gain (Loss)</b>			
Net realized gain (loss):			
Investment transactions	\$ (693,204)	\$ (832,131)	\$(2,496,431)
<b>Net realized loss</b>	<b>\$ (693,204)</b>	<b>\$ (832,131)</b>	<b>\$(2,496,431)</b>
Change in unrealized appreciation (depreciation):			
Investments	\$ (910,949)	\$(1,239,606)	\$(2,716,831)
<b>Net change in unrealized appreciation (depreciation)</b>	<b>\$ (910,949)</b>	<b>\$(1,239,606)</b>	<b>\$(2,716,831)</b>
<b>Net realized and unrealized loss</b>	<b>\$(1,604,153)</b>	<b>\$(2,071,737)</b>	<b>\$(5,213,262)</b>
<b>Net increase in net assets from operations</b>	<b>\$ 431,455</b>	<b>\$ 508,939</b>	<b>\$ 70,930</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Operations — continued

	Year Ended July 31, 2023	
	New Jersey Fund	Pennsylvania Fund
<b>Investment Income</b>		
Interest income	\$ 5,356,153	\$ 6,331,225
<b>Total investment income</b>	<b>\$ 5,356,153</b>	<b>\$ 6,331,225</b>
<b>Expenses</b>		
Investment adviser fee	\$ 520,692	\$ 563,066
Distribution and service fees:		
Class A	163,067	173,140
Class C	59,570	43,462
Trustees' fees and expenses	9,933	10,603
Custodian fee	39,806	41,292
Transfer and dividend disbursing agent fees	73,615	85,788
Legal and accounting services	71,094	79,189
Printing and postage	15,614	16,689
Registration fees	6,835	6,005
Interest expense and fees	—	149,267
Miscellaneous	35,885	37,819
<b>Total expenses</b>	<b>\$ 996,111</b>	<b>\$ 1,206,320</b>
<b>Net investment income</b>	<b>\$ 4,360,042</b>	<b>\$ 5,124,905</b>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss):		
Investment transactions	\$(3,006,798)	\$(4,097,586)
<b>Net realized loss</b>	<b>\$(3,006,798)</b>	<b>\$(4,097,586)</b>
Change in unrealized appreciation (depreciation):		
Investments	\$(1,324,856)	\$ (260,135)
<b>Net change in unrealized appreciation (depreciation)</b>	<b>\$(1,324,856)</b>	<b>\$ (260,135)</b>
<b>Net realized and unrealized loss</b>	<b>\$(4,331,654)</b>	<b>\$(4,357,721)</b>
<b>Net increase in net assets from operations</b>	<b>\$ 28,388</b>	<b>\$ 767,184</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Year Ended July 31, 2023		
	Arizona Fund	Connecticut Fund	Minnesota Fund
From operations:			
Net investment income	\$ 2,035,608	\$ 2,580,676	\$ 5,284,192
Net realized loss	(693,204)	(832,131)	(2,496,431)
Net change in unrealized appreciation (depreciation)	(910,949)	(1,239,606)	(2,716,831)
<b>Net increase in net assets from operations</b>	<b>\$ 431,455</b>	<b>\$ 508,939</b>	<b>\$ 70,930</b>
Distributions to shareholders:			
Class A	\$ (810,851)	\$ (1,216,579)	\$ (1,222,153)
Class C	(39,204)	(51,421)	(35,332)
Class I	(1,167,606)	(1,275,740)	(4,020,452)
<b>Total distributions to shareholders</b>	<b>\$ (2,017,661)</b>	<b>\$ (2,543,740)</b>	<b>\$ (5,277,937)</b>
Transactions in shares of beneficial interest:			
Class A	\$ (728,950)	\$ (533,329)	\$ 13,702,008
Class C	(303,408)	(191,356)	(132,083)
Class I	13,427,486	17,045,876	22,473,003
<b>Net increase in net assets from Fund share transactions</b>	<b>\$12,395,128</b>	<b>\$ 16,321,191</b>	<b>\$ 36,042,928</b>
<b>Net increase in net assets</b>	<b>\$10,808,922</b>	<b>\$ 14,286,390</b>	<b>\$ 30,835,921</b>
<b>Net Assets</b>			
At beginning of year	\$66,503,953	\$ 88,465,746	\$204,664,644
<b>At end of year</b>	<b>\$77,312,875</b>	<b>\$102,752,136</b>	<b>\$235,500,565</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Changes in Net Assets — continued

Increase (Decrease) in Net Assets	Year Ended July 31, 2023	
	New Jersey Fund	Pennsylvania Fund
From operations:		
Net investment income	\$ 4,360,042	\$ 5,124,905
Net realized loss	(3,006,798)	(4,097,586)
Net change in unrealized appreciation (depreciation)	(1,324,856)	(260,135)
<b>Net increase in net assets from operations</b>	<b>\$ 28,388</b>	<b>\$ 767,184</b>
Distributions to shareholders:		
Class A	\$ (2,324,990)	\$ (2,737,401)
Class C	(131,824)	(109,776)
Class I	(1,834,979)	(2,152,618)
<b>Total distributions to shareholders</b>	<b>\$ (4,291,793)</b>	<b>\$ (4,999,795)</b>
Transactions in shares of beneficial interest:		
Class A	\$ (5,119,843)	\$ (1,658,297)
Class C	(609,124)	(982,369)
Class I	7,531,108	9,926,079
<b>Net increase in net assets from Fund share transactions</b>	<b>\$ 1,802,141</b>	<b>\$ 7,285,413</b>
<b>Net increase (decrease) in net assets</b>	<b>\$ (2,461,264)</b>	<b>\$ 3,052,802</b>
<b>Net Assets</b>		
At beginning of year	\$154,056,456	\$155,900,466
<b>At end of year</b>	<b>\$151,595,192</b>	<b>\$158,953,268</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Changes in Net Assets — continued

Increase (Decrease) in Net Assets	Year Ended July 31, 2022		
	Arizona Fund	Connecticut Fund	Minnesota Fund
From operations:			
Net investment income	\$ 1,583,232	\$ 1,797,269	\$ 3,452,597
Net realized loss	(593,587)	(739,747)	(1,256,260)
Net change in unrealized appreciation (depreciation)	(6,059,063)	(6,156,169)	(12,786,850)
<b>Net decrease in net assets from operations</b>	<b>\$ (5,069,418)</b>	<b>\$ (5,098,647)</b>	<b>\$ (10,590,513)</b>
Distributions to shareholders:			
Class A	\$ (781,462)	\$ (1,068,991)	\$ (994,207)
Class C	(39,608)	(47,633)	(31,390)
Class I	(766,802)	(679,633)	(2,494,800)
<b>Total distributions to shareholders</b>	<b>\$ (1,587,872)</b>	<b>\$ (1,796,257)</b>	<b>\$ (3,520,397)</b>
Transactions in shares of beneficial interest:			
Class A	\$ (7,129,178)	\$ (944,936)	\$ (3,983,341)
Class C	(1,049,820)	(586,261)	(1,713,386)
Class I	(198,605)	13,733,099	27,845,206
<b>Net increase (decrease) in net assets from Fund share transactions</b>	<b>\$ (8,377,603)</b>	<b>\$12,201,902</b>	<b>\$ 22,148,479</b>
<b>Net increase (decrease) in net assets</b>	<b>\$(15,034,893)</b>	<b>\$ 5,306,998</b>	<b>\$ 8,037,569</b>
<b>Net Assets</b>			
At beginning of year	\$ 81,538,846	\$83,158,748	\$196,627,075
<b>At end of year</b>	<b>\$ 66,503,953</b>	<b>\$88,465,746</b>	<b>\$204,664,644</b>



# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Statements of Changes in Net Assets — continued

Increase (Decrease) in Net Assets	Year Ended July 31, 2022	
	New Jersey Fund	Pennsylvania Fund
From operations:		
Net investment income	\$ 4,007,699	\$ 4,346,352
Net realized loss	(4,579,358)	(2,213,310)
Net change in unrealized appreciation (depreciation)	(16,045,083)	(16,113,808)
<b>Net decrease in net assets from operations</b>	<b>\$ (16,616,742)</b>	<b>\$ (13,980,766)</b>
Distributions to shareholders:		
Class A	\$ (2,272,763)	\$ (2,564,121)
Class C	(136,975)	(115,392)
Class I	(1,859,863)	(1,754,196)
<b>Total distributions to shareholders</b>	<b>\$ (4,269,601)</b>	<b>\$ (4,433,709)</b>
Transactions in shares of beneficial interest:		
Class A	\$ (8,775,622)	\$ (11,345,524)
Class C	(2,016,247)	(1,761,462)
Class I	(11,920,973)	156,603
<b>Net decrease in net assets from Fund share transactions</b>	<b>\$ (22,712,842)</b>	<b>\$ (12,950,383)</b>
<b>Net decrease in net assets</b>	<b>\$ (43,599,185)</b>	<b>\$ (31,364,858)</b>
<b>Net Assets</b>		
At beginning of year	\$197,655,641	\$187,265,324
<b>At end of year</b>	<b>\$154,056,456</b>	<b>\$155,900,466</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights

	Arizona Fund — Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.080	\$ 9.930	\$ 9.910	\$ 9.750	\$ 9.440
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.239	\$ 0.200	\$ 0.206	\$ 0.238	\$ 0.258
Net realized and unrealized gain (loss)	(0.222)	(0.849)	0.032	0.182	0.310
<b>Total income (loss) from operations</b>	<b>\$ 0.017</b>	<b>\$ (0.649)</b>	<b>\$ 0.238</b>	<b>\$ 0.420</b>	<b>\$ 0.568</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.237)	\$ (0.201)	\$ (0.218)	\$ (0.260)	\$ (0.258)
<b>Total distributions</b>	<b>\$ (0.237)</b>	<b>\$ (0.201)</b>	<b>\$ (0.218)</b>	<b>\$ (0.260)</b>	<b>\$ (0.258)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.860</b>	<b>\$ 9.080</b>	<b>\$ 9.930</b>	<b>\$ 9.910</b>	<b>\$ 9.750</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.23%</b>	<b>(6.59)%</b>	<b>2.44%</b>	<b>4.38%</b>	<b>6.12%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$29,664	\$31,125	\$41,643	\$38,854	\$34,704
Ratios (as a percentage of average daily net assets):					
Expenses	0.73%	0.69%	0.67%	0.68%	0.70%
Net investment income	2.71%	2.11%	2.08%	2.44%	2.73%
Portfolio Turnover	36%	19%	26%	16%	6%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Arizona Fund — Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$10.100	\$11.040	\$11.020	\$10.840	\$10.500
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.192	\$ 0.142	\$ 0.148	\$ 0.183	\$ 0.208
Net realized and unrealized gain (loss)	(0.252)	(0.938)	0.034	0.208	0.339
<b>Total income (loss) from operations</b>	<b>\$ (0.060)</b>	<b>\$ (0.796)</b>	<b>\$ 0.182</b>	<b>\$ 0.391</b>	<b>\$ 0.547</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.190)	\$ (0.144)	\$ (0.162)	\$ (0.211)	\$ (0.207)
<b>Total distributions</b>	<b>\$ (0.190)</b>	<b>\$ (0.144)</b>	<b>\$ (0.162)</b>	<b>\$ (0.211)</b>	<b>\$ (0.207)</b>
<b>Net asset value — End of year</b>	<b>\$ 9.850</b>	<b>\$10.100</b>	<b>\$11.040</b>	<b>\$11.020</b>	<b>\$10.840</b>
<b>Total Return<sup>(2)</sup></b>	<b>(0.57)%</b>	<b>(7.24)%</b>	<b>1.67%</b>	<b>3.65%</b>	<b>5.28%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$ 2,012	\$ 2,384	\$ 3,684	\$ 4,490	\$ 4,279
Ratios (as a percentage of average daily net assets):					
Expenses	1.48%	1.44%	1.42%	1.43%	1.45%
Net investment income	1.95%	1.35%	1.35%	1.69%	1.98%
Portfolio Turnover	36%	19%	26%	16%	6%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Arizona Fund — Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.080	\$ 9.930	\$ 9.910	\$ 9.750	\$ 9.440
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.258	\$ 0.219	\$ 0.223	\$ 0.257	\$ 0.276
Net realized and unrealized gain (loss)	(0.223)	(0.849)	0.034	0.184	0.310
<b>Total income (loss) from operations</b>	<b>\$ 0.035</b>	<b>\$ (0.630)</b>	<b>\$ 0.257</b>	<b>\$ 0.441</b>	<b>\$ 0.586</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.255)	\$ (0.220)	\$ (0.237)	\$ (0.281)	\$ (0.276)
<b>Total distributions</b>	<b>\$ (0.255)</b>	<b>\$ (0.220)</b>	<b>\$ (0.237)</b>	<b>\$ (0.281)</b>	<b>\$ (0.276)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.860</b>	<b>\$ 9.080</b>	<b>\$ 9.930</b>	<b>\$ 9.910</b>	<b>\$ 9.750</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.43%</b>	<b>(6.40)%</b>	<b>2.64%</b>	<b>4.60%</b>	<b>6.33%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$45,637	\$32,995	\$36,212	\$22,611	\$19,612
Ratios (as a percentage of average daily net assets):					
Expenses	0.54%	0.49%	0.47%	0.48%	0.49%
Net investment income	2.92%	2.31%	2.26%	2.64%	2.91%
Portfolio Turnover	36%	19%	26%	16%	6%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Connecticut Fund — Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.540	\$10.410	\$10.350	\$10.230	\$ 9.960
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.248	\$ 0.214	\$ 0.242	\$ 0.265	\$ 0.296
Net realized and unrealized gain (loss)	(0.213)	(0.870)	0.059	0.136	0.269
<b>Total income (loss) from operations</b>	<b>\$ 0.035</b>	<b>\$ (0.656)</b>	<b>\$ 0.301</b>	<b>\$ 0.401</b>	<b>\$ 0.565</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.245)	\$ (0.214)	\$ (0.241)	\$ (0.281)	\$ (0.295)
<b>Total distributions</b>	<b>\$ (0.245)</b>	<b>\$ (0.214)</b>	<b>\$ (0.241)</b>	<b>\$ (0.281)</b>	<b>\$ (0.295)</b>
<b>Net asset value — End of year</b>	<b>\$ 9.330</b>	<b>\$ 9.540</b>	<b>\$10.410</b>	<b>\$10.350</b>	<b>\$10.230</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.41%</b>	<b>(6.36)%</b>	<b>2.95%</b>	<b>3.99%</b>	<b>5.78%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$46,055	\$47,639	\$52,924	\$52,501	\$52,275
Ratios (as a percentage of average daily net assets):					
Expenses	0.71%	0.69%	0.69%	0.72%	0.73%
Net investment income	2.67%	2.15%	2.34%	2.59%	2.97%
Portfolio Turnover	32%	31%	19%	26%	16%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Connecticut Fund — Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.510	\$10.370	\$10.310	\$10.190	\$ 9.920
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.178	\$ 0.139	\$ 0.164	\$ 0.187	\$ 0.220
Net realized and unrealized gain (loss)	(0.214)	(0.860)	0.059	0.136	0.269
<b>Total income (loss) from operations</b>	<b>\$(0.036)</b>	<b>\$(0.721)</b>	<b>\$ 0.223</b>	<b>\$ 0.323</b>	<b>\$ 0.489</b>
<b>Less Distributions</b>					
From net investment income	\$(0.174)	\$(0.139)	\$(0.163)	\$(0.203)	\$(0.219)
<b>Total distributions</b>	<b>\$(0.174)</b>	<b>\$(0.139)</b>	<b>\$(0.163)</b>	<b>\$(0.203)</b>	<b>\$(0.219)</b>
<b>Net asset value — End of year</b>	<b>\$ 9.300</b>	<b>\$ 9.510</b>	<b>\$10.370</b>	<b>\$10.310</b>	<b>\$10.190</b>
<b>Total Return<sup>(2)</sup></b>	<b>(0.34)%</b>	<b>(6.99)%</b>	<b>2.19%</b>	<b>3.21%</b>	<b>5.01%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$ 2,663	\$ 2,926	\$ 3,815	\$ 5,194	\$ 4,782
Ratios (as a percentage of average daily net assets):					
Expenses	1.46%	1.44%	1.44%	1.47%	1.47%
Net investment income	1.92%	1.40%	1.59%	1.84%	2.21%
Portfolio Turnover	32%	31%	19%	26%	16%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Connecticut Fund — Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.540	\$10.410	\$10.350	\$10.230	\$ 9.960
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.268	\$ 0.233	\$ 0.262	\$ 0.286	\$ 0.316
Net realized and unrealized gain (loss)	(0.215)	(0.869)	0.060	0.136	0.269
<b>Total income (loss) from operations</b>	<b>\$ 0.053</b>	<b>\$ (0.636)</b>	<b>\$ 0.322</b>	<b>\$ 0.422</b>	<b>\$ 0.585</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.263)	\$ (0.234)	\$ (0.262)	\$ (0.302)	\$ (0.315)
<b>Total distributions</b>	<b>\$ (0.263)</b>	<b>\$ (0.234)</b>	<b>\$ (0.262)</b>	<b>\$ (0.302)</b>	<b>\$ (0.315)</b>
<b>Net asset value — End of year</b>	<b>\$ 9.330</b>	<b>\$ 9.540</b>	<b>\$10.410</b>	<b>\$10.350</b>	<b>\$10.230</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.62%</b>	<b>(6.17)%</b>	<b>3.16%</b>	<b>4.20%</b>	<b>6.00%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$54,034	\$37,901	\$26,420	\$21,544	\$21,081
Ratios (as a percentage of average daily net assets):					
Expenses	0.50%	0.49%	0.49%	0.52%	0.53%
Net investment income	2.88%	2.37%	2.53%	2.80%	3.16%
Portfolio Turnover	32%	31%	19%	26%	16%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Minnesota Fund — Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.180	\$ 9.860	\$ 9.840	\$ 9.610	\$ 9.250
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.211	\$ 0.156	\$ 0.170	\$ 0.187	\$ 0.224
Net realized and unrealized gain (loss)	(0.210)	(0.677)	0.021	0.233	0.361
<b>Total income (loss) from operations</b>	<b>\$ 0.001</b>	<b>\$ (0.521)</b>	<b>\$ 0.191</b>	<b>\$ 0.420</b>	<b>\$ 0.585</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.211)	\$ (0.159)	\$ (0.171)	\$ (0.190)	\$ (0.225)
<b>Total distributions</b>	<b>\$ (0.211)</b>	<b>\$ (0.159)</b>	<b>\$ (0.171)</b>	<b>\$ (0.190)</b>	<b>\$ (0.225)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.970</b>	<b>\$ 9.180</b>	<b>\$ 9.860</b>	<b>\$ 9.840</b>	<b>\$ 9.610</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.05%</b>	<b>(5.31)%</b>	<b>1.96%</b>	<b>4.42%</b>	<b>6.42%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$66,796	\$54,415	\$62,712	\$60,367	\$57,812
Ratios (as a percentage of average daily net assets):					
Expenses	0.70%	0.66%	0.65%	0.66%	0.70%
Net investment income	2.36%	1.64%	1.73%	1.93%	2.41%
Portfolio Turnover	27%	23%	9%	14%	21%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.



# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Minnesota Fund — Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.870	\$10.600	\$10.580	\$10.330	\$ 9.950
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.155	\$ 0.090	\$ 0.104	\$ 0.123	\$ 0.168
Net realized and unrealized gain (loss)	(0.220)	(0.725)	0.020	0.253	0.379
<b>Total income (loss) from operations</b>	<b>\$(0.065)</b>	<b>\$(0.635)</b>	<b>\$ 0.124</b>	<b>\$ 0.376</b>	<b>\$ 0.547</b>
<b>Less Distributions</b>					
From net investment income	\$(0.155)	\$(0.095)	\$(0.104)	\$(0.126)	\$(0.167)
<b>Total distributions</b>	<b>\$(0.155)</b>	<b>\$(0.095)</b>	<b>\$(0.104)</b>	<b>\$(0.126)</b>	<b>\$(0.167)</b>
<b>Net asset value — End of year</b>	<b>\$ 9.650</b>	<b>\$ 9.870</b>	<b>\$10.600</b>	<b>\$10.580</b>	<b>\$10.330</b>
<b>Total Return<sup>(2)</sup></b>	<b>(0.64)%</b>	<b>(6.01)%</b>	<b>1.19%</b>	<b>3.67%</b>	<b>5.56%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$ 2,314	\$ 2,505	\$ 4,478	\$ 6,616	\$ 6,595
Ratios (as a percentage of average daily net assets):					
Expenses	1.45%	1.41%	1.40%	1.41%	1.46%
Net investment income	1.60%	0.88%	0.99%	1.18%	1.68%
Portfolio Turnover	27%	23%	9%	14%	21%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Minnesota Fund — Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.180	\$ 9.860	\$ 9.840	\$ 9.610	\$ 9.250
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.229	\$ 0.174	\$ 0.190	\$ 0.205	\$ 0.242
Net realized and unrealized gain (loss)	(0.210)	(0.676)	0.020	0.234	0.361
<b>Total income (loss) from operations</b>	<b>\$ 0.019</b>	<b>\$ (0.502)</b>	<b>\$ 0.210</b>	<b>\$ 0.439</b>	<b>\$ 0.603</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.229)	\$ (0.178)	\$ (0.190)	\$ (0.209)	\$ (0.243)
<b>Total distributions</b>	<b>\$ (0.229)</b>	<b>\$ (0.178)</b>	<b>\$ (0.190)</b>	<b>\$ (0.209)</b>	<b>\$ (0.243)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.970</b>	<b>\$ 9.180</b>	<b>\$ 9.860</b>	<b>\$ 9.840</b>	<b>\$ 9.610</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.25%</b>	<b>(5.12)%</b>	<b>2.17%</b>	<b>4.63%</b>	<b>6.64%</b>
<b>Ratios/Supplemental Data</b>					
Net assets, end of year (000's omitted)	\$166,391	\$147,745	\$129,437	\$122,078	\$88,841
Ratios (as a percentage of average daily net assets):					
Expenses	0.50%	0.46%	0.45%	0.46%	0.50%
Net investment income	2.56%	1.84%	1.93%	2.13%	2.59%
Portfolio Turnover	27%	23%	9%	14%	21%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	New Jersey Fund — Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 8.820	\$ 9.820	\$ 9.650	\$ 9.480	\$ 9.080
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.248	\$ 0.198	\$ 0.203	\$ 0.244	\$ 0.287
Net realized and unrealized gain (loss)	(0.244)	(0.986)	0.206	0.193	0.398
<b>Total income (loss) from operations</b>	<b>\$ 0.004</b>	<b>\$ (0.788)</b>	<b>\$ 0.409</b>	<b>\$ 0.437</b>	<b>\$ 0.685</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.244)	\$ (0.204)	\$ (0.239)	\$ (0.267)	\$ (0.285)
From net realized gain	—	(0.008)	—	—	—
<b>Total distributions</b>	<b>\$ (0.244)</b>	<b>\$ (0.212)</b>	<b>\$ (0.239)</b>	<b>\$ (0.267)</b>	<b>\$ (0.285)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.580</b>	<b>\$ 8.820</b>	<b>\$ 9.820</b>	<b>\$ 9.650</b>	<b>\$ 9.480</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.10%</b>	<b>(8.10)%</b>	<b>4.29%</b>	<b>4.68%</b>	<b>7.69%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$79,905	\$87,385	\$107,117	\$100,417	\$101,283
Ratios (as a percentage of average daily net assets):					
Expenses	0.72%	0.69%	0.67%	0.69%	0.72%
Net investment income	2.90%	2.13%	2.09%	2.57%	3.14%
Portfolio Turnover	23%	24%	39%	37%	39%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	New Jersey Fund — Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 9.190	\$10.230	\$10.070	\$ 9.890	\$ 9.470
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.191	\$ 0.133	\$ 0.136	\$ 0.180	\$ 0.229
Net realized and unrealized gain (loss)	(0.254)	(1.021)	0.205	0.205	0.416
<b>Total income (loss) from operations</b>	<b>\$(0.063)</b>	<b>\$(0.888)</b>	<b>\$ 0.341</b>	<b>\$ 0.385</b>	<b>\$ 0.645</b>
<b>Less Distributions</b>					
From net investment income	\$(0.187)	\$(0.144)	\$(0.181)	\$(0.205)	\$(0.225)
From net realized gain	—	(0.008)	—	—	—
<b>Total distributions</b>	<b>\$(0.187)</b>	<b>\$(0.152)</b>	<b>\$(0.181)</b>	<b>\$(0.205)</b>	<b>\$(0.225)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.940</b>	<b>\$ 9.190</b>	<b>\$10.230</b>	<b>\$10.070</b>	<b>\$ 9.890</b>
<b>Total Return<sup>(2)</sup></b>	<b>(0.65)%</b>	<b>(8.75)%</b>	<b>3.43%</b>	<b>3.94%</b>	<b>6.92%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$ 6,058	\$ 6,865	\$ 9,904	\$10,804	\$12,202
Ratios (as a percentage of average daily net assets):					
Expenses	1.47%	1.44%	1.42%	1.44%	1.47%
Net investment income	2.15%	1.37%	1.35%	1.81%	2.41%
Portfolio Turnover	23%	24%	39%	37%	39%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	New Jersey Fund — Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 8.830	\$ 9.830	\$ 9.660	\$ 9.480	\$ 9.080
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.266	\$ 0.217	\$ 0.222	\$ 0.262	\$ 0.303
Net realized and unrealized gain (loss)	(0.235)	(0.988)	0.198	0.202	0.400
<b>Total income (loss) from operations</b>	<b>\$ 0.031</b>	<b>\$ (0.771)</b>	<b>\$ 0.420</b>	<b>\$ 0.464</b>	<b>\$ 0.703</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.261)	\$ (0.221)	\$ (0.250)	\$ (0.284)	\$ (0.303)
From net realized gain	—	(0.008)	—	—	—
<b>Total distributions</b>	<b>\$ (0.261)</b>	<b>\$ (0.229)</b>	<b>\$ (0.250)</b>	<b>\$ (0.284)</b>	<b>\$ (0.303)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.600</b>	<b>\$ 8.830</b>	<b>\$ 9.830</b>	<b>\$ 9.660</b>	<b>\$ 9.480</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.42%</b>	<b>(7.93)%</b>	<b>4.41%</b>	<b>4.97%</b>	<b>7.91%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$65,632	\$59,806	\$80,634	\$66,447	\$51,021
Ratios (as a percentage of average daily net assets):					
Expenses	0.52%	0.49%	0.47%	0.49%	0.52%
Net investment income	3.10%	2.32%	2.29%	2.76%	3.30%
Portfolio Turnover	23%	24%	39%	37%	39%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Pennsylvania Fund — Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 7.940	\$ 8.830	\$ 8.740	\$ 8.650	\$ 8.500
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.250	\$ 0.207	\$ 0.219	\$ 0.269	\$ 0.310
Net realized and unrealized gain (loss)	(0.216)	(0.886)	0.090	0.093	0.153
<b>Total income (loss) from operations</b>	<b>\$ 0.034</b>	<b>\$ (0.679)</b>	<b>\$ 0.309</b>	<b>\$ 0.362</b>	<b>\$ 0.463</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.244)	\$ (0.211)	\$ (0.219)	\$ (0.272)	\$ (0.313)
<b>Total distributions</b>	<b>\$ (0.244)</b>	<b>\$ (0.211)</b>	<b>\$ (0.219)</b>	<b>\$ (0.272)</b>	<b>\$ (0.313)</b>
<b>Net asset value — End of year</b>	<b>\$ 7.730</b>	<b>\$ 7.940</b>	<b>\$ 8.830</b>	<b>\$ 8.740</b>	<b>\$ 8.650</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.49%</b>	<b>(7.77)%</b>	<b>3.59%</b>	<b>4.26%</b>	<b>5.58%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$86,461	\$90,612	\$112,748	\$115,340	\$119,324
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	0.74%	0.71%	0.69%	0.71%	0.75%
Interest and fee expense <sup>(3)</sup>	0.10%	0.03%	0.02%	0.05%	0.07%
Total expenses	0.84%	0.74%	0.71%	0.76%	0.82%
Net investment income	3.24%	2.47%	2.51%	3.11%	3.65%
Portfolio Turnover	80%	36%	34%	20%	18%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

<sup>(3)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Pennsylvania Fund — Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 8.220	\$ 9.140	\$ 9.050	\$ 8.960	\$ 8.800
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.198	\$ 0.149	\$ 0.160	\$ 0.211	\$ 0.257
Net realized and unrealized gain (loss)	(0.226)	(0.915)	0.089	0.093	0.161
<b>Total income (loss) from operations</b>	<b>\$(0.028)</b>	<b>\$(0.766)</b>	<b>\$ 0.249</b>	<b>\$ 0.304</b>	<b>\$ 0.418</b>
<b>Less Distributions</b>					
From net investment income	\$(0.192)	\$(0.154)	\$(0.159)	\$(0.214)	\$(0.258)
<b>Total distributions</b>	<b>\$(0.192)</b>	<b>\$(0.154)</b>	<b>\$(0.159)</b>	<b>\$(0.214)</b>	<b>\$(0.258)</b>
<b>Net asset value — End of year</b>	<b>\$ 8.000</b>	<b>\$ 8.220</b>	<b>\$ 9.140</b>	<b>\$ 9.050</b>	<b>\$ 8.960</b>
<b>Total Return<sup>(2)</sup></b>	<b>(0.42)%</b>	<b>(8.34)%</b>	<b>2.78%</b>	<b>3.45%</b>	<b>4.84%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$ 4,188	\$ 5,317	\$ 7,781	\$11,815	\$13,088
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	1.49%	1.46%	1.44%	1.46%	1.50%
Interest and fee expense <sup>(3)</sup>	0.10%	0.03%	0.02%	0.05%	0.07%
Total expenses	1.59%	1.49%	1.46%	1.51%	1.57%
Net investment income	2.49%	1.71%	1.77%	2.36%	2.93%
Portfolio Turnover	80%	36%	34%	20%	18%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

<sup>(3)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Financial Highlights — continued

	Pennsylvania Fund — Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 7.970	\$ 8.860	\$ 8.770	\$ 8.690	\$ 8.530
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.267	\$ 0.224	\$ 0.237	\$ 0.287	\$ 0.328
Net realized and unrealized gain (loss)	(0.217)	(0.885)	0.090	0.083	0.163
<b>Total income (loss) from operations</b>	<b>\$ 0.050</b>	<b>\$ (0.661)</b>	<b>\$ 0.327</b>	<b>\$ 0.370</b>	<b>\$ 0.491</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.260)	\$ (0.229)	\$ (0.237)	\$ (0.290)	\$ (0.331)
<b>Total distributions</b>	<b>\$ (0.260)</b>	<b>\$ (0.229)</b>	<b>\$ (0.237)</b>	<b>\$ (0.290)</b>	<b>\$ (0.331)</b>
<b>Net asset value — End of year</b>	<b>\$ 7.760</b>	<b>\$ 7.970</b>	<b>\$ 8.860</b>	<b>\$ 8.770</b>	<b>\$ 8.690</b>
<b>Total Return<sup>(2)</sup></b>	<b>0.70%</b>	<b>(7.55)%</b>	<b>3.80%</b>	<b>4.34%</b>	<b>5.90%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$68,304	\$59,972	\$66,737	\$64,685	\$53,541
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	0.54%	0.51%	0.49%	0.51%	0.54%
Interest and fee expense <sup>(3)</sup>	0.10%	0.03%	0.02%	0.05%	0.07%
Total expenses	0.64%	0.54%	0.51%	0.56%	0.61%
Net investment income	3.45%	2.67%	2.71%	3.31%	3.84%
Portfolio Turnover	80%	36%	34%	20%	18%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

<sup>(3)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).



# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements

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#### 1 Significant Accounting Policies

Eaton Vance Municipals Trust (the Trust) is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company. The Trust presently consists of eighteen funds, five of which, each non-diversified, are included in these financial statements. They include Eaton Vance Arizona Municipal Income Fund (Arizona Fund), Eaton Vance Connecticut Municipal Income Fund (Connecticut Fund), Eaton Vance Minnesota Municipal Income Fund (Minnesota Fund), Eaton Vance New Jersey Municipal Income Fund (New Jersey Fund) and Eaton Vance Pennsylvania Municipal Income Fund (Pennsylvania Fund), (each individually referred to as the Fund, and collectively, the Funds). The Funds' investment objective is to provide current income exempt from regular federal income tax and from particular state or local income or other taxes. The Funds offer three classes of shares. Class A shares are generally sold subject to a sales charge imposed at time of purchase. Class C shares are sold at net asset value and are generally subject to a contingent deferred sales charge (see Note 5). Effective November 5, 2020, Class C shares automatically convert to Class A shares eight years after their purchase as described in the Funds' prospectus. Class I shares are sold at net asset value and are not subject to a sales charge. Each class represents a pro-rata interest in the Fund, but votes separately on class-specific matters and (as noted below) is subject to different expenses. Realized and unrealized gains and losses are allocated daily to each class of shares based on the relative net assets of each class to the total net assets of the Fund. Net investment income, other than class-specific expenses, is allocated daily to each class of shares based upon the ratio of the value of each class's paid shares to the total value of all paid shares. Each class of shares differs in its distribution plan and certain other class-specific expenses.

The following is a summary of significant accounting policies of the Funds. The policies are in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Each Fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946.

**A Investment Valuation** — The following methodologies are used to determine the market value or fair value of investments.

**Debt Obligations.** Debt obligations are generally valued on the basis of valuations provided by third party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and ask prices, broker/dealer quotations, prices or yields of securities with similar characteristics, interest rates, anticipated prepayments, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security. Short-term debt obligations purchased with a remaining maturity of sixty days or less for which a valuation from a third party pricing service is not readily available may be valued at amortized cost, which approximates fair value.

**Fair Valuation.** In connection with Rule 2a-5 of the 1940 Act, the Trustees have designated a Fund's investment adviser as its valuation designee. Investments for which valuations or market quotations are not readily available or are deemed unreliable are valued by the investment adviser, as valuation designee, at fair value using methods that most fairly reflect the security's "fair value", which is the amount that a Fund might reasonably expect to receive for the security upon its current sale in the ordinary course. Each such determination is based on a consideration of relevant factors, which are likely to vary from one pricing context to another. These factors may include, but are not limited to, the type of security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies or entities, quotations or relevant information obtained from broker/dealers or other market participants, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's or entity's financial statements, and an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold.

**B Investment Transactions and Related Income** — Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

**C Federal Taxes** — Each Fund's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable, if any, and tax-exempt net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary. Each Fund intends to satisfy conditions which will enable it to designate distributions from the interest income generated by its investments in non-taxable municipal securities, which are exempt from regular federal income tax when received by each Fund, as exempt-interest dividends. The portion of such interest, if any, earned on private activity bonds issued after August 7, 1986, may be considered a tax preference item to shareholders.

As of July 31, 2023, the Funds had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each Fund files a U.S. federal income tax return annually after its fiscal year-end, which is subject to examination by the Internal Revenue Service for a period of three years from the date of filing.

**D Expenses** — The majority of expenses of the Trust are directly identifiable to an individual fund. Expenses which are not readily identifiable to a specific fund are allocated taking into consideration, among other things, the nature and type of expense and the relative size of the funds.

**E Legal Fees** — Legal fees and other related expenses incurred as part of negotiations of the terms and requirement of capital infusions, or that are expected to result in the restructuring of, or a plan of reorganization for, an investment are recorded as realized losses. Ongoing expenditures to protect or enhance an investment are treated as operating expenses.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

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**F Use of Estimates** — The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

**G Indemnifications** — Under the Trust's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Funds. Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust (such as the Trust) could be deemed to have personal liability for the obligations of the Trust. However, the Trust's Declaration of Trust contains an express disclaimer of liability on the part of Fund shareholders and the By-laws provide that the Trust shall assume, upon request by the shareholder, the defense on behalf of any Fund shareholders. Moreover, the By-laws also provide for indemnification out of Fund property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. Additionally, in the normal course of business, each Fund enters into agreements with service providers that may contain indemnification clauses. Each Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against each Fund that have not yet occurred.

**H Floating Rate Notes Issued in Conjunction with Securities Held** — The Funds may invest in residual interest bonds, also referred to as inverse floating rate securities, whereby a Fund may sell a variable or fixed rate bond for cash to a Special-Purpose Vehicle (the SPV), (which is generally organized as a trust), while at the same time, buying a residual interest in the assets and cash flows of the SPV. The bond is deposited into the SPV with the same CUSIP number as the bond sold to the SPV by the Fund, and which may have been, but is not required to be, the bond purchased from the Fund (the Bond). The SPV also issues floating rate notes (Floating Rate Notes) which are sold to third-parties. The residual interest bond held by a Fund gives the Fund the right (1) to cause the holders of the Floating Rate Notes to generally tender their notes at par, and (2) to have the Bond held by the SPV transferred to the Fund, thereby terminating the SPV. Should the Fund exercise such right, it would generally pay the SPV the par amount due on the Floating Rate Notes and exchange the residual interest bond for the underlying Bond. Pursuant to generally accepted accounting principles for transfers and servicing of financial assets and extinguishment of liabilities, the Funds account for the transaction described above as a secured borrowing by including the Bond in their Portfolio of Investments and the Floating Rate Notes as a liability under the caption "Payable for floating rate notes issued" in their Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the SPV for redemption at par at each reset date. Accordingly, the fair value of the payable for floating rate notes issued approximates its carrying value. Interest expense related to a Fund's liability with respect to Floating Rate Notes is recorded as incurred. The SPV may be terminated by the Fund, as noted above, or by the occurrence of certain termination events as defined in the trust agreement, such as a downgrade in the credit quality of the underlying Bond, bankruptcy of or payment failure by the issuer of the underlying Bond, the inability to remarket Floating Rate Notes that have been tendered due to insufficient buyers in the market, or the failure by the SPV to obtain renewal of the liquidity agreement under which liquidity support is provided for the Floating Rate Notes up to one year. The Funds did not have any floating rate notes outstanding at July 31, 2023.

For the year ended July 31, 2023, the Funds' average settled Floating Rate Notes outstanding and the average interest rate including fees were as follows:

	<b>Pennsylvania Fund</b>
Average Floating Rate Notes Outstanding	\$4,465,753
Average Interest Rate	3.34%

In certain circumstances, the Funds may enter into shortfall and forbearance agreements with brokers by which a Fund agrees to reimburse the broker for the difference between the liquidation value of the Bond held by the SPV and the liquidation value of the Floating Rate Notes, as well as any shortfalls in interest cash flows. The Funds had no shortfalls as of July 31, 2023.

The Funds may also purchase residual interest bonds in a secondary market transaction without first owning the underlying bond. Such transactions are not required to be treated as secured borrowings. Shortfall agreements, if any, related to residual interest bonds purchased in a secondary market transaction are disclosed in the Portfolio of Investments.

The Funds' investment policies and restrictions expressly permit investments in residual interest bonds. Such bonds typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. The value and income of residual interest bonds are generally more volatile than that of a fixed rate bond. The Funds' investment policies do not allow the Funds to borrow money except as permitted by the 1940 Act. Effective August 19, 2022, the Funds began operating under Rule 18f-4 under the 1940 Act, which, among other things, governs the use of derivative investments and certain financing transactions by registered investment companies. As of the date of this report, consistent with Rule 18f-4, the Funds have elected to comply with the asset coverage requirements of Section 18 with respect to its investments in residual interest bonds (as opposed to treating such interests as derivatives transactions). The Funds may change this election (and elect to treat these investments and other similar financing transactions as derivatives transactions) at any time. Residual interest bonds held by the Funds are securities exempt from registration under Rule 144A of the Securities Act of 1933.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

**1 When-Issued Securities and Delayed Delivery Transactions** — The Funds may purchase securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. At the time the transaction is negotiated, the price of the security that will be delivered is fixed. The Funds maintain cash and/or security positions for these commitments such that sufficient liquid assets will be available to make payments upon settlement. Securities purchased on a delayed delivery or when-issued basis are marked-to-market daily and begin earning interest on settlement date. Such security purchases are subject to the risk that when delivered they will be worth less than the agreed upon payment price. Losses may also arise if the counterparty does not perform under the contract.

### 2 Distributions to Shareholders and Income Tax Information

The net investment income of each Fund is determined daily and substantially all of the net investment income so determined is declared as a dividend to shareholders of record at the time of declaration. Distributions are declared separately for each class of shares. Distributions are paid monthly. Distributions of realized capital gains are made at least annually. Shareholders may reinvest income and capital gain distributions in additional shares of the same class of a Fund at the net asset value as of the reinvestment date or, at the election of the shareholder, receive distributions in cash. Distributions to shareholders are determined in accordance with income tax regulations, which may differ from U.S. GAAP. As required by U.S. GAAP, only distributions in excess of tax basis earnings and profits are reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income.

The tax character of distributions declared for the years ended July 31, 2023 and July 31, 2022 was as follows:

	Year Ended July 31, 2023				
	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Tax-exempt income	\$1,915,929	\$2,489,305	\$5,277,937	\$4,028,201	\$4,920,661
Ordinary income	\$ 101,732	\$ 54,435	\$ —	\$ 263,592	\$ 79,134

	Year Ended July 31, 2022				
	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Tax-exempt income	\$1,536,267	\$1,757,658	\$3,520,397	\$3,854,946	\$4,384,881
Ordinary income	\$ 51,605	\$ 38,599	\$ —	\$ 258,843	\$ 48,828
Long-term capital gains	\$ —	\$ —	\$ —	\$ 155,812	\$ —

As of July 31, 2023, the components of distributable earnings (accumulated loss) on a tax basis were as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Undistributed tax-exempt income	\$ 10,760	\$ 29,439	\$ 112,565	\$ 50,805	\$ 92,787
Deferred capital losses	(1,624,074)	(2,411,854)	(4,524,000)	(7,580,708)	(18,257,811)
Net unrealized depreciation	(668,038)	(1,121,574)	(3,381,758)	(2,163,825)	(671,705)
Distributions payable	(10,763)	(56,777)	(112,562)	(55,245)	(92,787)
<b>Accumulated loss</b>	<b>\$(2,292,115)</b>	<b>\$(3,560,766)</b>	<b>\$(7,905,755)</b>	<b>\$(9,748,973)</b>	<b>\$(18,929,516)</b>

At July 31, 2023, the following Funds, for federal income tax purposes, had deferred capital losses which would reduce the respective Fund's taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Internal Revenue Code, and thus would

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

reduce the amount of distributions to shareholders, which would otherwise be necessary to relieve the Funds of any liability for federal income or excise tax. The deferred capital losses are treated as arising on the first day of a Fund's next taxable year and retain the same short-term or long-term character as when originally deferred. The amounts of the deferred capital losses are as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
<b>Deferred capital losses:</b>					
Short-term	\$ 465,403	\$1,344,781	\$ 714,819	\$2,068,978	\$ 6,757,183
Long-term	\$1,158,671	\$1,067,073	\$3,809,181	\$5,511,730	\$11,500,628

The cost and unrealized appreciation (depreciation) of investments of each Fund at July 31, 2023, as determined on a federal income tax basis, were as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
<b>Aggregate cost</b>	<b>\$76,440,124</b>	<b>\$104,152,674</b>	<b>\$230,262,985</b>	<b>\$146,852,139</b>	<b>\$155,770,496</b>
Gross unrealized appreciation	\$ 1,228,178	\$ 1,023,496	\$ 1,039,687	\$ 2,168,196	\$ 3,614,781
Gross unrealized depreciation	(1,896,216)	(2,145,070)	(4,421,445)	(4,332,021)	(4,286,486)
<b>Net unrealized depreciation</b>	<b>\$ (668,038)</b>	<b>\$ (1,121,574)</b>	<b>\$ (3,381,758)</b>	<b>\$ (2,163,825)</b>	<b>\$ (671,705)</b>

### 3 Investment Adviser Fee and Other Transactions with Affiliates

The investment adviser fee is earned by Boston Management and Research (BMR), an indirect, wholly-owned subsidiary of Morgan Stanley, as compensation for investment advisory services rendered to each Fund. The investment adviser fee is based upon a percentage of total daily net assets plus a percentage of total daily gross income (i.e., income other than gains from the sale of securities) as follows and is payable monthly:

<b>Total Daily Net Assets</b>	<b>Annual Asset Rate</b>	<b>Daily Income Rate</b>
Up to \$20 million	0.100%	1.000%
\$20 million but less than \$40 million	0.200%	2.000%
\$40 million but less than \$500 million	0.300%	3.000%
\$500 million but less than \$1 billion	0.275%	2.750%
\$1 billion but less than \$1.5 billion	0.250%	2.500%
\$1.5 billion but less than \$2 billion	0.225%	2.250%
\$2 billion but less than \$3 billion	0.200%	2.000%
\$3 billion and over	0.175%	1.750%

For the year ended July 31, 2023, investment adviser fees incurred by the Funds and the effective annual rates, as a percentage of average daily net assets, were as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Investment Adviser Fee	\$211,842	\$295,486	\$749,021	\$520,692	\$563,066
Effective Annual Rate	0.29%	0.31%	0.35%	0.35%	0.36%

Eaton Vance Management (EVM), an affiliate of BMR, serves as the administrator of each Fund, but receives no compensation.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

EVM provides sub-transfer agency and related services to the Funds pursuant to a Sub-Transfer Agency Support Services Agreement. Eaton Vance Distributors, Inc. (EVD), an affiliate of EVM and the Funds' principal underwriter, received a portion of the sales charge on sales of Class A shares of the Funds. Morgan Stanley affiliated broker-dealers, which may be deemed to be affiliates of BMR, EVM and EVD, also received a portion of the sales charge on sales of Class A shares. EVD also received distribution and service fees from Class A and Class C shares (see Note 4) and contingent deferred sales charges (see Note 5). Sub-transfer agent fees earned by EVM, which are included in transfer and dividend disbursing agent fees on the Statements of Operations, and Class A sales charges that the Funds were informed were received by EVD and Morgan Stanley affiliated broker-dealers for the year ended July 31, 2023 were as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
EVM's Sub-Transfer Agent Fees	\$5,081	\$12,746	\$21,672	\$18,610	\$24,944
EVD's Class A Sales Charges	\$1,806	\$ 858	\$ 636	\$ 5,900	\$ 7,431
Morgan Stanley affiliated broker-dealers' Class A Sales Charges	\$ —	\$ —	\$ —	\$ —	\$ 719

Trustees and officers of the Funds who are members of EVM's or BMR's organizations receive remuneration for their services to the Funds out of the investment adviser fee. Trustees of the Funds who are not affiliated with the investment adviser may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the year ended July 31, 2023, no significant amounts have been deferred. Certain officers and Trustees of the Funds are officers of the above organizations.

#### 4 Distribution Plans

Each Fund has in effect a distribution plan for Class A shares (Class A Plan) pursuant to Rule 12b-1 under the 1940 Act. The Class A Plan provides that each Fund will pay EVD a distribution and service fee not exceeding 0.25% per annum of its average daily net assets attributable to Class A shares for distribution services and facilities provided to each Fund by EVD, as well as for personal services and/or the maintenance of shareholder accounts. The Trustees approved distribution and service fee payments equal to 0.20% per annum of each Fund's average daily net assets attributable to Class A shares. Distribution and service fees paid or accrued to EVD for the year ended July 31, 2023 for Class A shares amounted to the following:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Class A Distribution and Service Fees	\$60,500	\$92,461	\$103,811	\$163,067	\$173,140

Each Fund also has in effect a distribution plan for Class C shares (Class C Plan) pursuant to Rule 12b-1 under the 1940 Act. Pursuant to the Class C Plan, each Fund pays EVD amounts equal to 0.75% per annum of its average daily net assets attributable to Class C shares for providing ongoing distribution services and facilities to the respective Funds. For the year ended July 31, 2023, the Funds paid or accrued to EVD the following distribution fees:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Class C Distribution Fees	\$15,297	\$20,516	\$16,563	\$47,029	\$34,312

The Class C Plan also authorizes each Fund to make payments of service fees to EVD, financial intermediaries and other persons in amounts not exceeding 0.25% per annum of the average daily net assets attributable to Class C shares. The Trustees approved service fee payments equal to 0.20% per annum of each Fund's average daily net assets attributable to Class C shares. Service fees paid or accrued are for personal services and/or the maintenance of shareholder accounts. They are separate and distinct from the Class C sales commissions and distribution fees payable to EVD. Service fees paid or accrued for the year ended July 31, 2023 amounted to the following:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Class C Service Fees	\$4,079	\$5,471	\$4,417	\$12,541	\$9,150

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

Distribution and service fees are subject to the limitations contained in the Financial Industry Regulatory Authority Rule 2341(d).

#### 5 Contingent Deferred Sales Charges

A contingent deferred sales charge (CDSC) of 1% generally is imposed on redemptions of Class C shares made within 12 months of purchase. Class A shares may be subject to a 0.75% CDSC if redeemed within 12 months of purchase (depending on the circumstances of purchase). Generally, the CDSC is based upon the lower of the net asset value at date of redemption or date of purchase. No charge is levied on shares acquired by reinvestment of dividends or capital gain distributions. For the year ended July 31, 2023, the Funds were informed that EVD received approximately the following amounts of CDSCs paid by Class A and Class C shareholders:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Class A	\$ —	\$5,000	\$ —	\$ —	\$200
Class C	\$900	\$ 26	\$300	\$ —	\$200

#### 6 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations and including maturities, for the year ended July 31, 2023 were as follows:

	Arizona Fund	Connecticut Fund	Minnesota Fund	New Jersey Fund	Pennsylvania Fund
Purchases	\$39,135,574	\$49,428,125	\$101,098,292	\$33,839,737	\$123,812,563
Sales	\$25,132,576	\$29,582,165	\$ 54,790,108	\$37,012,927	\$124,983,143

#### 7 Shares of Beneficial Interest

Each Fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value). Such shares may be issued in a number of different series (such as the Funds) and classes. Transactions in Fund shares, including direct exchanges pursuant to share class conversions for all periods presented, were as follows:

##### Arizona Fund

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	483,227	\$ 4,233,695	633,014	\$ 6,001,840
Issued to shareholders electing to receive payments of distributions in Fund shares	85,520	754,353	76,842	725,739
Redemptions	(648,733)	(5,716,998)	(1,476,147)	(13,856,757)
<b>Net decrease</b>	<b>(79,986)</b>	<b>\$ (728,950)</b>	<b>(766,291)</b>	<b>\$ (7,129,178)</b>
<b>Class C</b>				
Sales	21,070	\$ 208,484	33,071	\$ 351,200
Issued to shareholders electing to receive payments of distributions in Fund shares	3,795	37,183	3,500	36,731
Redemptions	(56,749)	(549,075)	(134,168)	(1,437,751)
<b>Net decrease</b>	<b>(31,884)</b>	<b>\$ (303,408)</b>	<b>(97,597)</b>	<b>\$ (1,049,820)</b>

# Eaton Vance Municipal Income Funds

July 31, 2023

## Notes to Financial Statements — continued

### Arizona Fund (continued)

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class I</b>				
Sales	2,977,813	\$ 26,334,321	2,023,597	\$ 18,740,444
Issued to shareholders electing to receive payments of distributions in Fund shares	123,715	1,091,844	69,127	650,231
Redemptions	(1,585,475)	(13,998,679)	(2,106,598)	(19,589,280)
<b>Net increase (decrease)</b>	<b>1,516,053</b>	<b>\$ 13,427,486</b>	<b>(13,874)</b>	<b>\$ (198,605)</b>

### Connecticut Fund

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	378,050	\$ 3,529,728	685,096	\$ 6,622,624
Issued to shareholders electing to receive payments of distributions in Fund shares	112,838	1,044,987	89,641	886,160
Redemptions	(547,348)	(5,108,044)	(868,133)	(8,453,720)
<b>Net decrease</b>	<b>(56,460)</b>	<b>\$ (533,329)</b>	<b>(93,396)</b>	<b>\$ (944,936)</b>
<b>Class C</b>				
Sales	43,093	\$ 399,663	42,439	\$ 425,307
Issued to shareholders electing to receive payments of distributions in Fund shares	4,328	39,920	3,791	37,409
Redemptions	(68,691)	(630,939)	(106,407)	(1,048,977)
<b>Net decrease</b>	<b>(21,270)</b>	<b>\$ (191,356)</b>	<b>(60,177)</b>	<b>\$ (586,261)</b>
<b>Class I</b>				
Sales	3,415,246	\$ 31,752,067	2,443,741	\$ 23,334,302
Issued to shareholders electing to receive payments of distributions in Fund shares	98,551	913,386	54,316	534,438
Redemptions	(1,695,129)	(15,619,577)	(1,065,269)	(10,135,641)
<b>Net increase</b>	<b>1,818,668</b>	<b>\$ 17,045,876</b>	<b>1,432,788</b>	<b>\$ 13,733,099</b>

# Eaton Vance Municipal Income Funds

July 31, 2023

## Notes to Financial Statements — continued

### Minnesota Fund

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	3,139,418	\$ 28,191,682	994,921	\$ 9,385,041
Issued to shareholders electing to receive payments of distributions in Fund shares	133,044	1,189,561	99,694	940,030
Redemptions	(1,756,964)	(15,679,235)	(1,526,797)	(14,308,412)
<b>Net increase (decrease)</b>	<b>1,515,498</b>	<b>\$ 13,702,008</b>	<b>(432,182)</b>	<b>\$ (3,983,341)</b>
<b>Class C</b>				
Sales	71,330	\$ 688,376	4,178	\$ 42,397
Issued to shareholders electing to receive payments of distributions in Fund shares	3,419	32,878	2,896	29,418
Redemptions	(88,762)	(853,337)	(175,633)	(1,785,201)
<b>Net decrease</b>	<b>(14,013)</b>	<b>\$ (132,083)</b>	<b>(168,559)</b>	<b>\$ (1,713,386)</b>
<b>Class I</b>				
Sales	11,853,734	\$106,345,883	12,046,549	\$110,864,800
Issued to shareholders electing to receive payments of distributions in Fund shares	282,434	2,526,186	173,377	1,632,895
Redemptions	(9,689,215)	(86,399,066)	(9,250,462)	(84,652,489)
<b>Net increase</b>	<b>2,446,953</b>	<b>\$ 22,473,003</b>	<b>2,969,464</b>	<b>\$ 27,845,206</b>

### New Jersey Fund

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	971,379	\$ 8,269,573	895,573	\$ 8,458,626
Issued to shareholders electing to receive payments of distributions in Fund shares	223,691	1,903,747	202,993	1,880,191
Redemptions	(1,797,114)	(15,293,163)	(2,098,239)	(19,114,439)
<b>Net decrease</b>	<b>(602,044)</b>	<b>\$ (5,119,843)</b>	<b>(999,673)</b>	<b>\$ (8,775,622)</b>
<b>Class C</b>				
Sales	76,058	\$ 679,325	127,020	\$ 1,262,223
Issued to shareholders electing to receive payments of distributions in Fund shares	13,019	115,510	12,597	121,838
Redemptions	(158,961)	(1,403,959)	(360,213)	(3,400,308)
<b>Net decrease</b>	<b>(69,884)</b>	<b>\$ (609,124)</b>	<b>(220,596)</b>	<b>\$ (2,016,247)</b>



# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

#### New Jersey Fund (continued)

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class I</b>				
Sales	4,251,864	\$ 36,346,691	5,035,621	\$ 46,167,000
Issued to shareholders electing to receive payments of distributions in Fund shares	187,695	1,601,906	175,803	1,635,727
Redemptions	(3,578,517)	(30,417,489)	(6,641,631)	(59,723,700)
<b>Net increase (decrease)</b>	<b>861,042</b>	<b>\$ 7,531,108</b>	<b>(1,430,207)</b>	<b>\$(11,920,973)</b>

#### Pennsylvania Fund

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	1,503,864	\$ 11,594,025	642,945	\$ 5,478,317
Issued to shareholders electing to receive payments of distributions in Fund shares	315,285	2,420,615	269,534	2,245,235
Redemptions	(2,040,396)	(15,672,937)	(2,271,950)	(19,069,076)
<b>Net decrease</b>	<b>(221,247)</b>	<b>\$ (1,658,297)</b>	<b>(1,359,471)</b>	<b>\$(11,345,524)</b>
<b>Class C</b>				
Sales	132,006	\$ 1,043,092	79,355	\$ 697,795
Issued to shareholders electing to receive payments of distributions in Fund shares	13,129	104,314	12,791	110,445
Redemptions	(268,287)	(2,129,775)	(296,618)	(2,569,702)
<b>Net decrease</b>	<b>(123,152)</b>	<b>\$ (982,369)</b>	<b>(204,472)</b>	<b>\$ (1,761,462)</b>
<b>Class I</b>				
Sales	4,349,671	\$ 33,466,988	2,561,764	\$ 21,203,153
Issued to shareholders electing to receive payments of distributions in Fund shares	189,918	1,464,401	136,510	1,139,406
Redemptions	(3,257,126)	(25,005,310)	(2,704,966)	(22,185,956)
<b>Net increase (decrease)</b>	<b>1,282,463</b>	<b>\$ 9,926,079</b>	<b>(6,692)</b>	<b>\$ 156,603</b>

#### 8 Line of Credit

The Funds participate with other portfolios and funds managed by EVM and its affiliates in a \$725 million unsecured revolving line of credit agreement with a group of banks, which is in effect through October 24, 2023. Borrowings are made by the Funds solely for temporary purposes related to redemptions and other short-term cash needs. Interest is charged to each Fund based on its borrowings at an amount above either the Secured Overnight Financing Rate (SOFR) or Federal Funds rate. In addition, a fee computed at an annual rate of 0.15% on the daily unused portion of the line of credit is allocated among the participating portfolios and funds at the end of each quarter. In connection with the renewal of the agreement in October 2022, an arrangement fee totaling \$150,000 was incurred that was allocated to the participating portfolios and funds. Because the line of credit is not available exclusively to the Funds, a Fund may be unable to borrow some or all of its requested amounts at any particular time. The Funds did not have any significant borrowings or allocated fees during the year ended July 31, 2023.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Notes to Financial Statements — continued

#### 9 Fair Value Measurements

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At July 31, 2023, the hierarchy of inputs used in valuing the Funds' investments, which are carried at value, were as follows:

#### Arizona Fund

Asset Description	Level 1	Level 2	Level 3	Total
Tax-Exempt Municipal Obligations	\$ —	\$ 68,985,499	\$ —	\$ 68,985,499
Taxable Municipal Obligations	—	6,284,647	—	6,284,647
Trust Units	—	501,940	—	501,940
<b>Total Investments</b>	<b>\$ —</b>	<b>\$ 75,772,086</b>	<b>\$ —</b>	<b>\$ 75,772,086</b>

#### Connecticut Fund

Asset Description	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ —	\$ 931,797	\$ —	\$ 931,797
Tax-Exempt Municipal Obligations	—	96,214,448	—	96,214,448
Taxable Municipal Obligations	—	5,212,255	—	5,212,255
Trust Units	—	672,600	—	672,600
<b>Total Investments</b>	<b>\$ —</b>	<b>\$103,031,100</b>	<b>\$ —</b>	<b>\$103,031,100</b>

#### Minnesota Fund

Asset Description	Level 1	Level 2	Level 3	Total
Tax-Exempt Municipal Obligations	\$ —	\$226,881,227	\$ —	\$226,881,227
<b>Total Investments</b>	<b>\$ —</b>	<b>\$226,881,227</b>	<b>\$ —</b>	<b>\$226,881,227</b>

#### New Jersey Fund

Asset Description	Level 1	Level 2	Level 3	Total
Tax-Exempt Municipal Obligations	\$ —	\$137,074,639	\$ —	\$137,074,639
Taxable Municipal Obligations	—	7,613,675	—	7,613,675
<b>Total Investments</b>	<b>\$ —</b>	<b>\$144,688,314</b>	<b>\$ —</b>	<b>\$144,688,314</b>

Eaton Vance  
Municipal Income Funds

July 31, 2023

Notes to Financial Statements — continued

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**Pennsylvania Fund**

<b>Asset Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Tax-Exempt Municipal Obligations	\$ —	\$150,470,848	\$ —	\$150,470,848
Taxable Municipal Obligations	—	4,627,943	—	4,627,943
<b>Total Investments</b>	<b>\$ —</b>	<b>\$155,098,791</b>	<b>\$ —</b>	<b>\$155,098,791</b>

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Report of Independent Registered Public Accounting Firm

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To the Trustees of Eaton Vance Municipals Trust and Shareholders of Eaton Vance Arizona Municipal Income Fund, Eaton Vance Connecticut Municipal Income Fund, Eaton Vance Minnesota Municipal Income Fund, Eaton Vance New Jersey Municipal Income Fund and Eaton Vance Pennsylvania Municipal Income Fund:

#### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities of Eaton Vance Arizona Municipal Income Fund, Eaton Vance Connecticut Municipal Income Fund, Eaton Vance Minnesota Municipal Income Fund, Eaton Vance New Jersey Municipal Income Fund and Eaton Vance Pennsylvania Municipal Income Fund (collectively, the "Funds") (certain of the funds constituting Eaton Vance Municipals Trust), including the portfolios of investments, as of July 31, 2023, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of each of the Funds as of July 31, 2023, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of July 31, 2023, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
September 18, 2023

We have served as the auditor of one or more Eaton Vance investment companies since 1959.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Federal Tax Information (Unaudited)

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The Form 1099-DIV you receive in February 2024 will show the tax status of all distributions paid to your account in calendar year 2023. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Funds. As required by the Internal Revenue Code and/or regulations, shareholders must be notified regarding the status of exempt-interest dividends.

**Exempt-Interest Dividends.** For the fiscal year ended July 31, 2023, the Funds designate the following percentages of distributions from net investment income as exempt-interest dividends:

Arizona Municipal Income Fund	94.96%
Connecticut Municipal Income Fund	97.86%
Minnesota Municipal Income Fund	100.00%
New Jersey Municipal Income Fund	93.86%
Pennsylvania Municipal Income Fund	98.42%

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Board of Trustees' Contract Approval

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#### Overview of the Contract Review Process

The Investment Company Act of 1940, as amended (the "1940 Act"), provides, in substance, that the investment advisory agreement between a fund and its investment adviser will continue in effect from year-to-year only if its continuation is approved on an annual basis by a vote of the fund's board of trustees, including a majority of the trustees who are not "interested persons" of the fund ("independent trustees"), cast in person at a meeting called for the purpose of considering such approval.

At a meeting held on June 8, 2023, the Boards of Trustees/Directors (collectively, the "Board") that oversee the registered investment companies advised by Eaton Vance Management or its affiliate, Boston Management and Research (the "Eaton Vance Funds"), including a majority of the independent trustees (the "Independent Trustees"), voted to approve the continuation of existing investment advisory agreements and sub-advisory agreements<sup>1</sup> for each of the Eaton Vance Funds for an additional one-year period. The Board relied upon the affirmative recommendation of its Contract Review Committee, which is a committee exclusively comprised of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished by the adviser and sub-adviser to each of the Eaton Vance Funds (including information specifically requested by the Board) for a series of formal meetings held between April and June 2023, as well as certain additional information provided in response to specific requests from the Independent Trustees as members of the Contract Review Committee. Members of the Contract Review Committee also considered information received at prior meetings of the Board and its committees, to the extent such information was relevant to the Contract Review Committee's annual evaluation of the investment advisory agreements and sub-advisory agreements.

In connection with its evaluation of the investment advisory agreements and sub-advisory agreements, the Board considered various information relating to the Eaton Vance Funds. This included information applicable to all or groups of Eaton Vance Funds, which is referenced immediately below, and information applicable to the particular Eaton Vance Fund covered by this report (each "Eaton Vance Fund" is referred to below as a "fund"). (For funds that invest through one or more underlying portfolios, references to "each fund" in this section may include information that was considered at the portfolio-level.)

#### *Information about Fees, Performance and Expenses*

- A report from an independent data provider comparing advisory and other fees paid by each fund to such fees paid by comparable funds, as identified by the independent data provider ("comparable funds");
- A report from an independent data provider comparing each fund's total expense ratio (and its components) to those of comparable funds;
- A report from an independent data provider comparing the investment performance of each fund (including, as relevant, total return data, income data, Sharpe ratios and information ratios) to the investment performance of comparable funds and, as applicable, benchmark indices, over various time periods;
- In certain instances, data regarding investment performance relative to customized groups of peer funds and blended indices identified by the adviser in consultation with the Portfolio Management Committee of the Board (a committee exclusively comprised of Independent Trustees);
- Comparative information concerning the fees charged and services provided by the adviser and sub-adviser to each fund in managing other accounts (which may include other mutual funds, collective investment funds and institutional accounts) using investment strategies and techniques similar to those used in managing such fund(s), if any;
- Profitability analyses with respect to the adviser and sub-adviser to each of the funds;

#### *Information about Portfolio Management and Trading*

- Descriptions of the investment management services provided to each fund, as well as each of the funds' investment strategies and policies;
- The procedures and processes used to determine the value of fund assets, including, when necessary, the determination of "fair value" and actions taken to monitor and test the effectiveness of such procedures and processes;
- Information about the policies and practices of each fund's adviser and sub-adviser with respect to trading, including their processes for seeking best execution of portfolio transactions;
- Information about the allocation of brokerage transactions and the benefits, if any, received by the adviser and sub-adviser to each fund as a result of brokerage allocation, including, as applicable, information concerning the acquisition of research through client commission arrangements and policies with respect to "soft dollars";
- Data relating to the portfolio turnover rate of each fund and related information regarding active management in the context of particular strategies;

#### *Information about each Adviser and Sub-adviser*

- Reports detailing the financial results and condition of the adviser and sub-adviser to each fund;

<sup>1</sup> Not all Eaton Vance Funds have entered into a sub-advisory agreement with a sub-adviser. Accordingly, references to "sub-adviser" or "sub-advisory agreement" in this "Overview" section may not be applicable to the particular Eaton Vance Fund covered by this report.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Board of Trustees' Contract Approval — continued

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- Information regarding the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and, for portfolio managers and certain other investment professionals, information relating to their responsibilities with respect to managing other mutual funds and investment accounts, as applicable;
- Information regarding the adviser's and its parent company's (Morgan Stanley's) efforts to retain and attract talented investment professionals, including in the context of a competitive marketplace for talent, as well as the ongoing unique environment presented by hybrid, remote and other alternative work arrangements;
- Information regarding the adviser's compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals' investments in the fund(s) they manage;
- The Code of Ethics of the adviser and its affiliates and the sub-adviser of each fund, together with information relating to compliance with, and the administration of, such codes;
- Policies and procedures relating to proxy voting, including regular reporting with respect to fund proxy voting activities;
- Information regarding the handling of corporate actions and class actions, as well as information regarding litigation and other regulatory matters;
- Information concerning the resources devoted to compliance efforts undertaken by the adviser and its affiliates and the sub-adviser of each fund, if any, including descriptions of their various compliance programs and their record of compliance;
- Information concerning the business continuity and disaster recovery plans of the adviser and its affiliates and the sub-adviser of each fund, if any;
- A description of Eaton Vance Management's and Boston Management and Research's oversight of sub-advisers, including with respect to regulatory and compliance issues, investment management and other matters;

#### *Other Relevant Information*

- Information regarding ongoing initiatives to further integrate and harmonize, where applicable, the investment management and other departments of the adviser and its affiliates with the overall investment management infrastructure of Morgan Stanley, in light of Morgan Stanley's acquisition of Eaton Vance Corp. on March 1, 2021;
- Information concerning the nature, cost and character of the administrative and other non-investment advisory services provided by Eaton Vance Management and its affiliates;
- Information concerning oversight of the relationship with the custodian, subcustodians, fund accountants, and other third-party service providers by the adviser and/or administrator to each of the funds;
- Information concerning efforts to implement policies and procedures with respect to various recently adopted regulations applicable to the funds, including Rule 12d1-4 (the Fund-of-Funds Rule), Rule 18f-4 (the Derivatives Rule) and Rule 2a-5 (the Fair Valuation Rule);
- For an Eaton Vance Fund structured as an exchange-listed closed-end fund, information concerning the benefits of the closed-end fund structure, as well as, where relevant, the closed-end fund's market prices (including as compared to the closed-end fund's net asset value (NAV)), trading volume data, continued use of auction preferred shares (where applicable), distribution rates and other relevant matters;
- The risks which the adviser and/or its affiliates incur in connection with the management and operation of the funds, including, among others, litigation, regulatory, entrepreneurial, and other business risks (and the associated costs of such risks); and
- The terms of each investment advisory agreement and sub-advisory agreement.

During the various meetings of the Board and its committees over the course of the year leading up to the June 8, 2023 meeting, the Board received information from portfolio managers and other investment professionals of the advisers and sub-advisers of the funds regarding investment and performance matters, and considered various investment and trading strategies used in pursuing the funds' investment objectives. The Board also received information regarding risk management techniques employed in connection with the management of the funds. The Board and its committees evaluated issues pertaining to industry and regulatory developments, compliance procedures, fund governance and other issues with respect to the funds, and received and participated in reports and presentations provided by Eaton Vance Management, Boston Management and Research and fund sub-advisers, with respect to such matters. In addition to the formal meetings of the Board and its committees, the Independent Trustees held regular teleconferences to discuss, among other topics, matters relating to the continuation of investment advisory agreements and sub-advisory agreements.

The Contract Review Committee was advised throughout the contract review process by Goodwin Procter LLP, independent legal counsel for the Independent Trustees. The members of the Contract Review Committee, with the advice of such counsel, exercised their own business judgment in determining the material factors to be considered in evaluating each investment advisory agreement and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each investment advisory agreement and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each investment advisory agreement and sub-advisory agreement. In evaluating each investment advisory agreement and sub-advisory agreement, including the fee structures and other terms contained in such agreements, the members of the Contract Review Committee were also informed by multiple years of analysis and discussion with the adviser and sub-adviser to each of the Eaton Vance Funds.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Board of Trustees' Contract Approval — continued

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#### Results of the Contract Review Process

Based on its consideration of the foregoing, and such other information it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuation of the investment advisory agreements between each of the following funds:

- Eaton Vance Arizona Municipal Income Fund
- Eaton Vance Connecticut Municipal Income Fund
- Eaton Vance Minnesota Municipal Income Fund
- Eaton Vance New Jersey Municipal Income Fund
- Eaton Vance Pennsylvania Municipal Income Fund

(the “Funds”) and Boston Management and Research (the “Adviser”), including their respective fee structures, are in the interests of shareholders and, therefore, recommended to the Board approval of each agreement. Based on the recommendation of the Contract Review Committee, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory agreement for each Fund.

#### *Nature, Extent and Quality of Services*

In considering whether to approve the investment advisory agreements for the Funds, the Board evaluated the nature, extent and quality of services provided to the Funds by the Adviser.

The Board considered the Adviser’s management capabilities and investment processes in light of the types of investments held by each Fund, including the education, experience and number of investment professionals and other personnel who provide portfolio management, investment research, and similar services to the Funds. In particular, the Board considered, where relevant, the abilities and experience of the Adviser’s investment professionals in analyzing factors such as credit risk, tax efficiency, and special considerations relevant to investing in municipal bonds. The Board considered the Adviser’s municipal bond team, which includes investment professionals and credit specialists who provide services to the Funds. The Board also took into account the resources dedicated to portfolio management and other services, the compensation methods of the Adviser and other factors, including the reputation and resources of the Adviser to recruit and retain highly qualified research, advisory and supervisory investment professionals. In addition, the Board considered the time and attention devoted to the Eaton Vance Funds, including each Fund, by senior management, as well as the infrastructure, operational capabilities and support staff in place to assist in the portfolio management and operations of the Funds, including the provision of administrative services. The Board also considered the business-related and other risks to which the Adviser or its affiliates may be subject in managing the Funds.

The Board considered the compliance programs of the Adviser and relevant affiliates thereof. The Board considered compliance and reporting matters regarding, among other things, personal trading by investment professionals, disclosure of portfolio holdings, late trading, frequent trading, portfolio valuation, business continuity and the allocation of investment opportunities. The Board also considered the responses of the Adviser and its affiliates to requests in recent years from regulatory authorities, such as the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Board considered other administrative services provided or overseen by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large fund complex offering exposure to a variety of asset classes and investment disciplines, as well as the ability, in many cases, to exchange an investment among different funds without incurring additional sales charges.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the investment advisory agreements.

#### *Fund Performance*

The Board compared each Fund’s investment performance to that of comparable funds identified by an independent data provider (the peer group), as well as appropriate benchmark indices, and, where relevant, a customized peer group of similarly managed funds, and assessed each Fund’s performance on the basis of total return and current income return. The Board’s review included comparative performance data with respect to each Fund for the one-, three-, five- and ten-year periods ended December 31, 2022.

In this regard, the Board noted each Fund’s performance relative to its peer group, custom peer group, if applicable, and primary and secondary benchmark indexes for the three-year period, as follows:



# Eaton Vance

## Municipal Income Funds

July 31, 2023

Fund	Performance Relative to:			
	Median of Peers	Median of Custom Peers	Primary Index	Secondary Index
Eaton Vance Arizona Municipal Income Fund	Consistent	Higher	Lower	Lower
Eaton Vance Connecticut Municipal Income Fund	Higher	Higher	Lower	Lower
Eaton Vance Minnesota Municipal Income Fund	Higher	n/a	Higher	Lower
Eaton Vance New Jersey Municipal Income Fund	Consistent	n/a	Lower	Lower
Eaton Vance Pennsylvania Municipal Income Fund	Consistent	n/a	Lower	Lower

The Board considered, among other things, the Adviser's efforts to generate competitive levels of tax exempt current income over time through investments that, relative to its comparable funds, focus on higher quality municipal bonds with longer maturities. With respect to all Funds, the Board concluded that the performance of each Fund was satisfactory.

### *Management Fees and Expenses*

The Board considered contractual fee rates payable by each Fund for advisory and administrative services (referred to collectively as "management fees"). As part of its review, the Board considered each Fund's management fees and total expense ratio for the one-year period ended December 31, 2022, as compared to those of comparable funds, before and after giving effect to any undertaking to waive fees or reimburse expenses. The Board also considered factors that had an impact on each Fund's total expense ratio relative to comparable funds.

After considering the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the management fees charged for advisory and related services are reasonable.

### *Profitability and "Fall-Out" Benefits*

The Board considered the level of profits realized by the Adviser and relevant affiliates thereof in providing investment advisory and administrative services to each Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized without regard to marketing support or other payments by the Adviser and its affiliates to third parties in respect of distribution or other services.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are deemed not to be excessive.

The Board also considered direct or indirect fall-out benefits received by the Adviser and its affiliates in connection with their respective relationships with the Funds, including the benefits of research services that may be available to the Adviser as a result of securities transactions effected for the Funds and other investment advisory clients.

### *Economies of Scale*

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and each Fund, on the other hand, can expect to realize benefits from economies of scale as the assets of each Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from economies of scale, if any, with respect to the management of any specific fund or group of funds. The Board reviewed data summarizing the increases and decreases in the assets of each Fund and of all Eaton Vance Funds as a group over various time periods, and evaluated the extent to which the total expense ratio of each Fund and the profitability of the Adviser and its affiliates may have been affected by such increases or decreases. Based upon the foregoing, the Board concluded that each Fund currently shares in the benefits from economies of scale, if any, when they are realized by the Adviser. The Board also concluded that the structure of each advisory fee, which includes breakpoints at several asset levels, will allow each Fund to continue to benefit from any economies of scale in the future.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Liquidity Risk Management Program

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Each Fund has implemented a written liquidity risk management program (Program) and related procedures to manage its liquidity in accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (Liquidity Rule). The Liquidity Rule defines “liquidity risk” as the risk that a fund could not meet requests to redeem shares issued by the fund without significant dilution of the remaining investors’ interests in the fund. Each Fund’s Board of Trustees/Directors has designated the investment adviser to serve as the administrator of the Program and the related procedures. The administrator has established a Liquidity Risk Management Oversight Committee (Committee) to perform the functions necessary to administer the Program. As part of the Program, the administrator is responsible for identifying illiquid investments and categorizing the relative liquidity of each Fund’s investments in accordance with the Liquidity Rule. Under the Program, the administrator assesses, manages, and periodically reviews each Fund’s liquidity risk, and is responsible for making certain reports to the Fund’s Board of Trustees/Directors and the Securities and Exchange Commission (SEC) regarding the liquidity of the Fund’s investments, and to notify the Board of Trustees/Directors and the SEC of certain liquidity events specified in the Liquidity Rule. The liquidity of each Fund’s portfolio investments is determined based on a number of factors including, but not limited to, relevant market, trading and investment-specific considerations under the Program.

At a meeting of each Fund’s Board of Trustees/Directors on June 7, 2023, the Committee provided a written report to the Fund’s Board of Trustees/Directors pertaining to the operation, adequacy, and effectiveness of implementation of the Program, as well as the operation of the highly liquid investment minimum (if applicable) for the period January 1, 2022 through December 31, 2022 (Review Period). The Program operated effectively during the Review Period, supporting the administrator’s ability to assess, manage and monitor Fund liquidity risk, including during periods of market volatility and net redemptions. During the Review Period, each Fund met redemption requests on a timely basis.

There can be no assurance that the Program will achieve its objectives in the future. Please refer to each Fund’s prospectus for more information regarding the Fund’s exposure to liquidity risk and other principal risks to which an investment in the Fund may be subject.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Management and Organization

**Fund Management.** The Trustees of Eaton Vance Municipals Trust (the Trust) are responsible for the overall management and supervision of the Trust's affairs. The Board members and officers of the Trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. Board members hold indefinite terms of office. Each Trustee holds office until his or her successor is elected and qualified, subject to a prior death, resignation, retirement, disqualification or removal. Under the terms of each Funds' current Trustee retirement policy, an Independent Trustee must retire and resign as a Trustee on the earlier of: (i) the first day of July following his or her 74th birthday; or (ii), with limited exception, December 31st of the 20th year in which he or she has served as a Trustee. However, if such retirement and resignation would cause the Funds to be out of compliance with Section 16 of the 1940 Act or any other regulations or guidance of the SEC, then such retirement and resignation will not become effective until such time as action has been taken for each Funds to be in compliance therewith. The "noninterested Trustees" consist of those Trustees who are not "interested persons" of the Trust, as that term is defined under the 1940 Act. The business address of each Board member and officer is Two International Place, Boston, Massachusetts 02110. As used below, "BMR" refers to Boston Management and Research, "EV" refers to EV LLC, "EVM" refers to Eaton Vance Management, "MSIM" refers to Morgan Stanley Investment Management, Inc. and "EVD" refers to Eaton Vance Distributors, Inc. EV is the trustee of each of EVM and BMR. Each of EVM, BMR, EVD and EV are indirect, wholly owned subsidiaries of Morgan Stanley. Each officer affiliated with EVM may hold a position with other EVM affiliates that is comparable to his or her position with EVM listed below. Each Trustee oversees 129 funds in the Eaton Vance fund complex (including both funds and portfolios in a hub and spoke structure).

Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) and Other Directorships During Past Five Years and Other Relevant Experience
<b>Interested Trustee</b>			
Anchal Pachnanda <sup>(1)</sup> 1980	Trustee	Since 2023	Co-Head of Strategy of MSIM (since 2019). Formerly, Head of Strategy of MSIM (2017-2019). Ms. Pachnanda is an interested person because of her position with MSIM, which is an affiliate of the Trust. <b>Other Directorships.</b> None.
<b>Noninterested Trustees</b>			
Alan C. Bowser 1962	Trustee	Since 2022	Formerly, Chief Diversity Officer, Partner and a member of the Operating Committee, and formerly served as Senior Advisor on Diversity and Inclusion for the firm's chief executive officer, Co-Head of the Americas Region, and Senior Client Advisor of Bridgewater Associates, an asset management firm (2011-2023). <b>Other Directorships.</b> Independent Director of Stout Risius Ross (a middle market professional services advisory firm) (since 2021).
Mark R. Fetting 1954	Trustee	Since 2016	Private investor. Formerly held various positions at Legg Mason, Inc. (investment management firm) (2000-2012), including President, Chief Executive Officer, Director and Chairman (2008-2012), Senior Executive Vice President (2004-2008) and Executive Vice President (2001-2004). Formerly, President of Legg Mason family of funds (2001-2008). Formerly, Division President and Senior Officer of Prudential Financial Group, Inc. and related companies (investment management firm) (1991-2000). <b>Other Directorships.</b> None.
Cynthia E. Frost 1961	Trustee	Since 2014	Private investor. Formerly, Chief Investment Officer of Brown University (university endowment) (2000-2012). Formerly, Portfolio Strategist for Duke Management Company (university endowment manager) (1995-2000). Formerly, Managing Director, Cambridge Associates (investment consulting company) (1989-1995). Formerly, Consultant, Bain and Company (management consulting firm) (1987-1989). Formerly, Senior Equity Analyst, BA Investment Management Company (1983-1985). <b>Other Directorships.</b> None.
George J. Gorman 1952	Chairperson of the Board and Trustee	Since 2021 (Chairperson) and 2014 (Trustee)	Principal at George J. Gorman LLC (consulting firm). Formerly, Senior Partner at Ernst & Young LLP (a registered public accounting firm) (1974-2009). <b>Other Directorships.</b> None.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Management and Organization — continued

Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) and Other Directorships During Past Five Years and Other Relevant Experience
<b>Noninterested Trustees (continued)</b>			
Valerie A. Mosley 1960	Trustee	Since 2014	Chairwoman and Chief Executive Officer of Valmo Ventures (a consulting and investment firm). Founder of Upward Wealth, Inc., dba BrightUp, a fintech platform. Formerly, Partner and Senior Vice President, Portfolio Manager and Investment Strategist at Wellington Management Company, LLP (investment management firm) (1992-2012). Formerly, Chief Investment Officer, PG Corbin Asset Management (1990-1992). Formerly worked in institutional corporate bond sales at Kidder Peabody (1986-1990). <b>Other Directorships.</b> Director of DraftKings, Inc. (digital sports entertainment and gaming company) (since September 2020). Director of Envestnet, Inc. (provider of intelligent systems for wealth management and financial wellness) (since 2018). Formerly, Director of Dynex Capital, Inc. (mortgage REIT) (2013-2020) and Director of Groupon, Inc. (e-commerce provider) (2020-2022).
Keith Quinton 1958	Trustee	Since 2018	Private investor, researcher and lecturer. Formerly, Independent Investment Committee Member at New Hampshire Retirement System (2017-2021). Formerly, Portfolio Manager and Senior Quantitative Analyst at Fidelity Investments (investment management firm) (2001-2014). <b>Other Directorships.</b> Formerly, Director (2016-2021) and Chairman (2019-2021) of New Hampshire Municipal Bond Bank.
Marcus L. Smith 1966	Trustee	Since 2018	Private investor and independent corporate director. Formerly, Chief Investment Officer, Canada (2012-2017), Chief Investment Officer, Asia (2010-2012), Director of Asian Research (2004-2010) and portfolio manager (2001-2017) at MFS Investment Management (investment management firm). <b>Other Directorships.</b> Director of First Industrial Realty Trust, Inc. (an industrial REIT) (since 2021). Director of MSCI Inc. (global provider of investment decision support tools) (since 2017). Formerly, Director of DCT Industrial Trust Inc. (logistics real estate company) (2017-2018).
Susan J. Sutherland 1957	Trustee	Since 2015	Private investor. Director of Ascot Group Limited and certain of its subsidiaries (insurance and reinsurance) (since 2017). Formerly, Director of Hagerty Holding Corp. (insurance) (2015-2018) and Montpelier Re Holdings Ltd. (insurance and reinsurance) (2013-2015). Formerly, Associate, Counsel and Partner at Skadden, Arps, Slate, Meagher & Flom LLP (law firm) (1982-2013). <b>Other Directorships.</b> Formerly, Director of Kairos Acquisition Corp. (insurance/InsurTech acquisition company) (2021-2023).
Scott E. Wennerholm 1959	Trustee	Since 2016	Private investor. Formerly, Trustee at Wheelock College (postsecondary institution) (2012-2018). Formerly, Consultant at GF Parish Group (executive recruiting firm) (2016-2017). Formerly, Chief Operating Officer and Executive Vice President at BNY Mellon Asset Management (investment management firm) (2005-2011). Formerly, Chief Operating Officer and Chief Financial Officer at Natixis Global Asset Management (investment management firm) (1997-2004). Formerly, Vice President at Fidelity Investments Institutional Services (investment management firm) (1994-1997). <b>Other Directorships.</b> None.
Nancy A. Wisner 1967	Trustee	Since 2022	Formerly, Executive Vice President and the Global Head of Operations at Wells Fargo Asset Management (2011-2021). <b>Other Directorships.</b> None.
Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) During Past Five Years
<b>Principal Officers who are not Trustees</b>			
Eric A. Stein 1980	President	Since 2020	Vice President and Chief Investment Officer, Fixed Income of EVM and BMR. Prior to November 1, 2020, Mr. Stein was a co-Director of Eaton Vance's Global Income Investments. Also Vice President of Calvert Research and Management ("CRM").
Deidre E. Walsh 1971	Vice President and Chief Legal Officer	Since 2009	Vice President of EVM and BMR. Also Vice President of CRM.
James F. Kirchner 1967	Treasurer	Since 2007	Vice President of EVM and BMR. Also Vice President of CRM.

# Eaton Vance

## Municipal Income Funds

July 31, 2023

### Management and Organization — continued

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<b>Name and Year of Birth</b>	<b>Trust Position(s)</b>	<b>Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>
<b>Principal Officers who are not Trustees (continued)</b>			
Nicholas S. Di Lorenzo 1987	Secretary	Since 2022	Formerly, associate (2012-2021) and counsel (2022) at Dechert LLP.
Richard F. Froio 1968	Chief Compliance Officer	Since 2017	Vice President of EVM and BMR since 2017. Formerly, Deputy Chief Compliance Officer (Adviser/Funds) and Chief Compliance Officer (Distribution) at PIMCO (2012-2017) and Managing Director at BlackRock/Barclays Global Investors (2009-2012).

<sup>(1)</sup> Ms. Pachnanda began serving as Trustee effective April 1, 2023.

The SAI for each Fund includes additional information about the Trustees and officers of the Funds and can be obtained without charge on Eaton Vance's website at [www.eatonvance.com](http://www.eatonvance.com) or by calling 1-800-262-1122.

FACTS	WHAT DOES EATON VANCE DO WITH YOUR PERSONAL INFORMATION?																																
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.																																
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and income</li> <li>▪ investment experience and risk tolerance</li> <li>▪ checking account number and wire transfer instructions</li> </ul>																																
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Eaton Vance chooses to share; and whether you can limit this sharing.																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 65%;">Reasons we can share your personal information</th> <th style="width: 15%;">Does Eaton Vance share?</th> <th style="width: 20%;">Can you limit this sharing?</th> </tr> </thead> <tbody> <tr> <td><b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our marketing purposes</b> — to offer our products and services to you</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For joint marketing with other financial companies</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our investment management affiliates' everyday business purposes</b> — information about your transactions, experiences, and creditworthiness</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> — information about your creditworthiness</td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our investment management affiliates to market to you</b></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td><b>For our affiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For nonaffiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> </tbody> </table>				Reasons we can share your personal information	Does Eaton Vance share?	Can you limit this sharing?	<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	<b>For our marketing purposes</b> — to offer our products and services to you	Yes	No	<b>For joint marketing with other financial companies</b>	No	We don't share	<b>For our investment management affiliates' everyday business purposes</b> — information about your transactions, experiences, and creditworthiness	Yes	Yes	<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	Yes	No	<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We don't share	<b>For our investment management affiliates to market to you</b>	Yes	Yes	<b>For our affiliates to market to you</b>	No	We don't share	<b>For nonaffiliates to market to you</b>	No	We don't share
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<b>For our affiliates to market to you</b>	No	We don't share																															
<b>For nonaffiliates to market to you</b>	No	We don't share																															
<b>To limit our sharing</b>	<p>Call toll-free 1-800-262-1122 or email: <a href="mailto:EVPrivacy@eatonvance.com">EVPrivacy@eatonvance.com</a></p> <p><b>Please note:</b></p> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>																																
<b>Questions?</b>	Call toll-free 1-800-262-1122 or email: <a href="mailto:EVPrivacy@eatonvance.com">EVPrivacy@eatonvance.com</a>																																

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Who we are	
<b>Who is providing this notice?</b>	Eaton Vance Management, Eaton Vance Distributors, Inc., Eaton Vance Trust Company, Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd., Eaton Vance Global Advisors Limited, Eaton Vance Management's Real Estate Investment Group, Boston Management and Research, Calvert Research and Management, Eaton Vance and Calvert Fund Families and our investment advisory affiliates ("Eaton Vance") (see Investment Management Affiliates definition below)
What we do	
<b>How does Eaton Vance protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.
<b>How does Eaton Vance collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ open an account or make deposits or withdrawals from your account</li> <li>▪ buy securities from us or make a wire transfer</li> <li>▪ give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
<b>Investment Management Affiliates</b>	Eaton Vance Investment Management Affiliates include registered investment advisers, registered broker-dealers, and registered and unregistered funds. Investment Management Affiliates does not include entities associated with Morgan Stanley Wealth Management, such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Our affiliates include companies with a Morgan Stanley name and financial companies such as Morgan Stanley Smith Barney LLC and Morgan Stanley &amp; Co.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Eaton Vance does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>Eaton Vance doesn't jointly market.</i></li> </ul>
Other important information	
<p><b>Vermont:</b> Except as permitted by law, we will not share personal information we collect about Vermont residents with Nonaffiliates unless you provide us with your written consent to share such information.</p> <p><b>California:</b> Except as permitted by law, we will not share personal information we collect about California residents with Nonaffiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.</p>	

## IMPORTANT NOTICES

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**Delivery of Shareholder Documents.** The Securities and Exchange Commission (SEC) permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called “householding” and it helps eliminate duplicate mailings to shareholders. *Eaton Vance, or your financial intermediary, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial intermediary, otherwise.* If you would prefer that your Eaton Vance documents not be householded, please contact Eaton Vance at 1-800-262-1122, or contact your financial intermediary. Your instructions that householding not apply to delivery of your Eaton Vance documents will typically be effective within 30 days of receipt by Eaton Vance or your financial intermediary.

**Portfolio Holdings.** Each Eaton Vance Fund and its underlying Portfolio(s) (if applicable) files a schedule of portfolio holdings on Part F to Form N-PORT with the SEC. Certain information filed on Form N-PORT may be viewed on the Eaton Vance website at [www.eatonvance.com](http://www.eatonvance.com), by calling Eaton Vance at 1-800-262-1122 or in the EDGAR database on the SEC’s website at [www.sec.gov](http://www.sec.gov).

**Proxy Voting.** From time to time, funds are required to vote proxies related to the securities held by the funds. The Eaton Vance Funds or their underlying Portfolios (if applicable) vote proxies according to a set of policies and procedures approved by the Funds’ and Portfolios’ Boards. You may obtain a description of these policies and procedures and information on how the Funds or Portfolios voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge, upon request, by calling 1-800-262-1122 and by accessing the SEC’s website at [www.sec.gov](http://www.sec.gov).



**Investment Adviser**

**Boston Management and Research**

Two International Place  
Boston, MA 02110

**Administrator**

**Eaton Vance Management**

Two International Place  
Boston, MA 02110

**Principal Underwriter\***

**Eaton Vance Distributors, Inc.**

Two International Place  
Boston, MA 02110  
(617) 482-8260

**Custodian**

**State Street Bank and Trust Company**

One Congress Street, Suite 1  
Boston, MA 02114-2016

**Transfer Agent**

**BNY Mellon Investment Servicing (US) Inc.**

Attn: Eaton Vance Funds  
P.O. Box 534439  
Pittsburgh, PA 15253-4439  
(800) 262-1122

**Independent Registered Public Accounting Firm**

**Deloitte & Touche LLP**

200 Berkeley Street  
Boston, MA 02116-5022

**Fund Offices**

Two International Place  
Boston, MA 02110

\* **FINRA BrokerCheck.** Investors may check the background of their Investment Professional by contacting the Financial Industry Regulatory Authority (FINRA). FINRA BrokerCheck is a free tool to help investors check the professional background of current and former FINRA-registered securities firms and brokers. FINRA BrokerCheck is available by calling 1-800-289-9999 and at [www.FINRA.org](http://www.FINRA.org). The FINRA BrokerCheck brochure describing this program is available to investors at [www.FINRA.org](http://www.FINRA.org).



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Eaton Vance  
Municipal Opportunities Fund

Annual Report  
July 31, 2023

**Commodity Futures Trading Commission Registration.** The Commodity Futures Trading Commission (“CFTC”) has adopted regulations that subject registered investment companies and advisers to regulation by the CFTC if a fund invests more than a prescribed level of its assets in certain CFTC-regulated instruments (including futures, certain options and swap agreements) or markets itself as providing investment exposure to such instruments. The investment adviser has claimed an exclusion from the definition of “commodity pool operator” under the Commodity Exchange Act with respect to its management of the Fund. Accordingly, neither the Fund nor the adviser with respect to the operation of the Fund is subject to CFTC regulation. Because of its management of other strategies, the Fund’s adviser is registered with the CFTC as a commodity pool operator. The adviser is also registered as a commodity trading advisor.

**Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.**

**This report must be preceded or accompanied by a current summary prospectus or prospectus. Before investing, investors should consider carefully the investment objective, risks, and charges and expenses of a mutual fund. This and other important information is contained in the summary prospectus and prospectus, which can be obtained from a financial intermediary. Prospective investors should read the prospectus carefully before investing. For further information, please call 1-800-262-1122.**

Annual Report July 31, 2023

# Eaton Vance

## Municipal Opportunities Fund

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# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Management's Discussion of Fund Performance<sup>†</sup>

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#### Economic and Market Conditions

In the opening months of the 12-month period, from August through October 2022, municipal returns were negative. Municipal mutual funds experienced outflows as investors reacted to statements by U.S. Federal Reserve (Fed) officials that the central bank was not done with rate hikes and fighting inflation remained its top priority. After the Fed's third straight 0.75% federal funds rate hike, the Bloomberg Municipal Bond Index (the Index) fell 3.84% in September 2022 -- its worst one-month performance in 14 years.

However, in the final months of 2022, municipal performance rebounded. Despite the Fed's fourth 0.75% rate hike in November, the Index rose 4.68% -- its best monthly performance since 1986. Drivers of the rally included Fed signals that future rate hikes might be smaller, as well as growing investor demand amid lower supplies of new municipal bond issues.

The Fed did deliver a smaller 0.50% rate hike in December, but raised expectations of how high rates might go in 2023. The Index -- helped by attractive yields and limited supply -- nonetheless eked out positive performance in December 2022. As the new year began, municipal bonds delivered a third straight month of positive returns, driven by an ongoing supply-demand imbalance and the return of inflows into open-end mutual funds. In February 2023, however, the municipal rally stalled as robust economic reports -- including unexpectedly high job creation in January -- led investors to fear the Fed might keep rates higher for longer than previously expected.

In March 2023, municipal returns turned positive once again. The second- and third-largest bank failures in U.S. history triggered a "flight to quality" that drove municipal bonds to their strongest March performance since 2008, despite the Fed announcing its ninth consecutive rate hike that month.

But as the period came to a close in the spring and early summer of 2023, the municipal market experienced another sell-off. Although positive technical factors -- most importantly, demand that exceeded municipal bond supply -- produced brief periods of positive performance, the Fed's tenth and eleventh rate hikes in a little over a year overwhelmed the positive technical factors and caused municipal rates to rise and bond prices to fall in the final four months of the period.

For the 12-month period as a whole, the Index returned 0.93% as coupon payments slightly outpaced declining bond prices. While interest rates rose and bond prices fell across the municipal bond yield curve, the largest rate increases during the period occurred at the long and short ends of the curve. U.S. Treasuries, meanwhile, underperformed municipal bonds throughout the yield curve.

#### Fund Performance

For the 12-month period ended July 31, 2023, Eaton Vance Municipal Opportunities Fund (the Fund) Class A shares at net asset value (NAV) returned 0.65%, underperforming the 0.93% return of the Fund's benchmark, the Index.

In seeking to achieve its primary objective of maximizing after-tax total return, the Fund employs a flexible investment strategy and may invest in obligations of any duration and credit quality. The Fund has the ability to invest up to 20% of net assets in debt obligations other than tax-exempt municipal bonds, including (but not limited to) taxable municipal obligations, U.S. Treasury securities, and obligations of the U.S. Government, its agencies and instrumentalities. Up to 50% of the Fund's net assets may be invested in below-investment-grade securities.

The Fund may also hold leveraged investments and hedge interest rate risk; both strategies were employed during the period. While the Fund's small use of leveraged investments did not have a meaningful impact on performance versus the Index, the Fund's Treasury futures hedge benefited returns relative to the Index, because Treasuries declined in price as interest rates rose during the period. At period-end, however, the Fund no longer employed a futures hedge.

For the 12-month period, primary detractors from performance versus the Index included security selections and an overweight position in the health care sector; security selections in New York bonds; and security selections and an overweight position in below-investment-grade bonds, excluding non-rated bonds, during a period when below-investment-grade bonds generally underperformed investment-grade bonds.

In contrast, contributors to performance versus the Index included the Fund's hedging strategy, as mentioned above; security selections in 4% coupon bonds; and security selections and an overweight position in industrial development revenue (IDR) bonds.

See Endnotes and Additional Disclosures in this report.

*Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to [eatonvance.com](http://eatonvance.com).*

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Performance

**Portfolio Manager(s)** Craig R. Brandon, CFA and Trevor G. Smith

% Average Annual Total Returns <sup>1,2</sup>	Class Inception Date	Performance Inception Date	One Year	Five Years	Ten Years	Since Inception
Class A at NAV	05/31/2011	05/31/2011	0.65%	1.22%	3.19%	3.44%
Class A with 3.25% Maximum Sales Charge	—	—	(2.60)	0.55	2.85	3.15
Class C at NAV	08/18/2014	08/18/2014	(0.11)	0.48	—	1.50
Class C with 1% Maximum Deferred Sales Charge	—	—	(1.08)	0.48	—	1.50
Class I at NAV	05/31/2011	05/31/2011	0.90	1.48	3.45	3.71
Bloomberg Municipal Bond Index	—	—	0.93%	1.87%	2.81%	3.07%

% Total Annual Operating Expense Ratios <sup>3</sup>	Class A	Class C	Class I
	0.93%	1.68%	0.67%

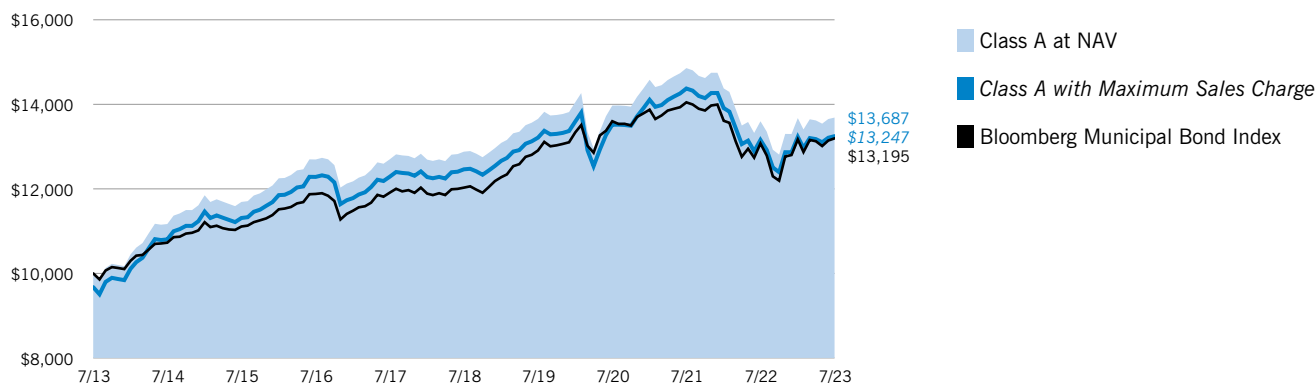
% Distribution Rates/Yields <sup>4</sup>	Class A	Class C	Class I
Distribution Rate	2.95%	2.20%	3.20%
Taxable-Equivalent Distribution Rate	4.99	3.72	5.41
SEC 30-day Yield	2.97	2.32	3.32
Taxable-Equivalent SEC 30-day Yield	5.02	3.92	5.60

% Total Leverage <sup>5</sup>	
Residual Interest Bond (RIB) Financing	0.42%

### Growth of \$10,000

This graph shows the change in value of a hypothetical investment of \$10,000 in Class A of the Fund for the period indicated. For comparison, the same investment is shown in the indicated index.



### Growth of Investment<sup>2</sup>

	Amount Invested	Period Beginning	At NAV	With Maximum Sales Charge
Class C	\$10,000	07/31/2013	\$11,429	N.A.
Class I, at minimum investment	\$1,000,000	07/31/2013	\$1,404,396	N.A.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or offering price (as applicable) with all distributions reinvested. Furthermore, returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the redemption of Fund shares. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for periods less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to [eatonvance.com](http://eatonvance.com).

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Fund Profile

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### Credit Quality (% of total investments)<sup>1,2</sup>

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AAA		15.3%
AA		31.6
A		23.6
BBB		9.7
BB		5.6
B		2.1
Not Rated		12.1

#### Footnotes:

<sup>1</sup> For purposes of the Fund's rating restrictions, ratings are based on Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") or Fitch Ratings ("Fitch"), as applicable. If securities are rated differently by the ratings agencies, the highest rating is applied. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. Credit ratings are based largely on the ratings agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" (if any) are not rated by the national ratings agencies stated above.

<sup>2</sup> The chart includes the municipal bonds held by a trust that issues residual interest bonds, consistent with the Portfolio of Investments.



# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Endnotes and Additional Disclosures

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† The views expressed in this report are those of the portfolio manager(s) and are current only through the date stated at the top of this page. These views are subject to change at any time based upon market or other conditions, and Eaton Vance and the Fund(s) disclaim any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. This commentary may contain statements that are not historical facts, referred to as “forward-looking statements.” The Fund’s actual future results may differ significantly from those stated in any forward-looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of Fund shares, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in the Fund’s filings with the Securities and Exchange Commission.

<sup>1</sup> Bloomberg Municipal Bond Index is an unmanaged index of municipal bonds traded in the U.S. 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.

<sup>2</sup> Total Returns at NAV do not include applicable sales charges. If sales charges were deducted, the returns would be lower. Total Returns shown with maximum sales charge reflect the stated maximum sales charge. Unless otherwise stated, performance does not reflect the deduction of taxes on Fund distributions or redemptions of Fund shares. Performance since inception for an index, if presented, is the performance since the Fund’s or oldest share class’s inception, as applicable.

<sup>3</sup> Source: Fund prospectus. The expense ratios for the current reporting period can be found in the Financial Highlights section of this report.

<sup>4</sup> The Distribution Rate is based on the Fund’s last regular distribution per share in the period (annualized) divided by the Fund’s NAV at the end of the period. The Fund’s distributions may be comprised of amounts characterized for federal income tax purposes as tax-exempt income, qualified and non-qualified ordinary dividends, capital gains and nondividend distributions, also known as return of capital. The Fund will determine the federal income tax character of distributions paid to a shareholder after the end of the calendar year. This is reported on the IRS form 1099-DIV and provided to the shareholder shortly after each year-end. The Fund’s distributions are determined by the investment adviser based on its current assessment of the Fund’s long-term return potential. As portfolio and market conditions change, the rate of distributions paid by the Fund could change. Taxable-equivalent performance is based on the highest combined federal and state income tax rates, where applicable. Lower tax rates would result in lower tax-equivalent performance. Actual tax rates will vary depending on your income, exemptions and deductions. Rates do not include local taxes. The SEC Yield is a standardized measure based on the estimated yield to maturity of a fund’s investments over a 30-day period and is based on the maximum offer price at the date specified. The SEC Yield is not based on the distributions made by the Fund, which may differ.

<sup>5</sup> Fund employs RIB financing. The leverage created by RIB investments

provides an opportunity for increased income but, at the same time, creates special risks (including the likelihood of greater volatility of NAV). The cost of leverage rises and falls with changes in short-term interest rates. See “Floating Rate Notes Issued in Conjunction with Securities Held” in the notes to the financial statements for more information about RIB financing. RIB leverage represents the amount of Floating Rate Notes outstanding at period end as a percentage of Fund net assets plus Floating Rate Notes.

Fund profile subject to change due to active management.

#### Additional Information

Yield curve is a graphical representation of the yields offered by bonds of various maturities. The yield curve flattens when long-term interest rates fall and/or short-term interest rates increase, and the yield curve steepens when long-term interest rates increase and/or short-term interest rates fall.

Duration is a measure of the expected change in price of a bond — in percentage terms — given a one percent change in interest rates, all else being constant. Securities with lower durations tend to be less sensitive to interest rate changes.

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Fund Expenses

### Example

As a Fund shareholder, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases; and (2) ongoing costs, including management fees; distribution and/or service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of Fund investing and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (February 1, 2023 to July 31, 2023).

### Actual Expenses

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the actual Fund expense ratio and an assumed rate of return of 5% per year (before expenses), which is not the actual Fund return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads). Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would be higher.

	Beginning Account Value (2/1/23)	Ending Account Value (7/31/23)	Expenses Paid During Period* (2/1/23 – 7/31/23)	Annualized Expense Ratio
<b>Actual</b>				
Class A	\$1,000.00	\$1,000.90	\$5.01	1.01%
Class C	\$1,000.00	\$ 998.10	\$8.72	1.76%
Class I	\$1,000.00	\$1,003.10	\$3.77	0.76%
<b>Hypothetical</b> (5% return per year before expenses)				
Class A	\$1,000.00	\$1,019.79	\$5.06	1.01%
Class C	\$1,000.00	\$1,016.07	\$8.80	1.76%
Class I	\$1,000.00	\$1,021.03	\$3.81	0.76%

\* Expenses are equal to the Fund's annualized expense ratio for the indicated Class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The Example assumes that the \$1,000 was invested at the net asset value per share determined at the close of business on January 31, 2023.

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Portfolio of Investments

### Corporate Bonds — 1.4%

Security	Principal Amount (000's omitted)	Value
<b>Education — 0.9%</b>		
Grand Canyon University, 4.125%, 10/1/24	\$ 5,000	\$ 4,732,500
		<b>\$ 4,732,500</b>
<b>Hospital — 0.5%</b>		
Harnett Health System, Inc., 4.25% to 4/1/25 (Put Date), 4/1/32	\$ 3,045	\$ 2,999,325
		<b>\$ 2,999,325</b>
<b>Total Corporate Bonds</b> (identified cost \$8,206,750)		<b>\$ 7,731,825</b>

### Tax-Exempt Mortgage-Backed Securities — 0.1%

Security	Principal Amount (000's omitted)	Value
<b>Housing — 0.1%</b>		
FRETE 2017-ML01 Trust, (Freddie Mac guaranteed), 5.93%, (30-day average SOFR + 0.50%), 1/25/33 <sup>(1)(2)</sup>	\$ 454	\$ 451,068
		<b>\$ 451,068</b>

### Tax-Exempt Municipal Obligations — 93.6%

Security	Principal Amount (000's omitted)	Value
<b>Bond Bank — 1.8%</b>		
Delaware Valley Regional Finance Authority, PA, 4.247%, (67% of 1 mo. USD LIBOR + 0.76%), 9/1/24 (Put Date), 9/1/48 <sup>(2)</sup>	\$ 8,000	\$ 8,003,040
Virginia Resources Authority, (Pooled Financing Program), 5.25%, 11/1/47	1,850	2,099,916
		<b>\$ 10,102,956</b>
<b>Education — 4.0%</b>		
California Municipal Finance Authority, (California Lutheran University):		
5.00%, 10/1/31	\$ 600	\$ 633,936
5.00%, 10/1/37	1,400	1,440,698
Capital Trust Agency, FL, (Florida Charter Educational Foundation, Inc.), 4.50%, 6/15/28 <sup>(1)</sup>	495	479,610

Security	Principal Amount (000's omitted)	Value
<b>Education (continued)</b>		
Colorado State University, 4.00%, 3/1/45	\$ 3,370	\$ 3,291,445
Massachusetts Development Finance Agency, (Harvard University), 4.00%, 7/15/36	5,000	5,091,450
Michigan Finance Authority, (Cesar Chavez Academy), 5.00%, 2/1/33	830	820,737
Pinellas County Educational Facilities Authority, FL, (Pinellas Academy of Math and Science):		
4.125%, 12/15/28 <sup>(1)</sup>	445	443,856
5.00%, 12/15/38 <sup>(1)</sup>	2,690	2,710,579
Public Finance Authority, WI, (North Carolina Leadership Academy):		
5.00%, 6/15/39 <sup>(1)</sup>	140	131,233
5.00%, 6/15/49 <sup>(1)</sup>	260	230,389
Public Finance Authority, WI, (Roseman University of Health Sciences):		
5.00%, 4/1/40 <sup>(1)</sup>	795	778,226
5.00%, 4/1/50 <sup>(1)</sup>	960	894,461
Unified Government of Athens-Clarke County Development Authority, GA, (University of Georgia Athletic Association), 5.00%, 4/1/42	2,560	2,843,802
Vermont Educational and Health Buildings Financing Agency, (Middlebury College), 5.00%, 11/1/45 <sup>(3)</sup>	2,000	2,201,660
Yonkers Economic Development Corp., NY, (Lamartine/Warburton, LLC - Charter School of Educational Excellence), 5.00%, 10/15/54	430	378,933
		<b>\$ 22,371,015</b>
<b>Electric Utilities — 3.7%</b>		
Hawaii Department of Budget and Finance, (Hawaiian Electric Co.), 3.20%, 7/1/39	\$ 6,005	\$ 5,213,601
Long Island Power Authority, NY, Electric System Revenue, 4.394%, (70% of 1 mo. USD LIBOR + 0.75%), 10/1/23 (Put Date), 5/1/33 <sup>(2)</sup>	3,465	3,464,896
Lower Colorado River Authority, TX, (LCRA Transmission Services Corp.):		
5.25%, 5/15/35	500	580,300
5.25%, 5/15/36	1,000	1,147,610
5.25%, 5/15/37	1,000	1,134,240
Missouri Joint Municipal Electric Utility Commission, (MoPEP Facilities):		
Green Bonds, 5.00%, 12/1/35	540	602,354
Green Bonds, 5.25%, 12/1/39	1,000	1,092,690
Seattle, WA, Municipal Light and Power Improvement Revenue, 4.00%, 7/1/43	3,000	3,008,010
South Carolina Public Service Authority:		
5.25%, 12/1/33	2,000	2,262,980
5.25%, 12/1/34	2,000	2,251,320
		<b>\$ 20,758,001</b>

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Escrowed/Prerefunded — 0.3%</b>		
District of Columbia, (Association of American Medical Colleges), Prerefunded to 10/1/23, 5.00%, 10/1/30	\$ 570	\$ 571,562
East Hempfield Township Industrial Development Authority, PA, (Student Services, Inc.), Prerefunded to 7/1/24, 5.00%, 7/1/29	500	507,290
Illinois Finance Authority, (Plymouth Place, Inc.), Escrowed to Maturity, 5.00%, 5/15/25	690	703,834
Public Finance Authority, WI, (Roseman University of Health Sciences):		
Prerefunded to 4/1/30, 5.00%, 4/1/40 <sup>(1)</sup>	45	50,965
Prerefunded to 4/1/30, 5.00%, 4/1/50 <sup>(1)</sup>	50	56,628
	<b>\$ 1,890,279</b>	

### General Obligations — 15.1%

ABC Unified School District, CA, (Election of 2018), 4.00%, 8/1/47	\$ 5,000	\$ 4,973,500
Atlanta, GA, Social Bonds, 5.00%, 12/1/37	3,500	4,017,930
California:		
5.00%, 9/1/36	2,370	2,783,209
5.00%, 11/1/42	5,000	5,647,250
Charles County, MD, 4.25%, 10/1/47	3,345	3,404,708
Chicago Board of Education, IL, 5.00%, 12/1/32	2,000	2,071,700
Coldwater Local Development Finance Authority, MI, Series A, (AMT), 5.00%, 12/1/27	390	396,100
Comal Independent School District, TX, (PSF Guaranteed), 4.00%, 2/1/49	4,000	3,877,400
Cypress-Fairbanks Independent School District, TX, (PSF Guaranteed):		
4.00%, 2/15/34	5,000	5,009,650
5.00%, 2/15/38	2,500	2,841,900
District of Columbia, 4.00%, 2/1/46	3,000	2,947,710
Hermiston School District No. 8R, OR, 0.00%, 6/15/43	2,665	1,072,742
Huntsville, AL, 5.00%, 3/1/41	3,115	3,489,205
Illinois:		
4.00%, 7/1/37	2,000	1,987,260
5.50%, 5/1/39	1,980	2,165,229
5.75%, 5/1/45	1,780	1,946,394
Kenosha County, WI:		
1.50%, 9/1/29	540	495,925
1.50%, 9/1/30	480	429,461
Kern Community College District, CA, (Election of 2016), 5.25%, 8/1/39	1,400	1,633,968
Lake Oswego, OR, 5.00%, 6/1/36	2,090	2,453,953
Lamar Consolidated Independent School District, TX, (PSF Guaranteed), 4.00%, 2/15/47	6,000	5,817,600
New York, NY, 5.00%, 8/1/29	450	450,563
Newberg School District No. 29J, OR, 4.00%, 6/15/39	2,060	2,082,598

Security	Principal Amount (000's omitted)	Value
<b>General Obligations (continued)</b>		
Puerto Rico:		
0.00%, 7/1/33	\$ 377	\$ 230,151
5.625%, 7/1/29	848	907,630
5.75%, 7/1/31	627	684,283
Raleigh, NC:		
5.00%, 4/1/36	1,025	1,209,715
5.00%, 4/1/39	2,465	2,834,183
5.00%, 4/1/41	1,775	2,017,820
Renton School District No. 403, WA, 4.00%, 12/1/39	1,250	1,271,738
Rockwall Independent School District, TX, (PSF Guaranteed), 4.00%, 2/15/53	4,000	3,832,320
Sarpy County School District 0037, NE, 5.00%, 12/15/27	1,500	1,561,395
Spring Branch Independent School District, TX, (PSF Guaranteed), 5.00%, 2/1/42	4,620	5,100,850
Union County, NC, 5.00%, 9/1/37	3,360	3,925,589
	<b>\$ 85,571,629</b>	

### Hospital — 8.6%

Calhoun County Hospital Finance Authority, MI, (Oaklawn Hospital), 5.00%, 2/15/32	\$ 2,110	\$ 2,155,914
California Municipal Finance Authority, (NorthBay Healthcare Group):		
5.00%, 11/1/28	300	303,978
5.00%, 11/1/30	100	101,168
California Statewide Communities Development Authority, (Cottage Health System Obligated Group), Prerefunded to 11/1/24, 5.00%, 11/1/26	425	434,682
Colorado Health Facilities Authority, (CommonSpirit Health), 5.00%, 11/1/42	500	516,830
Crawford County Hospital Authority, PA, (Meadville Medical Center):		
6.00%, 6/1/36	2,660	2,749,988
6.00%, 6/1/51	4,715	4,771,627
Darke County, OH, (Wayne HealthCare):		
4.00%, 9/1/40	1,000	863,760
4.00%, 9/1/45	2,580	2,099,423
Fredericksburg Economic Development Authority, VA, (Mary Washington Healthcare), 5.00%, 6/15/24	1,000	1,010,900
Illinois Finance Authority, (Presence Health Network), 3.75%, 2/15/34	3,145	3,173,148
Illinois Finance Authority, (Silver Cross Hospital and Medical Centers), 5.00%, 8/15/28	1,670	1,718,530
Jefferson County Civic Facility Development Corp., NY, (Samaritan Medical Center):		
4.00%, 11/1/29	505	482,729
4.00%, 11/1/30	1,605	1,526,628
5.00%, 11/1/26	1,375	1,371,810

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Hospital (continued)</b>		
Jefferson County Civic Facility Development Corp., NY, (Samaritan Medical Center): (continued) 5.00%, 11/1/27	\$ 1,440	\$ 1,442,246
Lancaster County Hospital Authority, PA, (Penn State Health), 5.00%, 11/1/41	1,950	2,052,102
Massachusetts Development Finance Agency, (Milford Regional Medical Center), 5.00%, 7/15/35 <sup>(1)</sup>	275	260,678
Nassau County Local Economic Assistance Corp., NY, (Catholic Health Services of Long Island), 5.00%, 7/1/29	1,000	1,014,550
New Hampshire Health and Education Facilities Authority, (Concord Hospital): 5.00%, 10/1/32	500	528,440
5.00%, 10/1/33	1,000	1,056,330
5.00%, 10/1/34	1,070	1,129,171
5.00%, 10/1/35	1,550	1,629,329
New Jersey Health Care Facilities Financing Authority, (Hunterdon Medical Center Obligated Group), Prerefunded to 7/1/24, 5.00%, 7/1/30	500	507,515
New Jersey Health Care Facilities Financing Authority, (Inspira Health Obligated Group), 5.00%, 7/1/27	470	473,196
Northampton County General Purpose Authority, PA, (St. Luke's University Health Network), 4.684%, (70% of 1 mo. USD LIBOR + 1.04%), 8/15/24 (Put Date), 8/15/48 <sup>(2)</sup>	1,000	1,000,030
Oregon Facilities Authority, (Samaritan Health Services), 5.00%, 10/1/29	250	266,238
Oroville, CA, (Oroville Hospital): 5.00%, 4/1/31	1,705	1,433,956
5.25%, 4/1/34	1,900	1,635,710
Savannah Hospital Authority, GA, (St. Joseph's/Candler Health System, Inc.), 4.00%, 7/1/43	2,500	2,386,500
Southcentral Pennsylvania General Authority, (Hanover Hospital, Inc.): 5.00%, 12/1/25	1,530	1,578,868
5.00%, 12/1/26	1,410	1,456,713
5.00%, 12/1/28	1,550	1,603,614
Washington Health Care Facilities Authority, (PeaceHealth), Prerefunded to 5/15/24, 5.00%, 11/15/26	1,000	1,012,360
West Virginia Hospital Finance Authority, (West Virginia Health System Obligated Group), 4.25%, 6/1/47	3,000	2,936,160
Yavapai County Industrial Development Authority, AZ, (Yavapai Regional Medical Center), 5.25%, 8/1/33	250	250,118
	<b>\$ 48,934,939</b>	

Security	Principal Amount (000's omitted)	Value
<b>Housing — 5.7%</b>		
California Municipal Finance Authority, (CHF-Riverside II, LLC), 5.00%, 5/15/37	\$ 3,320	\$ 3,457,747
Georgia Housing and Finance Authority, 2.40%, 12/1/41	2,120	1,619,002
Independent Cities Finance Authority, CA, (Union City Tropics): 4.00%, 5/15/32	1,060	1,064,664
4.00%, 5/15/33	1,100	1,104,840
Maine Housing Authority, Social Bonds, 4.50%, 11/15/43 <sup>(3)</sup>	1,315	1,312,725
Maryland Department of Housing and Community Development Administration: Social Bonds, (FHLMC), (FNMA), (GNMA), 4.375%, 9/1/43 <sup>(3)</sup>	1,350	1,341,481
Sustainability Bonds, 4.35%, 7/1/43	1,750	1,699,355
Maryland Economic Development Corp., (Bowie State University), Student Housing Revenue: 4.00%, 7/1/35	350	345,741
4.00%, 7/1/40	450	420,498
Missouri Housing Development Commission, (FHLMC), (FNMA), (GNMA), 2.55%, 11/1/40	1,505	1,195,497
New York City Housing Development Corp., NY: 2.85%, 11/1/39	2,985	2,434,626
Green Bonds, 0.60% to 7/1/25 (Put Date), 5/1/61	3,145	2,915,761
North Carolina Housing Finance Agency, Social Bonds, (FHLMC), (FNMA), (GNMA), 4.35%, 7/1/43	2,500	2,466,250
North Dakota Housing Finance Agency, Social Bonds, 4.50%, 7/1/43 <sup>(3)</sup>	2,200	2,193,400
Phoenix Industrial Development Authority, AZ, (Downtown Phoenix Student Housing II, LLC - Arizona State University): 5.00%, 7/1/37	1,235	1,265,344
5.00%, 7/1/39	860	875,007
Phoenix Industrial Development Authority, AZ, (Downtown Phoenix Student Housing, LLC - Arizona State University), 5.00%, 7/1/31	355	372,132
Public Finance Authority, WI, (NC A&T Real Estate Foundation, LLC): 5.00%, 6/1/34	2,560	2,626,150
5.00%, 6/1/39	1,595	1,596,483
Rhode Island Housing and Mortgage Finance Corp., Social Bonds, (FHLMC), (FNMA), (GNMA), 4.50%, 10/1/43 <sup>(3)</sup>	1,750	1,731,047
	<b>\$ 32,037,750</b>	

## Industrial Development Revenue — 6.2%

Chandler Industrial Development Authority, AZ, (Intel Corp.), (AMT), 5.00% to 9/1/27 (Put Date), 9/1/52	\$ 2,500	\$ 2,570,050
Columbia Industrial Development Board, AL, (Alabama Power Co.), 3.81% to 6/1/28 (Put Date), 12/1/37	2,500	2,500,000

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Industrial Development Revenue (continued)</b>		
Maine Finance Authority, (Casella Waste Systems, Inc.):		
(AMT), 4.375% to 8/1/25 (Put Date), 8/1/35 <sup>(1)</sup>	\$ 875	\$ 869,794
(AMT), 5.125% to 8/1/25 (Put Date), 8/1/35 <sup>(1)</sup>	940	947,708
Miami-Dade County Industrial Development Authority, FL, (Waste Management, Inc.), (AMT), 4.40% to 11/1/23 (Put Date), 11/1/41	5,000	5,003,200
National Finance Authority, NH, (Covanta), Green Bonds, (AMT), 3.75% to 7/2/40 (Put Date), 7/1/45 <sup>(1)</sup>	5,500	4,304,850
New Hampshire Business Finance Authority, (United Illuminating Co.), 2.80% to 10/2/23 (Put Date), 10/1/33	1,500	1,497,270
New Jersey Economic Development Authority, (Continental Airlines), (AMT), 5.625%, 11/15/30	215	218,176
New Jersey Economic Development Authority, (New Jersey Natural Gas Co.), (AMT), 2.45% to 4/1/26 (Put Date), 4/1/59	2,500	2,414,400
New York State Environmental Facilities Corp., (Casella Waste Systems, Inc.), (AMT), 2.875% to 12/3/29 (Put Date), 12/1/44 <sup>(1)</sup>	1,175	1,041,367
New York Transportation Development Corp., (Delta Air Lines, Inc. - LaGuardia Airport Terminals C&D Redevelopment), (AMT), 5.00%, 1/1/34	5,000	5,171,200
Niagara Area Development Corp., NY, (Covanta), 3.50%, 11/1/24 <sup>(1)</sup>	1,920	1,888,435
Public Finance Authority, WI, (Celanese Corp.), (AMT), 5.00%, 12/1/25	1,000	1,018,640
Public Finance Authority, WI, (Waste Management, Inc.), (AMT), 1.10% to 6/1/26 (Put Date), 7/1/29	6,500	5,942,950
		<b>\$ 35,388,040</b>

### Insured - Education — 0.1%

Monroe County Industrial Development Corp., NY, (Monroe Community College Association, Inc.), (AGM), 5.00%, 1/15/25	\$ 750	\$ 755,445
		<b>\$ 755,445</b>

### Insured - Electric Utilities — 0.4%

Puerto Rico Electric Power Authority:		
(AGC), 5.00%, 7/1/26	\$ 280	\$ 281,873
(NPFPG), 5.25%, 7/1/25	170	168,307
(NPFPG), 5.25%, 7/1/29	1,110	1,099,722
(NPFPG), 5.25%, 7/1/30	530	524,774
(NPFPG), 5.25%, 7/1/34	100	98,431
		<b>\$ 2,173,107</b>

Security	Principal Amount (000's omitted)	Value
<b>Insured - General Obligations — 1.2%</b>		
Chicago Board of Education, IL:		
(NPFPG), 0.00%, 12/1/26	\$ 1,580	\$ 1,379,561
(NPFPG), 0.00%, 12/1/28	1,560	1,255,161
Detroit, MI, (AMBAC), 5.00%, 4/1/24	329	329,240
McCook, IL:		
(AGM), 4.00%, 12/1/26	260	267,771
(AGM), 4.00%, 12/1/27	300	312,507
McHenry County Community Unit School District No. 12, IL:		
(AGM), 5.00%, 1/1/25	890	895,616
(AGM), 5.00%, 1/1/26	925	930,865
Proviso Township High School District No. 209, IL, (AGM), 5.00%, 12/1/28	1,000	1,105,040
Will and Cook Counties Community High School District No. 210, IL:		
(AGM), 0.00%, 1/1/28	500	423,605
(BAM), 0.00%, 1/1/33	200	138,772
		<b>\$ 7,038,138</b>

### Insured - Hospital — 0.3%

Grand Forks, ND, (Altru Health System), (AGM), 3.00%, 12/1/51	\$ 2,500	\$ 1,803,275
		<b>\$ 1,803,275</b>

### Insured - Housing — 0.1%

New Hope Cultural Education Facilities Finance Corp., TX, (CHF-Collegiate Housing College Station I, LLC), (AGM), 4.00%, 4/1/24	\$ 400	\$ 401,240
		<b>\$ 401,240</b>

### Insured - Lease Revenue/Certificates of Participation — 0.2%

New Jersey Transportation Trust Fund Authority, (Transportation System), (AMBAC), 0.00%, 12/15/28	\$ 1,185	\$ 984,711
		<b>\$ 984,711</b>

### Insured - Special Tax Revenue — 0.8%

Sales Tax Securitization Corp., IL, (BAM), 5.00%, 1/1/37	\$ 4,000	\$ 4,324,080
		<b>\$ 4,324,080</b>

### Insured - Transportation — 2.4%

Allegheny County Airport Authority, PA, (Pittsburgh International Airport), (AGM), (AMT), 4.00%, 1/1/46	\$ 5,000	\$ 4,785,750
Houston, TX, Airport System Revenue, (AGM), (AMT), 5.00%, 7/1/38	1,000	1,080,700
Love Field Airport Modernization Corp., TX, (AGM), (AMT), 4.00%, 11/1/37	2,840	2,803,421

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Insured - Transportation (continued)</b>		
New Jersey Economic Development Authority, (The Goethals Bridge Replacement), (AGM), (AMT), 5.00%, 1/1/31	\$ 185	\$ 186,008
New York Transportation Development Corp., (LaGuardia Airport Terminal B Redevelopment), (AGM), (AMT), 4.00%, 7/1/32	2,000	2,002,500
Pennsylvania Economic Development Financing Authority, (PennDOT Major Bridges Package One), (AGM), (AMT), 5.50%, 6/30/42	2,500	2,798,250
	<b>\$ 13,656,629</b>	

### Insured - Water and Sewer — 0.7%

Michigan Finance Authority, (Detroit Water and Sewerage Department), (AGM), 5.00%, 7/1/26	\$ 4,000	\$ 4,052,880
	<b>\$ 4,052,880</b>	

### Lease Revenue/Certificates of Participation — 2.6%

New Jersey Transportation Trust Fund Authority, (Transportation Program):		
5.00%, 6/15/38	\$ 2,000	\$ 2,194,980
5.00%, 6/15/40	2,000	2,168,860
5.25%, 6/15/39	1,500	1,661,745
New Jersey Transportation Trust Fund Authority, (Transportation System), 4.25%, 6/15/40	5,000	5,054,400
Virginia College Building Authority, (21st Century College and Equipment Programs), 5.00%, 2/1/40	1,685	1,901,641
Virginia Public Building Authority, 4.00%, 8/1/42	1,290	1,292,012
Will and Kankakee Counties Community Unit School District No. 255-U, IL, 5.00%, 6/1/29	700	719,383
	<b>\$ 14,993,021</b>	

### Other Revenue — 4.8%

Black Belt Energy Gas District, AL, 4.35%, (SIFMA + 0.37%), 10/1/26 (Put Date), 10/1/49 <sup>(2)</sup>	\$ 5,000	\$ 4,876,300
Buckeye Tobacco Settlement Financing Authority, OH:		
5.00%, 6/1/36	2,000	2,133,160
5.00%, 6/1/55	4,025	3,746,631
California Infrastructure and Economic Development Bank, (Los Angeles County Museum of Art), 4.68%, (SIFMA + 0.70%), 6/1/26 (Put Date), 12/1/50 <sup>(2)</sup>	2,300	2,238,314
Cleveland-Cuyahoga County Port Authority, OH, (Playhouse Square Foundation):		
5.00%, 12/1/28	1,050	1,059,219
5.50%, 12/1/53	740	733,458
Kalispel Tribe of Indians, WA:		
Series A, 5.00%, 1/1/32 <sup>(1)</sup>	1,455	1,495,682
Series B, 5.00%, 1/1/32 <sup>(1)</sup>	1,000	1,027,960

Security	Principal Amount (000's omitted)	Value
<b>Other Revenue (continued)</b>		
Main Street Natural Gas, Inc., GA, Gas Supply Revenue, 5.00% to 6/1/30 (Put Date), 6/1/53	\$ 2,000	\$ 2,069,960
Morongo Band of Mission Indians, CA, 5.00%, 10/1/42 <sup>(1)</sup>	1,775	1,751,393
Southeast Alabama Gas Supply District, (Project No. 2), 4.337%, (67% of 1 mo. USD LIBOR + 0.85%), 6/1/24 (Put Date), 6/1/49 <sup>(2)</sup>	3,000	3,003,090
Texas Municipal Gas Acquisition and Supply Corp. I, Gas Supply Revenue, 4.42%, (67% of 3 mo. USD LIBOR + 0.70%), 12/15/26 <sup>(2)</sup>	3,150	3,131,604
	<b>\$ 27,266,771</b>	

### Senior Living/Life Care — 10.8%

Buffalo and Erie County Industrial Land Development Corp., NY, (Orchard Park CCRC, Inc.):		
5.00%, 11/15/26	\$ 1,730	\$ 1,758,614
5.00%, 11/15/27	1,320	1,338,097
Centerville, OH, (Graceworks Lutheran Services):		
5.00%, 11/1/23	450	449,883
5.00%, 11/1/24	705	704,182
5.00%, 11/1/26	770	764,479
5.00%, 11/1/27	425	420,329
Clackamas County Hospital Facility Authority, OR, (Rose Villa):		
5.00%, 11/15/27	260	262,272
5.00%, 11/15/28	300	302,046
5.00%, 11/15/29	315	316,544
5.00%, 11/15/30	330	330,983
5.375%, 11/15/55	300	277,359
Colorado Health Facilities Authority, (Christian Living Neighborhoods), 4.00%, 1/1/29	600	555,138
Colorado Health Facilities Authority, (Frasier Meadows Retirement Community):		
5.00%, 5/15/24	525	525,840
5.00%, 5/15/25	300	300,840
5.00%, 5/15/26	350	351,054
5.00%, 5/15/27	400	400,924
District of Columbia, (Ingleside at Rock Creek), 4.125%, 7/1/27	695	668,819
Franklin County Industrial Development Authority, PA, (Menno-Haven, Inc.):		
5.00%, 12/1/30	500	471,215
5.00%, 12/1/39	370	319,643
Glendale Industrial Development Authority, AZ, (Terraces of Phoenix), 4.00%, 7/1/28	225	207,434
Hanover County Economic Development Authority, VA, (Covenant Woods):		
5.00%, 7/1/38	125	118,324
5.00%, 7/1/48	465	410,702

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Senior Living/Life Care (continued)</b>		
Hanover County Economic Development Authority, VA, (Covenant Woods): (continued)		
5.00%, 7/1/51	\$ 870	\$ 760,206
Howard County, MD, (Vantage House):		
5.00%, 4/1/26	990	969,675
5.00%, 4/1/36	2,035	1,822,729
Illinois Finance Authority, (Lifespace Communities, Inc.), 5.00%, 5/15/27	370	351,359
Illinois Finance Authority, (Presbyterian Homes Obligated Group), 4.68%, (SIFMA + 0.70%), 5/1/26 (Put Date), 5/1/42 <sup>(2)</sup>	1,090	1,063,971
Lancaster County Hospital Authority, PA, (Brethren Village):		
5.00%, 7/1/24	915	912,539
5.00%, 7/1/25	650	645,879
Massachusetts Development Finance Agency, (Linden Ponds, Inc.), 5.00%, 11/15/28 <sup>(1)</sup>	1,200	1,239,096
Missouri Health and Educational Facilities Authority, (Lutheran Senior Services), 4.00%, 2/1/35	310	278,854
Montgomery County Industrial Development Authority, PA, (Waverly Heights, Ltd.):		
4.00%, 12/1/30	200	201,768
4.00%, 12/1/31	150	151,316
4.00%, 12/1/32	200	201,716
4.00%, 12/1/33	100	100,572
4.00%, 12/1/34	200	200,866
4.00%, 12/1/35	350	350,056
4.00%, 12/1/36	350	345,223
4.00%, 12/1/37	300	292,119
4.00%, 12/1/38	300	287,508
Montgomery County Industrial Development Authority, PA, (Whitemarsh Continuing Care Retirement Community), 5.00%, 1/1/33	1,890	1,802,474
National Finance Authority, NH, (The Vista):		
5.25%, 7/1/39 <sup>(1)</sup>	920	833,189
5.75%, 7/1/54 <sup>(1)</sup>	1,725	1,549,188
New Hope Cultural Education Facilities Finance Corp., TX, (Longhorn Village):		
5.00%, 1/1/25	1,000	997,790
5.00%, 1/1/26	1,040	1,035,986
5.00%, 1/1/27	1,095	1,086,831
5.00%, 1/1/29	1,205	1,188,118
5.00%, 1/1/30	630	617,123
New Mexico Hospital Equipment Loan Council, (Haverland Carter Lifestyle Group):		
5.00%, 7/1/30	430	413,686
5.00%, 7/1/33	305	286,343
5.00%, 7/1/34	195	181,459

Security	Principal Amount (000's omitted)	Value
<b>Senior Living/Life Care (continued)</b>		
New Mexico Hospital Equipment Loan Council, (Haverland Carter Lifestyle Group): (continued)		
5.00%, 7/1/39	\$ 2,450	\$ 2,182,435
Norfolk Redevelopment and Housing Authority, VA, (Fort Norfolk Retirement Community, Inc. - Harbor's Edge):		
4.00%, 1/1/29	1,335	1,213,635
5.25%, 1/1/54	250	201,533
Palm Beach County Health Facilities Authority, FL, (Lifespace Communities, Inc.):		
5.00%, 5/15/28	255	239,754
5.00%, 5/15/30	300	276,675
5.00%, 5/15/31	775	707,420
5.00%, 5/15/32	650	587,061
Polk County Industrial Development Authority, FL, (Carpenter's Home Estates, Inc.), 5.00%, 1/1/39	400	374,240
Public Finance Authority, WI, (Penick Village), 5.00%, 9/1/39 <sup>(1)</sup>	1,540	1,303,394
Salem Hospital Facility Authority, OR, (Capital Manor), 5.00%, 5/15/28	270	273,186
Santa Fe, NM, (El Castillo Retirement Residences):		
5.00%, 5/15/34	650	616,161
5.00%, 5/15/39	480	427,368
South Carolina Jobs-Economic Development Authority, (Bishop Gadsden Episcopal Retirement Community):		
4.00%, 4/1/34	600	542,052
5.00%, 4/1/49	1,510	1,316,962
South Carolina Jobs-Economic Development Authority, (South Carolina Episcopal Home at Still Hopes):		
5.00%, 4/1/28	1,675	1,659,104
5.00%, 4/1/29	1,000	986,370
St. Louis County Industrial Development Authority, MO, (Friendship Village of St. Louis Obligated Group), 5.00%, 9/1/27	1,930	1,905,431
St. Louis County Industrial Development Authority, MO, (St. Andrew's Resources for Seniors Obligated Group), 5.00%, 12/1/25	625	624,956
Suffolk County Economic Development Corp., NY, (Peconic Landing at Southold, Inc.), 5.00%, 12/1/29	500	506,680
Tarrant County Cultural Education Facilities Finance Corp., TX, (MRC Stevenson Oaks), 6.875%, 11/15/55	4,650	4,250,751
Tempe Industrial Development Authority, AZ, (Mirabella at ASU), 5.35%, 10/1/25 <sup>(1)</sup>	3,000	2,788,560
Tulsa County Industrial Authority, OK, (Montereau, Inc.):		
5.00%, 11/15/28	540	550,379
5.00%, 11/15/29	400	406,908
Vermont Economic Development Authority, (Wake Robin Corp.):		
5.00%, 5/1/25	745	749,895



# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Senior Living/Life Care (continued)</b>		
Vermont Economic Development Authority, (Wake Robin Corp.): (continued)		
5.00%, 5/1/26	\$ 585	\$ 590,177
5.00%, 5/1/27	500	505,060
Washington Housing Finance Commission, (Bayview Manor Homes):		
4.00%, 7/1/26 <sup>(1)</sup>	590	561,420
5.00%, 7/1/31 <sup>(1)</sup>	750	701,902
Washington Housing Finance Commission, (Judson Park),		
4.00%, 7/1/28 <sup>(1)</sup>	250	230,483
Washington Housing Finance Commission, (Transforming Age):		
5.00%, 1/1/27 <sup>(1)</sup>	840	811,860
5.00%, 1/1/28 <sup>(1)</sup>	445	425,451
5.00%, 1/1/29 <sup>(1)</sup>	460	434,912
5.00%, 1/1/34 <sup>(1)</sup>	500	449,110
5.00%, 1/1/39 <sup>(1)</sup>	750	633,030
		<b>\$ 61,456,675</b>

### Special Tax Revenue — 4.6%

Baltimore, MD, (Harbor Point):		
3.45%, 6/1/35 <sup>(1)</sup>	\$ 310	\$ 267,676
3.50%, 6/1/39 <sup>(1)</sup>	650	542,763
Bullhead City, AZ, Excise Taxes Revenue, 2.10%, 7/1/36	585	468,983
Irving, TX, Hotel Occupancy Tax Revenue:		
5.00%, 8/15/31	125	131,981
5.00%, 8/15/33	140	147,465
Massachusetts School Building Authority, 4.00%, 11/15/35	1,990	2,005,164
Michigan Finance Authority, Detroit Financial Recovery Income Tax Revenue, 4.50%, 10/1/29	2,145	2,144,936
Puerto Rico Sales Tax Financing Corp.:		
0.00%, 7/1/33	6,500	4,226,105
5.00%, 7/1/58	4,910	4,790,981
San Diego County Regional Transportation Commission, CA, Sales Tax Revenue, 5.00%, 4/1/37	2,000	2,363,220
Santa Clara Valley Transportation Authority, CA, 5.00%, 4/1/35 <sup>(3)</sup>	3,500	4,206,475
South Village Community Development District, FL:		
2.50%, 5/1/24	100	98,913
2.75%, 5/1/25	95	93,004
3.25%, 5/1/27	95	92,665
4.35%, 5/1/26	245	245,147

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
St. Louis Land Clearance for Redevelopment Authority, MO, (Kiel Opera House Renovation), 3.875%, 10/1/35	\$ 875	\$ 718,865
Triborough Bridge and Tunnel Authority, NY, 5.00%, 5/15/52	3,000	3,427,320
		<b>\$ 25,971,663</b>

### Transportation — 9.7%

Bay Area Toll Authority, CA, Toll Bridge Revenue, (San Francisco Bay Area), 4.43%, (SIFMA + 0.45%), 4/1/26 (Put Date), 4/1/56 <sup>(2)</sup>	\$ 3,200	\$ 3,151,168
Central Texas Regional Mobility Authority:		
5.00%, 1/1/26	500	512,785
5.00%, 1/1/27	550	564,982
Chicago, IL, (Midway International Airport), (AMT), 5.00%, 1/1/27	1,000	1,002,590
Colorado Bridge Enterprise, (Central 70 Project), (AMT), 4.00%, 12/31/28	2,760	2,792,899
Denver City and County, CO, Airport System Revenue:		
(AMT), 4.00%, 12/1/43	6,250	5,978,750
(AMT), 5.00%, 11/15/28	2,680	2,883,975
(AMT), 5.50%, 11/15/27	3,065	3,076,310
Illinois Toll Highway Authority, 5.25%, 1/1/43	1,000	1,112,460
Los Angeles Department of Airports, CA, (Los Angeles International Airport):		
(AMT), 5.00%, 5/15/25	3,220	3,299,985
(AMT), 5.00%, 5/15/36	3,080	3,284,974
(AMT), 5.00%, 5/15/45	5,000	5,055,600
Maryland Economic Development Corp., (Seagirt Marine Terminal), (AMT), 5.00%, 6/1/44	500	511,125
Memphis-Shelby County Airport Authority, TN, (AMT), 5.00%, 7/1/35	1,995	2,095,069
Metropolitan Washington Airports Authority, D.C.:		
(AMT), 5.00%, 10/1/31	1,000	1,012,760
(AMT), 5.00%, 10/1/36	1,175	1,282,078
(AMT), 5.00%, 10/1/38	1,600	1,727,360
Port of Portland, OR, (Portland International Airport), (AMT), 5.25%, 7/1/39	1,500	1,655,190
Port of Seattle, WA, (AMT), 5.00%, 8/1/28	2,270	2,426,970
San Francisco City and County Airport Commission, CA, (San Francisco International Airport), (AMT), 5.00%, 5/1/44	5,000	5,178,850
San Jose, CA, Airport Revenue, (AMT), 5.00%, 3/1/47	3,000	3,054,480
Texas Private Activity Bond Surface Transportation Corp., (North Tarrant Express Managed Lanes Project), 5.00%, 12/31/34	3,000	3,242,430
		<b>\$ 54,902,790</b>

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Water and Sewer — 9.5%</b>		
Austin, TX, Water and Wastewater System Revenue, 5.00%, 11/15/42	\$ 5,000	\$ 5,515,250
Corpus Christi, TX, Utility System Revenue, 4.00%, 7/15/48	5,305	5,144,365
Fairfax County, VA, Sewer Revenue, 4.00%, 7/15/40	3,195	3,250,721
Luzerne County Industrial Development Authority, PA, (Pennsylvania-American Water Co.), (AMT), 2.45% to 12/3/29 (Put Date), 12/1/39	2,750	2,528,322
New York City Municipal Water Finance Authority, NY, (Water and Sewer System):		
5.25%, 6/15/46	4,000	4,547,680
5.25%, 6/15/52 <sup>(4)</sup>	3,000	3,340,710
(SPA: Barclays Bank PLC), 4.48%, 6/15/53 <sup>(5)</sup>	6,615	6,615,000
San Francisco City and County Public Utilities Commission, CA, Wastewater Revenue, Green Bonds, 4.00% to 10/1/29 (Put Date), 10/1/48	3,000	3,169,350
San Francisco City and County Public Utilities Commission, CA, Water Revenue, Green Bonds, 5.00%, 11/1/38 <sup>(3)</sup>	6,030	7,070,235
Seminole County, FL, Water and Sewer Revenue, 4.00%, 10/1/33	3,000	3,026,370
Tacoma, WA, Sewer Revenue, 4.00%, 12/1/48	2,500	2,417,000
Walton County Water and Sewerage Authority, GA, 5.00%, 2/1/53	2,000	2,186,160
Washington Suburban Sanitary District, MD, (SPA: TD Bank, N.A.), 4.45%, 6/1/24 <sup>(5)</sup>	5,000	5,000,000
		<b>\$ 53,811,163</b>

**Total Tax-Exempt Municipal Obligations**  
(identified cost \$535,783,011) **\$530,646,197**

## Taxable Municipal Obligations — 7.5%

Security	Principal Amount (000's omitted)	Value
<b>Education — 0.1%</b>		
Harris County Cultural Education Facilities Finance Corp., TX, (Baylor College of Medicine), 1.593%, 11/15/23	\$ 795	\$ 784,840
		<b>\$ 784,840</b>
<b>Electric Utilities — 0.3%</b>		
Vernon, CA, Electric System Revenue, 4.05%, 8/1/23	\$ 2,000	\$ 2,000,000
		<b>\$ 2,000,000</b>

Security	Principal Amount (000's omitted)	Value
<b>General Obligations — 2.1%</b>		
Atlantic City, NJ, 7.00%, 3/1/28	\$ 2,105	\$ 2,189,600
Chicago, IL:		
7.375%, 1/1/33	3,250	3,441,068
7.781%, 1/1/35	2,600	2,830,854
Collin County, TX, 1.683%, 2/15/30	100	82,106
Larkspur-Corte Madera School District, CA, (Election of 2011 and 2014), 2.002%, 8/1/33	650	504,777
Marin Community College District, CA, 2.14%, 8/1/34	1,500	1,150,785
Mattawan Consolidated School, MI, 1.966%, 5/1/32	1,100	865,414
Puerto Rico, GO Contingent Value Instrument, 0.00%, 11/1/43	1,384	711,050
		<b>\$ 11,775,654</b>

## Housing — 0.9%

Maine Housing Authority, (SPA: Barclays Bank PLC), 5.33%, 11/15/52 <sup>(6)</sup>	\$ 5,000	\$ 5,000,000
		<b>\$ 5,000,000</b>

## Insured - General Obligations — 0.7%

Altoona Area School District, PA, (BAM), 2.288%, 12/1/34	\$ 750	\$ 567,480
Detroit, MI, (AMBAC), 5.15%, 4/1/25	3,371	3,291,183
		<b>\$ 3,858,663</b>

## Insured - Special Tax Revenue — 0.8%

Bexar County, TX, Venue Project Revenue, (AGM), 2.434%, 8/15/33	\$ 1,505	\$ 1,178,626
Rio Elementary School District Community Facilities District No. 1, CA, (BAM), 2.457%, 9/1/32	1,500	1,184,160
Successor Agency to Pittsburg Redevelopment Agency, CA, (AGM), 3.684%, 8/1/24	1,030	1,010,471
Successor Agency to San Bernardino County Redevelopment Agency, CA:		
(AGM), 3.50%, 9/1/23	510	508,883
(AGM), 3.75%, 9/1/25	500	477,350
(AGM), 4.00%, 9/1/26	500	474,545
		<b>\$ 4,834,035</b>

## Senior Living/Life Care — 0.1%

Berks County Industrial Development Authority, PA, (Highlands at Wyomissing), 3.95%, 5/15/24	\$ 500	\$ 490,505
		<b>\$ 490,505</b>

## Special Tax Revenue — 1.0%

Massachusetts School Building Authority, Social Bonds, 1.753%, 8/15/30	\$ 2,000	\$ 1,670,260
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# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Portfolio of Investments — continued

Security	Principal Amount (000's omitted)	Value
<b>Special Tax Revenue (continued)</b>		
Ohio County Commission, WV, (Fort Henry Economic Opportunity Development District - The Highlands), 5.25%, 3/1/31	\$ 335	\$ 315,349
Successor Agency to San Jose Redevelopment Agency, CA, 3.375%, 8/1/34	3,900	3,437,538
		<b>\$ 5,423,147</b>
<b>Water and Sewer — 1.5%</b>		
Metropolitan Water District of Southern California, (SPA: TD Bank, N.A.), 5.33%, 7/1/37 <sup>(6)</sup>	\$ 8,600	\$ 8,600,000
		<b>\$ 8,600,000</b>
<b>Total Taxable Municipal Obligations (identified cost \$43,992,936)</b>		<b>\$ 42,766,844</b>
<b>Total Investments — 102.6% (identified cost \$588,436,384)</b>		<b>\$581,595,934</b>
<b>Other Assets, Less Liabilities — (2.6%)</b>		<b>\$ (14,813,314)</b>
<b>Net Assets — 100.0%</b>		<b>\$566,782,620</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets.

- <sup>(1)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be sold in certain transactions in reliance on an exemption from registration (normally to qualified institutional buyers). At July 31, 2023, the aggregate value of these securities is \$32,586,916 or 5.7% of the Fund's net assets.
- <sup>(2)</sup> Floating rate security. The stated interest rate represents the rate in effect at July 31, 2023.
- <sup>(3)</sup> When-issued/delayed delivery security.
- <sup>(4)</sup> Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).
- <sup>(5)</sup> Variable rate demand obligation that may be tendered at par on any day for payment the same or next business day. The stated interest rate, which generally resets daily, is determined by the remarketing agent and represents the rate in effect at July 31, 2023.
- <sup>(6)</sup> Variable rate demand obligation that may be tendered at par on any day for payment the lesser of 5 business days or 7 calendar days. The stated interest rate, which generally resets weekly, represents the rate in effect at July 31, 2023.

At July 31, 2023, the concentration of the Fund's investments in the various states and territories, determined as a percentage of net assets, is as follows:

California	15.7%
Texas	11.2%
Others, representing less than 10% individually	74.3%

The Fund invests primarily in debt securities issued by municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. At July 31, 2023, 7.5% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution or financial guaranty assurance agency ranged from less than 0.05% to 4.9% of total investments.

#### Abbreviations:

AGC	– Assured Guaranty Corp.
AGM	– Assured Guaranty Municipal Corp.
AMBAC	– AMBAC Financial Group, Inc.
AMT	– Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.
BAM	– Build America Mutual Assurance Co.
FHLMC	– Federal Home Loan Mortgage Corp.
FNMA	– Federal National Mortgage Association
GNMA	– Government National Mortgage Association
LIBOR	– London Interbank Offered Rate
NPFG	– National Public Finance Guarantee Corp.
PSF	– Permanent School Fund
SIFMA	– Securities Industry and Financial Markets Association Municipal Swap Index
SOFR	– Secured Overnight Financing Rate
SPA	– Standby Bond Purchase Agreement

#### Currency Abbreviations:

USD	– United States Dollar
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# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Statement of Assets and Liabilities

Assets	July 31, 2023
Investments, at value (identified cost \$588,436,384)	\$581,595,934
Cash	2,344,841
Interest receivable	5,150,350
Receivable for investments sold	4,648,193
Receivable for Fund shares sold	1,207,212
<b>Total assets</b>	<b>\$594,946,530</b>

Liabilities	
Payable for floating rate notes issued	\$ 2,404,998
Payable for when issued/delayed delivery securities	22,921,102
Payable for Fund shares redeemed	2,008,650
Distributions payable	187,610
Payable to affiliates:	
Investment adviser and administration fee	287,680
Distribution and service fees	26,457
Interest expense and fees payable	11,956
Accrued expenses	315,457
<b>Total liabilities</b>	<b>\$ 28,163,910</b>
<b>Net Assets</b>	<b>\$566,782,620</b>

### Sources of Net Assets

Paid-in capital	\$634,115,044
Accumulated loss	(67,332,424)
<b>Net Assets</b>	<b>\$566,782,620</b>

### Class A Shares

<b>Net Assets</b>	\$ 61,216,503
<b>Shares Outstanding</b>	5,500,316
<b>Net Asset Value and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 11.13
<b>Maximum Offering Price Per Share</b> (100 ÷ 96.75 of net asset value per share)	\$ 11.50

### Class C Shares

<b>Net Assets</b>	\$ 15,390,822
<b>Shares Outstanding</b>	1,383,316
<b>Net Asset Value and Offering Price Per Share*</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 11.13

### Class I Shares

<b>Net Assets</b>	\$490,175,295
<b>Shares Outstanding</b>	43,981,472
<b>Net Asset Value, Offering Price and Redemption Price Per Share</b> (net assets ÷ shares of beneficial interest outstanding)	\$ 11.15

On sales of \$100,000 or more, the offering price of Class A shares is reduced.

\* Redemption price per share is equal to the net asset value less any applicable contingent deferred sales charge.

Eaton Vance  
Municipal Opportunities Fund

July 31, 2023

Statement of Operations

	Year Ended July 31, 2023
<b>Investment Income</b>	
Interest income	\$ 23,063,188
<b>Total investment income</b>	<b>\$ 23,063,188</b>
<b>Expenses</b>	
Investment adviser and administration fee	\$ 3,497,944
Distribution and service fees:	
Class A	160,236
Class C	190,663
Trustees' fees and expenses	36,136
Custodian fee	141,261
Transfer and dividend disbursing agent fees	221,131
Legal and accounting services	72,988
Printing and postage	45,754
Registration fees	141,542
Interest expense and fees	57,961
Miscellaneous	127,278
<b>Total expenses</b>	<b>\$ 4,692,894</b>
<b>Net investment income</b>	<b>\$ 18,370,294</b>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss):	
Investment transactions	\$(26,642,436)
Futures contracts	4,689,257
<b>Net realized loss</b>	<b>\$(21,953,179)</b>
Change in unrealized appreciation (depreciation):	
Investments	\$ 2,085,765
<b>Net change in unrealized appreciation (depreciation)</b>	<b>\$ 2,085,765</b>
<b>Net realized and unrealized loss</b>	<b>\$(19,867,414)</b>
<b>Net decrease in net assets from operations</b>	<b>\$ (1,497,120)</b>

Eaton Vance  
Municipal Opportunities Fund

July 31, 2023

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Year Ended July 31,	
	2023	2022
From operations:		
Net investment income	\$ 18,370,294	\$ 22,523,550
Net realized loss	(21,953,179)	(39,117,869)
Net change in unrealized appreciation (depreciation)	2,085,765	(89,909,346)
<b>Net decrease in net assets from operations</b>	<b>\$ (1,497,120)</b>	<b>\$ (106,503,665)</b>
Distributions to shareholders:		
Class A	\$ (1,878,168)	\$ (3,808,390)
Class C	(414,887)	(861,036)
Class I	(15,983,846)	(37,920,723)
<b>Total distributions to shareholders</b>	<b>\$ (18,276,901)</b>	<b>\$ (42,590,149)</b>
Transactions in shares of beneficial interest:		
Class A	\$ (16,224,578)	\$ (34,054,610)
Class C	(8,289,225)	(8,140,191)
Class I	(138,227,894)	(426,023,493)
<b>Net decrease in net assets from Fund share transactions</b>	<b>\$(162,741,697)</b>	<b>\$ (468,218,294)</b>
<b>Net decrease in net assets</b>	<b>\$(182,515,718)</b>	<b>\$ (617,312,108)</b>
<b>Net Assets</b>		
At beginning of year	\$ 749,298,338	\$1,366,610,446
<b>At end of year</b>	<b>\$ 566,782,620</b>	<b>\$ 749,298,338</b>

# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Financial Highlights

	Class A				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$11.390	\$12.870	\$ 12.330	\$ 12.310	\$ 11.880
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.327	\$ 0.215	\$ 0.232	\$ 0.262	\$ 0.277
Net realized and unrealized gain (loss)	(0.260)	(1.282)	0.541	0.018 <sup>(2)</sup>	0.427
<b>Total income (loss) from operations</b>	<b>\$ 0.067</b>	<b>\$ (1.067)</b>	<b>\$ 0.773</b>	<b>\$ 0.280</b>	<b>\$ 0.704</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.327)	\$ (0.219)	\$ (0.233)	\$ (0.260)	\$ (0.274)
From net realized gain	—	(0.194)	—	—	—
<b>Total distributions</b>	<b>\$ (0.327)</b>	<b>\$ (0.413)</b>	<b>\$ (0.233)</b>	<b>\$ (0.260)</b>	<b>\$ (0.274)</b>
<b>Net asset value — End of year</b>	<b>\$11.130</b>	<b>\$11.390</b>	<b>\$ 12.870</b>	<b>\$ 12.330</b>	<b>\$ 12.310</b>
<b>Total Return<sup>(3)</sup></b>	<b>0.65%</b>	<b>(8.47)%</b>	<b>6.34%</b>	<b>2.32%</b>	<b>6.02%</b>

## Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$61,217	\$79,594	\$127,729	\$129,416	\$127,094
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	0.98%	0.93%	0.92%	0.92%	0.94%
Interest and fee expense <sup>(4)</sup>	0.01%	—	0.00% <sup>(5)</sup>	0.00% <sup>(5)</sup>	—
Total expenses	0.99%	0.93%	0.92%	0.92%	0.94%
Net investment income	2.95%	1.77%	1.84%	2.15%	2.32%
Portfolio Turnover	98%	35%	62%	56%	34%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> The per share amount is not in accord with the net realized and unrealized gain (loss) for the period because of the timing of Fund share transactions and the amount of the per share realized and unrealized gains and losses at such time.

<sup>(3)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

<sup>(4)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

<sup>(5)</sup> Amount is less than 0.005%.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Financial Highlights — continued

	Class C				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$11.390	\$12.870	\$12.330	\$12.300	\$11.870
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.243	\$ 0.124	\$ 0.139	\$ 0.171	\$ 0.188
Net realized and unrealized gain (loss)	(0.259)	(1.282)	0.540	0.027 <sup>(2)</sup>	0.426
<b>Total income (loss) from operations</b>	<b>\$ (0.016)</b>	<b>\$ (1.158)</b>	<b>\$ 0.679</b>	<b>\$ 0.198</b>	<b>\$ 0.614</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.244)	\$ (0.128)	\$ (0.139)	\$ (0.168)	\$ (0.184)
From net realized gain	—	(0.194)	—	—	—
<b>Total distributions</b>	<b>\$ (0.244)</b>	<b>\$ (0.322)</b>	<b>\$ (0.139)</b>	<b>\$ (0.168)</b>	<b>\$ (0.184)</b>
<b>Net asset value — End of year</b>	<b>\$11.130</b>	<b>\$11.390</b>	<b>\$12.870</b>	<b>\$12.330</b>	<b>\$12.300</b>
<b>Total Return<sup>(3)</sup></b>	<b>(0.11)%</b>	<b>(9.15)%</b>	<b>5.55%</b>	<b>1.64%</b>	<b>5.23%</b>

### Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$15,391	\$24,274	\$36,398	\$41,939	\$47,617
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	1.73%	1.68%	1.67%	1.67%	1.69%
Interest and fee expense <sup>(4)</sup>	0.01%	—	0.00% <sup>(5)</sup>	0.00% <sup>(5)</sup>	—
Total expenses	1.74%	1.68%	1.67%	1.67%	1.69%
Net investment income	2.20%	1.03%	1.11%	1.40%	1.57%
Portfolio Turnover	98%	35%	62%	56%	34%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> The per share amount is not in accord with the net realized and unrealized gain (loss) for the period because of the timing of Fund share transactions and the amount of the per share realized and unrealized gains and losses at such time.

<sup>(3)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested and do not reflect the effect of sales charges.

<sup>(4)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

<sup>(5)</sup> Amount is less than 0.005%.



# Eaton Vance Municipal Opportunities Fund

July 31, 2023

## Financial Highlights — continued

	Class I				
	Year Ended July 31,				
	2023	2022	2021	2020	2019
Net asset value — Beginning of year	\$ 11.410	\$ 12.890	\$ 12.350	\$ 12.320	\$ 11.900
<b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 0.355	\$ 0.245	\$ 0.263	\$ 0.293	\$ 0.306
Net realized and unrealized gain (loss)	(0.260)	(1.282)	0.542	0.028 <sup>(2)</sup>	0.418
<b>Total income (loss) from operations</b>	<b>\$ 0.095</b>	<b>\$ (1.037)</b>	<b>\$ 0.805</b>	<b>\$ 0.321</b>	<b>\$ 0.724</b>
<b>Less Distributions</b>					
From net investment income	\$ (0.355)	\$ (0.249)	\$ (0.265)	\$ (0.291)	\$ (0.304)
From net realized gain	—	(0.194)	—	—	—
<b>Total distributions</b>	<b>\$ (0.355)</b>	<b>\$ (0.443)</b>	<b>\$ (0.265)</b>	<b>\$ (0.291)</b>	<b>\$ (0.304)</b>
<b>Net asset value — End of year</b>	<b>\$ 11.150</b>	<b>\$ 11.410</b>	<b>\$ 12.890</b>	<b>\$ 12.350</b>	<b>\$ 12.320</b>
<b>Total Return<sup>(3)</sup></b>	<b>0.90%</b>	<b>(8.22)%</b>	<b>6.60%</b>	<b>2.66%</b>	<b>6.19%</b>

## Ratios/Supplemental Data

Net assets, end of year (000's omitted)	\$490,175	\$645,430	\$1,202,483	\$1,245,273	\$1,129,022
Ratios (as a percentage of average daily net assets):					
Expenses excluding interest and fees	0.73%	0.67%	0.67%	0.67%	0.69%
Interest and fee expense <sup>(4)</sup>	0.01%	—	0.00% <sup>(5)</sup>	0.00% <sup>(5)</sup>	—
Total expenses	0.74%	0.67%	0.67%	0.67%	0.69%
Net investment income	3.19%	2.01%	2.10%	2.40%	2.56%
Portfolio Turnover	98%	35%	62%	56%	34%

<sup>(1)</sup> Computed using average shares outstanding.

<sup>(2)</sup> The per share amount is not in accord with the net realized and unrealized gain (loss) for the period because of the timing of Fund share transactions and the amount of the per share realized and unrealized gains and losses at such time.

<sup>(3)</sup> Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested.

<sup>(4)</sup> Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

<sup>(5)</sup> Amount is less than 0.005%.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements

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#### 1 Significant Accounting Policies

Eaton Vance Municipal Opportunities Fund (the Fund) is a diversified series of Eaton Vance Municipals Trust (the Trust). The Trust is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company. The Fund seeks to maximize after-tax total return. The Fund offers three classes of shares. Class A shares are generally sold subject to a sales charge imposed at time of purchase. Class C shares are sold at net asset value and are generally subject to a contingent deferred sales charge (see Note 5). Effective November 5, 2020, Class C shares automatically convert to Class A shares eight years after their purchase as described in the Fund's prospectus. Class I shares are sold at net asset value and are not subject to a sales charge. Each class represents a pro-rata interest in the Fund, but votes separately on class-specific matters and (as noted below) is subject to different expenses. Realized and unrealized gains and losses are allocated daily to each class of shares based on the relative net assets of each class to the total net assets of the Fund. Net investment income, other than class-specific expenses, is allocated daily to each class of shares based upon the ratio of the value of each class's paid shares to the total value of all paid shares. Each class of shares differs in its distribution plan and certain other class-specific expenses.

The following is a summary of significant accounting policies of the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946.

**A Investment Valuation** — The following methodologies are used to determine the market value or fair value of investments.

**Debt Obligations.** Debt obligations are generally valued on the basis of valuations provided by third party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and ask prices, broker/dealer quotations, prices or yields of securities with similar characteristics, interest rates, anticipated prepayments, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security. Short-term debt obligations purchased with a remaining maturity of sixty days or less for which a valuation from a third party pricing service is not readily available may be valued at amortized cost, which approximates fair value.

**Fair Valuation.** In connection with Rule 2a-5 of the 1940 Act, the Trustees have designated the Fund's investment adviser as its valuation designee. Investments for which valuations or market quotations are not readily available or are deemed unreliable are valued by the investment adviser, as valuation designee, at fair value using methods that most fairly reflect the security's "fair value", which is the amount that the Fund might reasonably expect to receive for the security upon its current sale in the ordinary course. Each such determination is based on a consideration of relevant factors, which are likely to vary from one pricing context to another. These factors may include, but are not limited to, the type of security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies or entities, quotations or relevant information obtained from broker/dealers or other market participants, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's or entity's financial statements, and an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold.

**B Investment Transactions and Related Income** — Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

**C Federal Taxes** — The Fund's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable, if any, and tax-exempt net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary. The Fund intends to satisfy conditions which will enable it to designate distributions from the interest income generated by its investments in non-taxable municipal securities, which are exempt from regular federal income tax when received by the Fund, as exempt-interest dividends. The portion of such interest, if any, earned on private activity bonds issued after August 7, 1986, may be considered a tax preference item to shareholders.

As of July 31, 2023, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund files a U.S. federal income tax return annually after its fiscal year-end, which is subject to examination by the Internal Revenue Service for a period of three years from the date of filing.

**D Expenses** — The majority of expenses of the Trust are directly identifiable to an individual fund. Expenses which are not readily identifiable to a specific fund are allocated taking into consideration, among other things, the nature and type of expense and the relative size of the funds.

**E Legal Fees** — Legal fees and other related expenses incurred as part of negotiations of the terms and requirement of capital infusions, or that are expected to result in the restructuring of, or a plan of reorganization for, an investment are recorded as realized losses. Ongoing expenditures to protect or enhance an investment are treated as operating expenses.

**F Use of Estimates** — The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements — continued

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**G Indemnifications** — Under the Trust’s organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Fund. Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust (such as the Trust) could be deemed to have personal liability for the obligations of the Trust. However, the Trust’s Declaration of Trust contains an express disclaimer of liability on the part of Fund shareholders and the By-laws provide that the Trust shall assume, upon request by the shareholder, the defense on behalf of any Fund shareholders. Moreover, the By-laws also provide for indemnification out of Fund property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. Additionally, in the normal course of business, the Fund enters into agreements with service providers that may contain indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

**H Floating Rate Notes Issued in Conjunction with Securities Held** — The Fund may invest in residual interest bonds, also referred to as inverse floating rate securities, whereby the Fund may sell a variable or fixed rate bond for cash to a Special-Purpose Vehicle (the SPV), (which is generally organized as a Fund), while at the same time, buying a residual interest in the assets and cash flows of the SPV. The bond is deposited into the SPV with the same CUSIP number as the bond sold to the SPV by the Fund, and which may have been, but is not required to be, the bond purchased from the Fund (the Bond). The SPV also issues floating rate notes (Floating Rate Notes) which are sold to third-parties. The residual interest bond held by the Fund gives the Fund the right (1) to cause the holders of the Floating Rate Notes to generally tender their notes at par, and (2) to have the Bond held by the SPV transferred to the Fund, thereby terminating the SPV. Should the Fund exercise such right, it would generally pay the SPV the par amount due on the Floating Rate Notes and exchange the residual interest bond for the underlying Bond. Pursuant to generally accepted accounting principles for transfers and servicing of financial assets and extinguishment of liabilities, the Fund accounts for the transaction described above as a secured borrowing by including the Bond in its Portfolio of Investments and the Floating Rate Notes as a liability under the caption “Payable for floating rate notes issued” in its Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the SPV for redemption at par at each reset date. Accordingly, the fair value of the payable for floating rate notes issued approximates its carrying value. If measured at fair value, the payable for floating rate notes would have been considered as Level 2 in the fair value hierarchy (see Note 10) at July 31, 2023. Interest expense related to the Fund’s liability with respect to Floating Rate Notes is recorded as incurred. The SPV may be terminated by the Fund, as noted above, or by the occurrence of certain termination events as defined in the Fund agreement, such as a downgrade in the credit quality of the underlying Bond, bankruptcy of or payment failure by the issuer of the underlying Bond, the inability to remarket Floating Rate Notes that have been tendered due to insufficient buyers in the market, or the failure by the SPV to obtain renewal of the liquidity agreement under which liquidity support is provided for the Floating Rate Notes up to one year. At July 31, 2023, the amount of the Fund’s Floating Rate Notes outstanding and the related collateral were \$2,404,998 and \$3,340,710, respectively. The interest rate on the Floating Rate Notes outstanding at July 31, 2023 was 4.01%. For the year ended July 31, 2023, the Fund’s average settled Floating Rate Notes outstanding and the average interest rate including fees were \$1,610,959 and 3.60%, respectively.

In certain circumstances, the Fund may enter into shortfall and forbearance agreements with brokers by which the Fund agrees to reimburse the broker for the difference between the liquidation value of the Bond held by the SPV and the liquidation value of the Floating Rate Notes, as well as any shortfalls in interest cash flows. The Fund had no shortfalls as of July 31, 2023.

The Fund may also purchase residual interest bonds in a secondary market transaction without first owning the underlying bond. Such transactions are not required to be treated as secured borrowings. Shortfall agreements, if any, related to residual interest bonds purchased in a secondary market transaction are disclosed in the Portfolio of Investments.

The Fund’s investment policies and restrictions expressly permit investments in residual interest bonds. Such bonds typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. The value and income of residual interest bonds are generally more volatile than that of a fixed rate bond. The Fund’s investment policies do not allow the Fund to borrow money except as permitted by the 1940 Act. Effective August 19, 2022, the Fund began operating under Rule 18f-4 under the 1940 Act, which, among other things, governs the use of derivative investments and certain financing transactions by registered investment companies. As of the date of this report, consistent with Rule 18f-4, the Fund has elected to comply with the asset coverage requirements of Section 18 with respect to its investments in residual interest bonds (as opposed to treating such interests as derivatives transactions). The Fund may change this election (and elect to treat these investments and other similar financing transactions as derivatives transactions) at any time. Residual interest bonds held by the Fund are securities exempt from registration under Rule 144A of the Securities Act of 1933.

**I Futures Contracts** — Upon entering into a futures contract, the Fund is required to deposit with the broker, either in cash or securities, an amount equal to a certain percentage of the contract amount (initial margin). Subsequent payments, known as variation margin, are made or received by the Fund each business day, depending on the daily fluctuations in the value of the underlying security, and are recorded as unrealized gains or losses by the Fund. Gains (losses) are realized upon the expiration or closing of the futures contracts. Should market conditions change unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. Futures contracts have minimal counterparty risk as they are exchange traded and the clearinghouse for the exchange is substituted as the counterparty, guaranteeing counterparty performance.

**J When-Issued Securities and Delayed Delivery Transactions** — The Fund may purchase securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. At the time the transaction is negotiated, the price of the security that will be delivered is fixed. The Fund maintains cash and/or security positions for these commitments such that sufficient liquid assets will be available to

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements — continued

make payments upon settlement. Securities purchased on a delayed delivery or when-issued basis are marked-to-market daily and begin earning interest on settlement date. Such security purchases are subject to the risk that when delivered they will be worth less than the agreed upon payment price. Losses may also arise if the counterparty does not perform under the contract.

#### 2 Distributions to Shareholders and Income Tax Information

The net investment income of the Fund is determined daily and substantially all of the net investment income so determined is declared as a dividend to shareholders of record at the time of declaration. Distributions are declared separately for each class of shares. Distributions are paid monthly. Distributions of realized capital gains are made at least annually. Shareholders may reinvest income and capital gain distributions in additional shares of the same class of the Fund at the net asset value as of the reinvestment date or, at the election of the shareholder, receive distributions in cash. Distributions to shareholders are determined in accordance with income tax regulations, which may differ from U.S. GAAP. As required by U.S. GAAP, only distributions in excess of tax basis earnings and profits are reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income.

The tax character of distributions declared for the years ended July 31, 2023 and July 31, 2022 was as follows:

	Year Ended July 31,	
	2023	2022
Tax-exempt income	\$16,014,042	\$20,432,947
Ordinary income	\$ 2,262,859	\$ 2,193,210
Long-term capital gains	\$ —	\$19,963,992

As of July 31, 2023, the components of distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed tax-exempt income	\$ 180,465
Deferred capital losses	(60,877,639)
Net unrealized depreciation	(6,447,640)
Distributions payable	(187,610)
<b>Accumulated loss</b>	<b>\$(67,332,424)</b>

At July 31, 2023, the Fund, for federal income tax purposes, had deferred capital losses of \$60,877,639 which would reduce its taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Internal Revenue Code, and thus would reduce the amount of distributions to shareholders, which would otherwise be necessary to relieve the Fund of any liability for federal income or excise tax. The deferred capital losses are treated as arising on the first day of the Fund's next taxable year and retain the same short-term or long-term character as when originally deferred. Of the deferred capital losses at July 31, 2023, \$21,852,030 are short-term and \$39,025,609 are long-term.

The cost and unrealized appreciation (depreciation) of investments of the Fund at July 31, 2023, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$585,638,576</b>
Gross unrealized appreciation	\$ 8,384,400
Gross unrealized depreciation	(14,832,040)
<b>Net unrealized depreciation</b>	<b>\$ (6,447,640)</b>

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements — continued

#### 3 Investment Adviser and Administration Fee and Other Transactions with Affiliates

The investment adviser and administration fee is earned by Eaton Vance Management (EVM), an indirect, wholly-owned subsidiary of Morgan Stanley, as compensation for investment advisory and administrative services rendered to the Fund. The investment adviser and administration fee is computed at an annual rate as a percentage of the Fund's average daily net assets as follows and is payable monthly:

Average Daily Net Assets	Annual Fee Rate
Up to \$500 million	0.600%
\$500 million but less than \$1 billion	0.575%
\$1 billion but less than \$2.5 billion	0.550%
\$2.5 billion but less than \$5 billion	0.530%
\$5 billion and over	0.515%

For the year ended July 31, 2023, the Fund's investment adviser and administration fee amounted to \$3,497,944 or 0.60% of the Fund's average daily net assets.

EVM provides sub-transfer agency and related services to the Fund pursuant to a Sub-Transfer Agency Support Services Agreement. For the year ended July 31, 2023, EVM earned \$11,625 from the Fund pursuant to such agreement, which is included in transfer and dividend disbursing agent fees on the Statement of Operations. The Fund was informed that Eaton Vance Distributors, Inc. (EVD), an affiliate of EVM and the Fund's principal underwriter, received \$2,848 as its portion of the sales charge on sales of Class A shares for the year ended July 31, 2023. The Fund was informed that Morgan Stanley affiliated broker-dealers, which may be deemed affiliates of EVM and EVD, also received a portion of the sales charge on sales of Class A shares for the year ended July 31, 2023 in the amount of \$94. EVD also received distribution and service fees from Class A and Class C shares (see Note 4) and contingent deferred sales charges (see Note 5).

Trustees and officers of the Fund who are members of EVM's organization receive remuneration for their services to the Fund out of the investment adviser and administration fee. Trustees of the Fund who are not affiliated with EVM may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the year ended July 31, 2023, no significant amounts have been deferred. Certain officers and Trustees of the Fund are officers of EVM.

#### 4 Distribution Plan

The Fund has in effect a distribution plan for Class A shares (Class A Plan) pursuant to Rule 12b-1 under the 1940 Act. Pursuant to the Class A Plan, the Fund pays EVD a distribution and service fee of 0.25% per annum of its average daily net assets attributable to Class A shares for distribution services and facilities provided to the Fund by EVD, as well as for personal services and/or the maintenance of shareholder accounts. Distribution and service fees paid or accrued to EVD for the year ended July 31, 2023 amounted to \$160,236 for Class A shares.

The Fund also has in effect a distribution plan for Class C shares (Class C Plan) pursuant to Rule 12b-1 under the 1940 Act. Pursuant to the Class C Plan, the Fund pays EVD amounts equal to 0.75% per annum of its average daily net assets attributable to Class C shares for providing ongoing distribution services and facilities to the Fund. For the year ended July 31, 2023, the Fund paid or accrued to EVD \$142,997 for Class C shares.

Pursuant to the Class C Plan, the Fund also makes payments of service fees to EVD, financial intermediaries and other persons in amounts equal to 0.25% per annum of its average daily net assets attributable to that class. Service fees paid or accrued are for personal services and/or the maintenance of shareholder accounts. They are separate and distinct from the sales commissions and distribution fees payable to EVD. Service fees paid or accrued for the year ended July 31, 2023 amounted to \$47,666 for Class C shares.

Distribution and service fees are subject to the limitations contained in the Financial Industry Regulatory Authority Rule 2341(d).

#### 5 Contingent Deferred Sales Charges

A contingent deferred sales charge (CDSC) of 1% generally is imposed on redemptions of Class C shares made within 12 months of purchase. Class A shares may be subject to a 0.75% CDSC if redeemed within 12 months of purchase (depending on the circumstances of purchase). Generally, the CDSC is based upon the lower of the net asset value at date of redemption or date of purchase. No charge is levied on shares acquired by reinvestment of dividends or capital gain distributions. For the year ended July 31, 2023, the Fund was informed that EVD received approximately \$3,300 of CDSCs paid by Class C shareholders and no CDSCs paid by Class A shareholders.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements — continued

#### 6 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations and including maturities, aggregated \$589,823,845 and \$722,850,322, respectively, for the year ended July 31, 2023.

#### 7 Shares of Beneficial Interest

The Fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value). Such shares may be issued in a number of different series (such as the Fund) and classes. Transactions in Fund shares, including direct exchanges pursuant to share class conversions for all periods presented, were as follows:

	Year Ended July 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class A</b>				
Sales	2,048,553	\$ 22,521,094	1,300,438	\$ 15,469,675
Issued to shareholders electing to receive payments of distributions in Fund shares	151,407	1,674,093	281,993	3,456,210
Redemptions	(3,685,045)	(40,419,765)	(4,518,204)	(52,980,495)
<b>Net decrease</b>	<b>(1,485,085)</b>	<b>\$ (16,224,578)</b>	<b>(2,935,773)</b>	<b>\$ (34,054,610)</b>
<b>Class C</b>				
Sales	224,477	\$ 2,486,891	146,884	\$ 1,816,121
Issued to shareholders electing to receive payments of distributions in Fund shares	33,686	372,409	63,861	784,274
Redemptions	(1,005,989)	(11,148,525)	(907,742)	(10,740,586)
<b>Net decrease</b>	<b>(747,826)</b>	<b>\$ (8,289,225)</b>	<b>(696,997)</b>	<b>\$ (8,140,191)</b>
<b>Class I</b>				
Sales	23,349,812	\$ 259,411,972	17,324,361	\$ 207,605,346
Issued to shareholders electing to receive payments of distributions in Fund shares	1,249,629	13,835,000	2,628,830	32,266,907
Redemptions	(37,184,269)	(411,474,866)	(56,658,603)	(665,895,746)
<b>Net decrease</b>	<b>(12,584,828)</b>	<b>\$ (138,227,894)</b>	<b>(36,705,412)</b>	<b>\$ (426,023,493)</b>

#### 8 Line of Credit

The Fund participates with other portfolios and funds managed by EVM and its affiliates in a \$725 million unsecured revolving line of credit agreement with a group of banks, which is in effect through October 24, 2023. Borrowings are made by the Fund solely for temporary purposes related to redemptions and other short-term cash needs. Interest is charged to the Fund based on its borrowings at an amount above either the Secured Overnight Financing Rate (SOFR) or Federal Funds rate. In addition, a fee computed at an annual rate of 0.15% on the daily unused portion of the line of credit is allocated among the participating portfolios and funds at the end of each quarter. In connection with the renewal of the agreement in October 2022, an arrangement fee totaling \$150,000 was incurred that was allocated to the participating portfolios and funds. Because the line of credit is not available exclusively to the Fund, it may be unable to borrow some or all of its requested amounts at any particular time. The Fund did not have any significant borrowings or allocated fees during the year ended July 31, 2023.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Notes to Financial Statements — continued

#### 9 Financial Instruments

The Fund may trade in financial instruments with off-balance sheet risk in the normal course of its investing activities. These financial instruments may include futures contracts and may involve, to a varying degree, elements of risk in excess of the amounts recognized for financial statement purposes. The notional or contractual amounts of these instruments represent the investment the Fund has in particular classes of financial instruments and do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. At July 31, 2023, there were no obligations outstanding under these financial instruments.

The Fund is subject to interest rate risk in the normal course of pursuing its investment objective. Because the Fund holds fixed-rate bonds, the value of these bonds may decrease if interest rates rise. During the year ended July 31, 2023, the Fund entered into U.S. Treasury futures contracts to hedge against changes in interest rates.

The effect of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) on the Statement of Operations and whose primary underlying risk exposure is interest rate risk for the year ended July 31, 2023 was as follows:

Derivative	Realized Gain (Loss) on Derivatives Recognized in Income <sup>(1)</sup>	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income
Futures contracts	\$4,689,257	\$ —

<sup>(1)</sup> Statement of Operations location: Net realized gain (loss): Futures contracts.

The average notional cost of futures contracts (short) outstanding during the year ended July 31, 2023, which is indicative of the volume of this derivative type, was approximately \$3,295,000.

#### 10 Fair Value Measurements

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At July 31, 2023, the hierarchy of inputs used in valuing the Fund's investments, which are carried at value, were as follows:

Asset Description	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ —	\$ 7,731,825	\$ —	\$ 7,731,825
Tax-Exempt Mortgage-Backed Securities	—	451,068	—	451,068
Tax-Exempt Municipal Obligations	—	530,646,197	—	530,646,197
Taxable Municipal Obligations	—	42,766,844	—	42,766,844
<b>Total Investments</b>	<b>\$ —</b>	<b>\$581,595,934</b>	<b>\$ —</b>	<b>\$581,595,934</b>

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Report of Independent Registered Public Accounting Firm

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To the Trustees of Eaton Vance Municipals Trust and Shareholders of Eaton Vance Municipal Opportunities Fund:

#### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Eaton Vance Municipal Opportunities Fund (the "Fund") (one of the funds constituting Eaton Vance Municipals Trust), including the portfolio of investments, as of July 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of July 31, 2023, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of July 31, 2023, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
September 18, 2023

We have served as the auditor of one or more Eaton Vance investment companies since 1959.



# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Federal Tax Information (Unaudited)

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The Form 1099-DIV you receive in February 2024 will show the tax status of all distributions paid to your account in calendar year 2023. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Fund. As required by the Internal Revenue Code and/or regulations, shareholders must be notified regarding exempt-interest dividends.

**Exempt-Interest Dividends.** For the fiscal year ended July 31, 2023, the Fund designates 87.62% of distributions from net investment income as an exempt-interest dividend.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Board of Trustees' Contract Approval

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#### Overview of the Contract Review Process

The Investment Company Act of 1940, as amended (the "1940 Act"), provides, in substance, that the investment advisory agreement between a fund and its investment adviser will continue in effect from year-to-year only if its continuation is approved on an annual basis by a vote of the fund's board of trustees, including a majority of the trustees who are not "interested persons" of the fund ("independent trustees"), cast in person at a meeting called for the purpose of considering such approval.

At a meeting held on June 8, 2023, the Boards of Trustees/Directors (collectively, the "Board") that oversee the registered investment companies advised by Eaton Vance Management or its affiliate, Boston Management and Research (the "Eaton Vance Funds"), including a majority of the independent trustees (the "Independent Trustees"), voted to approve the continuation of existing investment advisory agreements and sub-advisory agreements<sup>1</sup> for each of the Eaton Vance Funds for an additional one-year period. The Board relied upon the affirmative recommendation of its Contract Review Committee, which is a committee exclusively comprised of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished by the adviser and sub-adviser to each of the Eaton Vance Funds (including information specifically requested by the Board) for a series of formal meetings held between April and June 2023, as well as certain additional information provided in response to specific requests from the Independent Trustees as members of the Contract Review Committee. Members of the Contract Review Committee also considered information received at prior meetings of the Board and its committees, to the extent such information was relevant to the Contract Review Committee's annual evaluation of the investment advisory agreements and sub-advisory agreements.

In connection with its evaluation of the investment advisory agreements and sub-advisory agreements, the Board considered various information relating to the Eaton Vance Funds. This included information applicable to all or groups of Eaton Vance Funds, which is referenced immediately below, and information applicable to the particular Eaton Vance Fund covered by this report (each "Eaton Vance Fund" is referred to below as a "fund"). (For funds that invest through one or more underlying portfolios, references to "each fund" in this section may include information that was considered at the portfolio-level.)

#### *Information about Fees, Performance and Expenses*

- A report from an independent data provider comparing advisory and other fees paid by each fund to such fees paid by comparable funds, as identified by the independent data provider ("comparable funds");
- A report from an independent data provider comparing each fund's total expense ratio (and its components) to those of comparable funds;
- A report from an independent data provider comparing the investment performance of each fund (including, as relevant, total return data, income data, Sharpe ratios and information ratios) to the investment performance of comparable funds and, as applicable, benchmark indices, over various time periods;
- In certain instances, data regarding investment performance relative to customized groups of peer funds and blended indices identified by the adviser in consultation with the Portfolio Management Committee of the Board (a committee exclusively comprised of Independent Trustees);
- Comparative information concerning the fees charged and services provided by the adviser and sub-adviser to each fund in managing other accounts (which may include other mutual funds, collective investment funds and institutional accounts) using investment strategies and techniques similar to those used in managing such fund(s), if any;
- Profitability analyses with respect to the adviser and sub-adviser to each of the funds;

#### *Information about Portfolio Management and Trading*

- Descriptions of the investment management services provided to each fund, as well as each of the funds' investment strategies and policies;
- The procedures and processes used to determine the value of fund assets, including, when necessary, the determination of "fair value" and actions taken to monitor and test the effectiveness of such procedures and processes;
- Information about the policies and practices of each fund's adviser and sub-adviser with respect to trading, including their processes for seeking best execution of portfolio transactions;
- Information about the allocation of brokerage transactions and the benefits, if any, received by the adviser and sub-adviser to each fund as a result of brokerage allocation, including, as applicable, information concerning the acquisition of research through client commission arrangements and policies with respect to "soft dollars";
- Data relating to the portfolio turnover rate of each fund and related information regarding active management in the context of particular strategies;

#### *Information about each Adviser and Sub-adviser*

- Reports detailing the financial results and condition of the adviser and sub-adviser to each fund;

<sup>1</sup> Not all Eaton Vance Funds have entered into a sub-advisory agreement with a sub-adviser. Accordingly, references to "sub-adviser" or "sub-advisory agreement" in this "Overview" section may not be applicable to the particular Eaton Vance Fund covered by this report.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Board of Trustees' Contract Approval — continued

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- Information regarding the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and, for portfolio managers and certain other investment professionals, information relating to their responsibilities with respect to managing other mutual funds and investment accounts, as applicable;
- Information regarding the adviser's and its parent company's (Morgan Stanley's) efforts to retain and attract talented investment professionals, including in the context of a competitive marketplace for talent, as well as the ongoing unique environment presented by hybrid, remote and other alternative work arrangements;
- Information regarding the adviser's compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals' investments in the fund(s) they manage;
- The Code of Ethics of the adviser and its affiliates and the sub-adviser of each fund, together with information relating to compliance with, and the administration of, such codes;
- Policies and procedures relating to proxy voting, including regular reporting with respect to fund proxy voting activities;
- Information regarding the handling of corporate actions and class actions, as well as information regarding litigation and other regulatory matters;
- Information concerning the resources devoted to compliance efforts undertaken by the adviser and its affiliates and the sub-adviser of each fund, if any, including descriptions of their various compliance programs and their record of compliance;
- Information concerning the business continuity and disaster recovery plans of the adviser and its affiliates and the sub-adviser of each fund, if any;
- A description of Eaton Vance Management's and Boston Management and Research's oversight of sub-advisers, including with respect to regulatory and compliance issues, investment management and other matters;

#### *Other Relevant Information*

- Information regarding ongoing initiatives to further integrate and harmonize, where applicable, the investment management and other departments of the adviser and its affiliates with the overall investment management infrastructure of Morgan Stanley, in light of Morgan Stanley's acquisition of Eaton Vance Corp. on March 1, 2021;
- Information concerning the nature, cost and character of the administrative and other non-investment advisory services provided by Eaton Vance Management and its affiliates;
- Information concerning oversight of the relationship with the custodian, subcustodians, fund accountants, and other third-party service providers by the adviser and/or administrator to each of the funds;
- Information concerning efforts to implement policies and procedures with respect to various recently adopted regulations applicable to the funds, including Rule 12d1-4 (the Fund-of-Funds Rule), Rule 18f-4 (the Derivatives Rule) and Rule 2a-5 (the Fair Valuation Rule);
- For an Eaton Vance Fund structured as an exchange-listed closed-end fund, information concerning the benefits of the closed-end fund structure, as well as, where relevant, the closed-end fund's market prices (including as compared to the closed-end fund's net asset value (NAV)), trading volume data, continued use of auction preferred shares (where applicable), distribution rates and other relevant matters;
- The risks which the adviser and/or its affiliates incur in connection with the management and operation of the funds, including, among others, litigation, regulatory, entrepreneurial, and other business risks (and the associated costs of such risks); and
- The terms of each investment advisory agreement and sub-advisory agreement.

During the various meetings of the Board and its committees over the course of the year leading up to the June 8, 2023 meeting, the Board received information from portfolio managers and other investment professionals of the advisers and sub-advisers of the funds regarding investment and performance matters, and considered various investment and trading strategies used in pursuing the funds' investment objectives. The Board also received information regarding risk management techniques employed in connection with the management of the funds. The Board and its committees evaluated issues pertaining to industry and regulatory developments, compliance procedures, fund governance and other issues with respect to the funds, and received and participated in reports and presentations provided by Eaton Vance Management, Boston Management and Research and fund sub-advisers, with respect to such matters. In addition to the formal meetings of the Board and its committees, the Independent Trustees held regular teleconferences to discuss, among other topics, matters relating to the continuation of investment advisory agreements and sub-advisory agreements.

The Contract Review Committee was advised throughout the contract review process by Goodwin Procter LLP, independent legal counsel for the Independent Trustees. The members of the Contract Review Committee, with the advice of such counsel, exercised their own business judgment in determining the material factors to be considered in evaluating each investment advisory agreement and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each investment advisory agreement and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each investment advisory agreement and sub-advisory agreement. In evaluating each investment advisory agreement and sub-advisory agreement, including the fee structures and other terms contained in such agreements, the members of the Contract Review Committee were also informed by multiple years of analysis and discussion with the adviser and sub-adviser to each of the Eaton Vance Funds.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Board of Trustees' Contract Approval — continued

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#### Results of the Contract Review Process

Based on its consideration of the foregoing, and such other information it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuation of the investment advisory and administrative agreement between Eaton Vance Municipal Opportunities Fund (the "Fund") and Eaton Vance Management (the "Adviser"), including its fee structure, is in the interests of shareholders and, therefore, recommended to the Board approval of the agreement. Based on the recommendation of the Contract Review Committee, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory and administrative agreement for the Fund.

#### Nature, Extent and Quality of Services

In considering whether to approve the investment advisory and administrative agreement for the Fund, the Board evaluated the nature, extent and quality of services provided to the Fund by the Adviser.

The Board considered the Adviser's management capabilities and investment processes in light of the types of investments held by the Fund, including the education, experience and number of investment professionals and other personnel who provide portfolio management, investment research, and similar services to the Fund. In particular, the Board considered, where relevant, the abilities and experience of the Adviser's investment professionals in analyzing factors relevant to investing in municipal bonds, Treasury securities and other securities backed by the U.S. government or its agencies. The Board considered the Adviser's municipal bond team, which includes investment professionals and credit specialists who provide services to the Fund. The Board also took into account the resources dedicated to portfolio management and other services, the compensation methods of the Adviser and other factors, including the reputation and resources of the Adviser to recruit and retain highly qualified research, advisory and supervisory investment professionals. In addition, the Board considered the time and attention devoted to the Eaton Vance Funds, including the Fund, by senior management, as well as the infrastructure, operational capabilities and support staff in place to assist in the portfolio management and operations of the Fund, including the provision of administrative services. The Board also considered the business-related and other risks to which the Adviser or its affiliates may be subject in managing the Fund.

The Board considered the compliance programs of the Adviser and relevant affiliates thereof. The Board considered compliance and reporting matters regarding, among other things, personal trading by investment professionals, disclosure of portfolio holdings, late trading, frequent trading, portfolio valuation, business continuity and the allocation of investment opportunities. The Board also considered the responses of the Adviser and its affiliates to requests in recent years from regulatory authorities, such as the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Board considered other administrative services provided or overseen by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large fund complex offering exposure to a variety of asset classes and investment disciplines, as well as the ability, in many cases, to exchange an investment among different funds without incurring additional sales charges.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the investment advisory and administrative agreement.

#### Fund Performance

The Board compared the Fund's investment performance to that of comparable funds identified by an independent data provider (the peer group), as well as an appropriate benchmark index and a customized peer group of similarly managed funds. The Board's review included comparative performance data with respect to the Fund for the one-, three-, five- and ten-year periods ended December 31, 2022. In this regard, the Board noted that the performance of the Fund was lower than the median performance of the Fund's peer group and custom peer group for the three-year period. The Board also noted that the performance of the Fund was lower than its benchmark index for the three-year period. The Board noted certain actions taken by the Adviser to address Fund performance and determined to continue to monitor and evaluate their effectiveness over time.

#### Management Fees and Expenses

The Board considered contractual fee rates payable by the Fund for advisory and administrative services (referred to collectively as "management fees"). As part of its review, the Board considered the Fund's management fees and total expense ratio for the one-year period ended December 31, 2022, as compared to those of comparable funds, before and after giving effect to any undertaking to waive fees or reimburse expenses. The Board also considered certain Fund specific factors that had an impact on the Fund's total expense ratio relative to comparable funds, as identified by management in response to inquiries from the Contract Review Committee.

After considering the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the management fees charged for advisory and related services are reasonable.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Board of Trustees' Contract Approval — continued

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#### *Profitability and "Fall-Out" Benefits*

The Board considered the level of profits realized by the Adviser and relevant affiliates thereof in providing investment advisory and administrative services to the Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized without regard to marketing support or other payments by the Adviser and its affiliates to third parties in respect of distribution or other services.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are deemed not to be excessive.

The Board also considered direct or indirect fall-out benefits received by the Adviser and its affiliates in connection with their respective relationships with the Fund, including the benefits of research services that may be available to the Adviser as a result of securities transactions effected for the Fund and other investment advisory clients.

#### *Economies of Scale*

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and the Fund, on the other hand, can expect to realize benefits from economies of scale as the assets of the Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from economies of scale, if any, with respect to the management of any specific fund or group of funds. The Board reviewed data summarizing the increases and decreases in the assets of the Fund and of all Eaton Vance Funds as a group over various time periods, and evaluated the extent to which the total expense ratio of the Fund and the profitability of the Adviser and its affiliates may have been affected by such increases or decreases. Based upon the foregoing, the Board concluded that the Fund currently shares in the benefits from economies of scale, if any, when they are realized by the Adviser. The Board also concluded that the structure of the advisory fee, which includes breakpoints at several asset levels, will allow the Fund to continue to benefit from any economies of scale in the future.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Liquidity Risk Management Program

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The Fund has implemented a written liquidity risk management program (Program) and related procedures to manage its liquidity in accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (Liquidity Rule). The Liquidity Rule defines “liquidity risk” as the risk that a fund could not meet requests to redeem shares issued by the fund without significant dilution of the remaining investors’ interests in the fund. The Fund’s Board of Trustees/Directors has designated the investment adviser to serve as the administrator of the Program and the related procedures. The administrator has established a Liquidity Risk Management Oversight Committee (Committee) to perform the functions necessary to administer the Program. As part of the Program, the administrator is responsible for identifying illiquid investments and categorizing the relative liquidity of the Fund’s investments in accordance with the Liquidity Rule. Under the Program, the administrator assesses, manages, and periodically reviews the Fund’s liquidity risk, and is responsible for making certain reports to the Fund’s Board of Trustees/Directors and the Securities and Exchange Commission (SEC) regarding the liquidity of the Fund’s investments, and to notify the Board of Trustees/Directors and the SEC of certain liquidity events specified in the Liquidity Rule. The liquidity of the Fund’s portfolio investments is determined based on a number of factors including, but not limited to, relevant market, trading and investment-specific considerations under the Program.

At a meeting of the Fund’s Board of Trustees/Directors on June 7, 2023, the Committee provided a written report to the Fund’s Board of Trustees/Directors pertaining to the operation, adequacy, and effectiveness of implementation of the Program, as well as the operation of the highly liquid investment minimum (if applicable) for the period January 1, 2022 through December 31, 2022 (Review Period). The Program operated effectively during the Review Period, supporting the administrator’s ability to assess, manage and monitor Fund liquidity risk, including during periods of market volatility and net redemptions. During the Review Period, the Fund met redemption requests on a timely basis.

There can be no assurance that the Program will achieve its objectives in the future. Please refer to the Fund’s prospectus for more information regarding the Fund’s exposure to liquidity risk and other principal risks to which an investment in the Fund may be subject.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Management and Organization

**Fund Management.** The Trustees of Eaton Vance Municipals Trust (the Trust) are responsible for the overall management and supervision of the Trust's affairs. The Board members and officers of the Trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. Board members hold indefinite terms of office. Each Trustee holds office until his or her successor is elected and qualified, subject to a prior death, resignation, retirement, disqualification or removal. Under the terms of the Fund's current Trustee retirement policy, an Independent Trustee must retire and resign as a Trustee on the earlier of: (i) the first day of July following his or her 74th birthday; or (ii), with limited exception, December 31st of the 20th year in which he or she has served as a Trustee. However, if such retirement and resignation would cause the Fund to be out of compliance with Section 16 of the 1940 Act or any other regulations or guidance of the SEC, then such retirement and resignation will not become effective until such time as action has been taken for the Fund to be in compliance therewith. The "noninterested Trustees" consist of those Trustees who are not "interested persons" of the Trust, as that term is defined under the 1940 Act. The business address of each Board member and officer is Two International Place, Boston, Massachusetts 02110. As used below, "BMR" refers to Boston Management and Research, "EV" refers to EV LLC, "EVM" refers to Eaton Vance Management, "MSIM" refers to Morgan Stanley Investment Management, Inc. and "EVD" refers to Eaton Vance Distributors, Inc. EV is the trustee of each of EVM and BMR. Each of EVM, BMR, EVD and EV are indirect, wholly owned subsidiaries of Morgan Stanley. Each officer affiliated with EVM may hold a position with other EVM affiliates that is comparable to his or her position with EVM listed below. Each Trustee oversees 129 funds in the Eaton Vance fund complex (including both funds and portfolios in a hub and spoke structure).

Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) and Other Directorships During Past Five Years and Other Relevant Experience
<b>Interested Trustee</b>			
Anchal Pachnanda <sup>(1)</sup> 1980	Trustee	Since 2023	Co-Head of Strategy of MSIM (since 2019). Formerly, Head of Strategy of MSIM (2017-2019). Ms. Pachnanda is an interested person because of her position with MSIM, which is an affiliate of the Trust. <b>Other Directorships.</b> None.
<b>Noninterested Trustees</b>			
Alan C. Bowser 1962	Trustee	Since 2022	Formerly, Chief Diversity Officer, Partner and a member of the Operating Committee, and formerly served as Senior Advisor on Diversity and Inclusion for the firm's chief executive officer, Co-Head of the Americas Region, and Senior Client Advisor of Bridgewater Associates, an asset management firm (2011-2023). <b>Other Directorships.</b> Independent Director of Stout Risius Ross (a middle market professional services advisory firm) (since 2021).
Mark R. Fetting 1954	Trustee	Since 2016	Private investor. Formerly held various positions at Legg Mason, Inc. (investment management firm) (2000-2012), including President, Chief Executive Officer, Director and Chairman (2008-2012), Senior Executive Vice President (2004-2008) and Executive Vice President (2001-2004). Formerly, President of Legg Mason family of funds (2001-2008). Formerly, Division President and Senior Officer of Prudential Financial Group, Inc. and related companies (investment management firm) (1991-2000). <b>Other Directorships.</b> None.
Cynthia E. Frost 1961	Trustee	Since 2014	Private investor. Formerly, Chief Investment Officer of Brown University (university endowment) (2000-2012). Formerly, Portfolio Strategist for Duke Management Company (university endowment manager) (1995-2000). Formerly, Managing Director, Cambridge Associates (investment consulting company) (1989-1995). Formerly, Consultant, Bain and Company (management consulting firm) (1987-1989). Formerly, Senior Equity Analyst, BA Investment Management Company (1983-1985). <b>Other Directorships.</b> None.
George J. Gorman 1952	Chairperson of the Board and Trustee	Since 2021 (Chairperson) and 2014 (Trustee)	Principal at George J. Gorman LLC (consulting firm). Formerly, Senior Partner at Ernst & Young LLP (a registered public accounting firm) (1974-2009). <b>Other Directorships.</b> None.

# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Management and Organization — continued

Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) and Other Directorships During Past Five Years and Other Relevant Experience
<b>Noninterested Trustees (continued)</b>			
Valerie A. Mosley 1960	Trustee	Since 2014	Chairwoman and Chief Executive Officer of Valmo Ventures (a consulting and investment firm). Founder of Upward Wealth, Inc., dba BrightUp, a fintech platform. Formerly, Partner and Senior Vice President, Portfolio Manager and Investment Strategist at Wellington Management Company, LLP (investment management firm) (1992-2012). Formerly, Chief Investment Officer, PG Corbin Asset Management (1990-1992). Formerly worked in institutional corporate bond sales at Kidder Peabody (1986-1990). <b>Other Directorships.</b> Director of DraftKings, Inc. (digital sports entertainment and gaming company) (since September 2020). Director of Envestnet, Inc. (provider of intelligent systems for wealth management and financial wellness) (since 2018). Formerly, Director of Dynex Capital, Inc. (mortgage REIT) (2013-2020) and Director of Groupon, Inc. (e-commerce provider) (2020-2022).
Keith Quinton 1958	Trustee	Since 2018	Private investor, researcher and lecturer. Formerly, Independent Investment Committee Member at New Hampshire Retirement System (2017-2021). Formerly, Portfolio Manager and Senior Quantitative Analyst at Fidelity Investments (investment management firm) (2001-2014). <b>Other Directorships.</b> Formerly, Director (2016-2021) and Chairman (2019-2021) of New Hampshire Municipal Bond Bank.
Marcus L. Smith 1966	Trustee	Since 2018	Private investor and independent corporate director. Formerly, Chief Investment Officer, Canada (2012-2017), Chief Investment Officer, Asia (2010-2012), Director of Asian Research (2004-2010) and portfolio manager (2001-2017) at MFS Investment Management (investment management firm). <b>Other Directorships.</b> Director of First Industrial Realty Trust, Inc. (an industrial REIT) (since 2021). Director of MSCI Inc. (global provider of investment decision support tools) (since 2017). Formerly, Director of DCT Industrial Trust Inc. (logistics real estate company) (2017-2018).
Susan J. Sutherland 1957	Trustee	Since 2015	Private investor. Director of Ascot Group Limited and certain of its subsidiaries (insurance and reinsurance) (since 2017). Formerly, Director of Hagerty Holding Corp. (insurance) (2015-2018) and Montpelier Re Holdings Ltd. (insurance and reinsurance) (2013-2015). Formerly, Associate, Counsel and Partner at Skadden, Arps, Slate, Meagher & Flom LLP (law firm) (1982-2013). <b>Other Directorships.</b> Formerly, Director of Kairos Acquisition Corp. (insurance/InsurTech acquisition company) (2021-2023).
Scott E. Wennerholm 1959	Trustee	Since 2016	Private investor. Formerly, Trustee at Wheelock College (postsecondary institution) (2012-2018). Formerly, Consultant at GF Parish Group (executive recruiting firm) (2016-2017). Formerly, Chief Operating Officer and Executive Vice President at BNY Mellon Asset Management (investment management firm) (2005-2011). Formerly, Chief Operating Officer and Chief Financial Officer at Natixis Global Asset Management (investment management firm) (1997-2004). Formerly, Vice President at Fidelity Investments Institutional Services (investment management firm) (1994-1997). <b>Other Directorships.</b> None.
Nancy A. Wisner 1967	Trustee	Since 2022	Formerly, Executive Vice President and the Global Head of Operations at Wells Fargo Asset Management (2011-2021). <b>Other Directorships.</b> None.
Name and Year of Birth	Trust Position(s)	Length of Service	Principal Occupation(s) During Past Five Years
<b>Principal Officers who are not Trustees</b>			
Eric A. Stein 1980	President	Since 2020	Vice President and Chief Investment Officer, Fixed Income of EVM and BMR. Prior to November 1, 2020, Mr. Stein was a co-Director of Eaton Vance's Global Income Investments. Also Vice President of Calvert Research and Management ("CRM").
Deidre E. Walsh 1971	Vice President and Chief Legal Officer	Since 2009	Vice President of EVM and BMR. Also Vice President of CRM.
James F. Kirchner 1967	Treasurer	Since 2007	Vice President of EVM and BMR. Also Vice President of CRM.



# Eaton Vance

## Municipal Opportunities Fund

July 31, 2023

### Management and Organization — continued

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<b>Name and Year of Birth</b>	<b>Trust Position(s)</b>	<b>Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>
<b>Principal Officers who are not Trustees (continued)</b>			
Nicholas S. Di Lorenzo 1987	Secretary	Since 2022	Formerly, associate (2012-2021) and counsel (2022) at Dechert LLP.
Richard F. Froio 1968	Chief Compliance Officer	Since 2017	Vice President of EVM and BMR since 2017. Formerly, Deputy Chief Compliance Officer (Adviser/Funds) and Chief Compliance Officer (Distribution) at PIMCO (2012-2017) and Managing Director at BlackRock/Barclays Global Investors (2009-2012).

<sup>(1)</sup> Ms. Pachnanda began serving as Trustee effective April 1, 2023.

The SAI for the Fund includes additional information about the Trustees and officers of the Fund and can be obtained without charge on Eaton Vance's website at [www.eatonvance.com](http://www.eatonvance.com) or by calling 1-800-262-1122.

FACTS	WHAT DOES EATON VANCE DO WITH YOUR PERSONAL INFORMATION?																																
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.																																
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and income</li> <li>▪ investment experience and risk tolerance</li> <li>▪ checking account number and wire transfer instructions</li> </ul>																																
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Eaton Vance chooses to share; and whether you can limit this sharing.																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 65%;">Reasons we can share your personal information</th> <th style="width: 15%;">Does Eaton Vance share?</th> <th style="width: 20%;">Can you limit this sharing?</th> </tr> </thead> <tbody> <tr> <td><b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our marketing purposes</b> — to offer our products and services to you</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For joint marketing with other financial companies</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our investment management affiliates' everyday business purposes</b> — information about your transactions, experiences, and creditworthiness</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> — information about your creditworthiness</td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our investment management affiliates to market to you</b></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td><b>For our affiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For nonaffiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> </tbody> </table>				Reasons we can share your personal information	Does Eaton Vance share?	Can you limit this sharing?	<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	<b>For our marketing purposes</b> — to offer our products and services to you	Yes	No	<b>For joint marketing with other financial companies</b>	No	We don't share	<b>For our investment management affiliates' everyday business purposes</b> — information about your transactions, experiences, and creditworthiness	Yes	Yes	<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	Yes	No	<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We don't share	<b>For our investment management affiliates to market to you</b>	Yes	Yes	<b>For our affiliates to market to you</b>	No	We don't share	<b>For nonaffiliates to market to you</b>	No	We don't share
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<b>For nonaffiliates to market to you</b>	No	We don't share																															
<b>To limit our sharing</b>	<p>Call toll-free 1-800-262-1122 or email: <a href="mailto:EVPrivacy@eatonvance.com">EVPrivacy@eatonvance.com</a></p> <p><b>Please note:</b></p> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>																																
<b>Questions?</b>	Call toll-free 1-800-262-1122 or email: <a href="mailto:EVPrivacy@eatonvance.com">EVPrivacy@eatonvance.com</a>																																

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Who we are	
<b>Who is providing this notice?</b>	Eaton Vance Management, Eaton Vance Distributors, Inc., Eaton Vance Trust Company, Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd., Eaton Vance Global Advisors Limited, Eaton Vance Management's Real Estate Investment Group, Boston Management and Research, Calvert Research and Management, Eaton Vance and Calvert Fund Families and our investment advisory affiliates ("Eaton Vance") (see Investment Management Affiliates definition below)
What we do	
<b>How does Eaton Vance protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.
<b>How does Eaton Vance collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ open an account or make deposits or withdrawals from your account</li> <li>▪ buy securities from us or make a wire transfer</li> <li>▪ give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
<b>Investment Management Affiliates</b>	Eaton Vance Investment Management Affiliates include registered investment advisers, registered broker-dealers, and registered and unregistered funds. Investment Management Affiliates does not include entities associated with Morgan Stanley Wealth Management, such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Our affiliates include companies with a Morgan Stanley name and financial companies such as Morgan Stanley Smith Barney LLC and Morgan Stanley &amp; Co.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Eaton Vance does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>Eaton Vance doesn't jointly market.</i></li> </ul>
Other important information	
<p><b>Vermont:</b> Except as permitted by law, we will not share personal information we collect about Vermont residents with Nonaffiliates unless you provide us with your written consent to share such information.</p> <p><b>California:</b> Except as permitted by law, we will not share personal information we collect about California residents with Nonaffiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.</p>	

## IMPORTANT NOTICES

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**Delivery of Shareholder Documents.** The Securities and Exchange Commission (SEC) permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called “householding” and it helps eliminate duplicate mailings to shareholders. *Eaton Vance, or your financial intermediary, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial intermediary, otherwise.* If you would prefer that your Eaton Vance documents not be householded, please contact Eaton Vance at 1-800-262-1122, or contact your financial intermediary. Your instructions that householding not apply to delivery of your Eaton Vance documents will typically be effective within 30 days of receipt by Eaton Vance or your financial intermediary.

**Portfolio Holdings.** Each Eaton Vance Fund and its underlying Portfolio(s) (if applicable) files a schedule of portfolio holdings on Part F to Form N-PORT with the SEC. Certain information filed on Form N-PORT may be viewed on the Eaton Vance website at [www.eatonvance.com](http://www.eatonvance.com), by calling Eaton Vance at 1-800-262-1122 or in the EDGAR database on the SEC’s website at [www.sec.gov](http://www.sec.gov).

**Proxy Voting.** From time to time, funds are required to vote proxies related to the securities held by the funds. The Eaton Vance Funds or their underlying Portfolios (if applicable) vote proxies according to a set of policies and procedures approved by the Funds’ and Portfolios’ Boards. You may obtain a description of these policies and procedures and information on how the Funds or Portfolios voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge, upon request, by calling 1-800-262-1122 and by accessing the SEC’s website at [www.sec.gov](http://www.sec.gov).

Investment Adviser and Administrator

**Eaton Vance Management**

Two International Place  
Boston, MA 02110

Principal Underwriter\*

**Eaton Vance Distributors, Inc.**

Two International Place  
Boston, MA 02110  
(617) 482-8260

Custodian

**State Street Bank and Trust Company**

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Boston, MA 02114-2016

Transfer Agent

**BNY Mellon Investment Servicing (US) Inc.**

Attn: Eaton Vance Funds  
P.O. Box 534439  
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Independent Registered Public Accounting Firm

**Deloitte & Touche LLP**

200 Berkeley Street  
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\* **FINRA BrokerCheck.** Investors may check the background of their Investment Professional by contacting the Financial Industry Regulatory Authority (FINRA). FINRA BrokerCheck is a free tool to help investors check the professional background of current and former FINRA-registered securities firms and brokers. FINRA BrokerCheck is available by calling 1-800-289-9999 and at [www.FINRA.org](http://www.FINRA.org). The FINRA BrokerCheck brochure describing this program is available to investors at [www.FINRA.org](http://www.FINRA.org).

