

Eaton Vance Municipal Opportunities Fund

MUNICIPALS TEAM

Performance Review

In the quarter period ending December 31, 2025, the Portfolio's I shares returned 2.12% (net of fees)¹, while the benchmark returned 1.56%.

The contributors to the Fund's performance relative to the benchmark, the Bloomberg Municipal Bond Index (the Index), included security selection within AA-rated municipals, an overweight exposure to and selection in securities with maturities between 17 and 22 years, and an overweight exposure to and security selection within 4% coupon bonds. The detractors from the Fund's relative performance included an underweight exposure to the transportation sector, an overweight to non-rated bonds, and the Fund's allocation to "defensive" securities such as variable-rate demand notes (VRDNs) and floating-rate notes (FRNs).

A Word On The Markets

Financial markets posted another strong year in 2025. Against the backdrop of rate cuts by the Federal Open Market Committee (FOMC), along with strong corporate profits, the S&P 500 Index returned 17.88% for the 12-month period ended December 31, while the Russell 1000 Index showed similar strength, up 17.37%. Non-U.S. equity markets performed even better, as the MSCI ACWI ex-USA Index posted a total return of 32.39% for the year. Despite U.S. Bureau of Labor Statistics data showing inflation at close to 3%, a weakening job market gave the FOMC cover to cut the federal funds rate by 25 basis points (bps) at its December meeting, the third such cut of 2025, resulting in a target range of 3.50%-3.75%. As of January 5, 2026, there is an 84% chance of no change at the January meeting, and expectations are for the fed funds rate to end 2026 at 3.00%-3.25%, or 50 bps lower than today (source: CME Group).

Municipals showed strength during the fourth quarter to help end the year on a positive note. The Bloomberg Municipal Bond Index was up 1.56% for the quarter and 4.25% for the year, outperforming the Bloomberg U.S. Corporate Bond Index by 72 bps during the quarter but underperforming by 352 bps for the year. The 4.25% full-year return for the Bloomberg Municipal Bond Index was a very strong turnaround from mid-year, when the index was down 0.35% at June-end. The Bloomberg High Yield Municipal Bond Index returned 2.46% for the year, while the Bloomberg Municipal Taxable Bonds Index returned a very impressive 7.89%. Rounding out the fixed income space, the Bloomberg U.S. Treasury Index was up 6.32%, while the Bloomberg U.S. Aggregate Bond Index had a return of 7.30% for the 12 months ended December 31.

A relatively supportive technical backdrop, a dovish Federal Reserve, and recognition of extreme cheapness on the long end of the municipal curve drove the asset class's relative outperformance during the quarter. Supply for the year was heightened, with a total of \$580 billion coming to market, a 13% increase over 2024's level (source: Bank of America Global Research). Inflows to the asset class remained strong as \$51.1 billion came into funds over the year. Of note, positive flows were concentrated in intermediate- and long-duration funds, and exchange-traded funds (ETFs) continued to outpace mutual fund inflows. ETFs were responsible for \$34.1 billion (67%) of total inflows in 2025 (source: J.P. Morgan).

Yield changes were mixed for the quarter and for the year. During the fourth quarter, 5-year yields on AAA-rated municipal bonds rose 9 bps, 10-year yields fell 16 bps, and the 30-year part of the curve was flat. For the year, 5-year, 10-year and 30-year yields moved -46 bps, -30 bps and +34 bps, respectively. The municipal curve ended 2025 much flatter compared to earlier in the year, with the spread between 2- and 10-year maturities at 37 bps, while the 5- to 30-year spread closed out 2025 at 182 bps — much steeper than historical averages. The U.S. Treasury curve also saw yields mixed during the quarter, but lower for the year across most of the curve. The 2-year, 5-year, 10-year and 30-year Treasury yields ended 2025 with a change of -67 bps, -66 bps, -41 bps and +6 bps, respectively. The Treasury curve steepened and the 5- to 30-year spread closed out the year at 112 bps. Within municipals, longer-dated segments of the curve underperformed the front end for the year, despite outperforming during the fourth quarter. The 22+ year portion of the Bloomberg Municipal Bond Index returned 1.95% for the 12 months ended December 31, while the 5-year and 10-year segments posted 5.03% and 5.92% returns, respectively. Even with municipals outperforming on the quarter, relative value, as gauged by muni-to-Treasury ratios, remains compelling on the long end of the curve. The 20-year and 30-year ratios ended the year at 82% and 88%, respectively. (Source: Bloomberg, L.P., Municipal Market Data. Data as of December 31, 2025.)

¹ Source: Eaton Vance. Data as of December 31, 2025. Performance for other share classes will vary.

This document constitutes a commentary and does not constitute investment advice nor a recommendation to invest. The value of investments may rise as well as fall. Independent investment advice should be sought before any decision to invest.

Contributors

The contributors to the Fund's performance relative to the Index included effective security selection among AA-rated municipal bonds, an overweight to and favorable selection in securities with maturities ranging from 17 to 22 years, and security selection within 4% coupon bonds.

Detractors

The detractors from the Fund's relative performance included an underweight exposure to the transportation sector, an overweight to non-rated bonds, and the Fund's allocation to "defensive" securities such as VRDNs and FRNs.

Investment Outlook And Fund Positioning

We continue to believe that interest rate movements will likely remain volatile but on a downward trend, and that municipal bonds will likely experience a positive 2026. Even with the recent rally in the asset class, interest rates across the intermediate to long end of the muni curve are near decade highs, and valuations relative to Treasury securities remain attractive. There continues to be a substantial amount of money on the sidelines, some of which could find its way into the muni market if the consensus base case around interest rates plays out; that is, if the FOMC cuts rates a further one or two times in 2026. Taxes remain a topic of interest, as always, which should keep munis at the forefront of investors' minds. As the FOMC has continued its rate-cutting cycle and telegraphed its preference to see lower rates over time, we believe that yields will likely continue to move lower this year, and we expect fund flows to remain in positive territory.

In terms of technicals, we will be keeping a close eye on municipal mutual fund and ETF flows. After a record year of issuance in 2025, expectations are for a new record in 2026, where the market could see upward of \$600 billion in supply (source: J.P. Morgan). We believe demand should remain strong given attractive valuations, and as interest rates on money market funds, certificates of deposit and other cash-like instruments fall, those monies will need to find a new home — and munis could be a recipient.

We continue to believe that municipal bond exposure may help stabilize portfolios if investor appetite shifts to relative safe-haven assets, particularly as interest rate volatility is expected to remain elevated over the medium term. We are actively assessing ratios of tax-exempt municipals to Treasuries, taxable municipals and investment grade corporate bonds. At current yield levels, we believe municipals appear relatively attractive for all muni buyers, particularly those in the higher tax brackets and at the longer end of the muni curve. Finally, as interest rates remain near decade highs, today's environment could prove worthwhile for adding to muni exposure, particularly for the longer-term-minded investor.

Fund Facts

Class I inception	05/31/2011
Class A inception	05/31/2011
Performance inception	05/31/2011
Benchmark	Bloomberg Municipal Bond Index
Class I expense ratio	Gross 0.72 %
	Net 0.67 %
Class A expense ratio	Gross 0.97 %
	Net 0.92 %

Where the net expense ratio is lower than the gross expense ratio, certain fees have been waived and/or expenses reimbursed. These waivers and/or reimbursements will continue for at least one year from the date of the applicable fund's current prospectus (unless otherwise noted in the applicable prospectus) or until such time as the fund's Board of Trustees acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such waivers and/or reimbursements, returns would have been lower. Expenses are based on the fund's current prospectus, in effect as of the date of this commentary. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus. The minimum investment is \$1,000 for A Shares and \$1,000,000 for I Shares.

Performance (%)

As of December 31, 2025	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
Class I Shares at NAV	0.21	2.12	5.03	5.03	4.94	1.47	2.63
Class A Shares at NAV	0.19	2.06	4.68	4.68	4.68	1.20	2.36
A Shares with Max. 3.25% Sales Charge	-3.11	-1.25	1.28	1.28	3.54	0.54	2.02
Bloomberg Municipal Bond Index	0.09	1.56	4.25	4.25	3.88	0.80	2.34

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the Fund's performance as of the most recent month-end, please refer to eatonvance.com. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

Returns are net of fees and assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (not annualized). Performance of other share classes will vary.

Top 10 Holdings (% of Total Net Assets)^	FUND
Maine State Housing Authority	1.02
Waste Management Inc	0.82
Sixteenth Floor Obligated Group	0.80
McLaren Health Care Corp Obligated Group	0.72
University of California	0.71
New York City Water & Sewer System	0.70
State of California	0.70
Chicago Board of Education	0.68
Delta Air Lines Inc	0.67
Chicago Board of Education	0.66

^ Top 10 Holdings excludes cash and equivalents. Portfolio profile subject to change due to active management.

INDEX INFORMATION: The **Bloomberg Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market.

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Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance of the fund.

The **Standard & Poor's 500® Index** (S&P 500®) measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading

industries of the U.S. economy. The **Bloomberg U.S. Municipal Bond Index** is an index that covers the USD-denominated long-term, tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. It is composed of approximately 1,100 bonds. **Bloomberg High Yield Municipal Bond Index** is an unmanaged index of non-Investment Grade Municipal bonds traded in the U.S. The **Bloomberg U.S. Corporate Index** is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market. **Bloomberg U.S. Treasury Index** includes public obligations of the U.S. Treasury. The **Bloomberg U.S. Aggregate Bond Index** is an index made up of the Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Based Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million. Bloomberg® and the Bloomberg Index/Indices used are service marks of Bloomberg Finance L.P. and its affiliates, and have been licensed for use for certain purposes by Morgan Stanley Investment Management (MSIM). The **Russell 1000® Index** is an index that measures the performance of the 1,000 largest

companies in the Russell 3000 Index.

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RISK CONSIDERATIONS: The value of investments held by the Fund may increase or decrease in response to economic, and financial events (whether real, expected or perceived) in the U.S. and global markets. There generally is limited public information about municipal issuers. As interest rates rise, the value of certain income investments is likely to decline. Investments in debt instruments may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Because the Fund may invest significantly in a particular sector, the Fund share value may fluctuate more than a fund with less exposure to such sector. Investments rated below investment grade (Sometimes referred to as "junk") are typically subject to greater price volatility and illiquidity than higher rated investments. The Fund's exposure to derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. Derivatives instruments can be highly volatile, result in leverage (which can increase both the risk and return potential of the Fund), and involve risks in addition to the risks of the underlying instrument on which the derivative is based, such as counterparty, correlation and liquidity risk. If a counterparty is unable to honor its commitments, the value of Fund shares may decline and/or the Fund could experience delays in the return of collateral or other assets held by the counterparty. The Fund is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. The impact of the coronavirus on global markets could last for an extended period and could adversely affect the Fund's performance. No fund is a complete investment program and you may lose money investing in a fund. The Fund may engage in other investment practices that may involve additional risks and you should review the Fund prospectus for a complete description. Income from tax-exempt municipal obligations could be declared taxable because of changes in tax laws, adverse interpretations by the relevant taxing authority or the non-compliant conduct of the issuer of an obligation. A portion of the Fund's distributions generally will be subject to the federal alternative minimum tax. The Fund may not be suitable for investors subject to the federal alternative minimum tax.

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Please consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus (which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this commentary), download one at <https://funds.eatonvance.com/all-mutual-funds.php> or contact your financial professional. Please read the prospectus carefully before investing.

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