

Eaton Vance High Income Opportunities

HIGH YIELD TEAM

A Word on the Markets

The U.S. and global high yield markets got off to another slow start in the fourth quarter, following relatively strong performance in August and September. The risk-off sentiment in October and into the first two weeks of November proved transitory, and performance improved over the final six weeks of the year. After reaching a mid-November peak of 340 basis points (bps), the average spread in the U.S. high yield market contracted by more than 40 bps by year-end. Concerns over a softening labor market were sufficient to move the Federal Reserve (Fed) to reduce its key policy rate by a quarter-point at its December meeting, despite persistent above-target inflation. Subsequent to the December meeting, a surprisingly strong reading on third quarter U.S. gross domestic product (GDP) growth underscored the resilience of U.S. economic growth.¹

Performance in the U.S. and global high yield markets cooled in October amid an uptick in volatility. Growing concern over the health of lower-end consumers, credit concerns, threats of an escalating trade war with China, a U.S. government shutdown, and fresh uncertainty regarding the forward path for short-term interest rates all contributed to the increase in volatility and shifting risk sentiment. Primary market activity decreased sharply month-over-month, albeit to seasonally appropriate levels, and the high yield market shifted from a net supply surplus to a shortfall. Dispersion in the high yield market adjusted higher in October, which we welcomed. Ultimately, the impact of the pickup in volatility should not be overstated, as investors grew more comfortable toward the end of the month and the average month-over-month spread movement was not indicative of a significant shift in sentiment.¹

Conditions in the U.S. and global high yield markets ultimately improved in November, after early spread widening eventually corrected. The high yield market contended with elevated volatility in the first two weeks of the month as investors questioned inflated valuations and risk assets came under pressure. By mid-month, the average spread in the U.S. high yield market reached nearly 340 bps. In the final two weeks, investors' appetite for risk improved, as volatility normalized, Treasury yields declined on growing expectations for a December interest rate cut from the Fed, and the average spread ultimately tightened sufficiently to finish below where it began the month. Technical conditions remained supportive amid healthy gross issuance and limited demand from retail investors, due to more than \$33 billion in calls, maturities and coupon payments, and rising star volume (bonds upgraded from high yield to investment grade) outweighed fallen angels (bonds downgraded from investment grade to high yield).¹

December was the strongest month in the fourth quarter for the U.S. and global high yield markets. Investors' risk appetite generally improved amid a supportive backdrop that included a dovish outcome from the Fed's December meeting and a third quarter U.S. GDP print that far exceeded consensus expectations. Within U.S. high yield, inflows into retail funds, an elevated volume of called bonds, healthy rising star volume and a lack of fallen angels contributed to positive technical conditions that benefited trading levels in the primary and secondary markets.

For U.S. high yield issuers, third quarter earnings released in the fourth quarter showed modest improvement, in aggregate, with low-single-digit revenue and earnings growth, only slightly higher interest expense, and higher profit margins, according to J.P. Morgan.² The trailing 12-month par-weighted default rate ended the year at 0.99%, or 1.88% including distressed exchanges.³

Primary market activity decreased sharply quarter-over-quarter, while remaining seasonally elevated, and demand was broadly strong, with few exceptions. Issuance totaled \$65.4 billion in the fourth quarter. Refinancing volume, as a percentage of issuance, decreased to 62.0% of quarterly issuance, and acquisition financing volume increased to 17.7%. According to preliminary Lipper estimates, U.S. high yield retail funds experienced a net inflow of \$1.9 billion in the fourth quarter.³ The high yield market experienced a net supply shortfall of \$24.1 billion for the quarter and \$12.9 billion for the full year.³

The ICE BofA U.S. High Yield Index returned 1.35% for the three months ending December 31, 2025. Over the same period, the Bloomberg U.S. Aggregate Bond Index returned 1.10%.⁴

Performance Summary

In the quarter period ending December 31, 2025, Eaton Vance High Income Opportunities Fund (the Fund) I shares returned 1.62% (net of fees),⁵ while the benchmark, the ICE BofA U.S. High Yield Index, returned 1.35%.

- Eaton Vance High Income Opportunities Fund outperformed its benchmark, the ICE BofA U.S. High Yield Index, in the fourth quarter.
- Credit selection in the chemicals, retail, technology and energy sectors were the primary contributors to relative performance by sector. Underweight allocations to chemicals, energy and technology also helped. Selection in the building materials and publishing & printing sectors further benefited returns.
- The Fund's credit selection in the BB, B and CCC segments and lack of exposure to lower-rated bonds aided performance. An overweight in the single-B segment was also additive. These positive effects were partially offset by an underweight allocation to the BB segment and small positions in the BBB and not-rated segments.

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- The Fund's duration positioning had a modest effect on relative performance. An overweight allocation to securities with durations under one year was positive; however, this was more than offset by a small overweight position in bonds with durations over 10 years. Selection across duration segments was mostly positive.
- The Fund's credit selection in the automotive & auto parts and utility sectors hindered relative returns, as did selection and an underweight position in homebuilders & real estate.

Contributors

Factors contributing to the Fund's performance relative to the Index during the quarter:

- Credit selection in the chemicals, retail, technology and energy sectors aided relative performance. Underweight allocations to the chemicals, technology and energy sectors and selection in the building materials sector drove additional outperformance.
- The Fund's exposure to single-name loans aided relative returns, while a modest off-benchmark position in collateralized loan obligations (CLOs) was only slightly positive.
- The Fund's superior credit selection across rating segments, particularly in the BB and single-B segments, and a lack of exposure to bonds rated below CCC, boosted returns.
- The primary individual contributor was a lack of exposure to a leading producer of labels for consumer brands. The company reported sharply weaker earnings for the third quarter, and creditor groups have formed ahead of expected discussions regarding maturity extensions.
- A lack of exposure to an upmarket department store chain was the second-largest individual contributor. The company remains under pressure as investors continue to question its liquidity and its ability to pay both vendors and creditors. Further, the company missed an interest payment at the end of December.

Detractors

Factors detracting from the Fund's performance relative to the Index during the quarter:

- Adverse credit selection in the automotive & auto parts, utility and environmental sectors, and credit selection and an underweight position in the homebuilders & real estate sector, were among the largest detractors from performance.
- The Fund's underweight position in the BB segment, a modest off-benchmark position in the higher-rated BBB segment, and holdings in not-rated securities weighed on relative performance.
- The primary individual detractor in the Fund was an overweight position in a supplier of aftermarket automotive parts that specializes in pickup trucks. The company's third quarter earnings release showed improvement; however, it continues to contend with tariff-driven volume pressure, elevated costs and high leverage.
- The Fund's modest holdings in the equity of high yield issuers, particularly positions in a North American provider of waste disposal services and in an independent power producer, were a headwind to relative performance. Both specific holdings remain high conviction positions.

Outlook & Fund Positioning

As we enter 2026, the high yield market finds itself on improved footing. In the year ahead, we anticipate an environment characterized by decent economic growth across much of North America and Europe, softening labor markets, elevated but likely declining core inflation, evolving monetary policy complicated by political pressure on central banks, and supportive fiscal policy in the U.S. ahead of the midterm elections. While 2026 will not be a year without volatility, we expect corporate balance sheets to largely remain resilient, with increasing dispersion in earnings, and valuations that adjust to more accurately reflect this reality. The average spread in high yield begins the year only marginally above post-Global Financial Crisis (GFC) lows, and we expect this to adjust modestly wider as risk premium appropriately continues to transition from a beta-led compression trade to reflect a range of idiosyncratic outcomes. At the same time, we think the quality and health of high yield issuers, coupled with a historically attractive yield, should continue to attract global institutional capital.⁴ This outlook is informed by a thorough analysis of macroeconomic and fundamental factors, including the trajectory of U.S. and global economic growth, evolving monetary and fiscal policy, consumer health, issuer fundamentals, technical conditions, and valuations.

The resilience of the U.S. economy continues to surpass expectations, and even as we likely experience moderate deceleration in growth this year, we expect the backdrop to remain supportive. Bloomberg's consensus economic forecast (Bloomberg consensus) calls for 2.1% U.S. real GDP growth in 2026 and 2027.⁶ This estimate is broadly in line with the Fed's Summary of Economic Projections released in December, where the median forecast called for 2.3% U.S. real GDP growth in 2026, followed by 2.0% in 2027.⁷ The trajectory of the Institute for Supply Management (ISM) Services Purchasing Managers' Index (PMI) is also supportive, with the December report for November solidly in expansion territory at 52.6, an increase of 0.2 month-over-month.⁸ Additional notable factors that we think will likely play a supportive role in 2026 include growth in exports and a meaningful drop in imports, consumer support from the 2025 tax and spending bill, an improving housing market, and continued growth in services. Bloomberg consensus forecasts growth in new and existing home sales and building permits in 2026, after consistent contraction in the balance of these metrics over the last several years.⁵ This has been a particular weak spot in U.S. economic activity amid elevated interest rates, and this improvement should feed through to associated sectors of the economy, particularly building products. These supportive indicators are balanced against several indicators that should give investors reason for caution. The ISM Manufacturing PMI for November indicated consistent contraction in manufacturing activity for nine months, showing a month-over-month deceleration

of 0.5 to 48.2, with backlog of orders and manufacturing labor two areas of particular weakness.⁸ Softening labor conditions were also clearly evident in the December U.S. Bureau of Labor Statistics (BLS) report, with the unemployment rate touching more than a four-year high in November at 4.6%, and the government's U-6 underemployment rate reaching a new cycle high of 8.5%.⁹ Labor conditions warrant ongoing monitoring; however, we assess the lion's share of softening in the labor market to be in the rear view, and we expect some stabilization in the context of current levels in 2026.

Growth in Europe and the U.K. appears to have stabilized in 2025 after a period of softness, with the expectation for slightly slower, still positive growth in 2026 and some level of reacceleration in 2027. Bloomberg consensus calls for real GDP in the European Union (EU) of 1.6% in 2025 to slow slightly to 1.4% in 2026, before returning to 1.6% in 2027.⁶ There is a similar trend in expectations for the United Kingdom, where growth is expected to slow from 1.4% in 2025 to 1.1% next year, returning to 1.4% in 2027.⁶ In early December, the Organisation for Economic Co-operation and Development released its growth outlook for 2026, showing growth projections of 1.7%, 1.2%, and 1.2% in the U.S., U.K., and euro area, respectively.¹⁰

Global central banks continue to navigate a precarious period, with disparate and uncertain inflation backdrops across regions. In the U.S., the Fed's December median projections showed the core personal consumption expenditures (PCE) price index slowing from an expected 3.0% in 2025 to 2.5% in 2026.⁷ This expected trajectory, coupled with a weakening labor market that is expected to stabilize in 2026, prompted the Fed to reduce its key policy rate by a quarter-point in December, and contributed to median Fed expectations of approximately one additional interest rate cut in 2026.⁷ Meanwhile, market pricing calls for approximately two cuts in 2026.⁶ Later in December, an arguably distorted BLS report on inflation for the month of November supported this path, registering well below expectations with a core inflation reading of 2.6%. In Europe, inflation appears lower relative to both the U.S. and the U.K., and current monetary policy reflects this. In November, core inflation in the EU was approximately 2.4%, unchanged from the prior month, with the expectation of softening to 1.9% in 2026.¹¹ The European Central Bank (ECB) maintained its key policy rate at 2.0% in December. In the U.K., the consumer prices index including owner occupiers' housing costs (CPIH) reportedly decreased from 3.8% in October to 3.5% in November.¹² Though moving in the right direction, this preferred measure of inflation remains historically high.¹² Consensus expectations are that inflation will continue to decline in 2026, toward the Bank of England's 2% target.⁶ The Bank of England made the decision to reduce its key policy rate to 3.75% in December. While the paths of monetary policy for certain central banks has recently shown relative consistency, the risk of stickier inflation in certain regions, divergence in growth backdrops, and the possibility of political influence in an election year has the potential to cause some level of divergence in policy paths in 2026.

U.S. consumer health remains a focal point, especially for lower-end cohorts; however, we are encouraged by recent signs of stabilization. The delinquency rate on credit card loans decreased to 2.98% in the third quarter of 2025, relative to a peak of 3.22% in the second quarter of 2024. At the same time, the delinquency rate on consumer loans decreased to 2.72% in the third quarter from 2.75% in the prior quarter, and relative to a peak of 2.77% in the first quarter of 2025.¹³ Both of these metrics remain near levels last reached in 2012, but current trends suggest stabilization. This encouragement is tempered, however, by consumer sentiment, which we would generally characterize as weak. The Conference Board's Consumer Confidence Survey fell sharply in November to 88.7, from 95.5 in October, reaching its lowest level since peak post-tariff announcement hysteria in April.¹⁴ Consumer expectations regarding both business conditions over the next six months and labor market conditions in mid-2026 were remarkably poor. Consumer confidence can be somewhat fickle, however, and we expect to see some improvement in the near term, based in part on the Trump administration's expected push to bolster public approval leading into the midterm elections.

The fundamentals of high yield issuers remain relatively healthy in a historical context, and, in aggregate, third quarter earnings released in the fourth quarter depict modest improvement. Top- and bottom-line growth remained positive but have failed to break out of the low single digits for the balance of the last two years. Earnings margins improved to their highest level since the first quarter of 2024, leverage remained slightly above average but decreased sequentially, and interest coverage remained slightly below average, though also exhibited slight improvement. According to J.P. Morgan, third quarter earnings released in the fourth quarter showed revenue growth of 4.0% and EBITDA¹⁵ growth of 1.7%.² At the same time, profit margins strengthened in the third quarter for the first time in nearly two years, increasing from 14.5% to 15.5%, relative to a recent peak of 16.5% in the first quarter of 2023.³ Earnings across sectors remained significantly bifurcated, with the notable laggards being transportation, media and automotive, with transportation experiencing a year-over-year earnings decline of nearly 20%.² At the same time, metals & mining, technology, and services experienced strong growth. The average leverage (debt-to-EBITDA ratio) of high yield issuers remained healthy, though above average in a historical context, and decreased from 4.40x to 4.37x in the third quarter.² Telecommunications, automotive and transportation are the most aggressively levered sectors in high yield. Meanwhile, interest expense increased only 2.1% for the trailing 12-month period ending September 30, and coverage (EBITDA-to-interest expense) improved from 4.12x to 4.18x.² Though well below post-pandemic peaks, interest coverage of high yield issuers remains healthy and only modestly below the long-term average.² Moving forward in 2026, we will be closely watching the fundamentals of high yield issuers for any signs of material degradation. On average, we expect the fundamentals to remain supportive, but there are clear pockets of weakness that warrant scrutiny.

The pace of primary issuance in the high yield market remained seasonally elevated in the fourth quarter while slowing significantly quarter-over-quarter. Ultimately, the fourth quarter saw healthy issuance characterized by a high level of refinancing activity, contributing to a total gross issuance volume of \$65.4 billion in the fourth quarter and \$332 billion for the full year.³ With limited exceptions, issuers generally found a receptive investor base. The quality of fourth quarter issuance remained high, with approximately 70% of issuance rated split-BB (rated BB by at least one major rating agency) or higher.³ Lower-rated issuance remained remarkably limited. While a single quarter of limited issuance from lower-rated issuers is not statistically significant, CCC issuance has not broken above 5% since 2022.³ It bears watching given the greater portion of CCC-rated bonds that mature in the next two to three years relative to the single-B or BB-rated segments. Approximately 33% of outstanding CCC-rated bonds mature before January 2029.⁴ In 2026, we expect gross issuance to increase by approximately 15%. Refinancing volume is expected to grow slightly as issuers look to term out debt at financing costs that most expect to be marginally more attractive. We expect the primary driver

of increased issuance in 2026 will likely be an approximate doubling in the volume of acquisition financing-related issuance, which would represent a year-over-year increase to 20%-25% of gross volume. This will likely be driven, in part, by an elevated volume of previously announced acquisitions that need to be financed in 2026, and a continued theme of consolidation within certain sectors in the crosshairs of deregulation. The increase in net issuance, and the elevated level of lower-rated debt maturing over the course of the next two years, should result in increased dispersion within the high yield primary market, and likely the secondary market as well, particularly within lower-rated capital structures. We welcome the prospect of enhanced idiosyncratic differentiation. While we expect net issuance to increase in 2026, we anticipate a supportive technical balance as global institutional demand for high yield credit should remain supportive, based on the combination of historically attractive yield coupled with record credit quality and adequate fundamental health.

The volume of liability management exercises (LMEs) among high yield bond and leveraged loan issuers increased in the fourth quarter. Traditional defaults in high yield bonds also ticked higher, while the aggregate volume of LMEs and traditional defaults remained well below long-term averages. The trailing 12-month par-weighted default rate for high yield issuers, inclusive of distressed exchanges, increased from 1.39% at the end of the third quarter to 1.88% by year-end.³ The same metric for loan issuers fell to 2.87%.³ It is worth noting that LME activity across leveraged credit decreased significantly in 2025, but for the trailing two-year period, LME volume was higher than during any other two-year period. Over the next several quarters, our base case is that default and LME activity will remain elevated, with a notable contribution coming from companies that have executed an LME over the past couple of years in an unsuccessful bid to fix their capital structure. LMEs accounted for 48% of default volume in 2025 and 68% of default volume in 2024.³ Approximately half of all LMEs re-default in the subsequent three years, with the subsequent default resulting in lower recovery rates.¹⁶ 40% of default actions in 2025 and 35% of default actions in 2024 were from companies that had previously defaulted or completed a LME.³ We expect the default rate for high yield bonds inclusive of distressed exchanges to remain below the long-term average and likely finish 2026 in the context of 2%-2.5%. Meanwhile, credit risk in private credit is notably higher. According to Bank of America Global Research, the current issuer-weighted default rate in private credit, including distressed exchanges and non-accruals, ended the year above 5%. Private credit also carries more artificial intelligence (AI) disruption risk, with technology sector exposure of over 20%, 80% of which are software companies.¹⁷

We begin 2026 with an average yield and spread in close proximity to 2025 starting levels, despite intra-period volatility. At year-end 2025, the average spread was approximately 20 bps above post-GFC lows, reached in January 2025, and the average yield was approximately in line with the 10-year historical average.⁵ Additionally, yield per unit of duration increased in 2025, ending the year approximately 10% above the long-term average, as the average yield remained historically high and the average duration decreased.⁴ The notable compression in the incremental spread relationship between the CCC and single-B segments that took place in the third quarter reversed in the fourth quarter, as lower-rated credit underperformed.⁴ This relationship widened from 510 bps at the beginning of the fourth quarter to 577 bps at quarter-end.⁴ We believe valuations across several segments of the high yield market adjusted closer to fair value in the fourth quarter, more accurately reflecting the many risks facing our market. This decompression trade is likely to continue and, at the ICE BofA U.S. High Yield Index level, we expect to reach modestly wider peak spreads in 2026. The increase in dispersion in the high yield market in the final months of the year also created opportunity. We continue to identify idiosyncratic situations to capture spread compression, even in segments where we think valuations at the sector level are full. Additionally, we anticipate an increase in net issuance volume, and acquisition-related financing in particular, will likely lead to interesting relative value opportunities in the primary market and also potentially lead to wider spreads in the secondary market, within select segments of the high yield market. At the sector level, we continue to evaluate new opportunities in more cyclical segments that appear to be at or near cycle troughs. A prime example is the building materials sector. Finally, we believe there remains opportunity in challenged segments where neatly structured covenants, adequate loan-to-value ratios, and appropriate risk compensation form to represent compelling investment opportunities.

Our strategy remains slightly under-risked relative to the ICE BofA U.S. High Yield Index, based on a duration-times-spread (DTS) ratio in non-distressed high yield credit moderately below 1. We modestly increased the DTS ratio in the "performing" segment of our market in the third quarter, and in the fourth quarter it was little changed. Our DTS in the distressed segment of our market remained at approximately 0.2, reflecting minimal exposure relative to the ICE BofA U.S. High Yield Index. We think the slightly more conservative positioning should continue to benefit our investors in times of market turbulence, and complementing this core with sizable opportunistic positions in high conviction situations should provide attractive positive convexity as these idiosyncratic credit stories play out. Despite our expectation for additional spread widening, we remain encouraged by the fact that credit quality remains near record highs, with over 57% of the high yield bond market rated BB and less than 10% rated CCC or lower.⁴ Additionally, average duration is more than a year below the long-term average.⁴ This was certainly not the case in 2007. We believe that our current risk positioning is justified, all-in yield remains historically appropriate, and yield per unit of duration appears compelling. At the same time, credit risk is increasing and complacency will likely continue to be penalized. We will focus our holdings in segments where we believe growth and free cash flow are most durable and convexity remains most attractive.

In the fourth quarter, our strategy took advantage of opportunities to add exposure to high conviction positions in cyclical segments facing what we assess to be abating headwinds, as well as defensive segments that offer attractive relative value and provide ballast to the strategy. Additionally, we reduced or fully exited allocations in several overweight positions that we believe moved beyond fair value. In the insurance sector, we moved to an overweight allocation after participating in the new issue of a provider of device insurance whose bonds priced with above-market yield. Within services, we added to commercial equipment rentals and distributors of building products, which should directly benefit from the increased build-out of data centers as well as what we anticipate will likely be a bottoming and subsequent gradual improvement in residential construction in 2026. We also increased the Fund's overweight in utilities, adding to two names that recently announced large agreements to power new data centers in the U.S. and Canada. Meanwhile, notable sectors where the Fund reduced exposure included food, beverage & tobacco, leisure, chemicals, and entertainment & film. Reductions were primarily driven by events whereby individual positions reached fair value targets, and within

chemicals, the Fund had a large position in a provider of specialty chemicals for water treatment that was called. Finally, within cable & satellite TV, the Fund significantly reduced its exposure to a cable provider and large ICE BofA U.S. High Yield Index constituent facing long-term secular challenges, where positive convexity was scarce. During the fourth quarter, the Fund did not make meaningful changes to aggregate exposure or risk allocation by ratings segment. The Fund remained overweight the single-B segment on both an absolute and notional basis, underweight the higher quality BB segment, and within the CCC segment the Fund ended the year with a DTS ratio below 0.5.

In conclusion, we are transitioning into an environment where we expect growth in the U.S. to slow from the surprising high level experienced over the last few quarters, but ultimately remain supportive, and where we think the trajectory of inflation and labor data will likely remain top of mind and the primary sources of episodic volatility. Fundamentals and technical conditions remain largely favorable and, on average, yield compensation is broadly appropriate. A modest increase in spread dispersion in the fourth quarter was both welcome and presented opportunity; however, average spreads remain in close proximity to post-GFC lows, leaving valuations exposed to future bouts of volatility. We expect 2026 will likely be a competitive period for high yield, where starting yield ultimately generates attractive return, while average spreads move modestly wider. Geopolitical tensions in the Middle East, Eastern Europe and South America remain elevated, and the evolving situation in Venezuela presents the possibility for deterioration or successful conclusion. Meanwhile, legislative dysfunction continues to stymie the passage of meaningful legislation, funding-related or otherwise, in the U.S., and the midterm elections will likely add to the political circus. Amid an uncertain and potentially volatile backdrop, we will continue to spend our time concentrating on what we do best — focusing on bottom-up fundamental credit analysis with a discerning eye on relative value, as we seek to generate positive risk-adjusted alpha for our clients.

¹ Source: Bloomberg L.P., Morgan Stanley Investment Management. Data as of December 31, 2025.

² Source: J.P. Morgan. Data as of December 11, 2025.

³ Source: J.P. Morgan. Data as of January 5, 2026.

⁴ Source: ICE BofA U.S. High Yield Index, Morgan Stanley Investment Management. Data as of December 31, 2025.

⁵ Source: Eaton Vance. Data as of December 31, 2025.

⁶ Source: Bloomberg L.P.: Consensus Economic Forecast, Bloomberg World Interest Rate Pricing. Data as of January 5, 2026.

⁷ Source: Federal Reserve Summary of Economic Projections. Data as of December 10, 2025.

⁸ Source: Institute for Supply Management. Data as of December 3, 2025.

⁹ Source: U.S. Bureau of Labor Statistics. Data as of December 16, 2025.

¹⁰ Source: Organisation for Economic Co-operation and Development. Data as of December 2, 2025.

¹¹ Source: European Central Bank Data Portal. Data as of December 2, 2025.

¹² Source: United Kingdom's Office for National Statistics. Data as of December 17, 2025.

¹³ Source: Board of Governors of the Federal Reserve System. Data as of November 21, 2025.

¹⁴ Source: The Conference Board: Consumer Confidence Survey. Data as of November 25, 2025.

¹⁵ Earnings before interest, taxes, depreciation and amortization.

¹⁶ Source: Goldman Sachs. Data as of September 12, 2025.

¹⁷ Source: Bank of America Global Research. Data as of September 18, 2025.

Fund Performance

As of December 31, 2025

% Average Annual Total Returns – I Shares

	OCT-25	NOV-25	DEC-25	3 MOS	YTD	1 YR	3 YR	5 YR	10 YR
I Shares at NAV	0.32	0.53	0.76	1.62	8.37	8.37	9.31	5.46	6.18
Benchmark	0.20	0.50	0.65	1.35	8.50	8.50	10.02	4.49	6.44

% Calendar Year Returns

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
I Shares at NAV	12.84	6.54	-3.06	14.48	4.69	7.48	-7.09	11.96	7.67	8.37
Benchmark	17.49	7.48	-2.26	14.41	6.17	5.36	-11.22	13.46	8.20	8.50

Benchmark: ICE® BofA® U.S. High Yield Index.

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month-end, please refer to eatonvance.com. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Returns for other classes of shares offered by the Fund are different. Performance less than or equal to one year is cumulative. The minimum investment is \$1,000,000 for I Shares. Minimums may be waived in certain situations. Please see the prospectus for additional information. Total return prior to the commencement of the class reflects returns of another Fund class. Prior returns are adjusted to reflect applicable sales charge (but were not adjusted for other expenses). If adjusted for other expenses, returns would be lower. I Shares are offered without sales charge.

Fund Facts

As of December 31, 2025

Class I Inception	09/30/2009
Performance Inception	08/19/1986
Investment Objective	High current income
Total Net Assets	\$1.0B
Class I Expense Ratio	0.65%

Symbols and CUSIPs

A Shares	ETHIX	277923405
C Shares	ECHIX	277911609
I Shares	EIHIX	277923546
R6 Shares	ERHIX	27826A532

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 fact sheet. 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.

% Quarterly Attribution

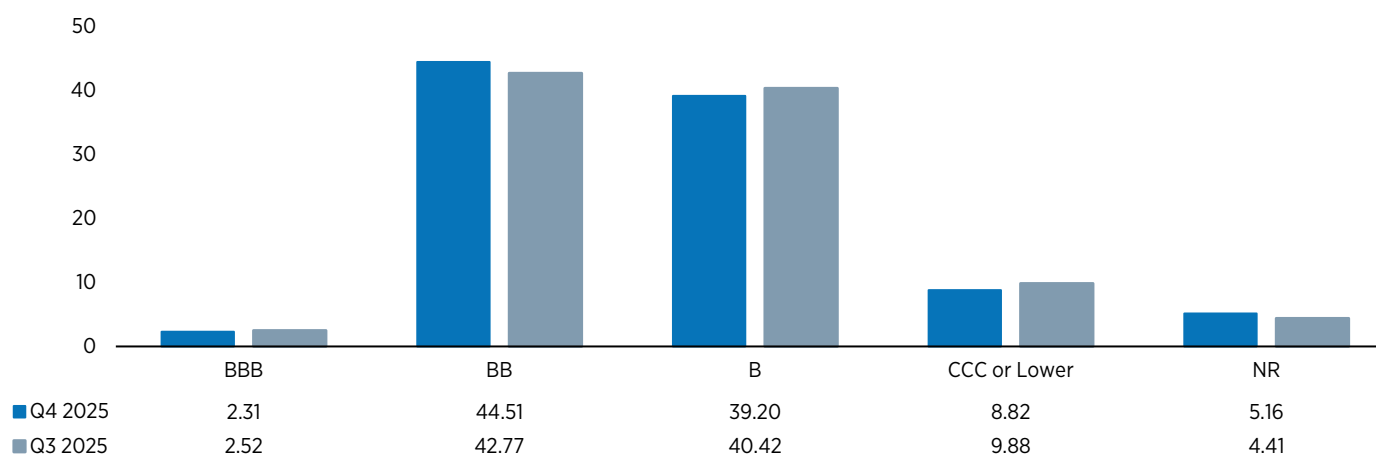
As of December 31, 2025

RATINGS [†]	AVERAGE WEIGHT			TOTAL RETURN		ATTRIBUTION		
	HIGH INCOME PORTFOLIO	ICE [®] BOFA [®] U.S. HIGH YIELD INDEX	VARIATION	HIGH INCOME PORTFOLIO	ICE [®] BOFA [®] U.S. HIGH YIELD INDEX	ASSET ALLOCATION EFFECT	SECURITY SELECTION EFFECT	TOTAL EFFECT
B	39.49	33.53	5.96	2.16	1.54	0.01	0.24	0.25
BB	41.22	55.94	-14.73	1.99	1.57	-0.03	0.17	0.14
Lower	—	0.46	-0.46	—	-11.91	0.06	—	0.06
CCC	9.51	9.88	-0.37	0.39	0.05	0.00	0.04	0.04
Cash	2.72	0.16	2.56	1.97	—	-0.00	0.01	0.01
FX Hedge	-0.00	—	-0.00	—	—	0.00	—	0.00
Unassigned	—	—	—	—	—	—	—	—
BBB	2.28	—	2.28	1.08	—	-0.01	—	-0.01
NR	4.79	0.03	4.76	-0.45	0.44	-0.09	-0.00	-0.09
Total	100.00	100.00	—	1.75	1.35	-0.06	0.46	0.41

SECTORS

Super Retail	5.60	3.97	1.63	2.43	0.76	-0.01	0.09	0.08
Chemicals	2.71	3.28	-0.58	2.52	0.03	0.01	0.06	0.07
Technology	3.49	5.42	-1.93	1.75	0.56	0.01	0.04	0.05
Energy	8.08	10.99	-2.91	1.65	1.07	0.01	0.05	0.05
Building Materials	4.29	2.07	2.23	1.72	-0.37	-0.04	0.09	0.05
Publishing & Printing	0.76	0.52	0.24	2.46	-5.15	-0.01	0.06	0.04
Containers	2.05	2.09	-0.05	2.56	0.88	0.00	0.04	0.04
Consumer Products	0.64	1.30	-0.66	2.65	-0.29	0.01	0.02	0.03
Diversified Media	2.26	1.30	0.96	2.20	0.74	-0.01	0.03	0.03
Leisure	1.71	2.07	-0.36	1.82	0.69	0.01	0.02	0.02
Insurance	2.56	2.55	0.01	2.17	1.73	-0.00	0.01	0.01
Services	5.93	5.60	0.33	1.81	1.62	0.00	0.01	0.01
Railroad	0.24	0.15	0.09	2.84	-2.99	-0.00	0.01	0.01
Gaming	4.30	2.49	1.82	2.31	2.69	0.03	-0.02	0.01
Cable & Satellite TV	2.71	3.91	-1.20	-0.18	0.07	0.01	-0.01	0.01
Restaurant	1.20	1.03	0.17	1.96	1.47	0.00	0.01	0.01
Healthcare	8.89	8.31	0.58	2.21	2.19	0.01	0.00	0.01
Aerospace	3.12	2.47	0.65	2.30	2.26	0.01	0.00	0.01
Steel	0.95	0.98	-0.03	3.30	2.65	0.00	0.01	0.01
Cash	2.72	0.16	2.56	1.97	—	-0.00	0.01	0.01
Other	2.36	—	2.36	1.50	—	0.00	—	0.00
Capital Goods	2.95	1.87	1.08	2.02	2.33	0.01	-0.01	0.00
Diversified Financial Services	4.91	7.60	-2.69	2.03	1.74	-0.01	0.01	0.00
Paper	0.07	0.14	-0.07	-9.71	-5.22	0.00	-0.00	0.00
Metals & Mining	2.00	1.57	0.43	2.04	2.20	0.00	-0.00	0.00
FX Hedge	-0.00	—	-0.00	—	—	0.00	—	0.00
Unassigned	—	—	—	—	—	—	—	—
Entertainment & Film	0.27	0.35	-0.08	1.82	1.90	-0.00	-0.00	-0.00
Food & Drug Retail	0.45	0.71	-0.26	2.05	1.87	-0.00	0.00	-0.00
Banking & Thrifts	—	0.14	-0.14	—	1.53	-0.00	—	-0.00
Broadcasting	0.86	3.14	-2.28	-0.04	1.01	0.01	-0.01	-0.00
Hotels	—	1.11	-1.11	—	1.62	-0.00	—	-0.00
Telecommunications	3.47	5.97	-2.51	1.58	1.59	-0.01	0.00	-0.00
Transport Excluding Air & Rail	0.27	0.39	-0.12	-0.08	2.21	-0.00	-0.01	-0.01
Air Transportation	0.63	0.79	-0.16	0.23	1.99	-0.00	-0.01	-0.01
Food, Beverage & Tobacco	3.71	2.37	1.33	1.47	2.14	0.01	-0.02	-0.01
Environmental	1.55	0.50	1.05	1.12	2.13	0.01	-0.02	-0.01
Homebuilders & Real Estate	3.45	5.85	-2.40	1.63	1.82	-0.01	-0.01	-0.02
Utility	5.42	3.66	1.77	1.23	1.91	0.01	-0.04	-0.03
Automotive & Auto Parts	3.44	3.17	0.27	-0.14	1.77	0.00	-0.07	-0.07
Total	100.00	100.00	—	1.75	1.35	0.05	0.36	0.41

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month-end, please refer to eatonvance.com. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Returns for other classes of shares offered by the Fund are different. Performance less than or equal to one year is cumulative.

Credit Quality[†] (%)¹⁸Top 10 Issuers (%)¹⁹

	Q4 '25	Q3 '25
Sunoco LP	1.69	1.30
Charter Communications	1.64	1.74
NRG Energy Inc	1.23	1.09
Sketchers USA Inc	1.17	1.16
Transdigm Inc	1.16	1.13
Clarios Global	1.13	1.11
Chobani LLC	1.06	1.05
Bausch Health Companies	1.00	1.01
Alliant Intermediate Holdings Inc	0.99	0.98
GFL Environmental Inc	0.99	1.01

Top 10 Sectors (%)¹⁹

	Q4 '25	Q3 '25
Healthcare	9.43	9.00
Energy	8.57	8.44
Services	6.34	5.90
Super Retail	5.69	5.61
Utility	5.53	5.32
Diversified Financial Services	5.01	4.57
Gaming	4.40	4.29
Building Materials	4.17	4.16
Homebuilders & Real Estate	3.64	3.35
Food, Beverage & Tobacco	3.55	4.29

Asset Mix (%)¹⁸

	Q4 '25	Q3 '25
Corporate Bonds	84.11	86.27
Floating Rate Loans	8.14	8.04
CLO Debt	2.34	2.41
Other	2.11	1.88
Cash	3.29	1.40

Additional Data

Number of Issuers	288
Number of Holdings	477
Average Maturity	5.72 yrs.
Average Duration	2.40 yrs.
Average Price	\$99.44
Distribution Frequency	Monthly

[†] Credit quality ratings on underlying securities of the fund are provided by S&P, Moody's and Fitch. This breakdown assigns a numeric equivalent to the ratings from the aforementioned agencies and the mean is rounded to the nearest integer and converted to an equivalent S&P major rating category. When the ratings agencies rate a security differently, the median is used if three ratings are available and if there are only two ratings available, the lower is used. 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" are not rated by the national ratings agencies stated above.

¹⁸ Percent of bond holdings.

¹⁹ Percent of total net assets. Fund invests in an affiliated investment company (Portfolio) with the same objective(s) and policies as the Fund. References to investments are to the Portfolio's holdings. Portfolio profile subject to change due to active management. Percentages may not total 100% due to rounding. The information included herein does not reflect securities deemed to be held by the Fund pursuant to financial accounting standard 140 (FAS 140). Private insurance does not reduce the risk of principal fluctuations associated with this investment. Top 10 holdings represents the largest holdings by CUSIP.

DEFINITIONS

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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. 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. Investments rated below investment grade (sometimes referred to as “junk”) are typically subject to greater price volatility and illiquidity than higher rated investments. As interest rates rise, the value of certain income investments is likely to decline. 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 will incur a loss as a result of a short sale if the price of the security sold short increases in value

between the date of the short sale and the date on which the Fund purchases the security to replace the borrowed security. 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.**

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