

# Eaton Vance Large-Cap Value

## Investment Approach

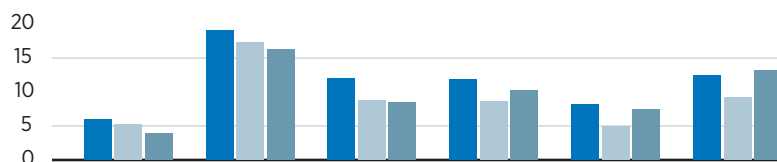
- Traditional value approach with an emphasis on bottom-up, fundamental research
- Focus on companies we believe exhibit strong business franchises, have the potential for attractive earnings and dividend growth, yet sell at discount valuations
- Risk monitoring and management incorporated throughout the investment process
- Adherence to strict sell discipline helps to preserve capital and remove emotion from the investment process

## Portfolio Construction

- Holdings: 60-80 stocks
- Position Size: Maximum active weight  $\approx 3\%$
- Sector Weights: Maximum variance of 5% relative to Russell 1000® Value
- Cash: Typically held to less than 5% of the portfolio

## Large-Cap Value Managed Account Master Composite

Annualized performance (%) as of 06/30/2019



|           |   | QTD  | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------|---|------|-------|--------|---------|---------|----------|
| Gross     | ■ | 6.03 | 19.05 | 12.00  | 11.77   | 8.09    | 12.40    |
| Net       | ■ | 5.26 | 17.35 | 8.76   | 8.54    | 4.95    | 9.15     |
| Benchmark | ■ | 3.84 | 16.24 | 8.46   | 10.19   | 7.46    | 13.19    |

## Your Management Team

### Edward J. Perkin, CFA

Portfolio Manager (Team Leader)  
24 years industry experience  
5 years with Eaton Vance  
BA, University of California, Santa Barbara  
MBA, Columbia University

### Aaron Dunn, CFA

Portfolio Manager  
20 years industry experience  
7 years with Eaton Vance  
BS, University of Arkansas  
MBA, University of Texas

## Portfolio Composition

| Top 10 Holdings (%)              | LCV |
|----------------------------------|-----|
| Verizon Communications Inc       | 4.2 |
| Procter & Gamble Co              | 3.3 |
| Johnson & Johnson                | 3.2 |
| Bank of America Corp             | 3.1 |
| Walt Disney Co                   | 3.1 |
| Chevron Corp                     | 2.8 |
| PNC Financial Services Group Inc | 2.7 |
| Berkshire Hathaway Inc           | 2.7 |
| NextEra Energy Inc               | 2.5 |
| Mondelez International Inc       | 2.2 |

| Sector Allocation (%)  | LCV  | Benchmark |
|------------------------|------|-----------|
| Comm. Services         | 8.3  | 7.1       |
| Consumer Discretionary | 6.7  | 5.3       |
| Consumer Staples       | 8.5  | 7.8       |
| Energy                 | 8.6  | 9.0       |
| Financials             | 22.9 | 22.5      |
| Health Care            | 14.4 | 15.2      |
| Industrials            | 8.5  | 8.0       |
| Information Technology | 6.3  | 9.7       |
| Materials              | 4.2  | 4.0       |
| Real Estate            | 4.7  | 5.0       |
| Utilities              | 6.9  | 6.4       |

## Strategy Parameters

|                            |                  |
|----------------------------|------------------|
| Holdings Range             | 60-80            |
| Turnover Range (annual)    | 50-80%           |
| Min/Max Cap. at Purchase   | \$3B Min.        |
| Initial Position Size      | $\geq 0.50\%$    |
| Max. Position Size         | 3% active        |
| Sector/Industry Constraint | Max. = +/- 5% BM |

**Source:** Eaton Vance, FactSet, eVestment Alliance and Russell Investment Company. Data is dollar-weighted. Portfolio profile is subject to change. This information is for illustrative purposes only, is subject to change at any time and should not be considered investment advice or a recommendation to buy or sell any particular security. Composite data and other statistics are based upon the total assets of all fee-paying discretionary accounts eligible for inclusion in such Composite for the periods shown. Composite net returns are after the maximum managed-account fee of 3.00%. This fee may include any combination of management, transaction, custody and other administrative fees. Composite gross returns do not include any fees, expenses or transaction costs. Such fees and expenses would reduce the returns shown. This information is supplemental to the GIPS® presentation for the composite. Please refer to the last page for additional important information. Past performance does not predict or guarantee future results. It is not possible to invest directly in an index.

## Portfolio Characteristics As of 06/30/2019

|                              | Composite | Benchmark |
|------------------------------|-----------|-----------|
| Return on Equity             | 19.1%     | 10.8%     |
| Projected EPS Growth (3-5yr) | 8.5%      | 8.4%      |
| Price/Earnings (FY1)         | 15.7x     | 15.0x     |
| Price/Book                   | 2.4x      | 0.9x      |
| Dividend Yield               | 2.3x      | 2.5x      |
| Weighted Average Market Cap  | \$113.4B  | \$129.5B  |
| Median Market Cap            | \$38.6B   | \$9.4B    |
| Number of Holdings           | 70        | 722       |

## Portfolio Statistics 10 year ending as of 06/30/2019

|                         | Composite | Benchmark |
|-------------------------|-----------|-----------|
| Alpha                   | -0.1%     | —         |
| Beta                    | 1.0       | 1.0       |
| R-Squared               | 97.2%     | 100.0%    |
| Information Ratio       | -0.4      | —         |
| Standard Deviation      | 12.6%     | 13.0%     |
| Tracking Error          | 2.2%      | —         |
| Upside Market Capture   | 94.7%     | 100.0%    |
| Downside Market Capture | 97.3%     | 100.0%    |

## Composite Report: Large-Cap Value Managed Account Master Composite as of 12/31/2018

| Period | Gross Returns <sup>(1)</sup> | Net Returns | Benchmark Returns | Number of Accounts | Dispersion High | Dispersion Low | Composite Assets \$(000) | Total Firm Assets \$(000) | Composite Assets as % of Firm Assets | 3-Yr External Dispersion Composite Benchmark | % SMA  |
|--------|------------------------------|-------------|-------------------|--------------------|-----------------|----------------|--------------------------|---------------------------|--------------------------------------|--|--------|
| 2009   | 17.72                        | 14.33       | 19.69             | 5763               | 20.94           | 13.03          | 1,745,643                | 129,168,540               | 1.35                                 | —  | 100.00 |
| 2010   | 11.61                        | 8.38        | 15.51             | 4699               | 13.87           | 8.47           | 1,823,897                | 150,907,196               | 1.21                                 | —  | 100.00 |
| 2011   | -2.58                        | -5.43       | 0.39              | 4365               | 1.38            | -6.74          | 1,329,191                | 142,155,060               | 0.94                                 | 18.54  | 100.00 |
| 2012   | 16.38                        | 13.03       | 17.51             | 3164               | 19.51           | 13.10          | 1,099,630                | 152,207,484               | 0.72                                 | 15.12  | 100.00 |
| 2013   | 30.67                        | 26.94       | 32.53             | 2786               | 33.99           | 27.24          | 1,186,147                | 172,036,715               | 0.69                                 | 12.04  | 100.00 |
| 2014   | 12.55                        | 9.30        | 13.45             | 1551               | 15.30           | 9.22           | 688,891                  | 164,420,664               | 0.42                                 | 8.86   | 100.00 |
| 2015   | -0.30                        | -3.21       | -3.83             | 1195               | 2.25            | -7.27          | 512,791                  | 156,199,594               | 0.33                                 | 10.16  | 100.00 |
| 2016   | 10.41                        | 7.21        | 17.34             | 769                | 14.36           | 8.67           | 332,436                  | 166,832,375               | 0.20                                 | 10.04  | 100.00 |
| 2017   | 15.01                        | 11.69       | 13.66             | 685                | 16.71           | 13.76          | 321,278                  | 193,976,437               | 0.17                                 | 9.61   | 100.00 |
| 2018   | -5.49                        | -8.27       | -8.27             | 574                | -4.48           | -6.29          | 254,542                  | 192,823,274               | 0.13                                 | 10.52  | 100.00 |

## (1) Supplemental Information

Eaton Vance Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. The Firm has been independently verified for the period January 1, 1996 through June 30, 2018. A copy of the verification report is available upon request. Verification assesses whether (1) the Firm has complied with all composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

**Notes to Schedule: Firm**

**Organization** – Eaton Vance Management (EVM or the Company) is an SEC registered investment adviser with its headquarters located in Boston, Massachusetts. Since 1924, the Company has provided a full range of investment products to corporations, public agencies, labor unions, hospitals, charitable and educational organizations, individuals and various qualified investment plans. It supplies investment advisory services through several SEC registered investment advisers and a trust company – EVM, Boston Management and Research (BMR), Eaton Vance Investment Counsel (EVIC), Eaton Vance Trust Company (EVTC), Eaton Vance Management International Limited (EVMI) and Eaton Vance Advisers International Ltd (EVAL). The Company is defined as all six entities operating under the Eaton Vance brand. Effective May 1, 2011, EVM's Real Estate Investment Group, a constituent of EVM, is operating as a separate division of EVM, and its assets are no longer represented in EVM's total assets under management.

**Performance Returns** – Unless otherwise stated, composite returns and market values are reported in U.S. dollars. All performance returns are presented as total returns, which include the reinvestment of all income and distributions. Returns for periods less than one year are not annualized.

Information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

**Composite Dispersion** – Annual internal return dispersion is represented by the highest and lowest returns of all portfolios within a composite. Internal dispersion is shown only for composites that held at least six accounts for the full year. Internal dispersion is shown as not applicable, "N/A", for composites that held five or fewer accounts for the full year. External composite and benchmark dispersion are shown to demonstrate the variability of returns over time, and is represented by the three-year ex-post standard deviation of monthly returns. External composite and benchmark dispersion are shown as not applicable, "N/A", for composites with less than 3 years of monthly history, as of the most current quarter-end. External dispersion is not shown for composite inception through December 2010, as it is not required for periods prior to 2011.

**Other Matters** – A complete list of all composites maintained by EVM with descriptions and related performance results for each is available upon request. To receive a complete list and description of the Company's composites and/or a presentation that adheres to the GIPS®, contact the Performance Department at (800) 225-6265 ext. 26733 or write to Eaton Vance Management, Two International Place, Boston, MA 02110, Attention GIPS Performance Department, 3rd floor.

**Notes to Schedule: Large-Cap Value Managed Account Master Composite (SMA 26)**

**Composite Definition** – The investment objective of this style is to seek above-average total return from equity investments made primarily in large-cap, dividend-paying value stocks, which, at the time of purchase, are common stocks of companies that are considered inexpensive or undervalued relative to the overall stock market. Large-cap companies are considered to be those having market capitalizations equal to or greater than the median capitalization of companies included in the Russell 1000® Value Index. Up to 25% of total assets may be invested in foreign securities, and up to 20% of net assets may be invested in convertible debt securities, including securities rated below investment-grade. All fully discretionary, wrap-fee paying, sub-advisory and program-sponsored advisory accounts are eligible for inclusion in the Composite.

An account is included in the Composite at the beginning of the first full month under management, and closed accounts are included through the last full month under management. No selective periods of performance have been used.

**Benchmark** – The Composite's benchmark is the Russell 1000® Value Index. It is an unmanaged index of approximately 1,000 U.S. large-cap value stocks.

**Gross and Net Returns** – Composite Gross returns are presented as supplemental information and do not include any fees, expenses or transaction costs. All fees for accounts in this composite are available from the managed account sponsor's form ADV Part II.

Composite net returns are after the maximum managed-account fee of 3.00%. This fee may include any combination of management, transaction, custody and other administrative fees.

**Notes to Composite** – The creation date of this composite is December 2006, and the inception date is January 1991. Effective September 1, 2004, the Composite was redefined to include only wrap-fee paying, sub-advisory and program-sponsored advisory accounts. Performance up to that time is that of the Company's institutional Large-Cap Value Master Composite. There has been no change in investment objective or management style. Effective August 1, 2009, a participating program sponsor with a significant number of accounts became solely responsible for all model re-balancing and trading activity. As a result, these accounts became ineligible for composite inclusion. Clients or prospective clients should not assume that they will have an investment experience similar to that indicated by past performance results, as shown on the Schedule.

