

Atlanta Capital SMID-Cap Fund¹

A Word On The Markets

Stocks see-sawed during the second quarter of 2019, sustaining sharp losses before rebounding to finish the period with modest gains.

In the U.S. the escalating trade war with China over President Trump's import tariffs drove equity markets lower in May, before easing tensions helped stocks rebound in June. A truce between the two countries in the final days of the period gave stocks further impetus.

Key economic indicators were mixed during the three-month period. While the nation's unemployment rate remained at multi-year lows, job creation decelerated sharply in May. Other indicators such as auto sales, construction spending and manufacturing also weakened in the period.

The U.S. Federal Reserve ("Fed") held interest rates steady in the second quarter despite pressure from the Trump administration for a rate cut. But the Fed held out the possibility of lower rates if economic indicators weaken further.

Global markets were also volatile during the period in response to U.S.-China trade tensions as well as signs of an economic slowdown. In Europe, markets faced the added uncertainty of Brexit, the United Kingdom's pending October 31 exit from the European Union. A manufacturing downturn in the U.K. worsened in June, with a key gauge falling to a six-year low. Global energy demand remained weak in the quarter, prompting OPEC to extend crude oil production cuts in hopes of spurring higher prices.

Stock-market volatility during the second quarter left most major indexes with low single -digit gains for the three-month period. In the U.S., the Dow-Jones Industrial Average advanced 3.21%, while the broader S&P 500 Index rose 4.30%. The technology-laden NASDAQ Index gained 3.58% in the period. Globally, the MSCI EAFE Index advanced 3.68%. Large-cap stocks outperformed their small-cap counterparts during the quarter. In terms of investing style, growth stocks topped value stocks in both the large-cap and small-cap categories.

% Average Annual Total Returns As of (06/30/2019)

	Q2	YTD	1 Year	3 Years	5 Years	10 Years
A Shares at NAV	8.92	26.14	13.74	15.51	13.35	16.60
I Shares at NAV	9.00	26.31	14.02	15.80	13.63	16.89
A Shares with Max. 5.75% Sales Charge	2.67	18.87	7.19	13.25	12.02	15.92
Benchmark	2.96	19.25	1.77	12.34	7.66	14.43

Benchmark: Russell 2500™ 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 for A Shares and \$250,000 for I Shares. Minimums may be waived in certain situations. Please see the prospectus for additional information.

Index Definitions: Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. S&P 500® Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance. S&P Dow Jones Indices are a product of S&P Dow Jones Indices LLC ("S&P DJI") and have been licensed for use. S&P® and S&P 500® are registered trademarks of S&P DJI; Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P DJI, Dow Jones and their respective affiliates do not sponsor, endorse, sell or promote the Fund, will not have any liability with respect thereto and do not have any liability for any errors, omissions, or interruptions of the S&P Dow Jones Indices. NASDAQ Composite Index is a market capitalization-weighted index of all domestic and international securities listed on NASDAQ. Source: Nasdaq, Inc. The information is provided by Nasdaq (with its affiliates, are referred to as the "Corporations") and Nasdaq's third party licensors on an "as is" basis and the Corporations make no guarantees and bear no liability of any kind with respect to the information or the Fund. MSCI EAFE Index is an unmanaged index of equities in the developed markets, excluding the U.S. and Canada. MSCI indexes are net of foreign withholding taxes. Source: MSCI. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. Russell 2500™ Index is an unmanaged index of approximately 2,500 small- and midcap U.S. stocks. 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.

Portfolio profile subject to change due to active management. Percentages may not total 100% due to rounding.

¹The Fund has discontinued all sales of its shares, except shares purchased by: (1) existing shareholders (including shares acquired through the reinvestment of dividends and distributions and those who received Fund shares in connection with a reorganization); (2) qualified retirement plans that selected the Fund prior to April 13, 2018; or (3) fee-based programs (a) sponsored by financial intermediaries for which investment decisions are made on a centralized basis at the discretion of the firm (e.g., model portfolios managed by a firm or its investment committee); and (b) that selected the Fund prior to the close of business on January 15, 2013. Sales of Fund shares may be further restricted or reopened in the future. ²Source: Fund prospectus.

Performance Summary

Eaton Vance Atlanta Capital SMID-Cap Fund (the Fund) outperformed its benchmark, the Russell 2500 Index (the Index), for the quarter ended June 30, 2019, returning +9.00% for Class I shares at net asset value versus the Index's +2.96% return.

- U.S. SMID cap equity markets finished higher after the second quarter, with the Russell 2500 Index rallying +2.96%. Eight of the 11 economic sectors within the benchmark had positive returns. The second quarter's appreciation was a continuation of the gains experienced in the first three months of the year. Cumulatively, the Russell 2500 Index has gained 19.25% in 2019.
- The Fund outperformed the Index during the quarter, due primarily to positive stock selection effects. The top selection contributions came from picks within the information technology, consumer discretionary, and health care sectors.
- The largest detractors to relative performance were stock selection within the real estate and industrials sectors.

A Shares Inception	11/28/2003
I Shares Inception	04/30/2002
Performance Inception	04/30/2002
Class A Expense Ratio ²	1.16%
Class I Expense Ratio ²	0.91%

Contributors

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

- Stock selection was positive in six of the eight sectors the Fund was invested in. Areas where stock picks contributed most were information technology, consumer discretionary, and health care. At the industry level, stock selection was most impactful in software and restaurants & leisure stocks.
- From an allocation standpoint, the top contributions came from having overweight exposure to the industrials sector and zero exposure to declining energy stocks.
- The Fund's top five individual contributors included a food service contractor (Aramark), property & casualty insurer (W.R. Berkley), technology distributor (CDW), containers & packaging company (Aptargroup), and data processor (Manhattan Associates).

Detractors

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

- Stock selection was negative in two of the eight sectors the Fund was invested in. Among sectors, the areas that detracted most were real estate and industrials. At the industry level, selection was weakest in semiconductor and road & rail companies.
- From an allocation standpoint, being overweight lagging consumer discretionary and materials stocks detracted from relative results.
- The Fund's five primary individual detractors included a specialty retailer (Sally Beauty Holdings), trucker (J.B. Hunt Transport Services), real estate services company (Jones Lang LaSalle), diversified financial (Affiliated Managers Group), and software publisher (Covetrus).

Investment Outlook And Fund Positioning

While total returns for small and mid-cap stocks are impressive year-to-date, we would not be surprised to see periods of heightened market volatility. As example, SMID-cap markets declined -7.1% in May as escalating trade tensions with China caused equity market concern. Then in June, SMID-cap markets rallied +7.1% as hopes for accommodative monetary policy and trade deals became the focus. What might happen tomorrow – who knows for sure. That is why we will stay focused on investing in high quality companies that we believe should participate if markets move higher, and protect if markets experience increased volatility.

As of quarter-end, the Fund contained 53 stocks representing eight of the 11 economic sectors comprising the Index. Relative to the sector weightings in the Index, the Fund was overweight industrials, consumer discretionary, health care, materials, and information technology. It was underweight financials, consumer staples, and real estate stocks, and had zero exposure to utilities, energy, and communication services sectors.

Top 10 Holdings (%)³

Teleflex Inc	4.73	CDW Corp/DE	3.55
WR Berkley Corp	4.67	AptarGroup Inc	3.06
TransUnion	4.17	WEX Inc	3.03
Aramark	4.02	Lennox International Inc	2.86
ServiceMaster Global Holdings Inc	3.86	Manhattan Associates Inc	2.71

About Risk: 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. The value of equity securities is sensitive to stock market volatility. Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, more established companies. 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. 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.

The views expressed in this report are those of 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 disclaims 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.

³Percent of total net assets. Top 10 Holdings excludes cash and equivalents. Portfolio profile subject to change due to active management. Percentages may not total 100% due to rounding.

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus and summary prospectus, which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.

