



Eaton Vance International (IRL) Parametric Emerging Markets Fund

A Word On The Markets

Emerging market equities saw a modest increase in the second quarter of 2019, with the MSCI Emerging Markets Index increasing 0.61% for the period. This small rally was indicative of broad dispersion among emerging market countries, with many of the larger members falling and the medium to smaller members rising.

Declines in China and Korea weighed most heavily on the Index return over the period. Equity markets in both countries abruptly sold-off after trade tensions between the US and China rapidly re-ignited. Softer economic data out of the two Asian economies also weighed on investor sentiment. Pakistan, the smallest member of the Index, delivered the worst performance seen among emerging markets. Stocks there, along with their currency, persistently slid over the quarter as growth forecasts were chopped in half and inflation rose aggressively. In addition, investor sentiment soured after spiraling current-account and budget deficits forced the country to seek \$6 billion in aid from the International Monetary Fund. In stark contrast to this, one of the newest members to the Index, Argentina, saw a breathtaking rally on the back of falling inflation and the largest trade surplus in five-years, which buoyed economic activity. Russia also posted strong results for the quarter, rising double-digits on exceptional results in energy and financial stocks, in addition to appreciation in its currency. In Greece, equity markets were jolted to life after Prime Minister Alexis Tsipras's left-wing Syriza party was handily defeated in European Parliamentary elections. Expectations are now firmly in place for the opposition to win an upcoming snap election, which would see a pro-business government take hold that has promised to slash taxes and red-tape. In Brazil, a volatile start to the quarter turned positive in late May as many investors see a rate cut by the central bank increasingly likely due to declining growth expectations and subdued inflation. Progress by the government on pension reform also boosted markets.

In general, frontier market countries outperformed emerging market countries during the quarter, with the MSCI Frontier Markets Index rising 4.69%. The Index return was heavily influenced by major constituents Kuwait and Argentina, with both outpacing the aggregate return on the back of strong performance in bank stocks. In contrast, a decline in Vietnam provided a headwind to Index results.

Performance Summary

Eaton Vance International (Ireland) Emerging Markets Fund (the Fund) outperformed its benchmark, the MSCI Emerging Markets Index (the Index), for the quarter ended June 30, 2019, returning 1.52% for A2\$ shares at net asset value versus the Index's 0.61% return.

- The Fund's emphasis on diversification¹ via a system of target country weights and systematic rebalancing back to these target weights was the largest contributor to relative performance during the quarter. The diversification targets consistently have the Fund underweight larger countries and overweight smaller countries.
- The Fund's emphasis on diversification at the sector level within each country detracted from relative returns.
- Finally, frontier countries included in the Fund, but not in the Index, contributed to relative performance, as our portfolio held larger positions to those frontier market countries which outperformed the Index.

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

	Q2	YTD	1 Year	3 Years	5 Years	Life of Fund
Class A2\$ at NAV	1.52	8.39	0.18	5.91	-1.25	1.19
Class M2\$ at NAV	1.78	8.88	0.95	6.72	-0.50	4.05
Benchmark ¹	0.61	10.58	1.21	10.66	2.49	2.70

Benchmark: MSCI Emerging Markets Index.²

Fund Facts

Class A2\$ Inception:	28/07/2008
Class M2\$ Inception:	30/07/2010
Performance Inception:	04/06/2008
Class A2\$ Expense Ratio: ³	1.86%
Class M2\$ Expense Ratio: ³	1.11%

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 performance may be lower or higher than quoted. Returns are historical and are calculated by determining the percentage change in net asset value with all distributions reinvested. Performance of other share classes will vary due to differing fees, expenses, and currency for each share class. Please review the Fund's prospectus for a description of each share class. There is no guarantee that an investor will qualify to invest in the share classes shown. Returns at NAV do not reflect the deduction of sales charges, which would reduce the results shown. Performance less than one year is cumulative.

¹Diversification cannot assure a profit or eliminate the risk of loss. ²MSCI Emerging Markets Index is an unmanaged index of emerging markets common stocks. MSCI indices 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. 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. ³Source: Fund annual report dated 31/12/2018.

Eaton Vance International (Ireland) Funds may not be offered or sold to U.S. residents or citizens. The Fund is not offered for sale or sold in the United States, its territories or possessions.

Not FDIC Insured • Not Bank Guaranteed • May Lose Value

Quarterly Attribution Analysis

Contributors:

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

- Our underweight to China contributed to relative returns versus the Index, as the Chinese market suffered from the re-escalation of trade tensions with the US, along with news that both sides were digging in their heels.
- In addition, our overweight to Russia boosted relative returns, as a rally in energy and financial stocks lifted the country.
- Our overweight position in Greece also benefited relative performance. Greece was one of the best performing countries over the quarter on expectations that an upcoming snap election will usher in a new pro-business government.

Detractors:

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

- Our overweight to Pakistan detracted from returns versus the Index. Pakistani stocks and the rupee declined amid concerns of slowing growth, rising inflation, and a harrowing current-account deficit that forced the country to accept aid from the IMF.
- An overweight to Chile harmed relative performance, as disappointing economic data weighed on equity prices.
- The sector diversification process in Korea diminished relative results. This was partially caused by the resulting underweight to the information technology sector, which outperformed the broader country returns.

Investment Outlook and Fund Positioning

Commentators have expressed a wide range of opinions regarding the emerging markets asset class. Regardless of the near term forecast, many observers believe that persistent demographic and economic trends give emerging market economies a long-term advantage. While emerging market equities may continue to demonstrate heightened volatility, they may do so against a backdrop of generally rising prices.

How does one invest in this space with so much short-term uncertainty? We believe that managing risk by broadly diversifying, avoiding concentrations, and portfolio rebalancing are all key aspects that help address thoughtful investment decisions. The Parametric Emerging Markets investment strategy relies on a rules based approach combined with a systematic rebalancing discipline to reduce concentrations, while emphasizing broad diversification in seeking its objective of long-term capital appreciation. Furthermore Parametric excludes investments in issuers deemed to violate environmental, social and governance (ESG) standards.

About Risk: Fund share values are sensitive to stock market volatility, adverse market, economic, political, regulatory, geopolitical and other conditions. In emerging market countries, these risks may be more significant. 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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Before investing, investors should consider carefully the investment objective, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus, which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.

This Document does not constitute an offer or solicitation to invest in the Fund. The Fund is a sub-fund of Eaton Vance International (Ireland) Funds plc (the "Company"), a public limited company with variable capital incorporated in Ireland and authorized and regulated by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS"). The offering of the shares of Eaton Vance International (Ireland) Funds is restricted in many jurisdictions and investors must inform themselves of and observe applicable restrictions in their jurisdiction. The Funds are distributed by Eaton Vance Management (International) Ltd. and may employ Eaton Vance Distributors, Inc., Two International Place, Boston, MA 02110, as a sub-distributor. The Funds' current prospectus and key investor information document ("KIID") contain more information as well as the risks of investing and may be obtained free of charge from Citi Fund Services (Ireland) Limited, 1 North Wall Quay, Dublin 1, Ireland, or by calling +353 1 637 6372. None of the Funds have been or will be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and none of such shares may be offered, sold, transferred or delivered, directly or indirectly, in the United States or to U.S. residents or citizens. None of the Funds have been or will be registered as an investment company under the US Investment Company Act of 1940, as amended (the "1940 Act").

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