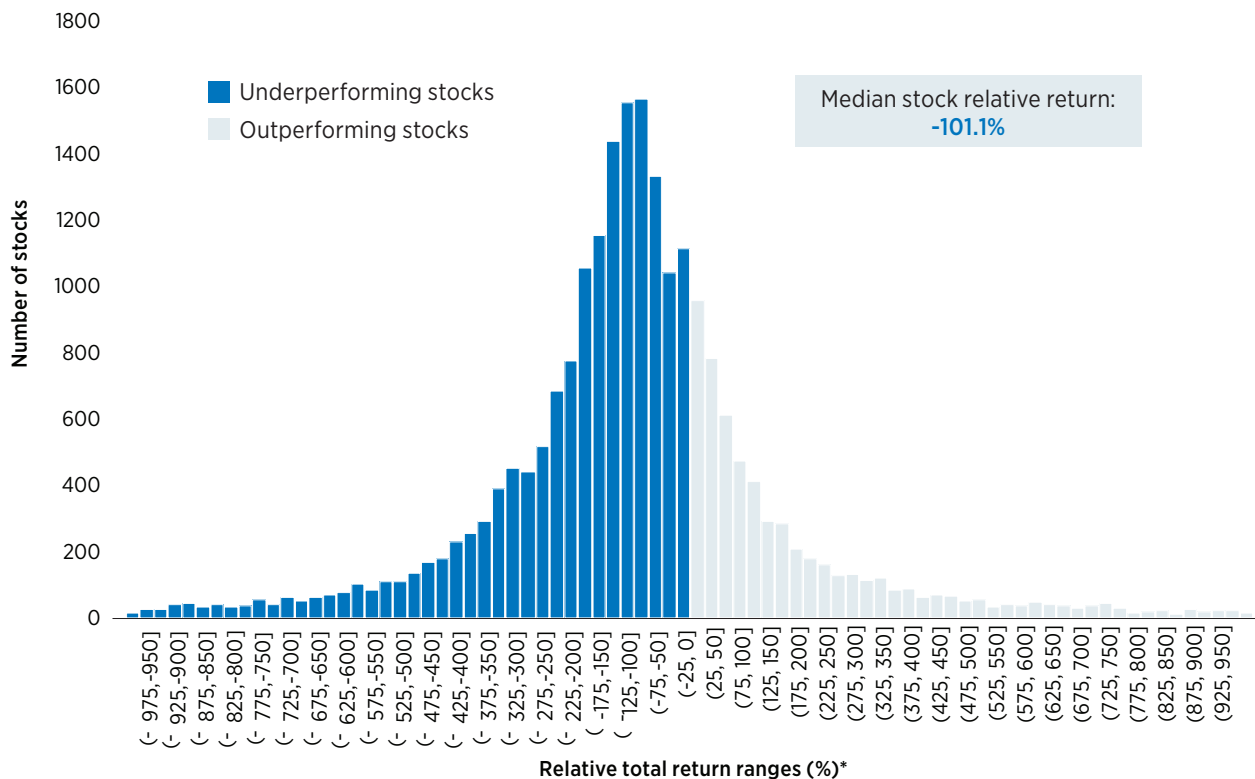


# Concentrated stock positions: Know the risks

Many investors underestimate the risks and overstate the potential return advantages of holding a concentrated stock position. Individual stocks have historically posted higher volatility and lower median performance than the stock market as a whole. Over time, a substantial percentage of listed stocks have experienced catastrophic loss, from which few fully recover.

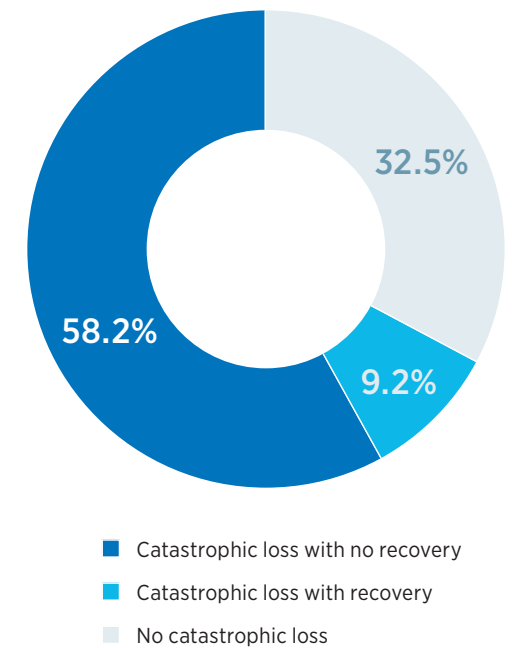
## 70% of stocks have underperformed the market over their lifetimes

US stock total return relative to the S&P 500<sup>1</sup>



## 67% of US stocks have seen catastrophic loss

Percentage of US stocks experiencing catastrophic loss during lifetime<sup>2</sup>

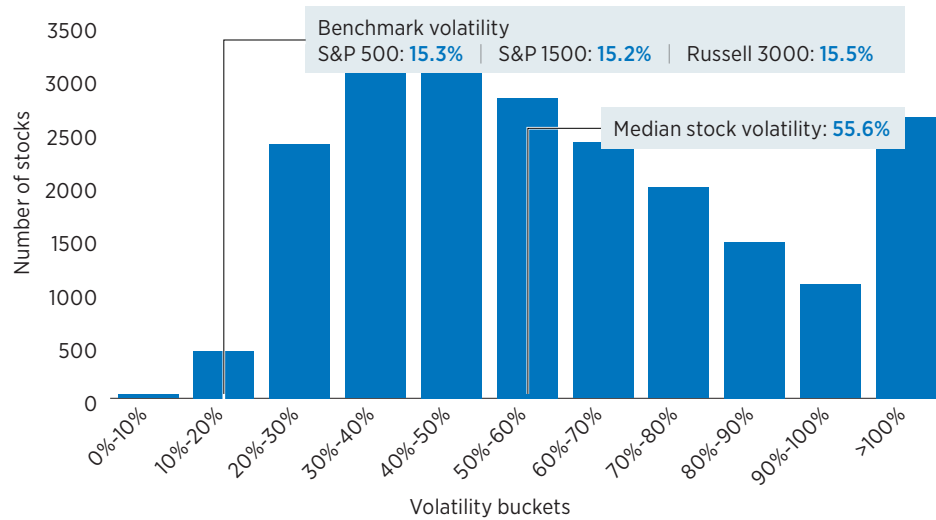


Information is as of 12/31/20. \*Bars represent 25% increments. Overflow returns at the top and bottom of the Relative Total Return Ranges (<-1,000% and >1,000%) have been removed. <sup>1</sup>Derived from a universe of 24,861 actively traded stocks listed on NYSE, Nasdaq, and NYSE American (formerly AMEX) since 12/31/1980; and based on relative total return versus the S&P 500 over the listed trading period of the stock through 12/31/2020. Returns are calculated daily, starting on 1/3/1972. Sources: Ned Davis Research, Eaton Vance. <sup>2</sup>All actively traded stocks listed on NYSE, Nasdaq and NYSE American (formerly AMEX) since 12/31/1980; 24,380 total stocks. Catastrophic loss is defined as a maximum price drawdown greater than 70%. Recovery is defined as recovery in price to high prior to maximum drawdown. Sources: Ned Davis Research, Eaton Vance.



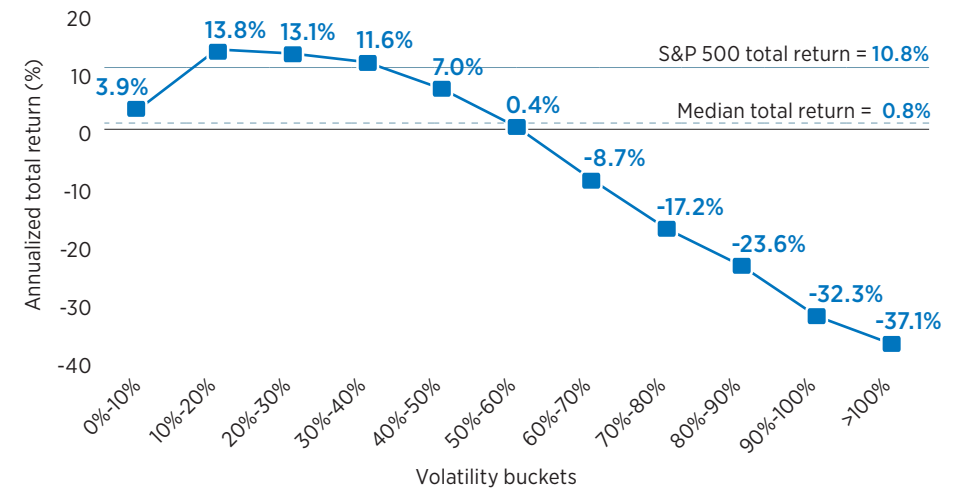
### Stocks have historically been more volatile than benchmarks

Standard deviation (%) for all listed US stocks



### When volatility increased, returns decreased

Annualized returns for all US stocks



For more information, please contact your financial advisor.

Information is as of 12/31/20. Excluding stocks with less than 24 months of returns, data is derived from a universe of 21,508 actively traded stocks listed on NYSE, Nasdaq, and NYSE American (formerly AMEX) since 12/31/1980; and based on standard deviation during listed trading period of the stock through 12/31/2020. Returns are calculated monthly, starting on 1/3/1972 for individual stocks and as of the following inception dates for the index (S&P 1500 inception: 01/31/1995; Russell 3000 inception: 12/31/1978). Sources: Ned Davis Research, Eaton Vance.

**Standard deviation** is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. **S&P 500 Index** is a market-capitalization-weighted index of the 500 largest publicly-traded companies in the U.S. **S&P 1500** is an index that includes the same securities as the S&P 400, S&P 500, and S&P 600 Indices. **Russell 3000** is a market-capitalization-weighted equity index maintained by FTSE Russell that provides exposure to the entire U.S. stock market.

**Past performance is no guarantee of future results. It is not possible to invest directly in an index.**

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HIGH-CONVICTION  
EQUITIES

ACTIVE FIXED INCOME  
AND LIQUIDITY

ALTERNATIVE  
INVESTMENTS

CUSTOMIZED  
SOLUTIONS

SUSTAINABLE  
INVESTING

TAX  
SOLUTIONS