

NEWPORT CORP  
Form DEF 14A  
April 04, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**NEWPORT CORPORATION**

(Name of Registrant as Specified In Its Charter)

**N/A**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

Edgar Filing: NEWPORT CORP - Form DEF 14A

- (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
- (4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
- (5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NEWPORT CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 15, 2012

To the Stockholders of Newport Corporation:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Newport Corporation will be held at our corporate headquarters, located at 1791 Deere Avenue, Irvine, California 92606, on Tuesday, May 15, 2012, at 9:00 a.m. Pacific Time, for the purpose of considering and acting upon the following:

1. To elect five directors named in the proxy statement to serve for a term of one year;
2. To ratify the appointment of Deloitte & Touche LLP as Newport's independent auditors for the fiscal year ending December 29, 2012;
3. To approve Newport's Second Amended and Restated Employee Stock Purchase Plan;
4. To hold an advisory vote on the approval of the compensation of Newport's named executive officers; and
5. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

Only stockholders of record at the close of business on March 23, 2012 are entitled to notice of and to vote at the meeting.

All stockholders are cordially invited to attend the meeting. However, to ensure your representation at the meeting, you are urged to vote by proxy prior to the meeting. Any stockholder attending the meeting may vote in person even if he or she has voted by proxy.

By order of the Board of Directors  
Jeffrey B. Coyne  
*Senior Vice President, General Counsel*

*and Corporate Secretary*

April 4, 2012

Irvine, California

**YOUR VOTE IS IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE BY PROXY PRIOR TO THE MEETING. IF YOU CHOOSE TO VOTE BY MAIL, PLEASE DO SO PROMPTLY TO ENSURE YOUR PROXY ARRIVES IN SUFFICIENT TIME.**



**NEWPORT CORPORATION**

**PROXY STATEMENT**

**GENERAL INFORMATION**

**PROXY STATEMENT AND SOLICITATION OF PROXIES**

*Solicitation by Board*

**This proxy statement is being furnished in connection with the solicitation of proxies by our Board of Directors for use at our Annual Meeting of Stockholders to be held on May 15, 2012.**

*Solicitation of Proxies and Related Expenses*

All expenses incurred in connection with this solicitation shall be borne by us. We anticipate that this solicitation of proxies will be made primarily by mail and pursuant to Rule 14a-16 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act); however, in order to ensure adequate representation at the meeting, our directors, officers and employees may communicate with stockholders, brokerage houses and others by telephone, facsimile or electronic transmission, or in person to request that proxies be furnished. We may reimburse banks, brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses in forwarding proxy materials to the beneficial owners of the shares held by them.

*Record Date and Voting Securities*

Our Board of Directors has fixed the close of business on March 23, 2012 as the record date for the determination of stockholders entitled to receive notice of and to vote at the meeting. As of the record date, there were 37,824,866 shares of our common stock outstanding and entitled to vote. Each stockholder is entitled to one vote for each share of common stock held as of the record date.

*Availability of Materials*

We are making this proxy statement and our Annual Report on Form 10-K/A for our fiscal year ended December 31, 2011 available to all stockholders of record on the record date for the meeting for the first time on or about April 4, 2012. On such date, we are mailing to each stockholder of record on the record date for the meeting either a Notice Regarding the Availability of Proxy Materials informing the stockholder of how to electronically access a copy of this proxy statement and our Annual Report on Form 10-K/A and how to vote online (the Notice), or printed copies of such materials, if printed copies have been previously requested by the stockholder. If any stockholder who receives a Notice would like to receive printed copies of such materials, such printed copies may be requested, free of charge, by following the instructions contained in the Notice.

In addition to our proxy statement and Annual Report on Form 10-K/A, we are also making available on our Internet site at [www.newport.com/2011annualreport](http://www.newport.com/2011annualreport) a web-based Annual Report to Stockholders containing information regarding our business which supplements the business and financial information contained in our Annual Report on Form 10-K/A. Except as may be required by Securities and Exchange Commission rules and regulations, our Annual Report on Form 10-K/A and our web-based Annual Report to Stockholders are not to be regarded as proxy soliciting material or as communications by means of which any solicitation is to be made.

*Quorum*

A quorum is the number of shares of capital stock of a corporation that must be represented in person or by proxy in order to transact business. A majority of shares entitled to vote, represented in person or by proxy, will constitute a quorum at the annual meeting.

***Abstentions***

When an eligible voter attends the annual meeting but decides not to vote, his, her or its decision not to vote is called an abstention. Properly executed proxy cards that are marked abstain on any proposal will be treated as abstentions for that proposal. We will treat abstentions as follows:

abstention shares will be treated as not voting for purposes of determining the outcome on any proposal for which the minimum affirmative vote required for approval of the proposal is a plurality or a majority (or some other percentage) of the votes actually cast, and thus will have no effect on the outcome; and

abstention shares will have the same effect as votes against a proposal if the minimum affirmative vote required for approval of the proposal is a majority (or some other percentage) of (i) the shares present and entitled to vote, or (ii) all shares outstanding and entitled to vote.

***Broker Non-Votes***

Broker non-votes occur when shares held in street name by a broker, bank or other nominee (each, a Nominee) for a beneficial owner are not voted with respect to a particular proposal because (i) the Nominee does not receive voting instructions from the beneficial owner, and (ii) the Nominee lacks discretionary authority to vote the shares. We will treat broker non-votes as follows:

broker non-votes will not be treated as shares present and entitled to vote for purposes of any matter requiring the affirmative vote of a majority or other proportion of the shares present and entitled to vote (even though the same shares may be considered present for quorum purposes and may be entitled to vote on other matters). Thus, a broker non-vote will not affect the outcome of the voting on a proposal for which the minimum affirmative vote required for approval of the proposal is a plurality or a majority (or some other percentage) of (i) the votes actually cast, or (ii) the shares present and entitled to vote; and

broker non-votes will have the same effect as votes against a proposal for which the minimum affirmative vote required for approval of the proposal is a majority (or some other percentage) of all shares outstanding and entitled to vote.

***Vote Required***

A quorum is required for the approval of any of the proposals set forth herein. Pursuant to Section 78.330 of the Nevada Revised Statutes, directors will be elected by a plurality of the votes cast. The approval of any other proposal to be considered at the annual meeting requires the affirmative vote of the holders of a majority of the shares present and entitled to vote at the annual meeting in person or by proxy.

***Voting of Proxies***

Stockholders may vote by proxy or in person at the meeting. To vote by proxy, stockholders may vote by Internet, telephone or mail. The instructions and information needed to access our proxy materials and vote by Internet can be found in the Notice. Alternatively, if printed copies of our proxy materials have been requested by a stockholder, the instructions and information needed to vote by Internet, telephone or mail can be found in the proxy card accompanying such materials.

If you are the beneficial owner of shares held by a Nominee, then your Nominee, as the record owner of the shares, must vote those shares in accordance with your instructions. Please refer to the voting instruction form that your Nominee makes available to you for voting your shares.

Two of our officers, Charles F. Cargile and Jeffrey B. Coyne, have been designated by our Board as proxies for voting on matters brought before the annual meeting. Each proxy properly received by us prior to the meeting, and not revoked, will be voted in accordance with the instructions given in the proxy. If a choice is not specified in the proxy, the proxy will be voted (i) **FOR** the election of the director nominees listed therein; (ii) **FOR** the ratification of our appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 29,

2012; (iii) **FOR** the approval of our Second Amended and Restated Employee Stock Purchase Plan; and (iv) **FOR** the approval of the compensation of our named executive officers.

#### ***Revoking a Proxy***

Any proxy may be revoked or superseded by executing a later proxy or by giving notice of revocation in writing prior to, or at, the annual meeting, or by attending the annual meeting and voting in person. Attendance at the annual meeting will not in and of itself constitute revocation of a submitted proxy. Any written notice revoking a proxy should be sent to our Corporate Secretary at our corporate offices at 1791 Deere Avenue, Irvine, California 92606, and must be received prior to the commencement of the annual meeting.

If your shares are held in the name of a Nominee, you may change your vote by submitting new voting instructions to your Nominee. Please note that if your shares are held of record by a Nominee and you decide to attend and vote at the annual meeting, your vote in person at the annual meeting will not be effective unless you present a legal proxy, issued in your name from your Nominee.

#### **STOCKHOLDER PROPOSALS**

Any stockholder desiring to submit a proposal for action at our 2013 annual meeting of stockholders and presentation in our proxy statement for such meeting should deliver the proposal to us at our corporate offices no later than December 5, 2012 in order to be considered for inclusion pursuant to Rule 14a-8 promulgated under the Exchange Act in our proxy statement relating to that meeting. Matters pertaining to proposals, including the number and length thereof, eligibility of persons entitled to have such proposals included in the proxy statement and other aspects are covered by Rule 14a-8 and other laws and regulations to which interested persons should refer.

In addition, under our bylaws, any stockholder entitled to vote at a meeting of stockholders and who intends to propose business at such meeting must provide timely written notice to our Corporate Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at our corporate offices at least seventy-five (75) days prior to the meeting of stockholders. Such notice shall set forth as to each matter that the stockholder proposes to bring before any meeting of stockholders (1) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (2) the name and record address of the stockholder proposing such business, (3) the class and number of shares of Newport stock that are beneficially owned by the stockholder, and (4) any material interest of the stockholder in such business. If less than ninety (90) days notice or prior public disclosure of the date of any annual meeting of stockholders is given or made to stockholders by Newport, in order to be timely, notice by the stockholder must be so received not later than the close of business on the fifteenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever first occurs. Our bylaws also contain procedures for stockholders to submit nominations of director candidates, which are discussed under the heading "Stockholder Nominations" on page 11 of this proxy statement.

Rule 14a-4 promulgated under the Exchange Act governs our use of our discretionary proxy voting authority with respect to a stockholder proposal which is not addressed in our proxy statement. Such rule provides that if a proponent of a proposal fails to notify us at least 45 days prior to the current year's anniversary of the date of mailing of the prior year's proxy statement, then we will be allowed to use our discretionary voting authority when the proposal is raised at the meeting, without any discussion of the matter in the proxy statement. We anticipate that our next annual meeting will be held in May 2013. If we do not receive any stockholder proposals for our 2013 annual meeting before February 18, 2013, we will be able to use our discretionary voting authority as outlined above. In addition, if the stockholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Exchange Act, we may exercise discretionary voting authority under proxies that we solicit to vote in accordance with our best judgment on any such stockholder proposal.

#### **OTHER MATTERS**

Management is not aware of any other matters that will be presented for consideration at our 2012 annual meeting.

#### **NEWPORT CORPORATE OFFICE**

Our corporate offices are located at 1791 Deere Avenue, Irvine, California 92606.



---

**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

The size of our Board is currently fixed at eight directors. Currently, eight directors are serving on our Board, and there are no vacancies.

Historically, the Board has been divided into four classes, with one class of directors elected each year for a term of four years. At our 2010 annual meeting, our stockholders approved a proposal to amend our Restated Articles of Incorporation to provide for the phased elimination of the classified structure of our Board over a period of four years, and our Restated Articles of Incorporation were so amended in August 2010.

At our 2011 annual meeting, two former Class III directors were elected for a one-year term expiring at our 2012 annual meeting and, accordingly, Class III of our Board has been eliminated. At our 2012 annual meeting, two Class IV directors, along with three other directors whose terms are expiring at such annual meeting, will stand for election for a one-year term expiring at our 2013 annual meeting, and such directors or their successors will stand for election for one-year terms thereafter. Upon such election of directors at our 2012 annual meeting, Class IV of our Board will be eliminated. Our Class I and Class II directors will continue to serve until the expiration of their respective terms at our 2013 and 2014 annual meetings, at which times such classes will be eliminated, and such directors or their successors will then stand for election for one-year terms thereafter. Accordingly, commencing in 2014, all classes of the Board will have been eliminated, and all directors will be elected on an annual basis.

In all cases, each of our directors will hold office until his or her successor has been elected and qualified or until the director's earlier resignation or removal, and vacancies that occur during the year may be filled by individuals appointed by the Board to serve until the next annual meeting.

**DIRECTOR NOMINEES**

Based upon the recommendation of our Corporate Governance and Nominating Committee, our Board has nominated the individuals set forth below to serve as directors until our annual meeting of stockholders in 2013:

| Name                | Principal Occupation   | Age | Director Since |
|---------------------|--|-----|----------------|
| Christopher Cox     | Partner, Bingham McCutchen LLP;<br><br>President, Bingham Consulting LLC           | 59  | 2011           |
| Robert L. Guyett    | President and Chief Executive Officer,<br><br>Crescent Management Enterprises, LLC | 75  | 1990           |
| Oleg Khaykin        | President and Chief Executive Officer,<br><br>International Rectifier Corporation  | 47  | 2010           |
| Robert J. Phillippy | President and Chief Executive Officer,<br><br>Newport Corporation                  | 51  | 2007           |
| Peter J. Simone     | Independent Consultant   | 64  | 2003           |

**Christopher Cox** was appointed to the Board in November 2011. Since July 2009, Mr. Cox has been a partner in the Corporate Practice Group of Bingham McCutchen LLP, an international law firm, and since July 2011, he has been President of the firm's subsidiary, Bingham Consulting LLC, an international legal consulting firm. Prior to joining Bingham, from August 2005 to January 2009, he served as the 28th Chairman of the Securities and Exchange Commission. From 1994 to 2005, Mr. Cox served in the elected majority leadership of the U.S. House of Representatives. He was first elected to Congress in 1988, and during his career served as Chairman of the Committee on Homeland Security following the September 11th attacks; Chairman of the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China; Chairman of the House Policy Committee; Chairman of the Task Force on Capital Markets; Chairman of the Task Force on Budget Process Reform; and Co-Chairman of the Bipartisan Study Group on Enhancing Multilateral Export Controls. From 1986 to

## Edgar Filing: NEWPORT CORP - Form DEF 14A

1988, Mr. Cox served as a White House counsel to President Ronald Reagan. Previously, he had been a partner in the international law firm of Latham & Watkins, specializing in corporate and securities matters, and a member of

the faculty of Harvard Business School, where he taught federal income tax. Mr. Cox brings to the Board extensive experience in international business, capital markets and corporate governance matters, and extensive knowledge of the global defense and security industry.

**Robert L. Guyett** was elected to the Board in 1990. Since April 1996, Mr. Guyett has been President and Chief Executive Officer of Crescent Management Enterprises, LLC, a financial management and investment advisory services firm. Since January 2000, he has also served on the Board of Directors of Maxwell Technologies, Inc., a manufacturer of ultracapacitors, microelectronics and high voltage capacitors, and he served as Chairman of that Board from May 2010 to May 2011, and from May 2003 until May 2007. From May 1995 to December 1996, he was a consultant to Engelhard Corporation, an international specialty chemical and precious metals company. Between September 1991 and May 1995, Mr. Guyett served as Senior Vice President and Chief Financial Officer and a member of the Board of Directors of Engelhard Corporation. From January 1987 to September 1991, he was the Senior Vice President and Chief Financial Officer and a member of the Board of Directors of Fluor Corporation, an international engineering and construction firm. Mr. Guyett also currently serves as the Treasurer and a director of the Christopher and Dana Reeve Foundation. Mr. Guyett brings to the Board extensive experience in accounting and finance matters, and is an audit committee financial expert as defined by the regulations promulgated by the Securities and Exchange Commission.

**Oleg Khaykin** was appointed to the Board in September 2010. Since March 2008, Mr. Khaykin has served as President and Chief Executive Officer, and as a director, of International Rectifier Corporation, a leader in the design, manufacture, and marketing of power management semiconductors for industrial, computing, consumer, automotive, and high reliability applications. From January 2006 until February 2008, he served as Executive Vice President and Chief Operating Officer of Amkor Technology, Inc., a leading provider of semiconductor assembly and test services, having joined Amkor in May 2003 as Executive Vice President of Strategy and Business Development. Prior to joining Amkor, Mr. Khaykin was employed by Conexant Systems Inc. and its spin-off, Mindspeed Technologies Inc., where he held positions of increasing responsibilities from 1999 to 2003, most recently as Vice President of Strategy and Business Development from June 1999 until May 2003. Prior to Conexant, he was with the Boston Consulting Group, a leading international strategy and general management consulting firm, where he worked with many European and U.S. firms on a broad range of business and management issues. Mr. Khaykin brings to the Board extensive experience in strategy development and international operations and in the management and operation of technology companies.

**Robert J. Phillippy** joined Newport in April 1996 as Vice President and General Manager of the Science and Laboratory Products Division. In August 1999, he was appointed to the position of Vice President and General Manager of the U.S. operations of our Industrial and Scientific Technologies Division (now a part of our Photonics and Precision Technologies Division). In July 2004, Mr. Phillippy was appointed as President and Chief Operating Officer, and in September 2007, he was appointed as President and Chief Executive Officer and as a member of the Board. Prior to joining us, Mr. Phillippy was Vice President of Channel Marketing at Square D Company, an electrical equipment manufacturer, from 1994 to 1996. He joined Square D Company in 1984 as a sales engineer and held various sales and marketing management positions with that company prior to his election as Vice President in 1994. Mr. Phillippy brings to the Board his extensive knowledge of our business, operations and markets from his roles with Newport, as well as extensive experience in the management and operation of technology companies.

**Peter J. Simone** was appointed to the Board in March 2003. Mr. Simone currently serves as an independent consultant to several venture capital firms and venture-funded private companies. Mr. Simone was Executive Chairman of SpeedFam-IPEC, Inc., a semiconductor equipment company, from June 2001 to December 2002 when it was acquired by Novellus Systems, Inc. He served as a director of and a consultant to Active Controls eXperts, Inc. ( ACX ), a leading supplier of precision motion control and smart structures technology, from January 2000 to August 2000, and was President and a director of ACX from August 2000 to February 2001 when it was acquired by Cymer, Inc. He served as President, Chief Executive Officer and director of Xionics Document Technologies, Inc., a provider of embedded software solutions for printer and copier manufacturers, from April 1997 until Xionics' merger with Oak Technology, Inc. in January 2000. Mr. Simone's previous experience includes seventeen years with GCA Corporation, a manufacturer of semiconductor photolithography capital equipment, holding various management positions including President and director. Mr. Simone also serves on the boards of directors of several other private and public companies. Mr. Simone brings to the Board extensive experience in the management and operation of technology companies, particularly in the microelectronics industry, and is an audit committee financial expert as defined by the regulations promulgated by the Securities and Exchange Commission.

Unless otherwise instructed, each proxy received by us will be voted in favor of the election of the nominees named above as directors. The nominees have indicated that they are willing and able to serve as directors if elected. If the nominees should become unable or unwilling to serve, it is the intention of the persons designated as proxies to vote instead, in their discretion, for such other persons as may be designated as nominees by our Board.

**The Board of Directors recommends a vote FOR the election of all of the nominees named above as directors.**

#### CONTINUING DIRECTORS

The following directors will continue to serve on our Board:

| Name                              | Principal Occupation  | Age | Class | Term Expires | Director Since |
|-----------------------------------|---|-----|-------|--------------|----------------|
| Kenneth F. Potashner,<br>Chairman | Independent Investor  | 54  | II    | 2014         | 1998           |
| Michael T. O'Neill                | Independent Investor  | 71  | I     | 2013         | 2003           |
| C. Kumar N. Patel                 | Professor of Physics and Astronomy,<br>University of California, Los Angeles;<br>Chairman and Chief Executive Officer,<br>Pranalytica, Inc. | 73  | II    | 2014         | 1986           |

**Kenneth F. Potashner** was elected to the Board in 1998. He served as the Board's Lead Independent Director from August 2003 to August 2006. In September 2007, Mr. Potashner was appointed as Chairman of the Board. From May 2003 to present, Mr. Potashner has been an independent investor. From 1996 to May 2003, he was Chairman of the Board of Directors of Maxwell Technologies, Inc., a manufacturer of ultracapacitors, microelectronics and high voltage capacitors, and he also served as President and Chief Executive Officer of Maxwell Technologies from 1996 to October 1998. From November 1998 to August 2002, Mr. Potashner was President, Chief Executive Officer and Chairman of SONICblue Incorporated (formerly S3 Incorporated), a supplier of digital media appliances and services. Mr. Potashner was Executive Vice President and General Manager of Disk Drive Operations for Conner Peripherals, a manufacturer of storage systems, from 1994 to 1996. From 1991 to 1994, he was Vice President, Worldwide Product Engineering for Quantum Corporation, a manufacturer of disk drives. From 1981 to 1991, he held various engineering management positions with Digital Equipment Corporation, a manufacturer of computers and peripherals, culminating with the position of Vice President of Worldwide Product Engineering in 1991. Mr. Potashner also serves on the boards of directors of one other public company and several private companies. Mr. Potashner brings to the Board extensive experience in the management and operation of technology companies, particularly in the microelectronics industry.

**Michael T. O'Neill** was appointed to the Board in April 2003. From December 2010 to present, Mr. O'Neill has been an independent investor. From November 2000 to December 2010, Mr. O'Neill served as President and Chief Executive Officer, and as a director, of Miragene, Inc., a biotechnology company. From May 1995 to October 2000, Mr. O'Neill served as an independent consultant to several private companies in the biotechnology industry. From 1973 to 1995, Mr. O'Neill was employed by Beckman Instruments, Inc., a manufacturer of automated analytical systems for the life and health sciences market, in various management positions, most recently as Senior Vice President, Worldwide Commercial Operations from 1993 to 1995, and as Group Vice President, Life Sciences Operations from 1989 to 1993. Mr. O'Neill holds a Professional Director Certification from the American College of Corporate Directors. Mr. O'Neill brings to the Board extensive experience in the management and operation of companies in the life and health sciences and biotechnology industries.

**C. Kumar N. Patel** was elected to the Board in 1986. Dr. Patel was Vice Chancellor-Research, University of California, Los Angeles from 1993 to 1999, and in January 2000 he was appointed to the position of Professor of Physics and Astronomy. Since February 2000, Dr. Patel has served as Chairman and Chief Executive Officer of Pranalytica, Inc., a company involved in infrared quantum cascade lasers and ultra-low level trace gas detection technologies. Previously, he was employed by AT&T Bell Laboratories, a telecommunications research company, as Executive Director of the Research, Materials Science, Engineering and Academic Affairs Division from 1987 to 1993, and as Executive Director, Physics and Academic Affairs Division from 1981 to 1987. He joined Bell Laboratories in 1961. He is the inventor of the carbon dioxide laser and was awarded the National Medal of Science.



by the President of the United States in 1996. Dr. Patel brings to the Board extensive experience in laser and photonics research and technology, and significant contacts in the global research community.

***Other Directorships***

Mr. Guyett currently serves on the board of directors of one other company reporting under the Exchange Act ( publicly reporting company ), Maxwell Technologies, Inc. Mr. Guyett does not currently serve, and during the past five years has not served, on the board of directors of any other publicly reporting company or investment company.

Mr. Khaykin currently serves on the board of directors of one other publicly reporting company, International Rectifier Corporation. Mr. Khaykin previously served on the board of directors of Zarlink Semiconductor, Inc., a publicly reporting company, from November 2007 to October 2011. Mr. Khaykin does not currently serve, and during the past five years has not served, on the board of directors of any other publicly reporting company or investment company.

Mr. Potashner currently serves on the board of directors of one other publicly reporting company, Parametric Sound Corporation. Mr. Potashner previously served on the boards of directors of two publicly reporting companies, Applied Solar, Inc. (formerly, Open Energy Corporation), from 2008 to 2009, and California Micro Devices Corporation, from 2009 to 2010. Mr. Potashner does not currently serve, and during the past five years has not served, on the board of directors of any other publicly reporting company or investment company.

Mr. Simone currently serves on the boards of directors of four other publicly reporting companies, Cymer, Inc., Inphi Corporation, Monotype Imaging, Inc. and Veeco Instruments, Inc. Mr. Simone previously served on the board of directors of one other publicly reporting company, Sanmina-SCI Corporation, from 2003 to 2008. Mr. Simone does not currently serve, and during the past five years has not served, on the board of directors of any other publicly reporting company or investment company.

No other director currently serves, or during the past five years has served, on the board of directors of any other publicly reporting company or investment company.

**CORPORATE GOVERNANCE**

We are committed to promoting the best interests of our stockholders by establishing sound corporate governance practices and maintaining the highest standards of responsibility and ethics. Our Board of Directors has adopted Corporate Governance Guidelines, which consist of written standards relating to, among other things, the composition, leadership, operation and evaluation of the Board and its committees. The Corporate Governance and Nominating Committee of our Board reviews and evaluates, at least annually, the adequacy of and our compliance with such guidelines. A copy of our Corporate Governance Guidelines is available on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance). We will also provide an electronic or paper copy of these guidelines, free of charge, upon request made to our Corporate Secretary.

***Board of Directors***

***Independence***

With the exception of Mr. Phillippy, our President and Chief Executive Officer, all of the members of our Board of Directors are independent as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules. Our Board has determined that no member has a relationship that would interfere with the exercise of independent judgment in carrying out his responsibilities as a director. The independence of each director is reviewed periodically to ensure that, at all times, at least a majority of our Board is independent.

***Board Leadership***

At such times as an independent director is serving as Chairman of the Board, the leadership of the Board is the responsibility of the Chairman. Mr. Potashner, who is an independent director, has served as Chairman of the Board since September 2007. In accordance with our Corporate Governance Guidelines, if a non-independent director, such as our Chief Executive Officer, is serving as Chairman of the Board, the leadership of the Board would be shared by the Chairman and a lead independent director who would be appointed by the independent directors from

among themselves. We believe that this leadership structure provides the appropriate level of independent oversight necessary to ensure that the Board meets its fiduciary obligations to our stockholders, that the interests of management and our stockholders are properly aligned, and that we establish and follow sound business practices and strategies that are in the best interests of our stockholders.

#### *Board's Role in Risk Management*

The Board provides oversight with respect to our management of risk, both as a whole and through its standing committees. The Board reviews and discusses with management at each of its regular quarterly meetings, information presented by management relating to our operational results and outlook, including information regarding risks related to our business and operations, as well as risks associated with the markets we serve. At least annually, the Board reviews and discusses an overall risk assessment conducted by management and the strategies and actions developed and implemented by management to monitor and mitigate such risks. The Board's role in risk oversight has no effect on the Board's leadership structure.

The committees of our Board provide certain additional risk oversight functions. The Audit Committee of our Board provides risk oversight, focusing in particular on financial and credit risk. The Audit Committee oversees the management of such risks, generally as part of its responsibilities related to the review of our financial results and our internal control over financial reporting, and specifically in connection with its consideration of particular actions being contemplated by us, such as financing and other activities affecting our capital structure. The Compensation Committee has responsibility for overseeing the management of risk related to our compensation policies and practices. The Compensation Committee considers risks associated with our business in developing compensation policies and the components of our executive compensation program, and periodically reviews and discusses assessments conducted by management with respect to risk that may arise from our compensation policies and practices for all employees.

#### *Meetings*

It is the policy of our Board to hold at least four regular meetings each year, typically in February, May, August and November. The regular meeting held in May of each year coincides with our annual meeting of stockholders. In addition, our Board holds special meetings as and when deemed necessary by the directors. We have not adopted a formal policy regarding attendance by members of the Board of Directors at our annual meetings of stockholders, however, generally, all directors attend such meetings. All directors who were serving on our Board at the time of our 2011 annual meeting of stockholders attended such meeting.

Our Board held nine meetings (including telephonic meetings) during the fiscal year ended December 31, 2011. Each director attended more than seventy-five percent of the aggregate of the number of meetings of the Board (held during the period in which he served as a director) and the number of meetings held by all committees of the Board on which he served (held during the period in which he served on such committees).

#### *Private Sessions*

Our independent directors meet privately, without management present, at least four times during the year. These private sessions are generally held in conjunction with the regular quarterly Board meetings. Other private meetings are held as often as deemed necessary by the independent directors.

#### *Committees of the Board*

Our Board has three separate standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each committee operates under a written charter adopted and reviewed annually by the Board. Copies of the charters of all standing committees are available on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance). We will also provide electronic or paper copies of the standing committee charters free of charge, upon request made to our Corporate Secretary. The Board may establish other committees from time to time as deemed appropriate by the Board based on the needs of the Board and the company.

#### *Audit Committee*

The Audit Committee is comprised of three directors. The current members are Messrs. Guyett (Chairman), Khaykin and Simone. None of the members serving on the Audit Committee are or have been our officers or

employees, and each member qualifies as an independent director as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules and Section 10A(m) of the Exchange Act and Rule 10A-3 thereunder. The Board has determined that Messrs. Guyett and Simone are audit committee financial experts as defined by the regulations promulgated by the Securities and Exchange Commission. The Audit Committee held seven meetings (including telephonic meetings) during the fiscal year ended December 31, 2011.

The Audit Committee has the sole authority to appoint and, when deemed appropriate, replace our independent auditors, and to compensate and oversee the work of our independent auditors. The Audit Committee has a policy of pre-approving all audit and permissible non-audit services provided by our independent auditors and the fees associated therewith. The Audit Committee has, among other things, the responsibility to:

evaluate the qualifications and independence of our independent auditors;

review and approve the scope and results of the annual audit;

evaluate independently and with our independent auditors our financial and internal audit staff and the adequacy and effectiveness of our systems and internal control over financial reporting;

review and discuss with management and the independent auditors the content of our financial statements prior to the filing of our quarterly reports on Form 10-Q and annual reports on Form 10-K;

review the content and clarity of our press releases and related Securities and Exchange Commission reports regarding our operating results and other financial matters;

review significant changes in our accounting policies;

review and approve transactions with related persons for which disclosure and/or approval is required under applicable law, including Securities and Exchange Commission and Nasdaq rules;

establish procedures for receiving, retaining and investigating reports of illegal acts involving us or complaints or concerns regarding questionable accounting or auditing matters, and supervise the investigation of any such reports, complaints or concerns;

establish procedures for the confidential, anonymous submission by our employees of concerns or complaints regarding questionable accounting or auditing matters;

review and discuss assessments conducted by management with respect to our major financial and credit risk exposures, and actions being taken to monitor and control such exposures;

periodically meet with the independent auditors without management present;

adopt and periodically review and assess our investment policy;



## Edgar Filing: NEWPORT CORP - Form DEF 14A

oversee the management of our investment portfolio and evaluate the performance of our portfolio managers, at such times as we maintain a managed investment portfolio; and

review and approve or make recommendations to the Board with respect to certain significant spending proposals.

### *Compensation Committee*

The Compensation Committee is comprised of four directors. The current members are Messrs. O Neill (Chairman), Guyett and Potashner and Dr. Patel. None of the members of the Compensation Committee are or have been our officers or employees, and each member qualifies as an independent director as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules. The Compensation Committee held three meetings (including telephonic meetings) during the fiscal year ended December 31, 2011. The Compensation Committee has, among other things, the responsibility to:

review the competitiveness of and develop and implement our executive compensation programs, evaluate and take into consideration the results of stockholder advisory votes on executive compensation, and approve all cash and equity compensation for our Chief Executive Officer and other executive officers;

review and discuss assessments conducted by management with respect to risk that may arise from our compensation policies and practices for all employees;

oversee the development of and administer our long-term incentive plans, including equity-based incentive plans;

develop guidelines for and approve awards to key personnel under our equity-based incentive plans; and

evaluate the form and amount of director compensation and make recommendations to the Board related thereto.

Additional information regarding the Compensation Committee's consideration and determination of executive officer and director compensation is included under the heading "Compensation Discussion and Analysis" beginning on page 13 of this proxy statement.

*Corporate Governance and Nominating Committee*

The Corporate Governance and Nominating Committee is comprised of four directors. The current members are Messrs. Potashner (Chairman), O'Neill and Simone and Dr. Patel. None of the members of the Corporate Governance and Nominating Committee are or have been our officers or employees, and each member qualifies as an independent director as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules. The Corporate Governance and Nominating Committee held three meetings (including telephonic meetings) during the fiscal year ended December 31, 2011.

The Corporate Governance and Nominating Committee ensures that the Board is properly constituted to meet its fiduciary obligations to Newport and our stockholders and that we have and follow appropriate governance standards. To carry out this purpose, the Corporate Governance and Nominating Committee has, among other things, the responsibility to:

develop, continually assess and monitor compliance with our corporate governance guidelines;

evaluate the size and composition of our Board, the criteria for Board membership and the independence of Board members;

oversee the evaluation of the performance of our Board and its committees and our management;

assist our Board in establishing appropriate committees and recommend members for such committees;

identify, evaluate and recommend to our Board candidates for nomination and election as members of our Board; and

review and make recommendations to our Board regarding our responses to proposals and advisory votes received from stockholders, and engage in discussions with the proponents of approved stockholder proposals.

***Identifying and Evaluating Director Candidates***

The Corporate Governance and Nominating Committee identifies potential director candidates through a variety of sources, including recommendations made by current or former directors, members of our executive management, stockholders and business, academic and industry contacts. When appropriate, a search firm may be retained by the committee to identify director candidates. Mr. Cox, who was appointed to the Board in November 2011, was identified as a potential candidate by our Chief Financial Officer.

There are no specific minimum qualifications that the Corporate Governance and Nominating Committee requires to be met by a director nominee recommended for a position on the Board, nor are there any specific qualities or skills that are necessary for one or more members of our Board to possess, other than as are necessary to meet the requirements of the rules and regulations applicable to us. The Corporate Governance and Nominating Committee reviews and assesses at least annually the size and composition of our Board and the criteria for Board membership, including business background, experience, judgment, independence, character, age, diversity, and other relevant matters. Our Board does not have a formal policy regarding racial/ethnic, gender or other diversity of director candidates, but considers diversity as a factor in evaluating such candidates. Candidates for director are evaluated based on such established criteria and certain provisions of our bylaws.

In assessing the composition of the Board, the Corporate Governance and Nominating Committee considers the Board's current and anticipated needs, and makes every effort to maintain appropriate balance of different business backgrounds, skills and expertise based on the nature and requirements of our business and the markets that we serve. In evaluating a potential director candidate, the Corporate Governance and Nominating Committee considers all relevant information regarding the candidate, including the membership criteria stated above, and whether

the

candidate would meet the Committee's objectives for the overall composition of the Board, as well as the candidate's ability and willingness to devote adequate time to Board responsibilities. When appropriate, the Corporate Governance and Nominating Committee will recommend qualified candidates for nomination by the full Board. Any stockholder may recommend candidates for evaluation by the Corporate Governance and Nominating Committee by submitting a written recommendation to our Corporate Secretary containing the information regarding such candidates required for stockholder nominations described under the heading "Stockholder Nominations" below. The Corporate Governance and Nominating Committee will consider any such recommended candidates in the same manner as all other proposed candidates in accordance with these standards.

### ***Stockholder Nominations***

In accordance with our bylaws, stockholders may submit a nomination of a candidate for election as director by delivering a written notice to our Corporate Secretary at least ninety (90) days prior to the date corresponding to the record date of our previous year's annual meeting in the event of election at an annual meeting, and at least seventy-five (75) days prior to the initiation of solicitation to our stockholders for election in the event of election other than at an annual meeting. Such notice shall set forth (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the number of shares (if any) of our capital stock that are beneficially owned by such nominee, and (4) such other information concerning such nominee as would be required under the then-current rules of the Securities and Exchange Commission to be included in a proxy statement soliciting proxies for the election of the nominee. Any such notice shall be accompanied by a signed consent of such nominee to serve as a director, if elected. If the Corporate Governance and Nominating Committee or the Board determines that any nomination made by a stockholder was not made in accordance with the foregoing procedures, the rules and regulations of the Securities and Exchange Commission or other applicable laws or regulations, such nomination will be void. Our bylaws also contain certain restrictions on the eligibility of a person to be elected or to serve as a director who is an employee, officer, director or agent of, or is otherwise affiliated with, a business entity that competes with us, as more specifically described in our bylaws. Such restrictions will also be taken into account in determining whether any nomination made by a stockholder is proper.

### ***Communications with our Board***

Any stockholder may communicate with our Board, any Board committee or any individual director. All communications should be made in writing, addressed to the Board, the Board committee or the individual director, as the case may be, in care of our Corporate Secretary, mailed or delivered to our corporate offices at 1791 Deere Avenue, Irvine, California 92606. Our Corporate Secretary will forward or otherwise relay all such communications to the intended recipient(s).

### ***Corporate Responsibility***

#### ***Code of Ethics***

Our Board has adopted a written code of ethics that applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and persons performing similar functions. Such code of ethics consists of standards that, among other things, are designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or furnish to, the Securities and Exchange Commission and/or make in other public communications; compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the code to our Legal Department and/or our Audit Committee; and accountability for adherence to the code. A copy of our code of ethics is available on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance). We will also provide an electronic or paper copy of the code of ethics, free of charge, upon request made to our Corporate Secretary. If any substantive amendments are made to the written code of ethics, or if any waiver (including any implicit waiver) is granted from any provision of the code to our Chief Executive Officer, Chief Financial Officer or Chief Accounting Officer, we will disclose the nature of such amendment or waiver on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance) or, if required, in a current report on Form 8-K.

#### ***Procedures for Submitting Complaints Regarding Accounting and Auditing Matters***

We are committed to compliance with all applicable securities laws and regulations, accounting standards and accounting controls. The Audit Committee has established written procedures for the receipt, retention and

treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by our employees of concerns or complaints regarding such matters. The Audit Committee oversees the handling of such concerns or complaints. The procedures for non-employees to submit concerns or complaints regarding accounting, internal accounting controls and auditing matters are available on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance). We will also provide an electronic or paper copy of these procedures free of charge, upon request made to our Corporate Secretary.

**EXECUTIVE OFFICERS**

We currently have five executive officers who serve at the pleasure of our Board and are elected on an annual basis:

| <b>Name</b>         | <b>Age</b> | <b>Title</b>   |
|---------------------|------------|--|
| Robert J. Phillippy | 51         | President and Chief Executive Officer                          |
| Charles F. Cargile  | 47         | Senior Vice President and Chief Financial Officer              |
| Jeffrey B. Coyne    | 45         | Senior Vice President, General Counsel and Corporate Secretary |
| Gary J. Spiegel     | 61         | Vice President, Sales, Marketing and Business Development      |
| David J. Allen      | 57         | Vice President and General Manager, Lasers Division            |

Mr. Phillippy's biography is presented on page 5. The biographies of our other executive officers are set forth below.

**Charles F. Cargile** joined us in October 2000 as Vice President and Chief Financial Officer. In July 2004, he was appointed Senior Vice President. He also served as Treasurer from February 2005 until April 2010. Prior to joining us, Mr. Cargile was Vice President, Finance and Corporate Development for York International Corporation (now a division of Johnson Controls, Inc.), a manufacturer of air conditioning and refrigeration products. He joined York in November 1998, and served in a number of executive positions, including Corporate Controller and Chief Accounting Officer, until his promotion to Vice President, Finance and Corporate Development in February 2000. Prior to joining York, Mr. Cargile was employed by Flowserve Corporation, a manufacturer of highly-engineered pumps, seals and valves primarily for the petroleum and chemical industries, in various positions, most recently as Corporate Controller and Chief Accounting Officer from February 1995 to November 1998.

**Jeffrey B. Coyne** joined us in June 2001 as Vice President, General Counsel and Corporate Secretary. In July 2004, he was appointed Senior Vice President, with responsibility for human resources in addition to legal affairs. Prior to joining us, Mr. Coyne was a partner in the Corporate and Securities Law Department of Stradling Yocca Carlson & Rauth, our outside corporate counsel, from January 2000 to June 2001, and was an associate attorney at such firm from February 1994 to December 1999. From November 1991 to February 1994, Mr. Coyne was an associate attorney at Pillsbury Madison & Sutro (now Pillsbury Winthrop Shaw Pittman LLP), an international law firm. Mr. Coyne is a member of the State Bar of California and the Orange County Bar Association.

**Gary J. Spiegel** joined us in 1991 through our acquisition of Micro-Controle, SA and its subsidiary, Klinger Scientific. He was appointed to the position of Vice President with responsibility for domestic sales in June 1992. During 1997, Mr. Spiegel was assigned additional responsibility for export sales including our sales subsidiaries in Canada and Taiwan. In March 2002, Mr. Spiegel was appointed Vice President, Worldwide Sales and Marketing, expanding his role to include responsibility for all marketing communications and market management. Since that time, he has held various leadership roles with responsibility for worldwide sales, service and marketing, and most recently was appointed as Vice President, Sales, Marketing and Business Development in January 2010. Prior to joining us, Mr. Spiegel was Vice President of Sales and Marketing for Klinger Scientific.

**David J. Allen** joined us in March 2007 as Vice President and General Manager of our Lasers Division. Prior to joining us, from October 1999 to July 2006, Mr. Allen was employed by Agilent Technologies, Inc., a global provider of measurement and analytical instrumentation, and Avago Technologies, Inc., a company which was formed in December 2005 by the spin off of Agilent's semiconductor products division. During such time, he held a number of management positions, most recently serving as Vice President and General Manager, Fiber Optics

Products Division from April 2004 to July 2006, as Vice President and General Manager, Networking Solutions Business Unit from November 2003 to December 2005, and as Vice President and General Manager, Personal Systems Business Unit from November 2001 to October 2003. Prior to his positions with Agilent and Avago, Mr. Allen held various management positions at Hewlett-Packard Company from December 1984 to October 1999. Prior to joining Hewlett-Packard Company, Mr. Allen held various sales positions at General Electric Company.

#### ***Family Relationships***

There are no family relationships between any director, executive officer or person nominated or chosen to become a director or executive officer.

#### **COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis provides information about the compensation objectives and policies for our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers (our named executive officers) to give context to the information contained in the compensation tables that follow this Compensation Discussion and Analysis. In this Compensation Discussion and Analysis, we refer to the Compensation Committee of our Board as the Committee, and the terms we, us and our refer to the company.

#### ***Overview of Executive Compensation Program and Objectives***

Our executive compensation program is intended to fulfill three primary objectives: first, to attract and retain the high-caliber executives required for the success of our business; second, to reward these executives for strong financial and operating performance; and third, to align their interests with those of our stockholders to incentivize them to create long-term stockholder value.

To fulfill these objectives, the Committee has adopted the following policies:

paying compensation that is competitive with other technology companies in our markets and in our geographic locations that have revenue levels, headcount and market capitalization that are comparable with ours;

tying a significant portion of our executives' total compensation to performance, by:

- providing annual cash incentives that are tied to the achievement of pre-established financial and/or non-financial performance objectives; and
- providing long-term equity-based incentives, a significant portion of which are tied to the achievement of pre-established financial performance objectives, and for which the value ultimately realized by the executive is tied to our stock price; and

providing a significant long-term incentive to executives to encourage them to remain with Newport for long and productive careers and to build long-term stockholder value.

#### ***Implementation of Our Compensation Objectives and the Role of Our Compensation Committee***

Our executive compensation program is overseen and administered by the Committee, which is comprised entirely of independent directors as determined in accordance with applicable Nasdaq, Securities and Exchange Commission and Internal Revenue Service rules. The Committee operates under a written charter adopted and reviewed annually by our Board. A copy of this charter is available on our Internet site at [www.newport.com/corporategovernance](http://www.newport.com/corporategovernance). We will also provide electronic or paper copies of this charter, free of charge, upon request made to our Corporate Secretary.

The Committee is guided by the above policies in designing and administering our executive compensation program. In determining the particular elements of compensation that will be used to implement these compensation policies and the allocation of compensation among these elements, the Committee takes into consideration a number of factors related to our performance, such as our revenue, profit and other financial

## Edgar Filing: NEWPORT CORP - Form DEF 14A

performance and goals, as well as competitive practices among our peer companies. The Committee also evaluates risk factors associated with our businesses in determining our compensation policies and the components of our executive compensation program. A member of the Audit Committee also serves as a member of the Committee, which provides the Committee with

further insight regarding our business risks and additional information in considering the impact of those risks on our compensation structure and pay practices.

The Committee typically determines each executive's target total annual cash compensation (salary and cash incentive) and target total direct compensation (salary, cash incentive and long-term equity incentive) after reviewing similar compensation information from a group of peer companies in the high technology industry with whom we compete for executive talent. Historically, this review has typically occurred in February of each year, and base salary adjustments (if any) typically are effective as of April 1 of each year. In certain years in the past, such as in 2009 and 2010, in light of business conditions and our financial outlook, the Committee determined that it would not increase executive compensation in those years and, accordingly, decided not to engage compensation consultants to conduct a detailed study of executive compensation. The Committee most recently engaged compensation consultants to conduct a market survey of executive compensation levels in November 2010, which the Committee reviewed in February 2011 in connection with its executive compensation determinations for 2011. In November 2011, the Committee determined that it will begin making executive compensation determinations mid-year (rather than in February) in order to more closely align its compensation decisions with our annual operating planning process. Any adjustments to compensation would then become effective for the next succeeding year. Accordingly, the Committee expects to conduct its next detailed review of executive compensation in approximately August 2012.

In connection with the Committee's review of executive compensation in February 2011, the Committee considered the following 27 high technology companies of similar size and scope as Newport, as measured by ranges of annual revenue, headcount and market capitalization:

|                                     |                                    |   |
|-------------------------------------|------------------------------------|---|
| Atheros Communications, Inc.        | F5 Networks, Inc.                  | OmniVision Technologies, Inc.                   |
| Brooks Automation, Inc.             | FEI Company                        | Photronics, Inc.                                |
| Cabot Microelectronics Corp.        | Intersil Corp.                     | QLogic Corp.                                    |
| Ceradyne, Inc.                      | ION Geophysical Corp.              | Red Hat, Inc.                                   |
| Coherent, Inc.                      | Kulicke and Soffa Industries, Inc. | Silicon Laboratories, Inc.                      |
| Cymer, Inc.                         | Microsemi Corp.                    | Standard Microsystems Corp.                     |
| Dionex Corporation                  | MKS Instruments, Inc.              | Varian Semiconductor Equipment Associates, Inc. |
| Electro Scientific Industries, Inc. | National Instruments Corp.         | Veeco Instruments, Inc.                         |
| Emulex Corp.                        | Oclaro, Inc.                       | Verigy Ltd.                                     |

Newport ranked in the 70<sup>th</sup> percentile with respect to revenue, 75<sup>th</sup> percentile with respect to headcount, and 17<sup>th</sup> percentile with respect to market capitalization, of this peer group.

Data on the compensation practices of these peer companies is generally gathered by the Committee's compensation consultants through searches of publicly available information, as well as the Radford Global Technology Survey. Peer group data is gathered with respect to target total direct compensation, which includes base salary, target annual incentive and target annual equity awards (including stock options, stock appreciation rights and restricted stock), but excludes pension and deferred compensation benefits and benefits that are generally available to all employees, such as 401(k) plan matching contributions and health care coverage.

The Committee generally targets base salaries, target annual incentive compensation and equity compensation at the 50<sup>th</sup> percentile of the peer group, and ties a significant portion of our executives' total compensation to the achievement of pre-established performance objectives and/or increases in the price of our stock, which the Committee believes helps to align the interests of executives with those of our stockholders. The base salary, target annual incentive compensation and equity compensation amounts for each executive may vary from the 50<sup>th</sup> percentile of the peer group data depending on the factors the Committee considers most relevant each year, for example, an executive's performance, the scope of the executive's position and responsibilities and internal pay equity among our executive officers.

#### ***Role of Compensation Consultants in the Compensation Determination Process***

The Committee has the authority to engage its own compensation consultants and other independent advisors to assist in designing and administering our executive compensation policies and programs. The Committee engaged Radford Compensation Consulting, a consulting unit of Aon Inc. (Radford), in November 2010 to conduct a market survey of compensation levels and structure, which included a review and analysis of (i) executive cash and equity compensation, (ii) broad-based equity compensation, and (iii) non-employee director cash and equity



compensation. Radford was requested by the Committee to present assessments of our compensation levels relative to our peer companies and to provide recommendations regarding the compensation levels and the structure of our compensation plans. The Committee reviewed Radford's recommendations in February 2011 and has used them to assist the Committee in establishing compensation levels and plans for 2011 and 2012.

Separate units of Aon Inc. performed advisory and brokerage services for us in 2011 relating to certain lines of insurance. The fees for such other services did not exceed \$120,000 during our fiscal year ended December 31, 2011.

#### ***Role of Management in the Compensation Determination Process***

The Committee periodically meets with our Chief Executive Officer and/or other executive officers to obtain recommendations with respect to compensation programs for executives and other employees. Our Chief Executive Officer makes recommendations to the Committee on the base salaries, incentive targets and measures and equity compensation for our executives and other key employees, generally in accordance with the recommendations of the Committee's compensation consultants but occasionally proposing adjustments for reasons of individual performance and scope of responsibility, internal equity and retention risk. The Committee considers, but is not bound to and does not always accept, management's recommendations with respect to executive compensation. The Committee has made modifications to several of management's proposals in recent years. Our Chief Executive Officer and other executives attend most of the Committee's meetings, but the Committee also holds private sessions outside the presence of members of management and non-independent directors. The Committee discusses our Chief Executive Officer's compensation package with him, but makes decisions with respect to his compensation without him present. The Committee has delegated to management the authority to make salary adjustments and annual incentive decisions and to grant long-term incentive awards to employees other than executive officers and certain other members of senior management under guidelines set by the Committee. The Committee has not delegated any of its authority with respect to the compensation of executive officers and certain other members of senior management.

#### ***Consideration of Results of Advisory Votes of Stockholders on Executive Compensation***

Pursuant to Rule 14a-21(a) promulgated under the Exchange Act, we will periodically seek approval of the compensation of our named executive officers from our stockholders on an advisory, non-binding basis. In light of the significant support expressed by our stockholders at our 2011 annual meeting for holding such advisory votes on an annual basis, we currently expect to seek advisory votes on the approval of executive compensation on an annual basis until our annual meeting in 2017, at which time we will ask our stockholders to approve, on an advisory, non-binding basis, how frequently thereafter we will seek an advisory vote from stockholders on the approval of executive compensation. Although such advisory votes are not binding on us, the Committee values feedback from our stockholders, and has considered, and will continue to consider in the future, the outcomes of such votes in developing compensation programs and making compensation decisions.

At our 2011 annual meeting of stockholders, we held our first stockholder vote to approve, on an advisory, non-binding basis, the compensation of our named executive officers. The holders of approximately 90.8% of the shares of our common stock present and entitled to vote at the meeting voted in favor of the approval of the compensation of our named executive officers. The Committee considered the results of this vote and, based on the level of support received from our stockholders, the Committee determined not to make any significant changes to our executive compensation programs and policies.

At our 2012 annual meeting, we will be seeking an advisory vote on the approval of the compensation of our named executive officers as disclosed in this proxy statement, as described in Proposal 4 beginning on page 47 below.

#### ***Elements of 2011 Executive Compensation Program***

There are five major elements that comprise our executive compensation program: (i) base salary; (ii) cash incentives; (iii) long-term equity incentives; (iv) retirement benefits provided under our 401(k) plan; and (v) executive perquisites and benefits and generally available benefit programs. The Committee has selected these elements because it believes that each helps to fulfill one or more of the principal objectives of our executive compensation policy. The Committee believes that the combination of these compensation elements is effective in achieving the objectives of our executive compensation program. The Committee will continue to review all

elements of our executive compensation program on at least an annual basis to ensure that our benefit levels remain competitive and that each element continues to be effective in achieving our objectives.

*Base Salary*

The Committee reviews the base salaries for our executives on at least an annual basis and makes adjustments thereto as it deems appropriate in its sole discretion. The Committee generally sets base salary levels at approximately the 50<sup>th</sup> percentile of the peer group, but the Committee also takes into account factors such as the scope of the executives' responsibilities, their performance and contributions to our success, length of service with the company and internal pay equity among our executives in determining base salary levels. Although the Committee's general policy is for executive compensation to be more heavily weighted towards performance-based compensation, it has continued to make base salaries a significant part of the total executive compensation package to remain competitive in attracting and retaining executive talent.

The peer group data reviewed by the Committee in February 2011 indicated that Mr. Phillippy's 2010 base salary was approximately 23% below the 50<sup>th</sup> percentile of market, and that the 2010 base salaries of our other named executive officers ranged from approximately 14% below to approximately 27% above the 50<sup>th</sup> percentile of market. After reviewing the peer group data, and based on recommendations provided by its compensation consultants, the Committee increased Mr. Phillippy's base salary by 8.9%, and the base salaries of the other named executive officers by from 1.8% to 3.0%. Such increases brought Mr. Phillippy's base salary to a level that was approximately 17% below the 50<sup>th</sup> percentile of market, and brought the base salaries of the other named executive officers within a range of approximately 11% below to approximately 29% above the 50<sup>th</sup> percentile of market, for 2011. The Committee determined that these levels were appropriate based on the responsibilities and performance of each named executive officer and internal equity considerations, as well as on our 2011 financial outlook and operating plan. In February 2012, the Committee again reviewed the peer group data and recommendations provided by its compensation consultants in February 2011, and increased Mr. Phillippy's base salary by 2.9%, and the base salaries of the other named executive officers by from 1.8% to 5.9%.

*Annual Cash Incentives*

Our executives participate in a cash incentive plan developed by the Committee each year. These cash incentive plans focus on linking a significant portion of each executive's total compensation to the achievement of pre-established performance goals. The Committee also may award bonuses outside of these cash incentive plans, but the Committee did not award any such bonuses for 2011.

For 2011, the Committee established an annual cash incentive plan under which 100% of the incentive payouts were tied to the achievement of annual financial performance goals for 2011. As discussed below, the Committee determined the target incentive amount and weighting of performance measures for each executive, as well as the performance targets and payout structure.

*Target Incentives.* The Committee generally sets target incentive levels at approximately the 50<sup>th</sup> percentile of the peer group, but the Committee also takes into account factors such as the scope of the executives' responsibilities, their performance and contributions to our success, length of service with the company and internal pay equity among our executives in determining such target levels. For 2011, the target incentives for the named executive officers were as follows:

| Name                | Target Incentive<br>(as %<br>of Base Salary) | Target Incentive<br>(\$) |
|---------------------|--|--------------------------|
| Robert J. Phillippy | 100%   | \$ 490,000               |
| Charles F. Cargile  | 75%  | 255,000                  |
| Jeffrey B. Coyne    | 50%  | 144,000                  |
| Gary J. Spiegel     | 50%  | 140,000                  |
| David J. Allen      | 50%  | 143,000                  |

These target incentive levels were generally in line with the peer group data reviewed by the Committee in February 2011, but the target incentives for certain named executive officers were adjusted by the Committee based the factors listed above.

*Payout Structure.* Under our cash incentive plans, the Committee generally establishes minimum, target and maximum achievement levels for each financial measure. The Committee believes that this structure is appropriate because it provides a partial reward for performance that is near, but slightly below, the target level, while incentivizing the executive to exceed the target level. For the 2011 annual cash incentive plan, the Committee set the target level for each financial measure at approximately the level set forth in our annual operating plan, and the minimum, target and maximum performance levels corresponded to payout levels of 50%, 100% and 200%, respectively, of the executive's target incentive. The table entitled "Grants of Plan-Based Awards in Fiscal Year 2011" on page 26 sets forth the minimum, target and maximum payout levels for each executive under the cash incentive plan for 2011.

Payouts were prorated on a straight-line basis for achievement between the minimum and target levels or between the target and maximum levels. If we did not meet the minimum performance level for a measure, no payout would have been made for that measure. In addition, the payout for all of the financial measures was conditioned upon the achievement of at least the minimum level for the executive's primary profitability goal (consolidated operating income for Messrs. Cargile, Coyne, Phillippy and Spiegel, and Lasers Division operating income for Mr. Allen), as the Committee believes that no incentive should be paid to the executive unless a minimum profitability level is achieved.

*Performance Measures.* The financial performance measures for each executive are selected by the Committee each year based on our corporate goals for that year and the Board's priorities. The measures selected, and their relative weighting, vary among the executives based upon such executive's area of responsibility and potential impact on our operating and financial performance, to strengthen the correlation between performance and reward. Management provides recommendations to the Committee with respect to financial performance measures for each executive and the relative weighting of such measures, but the Committee makes all final determinations with respect to the performance measures and relative weightings.

For 2011, the Committee selected a combination of performance measures for each named executive officer, based on sales, profitability and cash flow, which it believed were the most important measures of management's performance on the goals of profitable growth and effective financial management established by the Board. The Committee believes that these goals are among the most important drivers of stockholder value. For Mr. Allen, the Committee tied such measures primarily to the performance of our Lasers Division, reflecting his area of responsibility.

For 2011, the financial performance measures and relative weightings thereof for each named executive officer were as follows:

| Name                | Consolidated       |                  |           |                | Lasers Division  |           |           |
|---------------------|--------------------|------------------|-----------|----------------|------------------|-----------|-----------|
|                     | Earnings Per Share | Operating Income | Net Sales | Free Cash Flow | Operating Income | Net Sales | Cash Flow |
| Robert J. Phillippy | 35%                | 20%              | 25%       | 20%            |                  |           |           |
| Charles F. Cargile  | 35%                | 20%              | 25%       | 20%            |                  |           |           |
| Jeffrey B. Coyne    | 35%                | 20%              | 25%       | 20%            |                  |           |           |
| Gary J. Spiegel     |                    | 35%              | 45%       | 20%            |                  |           |           |
| David J. Allen      |                    | 15%              |           |                | 40%              | 25%       | 20%       |

The minimum, target and maximum performance levels established for the 2011 financial performance measures, and the actual performance results with respect to such measures, were as follows:

#### 2011 Financial Goals and Results

| Financial Measure                        | Financial Goals <sup>(1)</sup> |            |            | Results <sup>(1)</sup> |
|--|--------------------------------|------------|------------|------------------------|
|  | Minimum                        | Target     | Maximum    |                        |
| Earnings Per Share                       | \$ 0.95                        | \$ 1.28    | \$ 1.60    | \$ 1.38                |
| Consolidated Operating Income            | \$ 50,000                      | \$ 63,694  | \$ 78,000  | \$ 67,455              |
| Consolidated Net Sales                   | \$ 480,000                     | \$ 510,000 | \$ 560,000 | \$ 503,906             |
| Consolidated Free Cash Flow              | \$ 37,500                      | \$ 50,000  | \$ 62,800  | \$ 71,327              |
| Lasers Division Operating Income         | \$ 15,900                      | \$ 20,001  | \$ 25,200  | \$ 16,460              |
| Lasers Division Net Sales                | \$ 186,000                     | \$ 195,156 | \$ 213,000 | \$ 177,934             |
| Lasers Division Cash Flow <sup>(2)</sup> | \$ 16,600                      | \$ 21,243  | \$ 27,560  | \$ 23,883              |

<sup>(1)</sup> All figures are in thousands except per share data. Financial performance goals are established by the Committee at the beginning of each year based on our annual operating plan, which is prepared in accordance with generally accepted accounting principles (GAAP). Such goals are established by the Committee with the expectation that, in determining the actual level of achievement of the goals, the financial impact of certain events that occur during the year, such as acquisition and divestiture related activities and other non-recurring items that are outside of our core operating plan and results, may be excluded from our actual GAAP results, as determined by the Committee in its discretion. For 2011, the results reflected in the table above for all measures reflect non-GAAP amounts that exclude certain items. A description of such items and a reconciliation of the non-GAAP amounts to our corresponding GAAP results for all measures are included in Appendix A to this proxy statement. The Committee evaluated and approved the exclusion of such items in determining the level of achievement of the financial performance goals under the 2011 annual cash incentive plan.

<sup>(2)</sup> Lasers Division Cash Flow is calculated as the division's operating income plus depreciation, stock compensation expense and changes in inventory, and less capital expenditures during 2011.

As noted above, the target levels for 2011 were set at approximately the levels set forth in our 2011 annual operating plan. The Committee believed that these target levels were challenging but achievable with significant effort, and that the maximum levels were set at levels that represented both very challenging performance goals and outstanding achievement.

**2011 Results.** In 2011, we experienced strong market conditions in most of our primary end markets, executed effectively on those opportunities and managed the weakening of business conditions in certain end markets and geographic areas well. As a result, for 2011, at least the minimum level was achieved for all financial measures, including the primary profitability goal, applicable to the named executive officers, with the exception of the Lasers Division Net Sales measure. Our Lasers Division's net sales were negatively impacted by a reduction in sales to customers in Japan resulting in part from the earthquake and tsunami in March 2011. For most measures, the target level was exceeded, and for one measure, the maximum level was achieved. Accordingly, the named executive officers received total payouts under the 2011 annual cash incentive plan ranging from approximately 70% to 134% of their target incentives. The Summary Compensation Table on page 24 reflects the amounts earned by each named executive officer under the 2011 annual cash incentive plan.

**2012 Annual Incentive Plan.** In February 2012, the Committee established an annual cash incentive plan for our named executive officers for 2012. The overall payout structure and the financial measures and weightings selected for the 2012 plan are substantially the same as the 2011 plan.

#### Long-Term Equity Incentives

## Edgar Filing: NEWPORT CORP - Form DEF 14A

We provide long-term incentive compensation to our executives through equity-based awards, such as stock options, stock-settled stock appreciation rights, restricted stock and/or restricted stock units, which generally vest over multiple years. The Committee believes that a substantial portion of executives' long-term equity incentives should be conditioned upon the achievement of pre-established performance goals that the Committee believes are

important drivers of stockholder value. The Committee believes that this policy further aligns the interests of executives with those of our stockholders and incentivizes executives to drive sustained, long-term financial performance. In addition, due to the vesting provisions of our equity awards, the Committee believes that this program promotes our executive retention goals.

The Committee determines the appropriate award size and the appropriate equity-based vehicles or combination of vehicles when making long-term equity incentive decisions. The Committee generally sets target long-term equity incentive levels at approximately the 50<sup>th</sup> percentile of our peer companies. However, the Committee also considers other factors, including the compensation expense associated with the awards, and individual factors such as the executive's performance and scope of responsibility and internal pay equity among our executives, in making award decisions. The Committee does not consider existing equity ownership as a material factor in making award decisions as it does not want to discourage executives from holding significant amounts of our stock. In selecting the equity vehicles to be used each year, the Committee seeks to achieve an appropriate balance between awards that provide higher incentive value, such as options or stock appreciation rights, and awards that provide higher retention value, such as restricted stock or restricted stock units. The Committee also takes into account the relative efficiencies of each type of equity vehicle in terms of the number of shares required to provide the targeted value to the executive, in order to minimize stockholder dilution.

In February 2011, the Committee reviewed an assessment conducted by its compensation consultants of the equity compensation of our named executive officers relative to our peer companies. Based upon such peer group data, the grant date values of the awards made to the named executive officers in 2010 were an average of approximately 44% below the 50<sup>th</sup> percentile of market. In addition, the peer group data indicated that a majority of our peer companies grant full value awards (restricted stock or restricted stock units) subject only to time-based vesting conditions rather than performance-based vesting conditions. The peer group data also indicated that other awards, such as stock appreciation rights and stock options, which are performance-based by their nature as their values are derived solely from increases in a company's stock price, are rarely subject to additional performance conditions.

*2011 Equity Vehicles.* In 2011, the Committee granted equity awards to each named executive officer under our 2011 Stock Incentive Plan. Such awards are reflected in the table entitled "Grants of Plan-Based Awards in Fiscal Year 2011" on page 26 of this proxy statement. One-half of the total number of shares awarded to each executive was provided in the form of restricted stock units (representing approximately two-thirds of the total award value) and one-half was provided in the form of stock-settled stock appreciation rights (representing approximately one-third of the total award value). The Committee selected this combination of equity vehicles after considering several factors, including the retention value offered by restricted stock units, the incentive value offered by stock appreciation rights, and the minimization of stockholder dilution.

*2011 Award Values.* In determining the grant date values of the 2011 awards, the Committee took into consideration the peer group data and recommendations provided by its compensation consultants in 2011, as well as the grant date values of the 2009 and 2010 awards and the compensation expense budget included in our 2011 annual operating plan. While the peer group data and recommendations provided by the compensation consultants in February 2011 indicated that our equity compensation levels in 2009 and 2010 were significantly below the 50<sup>th</sup> percentile of our peer companies, the Committee determined not to increase the level of compensation expense associated with equity awards in 2011 in order to stay within the expense constraints of our annual operating plan. As such, the grant date values of the awards granted to the named executive officers in 2011 were approximately the same as the grant date values of the 2009 and 2010 awards. However, the Committee determined that it would take such market data and recommendations into consideration in determining the grant date values of the equity awards to be granted in 2012.

*2011 Vesting Structure.* For the 2011 awards, the Committee established a vesting structure that included both performance-based and time-based components. The Committee determined that this vesting structure was appropriate based on its objectives of incentivizing financial performance and executive retention, as well as on the peer group data discussed above and the recommendations of the Committee's compensation consultants. The vesting of the restricted stock unit awards granted to the named executive officers was conditioned upon the achievement of a financial performance threshold of \$42.5 million of consolidated operating income for 2011 and, if such financial performance threshold was achieved, the awards would vest in equal annual installments on March 31, 2012, 2013 and 2014, subject to the executive's continued employment with the company through such dates. The stock appreciation rights awarded to the named executive officers in 2011 are subject to time-based vesting conditions only and will vest in three equal annual installments on March 31, 2012, 2013 and 2014, subject to the

executive's continued employment with the company through such dates. Typically, equity awards are granted at approximately the end of March of each year, and the vesting dates are tied to the first three anniversaries of the grant date of the awards. However, the grant of equity awards to the named executive officers in 2011 was delayed until May 2011, pending stockholder approval of our 2011 Plan, and accordingly, the Committee adjusted the vesting dates as noted above.

The performance threshold for the 2011 restricted stock unit awards was set at a level that was slightly below the minimum achievement level for consolidated operating income under our cash incentive plan for 2011. The Committee believed that this performance threshold, together with the overall vesting structure for the 2011 awards, was appropriate, as it provided an incentive for our executives to drive company profitability, as well as long-term retention value, providing a balance between ensuring that the awards would not vest in the event of consolidated operating income achievement in 2011 that was significantly below the 2011 annual operating plan level, and ensuring that the long-term retention incentive of the awards would not be lost in the event of consolidated operating income achievement in 2011 that was slightly below the 2011 annual operating plan level. For 2011, we achieved consolidated operating income of \$67.5 million on a non-GAAP basis, exceeding the performance threshold established under the 2011 restricted stock unit awards. As such, the awards will continue to vest in accordance with the applicable time-based vesting schedule. A description of the items that were excluded from such non-GAAP result and a reconciliation of such amount to our corresponding GAAP result are included in Appendix A to this proxy statement. The Committee evaluated and approved the exclusion of such items in determining whether the performance threshold had been achieved for the 2011 restricted stock unit awards.

#### *Executive Perquisites and Benefits*

We provide our executives with other benefits that we believe are reasonable, competitive and consistent with our overall executive compensation program. The costs of these benefits are reflected in the "All Other Compensation" column in the Summary Compensation Table on page 24 of this proxy statement, and consist of term life insurance for the benefit of the executives, supplemental long-term disability insurance, auto allowances and annual physical examinations that are more extensive than that provided under our standard plans. The costs of these benefits constitute only a small percentage of each executive's total compensation.

#### *Generally Available Benefit Programs*

Executives also are eligible to receive benefits pursuant to programs that are generally available to most of our employees. These benefit programs include our 401(k) plan, employee stock purchase plan, deferred compensation plan, medical, dental and vision insurance, long-term and short-term disability insurance, life and accidental death and dismemberment insurance, health and dependent care flexible spending accounts, business travel accident insurance, wellness programs, educational assistance, employee assistance and certain other benefits.

#### *Section 401(k) Plan*

We maintain a tax-qualified retirement plan that provides eligible employees, including our executives, with an opportunity to save for retirement on a tax advantaged basis. Participants are able to defer up to 50% of their eligible compensation, subject to applicable annual limits under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participant's directions. We match employee elective deferrals up to a maximum of 6% of eligible compensation, subject to applicable annual Internal Revenue Code limits. Employee elective deferrals and matching contributions are immediately vested. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code.

#### *Employee Stock Purchase Plan*

We maintain an employee stock purchase plan, which is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code, to promote stock ownership by employees. To participate in the plan, an employee must designate, prior to the commencement of a quarterly offering period, the amount of payroll deductions to be made from his or her paycheck for the purchase of shares of our common stock under the plan, which amount may not exceed 15% of his or her compensation. On each purchase date, shares of our stock are purchased automatically for each participant with the amounts held from his or her payroll deductions at a price equal to 95% of the fair market value of the shares on the purchase date.

*Deferred Compensation Plan*

We have established a Deferred Compensation Plan to allow certain individuals, including members of our Board of Directors, our executives and a select group of management and/or highly compensated employees, to defer a portion of their current income on a pre-tax basis and receive a tax-deferred return on such deferrals. Our Deferred Compensation Plan is offered to these employees and directors to allow them to defer more compensation than they would otherwise be permitted to defer under a tax-qualified retirement plan, such as our 401(k) plan.

Under the plan, a participant may defer up to 100% of his or her annual base salary, annual incentive bonus and/or restricted stock or restricted stock unit awards, subject to a minimum deferral amount of \$2,000 in each plan year. In addition to a participant's deferrals, amounts are credited or debited to a participant's account based on the performance of one or more measurement funds selected by the participant. The measurement funds available under the plan are selected and announced by the plan committee based on certain mutual funds and crediting rates. The plan committee may, in its sole discretion upon written notice to participants, discontinue, substitute or add a measurement fund under the plan. Any restricted stock or restricted stock units deferred under the plan are at all times allocated to a company stock fund which consists solely of our common stock, with any dividends paid on restricted stock being reinvested in additional shares of our common stock. Amounts credited or debited to a participant's account are based solely on the market performance of the measurement funds selected by the participant, and we do not pay any above-market interest or return on the deferrals made by any participant. As such, in accordance with Securities and Exchange Commission rules, these amounts are not shown in the Summary Compensation Table below.

Three of our named executive officers have elected to defer amounts under the Deferred Compensation Plan, and have accumulated the deferred compensation amounts shown in the table entitled "Nonqualified Deferred Compensation in Fiscal Year 2011" on page 30 of this proxy statement. The amounts deferred are unsecured obligations of the company, receive no preferential standing, and are subject to the same risks as any of our other general obligations.

*Stock Ownership Guidelines*

Our Board of Directors has established stock ownership guidelines for executives that are designed to increase the executive's equity stake in Newport and more closely align his or her interests with those of our stockholders. The current guidelines provide that each executive should own, at a minimum, a specified number of shares of our common stock depending upon the position held, as follows: our Chief Executive Officer, 65,000 shares; our Senior Vice President and Chief Financial Officer, 35,000 shares; and our other executive officers, between 15,000 and 25,000 shares depending upon the position held. Newly appointed or promoted executives should achieve the applicable minimum stock ownership guideline within two years of such appointment or promotion.

The guidelines also provide that our executives shall not sell shares of our stock if the executive is not in compliance, or if such sale would cause the executive to become out of compliance, with the minimum stock ownership guidelines, except under certain circumstances, including cases of financial hardship, if approved by the Chairman of the Compensation Committee of our Board. These restrictions do not apply to the sale, or the surrender to us, of shares in connection with the exercise or settlement of a stock option, stock appreciation right or restricted stock unit, or the vesting of restricted stock, in payment of the exercise price and/or withholding taxes due in connection with such exercise, settlement or vesting, or to the transfer of shares as required by a domestic relations order. All of the named executive officers are currently in compliance with these stock ownership guidelines.

In addition to the guidelines described above, the terms of certain stock options previously granted to certain executives provide that the executive must hold at least 50% of the shares received upon the exercise of a stock option (after any sale of shares in payment of the exercise price and withholding taxes), for the longer of one year or until such time as the executive is in compliance with these stock ownership guidelines.

Under our insider trading policy, covered employees (including the named executive officers) are prohibited from trading in any interest or position relating to the future price of our securities, such as a put, call or short sale.



### *Accounting and Tax Considerations*

In designing our compensation programs, we take into consideration the accounting and tax effect that each element will or may have on Newport and the executive officers and other employees as a group. We aim to keep the expense related to our compensation programs to the minimum necessary to accomplish the objectives of such programs. When determining how to allocate between differing elements of compensation, the goal is to meet our objectives while maintaining cost neutrality.

Under Section 162(m) of the Internal Revenue Code, we generally receive a federal income tax deduction for compensation paid to any of our named executive officers only if the compensation is less than \$1 million during any fiscal year or is performance-based under Section 162(m). We do not believe that we have paid, and do not currently expect to pay, any compensation that is not deductible for federal income tax purposes. However, the Committee has the authority to pay non-deductible compensation to executives in its discretion.

In order to preserve our ability to deduct the compensation income associated with equity awards granted to such persons, for the purposes of Section 162(m) of the Internal Revenue Code, our 2011 Stock Incentive Plan provides that (i) in no event shall any plan participant be granted options or stock appreciation rights in any one calendar year pursuant to which the aggregate number of shares of common stock that may be acquired thereunder exceeds 300,000 shares, subject to adjustments in capital structure, and (ii) in no event shall any participant be granted restricted stock or restricted stock unit awards in any one calendar year pursuant to which the aggregate number of shares of common stock governed by such restricted stock or restricted stock unit awards exceeds 200,000 shares, subject to adjustments in capital structure. To the extent grants under the 2011 Stock Incentive Plan are in excess of these limitations, such excess shall not be exempt from the deductibility limits of Section 162(m) of the Internal Revenue Code.

### *Employment Agreements and Arrangements*

With the exception of the severance compensation agreements discussed below, which provide for payment of certain compensation and benefits in the event of termination of employment under certain circumstances, we do not have an agreement with any named executive officer with respect to the length of his employment or the level of cash compensation, equity compensation or other benefits payable to him. The base salary and any annual or long-term cash or equity incentive compensation of each executive officer are determined by the Compensation Committee, in its sole discretion, in accordance with its compensation philosophy, policies, objectives and guidelines discussed above.

### *Termination Following Change in Control*

We have entered into a severance compensation agreement with each of our named executive officers providing for certain payments and benefits in the event that such officer's employment is terminated within two years of a change in control of Newport (as defined in the agreement), and such termination constitutes a termination by us without cause (as defined in the agreement) or a resignation by the officer for good reason (as defined in the agreement). In such event, the executive officer will be entitled to: (i) a lump sum severance payment equal to twelve months of such officer's highest base salary during the twelve month period preceding termination (with the exception of Mr. Phillippy, who will be entitled to a severance payment of twenty-four months of salary); (ii) a bonus payment equal to such officer's incentive compensation bonus payable under our annual incentive plan or other bonus plans then in effect, based on 100% satisfaction of all performance goals (with the exception of Mr. Phillippy, who will be entitled to receive two times such bonus payment); (iii) continuation of benefits under our medical, dental and vision plans, and long-term disability insurance for twenty-four months; (iv) automatic vesting and settlement of all unvested restricted stock and restricted stock units held by such officer, based on 100% satisfaction of any applicable performance goals and, at the executive's election, our repurchase of all such shares received by the executive at the fair market price (calculated as set forth in the agreement); (v) automatic vesting and settlement of all unvested stock appreciation rights held by such officer, based on 100% satisfaction of any applicable performance goals and, at the executive's election, our repurchase of all such shares received by the executive at the fair market price (calculated as set forth in the agreement); (vi) automatic vesting of all unvested stock options and, unless otherwise specified by such officer, payment of an amount equal to the difference between the exercise price and the fair market price (calculated as set forth in the agreement) of the shares of common stock subject to all vested and unvested stock options held by such officer; and (vii) certain other benefits, including payment of an

amount sufficient to offset any excess parachute payment excise tax payable by such officer pursuant to the provisions of the Internal Revenue Code, and/or any comparable provision of state or foreign law.

*Other Termination*

Our agreements with each of Mr. Phillippy and Mr. Cargile provide for certain severance benefits in the event we terminate his employment other than for cause at any time during the term of the agreement in the absence of a change in control of Newport. In such event, he will be entitled to receive (i) a severance payment equal to twelve months of his highest base salary in effect during the twelve month period preceding termination, payable in a lump sum on his date of termination, (ii) a bonus payment in an amount equal to his incentive bonus payable under our annual incentive plan or other bonus plans then in effect, based on 100% satisfaction of all performance goals, payable in a lump sum on his date of termination, and (iii) continuation of benefits under our medical, dental and vision plans, and long-term disability insurance for twelve months.

The estimated payments and benefits that each named executive officer would have received under the severance compensation agreements described above in the event that his employment had been terminated by us under certain circumstances as of December 31, 2011 are discussed under the heading *Payments Upon Certain Termination Events* beginning on page 31 of this proxy statement.

***Non-Employee Director Compensation***

The Committee has the authority and responsibility to review and evaluate periodically the cash and equity compensation paid to non-employee directors. Based on such review and evaluation, the Committee makes recommendations to our Board, and the Board approves all non-employee director compensation in its sole discretion.

The Committee has the authority to engage compensation consultants to assist the Committee in evaluating the amount and form of non-employee director compensation. In evaluating and making its recommendations regarding non-employee director compensation, the Committee reviews peer group and other market data obtained through surveys conducted by such consultants or through other external resources. While the Committee may direct management to engage compensation consultants on behalf of the Committee, the Committee does not delegate any authority to management to determine or make recommendations regarding such compensation. As noted above, in November 2010, the Committee engaged Radford to conduct an assessment of non-employee director compensation, which was reviewed by the Committee in February 2011. As discussed below, the Committee recommended to the Board, and the Board approved, certain changes to the compensation of non-employee directors effective in March 2011 based on such peer group data and the recommendations of the Committee's compensation consultants.

Each of our non-employee directors receives an annual fee for service as a director, which was \$26,250 through February 2011 and was increased to \$30,000 effective in March 2011. In addition, each non-employee director is paid \$2,500 for each in-person Board meeting attended, \$1,500 for each telephonic Board meeting attended, \$2,000 for each in-person committee meeting attended, and \$1,000 for each telephonic committee meeting attended. Each committee chairperson receives an additional \$1,000 for each in person or telephonic committee meeting attended. Our non-employee directors are also reimbursed for expenses incurred in connection with attending Board and committee meetings.

Mr. Potashner receives an additional annual fee for his service as Chairman of the Board, which was \$12,000 through February 2011 and was increased to \$20,000 effective in March 2011.

Each non-employee director receives on an annual basis restricted stock units having a grant date value of \$120,000. Such restricted stock units are typically granted at approximately the end of March of each year and vest in full on the first anniversary of the award date. However, the annual grant of restricted stock unit awards to directors in 2011 was delayed until May 2011, pending the approval of our 2011 Plan by our stockholders, and, accordingly, the vesting date of the awards was adjusted to March 31, 2012.

Prior to 2011, upon initial appointment or election to our Board, each non-employee director received restricted stock units having a target grant date value of \$250,000, which vest in 25% increments on each of the first four anniversaries of the grant date. Commencing in 2011, upon initial appointment or election to our Board, each non-employee director will receive an award of restricted stock units having a grant date value of \$120,000, which will

vest in 25% increments on each of the first four anniversaries of the grant date, and an annual award of restricted stock units having a grant date value of \$120,000, pro rated for the remainder of the vesting period applicable to the then outstanding annual non-employee director awards, which will vest on the same vesting date as such annual non-employee director awards.

All cash compensation earned by each non-employee director, and the grant date fair values of all equity awards granted to each non-employee director, during the fiscal year ended December 31, 2011 are shown in the table entitled Director Compensation in Fiscal Year 2011 on page 32 of this proxy statement.

#### SUMMARY COMPENSATION TABLE

The following table sets forth compensation earned during the fiscal years ended December 31, 2011, January 1, 2011 and January 2, 2010 by our principal executive officer, Robert J. Phillippy; our principal financial officer, Charles F. Cargile; and our three other most highly compensated executive officers who were serving as executive officers at December 31, 2011 and whose total compensation exceeded \$100,000 for the fiscal year ended December 31, 2011; as well as the grant date fair values of share-based compensation awarded to such officers during such fiscal years. These officers are referred to in this proxy statement as the named executive officers.

#### Summary Compensation Table

| Name and Principal Position  | Year | Salary<br>(\$) | Stock<br>Awards <sup>(1)</sup><br>(\$) | Option<br>Awards <sup>(2)</sup><br>(\$) | Non-<br>Equity  | All Other<br>Compen-<br>sation <sup>(4)</sup><br>(\$) | Total<br>(\$) |
|--|------|----------------|--|---|---|---|---------------|
|  |      |                |  |   | Incentive<br>Plan<br>Compen-<br>sation <sup>(3)</sup><br>(\$) |   |               |
| Robert J. Phillippy<br>President and Chief Executive<br>Officer                          | 2011 | \$ 477,692     | \$ 318,340                             | \$ 144,615                              | \$ 656,730  | \$ 39,736   | \$ 1,637,113  |
|  | 2010 | 436,154        | 323,597                                | 141,428                                 | 900,000   | 39,736  | 1,840,915     |
|  | 2009 | 411,923        | 348,612                                | 136,776                                 | 389,925   | 35,662  | 1,322,898     |
| Charles F. Cargile<br>Senior Vice President and<br>Chief Financial Officer               | 2011 | 336,923        | 159,170                                | 72,308                                  | 341,768   | 32,919  | 943,088       |
|  | 2010 | 321,115        | 161,798                                | 70,714                                  | 495,000   | 32,837  | 1,081,464     |
|  | 2009 | 302,077        | 174,306                                | 68,388                                  | 214,459   | 32,768  | 791,998       |
| Jeffrey B. Coyne<br>Senior Vice President,<br>General Counsel and Corporate<br>Secretary | 2011 | 285,538        | 134,603                                | 61,148                                  | 192,998   | 22,396  | 696,683       |
|  | 2010 | 271,385        | 136,734                                | 59,759                                  | 280,000   | 24,239  | 772,117       |
|  | 2009 | 256,308        | 139,696                                | 54,809                                  | 121,310   | 28,493  | 600,616       |
| Gary J. Spiegel<br>Vice President, Sales,<br>Marketing and Business<br>Development       | 2011 | 278,462        | 116,690                                | 53,010                                  | 174,481   | 43,612  | 666,255       |
|  | 2010 | 267,596        | 118,590                                | 51,830                                  | 275,000   | 44,087  | 757,103       |
|  | 2009 | 251,731        | 114,992                                | 45,116                                  | 74,731  | 39,640  | 526,210       |
| David J. Allen<br>Vice President and General<br>Manager, Lasers Division                 | 2011 | 284,154        | 116,690                                | 53,010                                  | 100,151   | 8,168   | 562,173       |
|  | 2010 | 272,462        | 118,590                                | 51,830                                  | 247,520   | 8,027   | 698,429       |
|  | 2009 | 252,431        | 114,992                                | 45,116                                  | 67,795  | 6,748   | 487,082       |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

- <sup>(1)</sup> Reflects the grant date fair values of restricted stock units awarded to each named executive officer in each year, which were computed based on the closing market price of our common stock on the respective grant date. The vesting of all restricted stock units awarded to the named executive officers in each year was conditioned upon the achievement of a specified financial performance threshold for the year in which the award was granted, in addition to a time-based schedule. As of the grant date of each award, the achievement of the applicable performance conditions was considered probable and, therefore, the full grant date fair values of the awards are shown in the table above. We have achieved the applicable performance condition for each year, and accordingly, such awards have continued to vest in accordance with the applicable time-based vesting schedules. See additional information regarding the 2011 awards under the heading "Compensation Discussion and Analysis" above and in the table entitled "Grants of Plan-Based Awards in Fiscal Year 2011" below.

- (2) Reflects the grant date fair values of stock-settled stock appreciation rights awarded to each named executive officer in each year. The fair value of the stock-settled stock appreciation rights was estimated on the respective grant date using the Black-Scholes-Merton option pricing model. The assumptions used in the valuation of such stock appreciation rights are discussed in Note 1, under the heading "Stock-Based Compensation," and in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K/A for our fiscal year ended December 31, 2011 and in our Annual Reports on Form 10-K for our fiscal years ended January 1, 2011 and January 2, 2010. The vesting of the stock appreciation rights awarded in 2009 and 2010 was conditioned upon the achievement of a performance threshold for 2009 and 2010, respectively, and is also subject to a time-based schedule. As of the grant date of each award, the achievement of the applicable performance conditions was considered probable and, therefore, the full grant date fair values of the awards are shown in the table above. The performance conditions for 2009 and 2010 have been achieved, and such awards have continued to vest in accordance with the applicable time-based vesting schedule. The vesting of the stock appreciation rights awarded in 2011 is subject to a time-based schedule only. See additional information regarding the 2011 awards under the heading "Compensation Discussion and Analysis" above and in the table entitled "Grants of Plan-Based Awards in Fiscal Year 2011" below.
- (3) Reflects the amounts earned by each named executive officer under our cash incentive plans based upon the achievement of financial performance goals for our 2011, 2010 and 2009 fiscal years, which amounts were paid in March of 2012, 2011 and 2010, respectively, in accordance with the terms of such plans.
- (4) All other compensation for 2011 consists of: (i) company contributions to our 401(k) plan for each named executive officer (other than Mr. Allen), which totaled \$13,200 for each of Messrs. Phillippy, Cargile and Spiegel; (ii) company-paid premiums for term life insurance for the benefit of each named executive officer; (iii) company-paid premiums for supplemental long-term disability insurance for the benefit of each named executive officer, which totaled \$13,187 for Mr. Phillippy and \$14,705 for Mr. Spiegel; (iv) auto allowances paid to each named executive officer (other than Mr. Allen); and (v) company-paid costs for annual executive physicals for Messrs. Phillippy and Spiegel.

**GRANTS OF PLAN-BASED AWARDS**

The following table sets forth information regarding grants of awards to each named executive officer during our fiscal year ended December 31, 2011 under our equity plans and non-equity incentive plans.

**Grants of Plan-Based Awards in Fiscal Year 2011**

| Name                | Grant Date | Estimated Possible Payouts under Non-Equity Incentive Plan Awards <sup>(1)</sup> |             |              | Estimated Future Payouts under Equity Plan Awards <sup>(2)</sup><br>Target (#) | All Other Option Awards: Number of Securities Underlying Options <sup>(3)</sup><br>(#) | Exercise or Base Price of Option Awards <sup>(4)</sup><br>(\$) | Grant Date Fair Value of Stock and Option Awards <sup>(5)</sup><br>(\$) |
|---------------------|------------|--|-------------|--------------|--|--|--|---|
|                     |            | Threshold (\$)   | Target (\$) | Maximum (\$) |  |  |  |   |
| Robert J. Phillippy |            | \$ 245,000   | \$ 490,000  | \$ 980,000   |  |  | \$   | \$  |
|                     | 05/17/11   |  |             |              | 18,660   |  |  | 318,340   |
|                     | 05/17/11   |  |             |              |  | 18,660   | 17.06  | 144,615   |
| Charles F. Cargile  |            | 127,500  | 255,000     | 510,000      |  |  |  |   |
|                     | 05/17/11   |  |             |              | 9,330  |  |  | 159,170   |
|                     | 05/17/11   |  |             |              |  | 9,330  | 17.06  | 72,308  |
| Jeffrey B. Coyne    |            | 72,000   | 144,000     | 288,000      |  |  |  |   |
|                     | 05/17/11   |  |             |              | 7,890  |  |  | 134,603   |
|                     | 05/17/11   |  |             |              |  | 7,890  | 17.06  | 61,148  |
| Gary J. Spiegel     |            | 70,000   | 140,000     | 280,000      |  |  |  |   |
|                     | 05/17/11   |  |             |              | 6,840  |  |  | 116,690   |
|                     | 05/17/11   |  |             |              |  | 6,840  | 17.06  | 53,010  |
| David J. Allen      |            | 71,500   | 143,000     | 286,000      |  |  |  |   |
|                     | 05/17/11   |  |             |              | 6,840  |  |  | 116,690   |
|                     | 05/17/11   |  |             |              |  | 6,840  | 17.06  | 53,010  |

<sup>(1)</sup> Reflects the potential payouts to the named executive officers under awards granted under our 2011 annual cash incentive plan, which is described in more detail under the heading "Compensation Discussion and Analysis" above. The amounts shown as threshold, target and maximum payouts represent 50%, 100% and 200% payouts, respectively, based on minimum, target and maximum performance levels for certain financial performance measures established under such 2011 plan. Payouts would be made for a particular financial measure only if we meet at least the minimum performance level for that measure, subject to additional conditions described in more detail under the heading "Compensation Discussion and Analysis" above. The actual amounts earned by the named executive officers under the 2011 annual cash incentive plan are included in the Summary Compensation Table above under the column heading "Non-Equity Incentive Plan Compensation" for the year 2011.

<sup>(2)</sup> Consists of restricted stock units awarded to each named executive officer under our 2011 Stock Incentive Plan, which are described in more detail under the heading "Compensation Discussion and Analysis" above. No consideration was paid by any named executive officer for any restricted stock unit award. The vesting of the restricted stock unit awards was conditioned upon achievement of a single target performance level for a single financial measure established under the plan, as well as upon continued employment with the company, as described in more detail under the heading "Compensation Discussion and Analysis" above. We have achieved the performance condition for such restricted stock unit awards and, therefore, such awards will continue to vest in accordance with the applicable time-based vesting schedule.

<sup>(3)</sup>

## Edgar Filing: NEWPORT CORP - Form DEF 14A

Consists of stock-settled stock appreciation rights awarded to each named executive officer under our 2011 Stock Incentive Plan, which are described in more detail under the heading "Compensation Discussion and Analysis" above. No consideration was paid by any named executive officer for any stock appreciation right

award. Such stock appreciation right awards will vest in three equal annual installments on March 31, 2012, 2013 and 2014.

- (4) Reflects the base value of the stock-settled stock appreciation rights awarded to each named executive officer, which is equal to the closing price of our common stock on the grant date.
- (5) Reflects the grant date fair values of the restricted stock units and stock-settled stock appreciation rights awarded to each named executive officer. The fair values of the restricted stock units were determined based on the closing price of our common stock on the grant date, which was \$17.06 per share. As of the grant date of each restricted stock unit award, the achievement of the applicable performance condition was considered probable and, therefore, the full grant date fair values of such awards are shown in the table above. The fair values of the stock appreciation rights were estimated on the grant date using the Black-Scholes-Merton option pricing model. The assumptions used in the valuation of such stock appreciation rights are discussed in Note 1, under the heading "Stock-Based Compensation," and in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K/A for our fiscal year ended December 31, 2011.

**OUTSTANDING EQUITY AWARDS**

The table below sets forth information regarding outstanding equity awards held by each named executive officer as of December 31, 2011 including: (i) the number of shares of our common stock underlying both exercisable and unexercisable stock options and stock-settled stock appreciation rights held by each named executive officer (all of which had been earned) and the exercise prices (or base values) and expiration dates thereof; and (ii) the number of restricted stock units held by each named executive officer, and the market value thereof, that were earned (meaning the pre-established performance conditions had been achieved) but had not yet vested (based on the vesting schedule) as of December 31, 2011. All unvested restricted stock units held by each named executive officer had been earned as of December 31, 2011.

**Outstanding Equity Awards at 2011 Fiscal Year End**

| Name  | Option Awards |   |                       |                            | Stock Awards           |   |  |
|---|---------------|---|-----------------------|----------------------------|------------------------|---|--|
|   | Exercisable   | Number of Securities Underlying Unexercised Options (#) | Unexercisable         | Option Exercise Price (\$) | Option Expiration Date | Number of Shares, Units or Other Rights That Have Not Vested <sup>(1)</sup> (#) | Market or Payout Value of Shares, Units or Other Rights That Have Not Vested <sup>(2)</sup> (\$) |
| Robert J. Phillippy                             | 30,000        |   |                       | \$ 11.27                   | 02/23/13               |   |  |
|   | 70,000        |   |                       | 11.27                      | 02/23/13               |   |  |
|   | 25,000        |   |                       | 16.91                      | 01/01/14               |   |  |
|   | 100,000       |   |                       | 13.03                      | 08/03/14               |   |  |
|   | 55,600        |   | 27,800 <sup>(3)</sup> | 4.18                       | 03/20/16               |   |  |
|   | 8,650         |   | 17,300 <sup>(4)</sup> | 12.47                      | 03/31/17               |   |  |
|   |               |   | 18,660 <sup>(5)</sup> | 17.06                      | 05/17/18               |   |  |
|   |               |   |                       |                            |                        | 63,760  | \$ 867,774   |
| Charles F. Cargile                              | 30,000        |   |                       | \$ 11.27                   | 02/23/13               |   |  |
|   | 95,000        |   |                       | 11.27                      | 02/23/13               |   |  |
|   | 31,250        |   |                       | 16.91                      | 01/01/14               |   |  |
|   |               | 490   |                       |                            |                        |   | 492,323  |
| Temecula Unified School District, 5.00%, 9/1/27 | 250           |   | 256,230               |                            |                        |   |  |
| Temecula Unified School District, 5.00%, 9/1/37 | 400           |   | 404,752               |                            |                        |   |  |



Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |       |                      |
|---|-------|----------------------|
| Tustin Community Facilities District,<br>6.00%, 9/1/37                                      | 500   | 522,775              |
| Whittier Public Financing Authority,<br>(Greenleaf Avenue Redevelopment),<br>5.50%, 11/1/23 | 1,000 | 1,001,220            |
|   |       | <b>\$ 12,502,178</b> |

Transportation 11.5%

|  |          |                      |
|--|----------|----------------------|
| Bay Area Toll Authority, Toll Bridge<br>Revenue, (San Francisco Bay Area),<br>5.25%, 4/1/29                        | \$ 1,000 | \$ 1,183,820         |
| Bay Area Toll Authority, Toll Bridge<br>Revenue, (San Francisco Bay Area),<br>Prerefunded to 4/1/16, 5.00%, 4/1/31 | 2,000    | 2,251,660            |
| Los Angeles Department of Airports,<br>(Los Angeles International Airport),<br>5.00%, 5/15/35 <sup>(1)(2)</sup>    | 2,120    | 2,362,528            |
| Los Angeles Department of Airports,<br>(Los Angeles International Airport),<br>(AMT), 5.375%, 5/15/30              | 1,500    | 1,687,635            |
| Port of Redwood City, (AMT),<br>5.125%, 6/1/30   | 1,170    | 1,172,831            |
| San Francisco City and County<br>Airport Commission, (San Francisco<br>International Airport), 5.00%, 5/1/35       | 2,760    | 3,013,175            |
|  |          | <b>\$ 11,671,649</b> |

Water and Sewer 2.7%

|   |        |                     |
|---|--------|---------------------|
| California Department of Water<br>Resources, 5.00%, 12/1/29 | \$ 740 | \$ 858,674          |
| San Mateo, Sewer Revenue,<br>5.00%, 8/1/36                  | 1,700  | 1,908,573           |
|   |        | <b>\$ 2,767,247</b> |

Total Tax-Exempt Investments 161.6%  
(identified cost \$150,798,232)

**\$ 163,453,539**

Auction Preferred Shares Plus Cumulative  
Unpaid Dividends (49.4)%

**\$ (49,977,019)**

Other Assets, Less Liabilities (12.2)%

**\$ (12,323,006)**

Net Assets Applicable to Common Shares 100.0%

**\$ 101,153,514**

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

---

Eaton Vance

California Municipal Income Trust

May 31, 2013

Portfolio of Investments (Unaudited) continued

|        |  |
|--------|--|
| AGC    | Assured Guaranty Corp.   |
| AGM    | Assured Guaranty Municipal Corp.   |
| AMBAC  | AMBAC Financial Group, Inc.  |
| AMT    | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| BHAC   | Berkshire Hathaway Assurance Corp.   |
| CIFG   | CIFG Assurance North America, Inc.   |
| FGIC   | Financial Guaranty Insurance Company   |
| NPFG   | National Public Finance Guaranty Corp.   |
| RADIAN | Radian Group, Inc.   |

The Trust invests primarily in debt securities issued by California municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 32.6% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 0.5% to 14.2% of total investments.

(1) Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).

(2) Security (or a portion thereof) has been pledged as collateral for residual interest bond transactions. The aggregate value of such collateral is \$2,350,770.

## Eaton Vance

## Massachusetts Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Investments 157.1%

| Security  | Principal<br>Amount<br>(000 s omitted) | Value                |
|---|--|----------------------|
| <b>Bond Bank 5.8%</b>   |  |                      |
| Massachusetts Water Pollution Abatement Trust, 5.25%, 8/1/33  | \$ 910                                 | \$ 1,158,093         |
| Massachusetts Water Pollution Abatement Trust, 5.25%, 8/1/34  | 990                                    | 1,265,616            |
|   |  | <b>\$ 2,423,709</b>  |
| <b>Education 29.6%</b>  |  |                      |
| Massachusetts Development Finance Agency, (Middlesex School), 5.00%, 9/1/33                                       | \$ 600                                 | \$ 605,250           |
| Massachusetts Development Finance Agency, (Milton Academy), 5.00%, 9/1/35   | 1,080                                  | 1,197,839            |
| Massachusetts Development Finance Agency, (New England Conservatory of Music), 5.25%, 7/1/38                      | 625                                    | 660,888              |
| Massachusetts Health and Educational Facilities Authority, (Berklee College of Music), 5.00%, 10/1/32             | 1,500                                  | 1,658,250            |
| Massachusetts Health and Educational Facilities Authority, (Boston College), 5.50%, 6/1/35                        | 1,640                                  | 2,068,794            |
| Massachusetts Health and Educational Facilities Authority, (Harvard University), 5.00%, 10/1/38 <sup>(1)</sup>    | 1,500                                  | 1,699,860            |
| Massachusetts Health and Educational Facilities Authority, (Massachusetts Institute of Technology), 5.00%, 7/1/38 | 415                                    | 467,842              |
| Massachusetts Health and Educational Facilities Authority, (Northeastern University), 5.00%, 10/1/35              | 1,350                                  | 1,481,287            |
| Massachusetts Health and Educational Facilities Authority, (Tufts University), 5.375%, 8/15/38                    | 1,420                                  | 1,648,450            |
| University of Massachusetts Building Authority, 5.00%, 11/1/39  | 750                                    | 842,445              |
|   |  | <b>\$ 12,330,905</b> |
| <b>General Obligations 16.2%</b>  |  |                      |
| Boston, 4.00%, 4/1/24   | \$ 300                                 | \$ 337,791           |
| Cambridge, 4.00%, 2/15/21   | 595                                    | 688,207              |
| Danvers, 5.25%, 7/1/36  | 885                                    | 1,015,670            |
| Lexington, 4.00%, 2/1/21  | 415                                    | 481,811              |
| Lexington, 4.00%, 2/1/22  | 430                                    | 498,658              |
| Lexington, 4.00%, 2/1/23  | 355                                    | 412,652              |
| Newton, 5.00%, 4/1/36   | 750                                    | 845,693              |
| Plymouth, 5.00%, 5/1/31   | 345                                    | 391,344              |
| Plymouth, 5.00%, 5/1/32   | 315                                    | 356,605              |
| Wayland, 5.00%, 2/1/33  | 510                                    | 584,072              |
| Wayland, 5.00%, 2/1/36  | 770                                    | 873,334              |
| Winchester, 5.00%, 4/15/36  | 245                                    | 278,663              |
|   |  | <b>\$ 6,764,500</b>  |
| <b>Hospital 28.4%</b>   |  |                      |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|   | \$ | 1,000                       | \$ 1,098,840         |
|---|----|-----------------------------|----------------------|
| <b>Security</b>   |    | <b>Principal<br/>Amount</b> | <b>Value</b>         |
|   |    | <b>(000 s omitted)</b>      |                      |
| <b>Hospital (continued)</b>   |    |                             |                      |
| Massachusetts Development Finance Agency, (Tufts Medical Center), 7.25%, 1/1/32                                       | \$ | 600                         | \$ 741,714           |
| Massachusetts Development Finance Agency, (UMass Memorial), 5.50%, 7/1/31   |    | 1,655                       | 1,859,591            |
| Massachusetts Health and Educational Facilities Authority, (Baystate Medical Center, Inc.), 5.75%, 7/1/36             |    | 1,210                       | 1,342,931            |
| Massachusetts Health and Educational Facilities Authority, (Children's Hospital), 5.25%, 12/1/39                      |    | 500                         | 550,235              |
| Massachusetts Health and Educational Facilities Authority, (Dana-Farber Cancer Institute), 5.00%, 12/1/37             |    | 1,135                       | 1,232,633            |
| Massachusetts Health and Educational Facilities Authority, (Jordan Hospital), 6.75%, 10/1/33                          |    | 755                         | 764,362              |
| Massachusetts Health and Educational Facilities Authority, (Lowell General Hospital), 5.125%, 7/1/35                  |    | 970                         | 1,025,358            |
| Massachusetts Health and Educational Facilities Authority, (Partners Healthcare System), 5.00%, 7/1/32 <sup>(1)</sup> |    | 2,000                       | 2,172,080            |
| Massachusetts Health and Educational Facilities Authority, (South Shore Hospital), 5.75%, 7/1/29                      |    | 675                         | 677,578              |
| Massachusetts Health and Educational Facilities Authority, (Southcoast Health System), 5.00%, 7/1/29                  |    | 350                         | 373,296              |
|   |    |                             | <b>\$ 11,838,618</b> |
| <b>Housing 6.7%</b>   |    |                             |                      |
| Massachusetts Housing Finance Agency, (AMT), 4.75%, 12/1/48   | \$ | 2,100                       | \$ 2,127,846         |
| Massachusetts Housing Finance Agency, (AMT), 5.00%, 12/1/28   |    | 650                         | 665,450              |
|   |    |                             | <b>\$ 2,793,296</b>  |
| <b>Industrial Development Revenue 2.0%</b>  |    |                             |                      |
| Massachusetts Development Finance Agency, (Covanta Energy), (AMT), 4.875%, 11/1/27                                    | \$ | 800                         | \$ 814,752           |
|   |    |                             | <b>\$ 814,752</b>    |
| <b>Insured Education 10.2%</b>  |    |                             |                      |
| Massachusetts College Building Authority, (XLCA), 5.50%, 5/1/39   | \$ | 1,000                       | \$ 1,344,920         |
| Massachusetts Development Finance Agency, (College of the Holy Cross), (AMBAC), 5.25%, 9/1/32 <sup>(1)(2)</sup>       |    | 1,365                       | 1,716,187            |
| Massachusetts Development Finance Agency, (Franklin W. Olin College), (XLCA), 5.25%, 7/1/33                           |    | 1,165                       | 1,169,835            |
|   |    |                             | <b>\$ 4,230,942</b>  |
| <b>Insured Electric Utilities 1.3%</b>  |    |                             |                      |
| Puerto Rico Electric Power Authority, (NPPG), 5.25%, 7/1/29   | \$ | 550                         | \$ 561,077           |
|   |    |                             | <b>\$ 561,077</b>    |

## Eaton Vance

## Massachusetts Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security   | Principal<br>Amount<br>(000 s omitted) | Value   |
|--|--|---|
| <b>Insured General Obligations 3.1%</b><br>Massachusetts, (AMBAC), 5.50%, 8/1/30   | \$ 1,000                               | \$ 1,293,430                                      |
|  |  | <b>\$ 1,293,430</b>                               |
| <b>Insured Hospital 0.9%</b><br>Massachusetts Health and Educational Facilities Authority, (Cape Cod Healthcare), (AGC), 5.00%, 11/15/25   | \$ 335                                 | \$ 367,585  |
|  |  | <b>\$ 367,585</b>                                 |
| <b>Insured Other Revenue 1.8%</b><br>Massachusetts Development Finance Agency, (WGBH Educational Foundation), (AMBAC), 5.75%, 1/1/42   | \$ 590                                 | \$ 742,149  |
|  |  | <b>\$ 742,149</b>                                 |
| <b>Insured Special Tax Revenue 10.5%</b><br>Martha s Vineyard Land Bank, (AMBAC), 5.00%, 5/1/32<br>Massachusetts, Special Obligation, Dedicated Tax Revenue, (FGIC), (NPF), 5.50%, 1/1/29<br>Massachusetts School Building Authority, Dedicated Sales Tax Revenue, (AMBAC), 5.00%, 8/15/37 <sup>(1)</sup><br>Puerto Rico Sales Tax Financing Corp., (NPF), 0.00%, 8/1/45 | \$ 1,450<br>1,000<br>1,340<br>1,105    | \$ 1,473,345<br>1,231,150<br>1,497,209<br>186,292 |
|  |  | <b>\$ 4,387,996</b>                               |
| <b>Insured Student Loan 4.8%</b><br>Massachusetts Educational Financing Authority, (AGC), (AMT), 6.35%, 1/1/30<br>Massachusetts Educational Financing Authority, (AMBAC), (AMT), 4.70%, 1/1/33   | \$ 345<br>1,625                        | \$ 377,951<br>1,628,315                           |
|  |  | <b>\$ 2,006,266</b>                               |
| <b>Insured Transportation 0.8%</b><br>Massachusetts Port Authority, (Bosfuel Project), (FGIC), (NPF), (AMT), 5.00%, 7/1/32   | \$ 315                                 | \$ 337,418  |
|  |  | <b>\$ 337,418</b>                                 |
| <b>Other Revenue 2.8%</b>  |  |   |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |    |                        |                         |
|---|----|------------------------|-------------------------|
| Massachusetts Health and Educational Facilities Authority, (Isabella Stewart Gardner Museum), 5.00%, 5/1/22 | \$ | 500                    | \$ 577,650              |
| Massachusetts Health and Educational Facilities Authority, (Isabella Stewart Gardner Museum), 5.00%, 5/1/25 |    | 505                    | 573,044                 |
|   |    |                        | <b>\$ 1,150,694</b>     |
| <br>  |    |                        |                         |
| <b>Senior Living / Life Care 6.0%</b>   |    |                        |                         |
| Massachusetts Development Finance Agency, (Berkshire Retirement Community, Inc.), 5.15%, 7/1/31             | \$ | 250                    | \$ 250,047              |
|   |    |                        | <b>Principal Amount</b> |
| <b>Security</b>   |    | <b>(000 s omitted)</b> | <b>Value</b>            |
| <br>  |    |                        |                         |
| <b>Senior Living / Life Care (continued)</b>  |    |                        |                         |
| Massachusetts Development Finance Agency, (Berkshire Retirement Community, Inc.), 5.625%, 7/1/29            | \$ | 1,500                  | \$ 1,501,080            |
| Massachusetts Development Finance Agency, (Carleton-Willard Village), 5.625%, 12/1/30                       |    | 125                    | 137,464                 |
| Massachusetts Development Finance Agency, (VOA Concord Assisted Living, Inc.), 5.125%, 11/1/27              |    | 140                    | 140,104                 |
| Massachusetts Development Finance Agency, (VOA Concord Assisted Living, Inc.), 5.20%, 11/1/41               |    | 475                    | 457,387                 |
|   |    |                        | <b>\$ 2,486,082</b>     |
| <br>  |    |                        |                         |
| <b>Special Tax Revenue 8.1%</b>   |    |                        |                         |
| Massachusetts Bay Transportation Authority, 5.25%, 7/1/34   | \$ | 140                    | \$ 160,139              |
| Massachusetts Bay Transportation Authority, Sales Tax Revenue, 0.00%, 7/1/31                                |    | 1,665                  | 750,599                 |
| Massachusetts Bay Transportation Authority, Sales Tax Revenue, 0.00%, 7/1/34                                |    | 5,195                  | 2,002,828               |
| Virgin Islands Public Finance Authority, 5.00%, 10/1/39   |    | 75                     | 78,154                  |
| Virgin Islands Public Finance Authority, 6.75%, 10/1/37   |    | 335                    | 390,449                 |
|   |    |                        | <b>\$ 3,382,169</b>     |
| <br>  |    |                        |                         |
| <b>Transportation 7.1%</b>  |    |                        |                         |
| Massachusetts Department of Transportation, (Metropolitan Highway System), 5.00%, 1/1/37                    | \$ | 1,500                  | \$ 1,639,995            |
| Massachusetts Port Authority, 5.00%, 7/1/28   |    | 500                    | 581,170                 |
| Massachusetts Port Authority, 5.00%, 7/1/34   |    | 670                    | 755,700                 |
|   |    |                        | <b>\$ 2,976,865</b>     |
| <br>  |    |                        |                         |
| <b>Water and Sewer 11.0%</b>  |    |                        |                         |
| Boston Water and Sewer Commission, 5.00%, 11/1/26   | \$ | 2,005                  | \$ 2,337,690            |
| Boston Water and Sewer Commission, 5.00%, 11/1/29   |    | 495                    | 570,948                 |
| Boston Water and Sewer Commission, 5.00%, 11/1/31   |    | 225                    | 257,794                 |
| Massachusetts Water Resources Authority, 5.00%, 8/1/28  |    | 1,195                  | 1,395,664               |
|   |    |                        | <b>\$ 4,562,096</b>     |
| <br>  |    |                        |                         |
| <b>Total Tax-Exempt Investments 157.1%</b><br>(identified cost \$59,957,978)                                |    |                        | <b>\$ 65,450,549</b>    |
| <br>  |    |                        |                         |
| <b>Auction Preferred Shares Plus Cumulative Unpaid Dividends (48.1)%</b>                                    |    |                        | <b>\$ (20,050,540)</b>  |
| <br>  |    |                        |                         |
| <b>Other Assets, Less Liabilities (9.0)%</b>  |    |                        | <b>\$ (3,732,702)</b>   |
| <br>  |    |                        |                         |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |    |                        | <b>\$ 41,667,307</b>    |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.



Eaton Vance

## Massachusetts Municipal Income Trust

May 31, 2013

Portfolio of Investments (Unaudited) continued

|       |  |
|-------|--|
| AGC   | Assured Guaranty Corp.   |
| AMBAC | AMBAC Financial Group, Inc.  |
| AMT   | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| FGIC  | Financial Guaranty Insurance Company   |
| NPFG  | National Public Finance Guaranty Corp.   |
| XLCA  | XL Capital Assurance, Inc.   |

The Trust invests primarily in debt securities issued by Massachusetts municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 21.3% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 1.1% to 12.8% of total investments.

(1) Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).

(2) Security (or a portion thereof) has been pledged as collateral for residual interest bond transactions. The aggregate value of such collateral is \$806,187.



## Eaton Vance

## Michigan Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Investments 158.5%

| Security  | Principal<br>Amount<br>(000 s omitted) | Value               |
|---|--|---------------------|
| <b>Bond Bank 4.2%</b>   |  |                     |
| Michigan Municipal Bond Authority, 5.00%, 10/1/29   | \$ 600                                 | \$ 706,440          |
| Michigan Municipal Bond Authority, 5.00%, 10/1/30   | 500                                    | 583,520             |
|   |  | <b>\$ 1,289,960</b> |
| <b>Education 15.6%</b>  |  |                     |
| Grand Valley State University, 5.625%, 12/1/29  | \$ 525                                 | \$ 586,268          |
| Grand Valley State University, 5.75%, 12/1/34   | 525                                    | 588,756             |
| Michigan Higher Education Facilities Authority, (Hillsdale College), 5.00%, 3/1/35                                    | 200                                    | 201,414             |
| Michigan State University, 5.00%, 2/15/40   | 1,000                                  | 1,099,890           |
| Michigan State University, 5.00%, 2/15/44   | 460                                    | 504,500             |
| Michigan Technological University, 4.00%, 10/1/36   | 700                                    | 687,967             |
| Oakland University, 5.00%, 3/1/42   | 500                                    | 536,385             |
| Wayne State University, 5.00%, 11/15/40 <sup>(1)</sup>  | 500                                    | 552,045             |
|   |  | <b>\$ 4,757,225</b> |
| <b>Electric Utilities 4.7%</b>  |  |                     |
| Lansing Board of Water and Light, 5.50%, 7/1/41   | \$ 500                                 | \$ 575,370          |
| Michigan Public Power Agency, 5.00%, 1/1/43   | 800                                    | 845,400             |
|   |  | <b>\$ 1,420,770</b> |
| <b>Escrowed / Prerefunded 1.9%</b>  |  |                     |
| Macomb County Hospital Finance Authority, (Mount Clemens General Hospital), Prerefunded to 11/15/13, 5.875%, 11/15/34 | \$ 560                                 | \$ 574,426          |
|   |  | <b>\$ 574,426</b>   |
| <b>General Obligations 41.3%</b>  |  |                     |
| Allegan Public Schools, 5.00%, 5/1/31   | \$ 1,000                               | \$ 1,099,640        |
| Ann Arbor Public Schools, 4.50%, 5/1/24   | 350                                    | 381,146             |
| Bloomfield Hills Schools, 4.00%, 5/1/37 <sup>(1)</sup>  | 750                                    | 777,667             |
| Comstock Park Public Schools, 5.00%, 5/1/28   | 230                                    | 256,616             |

Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |       |           |
|---|-------|-----------|
| Comstock Park Public Schools, 5.125%, 5/1/31              | 275   | 305,759   |
| Comstock Park Public Schools, 5.25%, 5/1/33               | 220   | 244,405   |
| HealthSource Saginaw, Inc., Saginaw County, 4.00%, 5/1/29 | 500   | 513,015   |
| Howell Public Schools, 4.50%, 5/1/29                      | 620   | 683,854   |
| Jenison Public Schools, 5.00%, 5/1/28                     | 500   | 552,000   |
| Jenison Public Schools, 5.00%, 5/1/30                     | 500   | 549,460   |
| Kent County, 5.00%, 1/1/25                                | 1,500 | 1,677,255 |
| Kent County, (AMT), 5.00%, 1/1/28                         | 1,000 | 1,120,100 |
| Livingston County, 4.00%, 6/1/28                          | 310   | 328,389   |

|                 | <b>Principal<br/>Amount</b> | <b>Value</b> |
|-----------------|-----------------------------|--------------|
| <b>Security</b> | <b>(000 s omitted)</b>      |              |

**General Obligations (continued)**

|  |        |                      |
|--|--------|----------------------|
| Livingston County, 4.00%, 6/1/30                     | \$ 335 | \$ 351,134           |
| Michigan, 5.00%, 11/1/20                             | 1,000  | 1,222,110            |
| Michigan, 5.50%, 11/1/25                             | 270    | 321,562              |
| Northview Public Schools, 5.00%, 5/1/32              | 725    | 796,644              |
| Northview Public Schools, 5.00%, 5/1/41              | 275    | 299,698              |
| St. Clair County, (Convention Center), 3.75%, 4/1/42 | 375    | 345,615              |
| Whitmore Lake Public School District, 4.00%, 5/1/32  | 750    | 754,792              |
|  |        | <b>\$ 12,580,861</b> |

**Hospital 28.2%**

|  |        |                     |
|--|--------|---------------------|
| Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.20%, 1/1/25                | \$ 185 | \$ 189,569          |
| Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.50%, 1/1/37                | 125    | 127,718             |
| Kent Hospital Finance Authority, (Spectrum Health),<br>5.50% to 1/15/15 (Put Date), 1/15/47              | 275    | 297,432             |
| Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18 <sup>(2)</sup>                               | 310    | 310,645             |
| Michigan Finance Authority, (Oakwood Obligated Group), 5.00%, 11/1/32                                    | 500    | 546,490             |
| Michigan Hospital Finance Authority, (Henry Ford Health System), 5.00%, 11/15/38                         | 675    | 702,871             |
| Michigan Hospital Finance Authority, (Henry Ford Health System), 5.25%, 11/15/46                         | 1,000  | 1,045,630           |
| Michigan Hospital Finance Authority, (McLaren Health Care), 5.00%, 6/1/35                                | 250    | 271,595             |
| Michigan Hospital Finance Authority, (McLaren Health Care), 5.00%, 8/1/35                                | 1,080  | 1,144,811           |
| Michigan Hospital Finance Authority, (Memorial Healthcare Center), 5.875%, 11/15/21 <sup>(2)</sup>       | 750    | 751,245             |
| Michigan Hospital Finance Authority, (MidMichigan Obligated Group), 6.125%, 6/1/39                       | 500    | 573,245             |
| Michigan Hospital Finance Authority, (Trinity Health Corp.), 5.00%, 12/1/27                              | 1,000  | 1,138,830           |
| Monroe County Hospital Finance Authority, (Mercy Memorial Hospital Corp.), 5.375%, 6/1/26 <sup>(2)</sup> | 425    | 452,599             |
| Saginaw Hospital Finance Authority, (Covenant Medical Center, Inc.), 5.00%, 7/1/30                       | 1,000  | 1,058,910           |
|  |        | <b>\$ 8,611,590</b> |

**Housing 0.9%**

|  |        |                   |
|--|--------|-------------------|
| Michigan Housing Development Authority, 4.60%, 12/1/26 | \$ 265 | \$ 281,385        |
|  |        | <b>\$ 281,385</b> |

## Eaton Vance

## Michigan Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security  | Principal<br>Amount<br>(000 s omitted) | Value               |
|---|--|---------------------|
| <b>Industrial Development Revenue 2.3%</b>                                    |  |                     |
| Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21 | \$ 750                                 | \$ 715,080          |
|   |  | <b>\$ 715,080</b>   |
| <b>Insured Education 5.0%</b>   |  |                     |
| Ferris State University, (AGC), 5.125%, 10/1/33                               | \$ 570                                 | \$ 632,375          |
| Ferris State University, (AGC), 5.25%, 10/1/38                                | 500                                    | 556,165             |
| Wayne State University, (AGM), 5.00%, 11/15/35                                | 300                                    | 332,277             |
|   |  | <b>\$ 1,520,817</b> |
| <b>Insured Electric Utilities 3.5%</b>  |  |                     |
| Puerto Rico Electric Power Authority, (FGIC), (NPF), 5.25%, 7/1/30            | \$ 220                                 | \$ 223,346          |
| Puerto Rico Electric Power Authority, (FGIC), (NPF), 5.25%, 7/1/32            | 250                                    | 251,640             |
| Puerto Rico Electric Power Authority, (FGIC), (NPF), 5.25%, 7/1/34            | 155                                    | 155,879             |
| Puerto Rico Electric Power Authority, (NPF), 5.25%, 7/1/29                    | 420                                    | 428,459             |
|   |  | <b>\$ 1,059,324</b> |
| <b>Insured General Obligations 16.4%</b>                                      |  |                     |
| Battle Creek School District, (AGM), 5.00%, 5/1/37                            | \$ 1,105                               | \$ 1,203,511        |
| Byron Center Public Schools, (AGM), 3.75%, 5/1/26                             | 650                                    | 665,320             |
| Byron Center Public Schools, (AGM), 4.00%, 5/1/28                             | 290                                    | 299,463             |
| Detroit School District, (AGM), 5.25%, 5/1/32                                 | 300                                    | 339,768             |
| Hartland Consolidated Schools, (AGM), 5.25%, 5/1/29                           | 1,000                                  | 1,143,470           |
| Van Dyke Public Schools, (AGM), 5.00%, 5/1/38                                 | 1,250                                  | 1,344,512           |
|   |  | <b>\$ 4,996,044</b> |
| <b>Insured Lease Revenue / Certificates of Participation 7.8%</b>             |  |                     |
| Michigan Building Authority, (AGM), (FGIC), 0.00%, 10/15/29                   | \$ 1,000                               | \$ 461,380          |
| Michigan Building Authority, (FGIC), (NPF), 0.00%, 10/15/30                   | 4,300                                  | 1,923,390           |
|   |  | <b>\$ 2,384,770</b> |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |   |   |
|---|---|---|
| <p><b>Insured Special Tax Revenue 0.5%</b><br/>Puerto Rico Sales Tax Financing Corp., (NPF), 0.00%, 8/1/45</p>  | \$ 895                                      | \$ 150,888                                    |
|   |   | <b>\$ 150,888</b>                             |
| <p><b>Insured Transportation 3.7%</b><br/>Wayne County Airport Authority, (AGC), (AMT), 5.375%, 12/1/32</p>   | \$ 1,000                                    | \$ 1,122,500                                  |
|   |   | <b>\$ 1,122,500</b>                           |
| <b>Security</b>   | <b>Principal Amount<br/>(000 s omitted)</b> | <b>Value</b>                                  |
| <p><b>Insured Water and Sewer 10.9%</b><br/>Detroit, Sewage Disposal System, (AGC), (FGIC), 5.00%, 7/1/36<br/>Detroit, Water Supply System, (FGIC), (NPF), 5.00%, 7/1/30<br/>Grand Rapids, Water Supply System, (AGC), 5.10%, 1/1/39</p>                | \$ 560<br>1,650<br>1,000                    | \$ 569,811<br>1,652,013<br>1,104,220          |
|   |   | <b>\$ 3,326,044</b>                           |
| <p><b>Special Tax Revenue 5.0%</b><br/>Guam, Limited Obligation Bonds, 5.625%, 12/1/29<br/>Guam, Limited Obligation Bonds, 5.75%, 12/1/34<br/>Michigan Trunk Line Fund, 5.00%, 11/15/36<br/>Virgin Islands Public Finance Authority, 6.75%, 10/1/37</p> | \$ 115<br>125<br>1,000<br>110               | \$ 125,776<br>136,926<br>1,128,860<br>128,207 |
|   |   | <b>\$ 1,519,769</b>                           |
| <p><b>Water and Sewer 6.6%</b><br/>Detroit, Water Supply System, 5.25%, 7/1/41<br/>Grand Rapids, Sanitary Sewer System, 5.00%, 1/1/28<br/>Port Huron, Water Supply System, 5.25%, 10/1/31</p>   | \$ 750<br>790<br>250                        | \$ 786,180<br>963,444<br>272,225              |
|   |   | <b>\$ 2,021,849</b>                           |
| <p><b>Total Tax-Exempt Investments 158.5%</b><br/>(identified cost \$45,411,401)</p>  |   | <b>\$ 48,333,302</b>                          |
| <p><b>Auction Preferred Shares Plus Cumulative Unpaid Dividends (57.4)%</b></p>   |   | <b>\$ (17,500,236)</b>                        |
| <p><b>Other Assets, Less Liabilities (1.1)%</b></p>   |   | <b>\$ (330,927)</b>                           |
| <p><b>Net Assets Applicable to Common Shares 100.0%</b></p>   |   | <b>\$ 30,502,139</b>                          |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

|      |  |
|------|--|
| AGC  | Assured Guaranty Corp.   |
| AGM  | Assured Guaranty Municipal Corp.   |
| AMT  | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| FGIC | Financial Guaranty Insurance Company   |
| NPF  | National Public Finance Guaranty Corp.   |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

The Trust invests primarily in debt securities issued by Michigan municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 30.1% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 8.2% to 12.0% of total investments.

(1) When-issued security.

(2) Security (or a portion thereof) has been segregated to cover payable for when-issued securities.

## Eaton Vance

## New Jersey Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Municipal Securities 159.9%

| Security  | Principal<br>Amount<br>(000 s omitted) | Value                |
|---|--|----------------------|
| <b>Education 24.7%</b>  |  |                      |
| New Jersey Educational Facilities Authority, (Georgian Court University), 5.00%, 7/1/27             | \$ 250                                 | \$ 262,543           |
| New Jersey Educational Facilities Authority, (Georgian Court University), 5.00%, 7/1/33             | 250                                    | 260,615              |
| New Jersey Educational Facilities Authority, (Georgian Court University), 5.25%, 7/1/37             | 220                                    | 230,384              |
| New Jersey Educational Facilities Authority, (Kean University), 5.50%, 9/1/36                       | 1,730                                  | 1,936,527            |
| New Jersey Educational Facilities Authority, (Princeton University), 4.50%, 7/1/38 <sup>(1)</sup>   | 3,500                                  | 3,745,070            |
| New Jersey Educational Facilities Authority, (Ramapo College), 4.00%, 7/1/27                        | 1,325                                  | 1,390,349            |
| New Jersey Educational Facilities Authority, (Ramapo College), 5.00%, 7/1/37                        | 640                                    | 707,571              |
| New Jersey Educational Facilities Authority, (Stevens Institute of Technology), 5.00%, 7/1/27       | 1,650                                  | 1,741,113            |
| New Jersey Educational Facilities Authority, (University of Medicine and Dentistry), 7.50%, 12/1/32 | 965                                    | 1,179,577            |
| New Jersey Institute of Technology, 5.00%, 7/1/42   | 1,295                                  | 1,435,961            |
| Rutgers State University, 5.00%, 5/1/39 <sup>(1)</sup>  | 3,150                                  | 3,539,435            |
|   |  | <b>\$ 16,429,145</b> |
| <b>Electric Utilities 2.3%</b>  |  |                      |
| Puerto Rico Electric Power Authority, 5.00%, 7/1/29   | \$ 500                                 | \$ 494,265           |
| Puerto Rico Electric Power Authority, 5.25%, 7/1/25   | 1,000                                  | 1,021,590            |
|   |  | <b>\$ 1,515,855</b>  |
| <b>General Obligations 17.0%</b>  |  |                      |
| Burlington County Bridge Commission, 4.00%, 8/15/23   | \$ 320                                 | \$ 352,445           |
| Monmouth County Improvement Authority, 5.00%, 1/15/28   | 1,850                                  | 2,148,904            |
| Monmouth County Improvement Authority, 5.00%, 1/15/30   | 1,795                                  | 2,078,305            |
| Monmouth County Improvement Authority, 5.00%, 8/1/33 <sup>(2)</sup>                                 | 500                                    | 582,520              |
| Monroe Township Board of Education, Middlesex County, 4.00%, 8/1/24                                 | 2,500                                  | 2,780,700            |
| Montgomery Township Board of Education, 3.00%, 9/1/20   | 1,085                                  | 1,168,621            |
| Paterson, 5.00%, 1/15/26 <sup>(2)</sup>   | 750                                    | 850,005              |
| Tenafly Board of Education, 4.00%, 7/15/27  | 1,235                                  | 1,327,267            |
|   |  | <b>\$ 11,288,767</b> |
| <b>Hospital 22.4%</b>   |  |                      |
| Camden County Improvement Authority, (Cooper Health System), 5.00%, 2/15/35                         | \$ 85                                  | \$ 87,252            |
| Camden County Improvement Authority, (Cooper Health System), 5.75%, 2/15/34                         | 1,335                                  | 1,393,486            |

Edgar Filing: NEWPORT CORP - Form DEF 14A

| Security  | Principal<br>Amount<br>(000 s omitted) | Value                |
|---|--|----------------------|
| <b>Hospital (continued)</b>   |  |                      |
| New Jersey Health Care Facilities Financing Authority, (AHS Hospital Corp.), 5.00%, 7/1/27                                      | \$ 2,290                               | \$ 2,461,338         |
| New Jersey Health Care Facilities Financing Authority, (Atlanticare Regional Medical Center), 5.00%, 7/1/37                     | 2,090                                  | 2,221,754            |
| New Jersey Health Care Facilities Financing Authority, (Chilton Memorial Hospital), 5.75%, 7/1/39                               | 1,415                                  | 1,564,778            |
| New Jersey Health Care Facilities Financing Authority, (Meridian Health System), 5.00%, 7/1/21                                  | 1,000                                  | 1,196,910            |
| New Jersey Health Care Facilities Financing Authority, (Robert Wood Johnson University Hospital), 5.00%, 7/1/31                 | 2,055                                  | 2,237,936            |
| New Jersey Health Care Facilities Financing Authority, (South Jersey Hospital), 5.00%, 7/1/46                                   | 2,440                                  | 2,507,539            |
| New Jersey Health Care Facilities Financing Authority, (Virtua Health), 5.75%, 7/1/33   | 1,075                                  | 1,208,655            |
|   |  | <b>\$ 14,879,648</b> |
| <b>Housing 3.0%</b>   |  |                      |
| New Jersey Housing and Mortgage Finance Agency, (Single Family Housing), (AMT), 4.70%, 10/1/37                                  | \$ 620                                 | \$ 635,196           |
| New Jersey Housing and Mortgage Finance Agency, (Single Family Housing), (AMT), 5.00%, 10/1/37                                  | 1,315                                  | 1,356,396            |
|   |  | <b>\$ 1,991,592</b>  |
| <b>Industrial Development Revenue 8.1%</b>  |  |                      |
| Middlesex County Pollution Control Authority, (Amerada Hess), 5.75%, 9/15/32  | \$ 500                                 | \$ 500,915           |
| Middlesex County Pollution Control Authority, (Amerada Hess), 6.05%, 9/15/34  | 540                                    | 541,042              |
| New Jersey Economic Development Authority, (Continental Airlines), (AMT), 5.125%, 9/15/23                                       | 50                                     | 53,655               |
| New Jersey Economic Development Authority, (Continental Airlines), (AMT), 5.25%, 9/15/29  | 135                                    | 143,563              |
| New Jersey Economic Development Authority, (Continental Airlines), (AMT), 9.00% to 6/1/13 (Put Date), 6/1/33                    | 750                                    | 772,470              |
| New Jersey Economic Development Authority, (New Jersey-American Water Co., Inc.), (AMT), 5.10%, 6/1/23                          | 220                                    | 244,708              |
| New Jersey Economic Development Authority, (New Jersey-American Water Co., Inc.), (AMT), 5.70%, 10/1/39                         | 2,235                                  | 2,457,003            |
| New Jersey Economic Development Authority, (United Methodist Homes of New Jersey Obligated Group), 4.50%, 7/1/38 <sup>(2)</sup> | 700                                    | 677,971              |
|   |  | <b>\$ 5,391,327</b>  |
| <b>Insured Electric Utilities 0.9%</b>  |  |                      |
| Puerto Rico Electric Power Authority, (FGIC), (NPPG), 5.25%, 7/1/35   | \$ 595                                 | \$ 598,463           |
|   |  | <b>\$ 598,463</b>    |

## Eaton Vance

## New Jersey Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security  | Principal<br>Amount<br>(000 s omitted) | Value               |
|---|--|---------------------|
| <b>Insured Gas Utilities 5.6%</b>   |  |                     |
| New Jersey Economic Development Authority, (New Jersey Natural Gas Co.), (FGIC), (NPPFG), (AMT), 4.90% to 10/1/25 (Put Date), 10/1/40 | \$ 3,540                               | \$ 3,692,185        |
|   |  | <b>\$ 3,692,185</b> |
| <b>Insured General Obligations 3.8%</b>   |  |                     |
| Hudson County Improvement Authority, (Harrison Parking), (AGC), 5.25%, 1/1/39   | \$ 1,015                               | \$ 1,107,842        |
| Lakewood Township, (AGC), 5.75%, 11/1/31  | 1,240                                  | 1,413,823           |
|   |  | <b>\$ 2,521,665</b> |
| <b>Insured Hospital 5.4%</b>  |  |                     |
| New Jersey Economic Development Authority, (Hillcrest Health Service System), (AMBAC), 0.00%, 1/1/20                                  | \$ 100                                 | \$ 80,851           |
| New Jersey Economic Development Authority, (Hillcrest Health Service System), (AMBAC), 0.00%, 1/1/21                                  | 300                                    | 230,508             |
| New Jersey Health Care Facilities Financing Authority, (Hackensack University Medical Center), (AGC), 5.25%, 1/1/36                   | 750                                    | 805,605             |
| New Jersey Health Care Facilities Financing Authority, (Meridian Health System), Series II, (AGC), 5.00%, 7/1/38                      | 390                                    | 411,528             |
| New Jersey Health Care Facilities Financing Authority, (Meridian Health System), Series V, (AGC), 5.00%, 7/1/38 <sup>(1)</sup>        | 500                                    | 527,600             |
| New Jersey Health Care Facilities Financing Authority, (Virtua Health), (AGC), 5.50%, 7/1/38  | 1,380                                  | 1,495,782           |
|   |  | <b>\$ 3,551,874</b> |
| <b>Insured Industrial Development Revenue 3.1%</b>  |  |                     |
| New Jersey Economic Development Authority, (United Water New Jersey, Inc.), (AMBAC), (AMT), 4.875%, 11/1/25                           | \$ 1,940                               | \$ 2,062,298        |
|   |  | <b>\$ 2,062,298</b> |
| <b>Insured Lease Revenue / Certificates of Participation 4.5%</b>   |  |                     |
| New Jersey Economic Development Authority, (School Facilities Construction), (AGC), 5.50%, 12/15/34                                   | \$ 1,500                               | \$ 1,728,645        |
| New Jersey Economic Development Authority, (School Facilities Construction), (FGIC), (NPPFG), 5.50%, 9/1/28                           | 1,000                                  | 1,270,900           |
|   |  | <b>\$ 2,999,545</b> |
| <b>Insured Special Tax Revenue 11.6%</b>  |  |                     |
| Garden State Preservation Trust, (AGM), 0.00%, 11/1/25  | \$ 5,250                               | \$ 3,618,457        |



## Edgar Filing: NEWPORT CORP - Form DEF 14A

|  |    | Principal<br>Amount | Value        |
|--|----|---------------------|--------------|
| Security   |    | (000 s omitted)     |              |
| New Jersey Economic Development Authority, (Motor Vehicle Surcharges), (XLCA), 0.00%, 7/1/26                   |    | 4,300               | 2,607,563    |
| New Jersey Economic Development Authority, (Motor Vehicle Surcharges), (XLCA), 0.00%, 7/1/27                   |    | 2,020               | 1,160,409    |
| <b>Insured Special Tax Revenue (continued)</b>   |    |                     |              |
| Puerto Rico Sales Tax Financing Corp., (NPPG), 0.00%, 8/1/45   | \$ | 2,020               | \$ 340,552   |
| <b>\$ 7,726,981</b>  |    |                     |              |
| <b>Insured Student Loan 3.6%</b>   |    |                     |              |
| New Jersey Higher Education Student Assistance Authority, (AGC), (AMT), 6.125%, 6/1/30 <sup>(3)</sup>          | \$ | 2,215               | \$ 2,421,682 |
| <b>\$ 2,421,682</b>  |    |                     |              |
| <b>Insured Transportation 0.5%</b>   |    |                     |              |
| South Jersey Transportation Authority, (AGC), 5.50%, 11/1/33   | \$ | 315                 | \$ 357,402   |
| <b>\$ 357,402</b>  |    |                     |              |
| <b>Lease Revenue / Certificates of Participation 5.7%</b>  |    |                     |              |
| New Jersey Economic Development Authority, (School Facilities Construction), 5.25%, 12/15/33                   | \$ | 1,500               | \$ 1,667,190 |
| New Jersey Health Care Facilities Financing Authority, (Hospital Asset Transformation Program), 5.25%, 10/1/38 |    | 1,700               | 1,829,370    |
| New Jersey Health Care Facilities Financing Authority, (Hospital Asset Transformation Program), 5.75%, 10/1/31 |    | 250                 | 294,502      |
| <b>\$ 3,791,062</b>  |    |                     |              |
| <b>Other Revenue 5.8%</b>  |    |                     |              |
| Children s Trust Fund, PR, Tobacco Settlement, 0.00%, 5/15/55  | \$ | 13,280              | \$ 543,418   |
| New Jersey Economic Development Authority, (Duke Farms Foundation), 5.00%, 7/1/48                              |    | 2,040               | 2,204,281    |
| New Jersey Economic Development Authority, (The Seeing Eye, Inc.), 5.00%, 6/1/32                               |    | 250                 | 281,927      |
| Tobacco Settlement Financing Corp., 5.00%, 6/1/41  |    | 900                 | 799,767      |
| <b>\$ 3,829,393</b>  |    |                     |              |
| <b>Senior Living / Life Care 3.2%</b>  |    |                     |              |
| New Jersey Economic Development Authority, (Cranes Mill, Inc.), 5.875%, 7/1/28                                 | \$ | 465                 | \$ 492,119   |
| New Jersey Economic Development Authority, (Cranes Mill, Inc.), 6.00%, 7/1/38 <sup>(3)</sup>                   |    | 770                 | 811,734      |
| New Jersey Economic Development Authority, (Seabrook Village), 5.25%, 11/15/36                                 |    | 815                 | 836,573      |
| <b>\$ 2,140,426</b>  |    |                     |              |
| <b>Special Tax Revenue 3.3%</b>  |    |                     |              |
| New Jersey Economic Development Authority, (Newark Downtown District Management Corp.), 5.125%, 6/15/27        | \$ | 100                 | \$ 105,376   |
| New Jersey Economic Development Authority, (Newark Downtown District Management Corp.), 5.125%, 6/15/37        |    | 175                 | 181,480      |

## Eaton Vance

## New Jersey Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security   | Principal<br>Amount<br>(000 s omitted) | Value                 |
|--|--|-----------------------|
| <b>Special Tax Revenue (continued)</b>   |  |                       |
| Puerto Rico Sales Tax Financing Corp., 5.00%, 8/1/40   | \$ 750                                 | \$ 791,873            |
| Puerto Rico Sales Tax Financing Corp., 5.75%, 8/1/37   | 500                                    | 539,575               |
| Virgin Islands Public Finance Authority, 6.75%, 10/1/37  | 500                                    | 582,760               |
|  |  | <b>\$ 2,201,064</b>   |
| <b>Student Loan 4.9%</b>   |  |                       |
| New Jersey Higher Education Student Assistance Authority, (AMT), 1.237%, 6/1/36 <sup>(1)(4)(5)</sup> | \$ 2,500                               | \$ 2,515,175          |
| New Jersey Higher Education Student Assistance Authority, (AMT), 4.75%, 12/1/43 <sup>(2)</sup>       | 750                                    | 730,545               |
|  |  | <b>\$ 3,245,720</b>   |
| <b>Transportation 18.4%</b>  |  |                       |
| Delaware River Port Authority of Pennsylvania and New Jersey, 5.00%, 1/1/35                          | \$ 1,060                               | \$ 1,167,463          |
| Delaware River Port Authority of Pennsylvania and New Jersey, 5.00%, 1/1/40                          | 1,080                                  | 1,178,140             |
| New Jersey Transportation Trust Fund Authority, (Transportation System), 5.50%, 6/15/31              | 1,850                                  | 2,147,350             |
| New Jersey Transportation Trust Fund Authority, (Transportation System), 5.875%, 12/15/38            | 250                                    | 293,490               |
| New Jersey Transportation Trust Fund Authority, (Transportation System), 6.00%, 12/15/38             | 530                                    | 627,409               |
| New Jersey Turnpike Authority, 5.00%, 1/1/43   | 500                                    | 538,740               |
| New Jersey Turnpike Authority, 5.25%, 1/1/40   | 3,600                                  | 3,950,388             |
| Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35 <sup>(1)</sup>                      | 1,995                                  | 2,298,978             |
|  |  | <b>\$ 12,201,958</b>  |
| <b>Water and Sewer 2.1%</b>  |  |                       |
| North Hudson Sewerage Authority, 5.00%, 6/1/29   | \$ 1,275                               | \$ 1,421,039          |
|  |  | <b>\$ 1,421,039</b>   |
| <b>Total Tax-Exempt Municipal Securities 159.9%</b><br>(identified cost \$97,986,212)                |  |                       |
|  |  | <b>\$ 106,259,091</b> |
| <b>Taxable Municipal Securities 1.5%</b>   |  |                       |
| <b>Security</b>  |  | <b>Value</b>          |

Edgar Filing: NEWPORT CORP - Form DEF 14A

|   | <b>Principal<br/>Amount<br/>(000 s omitted)</b> |
|---|---|
| Transportation 1.5%   |   |
| Port Authority of New York and New Jersey, 4.458%, 10/1/62                    | \$ 1,000 \$ 990,990                             |
| <b>Total Taxable Municipal Securities 1.5%</b><br>(identified cost \$989,033) | <b>\$ 990,990</b>                               |
| <b>Total Investments 161.4%</b><br>(identified cost \$98,975,245)             | <b>\$ 107,250,081</b>                           |
| Auction Preferred Shares Plus Cumulative<br>Unpaid Dividends (50.3)%          | \$ (33,426,350)                                 |
| Other Assets, Less Liabilities (11.1)%  | \$ (7,392,615)                                  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                          | <b>\$ 66,431,116</b>                            |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

|       |  |
|-------|--|
| AGC   | Assured Guaranty Corp.   |
| AGM   | Assured Guaranty Municipal Corp.   |
| AMBAC | AMBAC Financial Group, Inc.  |
| AMT   | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| FGIC  | Financial Guaranty Insurance Company   |
| NPFG  | National Public Finance Guaranty Corp.   |
| XLCA  | XL Capital Assurance, Inc.   |

The Trust invests primarily in debt securities issued by New Jersey municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 24.2% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 2.2% to 9.6% of total investments.

(1) Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).

(2) When-issued security.

(3) Security (or a portion thereof) has been segregated to cover payable for when-issued securities.

(4) Security (or a portion thereof) has been pledged as collateral for residual interest bond transactions. The aggregate value of such collateral is \$515,175.

(5) Variable rate security. The stated interest rate represents the rate in effect at May 31, 2013.

## Eaton Vance

## New York Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Investments 161.3%

| Security  | Principal<br>Amount<br>(000 s omitted)          | Value               |
|---|---|---------------------|
| <b>Bond Bank 5.9%</b>   |   |                     |
| New York Environmental Facilities Corp., 5.00%, 10/15/39  | \$ 1,730  | \$ 1,931,424        |
| New York Environmental Facilities Corp., (New York City Municipal Water Finance Authority), 5.00%, 6/15/37 <sup>(1)</sup> | 2,535   | 2,834,916           |
|   |   | <b>\$ 4,766,340</b> |
| <b>Cogeneration 1.4%</b>  |   |                     |
| Suffolk County Industrial Development Agency, (Nissequoque Cogeneration Partners Facility), (AMT), 5.50%, 1/1/23          | \$ 1,150  | \$ 1,149,908        |
|   |   | <b>\$ 1,149,908</b> |
| <b>Education 26.6%</b>  |   |                     |
| Geneva Development Corp., (Hobart and William Smith Colleges), 5.00%, 9/1/32  | \$ 775  | \$ 878,920          |
| Monroe County Industrial Development Corp., (St. John Fisher College), 5.00%, 6/1/23                                      | 150   | 170,593             |
| Monroe County Industrial Development Corp., (St. John Fisher College), 5.00%, 6/1/24                                      | 80  | 89,573              |
| Monroe County Industrial Development Corp., (St. John Fisher College), 5.00%, 6/1/25                                      | 50  | 55,334              |
| New York City Cultural Resource Trust, (The Juilliard School), 5.00%, 1/1/34  | 1,490   | 1,692,938           |
| New York City Cultural Resource Trust, (The Juilliard School), 5.00%, 1/1/39  | 325   | 367,071             |
| New York Dormitory Authority, (Brooklyn Law School), 5.75%, 7/1/33  | 510   | 574,602             |
| New York Dormitory Authority, (Columbia University), 5.00%, 7/1/38  | 1,000   | 1,126,260           |
| New York Dormitory Authority, (Columbia University), 5.00%, 10/1/41   | 725   | 820,932             |
| New York Dormitory Authority, (Cornell University), 5.00%, 7/1/34   | 510   | 581,374             |
| New York Dormitory Authority, (Cornell University), 5.00%, 7/1/39   | 2,000   | 2,254,980           |
| New York Dormitory Authority, (Fordham University), 5.50%, 7/1/36   | 1,000   | 1,139,340           |
| New York Dormitory Authority, (Rochester Institute of Technology), Prerefunded to 7/1/18, 6.00%, 7/1/33                   | 2,250   | 2,801,182           |
| New York Dormitory Authority, (Rockefeller University), 5.00%, 7/1/40   | 2,500   | 2,757,800           |
| New York Dormitory Authority, (Skidmore College), 5.00%, 7/1/27   | 325   | 369,470             |
| New York Dormitory Authority, (Skidmore College), 5.25%, 7/1/29   | 400   | 457,220             |
| New York Dormitory Authority, (St. Francis College), 5.00%, 10/1/40   | 1,695   | 1,834,736           |
|   | <b>Principal<br/>Amount<br/>(000 s omitted)</b> | <b>Value</b>        |
| <b>Security</b>   |   |                     |
| <b>Education (continued)</b>  |   |                     |
| New York Dormitory Authority, (The New School), 5.50%, 7/1/40   | \$ 2,000  | \$ 2,246,960        |
| Onondaga Civic Development Corp., (Le Moyne College), 5.20%, 7/1/29   | 280   | 302,061             |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|  |          |                      |
|--|----------|----------------------|
| Onondaga Civic Development Corp., (Le Moyne College), 5.375%, 7/1/40   | 735      | 796,542              |
|  |          | <b>\$ 21,317,888</b> |
| <br>   |          |                      |
| <b>Electric Utilities 5.8%</b>   |          |                      |
| Long Island Power Authority, Electric System Revenue, 6.00%, 5/1/33  | \$ 1,420 | \$ 1,689,005         |
| Puerto Rico Electric Power Authority, 5.25%, 7/1/30  | 1,310    | 1,317,244            |
| Suffolk County Industrial Development Agency, (KeySpan-Port Jefferson Energy Center, LLC), (AMT), 5.25%, 6/1/27    | 1,645    | 1,650,297            |
|  |          | <b>\$ 4,656,546</b>  |
| <br>   |          |                      |
| <b>General Obligations 7.6%</b>  |          |                      |
| Dutchess County Water and Wastewater Authority, 0.00%, 10/1/34   | \$ 585   | \$ 269,007           |
| Dutchess County Water and Wastewater Authority, 0.00%, 10/1/35   | 325      | 143,471              |
| New York, 5.00%, 2/15/34 <sup>(1)</sup>  | 4,000    | 4,498,240            |
| New York City, 6.25%, 10/15/28   | 1,000    | 1,226,040            |
|  |          | <b>\$ 6,136,758</b>  |
| <br>   |          |                      |
| <b>Health Care Miscellaneous 0.2%</b>  |          |                      |
| Suffolk County Industrial Development Agency, (Alliance of Long Island Agencies), Series A, Class H, 7.50%, 9/1/15 | \$ 50    | \$ 50,410            |
| Suffolk County Industrial Development Agency, (Alliance of Long Island Agencies), Series A, Class I, 7.50%, 9/1/15 | 100      | 100,819              |
|  |          | <b>\$ 151,229</b>    |
| <br>   |          |                      |
| <b>Hospital 22.3%</b>  |          |                      |
| Dutchess County Local Development Corp., (Health Quest Systems, Inc.), 5.75%, 7/1/30                               | \$ 130   | \$ 151,889           |
| Dutchess County Local Development Corp., (Health Quest Systems, Inc.), 5.75%, 7/1/40                               | 960      | 1,102,550            |
| Fulton County Industrial Development Agency, (Nathan Littauer Hospital), 6.00%, 11/1/18                            | 975      | 976,969              |
| Monroe County Industrial Development Agency, (Highland Hospital), 5.00%, 8/1/25                                    | 2,490    | 2,645,700            |
| Nassau County Local Economic Assistance Corp., (South Nassau Communities Hospital), 5.00%, 7/1/37                  | 1,000    | 1,079,060            |
| New York Dormitory Authority, (Memorial Sloan-Kettering Cancer Center), 4.375%, 7/1/34                             | 500      | 541,045              |

## Eaton Vance

## New York Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security  | Principal<br>Amount<br>(000 s omitted) | Value                |
|---|--|----------------------|
| <b>Hospital (continued)</b>   |  |                      |
| New York Dormitory Authority, (Methodist Hospital), 5.25%, 7/1/33   | \$ 2,000                               | \$ 2,040,140         |
| New York Dormitory Authority, (Mount Sinai Hospital), 5.00%, 7/1/26   | 1,000                                  | 1,113,590            |
| New York Dormitory Authority, (North Shore-Long Island Jewish Obligated Group), 5.00%, 11/1/34                      | 845                                    | 884,766              |
| New York Dormitory Authority, (NYU Hospital Center), 5.00%, 7/1/36  | 750                                    | 800,828              |
| New York Dormitory Authority, (NYU Hospital Center), 5.625%, 7/1/37   | 1,250                                  | 1,358,150            |
| New York Dormitory Authority, (Orange Regional Medical Center), 6.125%, 12/1/29                                     | 415                                    | 461,617              |
| New York Dormitory Authority, (Orange Regional Medical Center), 6.25%, 12/1/37                                      | 835                                    | 921,306              |
| Oneida County Industrial Development Agency, (St. Elizabeth Medical Center), 5.75%, 12/1/19                         | 1,085                                  | 1,087,105            |
| Onondaga Civic Development Corp., (St. Joseph s Hospital Health Center), 4.50%, 7/1/32                              | 395                                    | 380,760              |
| Onondaga Civic Development Corp., (St. Joseph s Hospital Health Center), 5.00%, 7/1/42                              | 255                                    | 256,469              |
| Saratoga County Industrial Development Agency, (Saratoga Hospital), 5.25%, 12/1/32                                  | 650                                    | 690,443              |
| Suffolk County Economic Development Corp., (Catholic Health Services of Long Island Obligated Group), 5.00%, 7/1/28 | 1,250                                  | 1,399,187            |
|   |  | <b>\$ 17,891,574</b> |
| <b>Housing 14.9%</b>  |  |                      |
| New York City Housing Development Corp., MFMR, (AMT), 5.05%, 11/1/39  | \$ 1,500                               | \$ 1,533,630         |
| New York City Housing Development Corp., MFMR, (AMT), 5.20%, 11/1/40  | 2,620                                  | 2,732,372            |
| New York Housing Finance Agency, 5.25%, 11/1/41   | 1,000                                  | 1,062,540            |
| New York Housing Finance Agency, (FNMA), (AMT), 5.40%, 11/15/42   | 2,625                                  | 2,758,796            |
| New York Mortgage Agency, (AMT), 4.875%, 10/1/30  | 1,500                                  | 1,553,970            |
| New York Mortgage Agency, (AMT), 4.90%, 10/1/37   | 1,440                                  | 1,481,299            |
| New York Mortgage Agency, (AMT), 5.125%, 10/1/37  | 785                                    | 812,318              |
|   |  | <b>\$ 11,934,925</b> |
| <b>Industrial Development Revenue 8.1%</b>  |  |                      |
| Essex County Industrial Development Agency, (International Paper Company), (AMT), 6.625%, 9/1/32                    | \$ 1,000                               | \$ 1,139,100         |
| New York Liberty Development Corp., (Goldman Sachs Group, Inc.), 5.25%, 10/1/35                                     | 1,000                                  | 1,166,310            |
| Niagara Area Development Corp., (Covanta Energy), 5.25%, 11/1/42  | 1,350                                  | 1,378,607            |
|   | <b>Principal<br/>Amount</b>            |                      |
| <b>Security</b>   | <b>(000 s omitted)</b>                 | <b>Value</b>         |
| <b>Industrial Development Revenue (continued)</b>   |  |                      |
| Onondaga County Industrial Development Agency, (Anheuser-Busch Cos., Inc.), (AMT), 6.25%, 12/1/34                   | \$ 2,500                               | \$ 2,505,275         |
| Port Authority of New York and New Jersey, (Continental Airlines), (AMT), 9.125%, 12/1/15                           | 280                                    | 286,980              |

Edgar Filing: NEWPORT CORP - Form DEF 14A

**\$ 6,476,272**

**Insured Education 6.6%**

|   |    |       |              |
|---|----|-------|--------------|
| New York Dormitory Authority, (City University), (AMBAC), 5.50%, 7/1/35                 | \$ | 1,250 | \$ 1,483,350 |
| New York Dormitory Authority, (State University), (BHAC), 5.00%, 7/1/38 <sup>(1)</sup>  |    | 1,500 | 1,632,900    |
| Oneida County Industrial Development Agency, (Hamilton College), (NPFPG), 0.00%, 7/1/33 |    | 5,365 | 2,223,524    |

**\$ 5,339,774**

**Insured Electric Utilities 2.0%**

|   |    |       |              |
|---|----|-------|--------------|
| Long Island Power Authority, Electric System Revenue, (BHAC), 5.75%, 4/1/33 | \$ | 1,365 | \$ 1,614,522 |
|---|----|-------|--------------|

**\$ 1,614,522**

**Insured Other Revenue 3.6%**

|   |    |       |              |
|---|----|-------|--------------|
| New York City Industrial Development Agency, (Yankee Stadium), (AGC), 0.00%, 3/1/31 | \$ | 2,645 | \$ 1,257,089 |
| New York City Industrial Development Agency, (Yankee Stadium), (AGC), 0.00%, 3/1/32 |    | 3,625 | 1,612,146    |

**\$ 2,869,235**

**Insured Special Tax Revenue 0.5%**

|   |    |       |            |
|---|----|-------|------------|
| Puerto Rico Sales Tax Financing Corp., (NPFPG), 0.00%, 8/1/45 | \$ | 2,475 | \$ 417,260 |
|---|----|-------|------------|

**\$ 417,260**

**Insured Transportation 1.9%**

|   |    |       |              |
|---|----|-------|--------------|
| Niagara Frontier Airport Authority, (Buffalo Niagara International Airport), (NPFPG), (AMT), 5.625%, 4/1/29 | \$ | 1,475 | \$ 1,491,564 |
|---|----|-------|--------------|

**\$ 1,491,564**

**Insured Water and Sewer 1.3%**

|  |    |       |              |
|--|----|-------|--------------|
| Nassau County Industrial Development Agency, (New York Water Services Corp.), (AMBAC), (AMT), 5.00%, 12/1/35 | \$ | 1,000 | \$ 1,052,000 |
|--|----|-------|--------------|

**\$ 1,052,000**

**Other Revenue 8.4%**

|   |    |       |              |
|---|----|-------|--------------|
| Brooklyn Arena Local Development Corp., (Barclays Center), 0.00%, 7/15/31 | \$ | 3,120 | \$ 1,416,542 |
|---|----|-------|--------------|

## Eaton Vance

## New York Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security   | Principal<br>Amount<br>(000 s omitted) | Value                |
|--|--|----------------------|
| <b>Other Revenue (continued)</b>   |  |                      |
| Brooklyn Arena Local Development Corp., (Barclays Center), 6.25%, 7/15/40                                      | \$ 380                                 | \$ 442,248           |
| New York City Cultural Resources Trust, (Museum of Modern Art), 5.00%, 4/1/31                                  | 1,415                                  | 1,627,731            |
| New York City Transitional Finance Authority, (Building Aid), 5.50%, 7/15/31                                   | 1,000                                  | 1,151,060            |
| New York Liberty Development Corp., (7 World Trade Center), 5.00%, 3/15/44                                     | 2,000                                  | 2,112,680            |
|  |  | <b>\$ 6,750,261</b>  |
| <b>Senior Living / Life Care 6.6%</b>  |  |                      |
| Mount Vernon Industrial Development Agency, (Wartburg Senior Housing, Inc.), 6.20%, 6/1/29                     | \$ 1,450                               | \$ 1,451,189         |
| New York Dormitory Authority, (Miriam Osborn Memorial Home Association), 5.00%, 7/1/29                         | 280                                    | 301,473              |
| New York Dormitory Authority, (Miriam Osborn Memorial Home Association), 5.00%, 7/1/42                         | 120                                    | 127,183              |
| Suffolk County Economic Development Corp., (Peconic Landing at Southold, Inc.), 6.00%, 12/1/40                 | 905                                    | 1,016,614            |
| Tompkins County Development Corp., (Kendal at Ithaca, Inc.), 4.25%, 7/1/32                                     | 230                                    | 223,399              |
| Tompkins County Development Corp., (Kendal at Ithaca, Inc.), 4.50%, 7/1/42                                     | 230                                    | 224,701              |
| Westchester County Local Development Corp., (Kendal on Hudson), 5.00%, 1/1/34                                  | 1,800                                  | 1,927,998            |
|  |  | <b>\$ 5,272,557</b>  |
| <b>Special Tax Revenue 18.6%</b>   |  |                      |
| Metropolitan Transportation Authority, Dedicated Tax Revenue, 5.00%, 11/15/34                                  | \$ 1,500                               | \$ 1,655,865         |
| New York City Transitional Finance Authority, Future Tax Revenue, 5.50%, 11/1/35 <sup>(1)(2)</sup>             | 2,100                                  | 2,452,044            |
| New York Dormitory Authority, Personal Income Tax Revenue, 5.00%, 3/15/33                                      | 1,000                                  | 1,120,620            |
| New York Dormitory Authority, Personal Income Tax Revenue, (University & College Improvements), 5.25%, 3/15/38 | 1,000                                  | 1,152,850            |
| New York Thruway Authority, Fuel Tax Revenue, 5.00%, 4/1/30 <sup>(1)</sup>                                     | 6,000                                  | 6,902,280            |
| New York Urban Development Corp., Personal Income Tax Revenue, 5.00%, 3/15/32                                  | 900                                    | 999,306              |
| Virgin Islands Public Finance Authority, 6.75%, 10/1/37  | 545                                    | 635,208              |
|  |  | <b>\$ 14,918,173</b> |
| <b>Transportation 13.1%</b>  |  |                      |
| Metropolitan Transportation Authority, 5.00%, 11/15/37   | \$ 790                                 | \$ 851,494           |
| Metropolitan Transportation Authority, 5.00%, 11/15/38   | 1,500                                  | 1,626,645            |
|  | <b>Principal<br/>Amount</b>            |                      |
| <b>Security</b>  | <b>(000 s omitted)</b>                 | <b>Value</b>         |

Transportation (continued)



## Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |    |       |  |                      |
|---|----|-------|--|----------------------|
| New York Bridge Authority, 5.00%, 1/1/26  | \$ | 270   |  | \$ 317,175           |
| New York Thruway Authority, 5.00%, 1/1/37                                       |    | 1,200 |  | 1,319,808            |
| Port Authority of New York and New Jersey, 5.00%, 11/15/37 <sup>(1)</sup>       |    | 1,900 |  | 2,117,493            |
| Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35 <sup>(1)</sup> |    | 990   |  | 1,140,846            |
| Triborough Bridge and Tunnel Authority, 5.25%, 11/15/34 <sup>(1)</sup>          |    | 2,740 |  | 3,173,687            |
|   |    |       |  | <b>\$ 10,547,148</b> |

|   |    |       |  |                     |
|---|----|-------|--|---------------------|
| <b>Water and Sewer 5.9%</b>   |    |       |  |                     |
| New York City Municipal Water Finance Authority, (Water and Sewer System), 5.75%, 6/15/40 <sup>(1)(2)</sup> | \$ | 3,105 |  | \$ 3,646,171        |
| Saratoga County Water Authority, 5.00%, 9/1/48  |    | 1,000 |  | 1,065,850           |
|   |    |       |  | <b>\$ 4,712,021</b> |

**Total Tax-Exempt Investments 161.3%**  
(identified cost \$117,466,416) **\$ 129,465,955**

Miscellaneous 1.0%

|  |  | Units |    | Value             |
|--|--|-------|----|-------------------|
| <b>Security</b>                            |  |       |    |                   |
| <b>Real Estate 1.0%</b>                    |  |       |    |                   |
| CMS Liquidating Trust <sup>(3)(4)(5)</sup> |  | 257   | \$ | 822,400           |
|  |  |       |    | <b>\$ 822,400</b> |

**Total Investments 162.3%**  
(identified cost \$118,288,816) **\$ 130,288,355**

**Auction Preferred Shares Plus Cumulative Unpaid Dividends (42.0%)** **\$ (33,725,227)**

**Other Assets, Less Liabilities (20.3%)** **\$ (16,302,412)**

**Net Assets Applicable to Common Shares 100.0%** **\$ 80,260,716**

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

Eaton Vance

New York Municipal Income Trust

May 31, 2013

Portfolio of Investments (Unaudited) continued

|       |  |
|-------|--|
| AGC   | Assured Guaranty Corp.   |
| AMBAC | AMBAC Financial Group, Inc.  |
| AMT   | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| BHAC  | Berkshire Hathaway Assurance Corp.   |
| FNMA  | Federal National Mortgage Association  |
| MFMR  | Multi-Family Mortgage Revenue  |
| NPFG  | National Public Finance Guaranty Corp.   |

The Trust invests primarily in debt securities issued by New York municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 9.8% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 1.9% to 3.2% of total investments.

- (1) Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).
- (2) Security (or a portion thereof) has been pledged as collateral for residual interest bond transactions. The aggregate value of such collateral is \$2,453,214.
- (3) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At May 31, 2013, the aggregate value of these securities is \$822,400 or 1.0% of the Trust's net assets applicable to common shares.
- (4) Non-income producing.
- (5) For fair value measurement disclosure purposes, security is categorized as Level 3 (see Note 10).

## Eaton Vance

## Ohio Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Investments 152.1%

|  | <b>Principal</b>       |                     |
|--|------------------------|---------------------|
|  | <b>Amount</b>          |                     |
| <b>Security</b>  | <b>(000 s omitted)</b> | <b>Value</b>        |
| <b>Bond Bank 7.9%</b>  |                        |                     |
| Ohio Economic Development Commission, (Ohio Enterprise Bond Fund), (AMT), 4.85%, 6/1/25              | \$ 550                 | \$ 568,832          |
| Ohio Economic Development Commission, (Ohio Enterprise Bond Fund), (AMT), 5.85%, 12/1/22             | 1,020                  | 1,054,639           |
| Ohio Water Development Authority, Water Pollution Control Loan Fund, (Water Quality), 5.00%, 12/1/28 | 250                    | 291,390             |
| Ohio Water Development Authority, Water Pollution Control Loan Fund, (Water Quality), 5.00%, 6/1/30  | 250                    | 288,400             |
| Rickenbacker Port Authority, (OASBO Expanded Asset Pooled Financing Program), 5.375%, 1/1/32         | 1,060                  | 1,156,270           |
|  |                        | <b>\$ 3,359,531</b> |
| <b>Education 19.0%</b>   |                        |                     |
| Miami University, 5.00%, 9/1/33  | \$ 1,000               | \$ 1,126,090        |
| Ohio Higher Educational Facility Commission, (Kenyon College), 5.00%, 7/1/44                         | 440                    | 463,426             |
| Ohio Higher Educational Facility Commission, (Kenyon College), 5.25%, 7/1/44                         | 1,250                  | 1,343,512           |
| Ohio Higher Educational Facility Commission, (University of Dayton), 5.50%, 12/1/36                  | 1,000                  | 1,145,520           |
| Ohio State University, 5.00%, 12/1/28  | 480                    | 593,914             |
| Ohio State University, 5.00%, 12/1/30  | 1,605                  | 1,988,611           |
| University of Cincinnati, 5.00%, 6/1/34  | 500                    | 558,705             |
| Wright State University, 5.00%, 5/1/31   | 750                    | 824,190             |
|  |                        | <b>\$ 8,043,968</b> |
| <b>Electric Utilities 2.5%</b>   |                        |                     |
| American Municipal Power, Inc., (AMP Fremont Energy Center), 5.00%, 2/15/32                          | \$ 470                 | \$ 517,855          |
| Ohio Air Quality Development Authority, (Buckeye Power, Inc.), 6.00%, 12/1/40                        | 500                    | 557,900             |
|  |                        | <b>\$ 1,075,755</b> |
| <b>Escrowed / Prerefunded 2.0%</b>   |                        |                     |
| Columbus, Prerefunded to 7/1/14, 5.00%, 7/1/23   | \$ 500                 | \$ 525,090          |
| Maple Heights City School District, Prerefunded to 1/15/17, 5.00%, 1/15/37                           | 180                    | 206,942             |
| Ohio State University, Escrowed to Maturity, 5.00%, 12/1/28  | 20                     | 26,139              |
| Ohio State University, Escrowed to Maturity, 5.00%, 12/1/30  | 70                     | 92,288              |

Edgar Filing: NEWPORT CORP - Form DEF 14A

\$ 850,459

|   | <b>Principal</b>       |                      |
|---|------------------------|----------------------|
|   | <b>Amount</b>          |                      |
| <b>Security</b>   | <b>(000 s omitted)</b> | <b>Value</b>         |
| <b>General Obligations 27.1%</b>  |                        |                      |
| Barberton City School District, 4.50%, 12/1/33  | \$ 900                 | \$ 941,589           |
| Beavercreek City School District, 5.00%, 12/1/30  | 1,750                  | 1,970,027            |
| Central Ohio Solid Waste Authority, 5.125%, 9/1/27  | 1,090                  | 1,237,553            |
| Columbus City School District, 5.00%, 12/1/29   | 1,000                  | 1,141,080            |
| Cuyahoga County, 4.00%, 12/1/37   | 500                    | 506,635              |
| Dayton, 4.00%, 12/1/30  | 500                    | 519,880              |
| Huber Heights City School District, 4.75%, 12/1/25  | 595                    | 665,329              |
| Maple Heights City School District, 5.00%, 1/15/37  | 820                    | 895,071              |
| Mason City School District, 4.00%, 12/1/31  | 665                    | 699,454              |
| Ohio, 4.50%, 2/1/32   | 400                    | 440,876              |
| Oregon City School District, 4.00%, 12/1/30   | 1,250                  | 1,293,488            |
| Symmes Township, Hamilton County, (Parkland Acquisition and Improvement), 5.25%, 12/1/37                                | 1,000                  | 1,152,650            |
|   |                        | <b>\$ 11,463,632</b> |
| <b>Hospital 17.7%</b>   |                        |                      |
| Akron, Bath and Copley Joint Township Hospital District, (Children s Hospital Medical Center of Akron), 5.00%, 11/15/38 | \$ 700                 | \$ 758,506           |
| Butler County, (Kettering Health Network Obligated Group), 5.25%, 4/1/31  | 500                    | 547,810              |
| Franklin County, (Nationwide Children s Hospital), 5.00%, 11/1/34   | 800                    | 869,656              |
| Hancock County, (Blanchard Valley Regional Health Center), 6.25%, 12/1/34   | 750                    | 877,148              |
| Miami County, (Upper Valley Medical Center), 5.25%, 5/15/26   | 500                    | 528,685              |
| Middleburg Heights, (Southwest General Health Center), 5.25%, 8/1/36  | 500                    | 546,245              |
| Middleburg Heights, (Southwest General Health Center), 5.25%, 8/1/41  | 800                    | 870,496              |
| Montgomery County, (Catholic Health Initiatives), 5.50%, 5/1/34   | 500                    | 580,765              |
| Muskingum County, (Genesis HealthCare System Obligated Group), 5.00%, 2/15/33   | 155                    | 157,492              |
| Ohio Higher Educational Facility Commission, (Cleveland Clinic Health System), 5.50%, 1/1/39                            | 1,000                  | 1,147,270            |
| Ohio Higher Educational Facility Commission, (Summa Health System), 5.75%, 11/15/40                                     | 555                    | 618,264              |
|   |                        | <b>\$ 7,502,337</b>  |
| <b>Housing 7.8%</b>   |                        |                      |
| Ohio Housing Finance Agency, (Residential Mortgage-Backed Securities), (FNMA), (GNMA), (AMT), 4.625%, 9/1/27            | \$ 620                 | \$ 642,866           |
| Ohio Housing Finance Agency, (Residential Mortgage-Backed Securities), (FNMA), (GNMA), (AMT), 5.00%, 9/1/31             | 25                     | 25,631               |

## Eaton Vance

## Ohio Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

|   | <b>Principal</b>       |                     |
|---|------------------------|---------------------|
|   | <b>Amount</b>          |                     |
| <b>Security</b>   | <b>(000 s omitted)</b> | <b>Value</b>        |
| <b>Housing (continued)</b>  |                        |                     |
| Ohio Housing Finance Agency, (Uptown Community Partners), (AMT), 5.25%, 4/20/48               | \$ 2,500               | \$ 2,634,475        |
|   |                        | <b>\$ 3,302,972</b> |
| <b>Industrial Development Revenue 1.3%</b>  |                        |                     |
| Cleveland, (Continental Airlines), (AMT), 5.375%, 9/15/27                                     | \$ 555                 | \$ 554,956          |
|   |                        | <b>\$ 554,956</b>   |
| <b>Insured Education 12.5%</b>  |                        |                     |
| Hamilton County, (University Heights Community Urban Development Corp.), (AGM), 5.00%, 6/1/30 | \$ 750                 | \$ 830,348          |
| Kent State University, (AGC), 5.00%, 5/1/26   | 1,000                  | 1,134,330           |
| Kent State University, (AGC), 5.00%, 5/1/29   | 465                    | 515,727             |
| Miami University, (AMBAC), 3.25%, 9/1/26  | 635                    | 639,794             |
| University of Akron, Series A, (AGM), 5.00%, 1/1/38   | 1,500                  | 1,612,425           |
| University of Akron, Series B, (AGM), 5.00%, 1/1/38   | 500                    | 537,475             |
|   |                        | <b>\$ 5,270,099</b> |
| <b>Insured Electric Utilities 12.3%</b>   |                        |                     |
| American Municipal Power-Ohio, Inc., (Prairie State Energy Campus), (AGC), 5.75%, 2/15/39     | \$ 1,000               | \$ 1,119,510        |
| Cleveland Public Power System, (NPPFG), 0.00%, 11/15/27                                       | 710                    | 394,597             |
| Cleveland Public Power System, (NPPFG), 0.00%, 11/15/38                                       | 2,000                  | 603,160             |
| Ohio Municipal Electric Generation Agency, (NPPFG), 0.00%, 2/15/25                            | 815                    | 535,602             |
| Ohio Municipal Electric Generation Agency, (NPPFG), 0.00%, 2/15/26                            | 3,000                  | 1,874,400           |
| Puerto Rico Electric Power Authority, (FGIC), (NPPFG), 5.25%, 7/1/30                          | 210                    | 213,194             |
| Puerto Rico Electric Power Authority, (FGIC), (NPPFG), 5.25%, 7/1/34                          | 155                    | 155,879             |
| Puerto Rico Electric Power Authority, (NPPFG), 5.25%, 7/1/26                                  | 305                    | 314,912             |
|   |                        | <b>\$ 5,211,254</b> |
| <b>Insured General Obligations 17.4%</b>  |                        |                     |
| Buckeye Valley Local School District, (AGC), 5.00%, 12/1/36                                   | \$ 500                 | \$ 562,085          |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|   |       |           |
|---|-------|-----------|
| Canal Winchester Local School District, (NPDFG), 0.00%, 12/1/30 | 2,455 | 1,254,186 |
| Cincinnati School District, (FGIC), (NPDFG), 5.25%, 12/1/30     | 1,000 | 1,264,570 |
| Madeira City School District, (AGM), 3.50%, 12/1/27             | 1,500 | 1,506,180 |
| Milford Exempt Village School District, (AGC), 5.25%, 12/1/36   | 1,750 | 1,946,962 |
| St. Marys City School District, (AGM), 5.00%, 12/1/35           | 750   | 811,380   |

**\$ 7,345,363**

### Principal

### Amount

| Security | (000 s omitted) | Value |
|----------|-----------------|-------|
|----------|-----------------|-------|

#### Insured Hospital 5.8%

|   |        |            |
|---|--------|------------|
| Hamilton County, (Cincinnati Children s Hospital), (FGIC), (NPDFG), 5.00%, 5/15/32            | \$ 280 | \$ 282,895 |
| Hamilton County, (Cincinnati Children s Hospital), (FGIC), (NPDFG), 5.125%, 5/15/28           | 1,500  | 1,517,955  |
| Lorain County, (Catholic Healthcare Partners), (AGM), 15.316%,<br>2/1/29 <sup>(1)(2)(3)</sup> | 485    | 639,094    |

**\$ 2,439,944**

#### Insured Special Tax Revenue 0.5%

|   |          |            |
|---|----------|------------|
| Puerto Rico Sales Tax Financing Corp., (NPDFG), 0.00%, 8/1/45 | \$ 1,230 | \$ 207,366 |
|---|----------|------------|

**\$ 207,366**

#### Insured Transportation 7.5%

|   |        |            |
|---|--------|------------|
| Cleveland, Airport System Revenue, (AGM), 5.00%, 1/1/30   | \$ 600 | \$ 665,976 |
| Ohio Turnpike Commission, (FGIC), (NPDFG), 5.50%, 2/15/24 | 1,000  | 1,246,380  |
| Ohio Turnpike Commission, (FGIC), (NPDFG), 5.50%, 2/15/26 | 1,000  | 1,255,070  |

**\$ 3,167,426**

#### Lease Revenue / Certificates of Participation 1.3%

|   |        |            |
|---|--------|------------|
| Franklin County Convention Facilities Authority, 5.00%, 12/1/27 | \$ 500 | \$ 569,600 |
|---|--------|------------|

**\$ 569,600**

#### Other Revenue 3.6%

|  |          |              |
|--|----------|--------------|
| Riversouth Authority, (Lazarus Building Redevelopment), 5.75%, 12/1/27 | \$ 1,000 | \$ 1,023,180 |
| Summit County Port Authority, 5.00%, 12/1/31                           | 445      | 496,460      |

**\$ 1,519,640**

#### Senior Living / Life Care 1.5%

|  |        |            |
|--|--------|------------|
| Hamilton County, (Life Enriching Communities), 5.00%, 1/1/32       | \$ 375 | \$ 394,672 |
| Lorain County Port Authority, (Kendal at Oberlin), 5.00%, 11/15/30 | 230    | 252,899    |

**\$ 647,571**

#### Special Tax Revenue 2.4%

|   |        |            |
|---|--------|------------|
| Green, Income Tax Revenue, (Community Learning Centers), 5.00%, 12/1/26 | \$ 180 | \$ 207,583 |
| Green, Income Tax Revenue, (Community Learning Centers), 5.00%, 12/1/28 | 290    | 328,785    |
| Guam, Limited Obligation Bonds, 5.625%, 12/1/29                         | 155    | 169,523    |
| Guam, Limited Obligation Bonds, 5.75%, 12/1/34                          | 170    | 186,220    |

Edgar Filing: NEWPORT CORP - Form DEF 14A

Virgin Islands Public Finance Authority, 6.75%, 10/1/37

110 128,207

**\$ 1,020,318**

27

*See Notes to Financial Statements.*

## Eaton Vance

## Ohio Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| <b>Security</b>  | <b>Principal<br/>Amount</b> | <b>Value</b>           |
|--|-----------------------------|------------------------|
|  | <b>(000 s omitted)</b>      |                        |
| <b>Water and Sewer 2.0%</b><br>Hamilton County, Sewer System, 5.00%, 12/1/32 | \$ 750                      | \$ 834,285             |
|  |                             | <b>\$ 834,285</b>      |
| <b>Total Tax-Exempt Investments 152.1%</b><br>(identified cost \$58,468,287) |                             | <b>\$ 64,386,476</b>   |
| <b>Auction Preferred Shares Plus Cumulative<br/>Unpaid Dividends (53.7)%</b> |                             | <b>\$ (22,725,460)</b> |
| <b>Other Assets, Less Liabilities 1.6%</b>                                   |                             | <b>\$ 672,567</b>      |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                         |                             | <b>\$ 42,333,583</b>   |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

|       |  |
|-------|--|
| AGC   | Assured Guaranty Corp.   |
| AGM   | Assured Guaranty Municipal Corp.   |
| AMBAC | AMBAC Financial Group, Inc.  |
| AMT   | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| FGIC  | Financial Guaranty Insurance Company   |
| FNMA  | Federal National Mortgage Association  |
| GNMA  | Government National Mortgage Association   |
| NPFG  | National Public Finance Guaranty Corp.   |

The Trust invests primarily in debt securities issued by Ohio municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 36.7% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 1.0% to 17.3% of total investments.



## Edgar Filing: NEWPORT CORP - Form DEF 14A

- (1) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At May 31, 2013, the aggregate value of these securities is \$639,094 or 1.5% of the Trust's net assets applicable to common shares.
- (2) Security has been issued as a leveraged residual interest bond with a variable interest rate. The stated interest rate represents the rate in effect at May 31, 2013.
- (3) Security is subject to a shortfall agreement which may require the Trust to pay amounts to a counterparty in the event of a significant decline in the market value of the security held by the trust that issued the residual interest bond. In case of a shortfall, the maximum potential amount of payments the Trust could ultimately be required to make under the agreement is \$1,455,000. However, such shortfall payment would be reduced by the proceeds from the sale of the security held by the trust that issued the residual interest bond.

## Eaton Vance

## Pennsylvania Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited)

Tax-Exempt Investments 156.5%

| Security  | Principal<br>Amount<br>(000 s omitted) | Value                |
|---|--|----------------------|
| <b>Cogeneration 1.7%</b>  |  |                      |
| Pennsylvania Economic Development Financing Authority, (Colver), (AMT), 5.125%, 12/1/15                       | \$ 275                                 | \$ 279,463           |
| Northampton County Industrial Development Authority, (Northampton Generating), 5.00%, 12/31/23                | 420                                    | 379,651              |
|   |  | <b>\$ 659,114</b>    |
| <b>Education 27.2%</b>  |  |                      |
| Allegheny County Higher Education Building Authority, (Carnegie Mellon University), 5.00%, 3/1/28             | \$ 500                                 | \$ 588,365           |
| Allegheny County Higher Education Building Authority, (Duquesne University), 5.50%, 3/1/31                    | 1,050                                  | 1,207,164            |
| Bucks County Industrial Development Authority, (George School), 5.00%, 9/15/39                                | 500                                    | 539,785              |
| Cumberland County Municipal Authority, (Dickinson College), 5.00%, 11/1/39                                    | 1,200                                  | 1,314,528            |
| Northampton County General Purpose Authority, (Lehigh University), 5.00%, 11/15/39                            | 500                                    | 539,855              |
| Pennsylvania Higher Educational Facilities Authority, (Saint Joseph's University), 5.00%, 11/1/40             | 440                                    | 475,160              |
| Pennsylvania Higher Educational Facilities Authority, (Temple University), 5.00%, 4/1/35                      | 750                                    | 832,103              |
| Pennsylvania Higher Educational Facilities Authority, (Thomas Jefferson University), 5.00%, 3/1/40            | 625                                    | 677,569              |
| Pennsylvania Higher Educational Facilities Authority, (Thomas Jefferson University), 5.00%, 3/1/42            | 600                                    | 657,396              |
| Pennsylvania Higher Educational Facilities Authority, (Ursinus College), 5.00%, 1/1/29                        | 560                                    | 614,180              |
| Pennsylvania Higher Educational Facilities Authority, (Ursinus College), 5.00%, 1/1/30                        | 750                                    | 822,015              |
| State Public School Building Authority, (Northampton County Area Community College), 5.50%, 3/1/31            | 750                                    | 850,192              |
| University of Pittsburgh, 5.25%, 9/15/29  | 500                                    | 585,570              |
| Washington County Industrial Development Authority, (Washington and Jefferson College), 5.25%, 11/1/30        | 575                                    | 636,140              |
|   |  | <b>\$ 10,340,022</b> |
| <b>Electric Utilities 2.8%</b>  |  |                      |
| Puerto Rico Electric Power Authority, 5.00%, 7/1/29   | \$ 1,095                               | \$ 1,082,440         |
|   |  | <b>\$ 1,082,440</b>  |
| <b>Escrowed / Prerefunded 3.2%</b>  |  |                      |
| Lehigh County General Purpose Authority, (Lehigh Valley Health Network), Prerefunded to 7/1/13, 5.25%, 7/1/32 | \$ 1,215                               | \$ 1,232,241         |
|   |  | <b>\$ 1,232,241</b>  |
| <b>Security</b>   |  | <b>Value</b>         |

Edgar Filing: NEWPORT CORP - Form DEF 14A

|   | <b>Principal<br/>Amount<br/>(000 s omitted)</b> |                     |
|---|---|---------------------|
| <b>General Obligations 10.5%</b>  |   |                     |
| Chester County, 5.00%, 7/15/27  | \$ 500  | \$ 569,915          |
| Daniel Boone Area School District, 5.00%, 8/15/32   | 1,000   | 1,107,370           |
| Delaware Valley Regional Finance Authority, 5.75%, 7/1/32   | 1,000   | 1,165,250           |
| Philadelphia School District, 6.00%, 9/1/38   | 1,000   | 1,161,620           |
|   |   | <b>\$ 4,004,155</b> |
| <b>Hospital 23.1%</b>   |   |                     |
| Allegheny County Hospital Development Authority, (University of Pittsburgh Medical Center), 5.50%, 8/15/34                      | \$ 500  | \$ 576,050          |
| Chester County Health and Education Facilities Authority, (Jefferson Health System), 5.00%, 5/15/40                             | 750   | 813,848             |
| Dauphin County General Authority, (Pinnacle Health System), 6.00%, 6/1/29   | 750   | 841,845             |
| Lehigh County General Purpose Authority, (Lehigh Valley Health Network), 4.00%, 7/1/33  | 500   | 507,415             |
| Lycoming County Authority, (Susquehanna Health System), 5.75%, 7/1/39   | 750   | 815,790             |
| Monroe County Hospital Authority, (Pocono Medical Center), 5.25%, 1/1/43  | 1,500   | 1,557,150           |
| Montgomery County Higher Education and Health Authority, (Abington Memorial Hospital Obligated Group), 5.00%, 6/1/31            | 1,095   | 1,206,208           |
| Northampton County General Purpose Authority, (Saint Luke s Hospital), 5.50%, 8/15/33   | 250   | 271,710             |
| Pennsylvania Higher Educational Facilities Authority, (University of Pennsylvania Health System), 6.00%, 8/15/26 <sup>(1)</sup> | 1,000   | 1,182,500           |
| Pennsylvania Higher Educational Facilities Authority, (UPMC Health System), 5.00%, 5/15/31                                      | 675   | 741,609             |
| South Fork Municipal Authority, (Conemaugh Health System), 5.50%, 7/1/29  | 250   | 272,200             |
|   |   | <b>\$ 8,786,325</b> |
| <b>Housing 10.3%</b>  |   |                     |
| Allegheny County Residential Finance Authority, SFMR, (AMT), 4.95%, 11/1/37   | \$ 345  | \$ 359,259          |
| Allegheny County Residential Finance Authority, SFMR, (AMT), 5.00%, 5/1/35  | 910   | 938,456             |
| Pennsylvania Housing Finance Agency, SFMR, (AMT), 4.70%, 10/1/37  | 730   | 748,688             |
| Pennsylvania Housing Finance Agency, SFMR, (AMT), 4.75%, 10/1/25  | 500   | 527,210             |
| Pennsylvania Housing Finance Agency, SFMR, (AMT), 4.875%, 4/1/26  | 830   | 849,538             |
| Pennsylvania Housing Finance Agency, SFMR, (AMT), 4.875%, 10/1/31   | 500   | 511,475             |
|   |   | <b>\$ 3,934,626</b> |

## Eaton Vance

## Pennsylvania Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security  | Principal<br>Amount<br>(000 s omitted) | Value               |
|---|--|---------------------|
| <b>Industrial Development Revenue 8.4%</b>  |  |                     |
| Luzerne County Industrial Development Authority, (Pennsylvania-American Water Co.), 5.50%, 12/1/39                  | \$ 200                                 | \$ 220,206          |
| Montgomery County Industrial Development Authority, (Aqua Pennsylvania, Inc.), (AMT), 5.25%, 7/1/42                 | 750                                    | 798,210             |
| Pennsylvania Economic Development Financing Authority, (Pennsylvania-American Water Co.), 6.20%, 4/1/39             | 250                                    | 286,388             |
| Pennsylvania Economic Development Financing Authority, (Procter & Gamble Paper Products Co.), (AMT), 5.375%, 3/1/31 | 1,115                                  | 1,356,386           |
| Pennsylvania Economic Development Financing Authority, (Waste Management, Inc.), (AMT), 5.10%, 10/1/27              | 500                                    | 533,870             |
|   |  | <b>\$ 3,195,060</b> |
| <b>Insured Education 8.1%</b>   |  |                     |
| Lycoming County Authority, (Pennsylvania College of Technology), (AGC), 5.50%, 10/1/37                              | \$ 500                                 | \$ 539,815          |
| Pennsylvania Higher Educational Facilities Authority, (Drexel University), (NPPFG), 5.00%, 5/1/37                   | 1,110                                  | 1,178,442           |
| State Public School Building Authority, (Delaware County Community College), (AGM), 5.00%, 10/1/29                  | 375                                    | 403,684             |
| State Public School Building Authority, (Delaware County Community College), (AGM), 5.00%, 10/1/32                  | 875                                    | 951,020             |
|   |  | <b>\$ 3,072,961</b> |
| <b>Insured Escrowed / Prerefunded 9.2%</b>  |  |                     |
| Pennsylvania Turnpike Commission, Oil Franchise Tax, (AMBAC), Escrowed to Maturity, 4.75%, 12/1/27                  | \$ 1,600                               | \$ 1,673,376        |
| Westmoreland Municipal Authority, (FGIC), Escrowed to Maturity, 0.00%, 8/15/19                                      | 2,000                                  | 1,824,900           |
|   |  | <b>\$ 3,498,276</b> |
| <b>Insured General Obligations 3.7%</b>   |  |                     |
| Beaver County, (AGM), 5.55%, 11/15/31   | \$ 500                                 | \$ 568,500          |
| Bethlehem Area School District, (AGM), 5.25%, 1/15/25   | 750                                    | 845,048             |
|   |  | <b>\$ 1,413,548</b> |
| <b>Insured Hospital 4.8%</b>  |  |                     |
| Allegheny County Hospital Development Authority, (UPMC Health System), (NPPFG), 6.00%, 7/1/24                       | \$ 250                                 | \$ 323,280          |
| Lehigh County General Purpose Authority, (Lehigh Valley Health Network), (AGM), 5.00%, 7/1/35                       | 1,440                                  | 1,522,483           |
|   |  | <b>\$ 1,845,763</b> |
| <b>Security</b>   | <b>Principal<br/>Amount</b>            | <b>Value</b>        |

## Edgar Filing: NEWPORT CORP - Form DEF 14A

(000 s omitted)

|   |    |                     |
|---|----|---------------------|
| <b>Insured Lease Revenue / Certificates of Participation 4.8%</b>   |    |                     |
| Commonwealth Financing Authority, (AGC), 5.00%, 6/1/31  | \$ | 500 \$ 547,780      |
| Philadelphia Authority for Industrial Development, (One Benjamin Franklin), (AGM), 4.75%, 2/15/27                   |    | 1,195 1,290,170     |
|   |    | <b>\$ 1,837,950</b> |
| <br>  |    |                     |
| <b>Insured Special Tax Revenue 2.3%</b>   |    |                     |
| Pittsburgh and Allegheny County Sports & Exhibition Authority, Sales Tax Revenue, (AGM), 5.00%, 2/1/31              | \$ | 610 \$ 671,793      |
| Puerto Rico Sales Tax Financing Corp., (NPFPG), 0.00%, 8/1/45   |    | 1,235 208,209       |
|   |    | <b>\$ 880,002</b>   |
| <br>  |    |                     |
| <b>Insured Transportation 8.9%</b>  |    |                     |
| Philadelphia, Airport Revenue, (AGM), (AMT), 5.00%, 6/15/27   | \$ | 525 \$ 564,506      |
| Philadelphia Parking Authority, (AMBAC), 5.25%, 2/15/29   |    | 1,005 1,008,156     |
| Puerto Rico Highway and Transportation Authority, (AGC), (CIFG), 5.25%, 7/1/41 <sup>(1)(2)</sup>                    |    | 1,800 1,803,870     |
|   |    | <b>\$ 3,376,532</b> |
| <br>  |    |                     |
| <b>Insured Water and Sewer 2.9%</b>   |    |                     |
| Bucks County Water and Sewer Authority, (AGM), 5.00%, 12/1/35   | \$ | 500 \$ 549,615      |
| Delaware County Industrial Development Authority, (Aqua Pennsylvania, Inc.), (FGIC), (NPFPG), (AMT), 5.00%, 11/1/36 |    | 525 549,040         |
|   |    | <b>\$ 1,098,655</b> |
| <br>  |    |                     |
| <b>Senior Living / Life Care 2.5%</b>   |    |                     |
| Cliff House Trust, (AMT), 6.625%, 6/1/27 <sup>(3)</sup>   | \$ | 1,000 \$ 525,110    |
| Montgomery County Industrial Development Authority, (Foulkeways at Gwynedd), 5.00%, 12/1/24                         |    | 200 208,706         |
| Montgomery County Industrial Development Authority, (Foulkeways at Gwynedd), 5.00%, 12/1/30                         |    | 200 206,000         |
|   |    | <b>\$ 939,816</b>   |
| <br>  |    |                     |
| <b>Special Tax Revenue 0.3%</b>   |    |                     |
| Virgin Islands Public Finance Authority, 6.75%, 10/1/37   | \$ | 110 \$ 128,207      |
|   |    | <b>\$ 128,207</b>   |
| <br>  |    |                     |
| <b>Transportation 16.1%</b>   |    |                     |
| Delaware River Port Authority of Pennsylvania and New Jersey, 5.00%, 1/1/35   | \$ | 465 \$ 512,142      |
| Delaware River Port Authority of Pennsylvania and New Jersey, 5.00%, 1/1/40   |    | 285 310,898         |
| Pennsylvania Economic Development Financing Authority, (Amtrak), (AMT), 5.00%, 11/1/41                              |    | 455 481,058         |

## Eaton Vance

## Pennsylvania Municipal Income Trust

May 31, 2013

## Portfolio of Investments (Unaudited) continued

| Security   | Principal<br>Amount<br>(000 s omitted) | Value                  |
|--|--|------------------------|
| <b>Transportation (continued)</b>  |  |                        |
| Pennsylvania Turnpike Commission, 5.25%, 6/1/39                              | \$ 1,000                               | \$ 1,071,880           |
| Pennsylvania Turnpike Commission, 5.35%, (0.00% until 12/1/15), 12/1/30      | 1,430                                  | 1,375,159              |
| Pennsylvania Turnpike Commission, 5.625%, 6/1/29                             | 750                                    | 858,165                |
| Philadelphia, Airport Revenue, (AMT), 5.00%, 6/15/23                         | 410                                    | 464,104                |
| Philadelphia, Airport Revenue, (AMT), 5.00%, 6/15/27                         | 970                                    | 1,058,803              |
|  |  | <b>\$ 6,132,209</b>    |
| <b>Utilities 1.7%</b>  |  |                        |
| Philadelphia Gas Works, 5.25%, 8/1/40  | \$ 600                                 | \$ 633,096             |
|  |  | <b>\$ 633,096</b>      |
| <b>Water and Sewer 4.0%</b>  |  |                        |
| Harrisburg Water Authority, 5.25%, 7/15/31                                   | \$ 750                                 | \$ 689,865             |
| Philadelphia, Water and Wastewater Revenue, 5.00%, 1/1/36                    | 750                                    | 826,702                |
|  |  | <b>\$ 1,516,567</b>    |
| <b>Total Tax-Exempt Investments 156.5%</b><br>(identified cost \$55,756,743) |  | <b>\$ 59,607,565</b>   |
| <b>Auction Preferred Shares Plus Cumulative<br/>Unpaid Dividends (55.6)%</b> |  | <b>\$ (21,175,571)</b> |
| <b>Other Assets, Less Liabilities (0.9)%</b>                                 |  | <b>\$ (341,296)</b>    |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                         |  | <b>\$ 38,090,698</b>   |

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

## Edgar Filing: NEWPORT CORP - Form DEF 14A

|       |  |
|-------|--|
| AGC   | Assured Guaranty Corp.   |
| AGM   | Assured Guaranty Municipal Corp.   |
| AMBAC | AMBAC Financial Group, Inc.  |
| AMT   | Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax. |
| CIFG  | CIFG Assurance North America, Inc.   |
| FGIC  | Financial Guaranty Insurance Company   |
| NPFG  | National Public Finance Guaranty Corp.   |
| SFMR  | Single Family Mortgage Revenue   |

The Trust invests primarily in debt securities issued by Pennsylvania municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2013, 28.6% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 3.0% to 12.4% of total investments.

<sup>(1)</sup> Security represents the municipal bond held by a trust that issues residual interest bonds (see Note 1H).

<sup>(2)</sup> Security (or a portion thereof) has been pledged as collateral for residual interest bond transactions. The aggregate value of such collateral is \$903,870.

<sup>(3)</sup> Defaulted bond.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Assets and Liabilities (Unaudited)

|  | May 31, 2013          |                      |                      |                       |
|--|-----------------------|----------------------|----------------------|-----------------------|
|  | California<br>Trust   | Massachusetts Trust  | Michigan<br>Trust    | New Jersey<br>Trust   |
| <b>Assets</b>  |                       |                      |                      |                       |
| Investments  |                       |                      |                      |                       |
| Identified cost  | \$ 150,798,232        | \$ 59,957,978        | \$ 45,411,401        | \$ 98,975,245         |
| Unrealized appreciation  | 12,655,307            | 5,492,571            | 2,921,901            | 8,274,836             |
| <b>Investments, at value</b>   | <b>\$ 163,453,539</b> | <b>\$ 65,450,549</b> | <b>\$ 48,333,302</b> | <b>\$ 107,250,081</b> |
| Cash   | \$ 469,548            | \$ 205,314           | \$ 395,736           | \$ 2,223,276          |
| Restricted cash*   | 215,000               | 115,000              | 22,000               | 460,000               |
| Interest receivable  | 1,641,360             | 897,300              | 520,361              | 1,564,024             |
| Receivable for investments sold  | 144,500               |                      | 145,000              |                       |
| Receivable for variation margin on open financial futures contracts                                      | 34,234                | 15,938               | 2,813                | 73,263                |
| Deferred debt issuance costs   | 27,325                | 1,884                |                      | 682                   |
| <b>Total assets</b>  | <b>\$ 165,985,506</b> | <b>\$ 66,685,985</b> | <b>\$ 49,419,212</b> | <b>\$ 111,571,326</b> |
| <b>Liabilities</b>   |                       |                      |                      |                       |
| Payable for floating rate notes issued   | \$ 14,680,000         | \$ 4,885,000         |                      | \$ 8,720,000          |
| Payable for when-issued securities   |                       |                      | 1,354,965            | 2,869,564             |
| Payable to affiliates:   |                       |                      |                      |                       |
| Investment adviser fee   | 88,282                | 34,853               | 26,531               | 57,237                |
| Administration fee   | 27,588                | 10,892               | 8,291                | 17,887                |
| Trustees' fees   | 1,134                 | 504                  | 399                  | 769                   |
| Interest expense and fees payable  | 15,970                | 9,280                |                      | 15,289                |
| Accrued expenses   | 41,999                | 27,609               | 26,651               | 33,114                |
| <b>Total liabilities</b>   | <b>\$ 14,854,973</b>  | <b>\$ 4,968,138</b>  | <b>\$ 1,416,837</b>  | <b>\$ 11,713,860</b>  |
| <b>Auction preferred shares at liquidation value plus cumulative unpaid dividends</b>                    | <b>\$ 49,977,019</b>  | <b>\$ 20,050,540</b> | <b>\$ 17,500,236</b> | <b>\$ 33,426,350</b>  |
| <b>Net assets applicable to common shares</b>  | <b>\$ 101,153,514</b> | <b>\$ 41,667,307</b> | <b>\$ 30,502,139</b> | <b>\$ 66,431,116</b>  |
| <b>Sources of Net Assets</b>   |                       |                      |                      |                       |
| Common shares, \$0.01 par value, unlimited number of shares authorized                                   | \$ 72,611             | \$ 27,505            | \$ 21,163            | \$ 46,792             |
| Additional paid-in capital   | 104,203,764           | 39,728,155           | 29,330,770           | 67,036,426            |
| Accumulated net realized loss  | (16,291,887)          | (3,695,993)          | (1,837,760)          | (9,267,061)           |
| Accumulated undistributed net investment income  | 425,582               | 94,412               | 62,420               | 258,104               |
| Net unrealized appreciation  | 12,743,444            | 5,513,228            | 2,925,546            | 8,356,855             |
| <b>Net assets applicable to common shares</b>  | <b>\$ 101,153,514</b> | <b>\$ 41,667,307</b> | <b>\$ 30,502,139</b> | <b>\$ 66,431,116</b>  |
| <b>Auction Preferred Shares Issued and Outstanding</b><br>(Liquidation preference of \$25,000 per share) |                       |                      |                      |                       |
|  | 1,999                 | 802                  | 700                  | 1,337                 |
| <b>Common Shares Outstanding</b>   |                       |                      |                      |                       |
|  | 7,261,075             | 2,750,521            | 2,116,294            | 4,679,158             |
| <b>Net Asset Value Per Common Share</b>  |                       |                      |                      |                       |
| <b>Net assets applicable to common shares ÷ common shares issued and outstanding</b>                     | <b>\$ 13.93</b>       | <b>\$ 15.15</b>      | <b>\$ 14.41</b>      | <b>\$ 14.20</b>       |



\* Represents restricted cash on deposit at the broker for open derivative contracts.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Assets and Liabilities (Unaudited) continued

|  | May 31, 2013          |                      |                      |
|--|-----------------------|----------------------|----------------------|
|  | New York<br>Trust     | Ohio Trust           | Pennsylvania Trust   |
| <b>Assets</b>  |                       |                      |                      |
| Investments  |                       |                      |                      |
| Identified cost  | \$ 118,288,816        | \$ 58,468,287        | \$ 55,756,743        |
| Unrealized appreciation  | 11,999,539            | 5,918,189            | 3,850,822            |
| <b>Investments, at value</b>   | <b>\$ 130,288,355</b> | <b>\$ 64,386,476</b> | <b>\$ 59,607,565</b> |
| Cash   | \$ 1,147,244          | \$                   | \$ 362,830           |
| Restricted cash*   | 150,000               | 52,000               | 175,000              |
| Interest receivable  | 1,671,610             | 980,007              | 825,658              |
| Receivable for investments sold  | 181,629               | 263,056              |                      |
| Receivable for variation margin on open financial futures contracts                                      | 20,157                | 8,438                | 23,438               |
| <b>Total assets</b>  | <b>\$ 133,458,995</b> | <b>\$ 65,689,977</b> | <b>\$ 60,994,491</b> |
| <b>Liabilities</b>   |                       |                      |                      |
| Payable for floating rate notes issued   | \$ 19,315,000         | \$                   | \$ 1,650,000         |
| Due to custodian   |                       | 556,401              |                      |
| Payable to affiliates:   |                       |                      |                      |
| Investment adviser fee   | 68,747                | 35,928               | 33,269               |
| Administration fee   | 21,483                | 11,228               | 10,397               |
| Trustees fees  | 905                   | 512                  | 480                  |
| Interest expense and fees payable  | 30,314                |                      | 5,396                |
| Accrued expenses   | 36,603                | 26,865               | 28,680               |
| <b>Total liabilities</b>   | <b>\$ 19,473,052</b>  | <b>\$ 630,934</b>    | <b>\$ 1,728,222</b>  |
| <b>Auction preferred shares at liquidation value plus cumulative unpaid dividends</b>                    | <b>\$ 33,725,227</b>  | <b>\$ 22,725,460</b> | <b>\$ 21,175,571</b> |
| <b>Net assets applicable to common shares</b>  | <b>\$ 80,260,716</b>  | <b>\$ 42,333,583</b> | <b>\$ 38,090,698</b> |
| <b>Sources of Net Assets</b>   |                       |                      |                      |
| Common shares, \$0.01 par value, unlimited number of shares authorized                                   | \$ 54,746             | \$ 28,572            | \$ 27,204            |
| Additional paid-in capital   | 79,374,935            | 40,162,134           | 38,083,893           |
| Accumulated net realized loss  | (11,553,654)          | (3,896,256)          | (4,018,659)          |
| Accumulated undistributed net investment income  | 359,026               | 110,008              | 117,061              |
| Net unrealized appreciation  | 12,025,663            | 5,929,125            | 3,881,199            |
| <b>Net assets applicable to common shares</b>  | <b>\$ 80,260,716</b>  | <b>\$ 42,333,583</b> | <b>\$ 38,090,698</b> |
| <b>Auction Preferred Shares Issued and Outstanding</b><br>(Liquidation preference of \$25,000 per share) | 1,349                 | 909                  | 847                  |
| <b>Common Shares Outstanding</b>   | 5,474,636             | 2,857,157            | 2,720,414            |
| <b>Net Asset Value Per Common Share</b>  |                       |                      |                      |
| <b>Net assets applicable to common shares ÷ common shares issued and outstanding</b>                     | <b>\$ 14.66</b>       | <b>\$ 14.82</b>      | <b>\$ 14.00</b>      |

\* Represents restricted cash on deposit at the broker for open derivative contracts.



## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Operations (Unaudited)

|   | Six Months Ended May 31, 2013 |                       |                       |                       |
|---|-------------------------------|-----------------------|-----------------------|-----------------------|
|   | California Trust              | Massachusetts Trust   | Michigan Trust        | New Jersey Trust      |
| <b>Investment Income</b>                                    |                               |                       |                       |                       |
| Interest  | \$ 3,628,492                  | \$ 1,411,696          | \$ 1,060,036          | \$ 2,371,156          |
| <b>Total investment income</b>                              | <b>\$ 3,628,492</b>           | <b>\$ 1,411,696</b>   | <b>\$ 1,060,036</b>   | <b>\$ 2,371,156</b>   |
| <b>Expenses</b>   |                               |                       |                       |                       |
| Investment adviser fee                                      | \$ 529,193                    | \$ 209,626            | \$ 159,114            | \$ 343,657            |
| Administration fee  | 162,218                       | 64,257                | 48,774                | 105,343               |
| Trustees' fees and expenses                                 | 3,420                         | 1,515                 | 1,205                 | 2,315                 |
| Custodian fee   | 44,466                        | 22,767                | 19,575                | 30,558                |
| Transfer and dividend disbursing agent fees                 | 9,183                         | 9,413                 | 9,366                 | 9,192                 |
| Legal and accounting services                               | 27,043                        | 19,609                | 20,225                | 23,931                |
| Printing and postage  | 4,088                         | 3,587                 | 3,529                 | 3,548                 |
| Interest expense and fees                                   | 47,769                        | 16,916                |                       | 31,254                |
| Preferred shares service fee                                | 34,826                        | 14,551                | 11,744                | 24,417                |
| Miscellaneous   | 22,683                        | 16,890                | 16,270                | 18,087                |
| <b>Total expenses</b>                                       | <b>\$ 884,889</b>             | <b>\$ 379,131</b>     | <b>\$ 289,802</b>     | <b>\$ 592,302</b>     |
| Deduct  |                               |                       |                       |                       |
| Reduction of custodian fee                                  | \$ 429                        | \$ 183                | \$ 143                | \$ 465                |
| <b>Total expense reductions</b>                             | <b>\$ 429</b>                 | <b>\$ 183</b>         | <b>\$ 143</b>         | <b>\$ 465</b>         |
| <b>Net expenses</b>   | <b>\$ 884,460</b>             | <b>\$ 378,948</b>     | <b>\$ 289,659</b>     | <b>\$ 591,837</b>     |
| <b>Net investment income</b>                                | <b>\$ 2,744,032</b>           | <b>\$ 1,032,748</b>   | <b>\$ 770,377</b>     | <b>\$ 1,779,319</b>   |
| <b>Realized and Unrealized Gain (Loss)</b>                  |                               |                       |                       |                       |
| Net realized gain (loss)                                    |                               |                       |                       |                       |
| Investment transactions                                     | \$ 301,476                    | \$ (142,909)          | \$ (90,762)           | \$ (277,583)          |
| Extinguishment of debt                                      |                               |                       |                       | (2,352)               |
| Financial futures contracts                                 | 324,647                       | 233,584               | 33,428                | 943,773               |
| <b>Net realized gain (loss)</b>                             | <b>\$ 626,123</b>             | <b>\$ 90,675</b>      | <b>\$ (57,334)</b>    | <b>\$ 663,838</b>     |
| Change in unrealized appreciation (depreciation)            |                               |                       |                       |                       |
| Investments   | \$ (5,783,006)                | \$ (2,920,698)        | \$ (1,780,549)        | \$ (3,470,441)        |
| Financial futures contracts                                 | 131,550                       | 23,110                | 4,079                 | 155,917               |
| <b>Net change in unrealized appreciation (depreciation)</b> | <b>\$ (5,651,456)</b>         | <b>\$ (2,897,588)</b> | <b>\$ (1,776,470)</b> | <b>\$ (3,314,524)</b> |
| <b>Net realized and unrealized loss</b>                     | <b>\$ (5,025,333)</b>         | <b>\$ (2,806,913)</b> | <b>\$ (1,833,804)</b> | <b>\$ (2,650,686)</b> |
| <b>Distributions to preferred shareholders</b>              |                               |                       |                       |                       |
| From net investment income                                  | \$ (56,013)                   | \$ (21,883)           | \$ (18,902)           | \$ (37,466)           |
| <b>Net decrease in net assets from operations</b>           | <b>\$ (2,337,314)</b>         | <b>\$ (1,796,048)</b> | <b>\$ (1,082,329)</b> | <b>\$ (908,833)</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Operations (Unaudited) continued

|   | Six Months Ended May 31, 2013 |                       |                       |
|---|-------------------------------|-----------------------|-----------------------|
|   | New York Trust                | Ohio Trust            | Pennsylvania Trust    |
| <b>Investment Income</b>                                    |                               |                       |                       |
| Interest  | \$ 3,011,407                  | \$ 1,445,527          | \$ 1,371,767          |
| <b>Total investment income</b>                              | <b>\$ 3,011,407</b>           | <b>\$ 1,445,527</b>   | <b>\$ 1,371,767</b>   |
| <b>Expenses</b>   |                               |                       |                       |
| Investment adviser fee                                      | \$ 412,581                    | \$ 215,954            | \$ 199,973            |
| Administration fee  | 126,471                       | 66,197                | 61,298                |
| Trustees' fees and expenses                                 | 2,730                         | 1,550                 | 1,445                 |
| Custodian fee   | 35,190                        | 22,806                | 22,100                |
| Transfer and dividend disbursing agent fees                 | 9,412                         | 9,457                 | 9,182                 |
| Legal and accounting services                               | 24,471                        | 18,430                | 21,621                |
| Printing and postage  | 4,552                         | 4,467                 | 3,649                 |
| Interest expense and fees                                   | 65,333                        |                       | 7,115                 |
| Preferred shares service fee                                | 24,392                        | 16,267                | 15,057                |
| Miscellaneous   | 20,083                        | 17,026                | 16,998                |
| <b>Total expenses</b>                                       | <b>\$ 725,215</b>             | <b>\$ 372,154</b>     | <b>\$ 358,438</b>     |
| Deduct  |                               |                       |                       |
| Reduction of custodian fee                                  | \$ 337                        | \$ 239                | \$ 125                |
| <b>Total expense reductions</b>                             | <b>\$ 337</b>                 | <b>\$ 239</b>         | <b>\$ 125</b>         |
| <b>Net expenses</b>   | <b>\$ 724,878</b>             | <b>\$ 371,915</b>     | <b>\$ 358,313</b>     |
| <b>Net investment income</b>                                | <b>\$ 2,286,529</b>           | <b>\$ 1,073,612</b>   | <b>\$ 1,013,454</b>   |
| <b>Realized and Unrealized Gain (Loss)</b>                  |                               |                       |                       |
| Net realized gain (loss)                                    |                               |                       |                       |
| Investment transactions                                     | \$ (636,484)                  | \$ (58,373)           | \$ (412,935)          |
| Financial futures contracts                                 | 295,415                       | 123,662               | 321,518               |
| <b>Net realized gain (loss)</b>                             | <b>\$ (341,069)</b>           | <b>\$ 65,289</b>      | <b>\$ (91,417)</b>    |
| Change in unrealized appreciation (depreciation)            |                               |                       |                       |
| Investments   | \$ (4,279,553)                | \$ (3,011,575)        | \$ (1,974,801)        |
| Financial futures contracts                                 | 29,226                        | 12,235                | 55,859                |
| <b>Net change in unrealized appreciation (depreciation)</b> | <b>\$ (4,250,327)</b>         | <b>\$ (2,999,340)</b> | <b>\$ (1,918,942)</b> |
| <b>Net realized and unrealized loss</b>                     | <b>\$ (4,591,396)</b>         | <b>\$ (2,934,051)</b> | <b>\$ (2,010,359)</b> |
| <b>Distributions to preferred shareholders</b>              |                               |                       |                       |
| From net investment income                                  | \$ (37,207)                   | \$ (24,747)           | \$ (23,111)           |
| <b>Net decrease in net assets from operations</b>           | <b>\$ (2,342,074)</b>         | <b>\$ (1,885,186)</b> | <b>\$ (1,020,016)</b> |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Changes in Net Assets

|   | Six Months Ended May 31, 2013 (Unaudited) |                       |                       |                       |
|---|---|-----------------------|-----------------------|-----------------------|
|   | California<br>Trust                       | Massachusetts Trust   | Michigan<br>Trust     | New Jersey Trust      |
| <b>Increase (Decrease) in Net Assets</b>  |   |                       |                       |                       |
| From operations   |   |                       |                       |                       |
| Net investment income   | \$ 2,744,032                              | \$ 1,032,748          | \$ 770,377            | \$ 1,779,319          |
| Net realized gain (loss) from investment transactions, extinguishment of debt and financial futures contracts | 626,123                                   | 90,675                | (57,334)              | 663,838               |
| Net change in unrealized appreciation (depreciation) from investments and financial futures contracts         | (5,651,456)                               | (2,897,588)           | (1,776,470)           | (3,314,524)           |
| Distributions to preferred shareholders   |   |                       |                       |                       |
| From net investment income  | (56,013)                                  | (21,883)              | (18,902)              | (37,466)              |
| <b>Net decrease in net assets from operations</b>   | <b>\$ (2,337,314)</b>                     | <b>\$ (1,796,048)</b> | <b>\$ (1,082,329)</b> | <b>\$ (908,833)</b>   |
| Distributions to common shareholders  |   |                       |                       |                       |
| From net investment income  | \$ (2,925,614)                            | \$ (1,085,532)        | \$ (806,667)          | \$ (1,842,872)        |
| <b>Total distributions to common shareholders</b>   | <b>\$ (2,925,614)</b>                     | <b>\$ (1,085,532)</b> | <b>\$ (806,667)</b>   | <b>\$ (1,842,872)</b> |
| Capital share transactions  |   |                       |                       |                       |
| Reinvestment of distributions to common shareholders  | \$ 49,584                                 | \$                    | \$                    | \$ 47,846             |
| <b>Net increase in net assets from capital share transactions</b>   | <b>\$ 49,584</b>                          | <b>\$</b>             | <b>\$</b>             | <b>\$ 47,846</b>      |
| <b>Net decrease in net assets</b>   | <b>\$ (5,213,344)</b>                     | <b>\$ (2,881,580)</b> | <b>\$ (1,888,996)</b> | <b>\$ (2,703,859)</b> |
| <b>Net Assets Applicable to Common Shares</b>   |   |                       |                       |                       |
| At beginning of period  | \$ 106,366,858                            | \$ 44,548,887         | \$ 32,391,135         | \$ 69,134,975         |
| <b>At end of period</b>   | <b>\$ 101,153,514</b>                     | <b>\$ 41,667,307</b>  | <b>\$ 30,502,139</b>  | <b>\$ 66,431,116</b>  |
| <b>Accumulated undistributed net investment income included in net assets applicable to common shares</b>     |   |                       |                       |                       |
| <b>At end of period</b>   | <b>\$ 425,582</b>                         | <b>\$ 94,412</b>      | <b>\$ 62,420</b>      | <b>\$ 258,104</b>     |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Changes in Net Assets continued

|   | Six Months Ended May 31, 2013 (Unaudited) |                       |                       |
|---|---|-----------------------|-----------------------|
|   | New York<br>Trust                         | Ohio Trust            | Pennsylvania Trust    |
| <b>Increase (Decrease) in Net Assets</b>  |   |                       |                       |
| From operations   |   |                       |                       |
| Net investment income   | \$ 2,286,529                              | \$ 1,073,612          | \$ 1,013,454          |
| Net realized gain (loss) from investment transactions and financial futures contracts                     | (341,069)                                 | 65,289                | (91,417)              |
| Net change in unrealized appreciation (depreciation) from investments and financial futures contracts     | (4,250,327)                               | (2,999,340)           | (1,918,942)           |
| Distributions to preferred shareholders   |   |                       |                       |
| From net investment income  | (37,207)                                  | (24,747)              | (23,111)              |
| <b>Net decrease in net assets from operations</b>   | <b>\$ (2,342,074)</b>                     | <b>\$ (1,885,186)</b> | <b>\$ (1,020,016)</b> |
| Distributions to common shareholders  |   |                       |                       |
| From net investment income  | \$ (2,453,504)                            | \$ (1,068,119)        | \$ (1,084,036)        |
| <b>Total distributions to common shareholders</b>   | <b>\$ (2,453,504)</b>                     | <b>\$ (1,068,119)</b> | <b>\$ (1,084,036)</b> |
| Capital share transactions  |   |                       |                       |
| Reinvestment of distributions to common shareholders  | \$ 55,392                                 | \$ 3,154              | \$ 7,155              |
| <b>Net increase in net assets from capital share transactions</b>   | <b>\$ 55,392</b>                          | <b>\$ 3,154</b>       | <b>\$ 7,155</b>       |
| <b>Net decrease in net assets</b>   | <b>\$ (4,740,186)</b>                     | <b>\$ (2,950,151)</b> | <b>\$ (2,096,897)</b> |
| <b>Net Assets Applicable to Common Shares</b>   |   |                       |                       |
| At beginning of period  | \$ 85,000,902                             | \$ 45,283,734         | \$ 40,187,595         |
| <b>At end of period</b>   | <b>\$ 80,260,716</b>                      | <b>\$ 42,333,583</b>  | <b>\$ 38,090,698</b>  |
| <b>Accumulated undistributed net investment income included in net assets applicable to common shares</b> |   |                       |                       |
| <b>At end of period</b>   | <b>\$ 359,026</b>                         | <b>\$ 110,008</b>     | <b>\$ 117,061</b>     |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Changes in Net Assets continued

|   | Year Ended November 30, 2012 |                       |                       |                       |
|---|------------------------------|-----------------------|-----------------------|-----------------------|
|   | California<br>Trust          | Massachusetts Trust   | Michigan<br>Trust     | New Jersey Trust      |
| <b>Increase (Decrease) in Net Assets</b>  |                              |                       |                       |                       |
| From operations   |                              |                       |                       |                       |
| Net investment income   | \$ 5,734,651                 | \$ 2,118,603          | \$ 1,609,283          | \$ 3,745,238          |
| Net realized loss from investment transactions and financial futures contracts                            | (974,992)                    | (427,235)             | (347,036)             | (970,208)             |
| Net change in unrealized appreciation (depreciation) from investments and financial futures contracts     | 17,774,223                   | 6,690,665             | 4,443,394             | 9,281,456             |
| Distributions to preferred shareholders   |                              |                       |                       |                       |
| From net investment income  | (127,665)                    | (51,813)              | (44,571)              | (84,946)              |
| <b>Net increase in net assets from operations</b>   | <b>\$ 22,406,217</b>         | <b>\$ 8,330,220</b>   | <b>\$ 5,661,070</b>   | <b>\$ 11,971,540</b>  |
| Distributions to common shareholders  |                              |                       |                       |                       |
| From net investment income  | \$ (6,086,435)               | \$ (2,212,744)        | \$ (1,636,265)        | \$ (3,723,547)        |
| <b>Total distributions to common shareholders</b>   | <b>\$ (6,086,435)</b>        | <b>\$ (2,212,744)</b> | <b>\$ (1,636,265)</b> | <b>\$ (3,723,547)</b> |
| Capital share transactions  |                              |                       |                       |                       |
| Reinvestment of distributions to common shareholders  | \$ 185,370                   | \$ 59,017             | \$                    | \$ 152,504            |
| <b>Net increase in net assets from capital share transactions</b>   | <b>\$ 185,370</b>            | <b>\$ 59,017</b>      | <b>\$</b>             | <b>\$ 152,504</b>     |
| <b>Net increase in net assets</b>   | <b>\$ 16,505,152</b>         | <b>\$ 6,176,493</b>   | <b>\$ 4,024,805</b>   | <b>\$ 8,400,497</b>   |
| <b>Net Assets Applicable to Common Shares</b>   |                              |                       |                       |                       |
| At beginning of year  | \$ 89,861,706                | \$ 38,372,394         | \$ 28,366,330         | \$ 60,734,478         |
| <b>At end of year</b>   | <b>\$ 106,366,858</b>        | <b>\$ 44,548,887</b>  | <b>\$ 32,391,135</b>  | <b>\$ 69,134,975</b>  |
| <b>Accumulated undistributed net investment income included in net assets applicable to common shares</b> |                              |                       |                       |                       |
| <b>At end of year</b>   | <b>\$ 663,177</b>            | <b>\$ 169,079</b>     | <b>\$ 117,612</b>     | <b>\$ 359,123</b>     |



## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statements of Changes in Net Assets continued

|   | Year Ended November 30, 2012 |                       |                       |
|---|------------------------------|-----------------------|-----------------------|
|   | New York<br>Trust            | Ohio Trust            | Pennsylvania Trust    |
| <b>Increase (Decrease) in Net Assets</b>  |                              |                       |                       |
| From operations   |                              |                       |                       |
| Net investment income   | \$ 4,678,805                 | \$ 2,244,337          | \$ 2,137,052          |
| Net realized loss from investment transactions and financial futures contracts                            | (423,975)                    | (546,102)             | (718,314)             |
| Net change in unrealized appreciation (depreciation) from investments and financial futures contracts     | 12,995,092                   | 7,610,893             | 5,022,434             |
| Distributions to preferred shareholders   |                              |                       |                       |
| From net investment income  | (86,286)                     | (58,080)              | (54,721)              |
| <b>Net increase in net assets from operations</b>   | <b>\$ 17,163,636</b>         | <b>\$ 9,251,048</b>   | <b>\$ 6,386,451</b>   |
| Distributions to common shareholders  |                              |                       |                       |
| From net investment income  | \$ (4,974,981)               | \$ (2,373,528)        | \$ (2,248,125)        |
| <b>Total distributions to common shareholders</b>   | <b>\$ (4,974,981)</b>        | <b>\$ (2,373,528)</b> | <b>\$ (2,248,125)</b> |
| Capital share transactions  |                              |                       |                       |
| Reinvestment of distributions to common shareholders  | \$ 134,042                   | \$ 27,594             | \$ 38,280             |
| <b>Net increase in net assets from capital share transactions</b>   | <b>\$ 134,042</b>            | <b>\$ 27,594</b>      | <b>\$ 38,280</b>      |
| <b>Net increase in net assets</b>   | <b>\$ 12,322,697</b>         | <b>\$ 6,905,114</b>   | <b>\$ 4,176,606</b>   |
| <b>Net Assets Applicable to Common Shares</b>   |                              |                       |                       |
| At beginning of year  | \$ 72,678,205                | \$ 38,378,620         | \$ 36,010,989         |
| <b>At end of year</b>   | <b>\$ 85,000,902</b>         | <b>\$ 45,283,734</b>  | <b>\$ 40,187,595</b>  |
| <b>Accumulated undistributed net investment income included in net assets applicable to common shares</b> |                              |                       |                       |
| <b>At end of year</b>   | <b>\$ 563,208</b>            | <b>\$ 129,262</b>     | <b>\$ 210,754</b>     |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Statement of Cash Flows\* (Unaudited)

|   | <b>Six Months Ended<br/>May 31, 2013<br/>New York Trust</b> |
|---|---|
| <b>Cash Flows From Operating Activities</b>   |   |
| Net decrease in net assets from operations  | \$ (2,342,074)  |
| Distributions to preferred shareholders   | 37,207  |
| Net decrease in net assets from operations excluding distributions to preferred shareholders                      | \$ (2,304,867)  |
| Adjustments to reconcile net decrease in net assets from operations to net cash provided by operating activities: |   |
| Investments purchased   | (4,892,057)   |
| Investments sold  | 6,626,260   |
| Net amortization/accretion of premium (discount)  | (65,809)  |
| Decrease in interest receivable   | 4,766   |
| Increase in receivable for variation margin on open financial futures contracts                                   | (20,157)  |
| Decrease in payable for variation margin on open financial futures contracts                                      | (6,718)   |
| Increase in payable to affiliate for investment adviser fee   | 292   |
| Increase in payable to affiliate for administration fee   | 581   |
| Increase in payable to affiliate for Trustees' fees   | 18  |
| Decrease in interest expense and fees payable   | (2,878)   |
| Decrease in accrued expenses  | (38,598)  |
| Net change in unrealized (appreciation) depreciation from investments   | 4,279,553   |
| Net realized loss from investments  | 636,484   |
| <b>Net cash provided by operating activities</b>  | <b>\$ 4,216,870</b>   |
| <b>Cash Flows From Financing Activities</b>   |   |
| Distributions paid to common shareholders, net of reinvestments   | \$ (2,398,112)  |
| Cash distributions paid to preferred shareholders   | (37,232)  |
| Decrease in due to custodian  | (634,282)   |
| <b>Net cash used in financing activities</b>  | <b>\$ (3,069,626)</b>                                       |
| <b>Net increase in cash</b>   | <b>\$ 1,147,244</b>   |
| <b>Cash at beginning of period</b>  | <b>\$</b>   |
| <b>Cash at end of period</b>  | <b>\$ 1,147,244</b>   |
| <b>Supplemental disclosure of cash flow information:</b>  |   |
| Noncash financing activities not included herein consist of:  |   |
| Reinvestment of dividends and distributions   | \$ 55,392   |
| Cash paid for interest and fees   | 68,211  |

\* Statement of Cash Flows is not required for California Trust, Massachusetts Trust, Michigan Trust, New Jersey Trust, Ohio Trust and Pennsylvania Trust.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | California Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|---|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010  | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 14.660  | \$ 12.410         | \$ 12.390                                   | \$ 12.330         | \$ 9.890          | \$ 15.120         |
| <b>Income (Loss) From Operations</b>   |  |                   |   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.378   | \$ 0.791          | \$ 0.926                                    | \$ 0.945          | \$ 0.947          | \$ 0.943          |
| Net realized and unrealized gain (loss)  | (0.697)  | 2.316             | 0.002                                       | 0.026             | 2.321             | (5.223)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.008)  | (0.018)           | (0.022)                                     | (0.028)           | (0.047)           | (0.277)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.327)</b>                                  | <b>\$ 3.089</b>   | <b>\$ 0.906</b>                             | <b>\$ 0.943</b>   | <b>\$ 3.221</b>   | <b>\$ (4.557)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |   |                   |                   |                   |
| From net investment income   | \$ (0.403)   | \$ (0.839)        | \$ (0.886)                                  | \$ (0.883)        | \$ (0.781)        | \$ (0.673)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.403)</b>                                  | <b>\$ (0.839)</b> | <b>\$ (0.886)</b>                           | <b>\$ (0.883)</b> | <b>\$ (0.781)</b> | <b>\$ (0.673)</b> |
| Net asset value End of period (Common shares)  | \$ 13.930  | \$ 14.660         | \$ 12.410                                   | \$ 12.390         | \$ 12.330         | \$ 9.890          |
| Market value End of period (Common shares)   | \$ 12.800  | \$ 14.680         | \$ 12.770                                   | \$ 12.400         | \$ 12.170         | \$ 9.150          |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(2.24)%<sup>(3)</sup></b>                       | <b>25.59%</b>     | <b>7.99%</b>                                | <b>7.73%</b>      | <b>34.24%</b>     | <b>(30.70)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(10.31)%<sup>(3)</sup></b>                      | <b>22.22%</b>     | <b>11.04%</b>                               | <b>9.25%</b>      | <b>43.19%</b>     | <b>(26.34)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data  | California Trust                                   |            |           |           |           |           |
|---|--|------------|-----------|-----------|-----------|-----------|
|   | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) | 2012       | 2011      | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period (000 s omitted)   | \$ 101,154   | \$ 106,367 | \$ 89,862 | \$ 89,395 | \$ 88,720 | \$ 71,065 |
| Ratios (as a percentage of average daily net assets applicable to common shares): <sup>(4)</sup>  |  |            |           |           |           |           |
| Expenses excluding interest and fees  | 1.62% <sup>(5)</sup>                               | 1.66%      | 1.83%     | 1.78%     | 1.93%     | 1.87%     |
| Interest and fee expense <sup>(6)</sup>   | 0.09% <sup>(5)</sup>                               | 0.11%      | 0.17%     | 0.18%     | 0.23%     | 0.37%     |
| Total expenses before custodian fee reduction   | 1.71% <sup>(5)</sup>                               | 1.77%      | 2.00%     | 1.96%     | 2.16%     | 2.24%     |
| Expenses after custodian fee reduction excluding interest and fees  | 1.62% <sup>(5)</sup>                               | 1.66%      | 1.83%     | 1.78%     | 1.93%     | 1.85%     |
| Net investment income   | 5.32% <sup>(5)</sup>                               | 5.77%      | 7.81%     | 7.34%     | 8.35%     | 6.91%     |
| Portfolio Turnover  | 5% <sup>(3)</sup>                                  | 17%        | 22%       | 14%       | 18%       | 31%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares, are as follows: |  |            |           |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to common shares and preferred shares): <sup>(4)</sup>   |  |            |           |           |           |           |
| Expenses excluding interest and fees  | 1.10% <sup>(5)</sup>                               | 1.11%      | 1.15%     | 1.16%     | 1.19%     | 1.18%     |
| Interest and fee expense <sup>(6)</sup>   | 0.06% <sup>(5)</sup>                               | 0.07%      | 0.11%     | 0.11%     | 0.15%     | 0.24%     |
| Total expenses before custodian fee reduction   | 1.16% <sup>(5)</sup>                               | 1.18%      | 1.26%     | 1.27%     | 1.34%     | 1.42%     |
| Expenses after custodian fee reduction excluding interest and fees  | 1.10% <sup>(5)</sup>                               | 1.11%      | 1.15%     | 1.16%     | 1.19%     | 1.17%     |
| Net investment income   | 3.59% <sup>(5)</sup>                               | 3.84%      | 4.93%     | 4.77%     | 5.18%     | 4.39%     |
| Senior Securities:  |  |            |           |           |           |           |
| Total preferred shares outstanding  | 1,999  | 1,999      | 1,999     | 1,999     | 1,999     | 1,999     |
| Asset coverage per preferred share <sup>(7)</sup>   | \$ 75,603  | \$ 78,210  | \$ 69,954 | \$ 69,721 | \$ 69,383 | \$ 60,552 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>   | \$ 25,000  | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>   | \$ 25,000  | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |

<sup>(1)</sup> Computed using average common shares outstanding.<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.<sup>(3)</sup> Not annualized.<sup>(4)</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | Massachusetts Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|--|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010   | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 16.200  | \$ 13.970         | \$ 13.790                                      | \$ 13.590         | \$ 10.160         | \$ 14.860         |
| <b>Income (Loss) From Operations</b>   |  |                   |  |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.375   | \$ 0.771          | \$ 0.890                                       | \$ 0.926          | \$ 0.948          | \$ 0.947          |
| Net realized and unrealized gain (loss)  | (1.022)  | 2.283             | 0.219  | 0.210             | 3.356             | (4.720)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.008)  | (0.019)           | (0.023)  | (0.030)           | (0.049)           | (0.278)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.655)</b>                                  | <b>\$ 3.035</b>   | <b>\$ 1.086</b>                                | <b>\$ 1.106</b>   | <b>\$ 4.255</b>   | <b>\$ (4.051)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |  |                   |                   |                   |
| From net investment income   | \$ (0.395)   | \$ (0.805)        | \$ (0.906)                                     | \$ (0.906)        | \$ (0.825)        | \$ (0.649)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.395)</b>                                  | <b>\$ (0.805)</b> | <b>\$ (0.906)</b>                              | <b>\$ (0.906)</b> | <b>\$ (0.825)</b> | <b>\$ (0.649)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 15.150</b>                                   | <b>\$ 16.200</b>  | <b>\$ 13.970</b>                               | <b>\$ 13.790</b>  | <b>\$ 13.590</b>  | <b>\$ 10.160</b>  |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 13.930</b>                                   | <b>\$ 16.350</b>  | <b>\$ 14.810</b>                               | <b>\$ 13.980</b>  | <b>\$ 13.260</b>  | <b>\$ 8.930</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(4.00)%<sup>(3)</sup></b>                       | <b>22.28%</b>     | <b>8.49%</b>                                   | <b>8.16%</b>      | <b>43.29%</b>     | <b>(28.02)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(12.54)%<sup>(3)</sup></b>                      | <b>16.41%</b>     | <b>13.45%</b>                                  | <b>12.38%</b>     | <b>58.91%</b>     | <b>(27.89)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data  | Massachusetts Trust                                |           |           |           |           |           |
|---|--|-----------|-----------|-----------|-----------|-----------|
|   | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) | 2012      | 2011      | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period (000 s omitted)   | \$ 41,667  | \$ 44,549 | \$ 38,372 | \$ 37,735 | \$ 37,011 | \$ 27,576 |
| Ratios (as a percentage of average daily net assets applicable to common shares): <sup>(4)</sup>  |  |           |           |           |           |           |
| Expenses excluding interest and fees  | 1.69% <sup>(5)</sup>                               | 1.73%     | 1.87%     | 1.83%     | 2.02%     | 2.06%     |
| Interest and fee expense <sup>(6)</sup>   | 0.08% <sup>(5)</sup>                               | 0.09%     | 0.11%     | 0.09%     | 0.14%     | 0.26%     |
| Total expenses before custodian fee reduction   | 1.77% <sup>(5)</sup>                               | 1.82%     | 1.98%     | 1.92%     | 2.16%     | 2.32%     |
| Expenses after custodian fee reduction excluding interest and fees  | 1.69% <sup>(5)</sup>                               | 1.73%     | 1.87%     | 1.82%     | 2.02%     | 2.04%     |
| Net investment income   | 4.83% <sup>(5)</sup>                               | 5.06%     | 6.70%     | 6.51%     | 7.77%     | 7.03%     |
| Portfolio Turnover  | 1% <sup>(3)</sup>                                  | 11%       | 15%       | 16%       | 24%       | 40%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares, are as follows: |  |           |           |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to common shares and preferred shares): <sup>(4)</sup>   |  |           |           |           |           |           |
| Expenses excluding interest and fees  | 1.16% <sup>(5)</sup>                               | 1.17%     | 1.21%     | 1.20%     | 1.26%     | 1.31%     |
| Interest and fee expense <sup>(6)</sup>   | 0.05% <sup>(5)</sup>                               | 0.06%     | 0.07%     | 0.06%     | 0.09%     | 0.16%     |
| Total expenses before custodian fee reduction   | 1.21% <sup>(5)</sup>                               | 1.23%     | 1.28%     | 1.26%     | 1.35%     | 1.47%     |
| Expenses after custodian fee reduction excluding interest and fees  | 1.16% <sup>(5)</sup>                               | 1.17%     | 1.21%     | 1.20%     | 1.26%     | 1.30%     |
| Net investment income   | 3.29% <sup>(5)</sup>                               | 3.42%     | 4.32%     | 4.29%     | 4.85%     | 4.47%     |
| Senior Securities:  |  |           |           |           |           |           |
| Total preferred shares outstanding  | 802  | 802       | 802       | 802       | 802       | 802       |
| Asset coverage per preferred share <sup>(7)</sup>   | \$ 76,955  | \$ 80,548 | \$ 72,846 | \$ 72,051 | \$ 71,150 | \$ 59,391 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>   | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>   | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |

<sup>(1)</sup> Computed using average common shares outstanding.<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.<sup>(3)</sup> Not annualized.<sup>(4)</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.



## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | Michigan Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|---|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010                                      | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 15.310  | \$ 13.400         | \$ 12.880                                 | \$ 12.940         | \$ 10.860         | \$ 14.510         |
| <b>Income (Loss) From Operations</b>   |  |                   |   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.364   | \$ 0.760          | \$ 0.826                                  | \$ 0.876          | \$ 0.918          | \$ 0.931          |
| Net realized and unrealized gain (loss)  | (0.874)  | 1.944             | 0.558                                     | (0.044)           | 1.990             | (3.669)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.009)  | (0.021)           | (0.025)                                   | (0.033)           | (0.056)           | (0.301)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.519)</b>                                  | <b>\$ 2.683</b>   | <b>\$ 1.359</b>                           | <b>\$ 0.799</b>   | <b>\$ 2.852</b>   | <b>\$ (3.039)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |   |                   |                   |                   |
| From net investment income   | \$ (0.381)   | \$ (0.773)        | \$ (0.839)                                | \$ (0.859)        | \$ (0.772)        | \$ (0.611)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.381)</b>                                  | <b>\$ (0.773)</b> | <b>\$ (0.839)</b>                         | <b>\$ (0.859)</b> | <b>\$ (0.772)</b> | <b>\$ (0.611)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 14.410</b>                                   | <b>\$ 15.310</b>  | <b>\$ 13.400</b>                          | <b>\$ 12.880</b>  | <b>\$ 12.940</b>  | <b>\$ 10.860</b>  |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 13.270</b>                                   | <b>\$ 14.690</b>  | <b>\$ 12.470</b>                          | <b>\$ 12.100</b>  | <b>\$ 11.530</b>  | <b>\$ 7.920</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(3.27)%<sup>(3)</sup></b>                       | <b>20.92%</b>     | <b>11.66%</b>                             | <b>6.57%</b>      | <b>28.08%</b>     | <b>(21.02)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(7.17)%<sup>(3)</sup></b>                       | <b>24.67%</b>     | <b>10.60%</b>                             | <b>12.36%</b>     | <b>56.49%</b>     | <b>(32.76)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data   | Six Months Ended               |           | Michigan Trust |           |           |           |
|--|--------------------------------|-----------|----------------|-----------|-----------|-----------|
|  | May 31,<br>2013<br>(Unaudited) | 2012      | 2011           | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period<br>(000 s omitted)   | \$ 30,502                      | \$ 32,391 | \$ 28,366      | \$ 27,262 | \$ 27,392 | \$ 22,977 |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares): <sup>(4)</sup>  |                                |           |                |           |           |           |
| Expenses excluding interest and fees   | 1.85% <sup>(5)</sup>           | 1.89%     | 2.04%          | 1.98%     | 2.18%     | 2.15%     |
| Interest and fee expense <sup>(6)</sup>  |                                |           |                |           | 0.06%     | 0.16%     |
| Total expenses before custodian fee reduction  | 1.85% <sup>(5)</sup>           | 1.89%     | 2.04%          | 1.98%     | 2.24%     | 2.31%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.85% <sup>(5)</sup>           | 1.89%     | 2.04%          | 1.98%     | 2.18%     | 2.13%     |
| Net investment income  | 4.93% <sup>(5)</sup>           | 5.26%     | 6.49%          | 6.57%     | 7.61%     | 6.96%     |
| Portfolio Turnover   | 6% <sup>(3)</sup>              | 14%       | 18%            | 14%       | 23%       | 24%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares,<br>are as follows: |                                |           |                |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares and preferred shares): <sup>(4)</sup>   |                                |           |                |           |           |           |
| Expenses excluding interest and fees   | 1.19% <sup>(5)</sup>           | 1.20%     | 1.24%          | 1.22%     | 1.29%     | 1.33%     |
| Interest and fee expense <sup>(6)</sup>  |                                |           |                |           | 0.04%     | 0.10%     |
| Total expenses before custodian fee reduction  | 1.19% <sup>(5)</sup>           | 1.20%     | 1.24%          | 1.22%     | 1.33%     | 1.43%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.19% <sup>(5)</sup>           | 1.20%     | 1.24%          | 1.22%     | 1.29%     | 1.31%     |
| Net investment income  | 3.16% <sup>(5)</sup>           | 3.35%     | 3.93%          | 4.06%     | 4.52%     | 4.30%     |
| Senior Securities:   |                                |           |                |           |           |           |
| Total preferred shares outstanding   | 700                            | 700       | 700            | 700       | 700       | 700       |
| Asset coverage per preferred share <sup>(7)</sup>  | \$ 68,575                      | \$ 71,273 | \$ 65,524      | \$ 63,948 | \$ 64,132 | \$ 57,828 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000      | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000      | \$ 25,000 | \$ 25,000 | \$ 25,000 |

<sup>(1)</sup> Computed using average common shares outstanding.<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.<sup>(3)</sup> Not annualized.<sup>(4)</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | New Jersey Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|---|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010  | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 14.790  | \$ 13.020         | \$ 13.260                                   | \$ 13.570         | \$ 9.400          | \$ 14.930         |
| <b>Income (Loss) From Operations</b>   |  |                   |   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.380   | \$ 0.802          | \$ 0.890                                    | \$ 0.957          | \$ 0.971          | \$ 0.968          |
| Net realized and unrealized gain (loss)  | (0.568)  | 1.783             | (0.185)                                     | (0.290)           | 4.091             | (5.579)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.008)  | (0.018)           | (0.022)                                     | (0.029)           | (0.048)           | (0.289)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.196)</b>                                  | <b>\$ 2.567</b>   | <b>\$ 0.683</b>                             | <b>\$ 0.638</b>   | <b>\$ 5.014</b>   | <b>\$ (4.900)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |   |                   |                   |                   |
| From net investment income   | \$ (0.394)   | \$ (0.797)        | \$ (0.923)                                  | \$ (0.948)        | \$ (0.844)        | \$ (0.630)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.394)</b>                                  | <b>\$ (0.797)</b> | <b>\$ (0.923)</b>                           | <b>\$ (0.948)</b> | <b>\$ (0.844)</b> | <b>\$ (0.630)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 14.200</b>                                   | <b>\$ 14.790</b>  | <b>\$ 13.020</b>                            | <b>\$ 13.260</b>  | <b>\$ 13.570</b>  | <b>\$ 9.400</b>   |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 13.440</b>                                   | <b>\$ 16.380</b>  | <b>\$ 13.370</b>                            | <b>\$ 13.520</b>  | <b>\$ 14.040</b>  | <b>\$ 8.500</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(1.33)%<sup>(3)</sup></b>                       | <b>20.18%</b>     | <b>5.64%</b>                                | <b>4.62%</b>      | <b>55.43%</b>     | <b>(33.57)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(15.71)%<sup>(3)</sup></b>                      | <b>29.62%</b>     | <b>6.39%</b>                                | <b>3.10%</b>      | <b>77.84%</b>     | <b>(29.88)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data   | Six Months Ended               |           | New Jersey Trust |           |           |           |
|--|--------------------------------|-----------|------------------|-----------|-----------|-----------|
|  | May 31,<br>2013<br>(Unaudited) | 2012      | 2011             | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period<br>(000 s omitted)   | \$ 66,431                      | \$ 69,135 | \$ 60,734        | \$ 61,717 | \$ 62,792 | \$ 43,459 |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares): <sup>(4)</sup>  |                                |           |                  |           |           |           |
| Expenses excluding interest and fees   | 1.67% <sup>(5)</sup>           | 1.71%     | 1.81%            | 1.79%     | 1.99%     | 1.96%     |
| Interest and fee expense <sup>(6)</sup>  | 0.09% <sup>(5)</sup>           | 0.11%     | 0.15%            | 0.18%     | 0.24%     | 0.45%     |
| Total expenses before custodian fee reduction  | 1.76% <sup>(5)</sup>           | 1.82%     | 1.96%            | 1.97%     | 2.23%     | 2.41%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.67% <sup>(5)</sup>           | 1.71%     | 1.81%            | 1.79%     | 1.99%     | 1.94%     |
| Net investment income  | 5.28% <sup>(5)</sup>           | 5.70%     | 6.96%            | 6.87%     | 8.16%     | 7.22%     |
| Portfolio Turnover   | 7% <sup>(3)</sup>              | 14%       | 11%              | 9%        | 48%       | 54%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares,<br>are as follows: |                                |           |                  |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares and preferred shares): <sup>(4)</sup>   |                                |           |                  |           |           |           |
| Expenses excluding interest and fees   | 1.12% <sup>(5)</sup>           | 1.14%     | 1.16%            | 1.18%     | 1.24%     | 1.23%     |
| Interest and fee expense <sup>(6)</sup>  | 0.06% <sup>(5)</sup>           | 0.07%     | 0.09%            | 0.12%     | 0.15%     | 0.28%     |
| Total expenses before custodian fee reduction  | 1.18% <sup>(5)</sup>           | 1.21%     | 1.25%            | 1.30%     | 1.39%     | 1.51%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.12% <sup>(5)</sup>           | 1.14%     | 1.16%            | 1.18%     | 1.24%     | 1.21%     |
| Net investment income  | 3.53% <sup>(5)</sup>           | 3.78%     | 4.46%            | 4.53%     | 5.08%     | 4.51%     |
| Senior Securities:   |                                |           |                  |           |           |           |
| Total preferred shares outstanding   | 1,337                          | 1,337     | 1,337            | 1,337     | 1,337     | 1,366     |
| Asset coverage per preferred share <sup>(7)</sup>  | \$ 74,688                      | \$ 76,709 | \$ 70,427        | \$ 71,162 | \$ 71,966 | \$ 56,817 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000        | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000        | \$ 25,000 | \$ 25,000 | \$ 25,000 |

<sup>(1)</sup> Computed using average common shares outstanding.<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.<sup>(3)</sup> Not annualized.<sup>(4)</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | New York Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|---|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010                                      | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 15.540  | \$ 13.310         | \$ 13.110                                 | \$ 12.920         | \$ 9.350          | \$ 15.240         |
| <b>Income (Loss) From Operations</b>   |  |                   |   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.418   | \$ 0.856          | \$ 0.950                                  | \$ 0.954          | \$ 0.960          | \$ 0.987          |
| Net realized and unrealized gain (loss)  | (0.843)  | 2.300             | 0.179                                     | 0.166             | 3.493             | (5.887)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.007)  | (0.016)           | (0.019)                                   | (0.025)           | (0.042)           | (0.269)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.432)</b>                                  | <b>\$ 3.140</b>   | <b>\$ 1.110</b>                           | <b>\$ 1.095</b>   | <b>\$ 4.411</b>   | <b>\$ (5.169)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |   |                   |                   |                   |
| From net investment income   | \$ (0.448)   | \$ (0.910)        | \$ (0.910)                                | \$ (0.905)        | \$ (0.841)        | \$ (0.721)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.448)</b>                                  | <b>\$ (0.910)</b> | <b>\$ (0.910)</b>                         | <b>\$ (0.905)</b> | <b>\$ (0.841)</b> | <b>\$ (0.721)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 14.660</b>                                   | <b>\$ 15.540</b>  | <b>\$ 13.310</b>                          | <b>\$ 13.110</b>  | <b>\$ 12.920</b>  | <b>\$ 9.350</b>   |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 14.260</b>                                   | <b>\$ 16.150</b>  | <b>\$ 13.450</b>                          | <b>\$ 13.350</b>  | <b>\$ 13.200</b>  | <b>\$ 7.900</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(2.81)%<sup>(3)</sup></b>                       | <b>24.30%</b>     | <b>9.06%</b>                              | <b>8.48%</b>      | <b>49.00%</b>     | <b>(35.07)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(9.03)%<sup>(3)</sup></b>                       | <b>27.89%</b>     | <b>8.18%</b>                              | <b>8.16%</b>      | <b>80.12%</b>     | <b>(40.71)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data   | Six Months Ended               |           | New York Trust |           |           |           |
|--|--------------------------------|-----------|----------------|-----------|-----------|-----------|
|  | May 31,<br>2013<br>(Unaudited) | 2012      | 2011           | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period<br>(000 s omitted)   | \$ 80,261                      | \$ 85,001 | \$ 72,678      | \$ 71,372 | \$ 69,857 | \$ 50,325 |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares): <sup>(4)</sup>  |                                |           |                |           |           |           |
| Expenses excluding interest and fees   | 1.61% <sup>(5)</sup>           | 1.66%     | 1.78%          | 1.74%     | 1.98%     | 1.92%     |
| Interest and fee expense <sup>(6)</sup>  | 0.16% <sup>(5)</sup>           | 0.18%     | 0.22%          | 0.21%     | 0.24%     | 0.55%     |
| Total expenses before custodian fee reduction  | 1.77% <sup>(5)</sup>           | 1.84%     | 2.00%          | 1.95%     | 2.22%     | 2.47%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.61% <sup>(5)</sup>           | 1.66%     | 1.78%          | 1.74%     | 1.98%     | 1.89%     |
| Net investment income  | 5.58% <sup>(5)</sup>           | 5.90%     | 7.40%          | 7.02%     | 8.40%     | 7.21%     |
| Portfolio Turnover   | 4% <sup>(3)</sup>              | 17%       | 13%            | 13%       | 20%       | 48%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares,<br>are as follows: |                                |           |                |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares and preferred shares): <sup>(4)</sup>   |                                |           |                |           |           |           |
| Expenses excluding interest and fees   | 1.14% <sup>(5)</sup>           | 1.16%     | 1.20%          | 1.18%     | 1.28%     | 1.23%     |
| Interest and fee expense <sup>(6)</sup>  | 0.11% <sup>(5)</sup>           | 0.13%     | 0.15%          | 0.15%     | 0.15%     | 0.35%     |
| Total expenses before custodian fee reduction  | 1.25% <sup>(5)</sup>           | 1.29%     | 1.35%          | 1.33%     | 1.43%     | 1.58%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.14% <sup>(5)</sup>           | 1.16%     | 1.20%          | 1.18%     | 1.28%     | 1.21%     |
| Net investment income  | 3.96% <sup>(5)</sup>           | 4.14%     | 5.00%          | 4.82%     | 5.43%     | 4.63%     |
| Senior Securities:   |                                |           |                |           |           |           |
| Total preferred shares outstanding   | 1,349                          | 1,349     | 1,349          | 1,349     | 1,349     | 1,349     |
| Asset coverage per preferred share <sup>(7)</sup>  | \$ 84,497                      | \$ 88,010 | \$ 78,877      | \$ 77,909 | \$ 76,785 | \$ 62,309 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000      | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>  | \$ 25,000                      | \$ 25,000 | \$ 25,000      | \$ 25,000 | \$ 25,000 | \$ 25,000 |

<sup>(1)</sup> Computed using average common shares outstanding.<sup>(2)</sup> Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.<sup>(3)</sup> Not annualized.<sup>(4)</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.



Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended               |                   | Ohio Trust        |                   |                   |                   |
|--|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | May 31,<br>2013<br>(Unaudited) | 2012              | 2011              | 2010              | 2009              | 2008              |
| Net asset value Beginning of period (Common shares)                                  | \$ 15.850                      | \$ 13.440         | \$ 13.170         | \$ 13.520         | \$ 10.450         | \$ 14.830         |
| <b>Income (Loss) From Operations</b>   |                                |                   |                   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.376                       | \$ 0.786          | \$ 0.851          | \$ 0.899          | \$ 0.945          | \$ 0.961          |
| Net realized and unrealized gain (loss)  | (1.023)                        | 2.475             | 0.305             | (0.325)           | 2.974             | (4.410)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.009)                        | (0.020)           | (0.025)           | (0.033)           | (0.055)           | (0.303)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.656)</b>              | <b>\$ 3.241</b>   | <b>\$ 1.131</b>   | <b>\$ 0.541</b>   | <b>\$ 3.864</b>   | <b>\$ (3.752)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |                                |                   |                   |                   |                   |                   |
| From net investment income   | \$ (0.374)                     | \$ (0.831)        | \$ (0.861)        | \$ (0.891)        | \$ (0.794)        | \$ (0.628)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.374)</b>              | <b>\$ (0.831)</b> | <b>\$ (0.861)</b> | <b>\$ (0.891)</b> | <b>\$ (0.794)</b> | <b>\$ (0.628)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 14.820</b>               | <b>\$ 15.850</b>  | <b>\$ 13.440</b>  | <b>\$ 13.170</b>  | <b>\$ 13.520</b>  | <b>\$ 10.450</b>  |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 14.010</b>               | <b>\$ 16.800</b>  | <b>\$ 13.320</b>  | <b>\$ 13.420</b>  | <b>\$ 13.430</b>  | <b>\$ 8.550</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(4.15)%<sup>(3)</sup></b>   | <b>24.71%</b>     | <b>9.21%</b>      | <b>3.96%</b>      | <b>38.58%</b>     | <b>(25.69)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(14.52)%<sup>(3)</sup></b>  | <b>33.34%</b>     | <b>6.25%</b>      | <b>6.64%</b>      | <b>68.25%</b>     | <b>(29.83)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data   | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |           | Ohio Trust<br>Year Ended November 30, |           |           |           |
|--|--|-----------|---------------------------------------|-----------|-----------|-----------|
|  | 2012   | 2011      | 2010                                  | 2009      | 2008      |           |
| Net assets applicable to common shares, end of period<br>(000 s omitted)   | \$ 42,334  | \$ 45,284 | \$ 38,379                             | \$ 37,463 | \$ 38,295 | \$ 29,563 |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares): <sup>(4)</sup>  |  |           |                                       |           |           |           |
| Expenses excluding interest and fees   | 1.71% <sup>(5)</sup>                               | 1.76%     | 1.93%                                 | 1.85%     | 2.08%     | 2.08%     |
| Interest and fee expense <sup>(6)</sup>  |  |           | 0.01%                                 | 0.02%     | 0.02%     | 0.26%     |
| Total expenses before custodian fee reduction  | 1.71% <sup>(5)</sup>                               | 1.76%     | 1.94%                                 | 1.87%     | 2.10%     | 2.34%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.71% <sup>(5)</sup>                               | 1.76%     | 1.93%                                 | 1.85%     | 2.08%     | 2.06%     |
| Net investment income  | 4.94% <sup>(5)</sup>                               | 5.31%     | 6.64%                                 | 6.53%     | 7.77%     | 7.12%     |
| Portfolio Turnover   | 5% <sup>(3)</sup>                                  | 11%       | 11%                                   | 17%       | 20%       | 27%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares,<br>are as follows: |  |           |                                       |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares and preferred shares): <sup>(4)</sup>   |  |           |                                       |           |           |           |
| Expenses excluding interest and fees   | 1.13% <sup>(5)</sup>                               | 1.15%     | 1.19%                                 | 1.17%     | 1.26%     | 1.29%     |
| Interest and fee expense <sup>(6)</sup>  |  |           | 0.01%                                 | 0.01%     | 0.01%     | 0.16%     |
| Total expenses before custodian fee reduction  | 1.13% <sup>(5)</sup>                               | 1.15%     | 1.20%                                 | 1.18%     | 1.27%     | 1.45%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.13% <sup>(5)</sup>                               | 1.15%     | 1.19%                                 | 1.17%     | 1.26%     | 1.28%     |
| Net investment income  | 3.25% <sup>(5)</sup>                               | 3.45%     | 4.09%                                 | 4.13%     | 4.68%     | 4.41%     |
| Senior Securities:   |  |           |                                       |           |           |           |
| Total preferred shares outstanding   | 909  | 909       | 909                                   | 909       | 909       | 918       |
| Asset coverage per preferred share <sup>(7)</sup>  | \$ 71,572  | \$ 74,818 | \$ 67,221                             | \$ 66,215 | \$ 67,131 | \$ 57,209 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>  | \$ 25,000  | \$ 25,000 | \$ 25,000                             | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>  | \$ 25,000  | \$ 25,000 | \$ 25,000                             | \$ 25,000 | \$ 25,000 | \$ 25,000 |

(1) Computed using average common shares outstanding.

(2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.

(3) Not annualized.

(4) Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) |                   | Pennsylvania Trust<br>Year Ended November 30, |                   |                   |                   |
|--|--|-------------------|---|-------------------|-------------------|-------------------|
|  | 2012   | 2011              | 2010  | 2009              | 2008              |                   |
| Net asset value Beginning of period (Common shares)                                  | \$ 14.780  | \$ 13.250         | \$ 13.330                                     | \$ 13.380         | \$ 10.320         | \$ 14.840         |
| <b>Income (Loss) From Operations</b>   |  |                   |   |                   |                   |                   |
| Net investment income <sup>(1)</sup>   | \$ 0.373   | \$ 0.786          | \$ 0.873                                      | \$ 0.912          | \$ 0.928          | \$ 0.986          |
| Net realized and unrealized gain (loss)  | (0.746)  | 1.591             | (0.062)                                       | (0.063)           | 2.973             | (4.555)           |
| Distributions to preferred shareholders<br>From net investment income <sup>(1)</sup> | (0.008)  | (0.020)           | (0.024)                                       | (0.032)           | (0.053)           | (0.299)           |
| <b>Total income (loss) from operations</b>   | <b>\$ (0.381)</b>                                  | <b>\$ 2.357</b>   | <b>\$ 0.787</b>                               | <b>\$ 0.817</b>   | <b>\$ 3.848</b>   | <b>\$ (3.868)</b> |
| <b>Less Distributions to Common Shareholders</b>                                     |  |                   |   |                   |                   |                   |
| From net investment income   | \$ (0.399)   | \$ (0.827)        | \$ (0.867)                                    | \$ (0.867)        | \$ (0.788)        | \$ (0.652)        |
| <b>Total distributions to common shareholders</b>                                    | <b>\$ (0.399)</b>                                  | <b>\$ (0.827)</b> | <b>\$ (0.867)</b>                             | <b>\$ (0.867)</b> | <b>\$ (0.788)</b> | <b>\$ (0.652)</b> |
| <b>Net asset value End of period (Common shares)</b>                                 | <b>\$ 14.000</b>                                   | <b>\$ 14.780</b>  | <b>\$ 13.250</b>                              | <b>\$ 13.330</b>  | <b>\$ 13.380</b>  | <b>\$ 10.320</b>  |
| <b>Market value End of period (Common shares)</b>                                    | <b>\$ 12.810</b>                                   | <b>\$ 15.100</b>  | <b>\$ 13.660</b>                              | <b>\$ 12.930</b>  | <b>\$ 13.050</b>  | <b>\$ 9.600</b>   |
| <b>Total Investment Return on Net Asset Value<sup>(2)</sup></b>                      | <b>(2.56)%<sup>(3)</sup></b>                       | <b>18.20%</b>     | <b>6.53%</b>                                  | <b>6.13%</b>      | <b>39.16%</b>     | <b>(26.57)%</b>   |
| <b>Total Investment Return on Market Value<sup>(2)</sup></b>                         | <b>(12.73)%<sup>(3)</sup></b>                      | <b>17.23%</b>     | <b>13.15%</b>                                 | <b>5.57%</b>      | <b>45.88%</b>     | <b>(20.75)%</b>   |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Financial Highlights continued

Selected data for a common share outstanding during the periods stated

| Ratios/Supplemental Data   | Pennsylvania Trust                                 |           |           |           |           |           |
|--|--|-----------|-----------|-----------|-----------|-----------|
|  | Six Months Ended<br>May 31,<br>2013<br>(Unaudited) | 2012      | 2011      | 2010      | 2009      | 2008      |
| Net assets applicable to common shares, end of period<br>(000 s omitted)   | \$ 38,091  | \$ 40,188 | \$ 36,011 | \$ 36,210 | \$ 36,255 | \$ 27,944 |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares): <sup>(4)</sup>  |  |           |           |           |           |           |
| Expenses excluding interest and fees   | 1.81% <sup>(5)</sup>                               | 1.85%     | 1.93%     | 1.88%     | 2.11%     | 2.06%     |
| Interest and fee expense <sup>(6)</sup>  | 0.04% <sup>(5)</sup>                               | 0.04%     | 0.05%     | 0.06%     | 0.21%     | 0.37%     |
| Total expenses before custodian fee reduction  | 1.85% <sup>(5)</sup>                               | 1.89%     | 1.98%     | 1.94%     | 2.32%     | 2.43%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.81% <sup>(5)</sup>                               | 1.85%     | 1.93%     | 1.88%     | 2.11%     | 2.04%     |
| Net investment income  | 5.22% <sup>(5)</sup>                               | 5.57%     | 6.71%     | 6.61%     | 7.61%     | 7.23%     |
| Portfolio Turnover   | 4% <sup>(3)</sup>                                  | 15%       | 8%        | 17%       | 23%       | 25%       |
| The ratios reported above are based on net assets applicable to common shares. The ratios based on net assets, including amounts related to preferred shares,<br>are as follows: |  |           |           |           |           |           |
| Ratios (as a percentage of average daily net assets applicable to<br>common shares and preferred shares): <sup>(4)</sup>   |  |           |           |           |           |           |
| Expenses excluding interest and fees   | 1.18% <sup>(5)</sup>                               | 1.20%     | 1.21%     | 1.20%     | 1.28%     | 1.28%     |
| Interest and fee expense <sup>(6)</sup>  | 0.02% <sup>(5)</sup>                               | 0.02%     | 0.03%     | 0.04%     | 0.13%     | 0.23%     |
| Total expenses before custodian fee reduction  | 1.20% <sup>(5)</sup>                               | 1.22%     | 1.24%     | 1.24%     | 1.41%     | 1.51%     |
| Expenses after custodian fee reduction excluding interest and fees   | 1.18% <sup>(5)</sup>                               | 1.20%     | 1.21%     | 1.20%     | 1.28%     | 1.27%     |
| Net investment income  | 3.38% <sup>(5)</sup>                               | 3.59%     | 4.19%     | 4.22%     | 4.63%     | 4.50%     |
| Senior Securities:   |  |           |           |           |           |           |
| Total preferred shares outstanding   | 847  | 847       | 847       | 847       | 847       | 889       |
| Asset coverage per preferred share <sup>(7)</sup>  | \$ 69,972  | \$ 72,448 | \$ 67,516 | \$ 67,752 | \$ 67,806 | \$ 56,439 |
| Involuntary liquidation preference per preferred share <sup>(8)</sup>  | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share <sup>(8)</sup>  | \$ 25,000  | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |

(1) Computed using average common shares outstanding.

(2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Trust's dividend reinvestment plan.

(3) Not annualized.

(4) Ratios do not reflect the effect of dividend payments to preferred shareholders.

Edgar Filing: NEWPORT CORP - Form DEF 14A

(5) Annualized.

(6) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with residual interest bond transactions (see Note 1H).

(7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.

(8) Plus accumulated and unpaid dividends.

## Eaton Vance

### Municipal Income Trusts

May 31, 2013

#### Notes to Financial Statements (Unaudited)

##### 1 Significant Accounting Policies

Eaton Vance California Municipal Income Trust (California Trust), Eaton Vance Massachusetts Municipal Income Trust (Massachusetts Trust), Eaton Vance Michigan Municipal Income Trust (Michigan Trust), Eaton Vance New Jersey Municipal Income Trust (New Jersey Trust), Eaton Vance New York Municipal Income Trust (New York Trust), Eaton Vance Ohio Municipal Income Trust (Ohio Trust) and Eaton Vance Pennsylvania Municipal Income Trust (Pennsylvania Trust) (each individually referred to as the Trust, and collectively, the Trusts), are Massachusetts business trusts registered under the Investment Company Act of 1940, as amended (the 1940 Act), as non-diversified, closed-end management investment companies. The Trusts' investment objective is to provide current income exempt from regular federal income tax and taxes in its specified state.

The following is a summary of significant accounting policies of the Trusts. The policies are in conformity with accounting principles generally accepted in the United States of America.

**A Investment Valuation** The following methodologies are used to determine the market value or fair value of investments.

**Debt Obligations.** Debt obligations (including short-term obligations with a remaining maturity of more than sixty days) are generally valued on the basis of valuations provided by third party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer quotations, prices or yields of securities with similar characteristics, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security. Short-term obligations purchased with a remaining maturity of sixty days or less are generally valued at amortized cost, which approximates market value.

**Derivatives.** Financial futures contracts are valued at the closing settlement price established by the board of trade or exchange on which they are traded.

**Fair Valuation.** Investments for which valuations or market quotations are not readily available or are deemed unreliable are valued at fair value using methods determined in good faith by or at the direction of the Trustees of a Trust in a manner that fairly reflects the security's value, or the amount that the Trust might reasonably expect to receive for the security upon its current sale in the ordinary course. Each such determination is based on a consideration of relevant factors, which are likely to vary from one pricing context to another. These factors may include, but are not limited to, the type of security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable entities, quotations or relevant information obtained from broker/dealers or other market participants, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the entity's financial condition, and an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold.

**B Investment Transactions and Related Income** Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

**C Federal Taxes** Each Trust's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable, if any, and tax-exempt net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary. Each Trust intends to satisfy conditions which will enable it to designate distributions from the interest income generated by its investments in non-taxable municipal securities, which are exempt from regular federal income tax when received by each Trust, as exempt-interest dividends. The portion of such interest, if any, earned on private activity bonds issued after August 7, 1986, may be considered a tax preference item to shareholders.

At November 30, 2012, the following Trusts, for federal income tax purposes, had capital loss carryforwards and deferred capital losses which will reduce the respective Trust's taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Internal Revenue Code, and thus will reduce the amount of distributions to shareholders, which would otherwise be necessary to relieve the Trusts of any liability for federal income or



## Edgar Filing: NEWPORT CORP - Form DEF 14A

excise tax. The deferred capital losses are treated as arising on the first day of the Trusts' next taxable year and are treated as realized prior to the utilization of the capital loss carryforward. The amounts and expiration dates of the capital loss carryforwards and the amounts of the deferred capital losses are as follows:

| Expiration Date                        | California<br>Trust  | Massachusetts<br>Trust | Michigan<br>Trust   | New Jersey<br>Trust | New York<br>Trust   | Ohio<br>Trust       | Pennsylvania<br>Trust |
|--|----------------------|------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| November 30, 2013                      | \$                   | \$                     | \$ 224,050          | \$                  | \$                  | \$ 588,403          | \$ 389,289            |
| November 30, 2016                      | 6,689,345            | 692,532                | 517,712             |                     | 2,354,581           | 736,482             | 800,874               |
| November 30, 2017                      | 4,084,290            | 991,790                | 337,540             | 3,185,143           | 3,171,310           | 840,450             |                       |
| November 30, 2018                      | 355,871              |                        | 34,334              | 1,512,852           | 671,928             | 41,243              | 329,527               |
| November 30, 2019                      | 5,299,748            | 1,780,081              | 345,052             | 4,137,608           | 3,607,489           | 1,169,431           | 1,724,760             |
| <b>Total capital loss carryforward</b> | <b>\$ 16,429,254</b> | <b>\$ 3,464,403</b>    | <b>\$ 1,458,688</b> | <b>\$ 8,835,603</b> | <b>\$ 9,805,308</b> | <b>\$ 3,376,009</b> | <b>\$ 3,244,450</b>   |
| <b>Deferred capital losses</b>         | <b>\$ 1,073,756</b>  | <b>\$ 445,924</b>      | <b>\$ 361,063</b>   | <b>\$ 1,210,103</b> | <b>\$ 654,735</b>   | <b>\$ 678,454</b>   | <b>\$ 783,890</b>     |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Notes to Financial Statements (Unaudited) continued

As of May 31, 2013, the Trusts had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each Trust files a U.S. federal tax return annually after its fiscal year-end, which is subject to examination by the Internal Revenue Service for a period of three years from the date of filing.

**D Expense Reduction** State Street Bank and Trust Company (SSBT) serves as custodian of the Trusts. Pursuant to the custodian agreement, SSBT receives a fee reduced by credits, which are determined based on the average daily cash balance each Trust maintains with SSBT. All credit balances, if any, used to reduce each Trust's custodian fees are reported as a reduction of expenses in the Statements of Operations.

**E Legal Fees** Legal fees and other related expenses incurred as part of negotiations of the terms and requirement of capital infusions, or that are expected to result in the restructuring of, or a plan of reorganization for, an investment are recorded as realized losses. Ongoing expenditures to protect or enhance an investment are treated as operating expenses.

**F Use of Estimates** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

**G Indemnifications** Under each Trust's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to each Trust. Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust (such as a Trust) could be deemed to have personal liability for the obligations of the Trust. However, each Trust's Declaration of Trust contains an express disclaimer of liability on the part of Trust shareholders and the By-laws provide that the Trust shall assume the defense on behalf of any Trust shareholders. Moreover, the By-laws also provide for indemnification out of Trust property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. Additionally, in the normal course of business, each Trust enters into agreements with service providers that may contain indemnification clauses. Each Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against each Trust that have not yet occurred.

**H Floating Rate Notes Issued in Conjunction with Securities Held** The Trusts may invest in residual interest bonds, also referred to as inverse floating rate securities, whereby a Trust may sell a variable or fixed rate bond to a broker for cash. At the same time, the Trust buys a residual interest in the assets and cash flows of a Special-Purpose Vehicle (the SPV), (which is generally organized as a trust), set up by the broker. The broker deposits a bond into the SPV with the same CUSIP number as the bond sold to the broker by the Trust, and which may have been, but is not required to be, the bond purchased from the Trust (the Bond). The SPV also issues floating rate notes (Floating Rate Notes) which are sold to third-parties. The residual interest bond held by a Trust gives the Trust the right (1) to cause the holders of the Floating Rate Notes to generally tender their notes at par, and (2) to have the broker transfer the Bond held by the SPV to the Trust, thereby terminating the SPV. Should the Trust exercise such right, it would generally pay the broker the par amount due on the Floating Rate Notes and exchange the residual interest bond for the underlying Bond. Pursuant to generally accepted accounting principles for transfers and servicing of financial assets and extinguishment of liabilities, the Trusts account for the transaction described above as a secured borrowing by including the Bond in their Portfolio of Investments and the Floating Rate Notes as a liability under the caption "Payable for floating rate notes issued" in their Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date. Accordingly, the fair value of the payable for floating rate notes issued approximates its carrying value. If measured at fair value, the payable for floating rate notes would have been considered as Level 2 in the fair value hierarchy (see Note 10) at May 31, 2013. Interest expense related to the Trusts' liability with respect to Floating Rate Notes is recorded as incurred. The SPV may be terminated by the Trust, as noted above, or by the broker upon the occurrence of certain termination events as defined in the trust agreement, such as a downgrade in the credit quality of the underlying Bond, bankruptcy of or payment failure by the issuer of the underlying Bond, the inability to remarket Floating Rate Notes that have been tendered due to insufficient buyers in the market, or the failure by the SPV to obtain renewal of the liquidity agreement under which liquidity support is provided for the Floating Rate Notes up to one year. Structuring fees paid to the liquidity provider upon the creation of an SPV have been recorded as debt issuance costs and are being amortized as interest expense to the expected maturity of the related trust. Unamortized structuring fees related to a terminated SPV are recorded as a realized loss on extinguishment of debt. At May 31, 2013, the amounts of the Trusts' Floating Rate Notes and related interest rates and collateral were as follows:

Edgar Filing: NEWPORT CORP - Form DEF 14A

|  | <b>California<br/>Trust</b> | <b>Massachusetts<br/>Trust</b> | <b>New Jersey<br/>Trust</b> | <b>New York<br/>Trust</b> | <b>Pennsylvania<br/>Trust</b> |
|--|-----------------------------|--------------------------------|-----------------------------|---------------------------|-------------------------------|
| Floating Rate Notes Outstanding                | \$ 14,680,000               | \$ 4,885,000                   | \$ 8,720,000                | \$ 19,315,000             | \$ 1,650,000                  |
| Interest Rate or Range of Interest Rates (%)   | 0.11 - 0.38                 | 0.12 - 0.14                    | 0.12 - 0.27                 | 0.11 - 0.17               | 0.13 - 0.38                   |
| Collateral for Floating Rate Notes Outstanding | \$ 19,038,703               | \$ 7,085,336                   | \$ 12,626,258               | \$ 28,398,577             | \$ 2,986,370                  |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Notes to Financial Statements (Unaudited) continued

For the six months ended May 31, 2013, the Trusts' average Floating Rate Notes outstanding and the average interest rate (annualized) including fees and amortization of deferred debt issuance costs were as follows:

|   | California Trust | Massachusetts Trust | New Jersey Trust | New York Trust | Pennsylvania Trust |
|---|------------------|---------------------|------------------|----------------|--------------------|
| Average Floating Rate Notes Outstanding | \$ 14,680,000    | \$ 4,885,000        | \$ 8,966,346     | \$ 19,315,000  | \$ 1,650,000       |
| Average Interest Rate                   | 0.65%            | 0.69%               | 0.70%            | 0.68%          | 0.86%              |

The Trusts may enter into shortfall and forbearance agreements with the broker by which a Trust agrees to reimburse the broker, in certain circumstances, for the difference between the liquidation value of the Bond held by the SPV and the liquidation value of the Floating Rate Notes, as well as any shortfalls in interest cash flows. The Trusts had no shortfalls as of May 31, 2013.

The Trusts may also purchase residual interest bonds from brokers in a secondary market transaction without first owning the underlying bond. Such transactions are not required to be treated as secured borrowings. Shortfall agreements, if any, related to residual interest bonds purchased in a secondary market transaction are disclosed in the Portfolio of Investments.

The Trusts' investment policies and restrictions expressly permit investments in residual interest bonds. Such bonds typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. The value and income of residual interest bonds are generally more volatile than that of a fixed rate bond. The Trusts' investment policies do not allow the Trusts to borrow money except as permitted by the 1940 Act. Management believes that the Trusts' restrictions on borrowing money and issuing senior securities (other than as specifically permitted) do not apply to Floating Rate Notes issued by the SPV and included as a liability in the Trusts' Statement of Assets and Liabilities. As secured indebtedness issued by an SPV, Floating Rate Notes are distinct from the borrowings and senior securities to which the Trusts' restrictions apply. Residual interest bonds held by the Trusts are securities exempt from registration under Rule 144A of the Securities Act of 1933.

**I Financial Futures Contracts** Upon entering into a financial futures contract, a Trust is required to deposit with the broker, either in cash or securities, an amount equal to a certain percentage of the contract amount (initial margin). Subsequent payments, known as variation margin, are made or received by the Trust each business day, depending on the daily fluctuations in the value of the underlying security, and are recorded as unrealized gains or losses by the Trust. Gains (losses) are realized upon the expiration or closing of the financial futures contracts. Should market conditions change unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. Futures contracts have minimal counterparty risk as they are exchange traded and the clearinghouse for the exchange is substituted as the counterparty, guaranteeing counterparty performance.

**J When-Issued Securities and Delayed Delivery Transactions** The Trusts may purchase or sell securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. At the time the transaction is negotiated, the price of the security that will be delivered is fixed. The Trusts maintain security positions for these commitments such that sufficient liquid assets will be available to make payments upon settlement. Securities purchased on a delayed delivery or when-issued basis are marked-to-market daily and begin earning interest on settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

**K Statement of Cash Flows** The cash amount shown in the Statement of Cash Flows of a Trust is the amount included in the Trust's Statement of Assets and Liabilities and represents the unrestricted cash on hand at its custodian and does not include any short-term investments.

**L Interim Financial Statements** The interim financial statements relating to May 31, 2013 and for the six months then ended have not been audited by an independent registered public accounting firm, but in the opinion of the Trusts' management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial statements.

## Edgar Filing: NEWPORT CORP - Form DEF 14A

### 2 Auction Preferred Shares

Each Trust issued Auction Preferred Shares (APS) on March 1, 1999 in a public offering. The underwriting discounts and other offering costs incurred in connection with the offering were recorded as a reduction of the paid-in capital of the common shares of each respective Trust. Dividends on the APS, which accrue daily, are cumulative at rates which are reset every seven days by an auction, unless a special dividend period has been set. If the APS auctions do not successfully clear, the dividend payment rate over the next period for the APS holders is set at a specified maximum applicable rate until such time as the APS auctions are successful. The maximum applicable rate on the APS is 110% (150% for taxable distributions) of the greater of the 1) AA Financial Composite Commercial Paper Rate or 2) Taxable Equivalent of the Short-Term Municipal Obligation Rate on the date of the auction. The stated spread over the reference benchmark rate is determined based on the credit rating of the APS.

The APS are redeemable at the option of each Trust at a redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends, on any dividend payment date. The APS are also subject to mandatory redemption at a redemption price equal to \$25,000 per share, plus accumulated and

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Notes to Financial Statements (Unaudited) continued

unpaid dividends, if a Trust is in default for an extended period on its asset maintenance requirements with respect to the APS. If the dividends on the APS remain unpaid in an amount equal to two full years' dividends, the holders of the APS as a class have the right to elect a majority of the Board of Trustees. In general, the holders of the APS and the common shares have equal voting rights of one vote per share, except that the holders of the APS, as a separate class, have the right to elect at least two members of the Board of Trustees. The APS have a liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends. Each Trust is required to maintain certain asset coverage with respect to the APS as defined in the Trusts' By-laws and the 1940 Act. Each Trust pays an annual fee up to 0.15% of the liquidation value of the APS to broker/dealers as a service fee if the auctions are unsuccessful; otherwise, the annual fee is 0.25%.

## 3 Distributions to Shareholders

Each Trust intends to make monthly distributions of net investment income to common shareholders, after payment of any dividends on any outstanding APS. In addition, at least annually, each Trust intends to distribute all or substantially all of its net realized capital gains (reduced by available capital loss carryforwards). Distributions to common shareholders are recorded on the ex-dividend date. Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. The dividend rates for APS at May 31, 2013, and the amount of dividends accrued (including capital gains, if any) to APS shareholders, average APS dividend rates (annualized), and dividend rate ranges for the six months then ended were as follows:

|                                       | California Trust | Massachusetts Trust | Michigan Trust | New Jersey Trust | New York Trust | Ohio Trust  | Pennsylvania Trust |
|---------------------------------------|------------------|---------------------|----------------|------------------|----------------|-------------|--------------------|
| APS Dividend Rates at May 31, 2013    | 0.25%            | 0.25%               | 0.25%          | 0.25%            | 0.25%          | 0.25%       | 0.25%              |
| Dividends Accrued to APS Shareholders | \$ 56,013        | \$ 21,883           | \$ 18,902      | \$ 37,466        | \$ 37,207      | \$ 24,747   | \$ 23,111          |
| Average APS Dividend Rates            | 0.22%            | 0.22%               | 0.22%          | 0.22%            | 0.22%          | 0.22%       | 0.22%              |
| Dividend Rate Ranges (%)              | 0.14 - 0.38      | 0.13 - 0.38         | 0.13 - 0.38    | 0.14 - 0.38      | 0.13 - 0.38    | 0.13 - 0.38 | 0.13 - 0.38        |

Beginning February 13, 2008 and consistent with the patterns in the broader market for auction-rate securities, the Trusts' APS auctions were unsuccessful in clearing due to an imbalance of sell orders over bids to buy the APS. As a result, the dividend rates of the APS were reset to the maximum applicable rates. The table above reflects such maximum dividend rates for each Trust as of May 31, 2013.

The Trusts distinguish between distributions on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income.

## 4 Investment Adviser Fee and Other Transactions with Affiliates

The investment adviser fee is earned by Eaton Vance Management (EVM) as compensation for investment advisory services rendered to each Trust. The fee is computed at an annual rate of 0.640% (0.655% prior to May 1, 2013) of each Trust's average weekly gross assets and is payable monthly. Pursuant to a fee reduction agreement between each Trust and EVM that commenced on May 1, 2010, the annual adviser fee is reduced by 0.015% every May 1 thereafter for the next nineteen years. The fee reduction cannot be terminated without the consent of the Trustees and shareholders. Average weekly gross assets include the principal amount of any indebtedness for money borrowed, including debt securities issued by a Trust, and the amount of any outstanding APS issued by the Trust. Pursuant to a fee reduction agreement with EVM, average weekly gross assets are calculated by adding to net assets the liquidation value of a Trust's APS then outstanding and the amount payable by the Trust to floating rate note holders, such adjustment being limited to the value of the APS outstanding prior to any APS redemptions by the Trust. The administration fee is earned by EVM for administering the business affairs of each Trust and is computed at an annual rate of 0.20% of each Trust's average weekly gross assets. For the six months ended May 31, 2013, the investment adviser fees and administration fees were as follows:

Edgar Filing: NEWPORT CORP - Form DEF 14A

|                        | <b>California<br/>Trust</b> | <b>Massachusetts<br/>Trust</b> | <b>Michigan<br/>Trust</b> | <b>New Jersey<br/>Trust</b> | <b>New York<br/>Trust</b> | <b>Ohio<br/>Trust</b> | <b>Pennsylvania<br/>Trust</b> |
|------------------------|-----------------------------|--------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------|-------------------------------|
| Investment Adviser Fee | \$ 529,193                  | \$ 209,626                     | \$ 159,114                | \$ 343,657                  | \$ 412,581                | \$ 215,954            | \$ 199,973                    |
| Administration Fee     | \$ 162,218                  | \$ 64,257                      | \$ 48,774                 | \$ 105,343                  | \$ 126,471                | \$ 66,197             | \$ 61,298                     |

Trustees and officers of the Trusts who are members of EVM's organization receive remuneration for their services to the Trusts out of the investment adviser fee. Trustees of the Trusts who are not affiliated with the investment adviser may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the six months ended May 31, 2013, no significant amounts have been deferred. Certain officers and Trustees of the Trusts are officers of EVM.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

Notes to Financial Statements (Unaudited) continued

## 5 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations, for the six months ended May 31, 2013 were as follows:

|           | California Trust | Massachusetts Trust | Michigan Trust | New Jersey Trust | New York Trust | Ohio Trust   | Pennsylvania Trust |
|-----------|------------------|---------------------|----------------|------------------|----------------|--------------|--------------------|
| Purchases | \$ 8,415,242     | \$ 950,167          | \$ 4,113,142   | \$ 7,934,857     | \$ 4,892,057   | \$ 3,213,679 | \$ 2,524,909       |
| Sales     | \$ 9,490,237     | \$ 808,646          | \$ 2,798,987   | \$ 7,383,814     | \$ 6,016,264   | \$ 3,144,046 | \$ 2,619,857       |

## 6 Common Shares of Beneficial Interest

Common shares issued pursuant to the Trusts dividend reinvestment plan for the six months ended May 31, 2013 and the year ended November 30, 2012 were as follows:

|   | California Trust | Massachusetts Trust | New Jersey Trust | New York Trust | Ohio Trust | Pennsylvania Trust |
|---|------------------|---------------------|------------------|----------------|------------|--------------------|
| Six Months Ended May 31, 2013 (Unaudited) | 3,484            |                     | 3,303            | 3,692          | 203        | 496                |
| Year Ended November 30, 2012              | 13,698           | 3,879               | 10,907           | 9,350          | 1,890      | 2,720              |

## 7 Federal Income Tax Basis of Investments

The cost and unrealized appreciation (depreciation) of investments of each Trust at May 31, 2013, as determined on a federal income tax basis, were as follows:

|                                    | California Trust      | Massachusetts Trust  | Michigan Trust       | New Jersey Trust     | New York Trust       | Ohio Trust           | Pennsylvania Trust   |
|------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Aggregate cost</b>              | <b>\$ 135,562,960</b> | <b>\$ 54,943,449</b> | <b>\$ 45,366,468</b> | <b>\$ 90,270,842</b> | <b>\$ 99,737,694</b> | <b>\$ 58,374,112</b> | <b>\$ 54,083,041</b> |
| Gross unrealized appreciation      | \$ 13,756,396         | \$ 5,686,212         | \$ 3,146,764         | \$ 8,653,857         | \$ 11,468,999        | \$ 6,149,139         | \$ 4,411,807         |
| Gross unrealized depreciation      | (545,817)             | (64,112)             | (179,930)            | (394,618)            | (233,338)            | (136,775)            | (537,283)            |
| <b>Net unrealized appreciation</b> | <b>\$ 13,210,579</b>  | <b>\$ 5,622,100</b>  | <b>\$ 2,966,834</b>  | <b>\$ 8,259,239</b>  | <b>\$ 11,235,661</b> | <b>\$ 6,012,364</b>  | <b>\$ 3,874,524</b>  |

## 8 Overdraft Advances

Pursuant to the custodian agreement, SSBT may, in its discretion, advance funds to the Trusts to make properly authorized payments. When such payments result in an overdraft, the Trusts are obligated to repay SSBT at the current rate of interest charged by SSBT for secured loans (currently, the Federal Funds rate plus 2%). This obligation is payable on demand to SSBT. SSBT has a lien on a Trust's assets to the extent of any overdraft. At May 31, 2013, Ohio Trust had a payment due to SSBT pursuant to the foregoing arrangement of \$556,401. Based on the short-term nature of these payments and the variable interest rate, the carrying value of the overdraft advances approximated its fair value at May 31, 2013. If measured at fair value, overdraft advances would have been considered as Level 2 in the fair value hierarchy (see Note 10) at May 31, 2013. The Trusts' average overdraft advances during the six months ended May 31, 2013 were not significant.



9 Financial Instruments

The Trusts may trade in financial instruments with off-balance sheet risk in the normal course of their investing activities. These financial instruments may include financial futures contracts and may involve, to a varying degree, elements of risk in excess of the amounts recognized for financial statement purposes. The notional or contractual amounts of these instruments represent the investment a Trust has in particular classes of financial instruments and do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered.

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

Notes to Financial Statements (Unaudited) continued

A summary of obligations under these financial instruments at May 31, 2013 is as follows:

## Futures Contracts

| Trust         | Expiration Month/Year | Contracts                  | Position | Aggregate Cost  | Value           | Net Unrealized Appreciation |
|---------------|-----------------------|----------------------------|----------|-----------------|-----------------|-----------------------------|
| California    | 9/13                  | 53                         | Short    | \$ (6,910,606)  | \$ (6,848,594)  | \$ 62,012                   |
|               |                       | U.S. 10-Year Treasury Note |          |                 |                 |                             |
| Massachusetts | 9/13                  | 43                         | Short    | (6,047,469)     | (6,021,344)     | 26,125                      |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
| Michigan      | 9/13                  | 34                         | Short    | \$ (4,781,720)  | \$ (4,761,063)  | \$ 20,657                   |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
| New Jersey    | 9/13                  | 6                          | Short    | \$ (843,833)    | \$ (840,188)    | \$ 3,645                    |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
| New York      | 9/13                  | 135                        | Short    | \$ (18,986,238) | \$ (18,904,219) | \$ 82,019                   |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
| Ohio          | 9/13                  | 43                         | Short    | \$ (6,047,468)  | \$ (6,021,344)  | \$ 26,124                   |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
| Pennsylvania  | 9/13                  | 18                         | Short    | \$ (2,531,499)  | \$ (2,520,563)  | \$ 10,936                   |
|               |                       | U.S. Long Treasury Bond    |          |                 |                 |                             |
|               | 9/13                  | 50                         | Short    | \$ (7,031,940)  | \$ (7,001,563)  | \$ 30,377                   |

At May 31, 2013, the Trusts had sufficient cash and/or securities to cover commitments under these contracts.

Each Trust is subject to interest rate risk in the normal course of pursuing its investment objective. Because the Trusts hold fixed-rate bonds, the value of these bonds may decrease if interest rates rise. The Trusts purchase and sell U.S. Treasury futures contracts to hedge against changes in interest rates.

The fair values of open derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) and whose primary underlying risk exposure is interest rate risk at May 31, 2013 were as follows:

|                          | California Trust         | Massachusetts Trust      | Michigan Trust          | New Jersey Trust         | New York Trust           | Ohio Trust               | Pennsylvania Trust       |
|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Asset Derivative:</b> |                          |                          |                         |                          |                          |                          |                          |
| Futures Contracts        | \$ 88,137 <sup>(1)</sup> | \$ 20,657 <sup>(1)</sup> | \$ 3,645 <sup>(1)</sup> | \$ 82,019 <sup>(1)</sup> | \$ 26,124 <sup>(1)</sup> | \$ 10,936 <sup>(1)</sup> | \$ 30,377 <sup>(1)</sup> |
| <b>Total</b>             | <b>\$ 88,137</b>         | <b>\$ 20,657</b>         | <b>\$ 3,645</b>         | <b>\$ 82,019</b>         | <b>\$ 26,124</b>         | <b>\$ 10,936</b>         | <b>\$ 30,377</b>         |

<sup>(1)</sup> Amount represents cumulative unrealized appreciation on futures contracts in the Futures Contracts table above. Only the current day's variation margin on open futures contracts is reported within the Statement of Assets and Liabilities as Receivable or Payable for variation margin, as applicable.



## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Notes to Financial Statements (Unaudited) continued

The effect of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) on the Statement of Operations and whose primary underlying risk exposure is interest rate risk for the six months ended May 31, 2013 was as follows:

|  | California Trust          | Massachusetts Trust       | Michigan Trust           | New Jersey Trust          | New York Trust            | Ohio Trust                | Pennsylvania Trust        |
|--|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Realized Gain (Loss) on Derivatives Recognized in Income                             | \$ 324,647 <sup>(1)</sup> | \$ 233,584 <sup>(1)</sup> | \$ 33,428 <sup>(1)</sup> | \$ 943,773 <sup>(1)</sup> | \$ 295,415 <sup>(1)</sup> | \$ 123,662 <sup>(1)</sup> | \$ 321,518 <sup>(1)</sup> |
| Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income | \$ 131,550 <sup>(2)</sup> | \$ 23,110 <sup>(2)</sup>  | \$ 4,079 <sup>(2)</sup>  | \$ 155,917 <sup>(2)</sup> | \$ 29,226 <sup>(2)</sup>  | \$ 12,235 <sup>(2)</sup>  | \$ 55,859 <sup>(2)</sup>  |

<sup>(1)</sup> Statement of Operations location: Net realized gain (loss) Financial futures contracts.

<sup>(2)</sup> Statement of Operations location: Change in unrealized appreciation (depreciation) Financial futures contracts.

The average notional amount of futures contracts outstanding during the six months ended May 31, 2013, which is indicative of the volume of this derivative type, was approximately as follows:

|                                 | California Trust | Massachusetts Trust | Michigan Trust | New Jersey Trust | New York Trust | Ohio Trust   | Pennsylvania Trust |
|---------------------------------|------------------|---------------------|----------------|------------------|----------------|--------------|--------------------|
| <b>Average Notional Amount:</b> |                  |                     |                |                  |                |              |                    |
| Futures Contracts               | \$ 11,029,000    | \$ 3,400,000        | \$ 557,000     | \$ 14,357,000    | \$ 4,300,000   | \$ 1,800,000 | \$ 5,000,000       |
| 10 Fair Value Measurements      |                  |                     |                |                  |                |              |                    |

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

## Edgar Filing: NEWPORT CORP - Form DEF 14A

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At May 31, 2013, the hierarchy of inputs used in valuing the Trusts' investments and open derivative instruments, which are carried at value, were as follows:

| <b>California Trust<br/>Asset Description</b> | <b>Level 1</b>   | <b>Level 2</b>        | <b>Level 3</b> | <b>Total</b>          |
|---|------------------|-----------------------|----------------|-----------------------|
| Tax-Exempt Investments                        | \$               | \$ 163,453,539        | \$             | \$ 163,453,539        |
| <b>Total Investments</b>                      | <b>\$</b>        | <b>\$ 163,453,539</b> | <b>\$</b>      | <b>\$ 163,453,539</b> |
| Futures Contracts                             | \$ 88,137        | \$                    | \$             | \$ 88,137             |
| <b>Total</b>                                  | <b>\$ 88,137</b> | <b>\$ 163,453,539</b> | <b>\$</b>      | <b>\$ 163,541,676</b> |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

Notes to Financial Statements (Unaudited) continued

| <b>Massachusetts Trust</b> |                  |                      |                |                      |
|----------------------------|------------------|----------------------|----------------|----------------------|
| <b>Asset Description</b>   | <b>Level 1</b>   | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Tax-Exempt Investments     | \$               | \$ 65,450,549        | \$             | \$ 65,450,549        |
| <b>Total Investments</b>   | <b>\$</b>        | <b>\$ 65,450,549</b> | <b>\$</b>      | <b>\$ 65,450,549</b> |
| Futures Contracts          | \$ 20,657        | \$                   | \$             | \$ 20,657            |
| <b>Total</b>               | <b>\$ 20,657</b> | <b>\$ 65,450,549</b> | <b>\$</b>      | <b>\$ 65,471,206</b> |

| <b>Michigan Trust</b>    |                 |                      |                |                      |
|--------------------------|-----------------|----------------------|----------------|----------------------|
| <b>Asset Description</b> | <b>Level 1</b>  | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Tax-Exempt Investments   | \$              | \$ 48,333,302        | \$             | \$ 48,333,302        |
| <b>Total Investments</b> | <b>\$</b>       | <b>\$ 48,333,302</b> | <b>\$</b>      | <b>\$ 48,333,302</b> |
| Futures Contracts        | \$ 3,645        | \$                   | \$             | \$ 3,645             |
| <b>Total</b>             | <b>\$ 3,645</b> | <b>\$ 48,333,302</b> | <b>\$</b>      | <b>\$ 48,336,947</b> |

| <b>New Jersey Trust</b>         |                  |                       |                |                       |
|---------------------------------|------------------|-----------------------|----------------|-----------------------|
| <b>Asset Description</b>        | <b>Level 1</b>   | <b>Level 2</b>        | <b>Level 3</b> | <b>Total</b>          |
| Tax-Exempt Municipal Securities | \$               | \$ 106,259,091        | \$             | \$ 106,259,091        |
| Taxable Municipal Securities    |                  | 990,990               |                | 990,990               |
| <b>Total Investments</b>        | <b>\$</b>        | <b>\$ 107,250,081</b> | <b>\$</b>      | <b>\$ 107,250,081</b> |
| Futures Contracts               | \$ 82,019        | \$                    | \$             | \$ 82,019             |
| <b>Total</b>                    | <b>\$ 82,019</b> | <b>\$ 107,250,081</b> | <b>\$</b>      | <b>\$ 107,332,100</b> |

| <b>New York Trust</b>    |                  |                       |                   |                       |
|--------------------------|------------------|-----------------------|-------------------|-----------------------|
| <b>Asset Description</b> | <b>Level 1</b>   | <b>Level 2</b>        | <b>Level 3*</b>   | <b>Total</b>          |
| Tax-Exempt Investments   | \$               | \$ 129,465,955        | \$                | \$ 129,465,955        |
| Miscellaneous            |                  |                       | 822,400           | 822,400               |
| <b>Total Investments</b> | <b>\$</b>        | <b>\$ 129,465,955</b> | <b>\$ 822,400</b> | <b>\$ 130,288,355</b> |
| Futures Contracts        | \$ 26,124        | \$                    | \$                | \$ 26,124             |
| <b>Total</b>             | <b>\$ 26,124</b> | <b>\$ 129,465,955</b> | <b>\$ 822,400</b> | <b>\$ 130,314,479</b> |

| <b>Ohio Trust</b>        |                |                      |                |                      |
|--------------------------|----------------|----------------------|----------------|----------------------|
| <b>Asset Description</b> | <b>Level 1</b> | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Tax-Exempt Investments   | \$             | \$ 64,386,476        | \$             | \$ 64,386,476        |
| <b>Total Investments</b> | <b>\$</b>      | <b>\$ 64,386,476</b> | <b>\$</b>      | <b>\$ 64,386,476</b> |

Edgar Filing: NEWPORT CORP - Form DEF 14A

|                   |                  |                      |           |                      |
|-------------------|------------------|----------------------|-----------|----------------------|
| Futures Contracts | \$ 10,936        | \$                   | \$        | \$ 10,936            |
| <b>Total</b>      | <b>\$ 10,936</b> | <b>\$ 64,386,476</b> | <b>\$</b> | <b>\$ 64,397,412</b> |

## Eaton Vance

## Municipal Income Trusts

May 31, 2013

Notes to Financial Statements (Unaudited) continued

| <b>Pennsylvania Trust</b> |                  |                      |                |                      |
|---------------------------|------------------|----------------------|----------------|----------------------|
| <b>Asset Description</b>  | <b>Level 1</b>   | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Tax-Exempt Investments    | \$               | \$ 59,607,565        | \$             | \$ 59,607,565        |
| <b>Total Investments</b>  | <b>\$</b>        | <b>\$ 59,607,565</b> | <b>\$</b>      | <b>\$ 59,607,565</b> |
| Futures Contracts         | \$ 30,377        | \$                   | \$             | \$ 30,377            |
| <b>Total</b>              | <b>\$ 30,377</b> | <b>\$ 59,607,565</b> | <b>\$</b>      | <b>\$ 59,637,942</b> |

\* None of the unobservable inputs for Level 3 assets, individually or collectively, had a material impact on the Trust. California Trust, Massachusetts Trust, Michigan Trust, New Jersey Trust, Ohio Trust and Pennsylvania Trust held no investments or other financial instruments as of November 30, 2012 whose fair value was determined using Level 3 inputs.

Level 3 investments held by New York Trust at the beginning and/or end of the period in relation to net assets applicable to common shares were not significant and accordingly, a reconciliation of Level 3 assets for the six months ended May 31, 2013 is not presented.

At May 31, 2013, there were no investments transferred between Level 1 and Level 2 during the six months then ended.



## Eaton Vance

## Municipal Income Trusts

May 31, 2013

## Annual Meeting of Shareholders

Each Trust held its Annual Meeting of Shareholders on March 22, 2013. Scott E. Eston, Thomas E. Faust Jr. and Allen R. Freedman were elected Class II Trustees of each Trust for a three-year term expiring in 2016. Mr. Verni has been nominated for election by the holders of each Trust's APS. Due to a lack of quorum of APS, each Trust was unable to act on election of Mr. Verni. Accordingly, Mr. Verni will remain in office and continue to serve as Trustee of each Trust.

| <b>Trust</b>        | <b>Nominee for<br/>Class II Trustee<br/>Elected by<br/>APS<br/>Shareholders:<br/>Ralph F.<br/>Verni</b> | <b>Nominee for<br/>Class II Trustee<br/>Elected by All<br/>Shareholders:<br/>Scott E. Eston</b> | <b>Nominee for<br/>Class II Trustee<br/>Elected by All<br/>Shareholders:<br/>Thomas E. Faust Jr.</b> | <b>Nominee for<br/>Class II Trustee<br/>Elected by All<br/>Shareholders:<br/>Allen R. Freedman</b> |
|---------------------|---|---|--|--|
| California Trust    |   |   |  |  |
| For                 | 569   | 6,621,261   | 6,622,561  | 6,617,497  |
| Withheld            | 79  | 160,277   | 158,977  | 164,041  |
| Massachusetts Trust |   |   |  |  |
| For                 | 147   | 2,413,204   | 2,414,374  | 2,415,004  |
| Withheld            | 37  | 114,203   | 113,033  | 112,403  |
| Michigan Trust      |   |   |  |  |
| For                 | 153   | 1,787,933   | 1,799,206  | 1,799,455  |
| Withheld            | 25  | 136,703   | 125,430  | 125,181  |
| New Jersey Trust    |   |   |  |  |
| For                 | 220   | 4,316,480   | 4,321,778  | 4,307,419  |
| Withheld            | 6   | 80,687  | 75,389   | 89,748   |
| New York Trust      |   |   |  |  |
| For                 | 360   | 4,974,147   | 4,987,898  | 4,974,147  |
| Withheld            | 132   | 130,535   | 116,784  | 130,535  |
| Ohio Trust          |   |   |  |  |
| For                 | 143   | 2,633,532   | 2,633,532  | 2,633,532  |
| Withheld            | 4   | 55,174  | 55,174   | 55,174   |
| Pennsylvania Trust  |   |   |  |  |
| For                 | 217   | 2,462,164   | 2,462,164  | 2,437,878  |
| Withheld            | 5   | 29,960  | 29,960   | 54,246   |

## Eaton Vance

### Municipal Income Trusts

May 31, 2013

#### Board of Trustees Contract Approval

##### Overview of the Contract Review Process

The Investment Company Act of 1940, as amended (the 1940 Act ), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuation is approved at least annually by the fund's board of trustees, including by a vote of a majority of the trustees who are not interested persons of the fund ( Independent Trustees ), cast in person at a meeting called for the purpose of considering such approval.

At a meeting of the Boards of Trustees (each a Board ) of the Eaton Vance group of mutual funds (the Eaton Vance Funds ) held on April 22, 2013, the Board, including a majority of the Independent Trustees, voted to approve continuation of existing advisory and sub-advisory agreements for the Eaton Vance Funds for an additional one-year period. In voting its approval, the Board relied upon the affirmative recommendation of the Contract Review Committee of the Board, which is a committee comprised exclusively of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished by each adviser to the Eaton Vance Funds (including information specifically requested by the Board) for a series of meetings of the Contract Review Committee held between February and April 2013, as well as information considered during prior meetings of the committee. Such information included, among other things, the following:

##### *Information about Fees, Performance and Expenses*

An independent report comparing the advisory and related fees paid by each fund with fees paid by comparable funds;

An independent report comparing each fund's total expense ratio and its components to comparable funds;

An independent report comparing the investment performance of each fund (including, where relevant, yield data, Sharpe ratios and information ratios) to the investment performance of comparable funds over various time periods;

Data regarding investment performance in comparison to benchmark indices and customized peer groups, in each case as approved by the Board with respect to the funds;

For each fund, comparative information concerning the fees charged and the services provided by each adviser in managing other accounts (including mutual funds, other collective investment funds and institutional accounts) using investment strategies and techniques similar to those used in managing such fund;

Profitability analyses for each adviser with respect to each fund;

##### *Information about Portfolio Management and Trading*

## Edgar Filing: NEWPORT CORP - Form DEF 14A

Descriptions of the investment management services provided to each fund, including the investment strategies and processes employed, and any changes in portfolio management processes and personnel;

Information about the allocation of brokerage and the benefits received by each adviser as a result of brokerage allocation, including information concerning the acquisition of research through client commission arrangements and the fund's policies with respect to soft dollar arrangements;

Data relating to portfolio turnover rates of each fund;

The procedures and processes used to determine the fair value of fund assets and actions taken to monitor and test the effectiveness of such procedures and processes;

Information about each adviser's processes for monitoring best execution of portfolio transactions, and other policies and practices of each adviser with respect to trading;

*Information about each Adviser*

Reports detailing the financial results and condition of each adviser;

Descriptions of the qualifications, education and experience of the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and information relating to their compensation and responsibilities with respect to managing other mutual funds and investment accounts;

Copies of the Codes of Ethics of each adviser and its affiliates, together with information relating to compliance with and the administration of such codes;

Copies of or descriptions of each adviser's policies and procedures relating to proxy voting, the handling of corporate actions and class actions;

Information concerning the resources devoted to compliance efforts undertaken by each adviser and its affiliates on behalf of the funds (including descriptions of various compliance programs) and their record of compliance with investment policies and restrictions, including policies with respect to market-timing, late trading and selective portfolio disclosure, and with policies on personal securities transactions;

Descriptions of the business continuity and disaster recovery plans of each adviser and its affiliates;

A description of Eaton Vance Management's procedures for overseeing third party advisers and sub-advisers, including with respect to regulatory and compliance issues, investment management and other matters;

*Other Relevant Information*

Information concerning the nature, cost and character of the administrative and other non-investment management services provided by Eaton Vance Management and its affiliates;

---

Eaton Vance

## Municipal Income Trusts

May 31, 2013

Board of Trustees Contract Approval continued

Information concerning management of the relationship with the custodian, subcustodians and fund accountants by each adviser or the funds administrator; and

The terms of each advisory agreement.

In addition to the information identified above, the Contract Review Committee considered information provided from time to time by each adviser throughout the year at meetings of the Board and its committees. Over the course of the twelve-month period ended April 30, 2013, with respect to one or more funds, the Board met eight times and the Contract Review Committee, the Audit Committee, the Governance Committee, the Portfolio Management Committee and the Compliance Reports and Regulatory Matters Committee, each of which is a Committee comprised solely of Independent Trustees, met eight, twenty-one, five, nine and thirteen times respectively. At such meetings, the Trustees participated in investment and performance reviews with the portfolio managers and other investment professionals of each adviser relating to each fund. The Board and its Committees considered the investment and trading strategies used in pursuing each fund's investment objective, including, where relevant, the use of derivative instruments, as well as processes for monitoring best execution of portfolio transactions and risk management techniques. The Board and its Committees also evaluated issues pertaining to industry and regulatory developments, compliance procedures, fund governance and other issues with respect to the funds, and received and participated in reports and presentations provided by Eaton Vance Management and other fund advisers with respect to such matters.

For funds that invest through one or more underlying portfolios, the Board considered similar information about the portfolio(s) when considering the approval of advisory agreements. In addition, in cases where the fund's investment adviser has engaged a sub-adviser, the Board considered similar information about the sub-adviser when considering the approval of any sub-advisory agreement.

The Contract Review Committee was assisted throughout the contract review process by Goodwin Procter LLP, legal counsel for the Independent Trustees. The members of the Contract Review Committee relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating each advisory and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each advisory and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each advisory and sub-advisory agreement.

### Results of the Process

Based on its consideration of the foregoing, and such other information as it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuation of the investment advisory agreements of the following funds:

Eaton Vance California Municipal Income Trust

Eaton Vance Massachusetts Municipal Income Trust

Eaton Vance Michigan Municipal Income Trust

## Edgar Filing: NEWPORT CORP - Form DEF 14A

Eaton Vance New Jersey Municipal Income Trust

Eaton Vance New York Municipal Income Trust

Eaton Vance Ohio Municipal Income Trust

Eaton Vance Pennsylvania Municipal Income Trust

(the Funds), each with Eaton Vance Management (the Adviser), including their fee structures, is in the interests of shareholders and, therefore, the Contract Review Committee recommended to the Board approval of each agreement. The Board accepted the recommendation of the Contract Review Committee as well as the factors considered and conclusions reached by the Contract Review Committee with respect to each agreement. Accordingly, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory agreement for each Fund.

### Nature, Extent and Quality of Services

In considering whether to approve the investment advisory agreements of the Funds, the Board evaluated the nature, extent and quality of services provided to the Funds by the Adviser.

The Board considered the Adviser's management capabilities and investment process with respect to the types of investments held by each Fund, including the education, experience and number of its investment professionals and other personnel who provide portfolio management, investment research, and similar services to the Funds. In particular, the Board considered, where relevant, the abilities and experience of such investment personnel in analyzing factors such as credit risk, tax efficiency, and special considerations relevant to investing in municipal bonds. The Board considered the Adviser's large municipal bond team, which includes portfolio managers and credit specialists who provide services to the Funds. The Board also took into account the resources dedicated to portfolio management and other services, including the compensation methods of the Adviser to recruit and retain investment personnel, and the time and attention devoted to each Fund by senior management.

The Board reviewed the compliance programs of the Adviser and relevant affiliates thereof. Among other matters, the Board considered compliance and reporting matters relating to personal trading by investment personnel, selective disclosure of portfolio holdings, late trading, frequent trading, portfolio

## Eaton Vance

### Municipal Income Trusts

May 31, 2013

#### Board of Trustees Contract Approval continued

valuation, business continuity and the allocation of investment opportunities. The Board also evaluated the responses of the Adviser and its affiliates to requests in recent years from regulatory authorities such as the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Board considered shareholder and other administrative services provided or managed by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large family of funds.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the investment advisory agreements.

#### Fund Performance

The Board compared each Fund's investment performance to a relevant universe of similarly managed funds identified by an independent data provider and appropriate benchmark indices and, where relevant, a customized peer group of similarly managed funds approved by the Board, and assessed each Fund's performance on the basis of total return and current income return. The Board's review included comparative performance data for the one-, three-, five- and ten-year periods ended September 30, 2012 for each Fund. The Board considered the impact of extraordinary market conditions in recent years on each Fund's performance in light of, among other things, the Adviser's efforts to generate competitive levels of tax exempt current income over time through investments that, relative to its peer universe, focus on higher quality municipal bonds with longer maturities. The Board noted that the Adviser had taken action to restructure each Fund's portfolio as part of a long-term strategy for managing interest rate risk, consistent with each Fund's objective of providing current income. The Board concluded that each Fund's performance had been satisfactory on the basis of current income return, and that it was appropriate to continue to monitor the effectiveness of the actions taken by the Adviser to improve Fund performance on the basis of total return, which the Board noted had improved for periods ended as of December 31, 2012.

#### Management Fees and Expenses

The Board reviewed contractual investment advisory fee rates, including administrative fee rates, payable by each Fund (referred to as management fees). As part of its review, the Board considered the management fees and each Fund's total expense ratio for the year ended September 30, 2012, as compared to a group of similarly managed funds selected by an independent data provider. The Board considered the financial resources committed by the Adviser in structuring the Funds at the time of its initial public offering and the waiver of fees provided by the Adviser for the first five years of each Fund's life. The Board considered that, at the request of the Contract Review Committee, the Adviser had implemented a series of permanent reductions in management fees beginning in May 2010, which include a further fee reduction effective May 1, 2013. The Board also considered factors that had an impact on Fund expense ratios, as identified by management in response to inquiries from the Contract Review Committee, as well as actions taken by management in recent years to reduce expenses at the Eaton Vance fund complex level, including the negotiation of reduced fees for transfer agency and custody services.

After reviewing the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the management fees charged for advisory and related services are reasonable.

#### Profitability

The Board reviewed the level of profits realized by the Adviser and relevant affiliates thereof in providing investment advisory and administrative services to each Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized without regard to revenue sharing or other payments by the Adviser and its affiliates to third parties in respect of distribution services. The Board also considered other direct or indirect benefits received by the Adviser and its affiliates in connection with their relationships with the Funds, including the benefits of research services that may be available to the Adviser as a result of securities transactions effected for the Funds and other investment advisory clients.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are reasonable.

Economies of Scale

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and each Fund, on the other hand, can expect to realize benefits from economies of scale as the assets of each Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from the economies of scale with respect to the management of any specific fund or group of funds. The Board reviewed data summarizing the increases and decreases in the assets of each Fund and of all Eaton Vance Funds as a group over various time periods, and evaluated the extent to which the total expense ratio of each Fund and the profitability of the Adviser and its affiliates may have been affected by such increases or decreases. Based upon the foregoing, the Board concluded that each Fund currently shares in the benefits from economies of scale. The Board also considered the fact that the Funds are not continuously offered and that the Funds' assets are not expected to increase materially in the foreseeable future. The Board concluded that, in light of the level of the Adviser's profits with respect to each Fund, the implementation of breakpoints in the advisory fee schedules is not appropriate at this time.

## Eaton Vance

### Municipal Income Trusts

May 31, 2013

#### Officers and Trustees

##### Officers

Cynthia J. Clemson

*President of CEV, EMI, EVY, EVO and EVP*

Thomas M. Metzold

*President of MMV and EVJ*

Payson F. Swaffield

*Vice President*

Maureen A. Gemma

*Vice President, Secretary and*

*Chief Legal Officer*

James F. Kirchner

*Treasurer*

Paul M. O Neil

*Chief Compliance Officer*

##### Trustees



## Edgar Filing: NEWPORT CORP - Form DEF 14A

Ralph F. Verni

*Chairman*

Scott E. Eston

Benjamin C. Esty

Thomas E. Faust Jr.\*

Allen R. Freedman

William H. Park

Ronald A. Pearlman

Helen Frame Peters

Lynn A. Stout

Harriett Tee Taggart

\* Interested Trustee

### **Number of Employees**

Each Trust is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company and has no employees.

### **Number of Shareholders**

As of May 31, 2013, Trust records indicate that there are 26, 32, 13, 34, 27, 28 and 29 registered shareholders for California Municipal Income Trust, Massachusetts Municipal Income Trust, Michigan Municipal Income Trust, New Jersey Municipal Income Trust, New York Municipal Income Trust, Ohio Municipal Income Trust and Pennsylvania Municipal Income Trust, respectively, and approximately 2,237, 1,269, 1,223, 1,751, 2,228, 1,486 and 1,396 shareholders owning the Trust shares in street name, such as through brokers, banks, and financial intermediaries for California Municipal Income Trust, Massachusetts Municipal Income Trust, Michigan Municipal Income Trust, New Jersey Municipal Income Trust, New York Municipal Income Trust, Ohio Municipal Income Trust and Pennsylvania Municipal Income Trust, respectively.

If you are a street name shareholder and wish to receive Trust reports directly, which contain important information about a Trust, please write or call:

Eaton Vance Distributors, Inc.

Two International Place

Boston, MA 02110

1-800-262-1122

**NYSE MKT symbols**

Edgar Filing: NEWPORT CORP - Form DEF 14A

|                                      |     |
|--------------------------------------|-----|
| California Municipal Income Trust    | CEV |
| Massachusetts Municipal Income Trust | MMV |
| Michigan Municipal Income Trust      | EMI |
| New Jersey Municipal Income Trust    | EVJ |
| New York Municipal Income Trust      | EVY |
| Ohio Municipal Income Trust          | EVO |
| Pennsylvania Municipal Income Trust  | EVP |

## Eaton Vance Funds

### IMPORTANT NOTICES

**Privacy.** The Eaton Vance organization is committed to ensuring your financial privacy. Each of the financial institutions identified below has in effect the following policy ( Privacy Policy ) with respect to nonpublic personal information about its customers:

Only such information received from you, through application forms or otherwise, and information about your Eaton Vance fund transactions will be collected. This may include information such as name, address, social security number, tax status, account balances and transactions.

None of such information about you (or former customers) will be disclosed to anyone, except as permitted by law (which includes disclosure to employees necessary to service your account). In the normal course of servicing a customer's account, Eaton Vance may share information with unaffiliated third parties that perform various required services such as transfer agents, custodians and broker-dealers.

Policies and procedures (including physical, electronic and procedural safeguards) are in place that are designed to protect the confidentiality of such information.

We reserve the right to change our Privacy Policy at any time upon proper notification to you. Customers may want to review our Privacy Policy periodically for changes by accessing the link on our homepage: [www.eatonvance.com](http://www.eatonvance.com).

Our pledge of privacy applies to the following entities within the Eaton Vance organization: the Eaton Vance Family of Funds, Eaton Vance Management, Eaton Vance Investment Counsel, Eaton Vance Distributors, Inc., Eaton Vance Trust Company, Eaton Vance Management's Real Estate Investment Group and Boston Management and Research. In addition, our Privacy Policy applies only to those Eaton Vance customers who are individuals and who have a direct relationship with us. If a customer's account (i.e., fund shares) is held in the name of a third-party financial advisor/broker-dealer, it is likely that only such advisor's privacy policies apply to the customer. This notice supersedes all previously issued privacy disclosures. For more information about Eaton Vance's Privacy Policy, please call 1-800-262-1122.

**Delivery of Shareholder Documents.** The Securities and Exchange Commission (SEC) permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called "householding" and it helps eliminate duplicate mailings to shareholders. *Eaton Vance, or your financial advisor, may household the mailing of your documents indefinitely unless you instruct Eaton Vance, or your financial advisor, otherwise.* If you would prefer that your Eaton Vance documents not be househanded, please contact Eaton Vance at 1-800-262-1122, or contact your financial advisor. Your instructions that householding not apply to delivery of your Eaton Vance documents will be effective within 30 days of receipt by Eaton Vance or your financial advisor.

**Portfolio Holdings.** Each Eaton Vance Fund and its underlying Portfolio(s) (if applicable) will file a schedule of portfolio holdings on Form N-Q with the SEC for the first and third quarters of each fiscal year. The Form N-Q will be available on the Eaton Vance website at [www.eatonvance.com](http://www.eatonvance.com), by calling Eaton Vance at 1-800-262-1122 or in the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). Form N-Q may also be reviewed and copied at the SEC's public reference room in Washington, D.C. (call 1-800-732-0330 for information on the operation of the public reference room).

**Proxy Voting.** From time to time, funds are required to vote proxies related to the securities held by the funds. The Eaton Vance Funds or their underlying Portfolios (if applicable) vote proxies according to a set of policies and procedures approved by the Funds' and Portfolios' Boards. You may obtain a description of these policies and procedures and information on how the Funds or Portfolios voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge, upon request, by calling 1-800-262-1122 and by accessing the SEC's website at [www.sec.gov](http://www.sec.gov).

**Additional Notice to Shareholders.** A Fund also may purchase shares of its common stock in the open market when they trade at a discount to net asset value or at other times if the Fund determines such purchases are advisable. There can be no assurance that a Fund will take such action or that such purchases would reduce the discount. If applicable, a Fund may also redeem or purchase its outstanding auction preferred shares (APS) in order to maintain compliance with regulatory requirements, borrowing or rating agency requirements or for other purposes as it deems appropriate or necessary.

## Edgar Filing: NEWPORT CORP - Form DEF 14A

**Closed-End Fund Information.** The Eaton Vance closed-end funds make certain fund performance data and portfolio characteristics available on the Eaton Vance website after the end of each month. Portfolio holdings for the most recent month-end are also posted to the website approximately 30 days following the end of the month. This information is available at [www.eatonvance.com](http://www.eatonvance.com) on the fund information pages under Individual Investors Closed-End Funds .

This Page Intentionally Left Blank

This Page Intentionally Left Blank

This Page Intentionally Left Blank

Investment Adviser and Administrator

**Eaton Vance Management**

Two International Place

Boston, MA 02110

Custodian

**State Street Bank and Trust Company**

200 Clarendon Street

Boston, MA 02116

Transfer Agent

**American Stock Transfer & Trust Company**

59 Maiden Lane

Plaza Level

New York, NY 10038

Fund Offices

Two International Place

Boston, MA 02110



147-7/13

CE-MUNISRC7

**Item 2. Code of Ethics**

Not required in this filing.

**Item 3. Audit Committee Financial Expert**

The registrant's Board has designated William H. Park, an independent trustee, as its audit committee financial expert. Mr. Park is a certified public accountant who is a consultant and private investor. Previously, he served as the Chief Financial Officer of Aveon Group, L.P. (an investment management firm), as the Vice Chairman of Commercial Industrial Finance Corp. (specialty finance company), as President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm), as Executive Vice President and Chief Financial Officer of United Asset Management Corporation (an institutional investment management firm) and as a Senior Manager at Price Waterhouse (now PricewaterhouseCoopers) (an independent registered public accounting firm).

**Item 4. Principal Accountant Fees and Services**

Not required in this filing.

**Item 5. Audit Committee of Listed Registrants**

Not required in this filing.

**Item 6. Schedule of Investments**

Please see schedule of investments contained in the Report to Stockholders included under Item 1 of this Form N-CSR.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies**

Not required in this filing.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies**

Not required in this filing.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

No such purchases this period.

**Item 10. Submission of Matters to a Vote of Security Holders**

No Material Changes.

**Item 11. Controls and Procedures**

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls

and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits**

(a)(1) Registrant's Code of Ethics Not applicable (please see Item 2).

(a)(2)(i) Treasurer's Section 302 certification.

(a)(2)(ii) President's Section 302 certification.

(b) Combined Section 906 certification.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Ohio Municipal Income Trust

By: /s/ Cynthia J. Clemson  
Cynthia J. Clemson  
President

Date: July 9, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ James F. Kirchner  
James F. Kirchner  
Treasurer

Date: July 9, 2013

By: /s/ Cynthia J. Clemson  
Cynthia J. Clemson  
President

Date: July 9, 2013