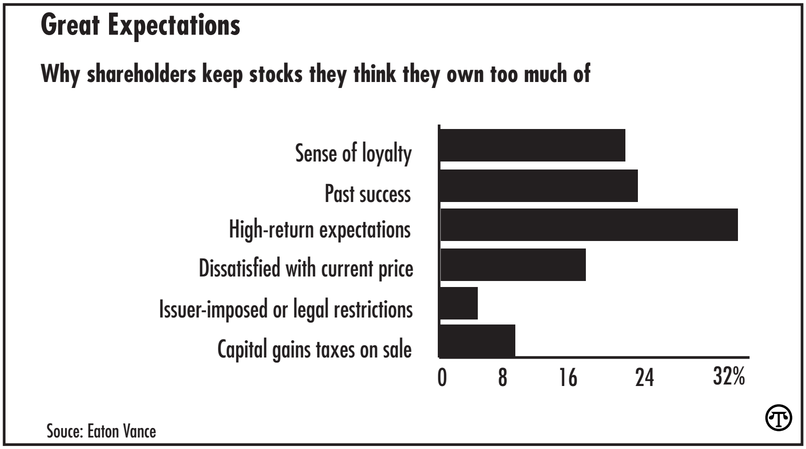
# National Survey Reveals Concern About Risks Of Stock Concentration

(NAPSA)—A recent survey offers statistics that could prove important to investors. In response to heavy losses over the past year by some investors with concentrated stock positions, there is rising concern among shareholders about the risks associated with exposure to a single company's stock, according to results of the third annual investor survey released by Eaton Vance Corp.

The nationwide survey of investors, conducted by Penn, Shoen & Berland Associates between January 17 and 22, 2002, indicates that more than seven in 10 (73 percent) investors who have worked for a public company say they have received stock options or other types of stock compensation from their employers. More than half (53 percent) of investors who have worked for a public company say they currently hold company stock or stock options. Of those holding employer stock or options, 50 percent say that employer stock and options now represent a larger percentage of their total financial assets than five years ago, compared to 21 percent who say that the percentage of their financial assets held in employer stock and options has decreased over the past five years. Twenty-four percent of investors report that employer stock now represents more than 10 percent of the value of their investment portfolios.

Given recent trends in the market and the highly visible collapse of Enron, it should not be surprising that investors are becoming more aware of single stock risk. Of investors holding employer stock or options, nearly four in 10 (39 percent) say they are concerned about having a significant financial exposure to the stock of their employer. An overwhelming 87 percent of surveyed investors agree that it is too risky to have a large percentage of their personal assets invested in the stock of any single company. More than four in 10 investors (41 percent) say their views about the risks of investing heavily in a single company stock have changed for the worse in the past year. Nearly one in five investors (18 percent) says he or she maintains greater exposure to a single stock than he or she considers to be prudent.




What is their reasoning for holding overly large positions in a single stock? The most popular answer among investors (31 percent) was high return expectations. Next, 21 percent do so because of past successes. In third place (19 percent), "sense of loyalty" was named as the reason.

"The survey response indicates that attitudes about single stock risk are in the process of changing," said Thomas E. Faust Jr., Chief Investment Officer of Eaton Vance Management. "The demise of Enron, Kmart, Polaroid, Bethlehem Steel and a host of other public companies in recent months gives investors a valuable lesson in the risks of entrusting too much of their retirement nest egg to the fortunes of a single stock. In today's rapidly changing economy, even the strongest and best-managed companies face the risk of a decline in competitive position and stock underperformance over time. What's an investor to do? It's pretty simple—diversify. Like your grandmother told you, don't put all of your eggs in one basket."

• *Eaton Vance Corp., a Boston-based investment management firm, is traded on the New York Stock Exchange under the symbol*