

# Eaton Vance Corp.

Third Quarter Fiscal 2019 Earnings Conference Call and Webcast

August 27, 2019

## 2 | Third Quarter Fiscal 2019 Financial Highlights



### Financial Results

- \$0.90 of adjusted earnings per diluted share, up 10% year-over-year and 1% sequentially
- Seed capital and consolidated CLO entity investments contributed a combined \$0.04 per diluted share in the third quarter
- 31.8% adjusted operating margin versus 30.9% in the second quarter of fiscal 2019

### Managed Assets and Flows

- \$482.8 billion ending consolidated AUM, up 7% versus a year ago and 3% sequentially
- Third quarter consolidated net inflows of \$8.0 billion, or \$5.3 billion excluding exposure management
- Annualized internal AUM growth of 7% and annualized internal management fee growth of 2%

### Investment Performance

- 73 U.S. mutual funds currently rated 4 or 5 stars by Morningstar for at least one class of shares
- 29 U.S. mutual funds currently rated 5 stars by Morningstar for one or more share classes
- 41% of U.S. mutual fund AUM in funds ranking in top quartile of their Morningstar peer group over three years, 64% over five years and 66% over ten years

### Capital Management

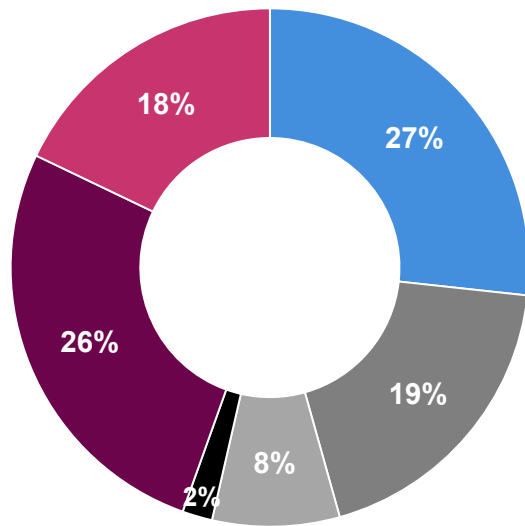
- \$0.35 per share regular quarterly dividend, up 12.9% year-over-year
- 1.5 million shares repurchased during the third quarter for \$61.3 million
- \$777.8 million of cash and cash equivalents and short-term debt securities held
- \$368.6 million of seed capital investments in managed funds and accounts

Although the Company reports its financial results in accordance with U.S. GAAP, management believes that certain non-U.S. GAAP financial measures, specifically, adjusted net income attributable to Eaton Vance Corp. shareholders and adjusted earnings per diluted share, while not a substitute for U.S. GAAP financial measures, may be effective indicators of the Company's performance over time. Non-U.S. GAAP financial measures should not be construed to be superior to U.S. GAAP measures. In calculating these non-U.S. GAAP financial measures, net income attributable to Eaton Vance Corp. shareholders and earnings per diluted share are adjusted to exclude items management deems non-operating or non-recurring in nature, or otherwise outside the ordinary course of business. These adjustments may include, when applicable, the add back of closed-end fund structuring fees, costs associated with special dividends, debt repayments and tax settlements, the tax impact of stock-based compensation shortfalls or windfalls, and non-recurring charges for the effect of the tax law changes. Management and our Board of Directors, as well as certain of our outside investors, consider these adjusted numbers a measure of the Company's underlying operating performance.



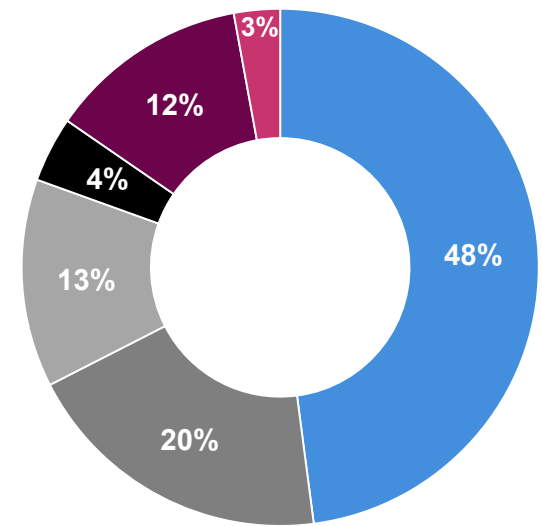
## by Investment Mandate

**Ending Assets under Management**  
(As of July 31, 2019)



**\$482.8 billion**

**Management Fees**  
(For the three months ended July 31, 2019)



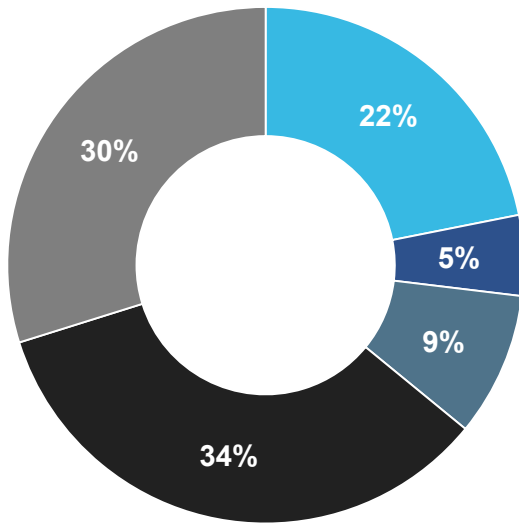
**\$375.7 million**

- Equity
- Fixed Income
- Floating-Rate Income
- Alternative
- Portfolio Implementation
- Exposure Management



## by Investment Vehicle

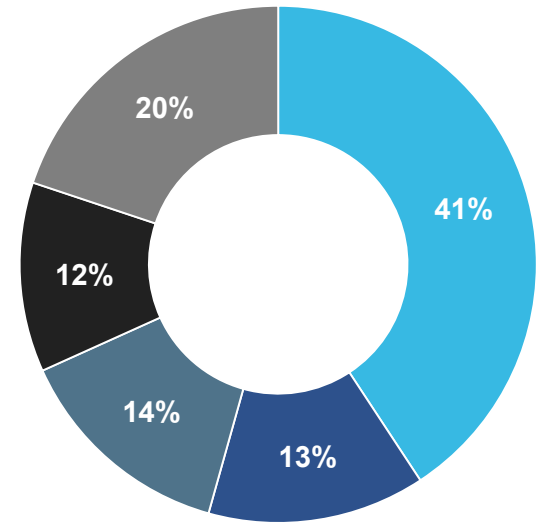
**Ending Assets under Management**  
(As of July 31, 2019)



**\$482.8 billion**

**Management Fees**  
(For the three months ended July 31, 2019)

- Open-End Funds
- Closed-End Funds
- Private Funds
- Institutional Separate Accounts
- Individual Separate Accounts

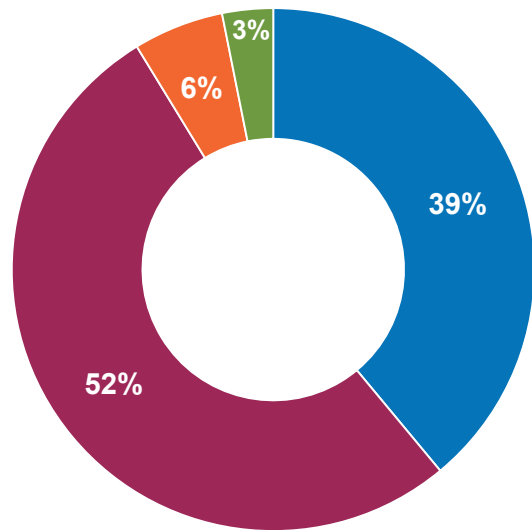


**\$375.7 million**



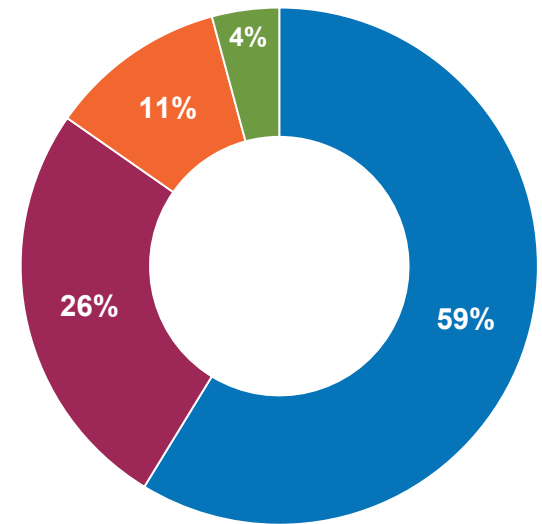
## by Investment Affiliate

**Ending Assets under Management**  
(As of July 31, 2019)



**\$482.8 billion**

**Management Fees**  
(For the three months ended July 31, 2019)



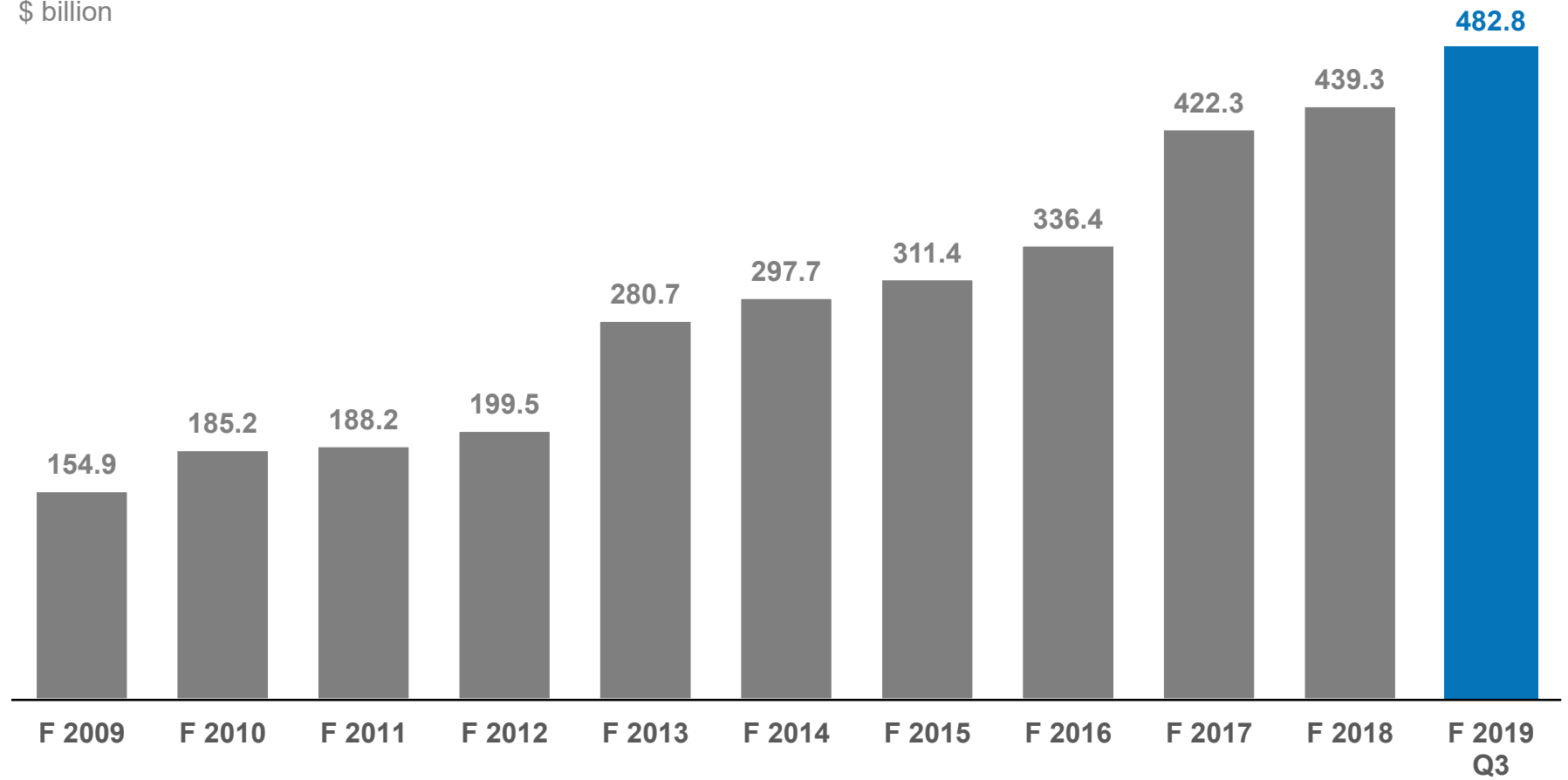
**\$375.7 million**

Eaton Vance Corp. consolidated totals as of and for the period ended July 31, 2019. Does not include the directly managed assets and associated revenue of 49%-owned Hexavest Inc. Managed assets and associated revenue of client portfolios overseen by multiple Eaton Vance affiliates are attributed to the affiliate most responsible for day-to-day management.

## 6 | Consolidated Assets under Management



\$ billion



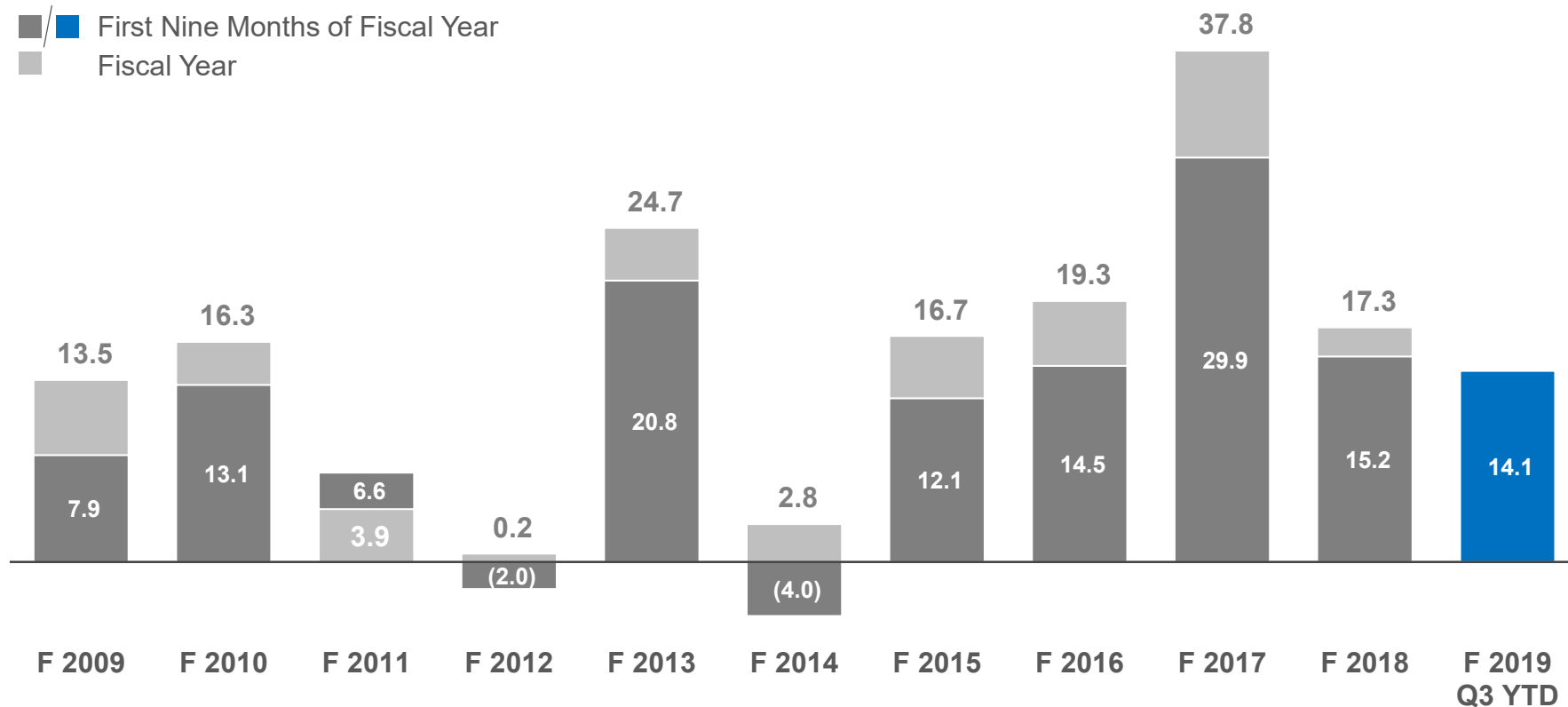
Eaton Vance Corp. consolidated totals as of period end. Does not include the directly managed assets of 49%-owned Hexavest Inc., which were \$13.2 billion as of July 31, 2019.

## 7 | Consolidated Net Inflows



\$ billion

■/■ First Nine Months of Fiscal Year  
 ■ Fiscal Year



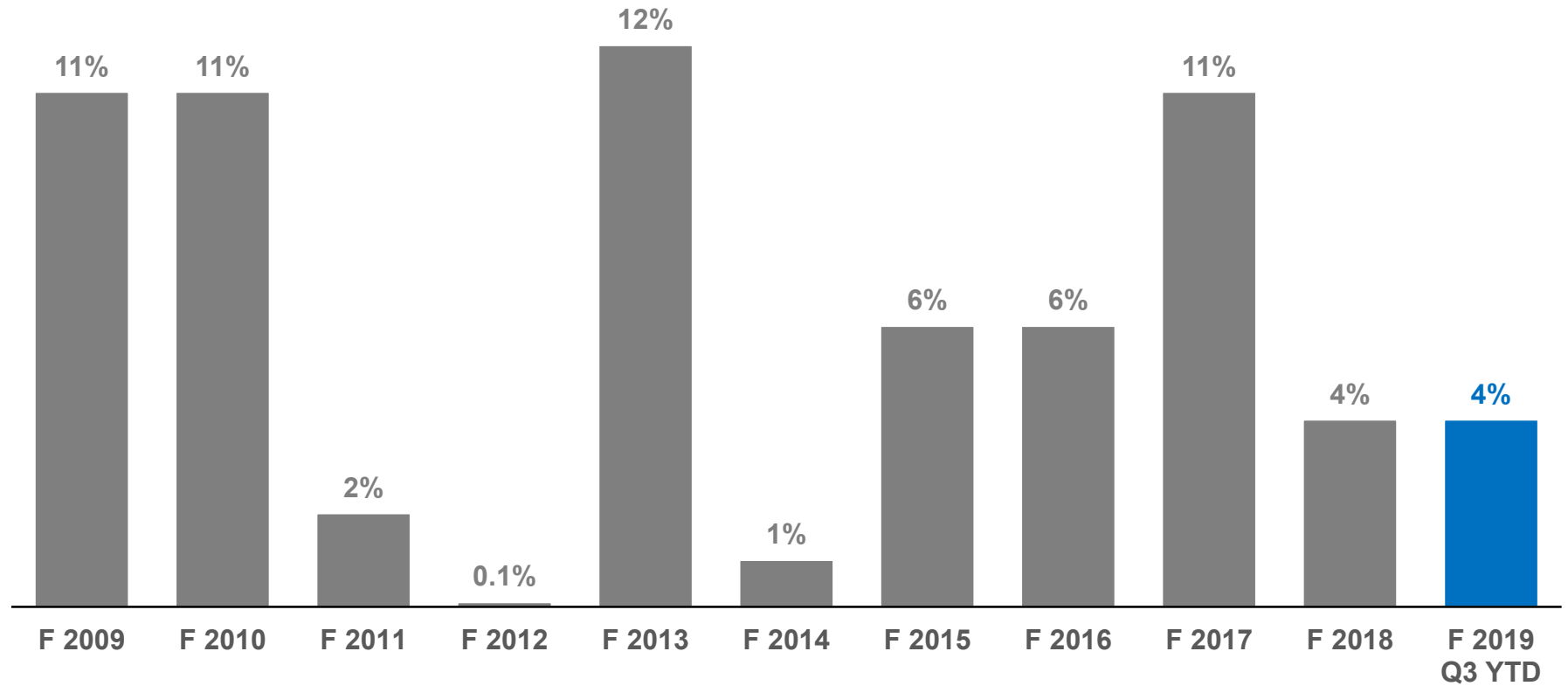
**Hexavest net flows not included above**

(\$ billion):

0.7      2.2      (1.1)      (2.7)      (1.0)      0.1      (2.2)      (1.2)

Does not reflect assets acquired or, except as noted, flows into directly managed assets of 49%-owned Hexavest Inc.

## 8 | Annualized Internal Growth in Consolidated Managed Assets



Consolidated net inflows divided by beginning of period consolidated assets under management. Does not reflect assets acquired or directly managed assets and related flows of 49%-owned Hexavest Inc.

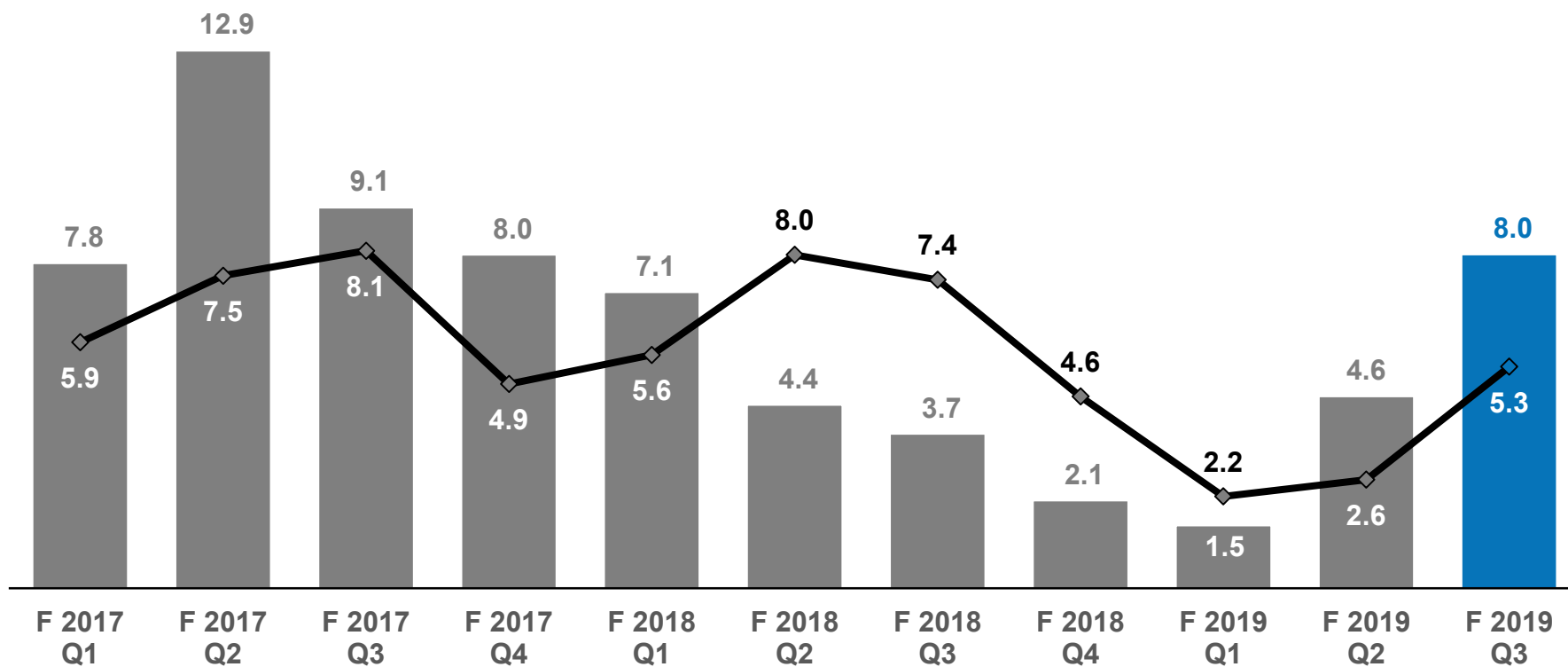


## 9 | Consolidated Net Flows by Quarter



\$ billion

—◆— Excluding exposure management

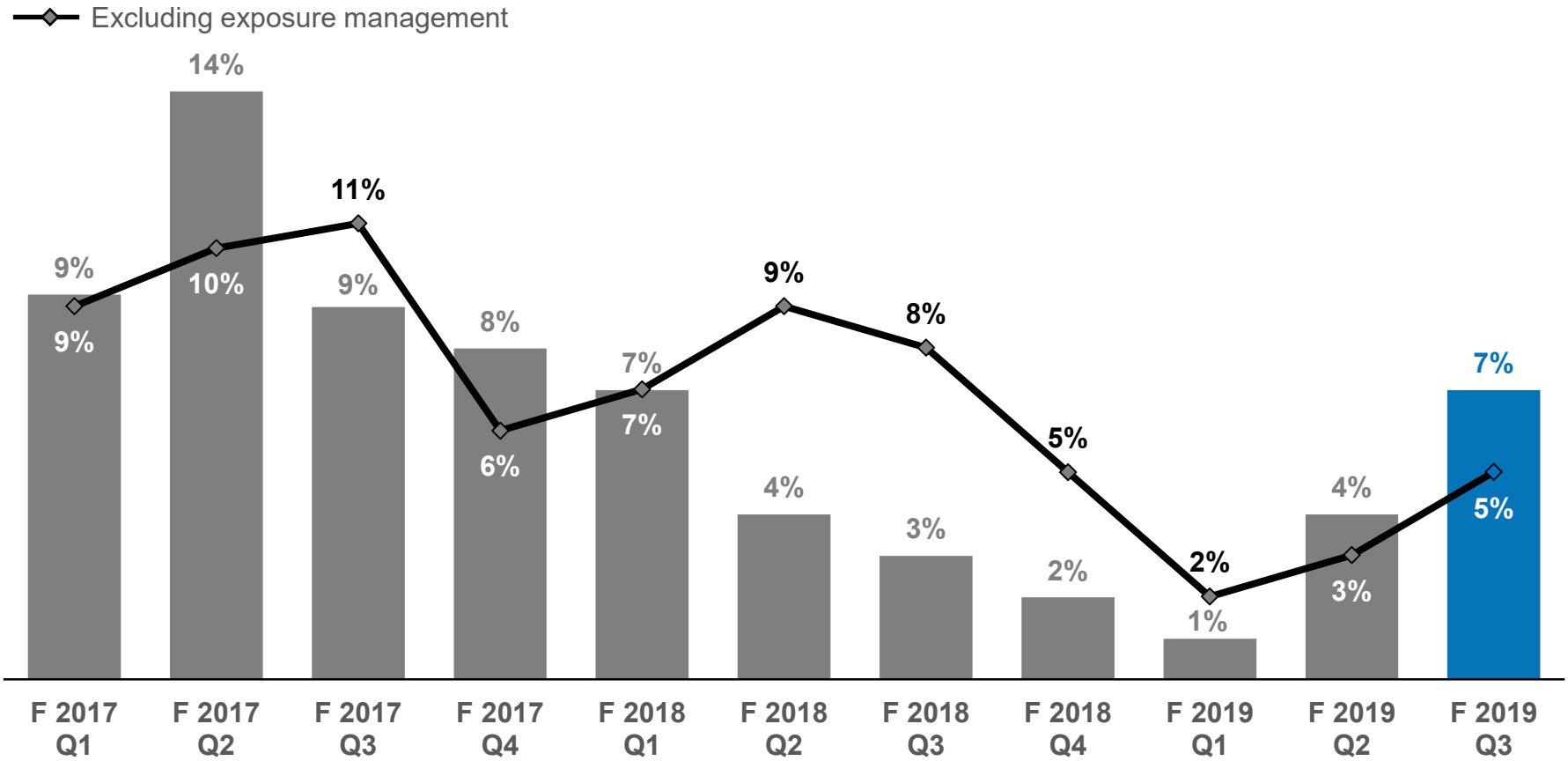


*Hexavest net flows not included above (\$ billion):*

0.02    (0.6)    0.5    0.3    (0.4)    (0.2)    (0.7)    (0.9)    (0.7)    0.2    (0.6)

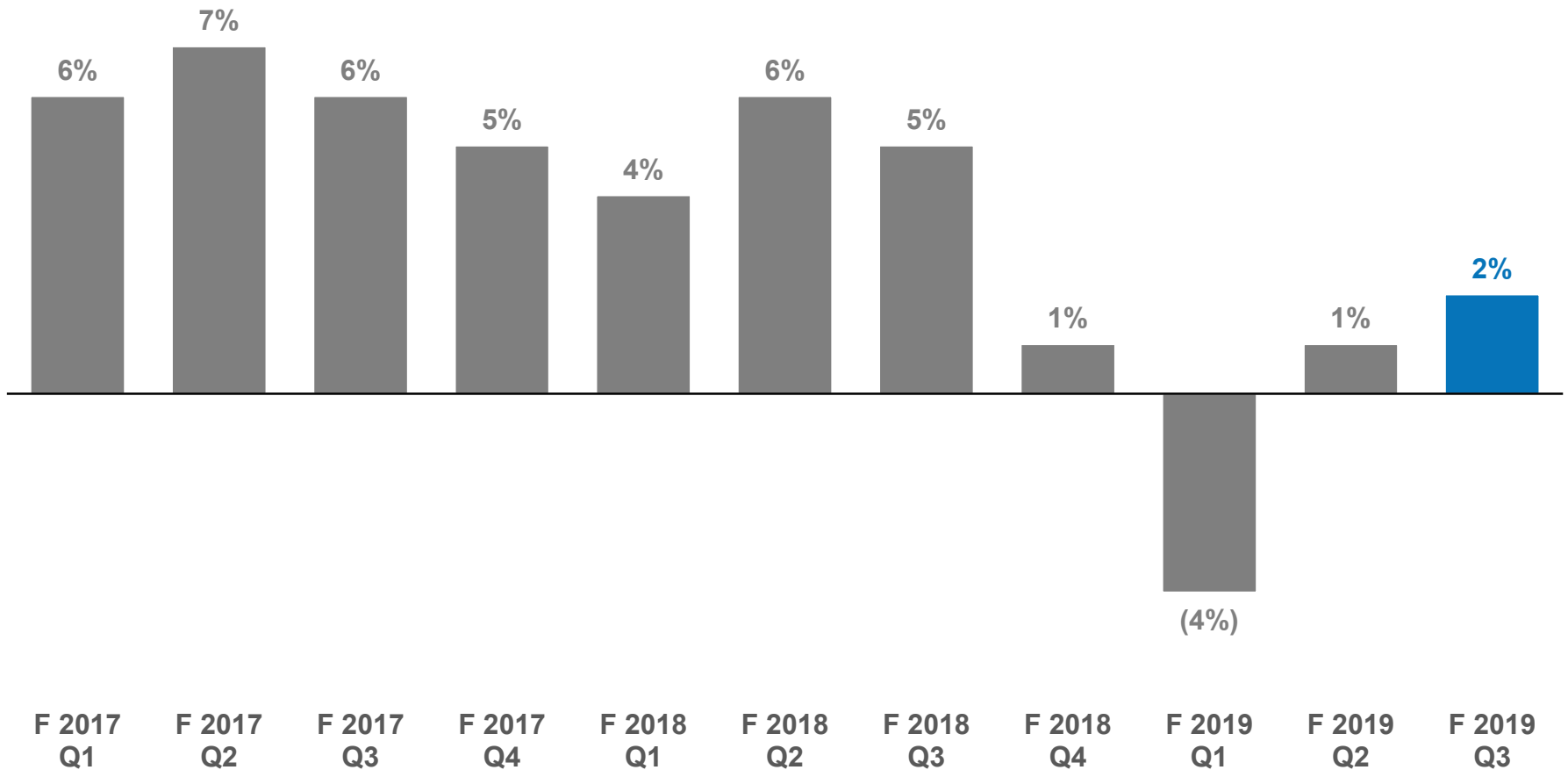
Consolidated quarterly net inflows. Does not reflect assets acquired or, except as noted, flows for directly managed assets of 49%-owned Hexavest Inc.

# 10 | Annualized Internal Growth in Consolidated Managed Assets by Quarter



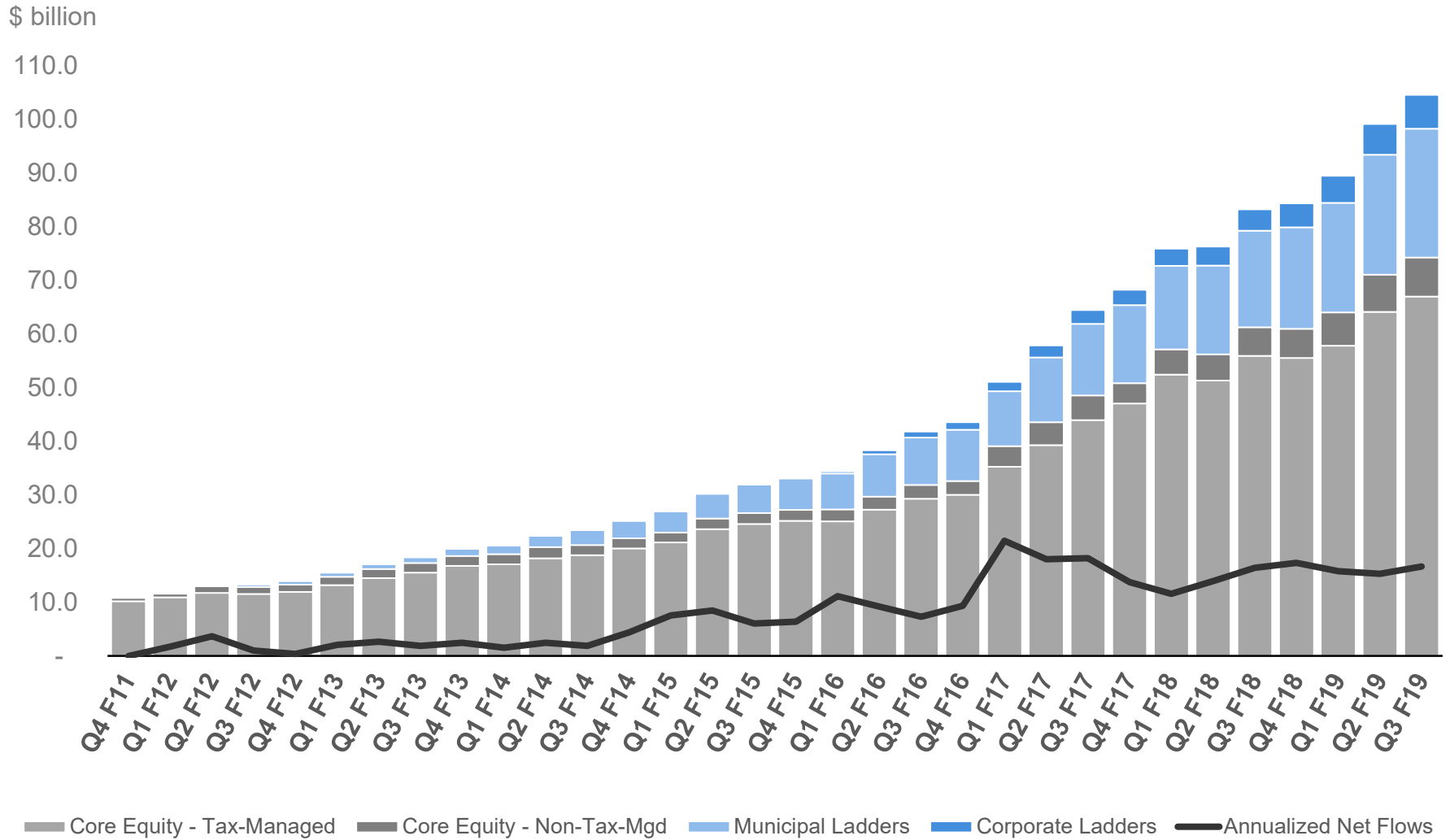
Quarterly consolidated net inflows x 4 divided by beginning of period consolidated assets under management. Does not reflect assets acquired or directly managed assets and related flows of 49%-owned Hexavest Inc.

## 11 | Annualized Internal Growth in Consolidated Management Fees by Quarter



Does not reflect assets acquired or directly managed assets and related flows of 49%-owned Hexavest Inc.

## 12 | Custom Beta Managed Assets and Annualized Net Flows

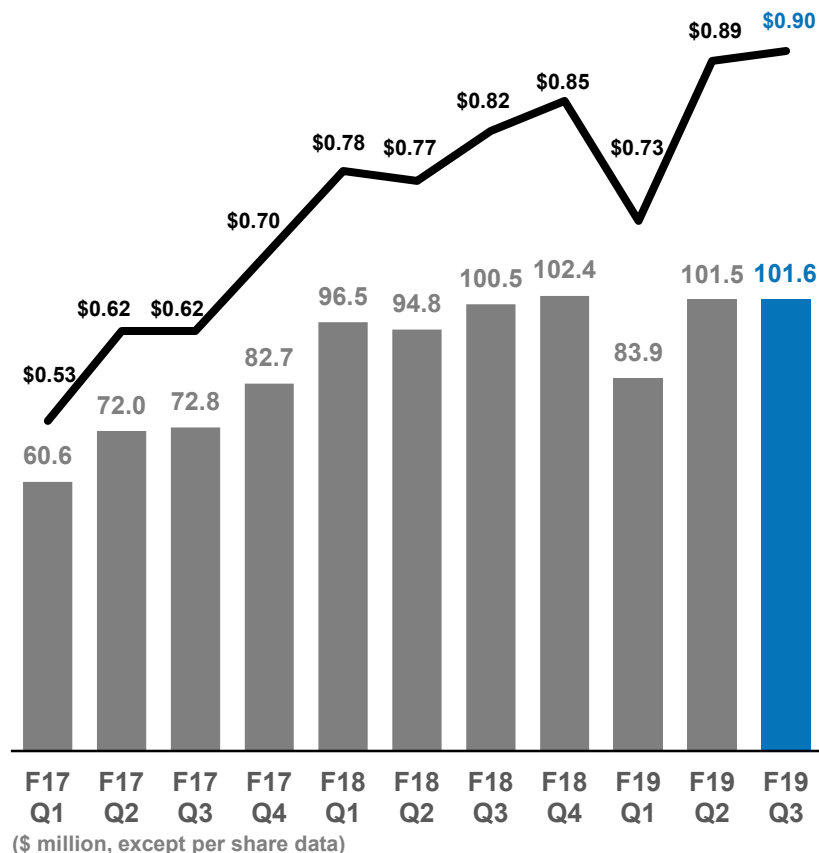


Custom Core equity and laddered bond portfolios offered as individual separate accounts. Managed assets are shown as of fiscal quarter end (bars) and annualized net flows are for the fiscal quarter (line).

# 13 | Quarterly Earnings and Profitability

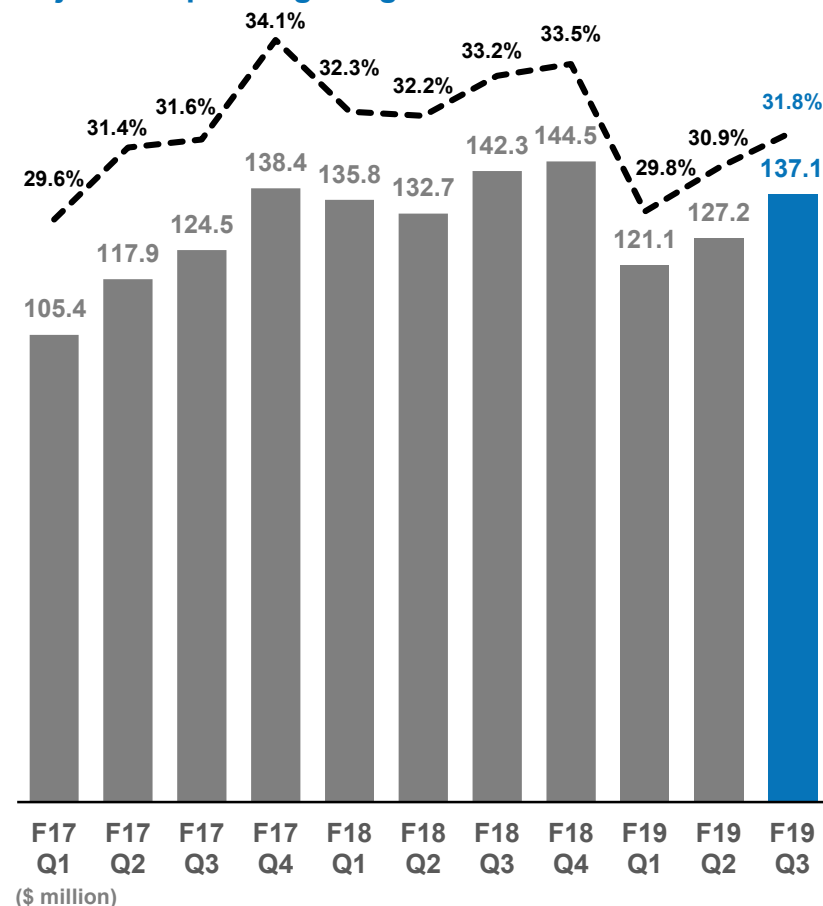


**Adjusted Net Income Attributable to EVC Shareholders and Adjusted Earnings Per Diluted Share**



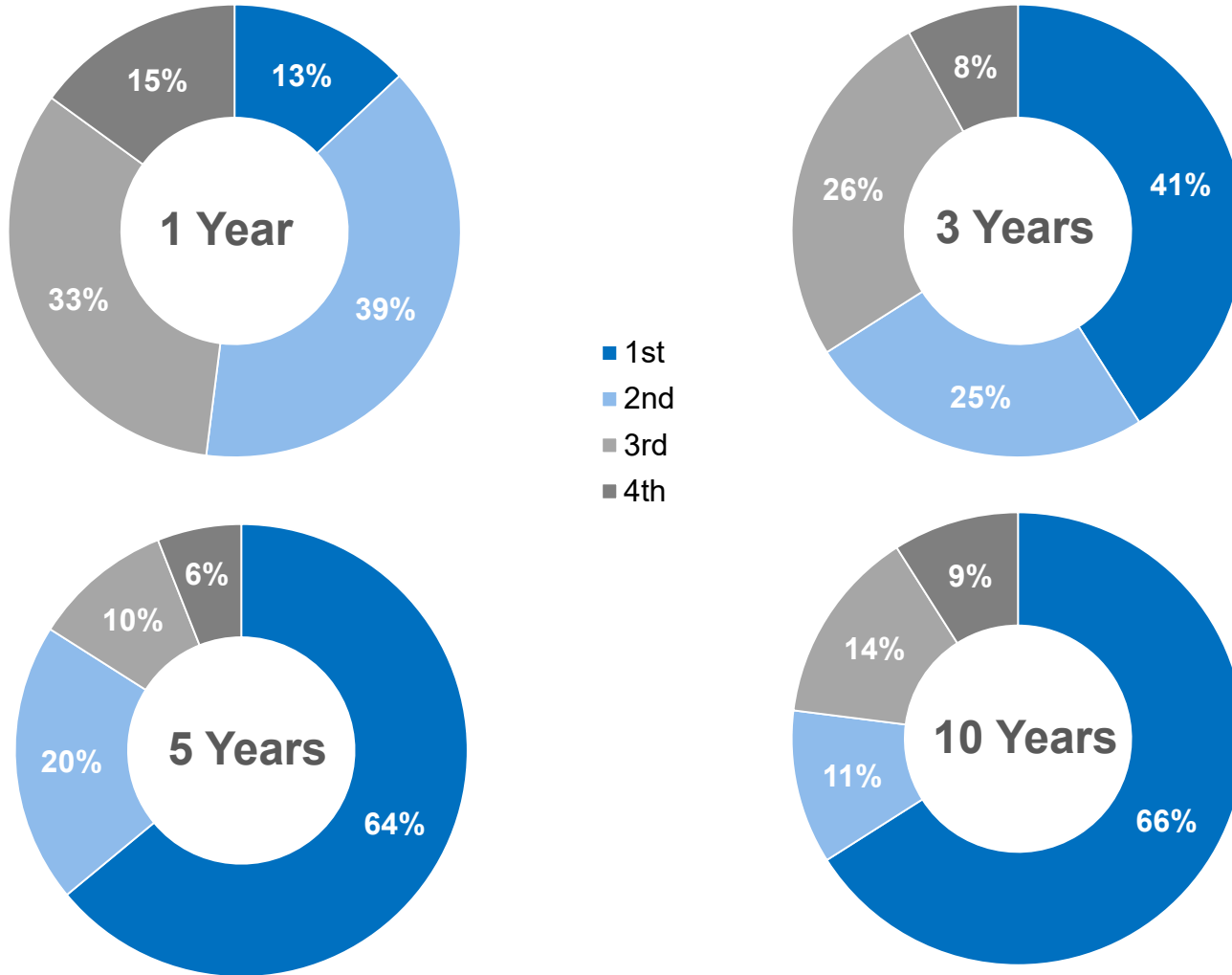
■ Adjusted net income — Adjusted earnings per diluted share

**Adjusted Operating Income and Adjusted Operating Margin**



■ Adjusted operating income - - - Adjusted operating margin

See footnote on slide 2. For further information and reconciliation between GAAP and adjusted results, see previously filed Form 10-Ks, 10-Qs and 8-Ks of Eaton Vance Corp.



Asset-weighted rankings of Calvert, Eaton Vance and Parametric U.S. mutual funds within their respective Morningstar categories as of July 31, 2019 based on total return net of expenses with distributions reinvested. Source: Morningstar, Inc. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, a fund's current performance may be lower or higher than quoted.



**73**  
**Morningstar**  
**Top-Rated**  
**Funds**

Calvert, Eaton Vance and Parametric U.S. mutual funds with one or more share classes (including load-waived A) rated four or five stars as of July 31, 2019. Source: Morningstar, Inc. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, a fund's current performance may be lower or higher than quoted.



Calvert Balanced	<b>EV Atlanta Capital SMID-Cap</b>
Calvert Conservative Allocation	<b>EV Balanced</b>
<b>Calvert Emerging Markets Equity</b>	EV Emerging and Frontier Countries Equity
<b>Calvert Equity</b>	EV Global Income Builder
Calvert Global Water	EV Global Small-Cap Equity
<b>Calvert Growth Allocation</b>	<b>EV Greater China Growth</b>
Calvert International Equity	EV Greater India
Calvert International Responsible Index	EV International Small-Cap
Calvert Mid-Cap	EV Large-Cap Value
Calvert Moderate Allocation	EV Richard Bernstein All-Asset Strategy
<b>Calvert Small-Cap</b>	EV Stock
<b>Calvert US Large-Cap Core Responsible Index</b>	<b>EV Tax-Managed Equity Asset Allocation</b>
Calvert US Large-Cap Value Responsible Index	EV Tax-Managed Value
Calvert US Mid-Cap Core Responsible Index	Parametric Dividend Income
EV Atlanta Capital Focused Growth	<b>Parametric International Equity</b>
EV Atlanta Capital Select Equity	

Calvert, Eaton Vance and Parametric equity and multi-asset U.S. mutual funds with one or more share classes (including load-waived A) rated four or five stars as of July 31, 2019. Funds with one or more share classes rated five stars are in **BOLD**. Source: Morningstar, Inc. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, a fund's current performance may be lower or higher than quoted.





Calvert Bond

Calvert Green Bond

Calvert Short Duration Income

Calvert Ultra-Short Duration Income

**EV Core Plus Bond**

**EV Emerging Markets Debt Opportunities**

**EV Emerging Markets Local Income**

EV Floating-Rate

**EV Floating-Rate Advantage**

**EV Floating-Rate & High Income**

EV Government Opportunities

EV High Income Opportunities

EV Income Fund of Boston

**EV Multi-Asset Credit**

**EV Multisector Income**

**EV Short Duration Government Income**

EV Short Duration Inflation-Protected

EV Short Duration Strategic Income

Parametric Commodity Strategy



Calvert Responsible Municipal Income

EV AMT-Free Municipal Income

EV High-Yield Municipal Income

EV Municipal Opportunities

**EV National Municipal Income**

**EV Short Duration Municipal Opportunities**

EV TABS 1-to-10 Year Laddered Muni Bond

EV TABS Short-Term Municipal Bond

EV Single-State Municipal Income:

AZ, **CA**, CT, **GA**, **MA**, **MD**, **MO**,

NC, **NJ**, NY, **OH**, **OR**, PA, **SC**, VA