



**Media Contact:**

Robyn Tice

617.672.8940

[rtice@eatonvance.com](mailto:rtice@eatonvance.com)

**Investor Contact:**

Eric Senay

617.672.6744

[esenay@eatonvance.com](mailto:esenay@eatonvance.com)

**Eaton Vance Announces Strategic Initiative to Strengthen Leadership Positions  
in Rules-Based, Systematic Investing, Customized Individual Separate Accounts  
and Wealth Management Solutions**

**BOSTON, June 26, 2019** – Eaton Vance Corp. (Eaton Vance (NYSE: EV)) announced today a strategic initiative within its Parametric Portfolio Associates LLC (Parametric) and Eaton Vance Management (EVM) investment affiliates to strengthen the Company's leadership positions in rules-based, systematic investment strategies, customized individual separate accounts and wealth management solutions. The initiative has three principal components:

- rebranding EVM's rules-based, systematic investment-grade fixed income strategies as Parametric and aligning internal reporting consistent with the revised branding;
- combining the technology and operating platforms supporting the individual separately managed account (SMA) businesses of Parametric and EVM; and
- integrating the distribution teams serving Parametric and EVM clients and business partners in the registered investment advisor (RIA) and multi-family office (MFO) market.

The initiative will increase Parametric's capabilities in rules-based investment strategies by adding industry-leading expertise in systematically managed investment-grade municipal, taxable and crossover tax-free/taxable bond strategies. Based on assets under management as of and fee revenue for the fiscal quarter ended April 30, 2019, \$39.8 billion of systematically managed fixed income assets and associated annualized management fee revenue of \$70.1 million will, over a transition period, transfer from EVM to Parametric. On a pro forma basis, Parametric's managed assets will increase to \$285.0 billion and its annualized management fee revenue will grow to \$462.1 million, representing approximately 61% and 31%, respectively, of Eaton Vance's consolidated totals as of and for the fiscal quarter ended April 30, 2019.

Parametric's Custom Core™ benchmark-based separate account offerings will expand to encompass equity and fixed income securities, a diverse range of broad-market and specialty indexes, and customized maturity-based and liability-driven portfolio benchmarks. Customized, benchmark-based separate accounts – sometimes referred to as “custom indexing” – compete against index exchange-traded funds and index mutual funds across a range of applications on the basis of enhanced tax efficiency, increased client control over portfolio construction and management, and the avoidance of pass-through fund operating and trading costs. In fixed income, Parametric separate accounts will also provide the potential benefits of active credit oversight.

On a pro forma basis, Parametric's benchmark-based separate accounts offered to individual investors had managed assets of \$99.1 billion as of April 30, 2019, with market-leading positions in equity index-based strategies, municipal bond ladders and corporate bond ladders. Industry observers have identified customized, benchmark-based separate accounts – across equities, fixed income and multi-asset strategies – as one of the most promising trends in investment management.

The strategic initiative being announced today will be implemented over the balance of 2019 and early 2020. Eaton Vance does not expect the initiative to result in reduced headcount. Investments to support the Company's growing individual SMA business and expanded distribution in the RIA/MFO channel are expected to be offset by increased revenue growth and cost savings resulting from greater operating efficiencies.

“This initiative recognizes the extraordinary opportunity available for Eaton Vance to build on our leading positions in rules-based investing, individual separate accounts and specialty wealth management solutions,” said Thomas E. Faust Jr., Chairman and Chief Executive Officer of Eaton Vance. “By simplifying our brand architecture, strengthening our SMA operating infrastructure and expanding our distribution reach into the RIA and multi-family office marketplace, we expect to drive accelerated business growth for years to come.”

“Parametric is thrilled to add EVM's rules-based fixed income strategies to our systematic investment capabilities,” said Brian D. Langstraat, Chief Executive Officer of Parametric. “By combining these complementary strategies under the same branding and leadership, we expect to quicken the pace of innovation and further enhance the client service experience we provide.”

## **Rules-Based, Systematic Investment-Grade Fixed Income Strategies**

Under the strategic initiative, EVM's Tax Advantaged Bond Strategies (TABS) division and the Quantitative Strategies (QS) group within EVM Investment-Grade Fixed Income (IGFI) will affiliate with Parametric and the rules-based, systematic investment strategies they manage will be offered under the Parametric brand. James H. Evans, longtime Director of EVM's TABS division, will join Parametric as Chief Investment Officer, Fixed Income, reporting to Mr. Langstraat. Thomas H. Luster, Director of EVM's QS group, will join Parametric in the same role, reporting to Mr. Evans. EVM's municipal and IGFI research teams will continue to provide credit research support to the TABS and QS strategies.

As of April 30, 2019, the TABS division managed assets of \$33.9 billion invested in rules-based, systematic investment-grade municipal and crossover tax-free/taxable bond strategies on behalf of individual and institutional separate account clients and fund investors. Based in New York, the TABS division is successor to a business acquired by Eaton Vance from M.D. Sass in 2008. Assets under management include \$23.1 billion of rules-based laddered municipal bond strategies and \$10.8 billion of systematically managed tax-advantaged bond strategies incorporating yield curve-positioning, crossover and/or relative-value trading.

As of April 30, 2019, the QS group managed \$5.9 billion of assets invested in rules-based, systematic investment-grade taxable fixed income strategies, serving individual and institutional clients and fund investors. Based in Boston, the QS group invests across a range of investment-grade taxable fixed income securities, including corporate bonds, U.S. Treasury and agency obligations, and preferred stocks.

## **Individual Separately Managed Accounts Technology and Operating Platform**

As a component of the strategic initiative, Eaton Vance is establishing a single technology and operating platform to support the individual SMA businesses of Parametric and EVM. By combining the Parametric and EVM individual SMA platforms, the Company seeks to ensure consistency of service excellence, realize operating efficiencies and accommodate the much-expanded individual SMA business the Company anticipates developing.

According to a recent report from the Money Management Institute and Cerulli Associates, Eaton Vance's investment affiliates currently rank as the largest manager of individual SMAs in the U.S. as measured by client assets under management, with total managed assets of \$113.4 billion as of December 31, 2018. With an active client roster of more than 80,000 accounts, Eaton Vance believes that its affiliates also lead the U.S. investment industry in the number of directly managed individual separate accounts.

As of April 30, 2019, the Company's \$138.5 billion of individual separate account assets under management included \$126.2 billion of individual SMAs directly managed by Parametric and EVM, which will be combined into the new technology and operating platform. The new platform will be staffed by a consolidated team of information technology and SMA operations specialists drawn from Parametric and EVM. The technology and operating platforms supporting EVM's funds and institutional separate account businesses, Eaton Vance's Atlanta Capital affiliate and the Eaton Vance Investment Counsel wealth management business will remain separate from the newly combined individual SMA platform.

### **Distribution to Registered Investment Advisors and Multi-Family Offices**

In the strategic initiative, Eaton Vance will integrate the Company's distribution teams serving the RIA/MFO market into a single combined sales and service organization, empowering its registered representatives and wealth management specialists to draw from the entire range of the Company's investment strategies and solutions to best serve clients and business partners in this growing channel. By adopting an integrated coverage model for the RIA/MFO market, the Company seeks to further its position as a market leader in partnering with clients and advisors to address some of the greatest challenges faced by high-net-worth investors – delivering returns, managing risks, maximizing portfolio efficiency, minimizing investment taxes, addressing portfolio concentrations, securing lifetime income, transferring wealth across generations, achieving philanthropic goals and aligning portfolio holdings with clients' goal and values.

The new Parametric Eaton Vance Wealth Management Strategies (WMS) group will combine Parametric's Wealth Management distribution team with the Advisor Services Group (ASG) of Eaton Vance Distributors, Inc. (EVD). The WMS group will be led by James Barrett, Managing Director and Head of Client Development at Parametric, reporting to Matthew Witkos, President of EVD. John Simchuk and David Michaud, current national sales directors of Parametric Wealth Management and ASG, respectively, will serve as co-national sales managers of the WMS group. EVM and Parametric will continue to maintain separate sales and service organizations addressing the U.S. institutional market.

"Our broad lineup of wealth management strategies and services positions Eaton Vance and Parametric uniquely to serve RIAs, multi-family offices and their clients," said Mr. Witkos. "By offering the full range of the firm's capabilities on an integrated basis across distribution channels, we further distinguish ourselves as the leading solutions provider for high-net-worth investors, a coveted market position."

**Conference Call Information:** Eaton Vance will host a conference call and webcast at 11:00 AM eastern time on Thursday, June 27, 2019 to discuss this announcement. To participate in the conference call, please dial 866-521-4909 (domestic) or 647-427-2311 (international) and refer to

“Eaton Vance Conference Call.” A webcast of the conference call can also be accessed via Eaton Vance’s website, [eatonvance.com](http://eatonvance.com). A replay of the call will be available for one week on Eaton Vance’s website, [eatonvance.com](http://eatonvance.com), under Investor Relations.

**About Eaton Vance:** Eaton Vance provides advanced investment strategies and wealth management solutions to forward-thinking investors around the world. Through principal investment affiliates EVM, Parametric, Atlanta Capital, Hexavest and Calvert Research and Management, the Company offers a diversity of investment approaches, encompassing bottom-up and top-down fundamental active management, responsible investing, systematic investing and customized implementation of client-specified portfolio exposures. As of April 30, 2019, Eaton Vance had consolidated assets under management of \$469.9 billion. Exemplary service, timely innovation and attractive returns across market cycles have been hallmarks of Eaton Vance since 1924. For more information, visit [eatonvance.com](http://eatonvance.com).

**About Parametric:** Parametric uses investment science to build and manage systematic investment strategies and to implement custom portfolio solutions providing clients with targeted investment exposures with control of costs and taxes. Based on principles of intellectual rigor, ingenuity and transparency, Parametric seeks to deliver repeatable client outcomes with consistently high levels of service and maximum efficiency. Headquartered in Seattle, Parametric also has offices in Minneapolis, Westport, Connecticut, Boston, and Sydney, Australia. For more information, visit [parametricportfolio.com](http://parametricportfolio.com).

**About EVM:** EVM applies fundamental research to the active management of equity, taxable and municipal fixed income, floating-rate income, alternative and multi-asset portfolios. Pro forma for today’s announced changes, as of April 30, 2019 EVM managed \$144.8 billion of client assets held in funds and institutional and individual separate accounts. Headquartered in Boston, EVM also maintains investment offices in New York, London, Tokyo and Singapore. For more information, visit [eatonvance.com](http://eatonvance.com).

**Forward-Looking Statements.** This news release may contain statements that are not historical facts, referred to as “forward-looking statements.” The Company’s actual future results may differ significantly from those stated in any forward-looking statements, depending on factors such as changes in securities or financial markets or general economic conditions, client sales and redemption activity, the continuation of investment advisory, administration, distribution and service contracts, and other risks discussed in the Company’s filings with the Securities and Exchange Commission.